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 2014

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I. INDEPENDENT AUDITOR'S REPORT

SOL CERTIFIED PUBLIC ACCOUNTANTS Crowe Horwath

Experience ● Knowledge ● Reliability

INDEPENDENT AUDITOR'S REPORT

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

<u>Report on the Separate and Consolidated Financial Statements</u>

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 2014, 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 2014, 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.

<u>Reference to Other Legal and Regulatory Requirements</u>

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 2015

VASILIOS PAPAGEORGAKOPOULOS
Institute of CPA (SOEL) Reg. No. 11681
Associated Certified Public Accountants s.a.
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II. ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2014

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

The problems of the Greek Economy continued in 2014 as well. The political uncertainty in conjunction with the continuous tax changes, resulted into the creation of an economic environment which was characterized by lack of liquidity and prevented investors from implementing investments in significant sectors of the economy.

The essential restart in the construction of major motorway projects in which our Group participates, contributed directly to the broader economy due to the substantial domestic added value, the increase of employment with the generation of tens of thousands jobs (salaries – pension contributions) and the provision of direct liquidity to the market. However all the above were not sufficient to change the investment climate.

In this framework, TERNA Group continued in a cautious way its course in the construction sector and in the investment for the growth of the area of industrial production of magnesite, since the Group's capital structure and cash flows remained satisfactory.

Our Group, despite the current difficulties, continues to be present in countries outside Greece, since a significant part of turnover is generated in the markets of Southeast Europe and Middle East.

The most important financial figures of 2014 according to the International Financial Reporting Standards are as follows:

Revenue from third parties, from continuing activities, reached EUR 759 million approximately versus EUR 452 million in 2013, posting a significant increase.

Revenue, which amounted to EUR 759 million was attributed by 77.09% to activities in Greece, by 10.11% to activities in Balkan countries and by 12.80% to activities in the Middle East.

The backlog of signed construction contracts on 31.12.2014 amounts to about EUR 3,160 million versus EUR 3,780 million at the end of 2013. It is noted that 8.5% (versus 7.5% at the end of the previous year) of the backlog concerns projects executed abroad. It is noted that the above figure does not include projects undertaken in Libya of a total budget of EUR 87 million.

Operating profit before interest, taxes, depreciation and amortization (EBITDA) settled at EUR 33.15 million versus EUR 26.7 million in the previous year, posting an increase of 25%. At the same time, earnings before interest and tax (EBIT) settled at EUR 2.58 million versus EUR 7.47 million the previous year.

The financial year 2014 resulted into losses before taxes amounting to EUR minus 44.78 million, versus losses before tax of EUR 20.18 million for financial year 2013.

Results after taxes and minority rights amounted to losses of EUR minus 43.2 million, versus losses of EUR 33.2 million in the previous financial year due to the increased provisions for receivables impairment.

Net Debt of TERNA Group (cash and cash equivalents less bank debt) settled on 31.12.2014 at approximately minus EUR 20.5 million compared to minus EUR 121 million of Net Debt Position on 31.12.2013.

The Group's equity amounts to EUR 82.32 million, compared to EUR 138.9 million on 31.12.2013.

The Total Assets of the Group amounts to EUR 972 million (EUR 928 million on 31.12.2013).

TERNA's Board of Directors taking into consideration the increased cash flow needs of its shareholder proposes the distribution of dividend amounting to €10million.

B. Important Events for the Year 2014

The important events of 2014 are presented below:

The Group signed new contracts for construction projects and expansions to already signed ones with third parties, amounting in total to approximately EUR 140 million.

Within the year 2014 the essential restart of works for the following projects occurred:

a) "Research, Construction, Financing, Operation, Maintenance and Exploitation of the motorway of Central Greece"
b) "Research, Construction, Financing, Operation, Maintenance and Exploitation of the motorway of the Ionian Road from Antirion to Ioannina, PATHE Athens (M/W Metamorfosis)-Maliakos (Skarfeia) and connection segment of PATHE Shimatari-Chalkida" and
c) "Research, Construction, Financing, Operation, Maintenance and Exploitation of the motorway of Elefsina-Korinthos-Patra-Pyrgos-Tsakona"

The escalation of ongoing civil war in Libya forced the Group to withdraw from the country even with

C. Significant Events after the end of the financial year 2014

No such events existed.

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 mainly due to the geographical diversity of the Group's activities.

Dear Shareholders,

2014 was a year during which the Group continued its stable trend. This development in conjunction with the re-initiation of construction works of the concession projects and with the Group's established position in the markets of Balkans and Middle East, signals the improvement of the financial performance and the outlook of the Group in the following 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 2015
On behalf of the Board of Directors,

Georgios Peristeris
Chief Executive Officer

III. ANNUAL FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 31 DECEMBER 2014 (1 January - 31 December 2014)

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 2015 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).

STATEMENT OF FINANCIAL POSITION

TERNA GROUP

31st DECEMBER 2014

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

	Note	GROUP		COMPANY	
		31 December 2014	31 December 2013 (*)	31 December 2014	31 December 2013 (*)
ASSETS					
Non-current assets					
Tangible fixed assets	6	113,279	79,756	86,813	64,317
Intangible fixed assets	7	65,015	77,674	5,109	4,697
Goodwill		9,759	9,759	0	0
Investment property		2,220	2,220	1,596	1,596
Participations in subsidiaries	4, 8	0	0	140,307	97,974
Participations in associates		0	0	0	0
Participations in jointly controlled entities	4, 9	37,466	36,341	34,480	34,480
Investments available for sale	10	15,159	8,926	6,481	6,087
Other long-term assets	11	30,136	22,166	32,717	15,920
Deferred tax assets	23	17,037	19,265	22,655	27,974
Total non-current assets		**290,071**	**256,107**	**330,158**	**253,045**
Current assets					
Inventories	12	17,869	23,892	8,626	8,358
Trade receivables	13	184,789	203,247	168,843	189,222
Receivables from construction contracts	14	171,748	137,203	156,710	115,032
Advances and other receivables	13	118,513	129,415	77,104	108,520
Income tax receivables		12,004	26,533	9,354	25,714
Investments available for sale	10	584	9,182	584	9,182
Cash and cash equivalents	15	176,278	142,209	106,140	106,105
Total current assets		**681,785**	**671,681**	**527,361**	**562,133**
TOTAL ASSETS		**971,856**	**927,788**	**857,519**	**815,178**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	16	40,010	40,010	40,010	40,010
Share premium account		35,922	35,922	35,922	35,922
Reserves	16	35,860	44,173	42,566	46,163
Retained earnings		(48,632)	(3,802)	26,949	11,160
Total		**63,160**	**116,303**	**145,447**	**133,255**
Non-controlling interests		19,161	22,605	0	0
Total equity		**82,321**	**138,908**	**145,447**	**133,255**

Non-current liabilities					
Long-term loans	18	60,569	118,981	59,711	118,981
Loans from finance leases	18	24,167	6,674	23,008	6,674
Other long-term liabilities	17	167,114	131,012	149,831	146,638
Provisions for staff leaving indemnities	19	6,342	4,879	3,833	2,729
Other provisions	20	15,081	2,881	1,881	2,881
Grants	21	15,026	0	0	0
Deferred tax liabilities	23	3,364	29,833	4,666	23,970
Total non-current liabilities		**291,663**	**294,260**	**242,930**	**301,873**
Current liabilities					
Suppliers	22	197,700	150,181	168,245	136,198
Short term loans	23	49,761	104,873	22,568	87,804
Long term liabilities payable during the next financial year	18	62,243	32,761	62,006	32,761
Liabilities from construction contracts	14	76,417	29,531	64,445	29,531
Accrued and other short term liabilities	22	206,337	175,304	146,933	93,510
Income tax payable		5,414	1,970	4,945	246
Total current liabilities		**597,872**	**494,620**	**469,142**	**380,050**
Total liabilities		**889,535**	**788,880**	**712,072**	**681,923**
TOTAL EQUITY AND LIABILITIES		**971,856**	**927,788**	**857,519**	**815,178**

(*) The financial accounts of 31/12/2013 on Group and Company level are restated in accordance with the provisions of IFRS 11 (see note 32)

The accompanying notes constitute an integral part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME

TERNA GROUP
31st December 2014

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

		GROUP		COMPANY	
Profit and Loss	**Note**	**1.1 – 31.12 2014**	**1.1 – 31.12 2013 (*)**	**1.1 – 31.12 2014**	**1.1 – 31.12 2013 (*)**
Continued operations					
Revenues	25	758,974	452,018	718,499	428,424
Cost of sales	26	(746,451)	(441,580)	(674,630)	(404,053)
Gross profit		**12,523**	**10,438**	**43,869**	**24,371**
Administrative expenses	26	(17,958)	(14,288)	(16,133)	(12,741)
Research and development expenses	26	(148)	(99)	(96)	(82)
Other income/(expenses)	29	(25,434)	270	16,351	7,529
Net financial income/(expenses)	30	(14,875)	(19,676)	(14,728)	(19,687)
Earnings / (Losses) from valuation of joint ventures with the equity method	9	1,112	3,177	0	0
NET EARNINGS BEFORE TAX		**(44,780)**	**(20,178)**	**29,263**	**(610)**
Income tax expense	24	(3,249)	(13,285)	(11,953)	(4,793)
Net Earnings/(losses) from continued operations		**(48,029)**	**(33,463)**	**17,310**	**(5,403)**
Discontinued operations					
NET EARNINGS / (LOSSES) from discontinued operations		0	0	0	0
NET EARNINGS / (LOSSES)		**(48,029)**	**(33,463)**	**17,310**	**(5,403)**
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	10	(2,575)	(6,681)	(2,575)	(1,831)
Translation differences from incorporation of foreign entities		(5,542)	1,374	(740)	508
Share capital increase expenses		0	(33)	0	0
Other comprehensive income		(2,315)	0	(2,315)	0
Tax corresponding to the above results	24	910	472	886	(119)
		(9,522)	**(4,868)**	**(2,429)**	**(1,442)**
b) Other Comprehensive Income non-transferred to Results of the Year in following periods					
Actuarial gains/losses from defined benefit plans	19	(382)	468	(374)	470
Share in the Other Comprehensive Results of joint ventures		13	(8)	0	0
Net Other Comprehensive Income		**(9,891)**	**(4,408)**	**(5,118)**	**(972)**
TOTAL COMPREHENSIVE INCOME		**(57,920)**	**(37,871)**	**12,192**	**(6,375)**

Net earnings/(losses) attributed to:			
Owners of the parent from continued operations	16	(43,214)	(33,193)
Owners of the parent from discontinued operations		0	0
Non-controlling interests from continued operations		(4,815)	(270)
		(48,029)	**(33,463)**

Total comprehensive results attributed to:			
Owners of the parent from continued operations		(53,143)	(37,585)
Owners of the parent from discontinued operations		0	0
Non-controlling interests from continued operations		(4,777)	(286)
		(57,920)	**(37,871)**
Earnings/(losses) per share (in Euro):			
From continued operations attributed to owners of the parent	16	(108,0055)	(82,9618)
From discontinued operations attributed to owners of the parent		0	0
Weighted average number of shares:			
Basic	16	400,100	400,100

(*) The financial accounts of 31/12/2013 on Group and Company level are restated in accordance with the provisions of IFRS 11 (see note 32)

The accompanying notes constitute an integral part of the financial statements

STATEMENT OF CASH FLOWS

TERNA GROUP

31st December 2014

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

		GROUP		COMPANY	
	Note	**1.1 – 31.12 2014**	**1.1 – 31.12 2013 (*)**	**1.1 – 31.12 2014**	**1.1 – 31.12 2013 (*)**
Cash flows from operating activities					
Profit before tax from continued operations		(44,780)	(20,178)	29,263	(610)
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	6, 7	30,577	19,247	14,113	11,052
Impairments	6,25,28	21,455	41,614	7,926	11,942
Provisions		13,052	1,727	1,401	1,021
Interest and related revenue	30	(3,324)	(5,120)	(3,042)	(4,559)
Interest and other financial expenses	30	19,305	24,796	17,770	24,246
Results from associates and joint ventures		(1,112)	(3,177)	0	0
Results from withdrawal of associate		0	0	0	0
Results from participations and securities	29	(2,004)	(38,821)	(9,615)	(14,515)
Results from fixed assets and investment property		128	468	(91)	223
Foreign exchange differences		(8,611)	4,767	(3,581)	2,932
Operating profit before changes in working capital		**24,686**	**25,323**	**54,144**	**31,732**
(Increase)/Decrease in:					
Inventories		(4,905)	(1,899)	(260)	(369)
Trade receivables		38,544	42,526	13,317	134,665
Prepayments and other short term receivables		2,818	(33,213)	21,187	(41,803)
Increase/(Decrease) in:					
Suppliers		59,519	(3,422)	38,277	(56,520)
Accruals and other short term liabilities		74,656	4,169	45,536	(6,532)
Collection of grants		4,586	0	0	0
Other long-term receivables and liabilities		(19,041)	(8,436)	9,405	2,432
Income tax payments		(8,436)	(5,956)	(4,028)	(5,716)
Net cash flows from operating activities		**172,427**	**19,092**	**177,578**	**57,889**
Cash flows from investing activities					
Additions of fixed assets		(25,522)	(4,536)	(11,452)	(3,021)
Sales of fixed assets		1,109	425	1,106	237
Interest and related income received		4,699	7,311	4,535	7,048
(Purchases) / sales of participations and securities		(354)	(30,891)	(42,687)	(41,246)
Granted loans		(13,244)	37,038	(16,234)	32,038
Cash due to the increase of participation in joint entities in which control was acquired (subsidiaries)		0	45,215	0	(10,660)
Net cash flows for investing activities		**(33,312)**	**54,562**	**(64,732)**	**(15,604)**

Cash flows from financing activities					
Share capital increase		0	0	0	0
Net change of short-term loans		(35,840)	56,436	(44,457)	55,929
Net change of long-term loans		(48,795)	(36,853)	(49,583)	(35,433)
Payments of loans from financial leases	17	(9,340)	(10,055)	(9,207)	(10,055)
Dividends paid		0	0	0	0
Change in investments available for sale		5,991	(10,829)	5,991	(10,829)
Interest paid		(18,075)	(23,354)	(16,241)	(22,368)
Net cash flows for financing activities		**(106,059)**	**(24,655)**	**(113,497)**	**(22,756)**
Effect of foreign exchange differences in cash		1,013	(280)	685	(194)
Net increase /(decrease) of cash and cash equivalents		**34,069**	**48,719**	**35**	**19,335**
Cash and cash equivalents at the beginning of the year		142,209	93,490	106,105	86,770
Cash and cash equivalents at the end of the year		**176,278**	**142,209**	**106,140**	**106,105**

(*) The financial accounts of 31/12/2013 on Group and Company level are restated in accordance with the provisions of IFRS 11 (see note 32)

The accompanying notes constitute an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

TERNA S.A.
31st December 2014
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Retained earnings	Total
1st January 2014	**40,010**	**35,922**	**46,163**	**11,160**	**133,255**
Total comprehensive income for the year	0	0	(5,118)	17,310	**12,192**
Share capital increase	0	0	0	0	**0**
Dividends	0	0	0	0	**0**
Formation/(Distribution) of reserves	0	0	1,521	(1,521)	**0**
31st December 2014	**40,010**	**35,922**	**42,566**	**26,949**	**145,447**

	Share Capital	Share Premium	Reserves	Retained earnings	Total
1st January 2013 (*)	**28,910**	**35,922**	**47,309**	**18,727**	**130,868**
Total comprehensive income for the year	0	0	(972)	(5,403)	**(6,375)**
Share capital increase	0	0	0	0	**0**
Absorption of company	11,100	0	(174)	2,184	**13,110**
Termination of consolidation of joint entities in which control was acquired (subsidiaries)	0	0	0	(4,348)	**(4,348)**
Dividends	0	0	0	0	**0**
Formation/(Distribution) of reserves	0	0	0	0	**0**
31st December 2013 (*)	**40,010**	**35,922**	**46,163**	**11,160**	**133,255**

STATEMENT OF CHANGES IN EQUITY

TERNA GROUP

31st December 2014

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

	Share Capital	Share Premium	Reserves	Retained earnings	Subtotal	Non-controlling interest	Total
1st January 2014	**40,010**	**35,922**	**44,173**	**(3,802)**	**116,303**	**22,605**	**138,908**
Total comprehensive results for the period	0	0	(9,930)	(43,213)	**(53,143)**	(4,777)	**(57,920)**
Change of percentage stake in subsidiary	0	0	0	0	**0**	1,333	**1,333**
Formation/(Distribution) of reserves	0	0	1,617	(1,617)	**0**	0	**0**
31st December 2014	**40,010**	**35,922**	**35,860**	**(48,632)**	**63,160**	**19,161**	**82,321**
1st January 2013 (*)	**28,910**	**35,922**	**48,510**	**4,198**	**117,540**	**15,648**	**133,188**
Total results for the year	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**

(*) The financial accounts of 31/12/2013 on Group and Company level are restated in accordance with the provisions of IFRS 11 (see note 32)

The accompanying notes constitute an integral part of the financial statements

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 the Company’s participation in TERNA MAG S.A. the Group activates in the mining and processing of magnesite based on the relevant license and mining concession agreements it has been granted. In anticipation of a strong demand for caustic magnesite in the following years, the subsidiary of the Group initiated an investment plan of 100 million Euro in its privately owned facilities in Mandoudi, North Evia, with the objective to expand its production capacity. The investment plan will be completed within 2017.

Furthermore, the Group, via HERON II VIOTIA, continues its activities in the production of electric energy from thermal sources.

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, derivative financial instruments 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 interim condensed 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 adopted by the European Union.

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, 2013, except for the adoption of certain standards’ amendments, whose application is mandatory in the European Union for periods beginning on 1 January 2014.

Therefore, from January, 1 2014 the Group and the company adopted certain amendments of standards as follows:

Amended Standards mandatory for financial year 2014

- IAS 32 "Financial Instruments: Presentation" (Amendment) and IFRS 7 "Financial Instruments: Disclosures" (Amendment)- Offsetting financial assets and financial liabilities
The amendment to IAS 32 concerns the guidance on the application of the standard with respect to the offsetting of a financial asset and a financial liability and the related disclosures of IFRS 7. The amendment affects the presentation only and it does not affect the financial position or the performance of the Company and the Group.

- 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 provided that the amount is based on fair value less the disposal cost. The amendment does not have 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 does not have significant impact on the financial statements of the Company and the Group.

- Group of standards regarding consolidation and joint arrangements
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 performance) 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: joint operations 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 joint operations(construction joint operations) incorporate their assets and liabilities in their own financial statements according to the percentage that they possess of each item.
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 ventures 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 defines 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 to 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 will stem from the adoption of IFRS 11 «Joint Arrangements» based on which the joint-ventures or jointly controlled companies up until now will be included in the consolidated financial statement with the equity method mandatorily 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)
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 for the previous comparative period. Also, with respect 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 has assessed the effect of the above on the consolidated Financial Statements (see note 32).

- Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
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 along with its changes through profit and loss account 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.

Standards and Interpretations mandatory in the European Union for financial statements beginning after 1 January 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.

- IFRIC 21 “Levies”
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 as to when the liability for a levy to the State should be recognized utilizing defined criteria of recognition.

- 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.

- IFRS 7 "Financial Instruments: Disclosures" (Amended)
The initial mandatory implementation date set 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, it is set the postponement of IFRS 9 mandatory application original date, which was set on January 1, 2015.

With this amendment there are introduced substantial changes to hedge accounting and now the accounting presentation aligns with risk management applied by an entity. Furthermore the related disclosures are improved.

The second important element of the amendment is the improvement in the accounting presentation of changes in fair value of the entity's debt, when its fair value measurement has been selected.

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.

- IAS 1 (Amendment) " Presentation of Financial Statements " - Disclosure Initiative

The amendments to IAS 1 adopted by the Council on December 18, 2014, clarify that the significance applied to the whole of the financial statements and the inclusion in such trivial information may encumber the usefulness of the disclosures. In addition, the amendments clarify that the companies should use their professional judgment, determining where and in which order the information in disclosures is presented on the financial statements. The amendment is effective for annual periods beginning on or after January 1, 2016 and has not been adopted yet by the European Union. The Group is currently assessing the impact of this amendment on its financial statements.

- IAS 16 and IAS 38 (Amendment) - Clarifications for allowable depreciation methods

The amendment clarifies that the use of methods based on revenue are not suitable for the calculation of an asset's depreciation and that the revenues are not considered as an appropriate basis for the measurement of the economic benefits' consumption embodied in an intangible asset. As a result the ratio of revenue generated over the total revenues expected to be generated, it can be used for the depreciation of the fixed assets. The amendment is effective for annual periods beginning on or after January 1, 2016 and has not been adopted by the European Union. The Group is currently assessing the impact of this amendment on its financial statements.

- IAS 27 (Amendment) "Separate Financial Statements" Equity Method in Separate Financial Statements

The amendment in IAS 27 that issued the IASB on August 12, 2014, permits to an entity to use the equity method in order to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. This is an accounting policy option for each investment category. The amendment is effective for annual periods beginning on or after January 1, 2016 and has not been adopted by the European Union. The Group is currently assessing the impact of this amendment on its financial statements.

- IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 (Amendment) "Investments in Associates and Joint Ventures" - Sale or Contribution of assets among the investor and his/her Associate or Joint Venture

The main consequence of the amendment issued by the IASB on September 11, 2014, is that a full gain or loss is recognized when a transaction involves a company (whether is based on a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a corporation, even if these assets are located in a subsidiary. The amendment is effective for annual periods beginning on or after January 1, 2016 and has not been adopted by the European Union. The Group is currently assessing the impact of this amendment on its financial statements.

- IFRS 10, IFRS 12 and IAS 28 (Amendment) "Investment Companies"

The amendment to IFRS 10 defines an investment company and provides an exception from the consolidation. Many investment funds and similar companies that meet the criteria of the definition for investment companies are excluded from the consolidation of most subsidiaries that are accounted for as investments at fair value through the financial results, although control is exercised. The amendments in IFRS 12 introduce the disclosures that need to be provided by an investment company. Finally, the amendments in IAS 28 ‘Investments in Associates and Joint Ventures’ allow to the investor, by the application of the equity method, to maintain the fair value measurement that is applied by the Associate company of the investment company or the Joint Venture in its participations in subsidiaries. The amendment is effective for annual periods beginning on or after January 1, 2016 and has not been adopted by the European Union. The Group is currently assessing the impact of this amendment on its financial statements.

- IFRS 11 (Amendment) "Schemes under common control" –Accounting treatment of share acquisition in joint operations

The amendment requires from an investor to implement the method of acquisition when he/she acquires a participation in a joint operation that constitutes a corporation. The amendment is effective for annual periods beginning on or after January 1, 2016 and has not been adopted by the European Union. The Group is currently assessing the impact of this amendment on its financial statements.

- 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 IASB’s (International Accounting Standards Board) project 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 economic entity changes and in that case the economic 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 E.U.

- 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.

- IFRS 15 Revenue from contracts with customers

On May 28, 2014 the IASB issued IFRS 15 "Revenue from Contracts with Customers" whose application is mandatory for annual periods beginning on or after January 1, 2017 and it constitutes the new standard for the recognition of revenues. The respective standard is fully harmonized with the requirements regarding the recognition of revenues according to the principles of IFRS and the American accounting principles (US GAAP).

IFRS 15 replaces IAS 18, IAS 11 and interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

The new standard specifies how and when an entity should recognize revenue and requires from entities to provide to the users of the financial statements more informative related disclosures. The standard provides a single five-step model that should be applied to all the contracts with customers for the recognition of revenue. These requirements will also apply to the recognition and measurement of profits and losses stemming from the sale of certain non-financial assets which do not arise from the ordinary activities of the entity (eg. property sales or other plant and equipment or intangible assets). Extensive disclosures will be required, including the analysis of total revenues, information regarding the performance obligations, changes in the balances of the assets contract and contract obligations between periods and key judgments and estimates. IFRS 15 has not been adopted by the European Union. The Group is currently assessing the impact of this amendment on its financial statements.

- Amendments in standards which constitute part of the annual improvement scheme (2010-2012 cycle of the IASB – International Accounting Standards Board)

(effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to IFRSs 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.

<u>IFRS 2 "Share-based payment"</u>

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

<u>IFRS 3 "Business combinations"</u>

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.

<u>IFRS 8 "Operating segments"</u>

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

<u>IFRS 13 "Fair value measurement"</u>

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.

<u>IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"</u>

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

<u>IAS 24 "Related party disclosures"</u>

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
(effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project.
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 exception provided by IFRS 13 for a portfolio of financial assets and liabilities 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.

Amendments in standards that form part of the annual improvements scheme (period 2012-2014) of the IASB- International Accounting Standards Board
Amendments period 2012-2014, issued by the Board on September 25, 2014, apply to periods beginning on or after July 1, 2016 and have not been adopted by the European Union.
IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"
The amendment clarifies that the change from a disposal method to another (i.e. sale or distribution to owners) should not be considered as a new sale plan but a continuation of the initial plan. Therefore, there is no cease in the application of IFRS 5 requirements. The amendment also clarifies that change in the disposal method does not alter the classification date.
IFRS 7 "Financial Instruments: Disclosures"
The amendment clarifies that the service contract which involves payment may constitute a continuing involvement in a financial asset that is no longer recognized. This affects the disclosures required by the standard. The amendment also clarifies that the disclosures of IFRS 7 on the offsetting of financial assets and liabilities are not required in the condensed interim financial statements.
IAS 19 "Employee Benefits-contributions from employees"
The amendment clarifies that the evaluation of an active market's existence for high quality corporate bonds is evaluated based on the currency that the obligation is expressed and not based on the country that the obligation exists. When there is no active market for high quality corporate bonds in this currency, there are utilized the interest rates of the government bonds.
IAS 34 "Interim Financial Report "
The amendment clarifies that the disclosure requirements for interim financial statements should be located either in the financial statements or to be incorporated through cross-references among the interim financial statements and the point where there are included in the interim financial report (i.e. in the Management Report). It is also clarified that the other information in the interim financial report should be to the disposal of users under the same conditions and at the same time as the interim financial statements. If the users do not have access to the other information by this way, then the interim financial report is incomplete.

c) Use of Estimates

The Group makes estimations, assumptions and judgments in order to choose the best accounting principle 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 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, based on IAS 12, recognizes income tax, current and deferred. The income tax also includes a provision for additional taxes that may arise from tax audits. The final settlement of income tax may differ from the respective amounts registered 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 and production facilities 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 applies estimation of the fair value of financial assets and liabilities.

xii) Evaluation of agreements that include lease elements

In the context of electric power contracts that the Group concludes with the electric energy supplier, the Group undertakes the commitment to sell the total amount of electric energy produced by a specific facility. According to the requirements of IFRIC 4 "Defining whether a contract includes a lease", the Group examines the electric power sales contracts, in order to evaluate if these contracts include lease elements, so to recognize the relative revenues according to IAS 17 “Leases”. Lease elements is considered that are included in a contract, when the total amount of production of a specific wind farm is sold to the provider and the conventional price is neither fixed nor representative of the current price of the market during the time of production.

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.

Subsidiaries are the companies at which the Group has the control of their operations and they have been consolidated under the full consolidation method. The Group is considered to have the control of a subsidiary when it holds rights which provide the current ability to manage its respective activities, namely the activities which affect substantially the performance of the subsidiary. The authority stems from the rights. In certain cases the assessment of control is relatively simple as in the case where the authority upon an issuer is gained directly and exclusively from the voting rights provided by participation titles such as shares, and it can be estimated through the examination of voting rights stemming from the specific participations. In other cases the assessment is more complicated and requires the examination of more than one factor for example when the authority stems from one of more contractual arrangements. The subsidiaries are consolidated as from the date that the Group gains control on them and ends when as from the date that the specific control ceases to exist. The intergroup transactions and balances have been omitted in the accompanying consolidated financial statements. When it is required the accounting principles of the subsidiaries have been amended as to ensure the consistency in the accounting principles adopted by the Group.

b) Investments in Joint Ventures

The participation of the Group in Joint ventures when there is common control, are incorporated in the attached financial statements with the equity consolidation method which instructs for the presentation of the participation at its cost value plus the proportion of the participation in the joint-venture of the shareholders’ equity change minus any provisions for impairment in the value of the respective participations. As a result the assets, liabilities, and total income are not incorporated in the consolidated financial statements. Under the context of the standard, as Joint-ventures are considered the forms under joint control where the members have rights in the net assets of the participations and they are responsible up to the percentage of the contribution in the share capital of the company. If the participation of the Group in the losses of a Joint Venture exceeds the value of the participation itself, then the Group terminates the recognition of additional losses. The allocation of the operating results and the other comprehensive results is performed proportionally, according to the participation stake.

c) 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.

If the participation of the Group in the losses of an Associate company exceeds the value of the participation itself, then the Group terminates the recognition of additional losses. The allocation of the operating results and the other comprehensive results is performed proportionally, according to the participation stake.

d) Joint operations

It refers to tax construction joint operations. The above do not constitute separate entity under the framework of IFRS. Their assets and liabilities are incorporated in the financial statements of the Company or its subsidiaries according to the percentage that they possess of each item.

e) 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.

f) 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.

g) 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.

h) Intangible assets

Intangible assets mainly consist of rights related to quarries and mines, software acquisition costs as well as acquired rights (quarries and construction agreements recognized on acquisition at fair value).
Furthermore intangible assets include the fair value of rights under service concession agreements with the state and more specifically those providing for the building, operating, transferring (BOT) of motorways and car parks. Fair value is calculated as construction costs plus a reasonable construction profit.
Amortization on rights regarding the use of quarries, mines and wind parks licenses 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.

i) 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.

j) Depreciation

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

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

k) 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.

l) 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. When there is an active market, the Group defines the fair value of investment property based on valuation reports prepared on its behalf by independent appraisers. If no objective information is available, specifically due to economic conditions, then the Management based on its previous experience and taking into account available information, performs an estimation of 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.

m) Inventories

Inventories include under construction or real estate for development which are intended to be sold, excavated from the quarry materials and minerals, 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.

n) 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.

o) 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.

p) 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.

q) 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 total comprehensive results for the year 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 1^{st} 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 1^{st} of January 2004. During the compilation of subsequent financial statements the Group, applying the general provisions of IAS 19, followed the "corridor" method for the recognition of accumulated actuarial losses/profits.

However from the beginning of 2013 based on the implementation of the revised IAS 19, both actuarial profit and losses are registered directly as income or expenses to the non-recycled other comprehensive results. The prior service costs in case that they change within the fiscal year they are recorded in the respective year's results.

r) 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.

s) 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.

t) Government Grants

Government grants relating to subsidies of tangible fixed assets are recognized when there is reasonable certainty that the grant will be received and all relevant terms will be met.

These government grants are recorded in a deferred income account and are transferred to the comprehensive income statement in equal annual installments based on the expected useful life of the asset that was subsidized, as a reduction to the relevant depreciation expense. When the grant relates to an expense it is recognized as income during the period deemed necessary to match the grant on a systematic basis with the expenses it is meant to reimburse.

u) Provisions, Contingent Liabilities and Contingent Receivables

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each 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.

v) Financial Derivatives and Hedging Instruments

The Group has used financial derivatives and specifically in enters into interest rate swaps to hedge its risk linked to fluctuations of interest rates for substantial loans. The financial derivatives are valued at fair value during the reference date. The fair value of such derivatives is mainly defined based on the market value and is confirmed by the counterparty financial institutions.

For the purposes of hedge accounting, the hedges are classified as follows:

- Fair value hedges when used to hedge the changes in the fair value of a recognized asset or liability or a non-recognized certain corporate commitment.
- Cash flow hedges when used for the hedge of the fluctuation of cash flows in relation to a recognized asset or liability or in relation to a very possible commitment.
- Hedges of a net investment in a foreign operation.

The full hedged part of the profit/loss of a measurement of derivatives that meet the conditions for hedge accounting is registered in other comprehensive income, if such refers to cash flow hedges, while the non-effective part is registered in net earnings. If such refers to a fair value hedge, the relevant profit or loss is recognized in net earnings, where the fair value change if the hedged instrument is registered respectively.

When the estimated hedged future transactions or liabilities lead to the recognition of a receivable or liability, the profit or losses previously registered in the statement of comprehensive income (cash flow hedges) are incorporated in the initial valuation of the cost of such receivables or liabilities. Otherwise, the amounts presented in equity are transferred to the statement of comprehensive income and are characterized as an income or expense during the period in which the estimated hedged transactions affect the statement of comprehensive income.

w) 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. Furthermore, the expected revenues from the production of Electric Energy that includes, according to the IFRIC 4, lease elements, are recognized proportional during the duration of the contract, insofar these revenues are related with the lease contract. An Electric Energy contract is consider that includes lease elements when regards the total amount of production of a specific settlement and the conventional price per production unit is neither fixed during the duration of the contract, nor representative of the current price of the market during the time of production.

(iv) Income from construction and sale of property

Property under construction owned by the Group are recorded as inventories. From the consideration of the realized sales, based on the final notary document or a sale agreement related notary document (given that the relevant risks in the context of the Company's granted guarantees are covered via insurance policy), a part is recognized as construction cost of the particular building or asset that is sold, in the results of each period it corresponds to, based on the method of gradual completion.

(v) Rent Revenue

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

(vi) Dividends

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

(vii) Interest

Interest income is recognized on an accruals basis.

x) 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.

y) 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.

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

z) 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 benefitted 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.

Expenses of Mining – Mineral's Extraction Operating Development
It refers to the expenses of mining and minerals' operational development which mainly include stripping, tunneling and waste removal. During the operational development phase of mineral-mining extraction areas (before production begins), stripping costs are usually capitalized as part of mining's developing and construction depreciable cost. The depreciation of the operational development expenditure of mineral-mining extraction areas – are calculated based on the extraction percentage of the commercially extractable deposit. Depreciation – expense of capitalized development expenditure of mineral-mining extraction is included in the cost of mining-ore extraction. The mining-ore operational development costs - are capitalized if and only if all the following conditions are met:
(a) the Group will derive future economic benefits (improved access to the ore deposit) associated with the stripping activity,
(b) the Group can utilize the portion of the deposit to which access has been improved and,
(c) the cost of stripping-related activity related to this part can be measured reliably. The asset stemming from the stripping activity is been added to the cost of the mine and subsequently is measured at the cost less accumulated depreciation and any impairment in value.

4 STRUCTURE OF THE GROUP AND THE COMPANY

The participations of the parent company TERNA SA, direct and indirect, in economic entities during 31.12.2014, as well as the relevant tax unaudited fiscal years at the reporting date of the financial statements are as follows:

4.1 Company Structure

Joint companies of which the assets, liabilities and results are incorporated in the Company according to its participation stake.

(Amounts in thousands Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	TAX UNAUDITED FISCAL YEARS *
J/V AEGEK-TERNA (SIATISTA – KRYSTALLOPIGI CONNECTION)	Greece	45.00	0.00	45.00	2010-2014
J/V TERNA SA- AKTOR - POWELL (CHAIDARI METRO)	Greece	31.50	0.00	31.50	2007-2014
J/V TERNA SA - IMPEGILO SPA (TRAM)	Greece	55.00	0.00	55.00	2010-2014
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (ANCIENT OLYMPIA BYPASS)	Greece	50.00	0.00	50.00	2008-2014
J/V ATHANASIADIS SA-TERNA SA (THESSAL. CAR PARKS)	Greece	50.00	0.00	50.00	2007-2014
J/V TERNA SA-AKTOR SA-J&P-AVAX SA (PLOT OF CONCERT HALL)	Greece	69.00	0.00	69.00	2010-2014
J/V TERNA SA - WAYSS (PERISTERI METRO)	Greece	50.00	0.00	50.00	2003-2014
J/V TERNA SA-ATHINA SA (ARACHTHOS – PERISTERI PROJECT)	Greece	62.50	0.00	62.50	2010-2014
J/V TERNA SA-KARAGIANNIS (KOMOTINI TEFAA PROJECT)	Greece	24.00	0.00	24.00	2010-2014
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	35.00	0.00	35.00	2010-2014
J/V AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	Greece	37.50	0.00	37.50	2007-2014
TERNA SA-PANTECHNIKI SA (O.A.K.A. SUR. AREA)	Greece	83.50	0.00	83.50	2007-2013
J/V TERNA SA AKTOR SA J&P AVAX (CONCERT HALL H/M)	Greece	69.00	0.00	69.00	2010-2014
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	0.00	65.00	2007-2014
J/V THALES ATM SA-TERNA (TACAN STATION IMPROV.)	Greece	50.00	0.00	50.00	2010-2014
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (CHAIDARI METRO PART A')	Greece	50.00	0.00	50.00	2010-2014
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (PARADEISIA TSAKONA)	Greece	49.00	0.00	49.00	2010-2014
J/V AKTOR SA-DOMOTECHNIKI SA-THEMELIODOMI SA-TERNA SA-ETETH SA (MUNIC. HALL OF THESSALON.)	Greece	25.00	0.00	25.00	2010-2014
J/V TERNA-MOCHLOS-AKTOR TUNNEL KIATO-AIGIO	Greece	35.00	0.00	35.00	2008-2014
J/V J&P AVAX-TERNA-AKTOR (TRAPEZA PLATANOS CONTRUCTION OF TUNNELS)	Greece	33.33	0.00	33.33	2007-2014
J/V TERNA-AKTOR (SKA SUBURBAN RAILWAY)	Greece	50.00	0.00	50.00	2010-2014
J/V TERNA SA- AKTOR SA (R.S. LIANOKLADI - DOMOKOS)	Greece	50.00	0.00	50.00	2008-2014
J/V TERNA SA-THALES AUSTRIA (ETCS SYSTEM PROCUREMENT)	Greece	37.4	0.00	37.4	2010-2014
J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS –TREIS GEFYRES	Greece	33.33	0.00	33.33	2010-2014
J/V J&P ΑΒΑΞ SA-VIOTER SA-TERNA SA (CANOE KAGIAK)	Greece	33.33	0.00	33.33	2010-2014
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (PROJECT PARADEISIA-TSAKONA)	Greece	49.00	0.00	49.00	2010-2014
J/V AKTOR-TERNA (BANQUET HALL)	Greece	50.00	0.00	50.00	2010-2014
J/V METKA-TERNA	Greece	90.00	0.00	90.00	2009-2014
J/V APION KLEOS	Greece	17.00	0.00	17.00	2010-2014
J/V TERNA SA-SICES CONSTRUCTIONS (HELPE UPGR. REFIN.)	Greece	50.00	0.00	50.00	2010-2014
J/V TERNA SA-NEON STAR SA-RAMA SA (OPAP Project)	Greece	51.00	0.00	51.00	2011-2014
J/V AKTOR-TERNA-MOCHLOS (Florina-Niki road)	Greece	33.33	0.00	33.33	2012-2014
J/V TERNA SA-NEON STAR SA-RAMA (OPAP 1)	Greece	51.00	0.00	51.00	2012-2014
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	50.00	0.00	50.00	2012-2014
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	50.00	0.00	50.00	2012-2014
J/V AKTOR-TERNA (Harbor of Patras)	Greece	70.00	0.00	70.00	2012-2014

(Amounts in thousands Euro, unless stated otherwise)

J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece	33.33	0.00	33.33	2012-2014
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	49.00	0.00	49.00	2012-2014
J/V AKTOR ATE – TERNA SA (Lignite works)	Greece	50.00	0.00	50.00	2013-2014
J/V AKTOR ATE – TERNA SA (Thriasio Phase B’)	Greece	50.00	0.00	50.00	2013-2014
J/V AKTOR SA-J&P AVAX-TERNA SA (R.S. TITHOREA-DOMOKOS)	Greece	33.33	0.00	33.33	2014
J/V AKTOR SA-J&P AVAX -TERNA SA (BRIDGE SG26 R.N. TITHOREA-DOMOKOS)	Greece	44.56	0.00	44.56	2014
J/V AKTOR ATE – TERNA SA (H/M Thriasio B’)	Greece	50.00	0.00	50.00	2014
JV QBC S.A. – TERNA S.A.	Qatar	35.00	0.00	35.00	2002-2014

* For the tax unaudited fiscal years of the parent company TERNA S.A. see note 24.

4.2 Group Structure

Subsidiaries consolidated with the Group via the full consolidation method.

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	TAX UNAUDITED FISCAL YEARS *
J/V EUROIONIA	Greece	95.00	0.00	95.00	2010-2014
J/V CENTRAL GREECE MOTORWAY E-65	Greece	95.00	0.00	95.00	2008-2014
VRONTIS QUARRY PRODUCTS SA	Greece	100.00	0.00	100.00	2010
TERNA MAG SA	Greece	48.98	0.00	48.98	2010
MANDOUDI BUSINESS PARK SA	Greece	0.00	100	100.00	2014
TERNA OVERSEAS LTD	Cyprus	100.00	0.00	100.00	2007-2014
TERNA QATAR LLC *	Qatar	0.00	35.00	35.00	2007-2014
TERNA BAHRAIN HOLDING WLL	Bahrain	0.00	99.99	99.99	-
TERNA CONTRACTING CO WLL	Bahrain	0.00	100.00	100.00	-
TERNA ELECTRICAL MECHANICAL WLL	Bahrain	0.00	100.00	100.00	-
TERNA VENTURES WLL	Bahrain	0.00	100.00	100.00	-
TERNA SAUDI ARABIA LTD	Saudi Arabia	60.00	0.00	60.00	2012-2014
CEMENT PRODUCTION AND EXPORT FZC	Libya	0.00	75.00	75.00	2010-2014
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0.00	75.00	75.00	2008-2014
QE ENERGY EUROPE LTD	Cyprus	0.00	100	100.00	2007-2014

The company TERNA QATAR LLC is fully consolidated according to IFRS 10 “Consolidated Financial Statements” since the Group based on a contract possesses the control of the management and the results.

Joint Ventures which are consolidated with the Group via the equity method.

	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	TAX UNAUDITED FISCAL YEARS
JOINT VENTURES					
HERON II THERMOELECTRIC STATION VOIOTIA SA	Greece	25.00	0.00	25.00	2007-2010

(Amounts in thousands Euro, unless stated otherwise)

The voting rights of TERNA SA in all the above participations are identical with the percentage rate it holds in the share capital of the companies.

During the present period the following companies were established:
- J/V AKTOR SA - J&P AVAX – TERNA SA (R.S. ΤΙΘΟΡΕΑ - DOMOKOS)
- J/V AKTOR SA - J&P AVAX – TERNA SA (BRIDGE SG26 R.N. ΤΙΘΟΡΕΑ - DOMOKOS)
- J/V AKTOR SA - TERNA SA (H/E THRIASIO, PHASE B')

The following table presents the joint entities 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 % (INDIRECT)
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 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 EUROPEAN TECHNICAL-HOMER-TERNA	50.00%
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 TERNA-MOCHLOS ATE	70.00%
J/V TERNA-VIOTER SA	50.00%
J/V EVAGGELISMOS PROJECT C	50.00%
J/V TERNA SA - IONIOS SA	90.00%
J/V TERNA-TERNA ENERGY-TSAMBRAS (DRAMA HOSPITAL)	40.00%
J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-IMEC GmbH	24.00%
J/V J&P AVAX SA-TERNA SA-EYKLEIDIS	35.00%
J/V EPL DRAMAS	40.00%
J/V ATHINA-PANTECHNIKI-TERNA-PLATAMONAS PROJECT	39.20%
J/V VIOTER SA-TERNA SA	50.00%
J/V TERNA SA- VIOTER SA	50.00%

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

(Amounts in thousands Euro, unless stated otherwise)

COMPANY NAME	TOTAL PARTICIPATION %
J/V UNIVERSITY OF CRETE-RETHYMNON	25.00%
J/V AKTOR SA - TERNA SA	50.00%
J/V AKTOR-TERNA SA IASO BUILDING	50.00%
J/V MINISTRY OF TRANSPORTATION & COMMUNICATION PROJECT	33.00%
J/V TERNA SA – PANTECHNIKI SA (O.A.K.A.) G.P.	50.00%
J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	60.00%
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%
J/V TERNA SA – TH. KARAGIANNIS SA	50.00%
J/V TERNA SA – PANTECHNIKI SA	50.00%

5 GEOGRAPHIC SEGMENTS

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

Geographic segments 31.12.2014	Greece and Cyprus	Balkans	Middle East	Other regions	Consolidated totals
Revenue	585,103	76,738	97,133	0	**758,974**
Non-current assets (excl. deferred tax and financial instruments)	215,437	1,702	10,188	412	**227,739**
Capital expenditure	47,833	701	4,128	0	**52,662**

Geographic segments 31.12.2013 Restated	Greece and Cyprus	Balkans	Middle East	Other regions	Consolidated totals
Revenue	277,103	80,017	94,898	0	**452,018**
Non-current assets (excl. deferred tax and financial instruments)	195,389	2,773	7,236	352	**205,750**
Capital expenditure	42,179	673	427	0	**43,279**

6 INTANGIBLE FIXED ASSETS

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

(Amounts in thousands Euro, unless stated otherwise)

GROUP	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Furniture and other equipment	Assets under construction and advances for asset acquisition	Total
Net book value 1.1.2014	**11,838**	**4,450**	**46,284**	**10,200**	**3,254**	**3,730**	**79,756**
Additions	371	1,767	27,073	8,457	1,984	10,836	**50,488**
Effect from acquisitions and sale of companies – cost	0	0	0	0	0	0	**0**
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	(1,942)	(123)	(37)	0	**(2,102)**
Accumulated depreciation of assets sold written-off	0	0	1,550	106	24	0	**1,680**
Transfer to/(from) another tangible fixed asset account – cost	0	0	25	0	(25)	0	**0**
Transfer to/(from) another tangible fixed asset account – accumulated depreciation	0	0	(11)	0	11	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**
Book value impairments	(182)	0	0	0	0	(2,268)	**(2,450)**
Depreciation for the year	(277)	(334)	(10,624)	(2,783)	(1,722)	0	**(15,740)**
Other movements on acquisition cost / FX differences - cost	0	433	1,663	249	(267)	0	**2,078**
Other movements on depreciation / FX differences - accumulated depreciation	0	(111)	(370)	(37)	27	60	**(431)**
Net book value 31.12.2014	**11,750**	**6,205**	**63,648**	**16,069**	**3,249**	**12,358**	**113,279**
Cost 1.1.2014	13,795	6,670	121,191	27,976	14,152	3,730	**187,514**
Accumulated Depreciation 1.1.2014	(1,957)	(2,220)	(74,907)	(17,776)	(10,898)	0	**(107,758)**
Net book value 1.1.2014	**11,838**	**4,450**	**46,284**	**10,200**	**3,254**	**3,730**	**79,756**
Cost 31.12.2014	13,983	8,870	148,008	36,559	15,806	12,358	**235,584**
Accumulated Depreciation 31.12.2014	(2,233)	(2,665)	(84,360)	(20,490)	(12,557)	0	**(122,305)**
Net book value 31.12.2014	**11,750**	**6,205**	**63,648**	**16,069**	**3,249**	**12,358**	**113,279**

(Amounts in thousands Euro, unless stated otherwise)

GROUP	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Furniture and other equipment	Assets under construction and advances for asset acquisition	Total
Net book value 1.1.2013	**11,292**	**4,844**	**53,404**	**11,228**	**3,719**	**2,888**	**87,375**
Additions	922	134	1,673	515	1,095	524	**4,863**
Effect from acquisitions, absorptions and sale of companies – cost	(99)	(2,184)	(1,533)	(311)	417	320	**(3,390)**
Effect from acquisitions and sale of companies – accumulated depreciation	0	2,414	2,190	432	(294)	0	**4,742**
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)	(419)	(8,995)	(1,521)	(1,526)	0	**(12,738)**
Other movements on acquisition cost / FX differences - cost	0	(114)	(535)	(72)	(83)	(2)	**(806)**
Other movements on depreciation / FX differences - accumulated depreciation	0	29	354	54	64	0	**501**
Net book value 31.12.2013 (*)	**11,838**	**4,450**	**46,284**	**10,200**	**3,254**	**3,730**	**79,756**
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	6,670	121,191	27,976	14,152	3,730	**187,514**
Accumulated Depreciation 31.12.2013	(1,957)	(2,220)	(74,907)	(17,776)	(10,898)	0	**(107,758)**
Net book value 31.12.2013 (*)	**11,838**	**4,450**	**46,284**	**10,200**	**3,254**	**3,730**	**79,756**

(Amounts in thousands Euro, unless stated otherwise)

COMPANY	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Furniture and other equipment	Assets under construction and advances for asset acquisition	Total
Net book value 1.1.2014	**8,271**	**1,528**	**41,624**	**9,858**	**2,695**	**341**	**64,317**
Additions	371	1,720	24,597	7,731	1,785	0	**36,204**
Effect from acquisitions and sale of companies – cost	0	0	0	0	0	0	**0**
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	(1,942)	(95)	(37)	0	**(2,074)**
Accumulated depreciation of assets sold written-off	0	0	1,550	77	24	0	**1,651**
Transfer to/(from) another tangible fixed asset account – cost	0	0	25	0	(25)	0	**0**
Transfer to/(from) another tangible fixed asset account – accumulated depreciation	0	0	(12)	0	12	0	**0**
Book value impairments	(182)	0	0	0	0	(268)	**(450)**
Depreciation for the year	(277)	(86)	(9,356)	(2,551)	(1,441)	0	**(13,711)**
Other movements on acquisition cost / FX differences - cost	0	129	338	31	(475)	60	**83**
Other movements on depreciation / FX differences - accumulated depreciation	0	(67)	541	140	179	0	**793**
Net book value 31.12.2014	**8,183**	**3,224**	**57,365**	**15,191**	**2,717**	**133**	**86,813**
Cost 1.1.2014	10,228	3,144	109,863	26,316	10,714	341	**160,606**
Accumulated Depreciation 1.1.2014	(1,957)	(1,616)	(68,239)	(16,458)	(8,019)	0	**(96,289)**
Net book value 1.1.2014	**8,271**	**1,528**	**41,624**	**9,858**	**2,695**	**341**	**64,317**
Cost 31.12.2014	10,417	4,993	132,878	33,981	11,958	133	**194,360**
Accumulated Depreciation 31.12.2014	(2,234)	(1,769)	(75,513)	(18,790)	(9,241)	0	**(107,547)**
Net book value 31.12.2014	**8,183**	**3,224**	**57,365**	**15,191**	**2,717**	**133**	**86,813**

(Amounts in thousands Euro, unless stated otherwise)

COMPANY	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Furniture and other equipment	Assets under construction and advances for asset acquisition	Total
Net book value 1.1.2013 (*)	**7,718**	**1,658**	**48,106**	**10,776**	**3,019**	**0**	**71,277**
Additions	0	7	1,101	168	784	0	**2,060**
Effect from absorptions and change of interests in joint companies – cost	830	(39)	236	(30)	(549)	341	**789**
Effect from absorptions and change of interests in joint companies – accumulated depreciation	0	38	3	28	540	0	**609**
Acquisition cost of sold-written off assets	0	(17)	(715)	(88)	(127)	0	**(947)**
Accumulated depreciation of assets sold written-off	0	17	654	102	93	0	**866**
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**
Depreciation for the year	(277)	(136)	(7,830)	(1,308)	(1,174)	0	**(10,725)**
Other movements on acquisition cost / FX differences - cost	0	(19)	(171)	(13)	(22)	0	**(225)**
Other movements on depreciation / FX differences - accumulated depreciation	0	19	231	223	140	0	**613**
Net book value 31.12.2013 (*)	**8,271**	**1,528**	**41,624**	**9,858**	**2,695**	**341**	**64,317**
Cost 1.1.2013	9,398	3,212	109,403	26,278	10,637	0	**158,928**
Accumulated Depreciation 1.1.2013	(1,680)	(1,554)	(61,297)	(15,502)	(7,618)	0	**(87,651)**
Net book value 1.1.2013 (*)	**7,718**	**1,658**	**48,106**	**10,776**	**3,019**	**0**	**71,277**
Cost 31.12.2013	10,228	3,144	109,863	26,316	10,714	341	**160,606**
Accumulated Depreciation 31.12.2013	(1,957)	(1,616)	(68,239)	(16,458)	(8,019)	0	**(96,289)**
Net book value 31.12.2013 (*)	**8,271**	**1,528**	**41,624**	**9,858**	**2,695**	**341**	**64,317**

(*) The financial accounts of 01/01/2013 and 31/12/2013 on Group and Company level are restated in accordance with the provisions of IFRS 11 (see note 32)

(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 14,618 (11,849 in the previous financial year), in Administration and Distribution Expenses by euro 1,122 (676 in the previous financial year), in Research and development expenses by 0 (16 in the previous financial year) and in Other income/(expenses) by 0 (198 in the previous financial year).

The depreciations of the Company for the reported year, have been registered in Cost of sales by euro 12,636 (9,643 in the previous financial year), in Administration and Distribution Expenses by euro 1,075 (884 in the previous financial year), and in Other income/(expenses) by 0 (198 in the previous financial year).

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

GROUP	**Machinery**	**Vehicles**	**Total**
Cost 31.12.2014	43,088	14,491	**57,579**
Accumulated depreciation 31.12.2014	(8,579)	(3,547)	**(12,126)**
Net book value 31.12.2014	**34,509**	**10,944**	**45,453**

COMPANY	**Machinery**	**Vehicles**	**Total**
Cost 31.12.2014	41,980	14,086	56,066
Accumulated depreciation 31.12.2014	(8,527)	(3,514)	(12,041)
Net book value 31.12.2014	**33,453**	**10,572**	**44,025**

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

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

7 INTANGIBLE FIXED ASSETS

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

(Amounts in thousands Euro, unless stated otherwise)

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
Net book value 1.1.2014	**31,835**	**45,040**	**214**	**585**	**77,674**
Additions	758	0	138	1,278	**2,174**
Effect from acquisitions and sale of companies – cost	0	0	0	0	**0**
Effect from acquisitions and sale of companies – accumulated amortization	0	0	0	0	**0**
Acquisition cost of sold-written off assets	0	0	0	0	**0**
Accumulated amortization of assets sold written-off	0	0	0	0	**0**
Amortization for the period	(311)	(14,339)	(113)	(74)	**(14,837)**
Foreign exchange differences - cost	0	0	34	0	**34**
Foreign exchange differences – accumulated amortization	0	0	(30)	0	**(30)**
Other transfers – cost	0	0	0	0	**0**
Other transfers – accumulated amortization	0	0	0	0	**0**
Net book value 31.12.2014	**32,282**	**30,701**	**243**	**1,789**	**65,015**
Cost 1.1.2014	35,643	88,022	1,662	660	**125,987**
Accumulated Amortization 1.1.2014	(3,808)	(42,982)	(1,448)	(75)	**(48,313)**
Net book value 1.1.2014	**31,835**	**45,040**	**214**	**585**	**77,674**
Cost 31.12.2014	36,400	88,022	1,834	1,938	**128,194**
Accumulated Amortization 31.12.2014	(4,118)	(57,321)	(1,591)	(149)	**(63,179)**
Net book value 31.12.2014	**32,282**	**30,701**	**243**	**1,789**	**65,015**

	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	419	37,551	183	263	**38,416**
Effect from acquisitions, absorptions and sale of companies – cost	189	0	127	0	**316**
Effect from acquisitions, absorptions and sale of companies – accumulated amortization	0	0	(109)	0	**(109)**
Acquisition cost of sold-written off assets	(159)	0	0	0	**(159)**
Accumulated amortization of assets sold written-off	0	0	0	0	**0**
Amortization for the period	(269)	(6,082)	(131)	(26)	**(6,508)**
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 (*)	**31,835**	**45,040**	**214**	**585**	**77,674**

(Amounts in thousands Euro, unless stated otherwise)

Cost 1.1.2013	35,224	50,471	1,361	397	**87,453**
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	35,643	88,022	1,662	660	**125,987**
Accumulated Amortization 31.12.2013	(3,808)	(42,982)	(1,448)	(75)	**(48,313)**
Net book value 31.12.2013 (*)	**31,835**	**45,040**	**214**	**585**	**77,674**

	COMPANY			
	Concessions and Rights	**Software**	**Research and development**	**Total**
Net book value 1.1.2014	**4,369**	**201**	**127**	**4,697**
Additions	683	129	0	**812**
Acquisitions through absorption - cost	0	0	0	**0**
Acquisition cost of sold-written off assets	0	0	0	**0**
Amortization for the period	(297)	(99)	(6)	**(402)**
Other transfers – cost	0	0	0	**0**
Other transfers – accumulated amortization	0	0	0	**0**
Foreign exchange differences - cost	0	9	0	**9**
Foreign exchange differences – accumulated amortization	0	(7)	0	**(7)**
Net book value 31.12.2014	**4,755**	**233**	**121**	**5,109**
Cost 1.1.2014	7,040	1,287	182	**8,509**
Accumulated Amortization 1.1.2014	(2,671)	(1,086)	(55)	**(3,812)**
Net book value 1.1.2014	**4,369**	**201**	**127**	**4,697**
Cost 31.12.2014	7,723	1,425	182	**9,330**
Accumulated Amortization 31.12.2014	(2,968)	(1,192)	(61)	**(4,221)**
Net book value 31.12.2014	**4,755**	**233**	**121**	**5,109**

(Amounts in thousands Euro, unless stated otherwise)

	COMPANY			
	Concessions and Rights	**Software**	**Research and development**	**Total**
Net book value 1.1.2013 (*)	**4,188**	**104**	**133**	**4,425**
Additions	417	183	0	**600**
Effect from acquisitions and sale of companies – cost	0	(64)	0	**(64)**
Effect from acquisitions and sale of companies – accumulated depreciation	0	63	0	**63**
Acquisitions through absorption - cost	189	0	0	**189**
Acquisition cost of sold-written off assets	(159)	0	0	**(159)**
Amortization for the period	(236)	(85)	(6)	**(327)**
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 (*)	**4,369**	**201**	**127**	**4,697**
Cost 1.1.2013	6,623	1,170	182	**7,975**
Accumulated Amortization 1.1.2013	(2,435)	(1,066)	(49)	**(3,550)**
Net book value 1.1.2013 (*)	**4,188**	**104**	**133**	**4,425**
Cost 31.12.2013	7,040	1,287	182	**8,509**
Accumulated Amortization 31.12.2013	(2,671)	(1,086)	(55)	**(3,812)**
Net book value 31.12.2013 (*)	**4,369**	**201**	**127**	**4,697**

(*) The financial accounts of 01/01/2013 and 31/12/2013 on Group and Company level are restated in accordance with the provisions of IFRS 11 (see note 32)

The Group's amortization for the reported period has been registered in cost of sales by euro 14,582 (5,966 in the previous year) and administrative expenses by euro 255 (542 in the previous year). The respective amounts for the Company correspond to euro 120 (35 in the previous year) and euro 282 (292 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 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.

(Amounts in thousands Euro, unless stated otherwise)

8 PARTICIPATION IN SUBSIDIARIES

The accounts and items of the financial statements of the significant subsidiary in which the Group has significant non-controlling interests are as follows:

	TERNA MAG	TERNA MAG
Geographical area of activity	Greece	Greece
Business Activity	Mining and processing of magnesite	Mining and processing of magnesite
Percentage of non-controlling interests	51.02%	51.02%
	31.12.2014	**31.12.2013**
Dividends of subsidiaries paid to non-controlling interests	0	0
Results corresponding to non-controlling interests	(906)	(906)
Equity corresponding to non-controlling interests	20,388	19,964
Non-current assets	23,815	9,169
Current assets	27,744	6,928
(Long-term liabilities)	(19,206)	(4)
(Short-term liabilities)	(20,455)	(2,413)
Net fixed assets	11,898	13,680
	1.1. - 31.12.2014	1.1. - 31.12.2013
Turnover	806	23
Net Profit	(1,776)	(522)
Other Comprehensive Income	(6)	(17)
Total Results	(1,782)	(539)
	1.1. - 31.12.2014	1.1. - 31.12.2013
Cash flows from operating activities	2,891	(839)
Cash outflows from investment activities	(13,382)	(2,115)
Cash outflows for financing activities	14,686	3,309
	4,195	355

The above financial accounts of the subsidiary are before consolidation entries. Apart from company presented above, there is no other subsidiary with significant non-controlling interests. The entire non-controlling interests concern the parent company of the Group, TERNA SA.

The change of the account Participation in subsidiaries is due to the share capital increase which was implemented in TERNA OVERSEAS LTD.

(Amounts in thousands Euro, unless stated otherwise)

9 PARTICIPATION IN JOINT VENTURES

The Group holds interests of 25% in HERON II joint venture which is consolidated with the Equity method. The movement of participations in joint ventures for the presented period is as follows:

	GROUP		COMPANY	
	2014	**2013 Restated**	**2014**	**2013 Restated**
Balance 1 January	**36,341**	**0**	**34,480**	**0**
Acquisitions	0	59,397	0	6,999
Sales	0	(35,787)	0	(34,479)
Profit from acquisition	0	9,562	0	61,960
Reclassification of non-consolidated entities	0	0	0	0
Participation in the results of joint venture	1,125	3,169	0	0
Balance 31 December	**37,466**	**36,341**	**34,480**	**34,480**

The most important accounts of the financial statements of HERON II (100%) are summarized as follows:

	31.12.2014	**31.12.2013**
Non-current assets	213,406	227,227
Cash and cash equivalents	6,271	8,850
Other current assets	65,631	74,068
Total assets	**285,308**	**310,144**
Long-term financial liabilities (apart from trade and other liabilities and provisions)	105,277	39,100
Other long-term liabilities	14,579	5,415
Short-term financial liabilities (apart from trade and other liabilities and provisions)	10,292	96,359
Other short-term liabilities	24,422	43,030
Total liabilities	**154,570**	**183,903**
Net fixed assets	**130,738**	**126,241**
Proportion in the net fixed assets before valuation differences at fair value	32,685	31,560
Valuation differences at fair value	4,781	4,781
Proportion in the net fixed assets	**37,466**	**36,341**

(Amounts in thousands Euro, unless stated otherwise)

	1.1 - 31.12.2014	1.1 - 31.12.2013
Turnover	93,900	185,107
(Depreciation)	(13,984)	(15,620)
(Financial expenses)	(9,224)	(12,204)
Financial income	168	191
(Expense)/Income from tax	(1,666)	(3,250)
Results from continued operations	4,446	7,478
Results from discontinued operations	0	0
Other comprehensive income	51	(32)
Total Results	**4,497**	**7,446**
Share in the results of the Group	1,112	1,870
Share in the other comprehensive results of the Group	12	(8)
Share in the total comprehensive results of the Group	**1,124**	**1,862**

10 INVESTMENTS AVAILABLE FOR SALE

Investments available for sale on 31st December 2014, in the attached financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013 Restated	31.12.2014	31.12.2013 Restated
Participations in related companies	14,722	8,196	6,058	5,372
Shares and rights	971	9,862	971	9,861
Other securities	50	50	36	36
	15,743	**18,108**	**7,065**	**15,269**
Non current	**15,159**	**8,926**	**6,481**	**6,087**
Current	**584**	**9,182**	**584**	**9,182**

The participation stakes in the related / affiliated companies of the Company and the Group concern the non-listed companies ILIOHORA, by 29.45% participation percentage of the Group and the Company, by 29.07% participation percentage of the Group and the Company, ICON BOROVETS participation by 19.19% and 60.20% respectively and ICON EOOD, by 19.35% participation percentage of the Group, 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.

(Amounts in thousands Euro, unless stated otherwise)

The Group proceeded with the sale of securities-shares and rights within the year 2014. A gain of 1,991 was generated from the above sale which was recorded in the Other income / (expenses).

The valuation of the investments available for sale resulted into a loss of 2,575 for the Group and the Company (loss 6,681 and 1,831 for the Group and the Company respectively on 31.12.2013), which was recorded in the Other comprehensive income.

11 OTHER LONG-TERM RECEIVABLES

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Loans to other related companies	28,004	20,401	30,994	14,562
Interests in non-consolidated joint entities	730	748	730	748
Given guarantees	1,402	1,017	993	610
Total	**30,136**	**22,166**	**32,717**	**15,920**

During the present period the Company and the Group participated in the issuance of bond loans of the parent company GEK TERNA amounting to 16 million with interest rate of 6.5%.

12 INVENTORIES

The account “inventories” on 31 December 2014 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Raw-auxiliary materials	6,208	5,729	5,420	5,187
Spare parts of fixed assets	25	25	25	25
Property to be developed	2,196	13,196	0	0
Merchandise and finished and semi-finished products	9,440	4,942	3,181	3,146
Byproducts and remaining parts	0	0	0	0
Total	**17,869**	**23,892**	**8,626**	**8,358**

The Group during the annual review process of the net realizable value of its inventories, found out, following a relevant study by independent appraisers, impairments on the value of property to be developed and recognized the resulting loss of 11,000 in the Group in the “Other income/(expenses)” in the Statement of comprehensive income.

With the exception of the above case, there was no need for impairment of other impaired or low turnover inventories during 31 December 2014.

(Amounts in thousands Euro, unless stated otherwise)

13 TRADE RECEIVABLES AND PREPAYMENTS AND OTHER SHORT-TERM RECEIVABLES

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

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Trade receivables	187,548	178,139	171,718	194,617
Accrued income	2,025	40,387	2,025	0
Customers – Doubtful and litigious	6,208	5,862	6,092	5,746
Notes / Checks receivable in delay	824	824	824	824
Checks Receivable	3,355	245	3,355	245
Minus: Provisions for doubtful trade receivables	(15,171)	(22,210)	(15,171)	(12,210)
	184,789	**203,247**	**168,843**	**189,222**

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

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Prepayments to suppliers	47,147	20,136	20,826	18,505
Receivables from the sale of participation in HERON II	0	42,365	0	42,365
Accounts for management of prepayments and credits	4,156	3,715	2,866	2,456
Prepayments to pension funds (IKA – technical works)	3,280	2,809	3,280	2,809
VAT to be rebated – offset	10,546	19,299	7,897	7,336
Receivables from other taxes apart from income tax	1,500	1,500	1,500	1,500
Income for the year receivable	818	816	748	323
Prepayments of deferred expenses (third party fees, insurance premiums, leases, commissions, E/E of banks)	11,158	10,388	7,091	4,916
Receivables against members of joint ventures and other related / affiliated companies	11,120	12,809	26,669	16,621
Receivables from grants for investment industrial plan	10,441	0	0	0
Blocked deposit accounts	2,166	4,090	1,959	3,913
Other receivables – Various debtors	19,485	14,792	7,572	11,080
Minus: Provisions for doubtful receivables	(3,304)	(3,304)	(3,304)	(3,304)
	118,513	**129,415**	**77,104**	**108,520**

(Amounts in thousands Euro, unless stated otherwise)

The Group has recognized on 31 December 2014 grants receivable amounting to 10,441 (0 on 31.12.2013) for the investment industrial plan of the subsidiary company TERNA Mag. During the year 2014, an amount of 4,585 was collected with regard to the above plan.

The movement of the account for impairment of trade receivables and debtors in the period is analyzed as follows:

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Balance 1.1	**25,514**	**10,959**	**15,514**	**9,654**
Provisions for the year	2,961	15,210	2,961	5,860
Utilization of provision	(10,000)	0	0	0
Sale of subsidiary	0	(655)	0	0
Recovery of provisions for the year	0	0	0	0
Balance 31.12	**18,475**	**25,514**	**18,475**	**15,514**

The above provisions of the year 2014 were recognized in the Other income / (expenses).

The receivables of the Group and the Company include accounts amounting to 39,067 and 35,567 respectively (50,730 and 44,730 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.

The time allocation of the above receivables is as follows:

	GROUP		COMPANY	
YEARS OVERDUE	**31.12.2014**	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Up to 1 year	2,000	3,500	1,000	1,000
1-2 years	3,863	7,326	3,863	4,326
2-3 years	3,500	3,324	1,000	2,824
Over 3 years	29,704	36,580	29,704	36,580
	39,067	**50,730**	**35,567**	**44,730**

14 CONSTRUCTION CONTRACTS

The technical works, undertaken by the Group and the Company, that were under construction on 31.12.2014 and 31.12.2013 are analyzed as follows:

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
Cumulatively from the beginning of the projects	**31.12.2014**	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Cumulative costs	3,030,720	2,238,844	2,738,911	2,066,577
Cumulative profit	369,227	275,470	360,436	274,938
Cumulative loss	(131,808)	(54,533)	(66,587)	(31,869)
Billings	(3,236,434)	(2,376,304)	(3,004,121)	(2,248,340)
	31,705	**83,477**	**28,639**	**61,306**
Receivables from construction contracts	171,748	137,203	156,710	115,032
Liabilities from construction contracts (long term)	(63,626)	(24,195)	(63,626)	(24,195)
Liabilities from construction contracts (short term)	(76,417)	(29,531)	(64,445)	(29,531)
Net receivables from customers of projects	**31,705**	**83,477**	**28,639**	**61,306**
Received prepayments	263,464	232,507	156,619	149,084
Withheld amounts from customers of projects	54,487	56,131	43,865	47,862

15 CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Cash in hand	149	130	121	98
Sight Deposits	125,626	121,681	55,515	85,609
Term Deposits	50,503	20,398	50,504	20,398
Total	**176,278**	**142,209**	**106,140**	**106,105**

Term deposits have a usual duration of 1-3 months and interest rates ranging between 1.70% - 2.00% during the financial year (1.80 - 2.00% during the previous financial year).

(Amounts in thousands Euro, unless stated otherwise)

16 SHARE CAPITAL AND RESERVES

The Company's share capital amounts to 40,010 divided into 400,100 shares with a nominal value € 100.00 each.

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 (400,100 during the comparative period).

Losses per share of the Group during the present period amount to euro 108.0055 (losses of euro 82.9618 during the previous financial year) and were calculated based on losses attributed to shareholders of the parent of euro 43.214 (losses of euro 33,193 during the previous financial year) and based on the above weighted average number of shares of the respective financial years.

The account "Reserves" on 31.12.2014 is analyzed as follows:

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Reserve from fair value of available for sale assets	(10,157)	(6,270)	(5,913)	(2,001)
Tax free reserves	38,970	37,443	38,970	37,443
Regulatory reserve	11,436	11,343	10,000	10,000
Reserve due to foreign exchange differences	(4,267)	1,317	(367)	374
Other reserves	(122)	340	(124)	347
	35,860	**44,173**	**42,566**	**46,163**

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

During the current year, the Company and the Group submitted a statement for the taxation of their reserves according to the Law 4172/2013 by an amount of 5,971 for the Company and the Group. The total amount of the taxable reserves was offset with existing tax losses of the year 2013.

17 OTHER LONG-TERM LIABILITIES

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Collected prepayments from customers of construction contracts	102,911	106,280	49,791	92,851
Liabilities due to construction contracts	63,626	24,195	63,626	24,195
Liabilities to members of joint companies and other affiliated companies	575	535	6,386	4,981
Other long-term liabilities	2	2	30,028	24,611
	167,114	**131,012**	**149,831**	**146,638**

(Amounts in thousands Euro, unless stated otherwise)

The prepayments from customers of construction contracts concern projects that will be certified and offset after 31.12.2015, whereas the liabilities from construction contracts concern liabilities that will be amortized after 31.12.2015.

18 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	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Liabilities from finance leases	34,132	14,570	32,735	14,570
Minus: Short-term portion	(9,965)	(7,896)	(9,727)	(7,896)
Long-term loans	112,847	143,846	111,989	143,846
Minus: Short-term portion	(52,278)	(24,865)	(52,278)	(24,865)
	84,736	**125,655**	**82,719**	**125,655**

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

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Up to 1 Year	52,278	24,865	52,278	24,865
Between 2 - 5 Years	60,569	118,981	59,711	118,981
Over 5 Years	0	0	0	0
	112,847	**143,846**	**111,989**	**143,846**

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

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Up to 1 Year	9,965	7,896	9,727	7,896
Between 2 - 5 Years	18,174	6,674	17,154	6,674
Over 5 Years	5,993	0	5,854	0
	34,132	**14,570**	**32,735**	**14,570**

A. Long-term Loans

The Group's long-term debt in Euro and USD corresponds to 99.2% and 0.8% of the total (100% in EUR and 0% in USD during the previous year) and represents 43% (47.73% during the previous year) of the Group's overall debt. Long-term debt mainly covers the financing needs of the Group's investments. As regards to the Company, total long-term debt is in euro and represents approximately 49.5% of its overall debt (51.03% during the previous year).

Almost the entire long-term debt of the Group, 99.7%, is based on floating interest rates (95.7% at the end of the previous year).

The average effective interest rate on long-term debt during the period, amounted to 6.37% (5.86% during the previous year) for debt in euro and to 3.38% for debt in USD (3.38% during the previous year).

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 by 96% (100% during the previous year). The remaining part concerns equipment of the mining activities.

Finance leases represent 17.4% (5.05% during the previous year) of the Group's total debt and 19.6% (5.9% during the previous year) of the Company's total debt. 95.8% (68.4% during the previous year) of liabilities from finance leases of the Company and Group are under floating interest rates.

The amount of euro 9,340 and 9,207 (10,055 and 10,055 during the previous year, respectively) were paid for leases on existing contracts by the Group and the Company. The average effective interest rate of the Group and the Company settled at 4.1% and 4.0% (3.8% and 3.8% during the previous year, respectively).

19 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 Statement of Comprehensive Results 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:

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Current service cost	1,794	1,415	1,143	709
Financial cost	46	54	46	54
Effect of cut-backs or settlements	150	217	151	217
Recognition of actuarial (profits) / losses	382	(468)	374	(470)
	2,372	**1,218**	**1,714**	**510**

The movement of the relevant provision in the Statement of Financial Position is as follows:

	GROUP		COMPANY	
	2014	**2013 Restated**	**2014**	**2013 Restated**
Balance 1.1	**4.879**	**5.090**	**2.729**	**3.129**
Provision recognized in Net earnings	1,990	1,686	1,340	980
Provision recognized in Other Total Income	382	(468)	374	(470)
Foreign exchange translation differences	496	(136)	210	(57)
Compensation payments	(1,405)	(1,293)	(820)	(853)
Balance 31.12	**6,342**	**4,879**	**3,833**	**2,729**

The main actuarial assumptions for the financial years 2014 and 2013 are as follows:

	2014	**2013**
Discount rate (based on the yields of the E.C.B. bonds)	2.5%	3.5%
Mortality: Greek mortality table	MT_EAE2012P	MT_EAE2012P
Future salaries increases	2.0%	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 concerning the rendering of benefits to personnel in cases of changes occurring in certain actuarial assumptions.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Discount Rate	1.50%	2.50%	2.50%	3.00%
Future Salaries Increases	2.00%	2.50%	1.50%	1.50%
Effect on the net earnings / (losses)	(272)	(129)	118	225

(Amounts in thousands Euro, unless stated otherwise)

20 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 1.1.2014	**114**	**2,767**	**2,881**	**114**	**2,767**	**2,881**
Additions recognized in results	0	13,200	**13,200**	0	0	**0**
Utilized provisions	0	0	**0**	0	0	**0**
Interest of provisions recognized in the Net earnings	0	0	**0**	0	0	**0**
Transfer from short-term liabilities	0	0	**0**	0	0	**0**
Non utilized provisions recognized in the results	0	(1,000)	**(1,000)**	0	(1,000)	**(1,000)**
Foreign exchange differences	0	0	**0**	0	0	**0**
Effect from purchase and sale of participation	0	0	**0**	0	0	**0**
Balance 31.12.2014	**114**	**14,967**	**15,081**	**114**	**1,767**	**1,881**

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
Balance 1.1.2013 (*)	**114**	**2,567**	**2,681**	**114**	**2,567**	**2,681**
Additions recognized in results	0	200	**200**	0	200	**200**
Utilized provisions	0	0	**0**	0	0	**0**
Interest of provisions recognized in the Net earnings	0	0	**0**	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**
Balance 31.12.2013 (*)	**114**	**2,767**	**2,881**	**114**	**2,767**	**2,881**

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 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	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Provisions of tax for tax unaudited years	1,440	1,240	1,240	1,240
Provisions for doubtful receivables	10,000	1,000	0	1,000
Provisions for legal cases	1,527	527	527	527
Other provisions	2,000	0	0	0
	14,967	**2,767**	**1,767**	**2,767**

21 GRANTS

The movement of grants of the Group in the Statement of Financial Position for 2014 and 2013 is as follows:

	GROUP	
	31.12.2014	**31.12.2013 Restated**
Collected grants	4,585	0
Approved but not collected grants	10,441	0
Transfer of grants to the value of fixed assets (IFRIC 12)	0	0
Foreign exchange differences	0	0
Amortization of grants of fixed assets	0	0
	15,026	**0**

The grants concern the investment plan of the subsidiary company TERNA Mag. The grants are amortized in accordance to the granted assets' depreciation or utilization rates.

22 SUPPLIERS, ACCRUED AND OTHER SHORT-TERM LIABILITIES

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

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Suppliers	187,436	140,910	161,965	132,866
Checks and notes payable	10,264	9,271	6,280	3,332
	197,700	**150,181**	**168,245**	**136,198**

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

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2014	31.12.2013 Restated	31.12.2014	31.12.2013 Restated
Liabilities from taxes – duties	6,367	4,302	6,170	4,252
Social security funds	2,974	1,276	2,865	1,244
Dividends payable	7	13	7	13
Liabilities against members of joint ventures and other related companies	18,209	21,029	20,578	25,961
Customer prepayments	160,553	126,227	106,828	56,233
BoD fees	0	120	0	120
Accrued expenses	16,185	9,374	5,798	2,316
Employee remuneration	1,040	2,212	2,533	1,145
Sundry creditors	1,002	10,751	2,154	2,226
	206,337	**175,304**	**146,933**	**93,510**

23 SHORT-TERM LOANS

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. Such loans, with the completion of the relevant projects, are repaid with the collection of the contractor prices.

The short-term debt of the Group is agreed on local currencies for any Group company, and in total is allocated by 73.9% in EUR (64.6% at the end of the previous year), 18.3% in QAR (26.1% at the end of the previous year), 4.5% in AED (5.2% at the end of the previous year) and 3.3% in BHD (4.1% at the end of the previous year). Moreover, it represents 57% (52.3% at the end of the previous year) approximately of the total debt of the Group and covers the working capital needs by 76% (100% at the end of the previous year) of the construction sector, whereas the remaining part covers the working capital needs of the mining sector.

The net reduction by 55 million of the short-term loans was mainly due to loan repayments.

The average weighted interest rate on such during the year amounted to 6.41% (7.0% during the previous year).

24 INCOME TAX

According to Greek tax legislation, the tax rate 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-tax exemption of specific expenses, the 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 and the capability of companies to create tax-exempt discounts and tax-exempt reserves.

(Amounts in thousands Euro, unless stated otherwise)

(a) Income tax expense

Income tax on the results for the period in the total comprehensive income statement is analyzed as follows:

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Current tax expense				
Current tax	26,454	1,632	25,143	1,269
Tax differences from previous years	(75)	6	(90)	6
Provisions for tax differences	200	200	0	200
	26,579	**1,838**	**25,053**	**1,475**
Deferred tax expense / (income)	(23,330)	11,447	(13,100)	3,318
Total	**3,249**	**13,285**	**11,953**	**4,793**

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

	GROUP		COMPANY	
	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Earnings/(loss) before tax	**(44,780)**	**(20,178)**	**29,263**	**(610)**
Nominal tax rate	26%	26%	26%	26%
Income tax expense/(income) based on the effective nominal tax rate	**(11,643)**	**(5,246)**	**7,608**	**(159)**
Adjustments for:				
Tax due to implied taxation method	(42)	(168)	(42)	(168)
Expenses and income not included in the calculation of tax	2,913	1,922	(622)	4,415
Effect of differences of tax rate	355	1,027	59	(3,254)
Tax differences from previous years	(75)	6	(90)	6
Provision for tax audit differences	200	200	0	200
Difference in taxation of foreign companies	11,284	14,497	4,663	2,794
Tax corresponding to write-off/(offsetting) of tax losses	257	1,047	377	959
Real tax expense	**3,249**	**13,285**	**11,953**	**4,793**

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.

(Amounts in thousands Euro, unless stated otherwise)

For this reason and based on data deriving from past years' tax audits, relevant provisions have been recorded for the financial year 2014, against additional taxes and surcharges that may be imposed to the Group, provisions of 1,440 (1,240 at the end of the previous year), and the Company, provisions of 1,240 (the same amount at the end of the previous year). These provisions are included in the account "Other provisions" (note 20). 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 (note 36).

(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.

	GROUP		COMPANY	
	2014	**2013 Restated**	**2014**	**2013 Restated**
Deferred tax asset	17,037	19,265	22,655	27,974
Deferred tax (liability)	(3,364)	(29,833)	(4,666)	(23,970)
Net deferred tax asset / (liability)	**13,673**	**(10,568)**	**17,989**	**4,004**
Balance 1.1	**(10,568)**	**(950)**	**4,004**	**8,075**
Effect of discontinued operations/acquisitions of entities	(2)	1,357	(2)	312
Effect from conversion of joint company into subsidiary	0	0	0	(946)
(Expense)/Income recognized in net earnings	23,331	(11,448)	13,101	(3,319)
(Expense)/Income recognized in Other comprehensive income	915	472	889	(119)
Foreign Exchange Differences	(3)	1	(3)	1
Balance 31.12	**13,673**	**(10,568)**	**17,989**	**4,004**

The deferred taxes (assets and liabilities) of 2014 and 2013 are analyzed as follows:

GROUP	**Statement of financial position**		**Net earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**
	31.12.2014	**31.12.2013 Restated**	**1.1 – 31.12.2014**	**1.1 – 31.12.2014**
Deferred tax asset				
Expense for issuing capital	9	9	0	0
Provision for staff indemnities	462	336	221	(92)
Losses recognized on tax basis	5,595	15,669	(10,074)	0
Other provisions	153	270	(117)	0
Provisions for doubtful receivables	3,263	2,510	753	0
Impairment of inventories	2,860	0	2,860	0
Other	(33)	0	(33)	0

(Amounts in thousands Euro, unless stated otherwise)

Deferred tax liability				
Investment property valuation	(415)	(415)	0	0
Recognition of finance leases	(3)	0	(3)	0
Valuation of investments	1,839	582	250	1,007
Recognition of revenue based on the percentage of completion	22,745	8,539	14,208	0
Depreciation differences	(2,181)	(2,303)	122	0
Intangible assets differences	324	189	135	0
Tangible assets differences	(391)	(737)	346	0
Companies' acquisitions and sales	(20,554)	(35,217)	14,663	0
Deferred tax on net earnings/ other comprehensive income			**23,331**	**915**
Net deferred income tax asset / (liability)	**13,673**	**(10,568)**		

GROUP	**Statement of financial position**		**Net earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**
	31.12.2013 Restated	**31.12.2012**	**1.1 – 31.12.2013 Restated**	**1.1 – 31.12.2013 Restated**
Deferred tax asset				
Expense for issuing capital	9	0	3	6
Provision for staff indemnities	336	338	120	(122)
Losses recognized on tax basis	15,669	7,567	8,102	0
Other provisions	270	199	71	0
Provisions for doubtful receivables	2,510	1,931	579	0
Impairment of inventories	0	(189)	189	0
Deferred tax liability				
Investment property valuation	(415)	(319)	(96)	0
Recognition of finance leases	0	13	(13)	0
Valuation of investments	582	0	0	582
Recognition of revenue based on the percentage of completion	8,539	2,184	6,355	0
Depreciation differences	(2,303)	(866)	(1,437)	0
Intangible assets differences	189	60	129	0
Tangible assets differences	(737)	(1,232)	489	6
Companies' acquisitions and sales	(35,217)	(10,636)	(25,939)	0
Deferred tax on net earnings/ other comprehensive income			**(11,448)**	**472**
Net deferred income tax asset / (liability)	**(10,568)**	**(950)**		

(Amounts in thousands Euro, unless stated otherwise)

COMPANY	Statement of financial position		Results for the year (Debit)/Credit	Other comprehensive income (Debit)/Credit
	31.12.2014	31.12.2013 Restated	1.1 – 31.12.2014	1.1 – 31.12.2014
Deferred tax asset				
Provision for staff indemnities	456	334	219	(94)
Losses recognized on tax basis	4,865	12,640	(7,775)	0
Other provisions	149	270	(121)	0
Provisions for doubtful receivables	3,280	2,510	770	0
Other	(30)	0	(30)	0
Deferred tax liability				
Investment property valuation	(415)	(415)	0	0
Recognition of finance leases	(3)	0	(3)	0
Valuation of investments	982	0	(1)	983
Recognition of revenue based on the percentage of completion	20,362	8,409	11,955	0
Depreciation differences	(1,010)	(1,111)	101	0
Intangible assets differences	245	103	142	0
Tangible assets differences	(974)	(1,320)	346	0
Companies' acquisitions and sales	(9,918)	(17,416)	7,498	0
Deferred tax on results / equity			**13,101**	**889**
Net deferred income tax asset / (liability)	**17,989**	**4,004**		

COMPANY	Statement of financial position		Net Earnings (Debit)/Credit	Other comprehensive income (Debit)/Credit
	31.12.2013 Restated	31.12.2012	1.1 – 31.12.2013 Restated	1.1 – 31.12.2013 Restated
Deferred tax asset				
Expense for issuing capital	0	0	2	(2)
Provision for staff indemnities	334	338	118	(122)
Losses recognized on tax basis	12,639	7,400	5,239	0
Other provisions	268	199	69	0
Provisions for doubtful receivables	2,510	1,931	579	0
Other	0	(191)	191	0

(Amounts in thousands Euro, unless stated otherwise)

Deferred tax liability				
Investment property valuation	(415)	(319)	(96)	0
Recognition of finance leases	0	13	(13)	0
Valuation of investments	0	0	0	0
Recognition of revenue based on the percentage of completion	8,412	2,184	6,228	0
Depreciation differences	(1,522)	(1,036)	(486)	0
Intangible assets differences	103	(8)	111	0
Tangible assets differences	(1,320)	(932)	(393)	5
Companies' acquisitions and sales	(17,005)	(1,504)	(14,868)	0
Deferred tax on net earnings/ other comprehensive income			**(3,319)**	**(119)**
Net deferred income tax asset / (liability)	**4,004**	**8,075**		

25 TURNOVER

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

	GROUP		**COMPANY**	
	1.1-31.12.2014	**1.1-31.12.2013 Restated**	**1.1-31.12.2014**	**1.1-31.12.2013 Restated**
Revenue from construction services	755,776	448,269	715,921	423,121
Revenue from provision of other services	1,658	1,128	986	1,478
Revenue from leases	838	2,337	867	3,534
Revenue from sales of quarry products	702	284	725	291
Total	**758,974**	**452,018**	**718,499**	**428,424**

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

The accounts "Cost of sales", "administrative and distribution expenses" and "Research & development expenses" in the accompanying financial statements are analyzed as follows:

Cost of Sales	**GROUP**		**COMPANY**	
	1.1-31.12.2014	**1.1-31.12.2013 Restated**	**1.1-31.12.2014**	**1.1-31.12.2013 Restated**
Cost of inventories-materials of projects	223,421	132,132	210,990	121,301
Employee remuneration	78,153	54,854	53,502	28,696
Sub-contractors	224,232	125,870	228,909	142,516
Remuneration of engineers, technical advisors and third parties	95,672	44,336	83,865	43,233

(Amounts in thousands Euro, unless stated otherwise)

Other third-party benefits	5,227	3,394	4,183	2,432
Taxes dues	4,014	3,165	3,998	3,165
Provisions	4,532	2,042	3,734	2,042
Depreciations	29,200	17,815	12,756	9,678
Leases	39,187	23,197	35,263	16,908
Insurance premiums	5,810	4,756	3,059	4,626
Transfer expenses	15,275	6,399	15,136	6,274
Repair and maintenance	8,449	4,074	8,252	3,896
Auditor fees	125	92	82	64
Net financial cost	13,243	17,332	10,215	14,238
Foreign exchange differences	(2,188)	444	(1,317)	324
Other	2,099	1,678	2,003	4,660
Total	**746,451**	**441,580**	**674,630**	**404,053**

Administrative Expenses	**GROUP**		**COMPANY**	
	1.1-31.12.2014	**1.1-31.12.2013 Restated**	**1.1-31.12.2014**	**1.1-31.12.2013 Restated**
Employee remuneration	4,922	4,456	4,379	4,066
Remuneration of engineers, technical advisors and third parties	4,140	3,941	4,833	3,764
Other third-party benefits	647	715	600	658
Travel expenses	321	455	203	269
Subscriptions-contributions-Advertising expenses	1,292	262	1,269	246
Depreciation	1,377	1,218	1,357	1,176
Impairments of assets	450	0	450	0
Repair and maintenance	415	351	414	348
Auditors fees	123	173	70	128
Remuneration of BoD	0	0	0	0
Leases	1,151	1,175	951	1,028
Taxes - duties	650	508	588	479
Other	2,470	1,034	1,019	579
Total	**17,958**	**14,288**	**16,133**	**12,741**

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

(Amounts in thousands Euro, unless stated otherwise)

Research and development expenses	GROUP		COMPANY	
	1.1-31.12.2014	1.1-31.12.2013 Restated	1.1-31.12.2014	1.1-31.12.2013 Restated
Employee remuneration	51	37	51	37
Remuneration of engineers, technical advisors and third parties	11	14	0	14
Amortization	0	16	0	0
Travel expenses	31	22	31	21
Other	55	10	14	10
Total	**148**	**99**	**96**	**82**

27 AUDITORS' FEES

	GROUP		COMPANY	
	1.1-31.12.2014	1.1-31.12.2013 Restated	1.1-31.12.2014	1.1-31.12.2013 Restated
Fees for statutory audits	187	213	94	147
Fees for other audits	26	45	26	44
Fees for other services	35	7	32	1
	248	**265**	**152**	**192**

28 PAYROLL COST

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

	GROUP		COMPANY	
	1.1-31.12.2014	1.1-31.12.2013 Restated	1.1-31.12.2014	1.1-31.12.2013 Restated
Wages and related employee benefits	68,155	50,491	43,860	24,884
Social security fund contributions	12,981	7,170	12,732	6,935
Provision for employee indemnities	1,990	1,686	1,340	980
Total	**83,126**	**59,347**	**57,932**	**32,799**

29 OTHER INCOME/(EXPENSES)

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

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	1.1-31.12.2014	**1.1-31.12.2013 Restated**	**1.1-31.12.2014**	**1.1-31.12.2013 Restated**
Other provision of services	318	1,113	318	292
Income from leases	431	307	431	312
Charges of expenses	2,355	489	7,207	2,595
Sales of fixed assets and inventories	218	576	328	544
Amount payable written off due to settlement	0	1,009	0	0
Compensation due to termination of contract	811	0	811	0
Other income	1,235	1,923	729	1,570
Foreign exchange differences on payments	3,144	2,742	3,126	2,549
Foreign exchange differences on valuation	6,497	(4,767)	2,006	(2,653)
Collapse of guarantees	233	0	233	0
Impairment / Write-off of receivables	(17,912)	(41,614)	(7,476)	(11,942)
Impairments of fixed assets	(2,000)	0	0	0
Impairments of inventories	(11,000)	0	0	0
Provisions	(11,000)	0	0	0
Taxes – duties	(632)	(91)	(490)	(48)
Depreciations	0	(198)	0	(198)
Other expenses	(136)	(40)	(487)	(40)
	(27,438)	**(38,551)**	**6,736**	**(7,019)**
Results from participations and investments				
Earnings / (losses) from absorption of company	0	9,562	0	61,960
Earnings / (losses) from participations in joint ventures not consolidated	13	50	13	50
Earnings from participations in tax joint ventures recorded as subsidiaries	0	0	7,611	0
Earnings / (losses) from sale of participations and securities	1,991	29,209	1,991	33
Impairment of participation to subsidiary	0	0	0	(47,495)
	2,004	**38,821**	**9,615**	**14,548**
Total	**(25,434)**	**270**	**16,351**	**7,529**

30 FINANCIAL INCOME/(EXPENSES)

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

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	1.1-31.12.2014	**1.1-31.12.2013 Restated**	**1.1-31.12.2014**	**1.1-31.12.2013 Restated**
Financial income				
Interest on deposit accounts and similar items	1,548	533	1,378	531
Interest on loans	1,702	4,570	1,590	4,011
Interest on trade receivables	74	17	74	17
	3,324	**5,120**	**3,042**	**4,559**
Financial expenses				
Interest and expenses of short term financing	(2,351)	(7,070)	(2,057)	(6,543)
Interest and expenses of long term financing	(7,174)	(12,778)	(7,174)	(12,778)
Interest on financial leasing contracts	(1,081)	(715)	(1,022)	(715)
Bank commissions and expenses	(7,593)	(4,233)	(7,517)	(4,210)
	(18,199)	**(24,796)**	**(17,770)**	**(24,246)**
Total	**(14,875)**	**(19,676)**	**(14,728)**	**(19,687)**

31 TRANSACTIONS WITH RELATED PARTIES

The transactions, as well as the balances of the Group and Company with related parties for the financial years 2014 and 2013, are analyzed as follows:

Year 2014	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	1,561	962	19,700	2,421	1,561	962	19,700	2,251
Subsidiaries	-	-	-	-	348,770	18,305	50,400	147,851
Joint Ventures	1,050	0	9,940	0	1,050	0	9,940	0
Other related parties	991	9,459	17,196	5,457	884	7,582	11,334	3,453

Year 2013 Restated	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	2,265	757	7,076	1,620	2,265	757	7,076	1,620
Subsidiaries	-	-	-	-	6,839	40,380	11,839	36,991
Joint Ventures	1,776	0	10,764	0	1,776	0	10,764	0
Other related parties	3,651	5,103	19,137	13,188	3,057	4,957	13,021	12,546

(Amounts in thousands Euro, unless stated otherwise)

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 granted new long term bond loans to related parties amounting to 16,000 and 18,990 respectively (1,410 and 1,410 respectively in the previous financial year). During the present year, the Group and the Company received from the repayment of such loans 2,750 and 2,750 (37,900 and 28,448 respectively during the previous year).

During the present year, the Group and the Company received 10 and 0, respectively, from long term bond loans issued from related parties (2,630 and 2,630 respectively in the previous year). During the present year, the Group and the Company paid 16,000 and 3,615, respectively, for the repayment of long term bond loans from related parties (3,275 and 3,275 respectively during the previous year).

During the present year, the Company paid the amounts of 42,333 in total for share capital increases in subsidiaries (41,149 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	
	1.1-31.12.2014	**1.1-31.12.2013 Restated**	**1.1-31.12.2014**	**1.1-31.12.2013 Restated**
Sales to executive members of BOD				
Remuneration for services rendered	1,317	1,150	1,117	1,129
Remuneration of employees	88	117	88	117
Remuneration for participation in Board meetings	0	0	0	0
	1,404	**1,267**	**1,204**	**1,246**

	31.12.2014	**31.12.2013 Restated**	**31.12.2014**	**31.12.2013 Restated**
Liabilities	164	328	91	322
Receivables	1	1	1	1

32 RESTATEMENT OF FINANCIAL STATEMENTS BASED ON IFRS 11

As of the beginning of the fiscal year which started on the 1st of January 2014 the Group and the Company implement IFRS 11, which replaces IAS 31 Participation in Joint Ventures and Interpretation 13 Jointly-Controlled entities – Non Cash contributions from the joint ventures. IFRS 11 abolishes the choice of the proportional consolidation of the jointly controlled companies. Instead of the above, the jointly controlled companies which meet the definition of the joint venture should be accounted by applying the equity consolidation method. The implementation of the new standard affects the financial position of the Group and the Company, with the replacement of the proportional method by the equity method. This concerns the related company HERON II.

(Amounts in thousands Euro, unless stated otherwise)

The effect of the change is presented in the following tables:

STATEMENT OF FINANCIAL POSITION	GROUP			COMPANY		
	RESTATED	ADJ. DUE TO IFRS 11	PUBLISHED	RESTATED	ADJ. DUE TO IFRS 11	PUBLISHED
	31/12/13		31/12/13	31/12/13		31/12/13
ASSETS						
Non-current assets						
Goodwill	9,759	0	9,759	0	0	0
Intangible fixed assets	79,756	(61,509)	141,265	64,317	6,786	57,531
Tangible fixed assets	77,674	(29)	77,703	4,697	530	4,167
Investment property	2,220	0	2,220	1,596	0	1,596
Participations in subsidiaries	0	0	0	97,974	33,012	64,962
Participations in associates	0	0	0	0	0	0
Participations in joint-ventures	36,341	35,593	748	34,480	(40,699)	75,179
Investments available for sale	8,926	(2)	8,928	6,087	0	6,087
Other long-term assets	22,166	10,476	11,690	15,920	798	15,122
Deferred tax assets	19,265	0	19,265	27,974	25,253	2,721
Total non-current assets	**256,107**	**(15,471)**	**271,578**	**253,045**	**25,680**	**227,365**
Current assets						
Inventories	23,892	(2,262)	26,154	8,358	4,320	4,038
Trade receivables	203,247	(16,016)	219,263	189,222	57,224	131,998
Receivables from construction contracts	137,203	0	137,203	115,032	23,525	91,507
Advances and other receivables	129,415	810	128,605	108,520	(24,779)	133,299
Income tax receivables	26,533	(98)	26,631	25,714	10,525	15,189
Investments available for sale	9,182	0	9,182	9,182	0	9,182
Cash and cash equivalents	142,209	(2,213)	144,422	106,105	34,353	71,752
Total current assets	**671,681**	**(19,779)**	**691,460**	**562,133**	105,168	**456,965**
TOTAL ASSETS	**927,788**	**(35,250)**	**963,038**	**815,178**	130,848	**684,330**
EQUITY AND LIABILITIES						
Share capital	40,010	0	40,010	40,010	0	40,010
Share premium account	35,922	0	35,922	35,922	0	35,922
Reserves	44,173	0	44,173	46,163	93	46,070
Profit/(losses) carried forward	(3,802)	0	(3,802)	11,160	(8,342)	19,502
	116,303	**0**	**116,303**	**133,255**	**(8,249)**	**141,504**
Minority interests	22,605	0	22,605	0	0	0
Total equity	**138,908**	**0**	**138,908**	**133,255**	**(8,249)**	**141,504**
Non-current liabilities						
Long-term loans	118,981	0	118,981	118,981	0	118,981
Loans from finance leases	6,674	0	6,674	6,674	0	6,674
Provisions for staff indemnities	4,879	(25)	4,904	2,729	2	2,727
Other provisions	2,881	(203)	3,084	2,881	(4,321)	7,202
Other long-term liabilities	131,012	0	131,012	146,638	20,933	125,705
Deferred tax liabilities	29,833	(1,125)	30,958	23,970	23,970	0
Total non-current liabilities	**294,260**	**(1,353)**	**295,613**	**301,873**	**40,584**	**261,289**

(Amounts in thousands Euro, unless stated otherwise)

Current liabilities:						
Short term loans	104,873	0	104,873	87,804	4,758	83,046
Long term liabilities payable during the next 12 months	32,761	(23,150)	55,911	32,761	0	32,761
Suppliers	150,181	(7,686)	157,867	136,198	34,359	101,839
Liabilities from construction contracts	29,531	0	29,531	29,531	2,352	27,179
Accrued and other short term liabilities	175,304	(3,061)	178,365	93,510	56,821	36,689
Income tax payable	1,970	0	1,970	246	223	23
Total current liabilities	**494,620**	**(33,897)**	**528,517**	**380,050**	**98,513**	**281,537**
TOTAL EQUITY AND LIABILITIES	**927,788**	**(35,250)**	**963,038**	**815,178**	**130,848**	**684,330**

STATEMENT OF COMPREHENSIVE INCOME	**GROUP**			**COMPANY**		
	RESTATED	**ADJ. DUE TO IFRS 11**	**PUBLISHED**	**RESTATED**	**ADJ. DUE TO IFRS 11**	**PUBLISHED**
	1/1-31/12/13		**1/1-31/12/13**	**1/1-31/12/13**		**1/1-31/12/13**
A. Results for the period						
Continued operations						
Turnover	452,018	(73,244)	525,262	428,424	83,431	344,993
Cost of sales	(441,580)	62,756	(504,336)	(404,053)	(93,426)	(310,627)
Gross profit	**10,438**	**(10,488)**	**20,926**	**24,371**	**(9,995)**	**34,366**
Administrative and distribution expenses	(14,288)	267	(14,555)	(12,741)	49	(12,790)
Research and development expenses	(99)	0	(99)	(82)	0	(82)
Other income/(expenses)	270	965	(695)	7,529	1,762	5,767
Net financial income/(expenses)	(19,676)	4,651	(24,327)	(19,687)	(346)	(19,341)
Profit / (Loss) from valuation of joint ventures under the equity method	3,177	3,177	0	0	0	0
Earnings / (Losses) before income tax for the period	**(20,178)**	**(1,428)**	**(18,750)**	**(610)**	**(8,530)**	**7,920**
Income tax expense	(13,285)	1,428	(14,713)	(4,793)	2,605	(7,398)
Net Earnings/(losses) from continued operations	**(33,463)**	**0**	**(33,463)**	**(5,403)**	**(5,925)**	**522**
B. Other comprehensive results						
Valuation of investments available for sale	(6,681)	0	(6,681)	(1,831)	(1)	(1,830)
Foreign exchange differences from operations abroad	1,374	0	1,374	508	288	220
Expenses due to share capital increase	(33)	1	(34)	0	0	0
Actuarial income/(expense) from defined benefit schemes	468	10	458	470	1	469
	(8)	(8)	0	0	0	0
Income tax corresponding to the above results	472	(3)	475	(119)	0	(119)
Other Comprehensive Income for the period	**(4,408)**	**0**	**(4,408)**	**(972)**	**288**	**(1,260)**
TOTAL COMPREHENSIVE INCOME	**(37,871)**	**0**	**(37,871)**	**(6,375)**	**(5,637)**	**(738)**

(Amounts in thousands Euro, unless stated otherwise)

STATEMENT OF CASH FLOWS	GROUP			COMPANY		
	RESTATED 31/12/13	ADJ. DUE TO IFRS 11	PUBLISHED 31/12/13	RESTATED 31/12/13	ADJ. DUE TO IFRS 11	PUBLISHED 31/12/13
Cash flows from operating activities						
Profit / (Losses) for the year before income tax	(20,178)	(1,428)	(18,750)	(610)	(8,530)	7,920
Adjustments for the agreement of the net flows from the operating activities:					0	
Fixed assets' depreciation	19,247	(5,739)	24,986	11,052	627	10,425
Impairments	41,614	(187)	41,801	11,942	(39,185)	51,127
Provisions	1,727	(853)	2,580	1,021	0	1,021
Interest and related income	(5,120)	(1,625)	(3,495)	(4,559)	(342)	(4,217)
Interest and other financial expenses	24,796	(3,026)	27,822	24,246	688	23,558
Results from associates and joint ventures	(3,177)	(3,177)	0	0	0	0
Results from participations and securities	(38,821)	0	(38,821)	(14,515)	47,445	(61,960)
Results from fixed assets	468	0	468	223	(10)	233
Foreign exchange differences	4,767	0	4,767	2,932	0	2,932
Other adjustments	0	0	0	0	0	0
Operating profit before changes in working capital	**25,323**	**(16,035)**	**41,358**	**31,732**	**693**	**31,039**
(Increase)/Decrease in:						
Inventories	(1,899)	2,262	(4,161)	(369)	(71)	(298)
Trade receivables	42,526	(9,484)	52,010	134,665	107,500	27,165
Prepayments and other short term receivables	(33,213)	(978)	(32,235)	(41,803)	(48,471)	6,668
Increase/(Decrease) in:						
Suppliers	(3,422)	8,686	(12,108)	(56,520)	(56,101)	(419)
Accruals and other short term liabilities	4,169	9,899	(5,730)	(6,532)	(3,875)	(2,657)
Other long-term receivables and liabilities	(8,436)	(10,476)	2,040	2,432	2,410	22
Income tax payments	(5,956)	439	(6,395)	(5,716)	(1,104)	(4,612)
Operating flows from discontinued activities	0	0	0	0	0	0
Net cash flows from operating activities	**19,092**	**(15,687)**	**34,779**	**57,889**	**981**	**56,908**
					0	
Cash flows from investing activities:					0	
(Purchases) / Sales of fixed assets	(4,111)	43	(4,154)	(2,784)	(1,409)	(1,375)
(Purchases) / Sales of investment property	0	0	0	0	0	0
Interest and related income received	7,311	590	6,721	7,048	296	6,752
(Purchases) / sales of participations and securities	(30,891)	0	(30,891)	(41,246)	(97)	(41,149)
Net change of loans granted	37,038	5,000	32,038	32,038	0	32,038
Cash reserves of company which was absorbed / consolidated for the first time or excluded from consolidation	45,215	(871)	46,086	(10,660)	(10,660)	0

(Amounts in thousands Euro, unless stated otherwise)

Cash flows from investing activities of discontinued operations	0	0	0	0	0	0
Net cash flows for investing activities	**54,562**	**4,762**	**49,800**	**(15,604)**	**(11,870)**	**(3,734)**
					0	
Cash flows from financing activities					0	
Net change of short-term loans	56,436	0	56,436	55,929	(5,513)	61,442
Net change of long-term loans	(36,853)	6,746	(43,599)	(35,433)	0	(35,433)
Payments for financial leases	(10,055)	0	(10,055)	(10,055)	0	(10,055)
Dividends paid	0	0	0	0	0	0
Change in other financial assets	(10,829)	0	(10,829)	(10,829)	0	(10,829)
Interest and related expenses paid	(23,354)	1,966	(25,320)	(22,368)	(699)	(21,669)
Cash flows from financing activities of discontinued activities	0	0	0	0	0	0
Cash outflows from financing activities	**(24,655)**	**8,712**	**(33,367)**	**(22,756)**	**(6,212)**	**(16,544)**
Effect of foreign exchange differences on cash	(280)	0	(280)	(194)	0	(194)
Cash and cash equivalents at the beginning of the period from continued activities	93,490	0	93,490	86,770	51,454	35,316
Cash and cash equivalents at the end of the period	**142,209**	**(2,213)**	**144,422**	**106,105**	**34,353**	**71,752**

33 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.

(Amounts in thousands Euro, unless stated otherwise)

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.

						2014					
(amounts in euros)	**RON**	**MKD**	**AED**	**QAR**	**BHD**	**USD**	**LYD**	**ALL**	**RSD**	**IQD**	**SAD**
Financial assets	1,576	955	27,209	92,511	35,294	2,096	3,135	4,024	48,126	2,556	482
Financial liabilities	1,230	(3,777)	29,022	99,103	39,589	626	7,044	110	33,167	501	77
Total current	**346**	**4,732**	**(1,813)**	**(6,592)**	**(4,295)**	**1,470**	**(3,909)**	**3,914**	**14,959**	**2,055**	**405**
Financial assets	3	0	7,278	3,969	1,108	0	81	59	671	180	0
Financial liabilities	0	0	12,305	11,053	2,962	2,057	0	40	3,418	1,462	0
Total non-current	**3**	**0**	**(5,027)**	**(7,084)**	**(1,854)**	**(2,057)**	**81**	**19**	**(2,747)**	**(1,282)**	**0**

					2013 Restated				
(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)**

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.

(Amounts in thousands Euro, unless stated otherwise)

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

	2014										
(amounts in euros)	**RON**	**MKD**	**AED**	**QAR**	**BHD**	**USD**	**LYD**	**ALL**	**RSD**	**IQD**	**SAD**
Effect on Net earnings before taxes	35	473	(684)	(1,368)	(615)	(59)	(383)	393	1,221,	77	41
Effect on other comprehensive income	14	6	(14)	(591)	58	0	15	27	61	0	2

	2013 Restated								
(amounts in euros)	**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

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 was based on floating interest rates (note 23) as well as almost the entire long-term debt and financial leases (note 18), almost the entire debt, 99.1%, held by the Group at the end of the present year was based on floating interest rates (95.9% at the end of the previous year). The remaining amount was based on fixed interest rates.

Due to the short maturity of the cash and cash equivalents, these are essentially 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% (2013: +/-20%). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2014		**2013 Restated**	
	+20%	-20%	+20%	-20%
Net earnings after taxes (from interest bearing liabilities)	(1,640)	1,640	(2,757)	2,757
Net earnings after taxes (from interest earning assets)	106	(106)	104	(104)

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

(Amounts in thousands Euro, unless stated otherwise)

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:

	31.12.2014	31.12.2013 Restated
Investments available for sale – Shares and rights	387	680
Other short-term financial assets - Shares and rights	584	9,182
Other long-term receivables – Loans to other affiliated companies	28,004	20,401
Prepayments and other receivables – Receivables against members of joint ventures, and other and related parties	11,120	12,809
Other long-term receivables – Guarantees granted	1,402	1,017
Trade receivables	184,789	203,247
Receivables from construction contracts	171,748	137,203
Prepayments and other receivables - Other	23,322	20,110
Cash and cash equivalents – Sight and time deposits	176,129	142,079
	597,485	**546,728**

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 not considered as significant, 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.

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:

(Amounts in thousands Euro, unless stated otherwise)

	Short term	Long term	
31.12.2014	**0 to 12 months**	**2 to 5 years**	**Over 5 years**
Long-term Debt	56,911	65,570	0
Liabilities from finance leases	11,158	21,846	6,538
Short-term Debt	50,172	0	0
Trade Liabilities	197,700	0	0
Other liabilities	36,443	64,201	0
Total	**352,284**	**151,617**	**6,538**

The respective maturity of financial liabilities for 31st December 2013 was as follows:

	Short term		Long term
31.12.2013 Restated	**0 to 12 months**	**2 to 5 years**	**Over 5 years**
Long-term Debt	27,713	127,857	6,445
Liabilities from finance leases	8,177	6,868	0
Short-term Debt	105,830	0	0
Trade Liabilities	150,181	0	0
Other liabilities	43,499	24,730	0
Total	**335,400**	**159,455**	**6,445**

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.

34 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:

	31.12.2014	**31.12.2013 Restated**
Non-current assets		
Investments available for sale – Other investments	15,159	8,926
Loans and receivables – Other long-term receivables	29,406	21,418
Total	**44,565**	**30,344**
Current assets		
Loans and receivables - Trade receivables	184,789	203,247
Loans and receivables - Trade receivables from construction contracts	171,748	137,203
Investments available for sale – Other short-term financial assets	584	9,182
Loans and receivables - Prepayments and other receivables	34,442	32,919
Cash and cash equivalents	176,278	142,209
Total	**567,841**	**524,760**

(Amounts in thousands Euro, unless stated otherwise)

	31.12.2014	31.12.2013 Restated
Non-current liabilities		
Financial liabilities at amortized cost – Long term loans	50,569	118,981
Financial liabilities at amortized cost – Liabilities from finance leases	24,167	6,674
Financial liabilities at amortized cost – Other long term liabilities	64,201	24,730
Total	**138,937**	**150,385**
Current liabilities		
Financial liabilities at amortized cost – Short term loans	49,761	104,873
Financial liabilities at amortized cost – Long term liabilities payable in the following year	62,243	32,761
Financial liabilities at amortized cost – Trade liabilities	197,700	150,181
Financial liabilities at amortized cost – Accrued and other short term liabilities	36,443	43,499
Total	**346,147**	**331,314**

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 31.12.2014 based on the above hierarchy levels 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	14,722	0	0
Listed shares (investments available for sale)	1	971	1,991	(2,575)
Other financial assets (investments available for sale)	3	50	0	0

(Amounts in thousands Euro, unless stated otherwise)

The respective amounts on 31.12.2013 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	8,196	0	(7,120)
Listed shares (investments available for sale)	1	9,862	0	439
Other financial assets (investments available for sale)	3	50	0	0

35 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 2014 and 2013 was as follows:

	31.12.2014	31.12.2013 Restated
Interest bearing debt	196,740	263,289
Minus:		
Cash and Cash equivalents	(176,278)	(142,209)
Net Debt	**20,462**	**121,080**
Equity	82,321	138,908
Grants	15,026	0
Adjusted Equity	**97,347**	**138,908**
Leverage ratio	**21.02%**	**87.17%**

36 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 770 million (euro 871million at the end of the previous financial year).

There are legal cases against the Group for labor accidents that occurred during the execution of construction works from companies or joint ventures in which the Group participates. Due to the fact that the Group is insured against labor accidents, any unfavorable outcome with regard to the court decisions is not expected to have a significant effect on the operation of the Group. Other judicial or under arbitration differences, as well as any other pending decisions of courts or arbitration bodies are not expected to have a significant effect on the financial position or operation of the Group or the Company whereas, wherever it was deemed appropriate, relevant provisions were made (note 20).

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 2014.

Tax Compliance Report

For 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 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 deemed as finalized as regards to tax.

For the year 2014 (as well as for the years 2011-2012-2013), the parent company and its Greek subsidiaries are subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 82 par. 5 of L. 2238/1994. This audit is underway and the relevant tax certificate is expected to be issued following the publication of the 2014 financial statements. The Group's Management considers that during the tax audit, no addition tax liabilities will arise that will have a significant effect, apart from those registered and presented in the financial statements.

37 EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, there were no significant events for the Group and the Company.

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