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 2015

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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 2015, 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 2015, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

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

Athens, 28th March 2016

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 2015

The present report of the Board of Directors for the closing period from 01/01/2015 to 31/12/2015, which includes the audited separate and consolidated financial statements, the notes on the financial statements and the audit report of the Certified Auditor, has been prepared according to the provisions of CL 2190/1920 (articles 43a and 107).

A. Financial Developments & Performance for the Year

The problematic conditions of the Greek economy prevailed in year 2015 as well. The macroeconomic and business environment remained negative and was affected by the constantly declining liquidity in the market, which further worsened with the imposed capital controls and the continuous changes in the tax legislation.

The delay observed in the fulfillment of any nature of obligations on behalf of the Greek State towards the private sector (for example: VAT return, payments for projects, development law obligations, etc.) led to a slowdown in economic activity. If the above weakness was treated effectively, then economic activity would significantly improve in many sectors of the economy.

The continuation, even with problematic conditions, of 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.

Under this context, TERNA Group continued its investment plan mainly in the construction sector concerning the equipment for the execution of projects, as well as the industrial segment of magnesium production, as its capital structure remains satisfactory.

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

The most important financial figures of 2015 according to the International Financial Reporting Standards are as follows:

Revenue from third parties, from continuing activities, reached EUR 768 million approximately versus EUR 759 million in 2014, posting a marginal increase.

Revenue, which amounted to EUR 768 million was attributed by 75% to activities in Greece, by 6.2% to activities in Balkan countries, by 18.65% to activities in the Middle East and by 0.15% to activities in Malta, Libya and W. Europe.

The backlog of signed construction contracts on 31.12.2015 amounts to about EUR 2,668 million versus EUR 3,160 million at the end of 2014. It is noted that 8.8% (versus 8.5% 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 78 million.

Operating profit before interest, taxes, depreciation and amortization (EBITDA) settled at EUR 52.22 million versus EUR 33.15 million in the previous year, posting an increase of 57%. At the same time, earnings before interest and tax (EBIT) settled at EUR 25.28 million versus EUR 2.58 million in the previous year.

The financial year 2015 resulted into earnings before taxes amounting to EUR 0.46 million versus losses before tax of EUR 44.78 million for financial year 2014.

Results after taxes and minority rights amounted to losses of EUR 8.87 million, versus losses of EUR 43.21 million in the previous financial year.

Net Debt of TERNA Group (cash and cash equivalents less bank debt) settled on 31.12.2015 at approximately minus EUR 6.97 million compared to minus EUR 20.5 million of Net Debt Position on 31.12.2014.

The Group's equity amounted to EUR 68.11 million, compared to EUR 82.32 million on 31.12.2014.

The Total Assets of the Group amounted to EUR 1,182 million (EUR 972 million on 31.12.2014).

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 2015

The important events of 2015 are presented below:

The Extraordinary General Meeting of 23rd December 2015 approved the share capital increase of the Company by an amount of 45,750 thousand Euro through the issuance of 122,000 new common registered shares with nominal value of €100 and offering price of €375.

Within the present year, the Group signed new construction contracts for a total amount of 270 million Euro approximately.

During the year 2015, and under problematic conditions, the Group continued the following construction projects:

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 Group in a joint venture with the companies Gulf Consolidated Contractors W.L.L. and Wade Adams Contracting L.L.C., has signed an agreement for the execution of a project in Qatar, "Roads and Infrastructure in Doha Industrial Area", for a total budget of 300 million approximately. The participation percentage of the Group in the above joint venture settles at 30%.

The Group in joint venture with the company RENCO SPA was named as the lowest bidder for the execution of the project "Construction of Measurement Stations in Greece and Albania" for a budget of 230 million Euro approximately. The participation percentage of the Group in the above joint venture settles at 50%.

After the adoption of the new IFRS 11, the company "HERON II S.A." is consolidated through the equity method. In the current period, the losses after tax which have been incorporated stood at 11.3 million euro compared to 1.1 million euro in 2014.
The main cause of the losses related to the existing and pending issues with the Public regulatory authorities and most importantly with the lack of a legislative framework that would ensure power capacity. The above factor led to operating losses as well as to the impairment of the value of the particular company.

The Group activates in the mining and industrial processing of magnesite. The Management has initiated an important investment plan of 100 million Euro approximately in its privately owned facilities in Mandoudi, North Evia, with the objective to expand the industrial production of caustic magnesite through its participation in TERNA MAG S.A.. The first phase amounting to 20 million Euro of the above investment plan has been almost completed. The remaining investments for the completion of the entire investment plan, are reassessed and revised in view of the blocked payments concerning the already approved financing schemes in relation to the relevant development law.

The Company withdrew its interest from the execution of projects amounting to 78 million euro in Libya due to the political conditions prevailing in the country.

On 16 July 2015 with the publication of Law 4334/2015 (Gov. Gaz. A' 80/ 16-07-2015) the tax rate in effect increased from 26% to 29% for the financial years beginning on 1/1/2015.

C. Significant Events after the end of the financial year 2015

Until the date of approval by the Group's Management of the financial statements, a reduction was recorded in the fair value of shares of a banking institution listed on the Athens Exchange presented in the item "Investments available for sale" for total amount of 12.75 million, and the balance of the capital due was fully paid.

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 of the group are mainly deposits in banks, loans, trade and other debtors and creditors, receivables from construction contracts, loans to affiliated companies, investments in equities, dividends payable, long-term and short-term liabilities from leasing agreements and loans.

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

Market risk

The Group is exposed to a risk related to the change in the fair value of the Investments available for sale and the Investments held for trading purposes which may affect the Financial Statements.

Foreign exchange risk

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

This type of risk may result, for the Group, from foreign exchange differences due to valuation and conversion into the Group's currency of financial assets, mainly receivables and financial liabilities from transactions agreed in currency other than the operating currency of the Group's entities. 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.

To manage this category of risk, the Group's Management and the financial department makes sure that the cash management of the Group is covered against changes in foreign exchange rates. Furthermore, it 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.

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, the Group does not enter interest rate swap agreements to cover interest rate risk.

The short-term debt of the Group is based by 76% on floating rates linked to Euribor and by 24% on fixed rates, and is agreed on local currencies for any Group company. Short-term loans are received mainly either as working capital or as funding for the Group's construction investments. Such loans are repaid from the collection of trade receivables. Therefore, the Group is exposed to interest rate risk emanating from its short-term debt based on floating rates.

Credit risk

The credit risk relates to the potential loss resulting from the inability of a counterparty participating in a financial transaction to fulfill its obligation and make the respective payment to the other counterparty.

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

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 are made.

The slowdown of the Greek economy during 2015 and the other negative developments, although they cannot be accurately predicted, are not expected to negatively affect the quality of the receivables portfolio of the Group.

The credit risk for cash equivalents as well as for other receivables is not considered as significant, given that the counter parties are reliable banks having a high grade capital structure, following their recent recapitalization actions, the Greek state or companies of the broader public sector, or powerful business groups.

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.

Risks due to the current economic conditions prevailing in Greece

The developments during the year 2015 created a volatile macroeconomic and financial environment in the country having as major characteristic the significant delay in the payments made from the Greek State. As result, the above conditions affected the Group.

The capital controls imposed by the Act of Legislative Content of 28th June 2015 affected negatively the Greek economy during the second half of 2015 and the above conditions will continue until the lifting of these measures. The return to economic stability largely depends on the actions and decisions of the institutional bodies.

The full unfolding of the consequences due to the conditions of uncertainty may negatively affect the activities, the cash flows of the Group and the Company in a way that it cannot be predicted accurately and with certainty at this stage.

Despite the existence of risks referring to the recovery of the future benefits of the asset portfolios and the adequacy of the cash flows, the activities of the Group continue at a normal pace. In this context, the Management systematically assesses the broader situation and its potential effect, in order to ensure that all necessary measures and actions are taken for the minimization of the potential effects on the Group's activities. The Management of the Group aims at immediately informing the investor community about any significant effect generated by the constantly changing conditions.

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,

2015 was a year during which the Group continued its stable course. Furthermore the Group continued cautiously its investment program, maintaining at the same time sufficient cash reserves.

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, 28 March 2016
On behalf of the Board of Directors,

Georgios Peristeris
Chief Executive Officer

III. ANNUAL FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 31 DECEMBER 2015 (1 January - 31 December 2015)

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 28 March 2016 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 2015

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

		GROUP		COMPANY	
	Note	31 December 2015	31 December 2014	31 December 2015	31 December 2014
ASSETS					
Non-current assets					
Tangible fixed assets	6	105,974	113,279	75,057	86,813
Intangible fixed assets	7	56,036	65,015	4,680	5,109
Goodwill		9,759	9,759	0	0
Investment property		2,220	2,220	1,596	1,596
Participations in subsidiaries	4, 8	0	0	152,337	140,307
Participations in jointly controlled entities	4, 9	21,417	37,466	34,480	34,480
Investments available for sale	11	15,623	15,159	6,945	6,481
Other long-term assets	12	33,961	30,136	34,544	32,717
Deferred tax assets	25	44,955	17,037	43,372	22,655
Total non-current assets		**289,945**	**290,071**	**353,011**	**330,158**
Current assets					
Inventories	13	21,049	17,869	7,226	8,626
Trade receivables	14	271,351	184,789	219,564	168,843
Receivables from construction contracts	15	115,375	171,748	99,868	156,710
Advances and other receivables	14	244,878	118,513	233,664	77,104
Income tax receivables		12,472	12,004	11,273	9,354
Investments held for trading purposes	10	15,174	0	15,174	0
Investments available for sale	11	18,827	584	18,827	584
Cash and cash equivalents	16	192,499	176,278	140,260	106,140
Total current assets		**891,625**	**681,785**	**745,856**	**527,361**
TOTAL ASSETS		**1,181,570**	**971,856**	**1,098,867**	**857,519**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	17	40,010	40,010	40,010	40,010
Capital payable	17	45,750	0	45,750	0
Share premium account		35,922	35,922	35,922	35,922
Reserves	17	41,933	35,860	47,655	42,566
Retained earnings		(69,802)	(48,632)	24,033	26,949
Total		**93,813**	**63,160**	**193,370**	**145,447**
Non-controlling interests		20,044	19,161	0	0
Total equity		**113,857**	**82,321**	**193,370**	**145,447**

Non-current liabilities					
Long-term loans	19	42,499	60,569	42,401	59,711
Loans from finance leases	19	20,084	24,167	19,163	23,008
Other long-term liabilities	18	268,648	167,114	288,846	149,831
Provisions for staff leaving indemnities	20	7,539	6,342	4,596	3,833
Other provisions	21	11,850	15,081	4,650	1,881
Grants	22	14,717	15,026	0	0
Deferred tax liabilities	25	12,700	3,364	13,284	4,666
Total non-current liabilities		**378,037**	**291,663**	**372,940**	**242,930**
Current liabilities					
Suppliers	23	203,932	197,700	181,867	168,245
Short term loans	24	67,295	49,761	32,099	22,568
Long term liabilities payable during the next financial year	19	69,590	62,243	69,321	62,006
Liabilities from construction contracts	15	122,908	76,417	109,058	64,445
Accrued and other short term liabilities	23	222,488	206,337	139,264	146,933
Income tax payable		3,463	5,414	948	4,945
Total current liabilities		**689,676**	**597,872**	**532,557**	**469,142**
Total liabilities		**1,067,713**	**889,535**	**905,497**	**712,072**
TOTAL EQUITY AND LIABILITIES		**1,181,570**	**971,856**	**1,098,867**	**857,519**

The accompanying notes constitute an integral part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME

TERNA GROUP
31st December 2015

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

		GROUP		COMPANY	
	Note	**1.1 – 31.12 2015**	**1.1 – 31.12 2014**	**1.1 – 31.12 2015**	**1.1 – 31.12 2014**
Profit and Loss					
Continued operations					
Revenues	26	768,476	758,974	700,870	718,499
Cost of sales	27	(729,002)	(746,451)	(665,366)	(674,630)
Gross profit		**39,474**	**12,523**	**35,504**	**43,869**
Administrative and distribution expenses	27	(18,642)	(17,958)	(13,808)	(16,133)
Research and development expenses	27	(390)	(148)	(128)	(96)
Other income/(expenses)	30	258	(25,434)	11,545	16,351
Net financial income/(expenses)	31	(8,970)	(14,875)	(10,493)	(14,728)
Earnings / (Losses) from valuation of joint ventures with the equity method	9	(11,265)	1,112	0	0
NET EARNINGS BEFORE TAX		**465**	**(44,780)**	**22,620**	**29,263**
Income tax expense	25	(10,480)	(3,249)	(13,430)	(11,953)
Net Earnings/(losses) from continued operations		**(10,015)**	**(48,029)**	**9,190**	**17,310**
Discontinued operations					
NET EARNINGS / (LOSSES) from discontinued operations		0	0	0	0
NET EARNINGS / (LOSSES)		**(10,015)**	**(48,029)**	**9,190**	**17,310**
Other Comprehensive Income					
a) Other Comprehensive Income transferred to Results of the Year in following periods					
Valuation of financial assets held for sale	11	(1,455)	(2,575)	(1,455)	(2,575)
Translation differences from incorporation of foreign entities		1,252	(5,542)	439	(740)
Share capital increase expenses		(14)	0	0	0
Reclassification of impairment losses held for sale	11	4,429	(2,315)	4,429	(2,315)
Tax corresponding to the above results	25	(301)	910	(305)	886
		3,911	**(9,522)**	**3,108**	**(4,744)**
b) Other Comprehensive Income non-transferred to Results of the Year in following periods					
Actuarial gains/losses from defined benefit plans	20	(119)	(382)	(107)	(374)
Share in the Other Comprehensive Results of joint ventures	9	(3)	13	0	0
Net Other Comprehensive Income		**3,789**	**(9,891)**	**3,001**	**(5,118)**
TOTAL COMPREHENSIVE INCOME		**(6,226)**	**(57,920)**	**12,191**	**12,192**

	Note		
Net earnings/(losses) attributed to:			
Owners of the parent from continued operations	17	(8,868)	(43,214)
Owners of the parent from discontinued operations		0	0
Non-controlling interests from continued operations		(1,147)	(4,815)
		(10,015)	**(48,029)**
Total comprehensive results attributed to:			
Owners of the parent from continued operations		(5,079)	(53,143)
Owners of the parent from discontinued operations		0	0
Non-controlling interests from continued operations		(1,147)	(4,777)
		(6,226)	**(57,920)**
Earnings/(losses) per share (in Euro):			
From continued operations attributed to owners of the parent	17	(22,1648)	(108,0055)
From discontinued operations attributed to owners of the parent		0	0
Weighted average number of shares:			
Basic	17	400,100	400,100

The accompanying notes constitute an integral part of the financial statements

STATEMENT OF CASH FLOWS

TERNA GROUP

31η December 2015

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

		GROUP		COMPANY	
	Note	**1.1 – 31.12 2015**	**1.1 – 31.12 2014**	**1.1 – 31.12 2015**	**1.1 – 31.12 2014**
Cash flows from operating activities					
Profit before tax from continued operations		465	(44,780)	22,620	29,263
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	6, 7	27,041	30,577	15,821	14,113
Amortization of fixed assets' grants	30	(93)	0	0	0
Impairments	27,30	(9,018)	21,455	(3,487)	7,926
Provisions		1,338	13,052	4,710	1,401
Interest and related revenue	31	(3,398)	(3,324)	(3,534)	(3,042)
Interest and other financial expenses	27,31	22,676	19,305	23,137	17,770
Results from associates and joint ventures	9	11,265	(1,112)	0	0
Results from participations and securities	30	10,631	(2,004)	2,417	(9,615)
Results from fixed assets and investment property		(152)	128	(296)	(91)
Foreign exchange differences		(11,679)	(8,611)	(6,416)	(3,581)
Operating profit before changes in working capital		**49,076**	**24,686**	**54,972**	**54,144**
(Increase)/Decrease in:					
Inventories		(3,093)	(4,905)	1,412	(260)
Trade receivables		(9,758)	38,544	16,184	13,317
Prepayments and other short term receivables		(72,200)	2,818	(105,456)	21,187
Increase/(Decrease) in:					
Suppliers		2,741	59,519	12,110	38,277
Accruals and other short term liabilities		49,815	74,656	31,244	45,536
Collection of grants	14,22	0	4,586	0	0
Other long-term receivables and liabilities		100,202	(19,041)	136,118	9,405
Income tax payments		(31,953)	(8,436)	(31,922)	(4,028)
Net cash flows from operating activities		**84,830**	**172,427**	**114,662**	**177,578**
Cash flows from investing activities					
Additions of fixed assets		(9,739)	(25,522)	(2,695)	(11,452)
Sales of fixed assets		524	1,109	553	1,106
Interest and related income received		1,352	4,699	1,558	4,535
(Purchases) / sales of participations and securities	37	(36,720)	5,637	(48,750)	(36,696)
Net change of granted loans		(2,858)	(13,244)	(866)	(16,234)
Initial cash balance of companies acquired or which recorded change in their consolidation percentage rate		(698)	0	(698)	0
Net cash flows from investing activities		**(48,139)**	**(27,321)**	**(50,898)**	**(58,741)**

Cash flows from financing activities					
Net change of short-term loans	24	14,308	(35,840)	9,036	(44,457)
Net change of long-term loans	19	(1,803)	(48,795)	(4,797)	(49,583)
Payments of loans from financial leases	19	(9,872)	(9,340)	(9,634)	(9,207)
Dividends paid		(8,000)	0	(8,000)	0
Interest and other financial expenses payable		(21,421)	(18,075)	(22,144)	(16,241)
Net cash flows from financing activities		**(26,788)**	**(112,050)**	**(35,539)**	**(119,488)**
Effect of foreign exchange differences in cash		6,318	1,013	5,895	685
Net increase /(decrease) of cash and cash equivalents		**16,221**	**34,069**	**34,120**	**35**
Cash and cash equivalents at the beginning of the year		176,278	142,209	106,140	106,105
Cash and cash equivalents at the end of the year		**192,499**	**176,278**	**140,260**	**106,140**

The accompanying notes constitute an integral part of the financial statements

(Amounts in thousands Euro, unless stated otherwise)

STATEMENT OF CHANGES IN EQUITY

TERNA S.A.
31st December 2015
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Capital Payable	Share Premium	Reserves	Retained earnings	Total
1st January 2015	**40,010**	**0**	**35,922**	**42,566**	**26,949**	**145,447**
Total comprehensive income for the year	0	0	0	3,001	9,190	**12,191**
Share capital increase	0	45,750	0	0	0	**45,750**
Distribution of dividends	0	0	0	0	(10,000)	**(10,000)**
Formation/(Distribution) of reserves/Transfers	0	0	0	2,088	(2,088)	**0**
Change of consolidation percentage of joint entity	0	0	0	0	(18)	**(18)**
31st December 2015	**40,010**	**45,750**	**35,922**	**47,655**	**24,033**	**193,370**

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

(Amounts in thousands Euro, unless stated otherwise)

STATEMENT OF CHANGES IN EQUITY
TERNA GROUP
31st December 2015

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

	Share Capital	Capital Payable	Share Premium	Reserves	Retained earnings	Subtotal	Non-controlling interest	Total
1st January 2015	**40,010**	**0**	**35,922**	**35,860**	**(48,632)**	**63,160**	**19,161**	**82,321**
Total comprehensive income for the year	0	0	0	3,795	(8,874)	**(5,079)**	(1,147)	**(6,226)**
Share capital increase	0	45,750	0	0	0	**45,750**	0	**45,750**
Distribution of dividends	0	0	0	0	(10,000)	**(10,000)**	2,030	**(7,970)**
Formation/(Distribution) of reserves/Transfers	0	0	0	2,278	(2,278)	**0**	0	**0**
Change of consolidation percentage of joint entity	0	0	0	0	(18)	**(18)**	0	**(18)**
31st December 2015	**40,010**	**45,750**	**35,922**	**41,933**	**(69,802)**	**93,813**	**20,044**	**113,857**

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

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 Extraordinary General Meeting of the Company's shareholders approved the increase of the share capital by an amount of twelve million two hundred thousand (12,200,000) Euros via the issuance of one hundred twenty two thousand (122,000) new common registered shares, with nominal value of one hundred (100) Euros per share and with offering price of three hundred seventy five (375) Euros per share or equivalent with capital proceeds of forty five million seven hundred fifty thousand Euros (45,750,000 €). The difference between the nominal value and the offering price of the shares was credited in the "Share premium" account along the final payment of the capital due in the following fiscal year.
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. The Group activates in the mining and industrial processing of magnesite. The Management has initiated an important investment plan of 100 million Euro approximately in its privately owned facilities in Mandoudi, North Evia, with the objective to expand the industrial production of caustic magnesite through its participation in TERNA MAG S.A.. The first phase amounting to 20 million Euro of the above investment plan has been almost completed. The remaining investments for the completion of the entire investment plan, are reassessed and revised in view of the blocked payments concerning the already approved financing schemes in relation to the relevant development law.

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, investments available for sale and investments held for trading purposes 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 2014, except for the adoption of certain standards' amendments, whose application is mandatory in the European Union for periods beginning on 1 January 2015.

Therefore, from January, 1 2015 the Group and the company adopted certain amendments of standards as follows:

Amended Standards mandatory for financial year 2015

IFRIC 21 Levies imposed from the state

The amendment clarifies that the obligating event which also creates an obligation for the payment of levy is the activity described in the relevant legislation which activates the payment of the levy. The interpretation is applicable in the annual accounting periods beginning on or after June 17, 2014 and is not expected to have a material effect on the financial statements of the Company and the Group.

- Amendments in standards which are part of the annual improvements scheme of IASB International Accounting Standards Board

The IASB in the context of annual improvements scheme issued in December 2013 the following amendments made in existing standards. The following amendments are not expected to have a material effect on the financial statements of the Company (and or the Group) unless it is otherwise noted.

Annual Improvements in IFRS, Cycle 2011 - 2013

The amendments of the Cycle 2011 – 2013 were issued from the Board on 12 December 2013, are applicable in periods beginning on or after 1 February 2015. The Company (the Group) applied the annual improvements for the first time in the financial statements, which are presented analytically below:

IFRS 1 First-time adoption of International Financial Reporting Standards

The amendment clarifies that an entity, in the first financial statements according to IFRS, has the ability either to apply an existing and in effect IFRS or to proceed with an earlier application of a new or revised standard which is not compulsory yet, under the condition that the new or revised standard provides for the option to apply it earlier. An economic entity is required to apply the same version of IFRS in all periods which are covered from the first financial statements according to IFRS.

IFRS 3 Business combinations

The amendment clarifies that the IFRS 3 proceeds with an exception in the field of its application, which concerns the accounting treatment of the establishment of a joint arrangement in the financial statements of the joint arrangement itself. The amendment (does not) have (material) effect on the financial statements of the Company (and or the Group).

IFRS 13 Fair value measurement
The amendment clarifies that the application field of the portfolio exception defined in paragraph 52 of IFRS 13, includes all the agreements which were accounted for and are under the application field of IAS 39 "Financial Instruments: Recognition and Measurement" or IFRS 9 "Financial Instruments: Recognition and Measurement", independently of whether these fulfill the definition of the financial assets or liabilities as they are defined in IAS 32 "Financial Instruments: Presentation".
IAS 40 Investment property
The amendment clarifies that if a certain transaction fulfils the definition of the business combination as it is defined in IFRS 3 "Business Combinations" and of the investment property as it is defined in IAS 40 "Investment Property", the separate application of each of the two standards is then required.

Standards and Interpretations mandatory in the European Union for financial statements beginning after 1 January 2015

The following new standards, amendments of standards and interpretations have been issued, however they are compulsory for subsequent accounting periods. The Company and the Group have not proceeded with an earlier adoption of the following standards and assesses their effect on the financial statements.
IAS 19 (Amendment) Employee Benefits – Employee Contributions
The amendment clarifies how the contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service. The amendment is effective for annual accounting periods beginning on or after February 1st, 2015. The above amendment will have no effect on the financial statements of the Company and the Group.
IFRS 9 "Financial Instruments"
On 24 July 2014 the Board issued the final version of IFRS 9, which includes the classification and measurement, the impairment and the hedge accounting. The standard will replace IAS 39 and all previous versions of IFRS 9. The financial assets are valued at the non-depreciated cost, at the fair value through the results, or at the fair value through the other comprehensive income, based on the business model of the company with regard to the management of the financial assets and the conventional cash flows of the financial assets. Apart from the risk of the entity, the classification and measurement of the financial liabilities has not changed in comparison to existing requirements. The Group and the Company are in the process of assessing the effect from IFRS 9 on the financial statements. IFRS 9 is mandatorily applied for annual accounting periods beginning on or after 1st January 2018 whereas it has not been adopted by the European Union.
IFRS 14 Regulatory Deferral Accounts
On 30th January 2014, IASB issued the IFRS 14 "Regulatory Deferral Accounts".
The aim of IFRS 14 is to define the requirements of financial information regarding the balances of the "regulated deferred accounts" which derive when an economic entity provides goods or services to customers, at a price or percentage which is under a special regulated status by the state.
IFRS 14 allows an economic entity which is a first-time adopter of the standard to continue accounting for, based on minor changes, the balances of the "regulated deferred accounts" according to previous accounting standards, both at the first adoption of the IFRS as well as in subsequent financial statements. The balances and the movements of these accounts are separately presented in the statements of financial position, results and other total comprehensive income, whereas certain disclosures are required. The new standard is applied in annual accounting period beginning on or after January 1st, 2016 and has not been adopted by the European Union.
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.

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. IFRS 15 has not been adopted by the European Union.

IAS 7 (Amendment) "Cash Flow Statement": Disclosure Initiative

The amendment is applied in annual accounting periods beginning on or after 1.1.2017 and has not been adopted by the European Union. On 29.1.2016, the International Accounting Standards Board issued an amendment in IAS 7 according to which a company is required to disclose information which assists the users of the financial statements to evaluate the changes in those liabilities, the cash flows of which are classified in the financing activities of the cash flow statement. The changes, not only the ones relating to cash, which should be disclosed include the changes from cash flows from financing activities, the changes deriving from the acquisition or the loss of control of subsidiaries or other companies, the changes due to foreign exchange differences, the changes in the fair value and the other changes.
The Group assesses the effect from the adoption of the above amendment on its financial statements.

IAS 12 (Amendment) "Income Taxes": Recognition of Deferred Tax Assets for Unrealized Losses

On 19.1.2016 the International Accounting Standards Board issued an amendment in IAS 12, according to which the following were clarified:

- The non realized losses of debit instruments, which are valued for accounting purposes at fair value and for tax purposes at cost, may lead to deductible temporary differences independently of whether their possessor is going to recover their value through the sale or use of these.
- The recoverability of a deferred tax asset is reviewed in combination with the other deferred tax assets. In the case though, in which the tax law limits the option for offsetting certain taxable losses with certain income categories, the respective deductible temporary differences should be reviewed only in combination with other deductible temporary differences of the same category.
- During the recoverability audit of the deferred tax assets, the deductible tax differences are compared with the future taxable earnings without taking into account the tax reliefs deriving from the reverse entry of deferred tax assets.

The amendment is effective for annual accounting periods beginning on or after 1.1.2017 and has not been adopted by the European Union.

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.

IFRS 10, IFRS 12 and IAS 28 (Amendments) – Investment Entities: Applying the Consolidation Exception

On 18 December 2014, the Board issued amendments to IFRS 10, IFRS 12 and IAS 28 for issues that have arisen in the context of applying the consolidation exception for Investment Entities. The amendments are applied for the annual accounting periods beginning on or after 1st January 2016, whereas earlier adoption is allowed. These have not been adopted by the European Union.

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

(Effective for annual periods beginning on or after 1 February 2014)

Annual Improvements in IFRS, Cycle 2010 – 2012

The amendments of the Cycle 2010 – 2012 were issued from the Board on 12 December 2013, are applicable in periods beginning on or after 1 February 2015. The Company (the Group) applied the annual improvements for the first time in the financial statements, which are presented analytically below:

IFRS 2 Share Based Payment

The definitions of the vesting conditions and the market conditions are amended and definitions about performance condition and service condition are added which were previously parts of the definition of the "vesting conditions".

IFRS 3 Business Combinations

The amendment clarifies that the potential object of exchange which is classified as asset or liability will be measured at fair value at each balance sheet date.

IFRS 8 Operating Segments

This amendment requires that the entity discloses the decisions of the Management in the application of aggregation criteria in operating segments. It also clarifies that the entity provides only reconciliations of the total assets of the presented segments with the assets of the entity if the assets of the segment are regularly presented to the head of the decision making process.

IAS 16 Property, Plant and Equipment

The amendment clarifies that when an item of the tangible fixed assets is adjusted, the gross book value is adjusted in a manner that is in line with the adjustment of the net book value.

IAS 24 Related Party Disclosures

The amendment clarifies that a company which provides key management personnel services to the reporting entity or to the parent of the reporting economic entity, constitutes a related party of the economic entity.

IAS 38 Intangible Assets

The amendment clarifies that when an intangible asset is adjusted, the gross book value of the asset is adjusted in a manner that is in line with the adjustment of the net book value.

Amendments in standards that form part of the annual improvements scheme (period 2012-2014) of the IASB - International Accounting Standards Board

Annual Improvements in IFRS, Cycle 2012 – 2014

The amendments of the cycle 2012-2014 were issued by the Board on September 25, 2014, apply to periods beginning on or after July 1, 2016 and were adopted by the European Union on December 15, 2015. The following amendments are not expected to have significant effect on the financial statements of the Company and the Group unless it is otherwise noted.

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, the interest rates of the government bonds are utilized.

<u>IAS 34 Interim Financial Report</u>

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.

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 was adopted by the European Union on December 18th, 2015.

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. The amendment is effective for annual periods beginning on or after January 1, 2016 and was adopted by the European Union December 2nd, 2015.

IAS 16 and IAS 41 (Amendments) – Agriculture: Bearer Plants

The amendments place the bearer plants, which are used exclusively to increase the production, under the application field of IAS 16 in order to be treated in the same manner with the fixed assets. The amendments are applied for the annual accounting periods beginning on or from 1st January 2016, whereas prior application is allowed, and was adopted by the European Union on 23rd November 2015.

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 was adopted by the European Union on December 18th, 2015.

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 was adopted by the European Union on November 24th, 2015.

IFRS 16 "Leases" (effective for annual periods beginning on or after 01/01/2019)

In January 2016, the IASB released a new standard, IFRS 16. The aim of the IASB was to develop a new Standard for the leases setting the principles applied by both parties in a contractual agreement, meaning the customer (or the lessee) and the supplier (or the lessor) for the provision of information regarding the leases and in a manner that accurately depicts these transactions. For the achievement of the above aim, the lessee must recognize the financial assets and liabilities emanating from the leasing agreement. The Group will consider the impact of all the above in the Financial Statements of the Group. These have not been adopted by the European Union.

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 valuation reports of 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, makes a provision for income tax, current and deferred. It 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 of wind parks and rehabilitation of the environment, which emanate from the documented environmental law or from the Group's binding practices. The provision for environmental rehabilitation reflects the present value (based on an appropriate discount rate), during the date of the financial statements, of the rehabilitation liability reduced by the estimated recoverable value of materials expected to be dismantled and sold.

ix) Fair value of financial assets and liabilities:

The Group applies estimation of the fair value of financial assets and liabilities.

x) *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 the interpretations 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. The evaluation of the lease revenues, which are recognized on a straight line basis, depends on the future production of the wind farm, according to the capacity and the wind measurements.

d) Risks due to the current economic conditions prevailing in Greece:

The developments during the year 2015 created a fragile macroeconomic and financial environment in the country which was mainly characterized by the significant delays in the payments on behalf of the Greek State, a development that certainly affected the Group.

The recent events and the capital controls imposed with the Act of Legislative Content on 28th June 2015, are expected to negatively affect the Greek economy during the second half of 2015. The return to the economic stability depends largely on the actions and decisions of the institutional bodies.

The full realization of the repercussions of the above conditions of uncertainty in combination with the existing banking crisis may negatively affect the activities, the financial performance, the position and the liquidity of the Group and the Company in a way that it cannot be predicted with accuracy at this stage.

Despite the existing risks regarding the recovery of the future benefits of the assets and the adequacy of the cash position, the operations of the Group continue at normal pace. In this context, the Management continuously assess the conditions and their potential consequences in order to ensure that all necessary measures and actions are taken for the minimization of their effect on the Group's activities. The objective of the Group's Management is to immediately inform the investor community about any significant effect generated from the prevailing conditions.

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) 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.

c) 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.

d) 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.

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 expressed 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 1st of January 2004 (transition date to IFRS and compilation of initial Balance Sheet) the Company, applying the exemptions provided for by IFRS 1 for the first-time application of the IFRS, recognized the total actuarial losses that had accumulated as of the 1st of January 2004.

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

(Amounts in thousands Euro, unless stated otherwise)

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.

Rounding of Items

The amounts which are presented in the current financial statements have been rounded and are expressed in thousand Euro. Thus, any deviations that may arise are due to the above rounding.

4 STRUCTURE OF THE GROUP AND THE COMPANY

The participations of the parent company TERNA SA, direct and indirect, in economic entities during 31.12.2015 are as follows:

1.1 Company Structure

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

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	TAX UNAUDITED FISCAL YEARS
J/V TERNA SA- AKTOR - POWELL (CHAIDARI METRO)	Greece	66.00	0.00	66.00	2008-2015
J/V TERNA SA - IMPEGILO SPA (TRAM)	Greece	55.00	0.00	55.00	2010-2015
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (ANCIENT OLYMPIA BYPASS)	Greece	50.00	0.00	50.00	2010-2015
J/V ATHANASIADIS SA-TERNA SA (THESSAL. CAR PARKS)	Greece	50.00	0.00	50.00	2007-2015
J/V TERNA SA-AKTOR SA-J&P-AVAX SA (CONSTR. OF CONCERT HALL)	Greece	69.00	0.00	69.00	2010-2015
J/V TERNA SA - WAYSS (PERISTERI METRO)	Greece	50.00	0.00	50.00	2003-2015
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	35.00	0.00	35.00	2010-2015
TERNA SA-PANTECHNIKI SA (O.A.K.A. SUR. AREA)	Greece	83.50	0.00	83.50	2007-2015
J/V TERNA SA AKTOR SA J&P AVAX (CONCERT HALL H/M)	Greece	37.00	0.00	37.00	2010-2015
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	0.00	65.00	2007-2015
J/V THALES ATM SA-TERNA (TACAN STATION IMPROV.)	Greece	50.00	0.00	50.00	2010-2015
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (CHAIDARI METRO PART A')	Greece	50.00	0.00	50.00	2010-2015
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (PARADEISIA TSAKONA)	Greece	49.00	0.00	49.00	2010-2015
J/V AKTOR SA-DOMOTECHNIKI SA-THEMELIODOMI SA-TERNA SA-ETETH SA (MUNIC. HALL OF THESSALON.)	Greece	25.00	0.00	25.00	2010-2015
J/V TERNA-AKTOR (SKA SUBURBAN RAILWAY)	Greece	50.00	0.00	50.00	2010-2015
J/V TERNA SA- AKTOR SA (R.S. LIANOKLADI - DOMOKOS)	Greece	50.00	0.00	50.00	2008-2015
J/V TERNA SA-THALES AUSTRIA (ETCS SYSTEM PROCUREMENT)	Greece	37.4	0.00	37.4	2010-2015

(Amounts in thousands Euro, unless stated otherwise)

J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS –TREIS GEFYRES	Greece	33.33	0.00	33.33	2010-2015
J/V METKA-TERNA	Greece	90.00	0.00	90.00	2009-2015
J/V APION KLEOS	Greece	17.00	0.00	17.00	2010-2015
J/V TERNA SA-SICES CONSTRUCTIONS (HELPE UPGR. REFIN.)	Greece	50.00	0.00	50.00	2010-2015
J/V AKTOR-TERNA-PORTO KARRAS (Florina-Niki road)	Greece	33.33	0.00	33.33	2012-2015
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	50.00	0.00	50.00	2012-2015
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	50.00	0.00	50.00	2012-2015
J/V AKTOR-TERNA (Harbor of Patras)	Greece	70.00	0.00	70.00	2012-2015
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece	33.33	0.00	33.33	2012-2015
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	49.00	0.00	49.00	2012-2015
J/V AKTOR ATE – TERNA SA (Lignite works)	Greece	50.00	0.00	50.00	2013-2015
J/V AKTOR ATE – TERNA SA (Thriasio Phase B’)	Greece	50.00	0.00	50.00	2013-2015
J/V AKTOR SA-J&P AVAX-TERNA SA (R.S. TITHOREA-DOMOKOS)	Greece	33.33	0.00	33.33	2014-2015
J/V AKTOR SA-J&P AVAX -TERNA SA (BRIDGE SG26 R.N. TITHOREA-DOMOKOS)	Greece	44.56	0.00	44.56	2014-2015
J/V AKTOR ATE – TERNA SA (H/M Thriasio B’)	Greece	50.00	0.00	50.00	2014-2015
J/V AKTOR ATE – TERNA SA ((ERGOSE Joint venture No. 751)	Greece	50.00	0.00	50.00	2015
JV QBC S.A. – TERNA S.A.	Qatar	35.00	0.00	35.00	2002-2015

1.2 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	2010-2015
J/V CENTRAL GREECE MOTORWAY E-65	Greece	95.00	0.00	95.00	2008-2015
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	2014-2015
TERNA OVERSEAS LTD	Cyprus	100.00	0.00	100.00	2007-2015
TERNA QATAR LLC *	Qatar	0.00	35.00	35.00	2007-2015
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	2012-2015
CEMENT PRODUCTION AND EXPORT FZC	Libya	0.00	75.00	75.00	2010-2015
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0.00	75.00	75.00	2008-2015
QE ENERGY EUROPE LTD	Cyprus	0.00	100	100.00	2007-2015

(Amounts in thousands Euro, unless stated otherwise)

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	2009-2010

* 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.

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.

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 TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%
J/V DEPA PROJECT	10.00%
J/V ARTA-FILIPPIADA BY-PASS	98.00%
J/V ATHENS CAR PARKS	20.00%
J/V FRAGMATOS PRAMORITSA	33.33%
J/V VIOTER SA-TERNA SA	50.00%
J/V ATHINA-PANTECHNIKI-TERNA-PLATAMONAS PROJECT	39.20%
J/V TERNA-MOCHLOS ATE	70.00%
J/V TERNA-VIOTER SA (KOROMILIA)	50.00%
J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-IMEC GmbH	24.00%
J/V EUROPEAN TECHNICAL-HOMER-TERNA	50.00%
J/V J&P AVAX SA-TERNA SA-EYKLEIDIS	35.00%
J/V EVAGGELISMOS PROJECT C	50.00%
J/V EPL DRAMAS	40.00%
J/V AEGEK-TERNA (SIATISTA – KRYSTALLOPIGI CONNECTION)	44.78%
J/V AVAX-VIOTER-TERNA (OLYMPIC VILLAGE CONSTRUCTION)	37.50%
J/V TERNA-MOCHLOS-AKTOR TUNNEL KIATO-AIGIO	35.00%
J/V J&P AVAX-TERNA-AKTOR (TRAPEZA PLATANOS CONTRUCTION OF TUNNELS)	33.33%
J/V J&P ABAΞ SA-VIOTER SA-TERNA SA (CANOE KAGIAK)	33.33%
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (PROJECT PARADEISIA-TSAKONA)	49.00%
J/V AKTOR-TERNA (BANQUET HALL)	50.00%
J/V TERNA SA-NEON STAR SA-RAMA (OPAP)	51.00%
J/V TERNA SA-NEON STAR SA-RAMA (OPAP 1)	51.00%

(Amounts in thousands Euro, unless stated otherwise)

During the financial year 2015, the following joint ventures were liquidated:

COMPANY NAME	TOTAL PARTICIPATION %
J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
J/V MARITIME MIDSHIPMEN –GNOMON ATE-TERNA SA-GENER SA	33.00%
J/V TERNA – INTRAKAT – ALTEK – EMBEDOS - EPETBO (KOMOTINI TEFAA PROJECT)	24.00%
J/V TERNA SA-ATHINA SA (ARACHTHOS – PERISTERI PROJECT)	62.50%
J/V VIOTER SA-TERNA SA	50.00%
J/V TERNA SA - IONIOS SA	90.00%

Within the last quarter of the year 2015, the Joint Venture AKTOR SA – TERNA SA (No. 751 ERGOSE J/V) was established with the business objective to construct a railway station.

5 GEOGRAPHIC SEGMENTS

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

Geographic segments 31.12.2015	Greece and Cyprus	Balkans	Middle East	Other regions	Consolidated totals
Revenue	576,283	47,614	143,368	1,211	**768,476**
Non-current assets (excl. deferred tax and financial instruments)	185,669	1,274	9,202	392	**196,537**
Capital expenditure	9,668	47	1,072	0	**10,787**

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**

6 TANGIBLE FIXED ASSETS

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

(Amounts in thousands Euro, unless stated otherwise)

GROUP	**Quarries/ Land-Plots**	**Buildings**	**Machinery**	**Vehicles**	**Furniture and other equipment**	**Assets under construction and advances for asset acquisition**	**Total**
Net book value 1.1.2015	**11,750**	**6,205**	**63,648**	**16,069**	**3,249**	**12,358**	**113,279**
Additions	56	153	3,280	569	807	4,843	**9,707**
Transfer from/(to) another tangible fixed asset account – cost	0	414	4,837	0	275	(5,527)	**0**
Transfer to/(from) another tangible fixed asset account – accumulated depreciation	0	0	(2)	0	2	0	**0**
Acquisition cost of sold-written off assets	(1)	(172)	(221)	(570)	(131)	(59)	**(1,153)**
Accumulated depreciation of assets sold written-off	0	118	118	517	95	0	**849**
Change of percentage of consolidated companies in terms of cost	0	(14)	(103)	(13)	(47)	0	**(176)**
Change of percentage of consolidated companies in terms of accumulated depreciation	0	14	103	13	46	0	**175**
Transfer from/(to) inventories – cost	0	0	0	0	0	0	**0**
Transfer (from)/to inventories – accumulated depreciation	0	0	0	0	0	0	**0**
Book value impairments	0	0	0	0	0	0	**0**
Other movements on acquisition cost / FX differences - cost	0	342	1,851	221	277	(20)	**2,671**
Other movements on depreciation / FX differences - accumulated depreciation	0	(109)	(1,387)	(198)	(213)	0	**(1,907)**
Depreciation for the year	(277)	(410)	(12,398)	(3,094)	(1,292)	0	**(17,471)**
Net book value 31.12.2015	**11,528**	**6,542**	**59,724**	**13,515**	**3,069**	**11,595**	**105,974**
Cost 1.1.2015	13,983	8,870	148,008	36,559	15,806	12,358	**235,584**
Accumulated Depreciation 1.1.2015	(2,233)	(2,665)	(84,360)	(20,490)	(12,557)	0	**(122,305)**
Net book value 1.1.2015	**11,750**	**6,205**	**63,648**	**16,069**	**3,249**	**12,358**	**113,279**
Cost 31.12.2015	14,038	9,593	157,652	36,767	16,988	11,595	**246,633**
Accumulated Depreciation 31.12.2015	(2,510)	(3,052)	(97,927)	(23,252)	(13,919)	0	**(140,659)**
Net book value 31.12.2015	**11,528**	**6,542**	**59,724**	**13,515**	**3,069**	**11,595**	**105,974**

(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**
Transfer from/(to) 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**
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 from/(to) 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)**
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)**
Depreciation for the year	(277)	(334)	(10,624)	(2,783)	(1,722)	0	**(15,740)**
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)

COMPANY	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Furniture and other equipment	Assets under construction and advances for asset acquisition	Total
Net book value 1.1.2015	**8,183**	**3,224**	**57,365**	**15,191**	**2,717**	**133**	**86,813**
Additions	56	31	2,668	305	706	(75)	**3,692**
Transfer from/(to) another tangible fixed asset account – cost	0	0	2	0	(2)	0	**0**
Transfer to/(from) another tangible fixed asset account – accumulated depreciation	0	0	(2)	0	2	0	**0**
Acquisition cost of sold-written off assets	(1)	(98)	(330)	(310)	(132)	(58)	**(928)**
Accumulated depreciation of assets sold written-off	0	95	213	269	95	0	**672**
Change of percentage of consolidated companies in terms of cost	0	(14)	(103)	(13)	(47)	0	**(176)**
Change of percentage of consolidated companies in terms of accumulated depreciation	0	14	103	13	46	0	**175**
Book value impairments	0	0	0	0	0	0	**0**
Other movements on acquisition cost / FX differences - cost	0	49	554	12	69	0	**684**
Other movements on depreciation / FX differences - accumulated depreciation	0	(60)	(463)	(23)	(52)	0	**(598)**
Depreciation for the year	(277)	(228)	(10,950)	(2,833)	(989)	0	**(15,276)**
Net book value 31.12.2015	**7,961**	**3,013**	**49,057**	**12,610**	**2,414**	**0**	**75,057**
Cost 1.1.2015	10,417	4,993	132,878	33,981	11,958	133	**194,360**
Accumulated Depreciation 1.1.2015	(2,234)	(1,769)	(75,513)	(18,790)	(9,241)	0	**(107,547)**
Net book value 1.1.2015	**8,183**	**3,224**	**57,365**	**15,191**	**2,717**	**133**	**86,813**
Cost 31.12.2015	10,472	4,961	135,670	33,975	12,552	0	197,631
Accumulated Depreciation 31.12.2015	(2,511)	(1,948)	(86,613)	(21,365)	(10,138)	0	(122,574)
Net book value 31.12.2015	**7,961**	**3,013**	**49,057**	**12,610**	**2,414**	**0**	**75,057**

(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**
Transfer from/(to) 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**
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**
Book value impairments	(182)	0	0	0	0	(268)	**(450)**
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**
Depreciation for the year	(277)	(86)	(9,356)	(2,551)	(1,441)	0	**(13,711)**
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)

The depreciations of the Group for the reported year, have been registered in Cost of sales by euro 16,137 (14,618 in the previous financial year), in Administration and Distribution Expenses by euro 1,266 (1,122 in the previous financial year), in Research and development expenses by 63 (0 in the previous financial year) and in Other income/(expenses) by 5 (0 in the previous financial year).

The depreciations of the Company for the reported year, have been registered in Cost of sales by euro 14,210 (12,636 in the previous financial year), in Administration and Distribution Expenses by euro 1,061 (1,075 in the previous financial year), and in Other income/(expenses) by 5 (0 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 31.12.2015	23,926	10,209	**34,135**
Accumulated depreciation 31.12.2015	(5,281)	(3,902)	**(9,183)**
Net book value 31.12.2015	**18,645**	**6,307**	**24,952**

COMPANY	**Machinery**	**Vehicles**	**Total**
Cost 31.12.2015	22,819	9,804	**32,623**
Accumulated depreciation 31.12.2015	(5,115)	(3,787)	**(8,902)**
Net book value 31.12.2015	**17,704**	**6,017**	**23,721**

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**

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

(Amounts in thousands Euro, unless stated otherwise)

7 INTANGIBLE FIXED ASSETS

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

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
Net book value 1.1.2015	**32,282**	**30,701**	**243**	**1,789**	**65,015**
Additions	137	0	22	921	**1,080**
Acquisition cost of sold-written off assets	(66)	0	0	0	(66)
Accumulated amortization of assets sold written-off	0	0	0	0	0
Change of percentage of consolidated companies in terms of cost	0	0	(4)	0	(4)
Change of percentage of consolidated companies in terms of accumulated amortization	0	0	4	0	4
Other movements of fixed assets' acquisition cost (foreign exchange differences, etc.)	0	0	35	0	35
Other movements of fixed assets' amortization (foreign exchange differences, etc.)	0	0	(31)	0	(31)
Amortization for the period	(459)	(9,219)	(88)	(231)	(9,998)
Net book value 31.12.2015	**31,894**	**21,482**	**181**	**2,479**	**56,036**
Cost 1.1.2015	36,400	88,022	1,834	1,938	**128,194**
Accumulated Amortization 1.1.2015	(4,118)	(57,321)	(1,591)	(149)	**(63,179)**
Net book value 1.1.2015	**32,282**	**30,701**	**243**	**1,789**	**65,015**
Cost 31.12.2015	36,471	88,022	1,887	2,859	129,238
Accumulated Amortization 31.12.2015	(4,577)	(66,540)	(1,705)	(380)	(73,203)
Net book value 31.12.2015	**31,894**	**21,482**	**181**	**2,479**	**56,036**

	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**

(Amounts in thousands Euro, unless stated otherwise)

Acquisition cost of sold-written off assets	0	0	0	0	**0**
Accumulated amortization of assets sold written-off	0	0	0	0	**0**
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**
Amortization for the period	(311)	(14,339)	(113)	(74)	**(14,837)**
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**

	COMPANY			
	Concessions and Rights	**Software**	**Research and development**	**Total**
Net book value 1.1.2015	**4,755**	**233**	**121**	**5,109**
Additions	30	22	0	**52**
Acquisition cost of sold-written off assets	0	0	0	**0**
Accumulated amortization of assets sold written-off	0	0	0	**0**
Change of percentage of consolidated companies in terms of cost	0	(4)	0	**(4)**
Change of percentage of consolidated companies in terms of accumulated amortization	0	4	0	**4**
Other movements of fixed assets' acquisition cost (foreign exchange differences, etc.)	0	11	0	11
Other movements of fixed assets' amortization (foreign exchange differences, etc.)	0	(7)	0	(7)
Amortization for the period	(399)	(80)	(6)	(485)
Net book value 31.12.2015	**4,386**	**179**	**115**	**4,680**
Cost 1.1.2015	7,723	1,425	182	**9,330**
Accumulated Amortization 1.1.2015	(2,968)	(1,192)	(61)	**(4,221)**
Net book value 1.1.2015	**4,755**	**233**	**121**	**5,109**
Cost 31.12.2015	7,753	1,453	182	9,389
Accumulated Amortization 31.12.2015	(3,367)	(1,275)	(67)	(4,709)
Net book value 31.12.2015	**4,386**	**179**	**115**	**4,680**

(Amounts in thousands Euro, unless stated otherwise)

	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**
Effect from acquisitions and sale of companies – cost	0	0	0	**0**
Effect from acquisitions and sale of companies - accumulated amortization	0	0	0	**0**
Acquisition cost of sold-written off assets	0	0	0	**0**
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)**
Amortization for the period	(297)	(99)	(6)	**(402)**
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**

The Group’s amortization for the reported period has been registered in cost of sales by euro 9,738 (14,582 in the previous year) and administrative expenses by euro 260 (255 in the previous year). The respective amounts for the Company correspond to euro 255 (120 in the previous year) and euro 260 (282 in the previous year).

The account Concessions and Rights for the Group includes the recognition of purchased rights for the exploitation of quarries by an amount of 4,386, with an initial agreed duration of 20-30 years, as well as for the exploitation of magnesite quarries by an amount of 27,508, with an agreed duration of 50 years.
The account Development expenses for the Group mainly concerns development expenses taking place in the 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%
	31.12.2015	**31.12.2014**
Non-current assets	30,569	23,815
Current assets	26,875	27,744
(Long-term liabilities)	(17,701)	(19,206)
(Short-term liabilities)	(25,509)	(20,455)
Net fixed assets	14,234	11,898
Equity corresponding to non-controlling interests	7,262	6,070

In addition to the above, the proportional amount of the non-controlling interests in the difference of the valuation of magnesite quarries at fair value, at the acquisition time by TERNA SA in year 2010, correspond to 10,516 as of 31/12/2015 (same amount for 31/12/2014).

	1.1. - 31.12.2015	1.1. - 31.12.2014
Turnover	1,708	806
Net Profit / (Losses)	(2,593)	(1,776)
Other Comprehensive Income	(21)	(6)
Total Results	(2,614)	(1,782)
Net Profit / (Losses) corresponding to non-controlling interests	(1,323)	(906)
Dividends from subsidiaries payable to non controlling interests	0	0

	1.1. - 31.12.2015	1.1. - 31.12.2014
Cash flows from operating activities	(6,787)	2,891
Cash outflows from investment activities	(6,471)	(13,382)
Cash outflows for financing activities	9,399	14,686
Net increase / (decrease) of cash	3,859	4,195

(Amounts in thousands Euro, unless stated otherwise)

The above financial accounts of the subsidiary are before elimination entries due to consolidation. Apart from the 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 participation with 9,606 and 2,424 in the share capital increases which took place in TERNA OVERSEAS LTD and TERNA MAG respectively.

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	
	2015	2014	2015	2014
Balance 1 January	**37,466**	**36,341**	**34,480**	**34,480**
Profit / (Loss) from valuation	(4,781)	0	0	0
Participation in the results of joint venture	(11,268)	1,125	0	0
Balance 31 December	**21,417**	**37,466**	**34,480**	**34,480**

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

Geographic area of activity	Greece	
Business activity	Electricity production from natural gas	
Importance of participation for the Group	Secondary due to cash related reasons	
	31.12.2015	**31.12.2014**
Non-current assets	189,378	213,406
Cash and cash equivalents	2,661	6,271
Other current assets	35,955	65,631
Total assets	**227,994**	**285,308**
Long-term financial liabilities (apart from trade and other liabilities, provisions and deferred tax liability)	93,301	105,277
Other long-term liabilities	9,460	14,579

(Amounts in thousands Euro, unless stated otherwise)

Short-term financial liabilities (apart from trade and other liabilities, provisions and deferred tax liability)	12,716	10,292
Other short-term liabilities	26,849	24,422
Total liabilities	**142,326**	**154,570**
Net fixed assets	**85,668**	**130,738**
Proportion in the net fixed assets before valuation differences at fair value	21,417	32,685
Valuation differences at fair value	0	4,781
Proportion in the net fixed assets	**21,417**	**37,466**
	1.1 - 31.12.2015	**1.1 - 31.12.2014**
Turnover	63,640	93,900
(Depreciation)	(11,722)	(13,984)
(Financial expenses)	(8,205)	(9,224)
Financial income	83	168
(Expense)/Income from tax	(3,099)	(1,666)
Results from continued operations	(45,060)	4,446
Results from discontinued operations	0	0
Other comprehensive income	(13)	51
Total Results	**(45,073)**	**4,497**
Share in the results of the Group	(11,265)	1,112
Share in the other comprehensive results of the Group	(3)	13
Share in the total comprehensive results of the Group	**(11,268)**	**1,125**

10 INVESTMENTS HELD FOR TRADING PURPOSES

The Group on 31/12/2015 held shares of a banking institution with acquisition value of 16.4 million. The valuation of the above holdings on the same date resulted into a loss for the Group and the Company of 1,558 which was recorded in the Other income / (expenses).

(Amounts in thousands Euro, unless stated otherwise)

11 INVESTMENTS AVAILABLE FOR SALE

Investments available for sale on 31st December 2015, in the attached financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Participations in related companies	14,722	14,722	6,058	6,058
Shares	19,713	971	19,713	971
Other securities	15	50	0	36
	34,450	**15,743**	**25,771**	**7,065**
Non current	**15,623**	**15,159**	**6,945**	**6,481**
Current	**18,827**	**584**	**18,827**	**584**

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.

The Group and the Company held on 31/12/2015 shares of a banking institution with a total acquisition value of 24,786 and shares of the parent company GEK TERNA with total acquisition value of 1,135. The valuation of the above holdings on the same date resulted into values of 18,827 and 826 respectively.
The valuation of the investments available for sale resulted into a loss of 1,455 for the Group and the Company (compared to loss of 2,575 for the Group and the Company on 31/12/2014), which was recorded in Other comprehensive income.
Moreover, with regard to the shares of the banking institution, within the year 2015, an amount of 4,429 was reclassified from the Other total comprehensive income to the Other income/(expenses), following an impairment test which indicated that the loss was not recoverable.

The Group proceeded with the sale of securities-shares and rights within the year 2014. From the sale, a gain of 1,991 was generated and recorded in the Other income/(expenses). During the year 2015, there were no sales of investment assets available for sale.

12 OTHER LONG-TERM RECEIVABLES

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Loans to other related companies	31,242	28,004	32,240	30,994
Interests in non-consolidated joint entities	1,132	730	1,132	730
Given guarantees	1,587	1,402	1,172	993
Total	**33,961**	**30,136**	**34,544**	**32,717**

(Amounts in thousands Euro, unless stated otherwise)

During the present period the Company and the Group participated in the issuance of bond loans of the parent company GEK TERNA amounting to 2.15 million with interest rate of 6.5%.

13 INVENTORIES

The account "inventories" on 31 December 2015 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Raw-auxiliary materials	6,021	6,208	4,609	5,420
Spare parts of fixed assets	25	25	25	25
Merchandise and finished and semi-finished products	12,807	9,440	2,592	3,181
Property for development	2,196	2,196	0	0
Total	**21,049**	**17,869**	**7,226**	**8,626**

There was no need for impairment of other impaired or low turnover inventories during 31 December 2015.

14 TRADE RECEIVABLES AND PREPAYMENTS AND OTHER SHORT-TERM RECEIVABLES

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

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Trade receivables	281,318	187,548	226,302	171,718
Accrued income	16	2,025	16	2,025
Customers – Doubtful and litigious	6,305	6,208	6,191	6,092
Notes / Checks receivable in delay	824	824	824	824
Checks Receivable	1,506	3,355	1,506	3,355
Minus: Impairments of trade receivables	(18,618)	(15,171)	(15,275)	(15,171)
Total	**271,351**	**184,789**	**219,564**	**168,843**

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

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Prepayments to suppliers	132,148	47,147	117,770	20,826
Accounts for management of prepayments and credits	3,272	4,156	2,407	2,866
Prepayments to pension funds (IKA – technical works)	3,400	3,280	3,336	3,280
VAT to be rebated – offset	19,320	10,546	11,358	7,897
Receivables from other taxes apart from income tax	1,500	1,500	1,500	1,500
Income for the year receivable	94	818	16	748
Prepayments of insurance premiums	4,748	6,000	1,836	2,328
Prepayment of commissions for letters of guarantee	2,814	2,355	2,814	2,309
Prepayments of rents	1,174	1,224	662	878
Other deferred expenses	564	1,579	555	1,576
Receivables against members of joint ventures and other related / affiliated companies	10,331	11,120	40,417	26,669
Receivables from grants for investment industrial plan	10,441	10,441	0	0
Receivables from insurance indemnities	66	0	66	0
Blocked deposit accounts	786	2,166	590	1,959
Receivable from parent company GEK TERNA for share capital increase	45,750	0	45,750	0
Other receivables – Various debtors	10,774	19,485	6,891	7,572
Minus: Provisions for doubtful receivables	(2,304)	(3,304)	(2,304)	(3,304)
Total	**244,878**	**118,513**	**233,664**	**77,104**

The change that occurred in prepayments to suppliers was due to a payment of 93.4 million to a supplier abroad within the year. It is verified by the initiation of the construction project of Ptolemaida Electricity Station.
The receivables from grants for the amount of 10.441 (10.441 on 31/12/2014 as well) concern the investment industrial plan of the subsidiary company TERNA Mag.

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

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Balance 1.1	**18,475**	**25,514**	**18,475**	**15,514**
Provisions for the year	3,447	2,961	104	2,961
Utilization of provision	(1,000)	(10,000)	(1,000)	0
Recovery of provisions for the year	0	0	0	0
Balance 31.12	**20,922**	**18,475**	**17,579**	**18,475**

(Amounts in thousands Euro, unless stated otherwise)

The above provisions of the year 2015 were recognized in the Other income / (expenses).

The receivables of the Group and the Company include accounts amounting to 31,450 and 26,898 respectively (39,067 and 35,567 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	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Up to 1 year	3,511	2,000	1,511	1,000
1-2 years	2,824	3,863	2,318	3,863
2-3 years	3,497	3,500	1,561	1,000
Over 3 years	21,618	29,704	21,508	29,704
	31,450	**39,067**	**26,898**	**35,567**

15 CONSTRUCTION CONTRACTS

The technical works, undertaken by the Group and the Company, that were under construction on 31.12.2015 and 31.12.2014 are analyzed as follows:

	GROUP		COMPANY	
Cumulatively from the beginning of the projects	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Cumulative costs	3,693,379	3,030,720	3,317,256	2,738,911
Cumulative profit	443,731	369,227	430,705	360,436
Cumulative loss	(167,251)	(131,808)	(97,637)	(66,587)
Billings	(4,026,757)	(3,236,434)	(3,708,880)	(3,004,121)
	(56,898)	**31,705**	**(58,555)**	**28,639**
Receivables from construction contracts	115,375	171,748	99,868	156,710
Liabilities from construction contracts (long term)	(49,365)	(63,626)	(49,365)	(63,626)
Liabilities from construction contracts (short term)	(122,908)	(76,417)	(109,058)	(64,445)
Net receivables from customers of projects	**(56,898)**	**31,705**	**(58,555)**	**28,639**
Received prepayments	373,546	263,464	286,464	156,619
Withheld amounts from customers of projects	55,719	54,487	39,984	43,865

(Amounts in thousands Euro, unless stated otherwise)

16 CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Cash in hand	133	149	114	121
Sight Deposits	190,684	125,626	138,464	55,515
Term Deposits	1,682	50,503	1,682	50,504
Total	**192,499**	**176,278**	**140,260**	**106,140**

Term deposits have a usual duration of 1-3 months and interest rates ranging between 0.80% - 1.20% during the financial year (1.70 - 2.00% during the previous financial year).

17 SHARE CAPITAL AND RESERVES

The Company's paid up 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).

During the extraordinary General Meeting of 23rd December 2015, it was decided the share capital increase of the Company by 45,750 via the issuance of 122,000 new common registered shares with nominal value of €100 per share and offering price of €375 per share. Up to the approval date of the financial statements by the Management of the Group, the balance of the capital due was fully paid.

Losses per share of the Group during the present period amount to euro 22.1648 (losses of euro 108.0055 during the previous financial year) and were calculated based on losses attributed to shareholders of the parent of euro 8.868 (losses of euro 43.214 during the previous financial year) and based on the above weighted average number of shares of the respective financial years.

The General Meeting of the Company in 2015 approved the distribution of dividend for the fiscal year 2014 amounting to 10,000 of which 8,000 have been already paid.
The Board of Directors of the Company proposes the distribution of dividend amounting to 10,000 for the year 2015 which is subject to the approval of the General Meeting and as result it is not recognized as liability as of 31/12/2015.

(Amounts in thousands Euro, unless stated otherwise)

The account "Reserves" on 31.12.2015 is analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Reserve from fair value of available for sale assets	(7,685)	(10,157)	(3,440)	(5,913)
Tax free reserves	37,774	38,970	37,680	38,970
Regulatory reserve	14,889	11,436	13,350	10,000
Reserve due to foreign exchange differences	(3,027)	(4,267)	73	(367)
Other reserves	(18)	(122)	(8)	(124)
Total	**41,933**	**35,860**	**47,655**	**42,566**

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.

18 OTHER LONG-TERM LIABILITIES

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Collected prepayments from customers of construction contracts	201,959	102,911	187,484	49,791
Liabilities due to construction contracts	49,365	63,626	49,365	63,626
Liabilities to members of joint companies and other affiliated companies	0	575	36,348	29,193
Other long-term liabilities	17,324	2	15,649	7,221
Total	**268,648**	**167,114**	**288,846**	**149,831**

The prepayments from customers of construction contracts concern projects that will be certified and offset after 31.12.2016, whereas the liabilities from construction contracts concern liabilities that will be amortized after 31.12.2016.

The increase of the collected prepayments from customers of construction contracts is due to the collected prepayment from the customer relating to the Ptolemaida Electricity Station.
Other long-term liabilities include collected guarantees and withheld amounts from suppliers and sub-contractors.

19 LONG-TERM LOANS AND FINANCIAL LEASES

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

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Liabilities from financial leases	25,265	34,132	24,080	32,735
Minus: Short-term portion	(5,181)	(9,965)	(4,917)	(9,727)
Long-term loans	106,907	112,847	106,805	111,989
Minus: Short-term portion	(64,408)	(52,278)	(64,404)	(52,278)
	62,583	**84,736**	**61,564**	**82,719**

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

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Up to 1 Year	64,408	52,278	64,404	52,278
Between 2 - 5 Years	33,499	60,569	33,401	59,711
Over 5 Years	9,000	0	9,000	0
	106,907	**112,847**	**106,805**	**111,989**

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

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Up to 1 Year	5,181	9,965	4,917	9,727
Between 2 - 5 Years	20,021	18,174	19,100	17,154
Over 5 Years	63	5,993	63	5,854
	25,265	**34,132**	**24,080**	**32,735**

<u>A. Long-term Loans</u>

The Group's long-term debt in Euro and BHD corresponds to 99.9% and 0.1% of the total (99.2% in EUR and 0.8% in BHD during the previous year) and represents 53.5% (57% during the previous year) of the Group's overall debt. Apart from the short-term part, the respective percentage is 21.3% (30.8% in the previous fiscal year). 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 65.5% of its overall debt (66.9% during the previous year). Apart from the short-term part, the respective percentage is 26% (35.7% in the previous fiscal year).

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

Within the year of 2015, an amount of 24.8 million of long-term debt was repaid whereas an amount of 20 million was collected through new loans.

The real average effective interest rate on long-term debt during the period, amounted to 5.94% (6.37% 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 95.4% (96% during the previous year). The remaining part concerns equipment of the mining activities.

Finance leases represent 12.8% (17.4% during the previous year) of the Group's total debt and 14.8% (19.6% during the previous year) of the Company's total debt. 100% (95.8% during the previous year) of liabilities from finance leases of the Company and Group are under floating interest rates.

During the present year, the Group and the Company signed new agreements for a total amount of 1,031 (28,742 and 27,230 during the previous fiscal year respectively), mainly for the needs of the construction sector.

The amount of euro 9,872 and 9,634 (9,340 and 9,207 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 5% (4.1% and 4.0% during the previous year, respectively).

20 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 expenditure for staff indemnity which was recognized in the Net Results was recorded by the Group in the Cost of sales by 2,562 and in the Administrative and distribution expenses by 10 (1,982 and 8 in the previous fiscal year, respectively), and by the Company in the Cost of sales (in both the present and the previous fiscal year.

(Amounts in thousands Euro, unless stated otherwise)

The amount due for staff indemnities is analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Current service cost	2,291	1,794	1,636	1,143
Financial cost	44	46	44	46
Effect of cut-backs or settlements	265	150	265	151
Recognition of actuarial (profits) / losses	119	382	107	374
	2,719	**2,372**	**2,052**	**1,714**

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

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
Balance 1.1	**6.342**	**4.879**	**3.833**	**2.729**
Provision recognized in Net earnings	2,572	1,990	1,945	1,340
Provision recognized in Other Total Comprehensive Income	119	382	107	374
Provision recognized in inventories	28	0	0	0
Foreign exchange translation differences	494	496	215	210
Compensation payments	(2,016)	(1,405)	(1,504)	(820)
Balance 31.12	**7,539**	**6,342**	**4,596**	**3,833**

The main actuarial assumptions for the financial years 2015 and 2014 are as follows:

	2015	**2014**
Discount rate (based on the yields of the E.C.B. bonds)	2.0%	2.5%
Mortality: Greek mortality table	MT_EAE2012P	MT_EAE2012P
Future salaries increases	1.75%	2.0%
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%

(Amounts in thousands Euro, unless stated otherwise)

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%	2.00%	2.50%	2.50%
Future Salaries Increases	1.75%	2,00%	1.75%	1.50%
Effect on the net earnings / (losses)	(83)	(40)	67	101

21 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 1.1.2015	**114**	**14,967**	**15,081**	**114**	**1,767**	**1,881**
Additions recognized in results	0	2,764	**2,764**	0	2,764	**2,764**
Utilized provisions	0	(4,000)	**(4,000)**	0	0	**0**
Interest of provisions recognized in the Net earnings	0	0	**0**	0	0	**0**
Transfer from / (to) other account	0	0	**0**	0	0	**0**
Non utilized provisions recognized in the results	0	(2,000)	**(2,000)**	0	0	**0**
Foreign exchange differences	0	5	**5**	0	5	**5**
Balance 31.12.2015	**114**	**11,736**	**11,850**	**114**	**4,536**	**4,650**

	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**
Balance 31.12.2014	**114**	**14,967**	**15,081**	**114**	**1,767**	**1,881**

(Amounts in thousands Euro, unless stated otherwise)

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.

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

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Provisions of tax for tax unaudited years	1,440	1,440	1,240	1,240
Provisions for doubtful receivables	0	10,000	0	0
Provisions for legal cases	1,380	1,527	380	527
Other provisions	8,916	2,000	2,916	0
	11,736	**14,967**	**4,536**	**1,767**

22 GRANTS

The movement of grants of the Group in the Statement of Financial Position for 2015 and 2014 is as follows:

	GROUP	
	31.12.2015	**31.12.2014**
Balance 1.1	**15,026**	**0**
Collected grants	0	4,585
Approved but not collected grants	0	10,441
Amortization of grants of fixed assets	(309)	0
Balance 31.12	**14,717**	**15,026**

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.

The amount of the approved but not collected grants for the Group is included in the “Prepayments and other receivables”. These grants were recognized given the certainty, expressed by the Group’s Management, that all preconditions have been fulfilled as required by law and the respective amounts will be collected with the final approval of the completion of the respective investments.

23 SUPPLIERS, ACCRUED AND OTHER SHORT-TERM LIABILITIES

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

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Suppliers	190,169	187,436	174,142	161,965
Checks and notes payable	13,763	10,264	7,725	6,280
Total	**203,932**	**197,700**	**181,867**	**168,245**

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

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Liabilities from taxes – duties	10,076	6,367	9,757	6,170
Social security funds	2,828	2,974	2,718	2,865
Dividends payable	2,007	7	2,007	7
Liabilities against members of joint ventures and other related companies	13,906	18,209	13,808	20,578
Customer prepayments	171,590	160,553	98,983	106,828
Accrued expenses / Deferred income	17,269	16,185	6,822	5,798
Employee remunerations payable	3,356	1,040	2,541	2,533
Sundry creditors	1,456	1,002	2,628	2,154
Total	**222,488**	**206,337**	**139,264**	**146,933**

24 SHORT-TERM LOANS

The Group's short-term loans refer mainly to current bank accounts having a duration up to twelve 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 based by 76% on floating rates and by 24% on fixed rates, is agreed on local currencies for any Group company, and in total is allocated by 69.9% in EUR (73.9% at the end of the previous year), 17.2% in QAR (18.3% at the end of the previous year), 6.7% in AED (4.5% at the end of the previous year) and 6.2% in BHD (3.3% at the end of the previous year). Moreover, it represents 34% (25% at the end of the previous year) approximately of the total debt of the Group and covers the working capital needs by 71% (76% 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 increase by 17.5 million (net decrease by 55 million in the previous fiscal year) of the short-term debt was mainly due to the signing of new loans (due to the repayment of loans in the previous fiscal year).

The average weighted interest rate on such during the year amounted to 6.46% (6.41% during the previous year).

(Amounts in thousands Euro, unless stated otherwise)

25 INCOME TAX

According to Greek tax legislation, the tax rate corresponded to 26% for the year 2014 whereas for the year 2015 was set at 29%. 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, differences from the use of depreciation rates that emerge between the fixed asset's useful life and the use of rates stipulated by L. 4172/2013, the capability of companies to create tax-exempt discounts and tax-exempt reserves, and the aforementioned increase of the tax rate through calculations of deferred income tax.

(a) Income tax expense

Income tax in the total comprehensive income statement is analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Current tax expense				
Current tax	29,188	26,454	25,465	25,143
Tax differences from previous years	(345)	(75)	(150)	(90)
Tax audit differences	520	200	520	0
	29,363	**26,579**	**25,835**	**25,053**
Deferred tax expense / (income)	(18,883)	(23,330)	(12,405)	(13,100)
Total	**10,480**	**3,249**	**13,430**	**11,953**

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

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Earnings/(loss) before tax	**465**	**(44,780)**	**22,620**	**29,263**
Nominal tax rate	29%	26%	29%	26%
Income tax expense/(income) based on the effective nominal tax rate	**135**	**(11,643)**	**6,560**	**7,608**
<u>*Adjustments for*</u>:				
Tax due to implied taxation method	318	(42)	318	(42)
Tax differences (results not included in the calculation of tax)	(1,126)	2,913	(1,119)	(622)
Effect of differences of tax rate	(1,294)	355	(1,906)	59
Tax differences from previous years	(345)	(75)	(150)	(90)
Tax audit differences	520	200	520	0
Difference in taxation of foreign companies	(1,791)	11,284	(681)	4,663
Write-off/(offsetting) of tax losses	14,063	257	9,888	377
Real tax expense	**10,480**	**3,249**	**13,430**	**11,953**

(Amounts in thousands Euro, unless stated otherwise)

The tax differences include tax that corresponds to the results of the joint ventures. The net results of the joint ventures are incorporated into the results before income tax.

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

For this reason and based on data deriving from past years' tax audits, relevant provisions have been recorded for the financial year 2015, against additional taxes and surcharges that may be imposed to the Group, provisions of 1,440 (the same 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". 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	
	2015	**2014**	**2015**	**2014**
Deferred tax asset	44,955	17,037	43,372	22,655
Deferred tax (liability)	(12,700)	(3,364)	(13,284)	(4,666)
Net deferred tax asset / (liability)	**32,255**	**13,673**	**30,088**	**17,989**
Balance 1.1	**13,673**	**(10,568)**	**17,989**	**4,004**
Effect of discontinued operations/acquisitions of entities	0	(2)	0	(2)
(Expense)/Income recognized in net earnings	18,883	23,331	12,405	13,101
(Expense)/Income recognized in Other comprehensive income	(301)	915	(306)	889
Foreign Exchange Differences	0	(3)	0	(3)
Balance 31.12	**32,255**	**13,673**	**30,088**	**17,989**

The deferred taxes (assets and liabilities) of 2015 and 2014 are analyzed as follows:

(Amounts in thousands Euro, unless stated otherwise)

GROUP	**Statement of financial position**		**Net earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**
	31.12.2015	**31.12.2014**	**1.1 – 31.12.2015**	**1.1 – 31.12.2015**
Deferred tax asset				
Expense for issuing capital	10	9	0	1
Provision for staff indemnities	680	462	(9)	227
Losses recognized on tax basis	5,669	5,595	74	0
Other provisions	1,782	153	1,629	0
Provisions for doubtful receivables	4,321	3,263	1,058	0
Impairment of inventories	2,860	2,860	0	0
Other	(12)	(33)	21	0
Deferred tax liability				
Investment property valuation	(37)	(37)	0	0
Recognition of finance leases	(2)	(3)	1	0
Valuation of investments	2,577	1,839	1,244	(506)
Recognition of revenue based on the percentage of completion	35,598	22,745	12,853	0
Depreciation differences	465	(2,181)	2,646	0
Intangible assets differences	312	324	(12)	0
Tangible assets differences	(922)	(769)	(130)	(23)
Companies' acquisitions and sales	(21,046)	(20,554)	(492)	0
Deferred tax on net earnings/ other comprehensive income			**18,883**	**(301)**
Net deferred income tax asset / (liability)	**32,255**	**13,673**		

GROUP	**Statement of financial position**		**Net earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**
	31.12.2014	**31.12.2013**	**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)**		

COMPANY	Statement of financial position		Results for the year (Debit)/Credit	Other comprehensive income (Debit)/Credit
	31.12.2015	**31.12.2014**	**1.1 – 31.12.2015**	**1.1 – 31.12.2015**
Deferred tax asset				
Provision for staff indemnities	662	456	(17)	223
Losses recognized on tax basis	3,914	4,865	(951)	0
Other provisions	1,778	149	1,629	0
Provisions for doubtful receivables	3,368	3,280	88	0
Other	(11)	(30)	19	0
Deferred tax liability				
Investment property valuation	(37)	(37)	0	0
Recognition of finance leases	(2)	(3)	1	0
Valuation of investments	1,970	982	1,494	(506)
Recognition of revenue based on the percentage of completion	31,439	20,362	11,077	0
Depreciation differences	(13,080)	(1,010)	(12,070)	0
Intangible assets differences	235	245	(10)	0
Tangible assets differences	(1,560)	(1,352)	(185)	(23)
Companies' acquisitions and sales	1,412	(9,918)	11,330	0
Deferred tax on results / equity			**12,405**	**(306)**
Net deferred income tax asset / (liability)	**30,088**	**17,989**		

(Amounts in thousands Euro, unless stated otherwise)

COMPANY	**Statement of financial position**		**Net Earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**
	31.12.2014	**31.12.2013**	**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 net earnings/ other comprehensive income			**13,101**	**889**
Net deferred income tax asset / (liability)	**17,989**	**4,004**		

26 TURNOVER

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

	GROUP		**COMPANY**	
	1.1-31.12.2015	**1.1-31.12.2014**	**1.1-31.12.2015**	**1.1-31.12.2014**
Revenue from construction services	763,787	755,776	697,883	715,921
Revenue from provision of other services	949	852	949	986
Revenue from leases	156	838	162	867
Revenue from sales of quarry products	3,584	1,508	1,876	725
Total	**768,476**	**758,974**	**700,870**	**718,499**

27 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:

(Amounts in thousands Euro, unless stated otherwise)

Cost of Sales	**GROUP**		**COMPANY**	
	1.1-31.12.2015	**1.1-31.12.2014**	**1.1-31.12.2015**	**1.1-31.12.2014**
Cost of inventories-materials of projects	182,783	223,421	165,845	210,990
Employee remuneration	86,762	78,153	61,078	53,502
Sub-contractors	257,984	224,232	260,963	228,909
Remuneration of engineers, technical advisors and third parties	63,750	95,672	61,480	83,865
Other third-party benefits	6,575	5,227	5,478	4,183
Taxes dues	2,405	4,014	2,386	3,998
Provisions	1,005	4,532	3,475	3,734
Travel expenses	1,325	0	996	0
Depreciations	25,448	29,200	14,495	12,756
Operating leases	32,830	39,187	30,180	35,263
Insurance premiums	5,454	5,810	3,627	3,059
Transfer expenses	28,473	15,275	28,048	15,136
Repair and maintenance	6,810	8,449	6,556	8,252
Auditor fees	198	125	141	82
Net financial cost	18,647	13,243	12,929	10,215
Other	8,553	(89)	7,689	686
Total	**729,002**	**746,451**	**665,366**	**674,630**

Administrative Expenses	**GROUP**		**COMPANY**	
	1.1-31.12.2015	**1.1-31.12.2014**	**1.1-31.12.2015**	**1.1-31.12.2014**
Employee remuneration	5,635	4,922	3,753	4,379
Remuneration of engineers, technical advisors and third parties	5,575	4,140	4,772	4,833
Other third-party benefits	724	647	563	600
Travel expenses	298	321	180	203
Subscriptions-contributions-Advertising expenses	610	1,292	298	1,269
Depreciation	1,526	1,377	1,322	1,357
Impairments of assets	0	450	0	450
Repair and maintenance	252	415	234	414
Insurance premiums	142	125	105	120
Auditors fees	181	123	106	70
Operating leases	1,126	1,151	851	951
Taxes - duties	485	650	297	588
Transfer expenses	124	0	4	0
Expenses due to legal conflicts	285	11	285	11
Other	1,679	2,334	1,038	888
Total	**18,642**	**17,958**	**13,808**	**16,133**

(Amounts in thousands Euro, unless stated otherwise)

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

Research and development expenses	**GROUP**		**COMPANY**	
	1.1-31.12.2015	**1.1-31.12.2014**	**1.1-31.12.2015**	**1.1-31.12.2014**
Employee remuneration	65	51	38	51
Remuneration of engineers, technical advisors and third parties	125	11	32	0
Amortization	63	0	0	0
Travel expenses	47	31	44	31
Other	90	55	14	14
Total	**390**	**148**	**128**	**96**

28 AUDITORS' FEES

	GROUP		**COMPANY**	
	1.1-31.12.2015	**1.1-31.12.2014**	**1.1-31.12.2015**	**1.1-31.12.2014**
Fees for statutory audits	346	187	217	94
Fees for other audits	30	26	30	26
Fees for other services	3	35	0	32
	379	**248**	**247**	**152**

29 PAYROLL COST

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

	GROUP		**COMPANY**	
	1.1-31.12.2015	**1.1-31.12.2014**	**1.1-31.12.2015**	**1.1-31.12.2014**
Wages and related employee benefits	75,914	68,155	49,439	43,860
Social security fund contributions	13,976	12,981	13,485	12,732
Provision for employee indemnities	2,572	1,990	1,945	1,340
Total	**92,462**	**83,126**	**64,869**	**57,932**

30 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	
	1.1-31.12.2015	**1.1-31.12.2014**	**1.1-31.12.2015**	**1.1-31.12.2014**
Amortization of fixed assets' grants	93	0	0	0
Other provision of services	295	318	278	318
Income from leases	105	431	105	431
Charges of expenses	2,178	2,355	5,291	7,207
Expenses' grants	60	0	60	0
Sales of fixed assets and inventories	806	218	551	328
Compensation due to termination of contract	1	811	1	811
Other income	2,662	1,235	1,667	729
Foreign exchange differences on payments	5,574	3,144	5,620	3,126
Foreign exchange differences on valuation	4,301	6,497	689	2,006
Collapse of guarantees	9	233	9	233
Recovery of impairments (Impairment/Write-off) of trade receivables	(982)	(17,912)	3,487	(7,476)
Recovery of impairments (Impairment/Write-off) of fixed assets	0	(2,000)	0	0
Recovery of impairments (Impairment/Write-off) of inventories	0	(11,000)	0	0
Provisions	(2,764)	(11,000)	(2,764)	0
Taxes – duties	(541)	(632)	(500)	(490)
Depreciations	(5)	0	(5)	0
Other expenses	(829)	(136)	(467)	(487)
	10,963	**(27,438)**	**14,022**	**6,736**
<u>Results from participations and investments</u>				
Earnings / (losses) from absorption of company	0	0	0	0
Earnings / (losses) from participations in joint ventures not consolidated	(31)	13	(31)	13
Earnings from participations in tax joint ventures recorded as subsidiaries	0	0	3,447	7,611
Earnings / (losses) from sale of participations and securities	94	0	94	0
Earnings / (losses) from valuation of participations and securities	(10,768)	1,991	(5,987)	1,991
Impairment of participation to subsidiary	0	0	0	0
	(10,705)	**2,004**	**(2,477)**	**9,615**
Total	**258**	**(25,434)**	**11,545**	**16,351**

(Amounts in thousands Euro, unless stated otherwise)

31 FINANCIAL INCOME/(EXPENSES)

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

	GROUP		COMPANY	
	1.1-31.12.2015	**1.1-31.12.2014**	**1.1-31.12.2015**	**1.1-31.12.2014**
Financial income				
Interest on deposit accounts and similar items	669	1,548	642	1,378
Interest on loans	2,389	1,702	2,551	1,590
Interest on trade receivables	340	74	341	74
	3,398	**3,324**	**3,534**	**3,042**
Financial expenses				
Interest and expenses of short term financing	(2,594)	(2,351)	(1,448)	(2,057)
Interest and expenses of long term financing	(5,878)	(7,174)	(5,877)	(7,174)
Interest on financial leasing contracts	(1,438)	(1,081)	(1,378)	(1,022)
Bank commissions and expenses	(2,458)	(7,593)	(5,324)	(7,517)
	(12,368)	**(18,199)**	**(14,027)**	**(17,770)**
Total	**(8,970)**	**(14,875)**	**(10,493)**	**(14,728)**

32 TRANSACTIONS WITH RELATED PARTIES

The transactions, as well as the balances of the Group and Company with related parties for the financial years 2015 and 2014, are analyzed as follows:

Purchases and sales of goods and services

Year 2015	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	1,030	1,197	2,512	2,011	1,030	1,197	2,512	2,011
Subsidiaries	-	-	-	-	339,904	9,674	59,662	90,587
Joint Ventures	30	0	6	0	30	0	6	0
Other related parties	367,227	9,927	79,348	107,203	3,525	2,612	12,386	3,479

(Amounts in thousands Euro, unless stated otherwise)

Year 2014	GROUP				COMPANY			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	1,012	962	1,243	2,411	1,012	962	1,243	2,251
Subsidiaries	-	-	-	-	348,687	18,305	47,327	147,851
Joint Ventures	30	0	3	0	30	0	3	0
Other related parties	832	9,334	16,780	4,564	884	7,497	11,334	3,134

Dividends

The Group and the Company paid an amount of 8,000 for dividend payment to their parent company (0 during the previous comparative period). An amount of 2,000 constitutes dividend payable as of 31/12/2015 (0 during the previous comparative period).

Share capital increases of subsidiaries

The Company paid the amount of 12,030 for the share capital increase of its subsidiaries (42,333 during the previous comparative period).

Loans and interest

Year 2015	GROUP				COMPANY			
Related party	**Financial income**	**Financial expenses**	**Loans receivable**	**Loans payable**	**Financial income**	**Financial expenses**	**Loans receivable**	**Loans payable**
Parent	1,367	0	22,074	0	1,367	0	22,074	0
Subsidiaries	-	-	-	-	162	0	998	0
Joint Ventures	966	0	10,430	0	966	0	10,430	0
Other related parties	29	61	1,088	940	29	21	672	322

Year 2014	GROUP				COMPANY			
Related party	**Financial income**	**Financial expenses**	**Loans receivable**	**Loans payable**	**Financial income**	**Financial expenses**	**Loans receivable**	**Loans payable**
Parent	549	0	18,457	10	549	0	18,457	0
Subsidiaries	-	-	-	-	83	0	3,073	0
Joint Ventures	1,020	0	9,937	0	1,020	0	9,937	0
Other related parties	159	125	416	893	0	85	0	319

(Amounts in thousands Euro, unless stated otherwise)

In terms of cash:
a) The Company and the Group granted an amount of 2,250 as loan to their parent company (they collected 2,756 as loan repayment and granted an amount of 16,000 as loan to their parent company during the previous comparative period),
b) The Group and the Company collected an amount of 3,212 and 2,990 from affiliated companies as loan repayment and granted amounts of 830 and 1,828 as loan to affiliated companies (they collected 0 and 0 respectively, and granted 0 and 2,990 respectively, during the previous comparative period),
c) the Group and the Company collected an amount of 10 from new long-term bond loans from affiliated parties (versus 10 and 0 respectively, in the previous comparative period) and
d) the Group and the Company repaid an amount of 37 for long-term bond loans from affiliated parties (versus 16,000 and 3,615 respectively, in the previous comparative period).
<u>Share capital increase of parent company</u>
The Group and the Company have receivables of 47,750 from their parent company concerning a share capital increase (0 during the previous comparative period). Until the date of approval by the Group's Management of the present financial statements, the amount had been fully paid.

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

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	
	1.1-31.12.2015	**1.1-31.12.2014**	**1.1-31.12.2015**	**1.1-31.12.2014**
Remuneration for services rendered	1,357	1,317	992	1,117
Remuneration of employees	56	88	56	88
Remuneration for participation in Board meetings	0	0	0	0
	1,414	**1,404**	**1,049**	**1,204**
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Liabilities	27	164	5	91
Receivables	1	1	1	1

33 AIMS AND POLICIES OF RISK MANAGEMENT

The Group is exposed to financial risks such as the market risk (volatility in exchange rates, interest rates, market prices etc.), the credit risk and the 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 and other debtors and creditors, receivables from construction contracts, loans to affiliated companies, investments in equities, dividends payable, long-term and short-term liabilities from leasing agreements and loans.

MARKET RISK

The Group is exposed to a risk related to the change in the fair value of the Investments available for sale and the Investments held for trading purposes which may affect the Financial Statements.

FOREIGN EXCHANGE RISK

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

This type of risk may result, for the Group, from foreign exchange differences due to valuation and conversion into the Group's currency of financial assets, mainly receivables and financial liabilities from transactions agreed in currency other than the operating currency of the Group's entities. 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.

(Amounts in thousands Euro, unless stated otherwise)

	2015										
(amounts in euros)	**RON**	**MKD**	**AED**	**QAR**	**BHD**	**USD**	**LYD**	**ALL**	**RSD**	**IQD**	**SAD**
Financial assets	(5,335)	18	63,614	78,309	38,252	3,501	7,635	886	29,403		(69)
Financial liabilities	(20,173)	2,500	(38,870)	(58,323)	(43,962)	0	(2,775)	(4,855)	(79,064)	(947)	(98)
Total current	**(25,508)**	**2,518**	**24,743**	**19,986**	**(5,710)**	**3,501**	**4,860**	**(3,969)**	**(49,661)**	**908**	**(167)**
Financial assets	20,084	(2,538)	3,001	21,411	17,917	(1,077)	2,774	4,783	65,647	638	(19)
Financial liabilities	0	0	(18,498)	(24,327)	(2,195)	(2,207)	0	0	0	(0)	0
Total non-current	**20,084**	**(2,538)**	**(15,497)**	**(2,916)**	**15,722**	**(3,284)**	**2,774**	**4,783**	**65,647**	**638**	**(19)**

	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**

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

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

	2015										
(amounts in euros)	**RON**	**MKD**	**AED**	**QAR**	**BHD**	**USD**	**LYD**	**ALL**	**RSD**	**IQD**	**SAD**
Effect on Net earnings after taxes	0	0	148	409	0	149	0	0	0	0	0
Effect on other comprehensive income after taxes	(1,552)	252	(90)	(7,123)	313	0	514	(120)	(4,005)	(386)	44

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

(Amounts in thousands Euro, unless stated otherwise)

To manage this category of risk, the Group's Management and the financial department makes sure that the cash management of the Group is covered against changes in foreign exchange rates. Furthermore, it 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.

With regard to the company's transactions with foreign houses, these take place mainly with European groups in Euro and therefore no such risk exists.

SENSITIVITY ANALYSIS OF INTEREST RATE RISK

Almost the entire long-term debt and financial leases, based on agreements with banks, held by the Group at the end of the present year was based on floating interest rates at 99.7% (versus 99.1% at the end of the previous year). The remaining amount was based on fixed interest rates.

The short-term debt of the Group is based on floating rates by 76% and on fixed rates by 24%.

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% (2014: +/-20%). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2015		**2014**	
	+20%	-20%	+20%	-20%
Net earnings after taxes (from interest bearing liabilities)	(13)	13	(1,640)	1,640
Net earnings after taxes (from interest earning assets)	(18)	18	106	(106)

The Group is not exposed to other interest rate risks.

ANALYSIS OF CREDIT RISK

The credit risk relates to the potential loss resulting from the inability of a counterparty participating in a financial transaction to fulfill its obligation and make the respective payment to the other counterparty.
The credit risk exposure of the Group is limited to financial assets which at the balance sheet date are as follows:

(Amounts in thousands Euro, unless stated otherwise)

	31.12.2015	31.12.2014
Investments available for sale – Shares and other securities	19,728	1,021
Investments held for trading purposes - Shares	15,174	0
Loans and receivables – Other long-term receivables	32,829	29,406
Loans and receivables – Prepayments and other receivables	211,717	94,246
Loans and receivables – Trade receivables	271,351	184,789
Loans and receivables – Receivables from construction contracts	115,375	171,748
Cash and cash equivalents – Sight and time deposits	192,367	176,129
	858,541	**657,339**

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 management of the Group assumes that the aforementioned financial assets for which necessary impairment is calculated are of high credit quality.

The Group is not exposed to any significant credit risk with regard to its trade receivables, due to its policy to collaborate and transact with credible customers and also due to the nature of its activities.

Specifically, the total amount of receivables concern either the public sector in the domestic market and abroad, or customers with significant financial capacity. However, and despite the above, these receivables are still monitored and adjusted accordingly whenever such need exists.

The slowdown of the Greek economy during the year 2015 and the other unfavorable developments, although they cannot be accurately assessed, are not expected to affect the quality of the Group's portfolio of receivables.

The credit risk for cash equivalents as well as for other receivables is not considered as significant, given that the counter parties are reliable banks having a high grade capital structure, following their recent recapitalization actions, 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	
31.12.2015	**0 to 12 months**	**2 to 5 years**	**Over 5 years**
Long-term Debt	67,720	37,016	9,249
Liabilities from finance leases	5,865	21,261	63
Short-term Debt	70,634	0	0
Trade Liabilities	203,932	0	0
Other liabilities	37,994	17,324	0
Total	**386,145**	**75,601**	**9,312**

The respective maturity of financial liabilities for 31st December 2014 was as follows:

	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	577	0
Total	**352,284**	**87,993**	**6,538**

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:

	31.12.2015	**31.12.2014**
Non-current assets		
Loans and receivables – Other long-term receivables	32,829	29,406
Financial assets at fair value – Investments available for sale	15,623	15,159
Total	**48,452**	**44,565**
Current assets		
Loans and receivables - Trade receivables	271,351	184,789
Loans and receivables - Trade receivables from construction contracts	115,375	171,748
Financial assets at fair value – Investments available for sale	18,827	584
Financial assets at fair value – Investments held for trading purposes	15,174	0
Loans and receivables - Prepayments and other receivables	211,717	94,246
Cash and cash equivalents	192,499	176,278
Total	**824,943**	**627,645**

(Amounts in thousands Euro, unless stated otherwise)

	31.12.2015	31.12.2014
Non-current liabilities		
Financial liabilities at amortized cost – Long term loans	42,499	60,569
Financial liabilities at amortized cost – Liabilities from finance leases	20,084	24,167
Financial liabilities at amortized cost – Other long term liabilities	17,324	577
Total	**79,907**	**85,313**
Current liabilities		
Financial liabilities at amortized cost – Short term loans	67,295	49,761
Financial liabilities at amortized cost – Long term liabilities payable in the following year	69,590	62,243
Financial liabilities at amortized cost – Trade liabilities	203,932	197,700
Financial liabilities at amortized cost – Accrued and other short term liabilities	37,994	36,443
Total	**378,811**	**346,147**

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 31.12.2015 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	19,713	(4,429)	(1,455)
Listed shares (investments held for trading purposes)	1	15,174	(1,558)	0
Other financial assets (investments available for sale)	2	15	(35)	0

The respective amounts on 31.12.2014 were as follows:

(Amounts in thousands Euro, unless stated otherwise)

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

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 Adjusted net Debt / Adjusted equity, where Adjusted net Debt is defined as Liabilities from loans and financial leases minus Cash equivalents, and Adjusted equity is defined as equity minus the capital due plus the grants, as such appear in the Statement of Financial Position.

The ratio at the end of 2015 and 2014 was as follows:

	31.12.2015	31.12.2014
Interest bearing debt	199,468	196,740
Minus:		
Cash and Cash equivalents	(192,499)	(176,278)
Adjusted Net Debt	**6,969**	**20,462**
Equity	68,107	82,321
Grants	14,717	15,026
Adjusted Equity	**82,824**	**97,347**
Leverage ratio	**8.41%**	**21.02%**

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 893 million (euro 770 million 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.

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 2015.

Tax Compliance Report

For the fiscal years 2011, 2012 and 2013 the parent company and its Greek subsidiaries (apart from the tax joint ventures) are subject to the tax audit of the Certified Auditors Accountants provided by the clauses of article 82, par. 5 of Law 2238/1994 (POL. 1159/26/7/2011), whereas for the fiscal year 2014 the above companies are subject to the tax audit of the Certified Auditors Accountants provided by the clauses of article 65A par. 1 of Law 4174/2014 (POL. 1124/22/6/2015). With regard to the above years, the finalization of the audit from the Ministry of Finance is pending.
With regard to the fiscal year 2015, the parent company as well as its Greek subsidiaries which fulfill the conditions of article 1 of POL 1124/22/6/2015, are subject to the tax audit of the Certified Auditors Accountants provided by the clauses of article 65A par. 1 of Law 4174/2014 (POL. 1124/22/6/2015). This audit is underway and the relevant tax certificate is expected to be issued following the publication of the 2015 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 RECLASSIFICATION OF ITEMS

For comparability purposes, in the Statement of Cash Flows of years 2015 and 2014 an amount of 5,991 EUR was reclassified from the financing activities into the investing activities.

38 EVENTS AFTER THE BALANCE SHEET DATE

Until the date of approval by the Group's Management of the financial statements, a reduction was recorded in the fair value of shares of a banking institution listed on the Athens Exchange presented in the item "Investments available for sale" for total amount of 12,754, and the balance of the capital due was fully paid.

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

(Amounts in thousands Euro, unless stated otherwise)

IV. DATA AND INFORMATION FOR THE PERIOD 1.1.2015-31.12.2015

TERNA
GEK TERNA GROUP

TERNA SOCIETE ANONYME TOURISM TECHNICAL SHIPPING COMPANY

S.A. Reg. No. 56330/01/B/04/506 (08), General Commercial Registry No.8554301000
85 Mesogeion Ave., 115 26, Athens, Greece
DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015
(Published according to C.L. 2190/20, article 135 for companies that prepare annual financial statements, consolidated and non-consolidated, according to IFRS)

The following data and information that arise from the financial statements, aim at providing general information for the financial position and results of "TERNA SOCIETE ANONYME TOURISM TECHNICAL SHIPPING COMPANY". Therefore, before proceeding with any kind of investment decision or any other transaction with the company, readers should refer to the company's website, where the financial statements are posted, as well as the audit report by the certified auditor accountant.

Responsible Authority: Chamber of Commerce and Industry – General Electronic Commercial Registry (GEMI)
Company website: www.terna.gr
Approval date of the annual financial statements by the board of directors: 28/03/2016
Certified auditor accountant: Vassilios Papageorgakopoulos (11681)
Auditing firm: SOL SA
Type of audit report: Opinion in agreement

Board of Directors Composition:
DIMITRIOS ANTONAKOS (CHAIRMAN), MICHAIL GOURZIS (VICE CHAIRMAN), GEORGIOS PERISTERIS (MANAGING DIRECTOR), KONSTANTINOS VAVALETSKOS, PANAGIOTIS IOANNIDIS, IOANNIS KROUSKAS, EVANGELOS MASOURAS, GEORGIOS PERDIKARIS, ANASTASIOS TSOUTIS, SOFOKLES SARANTELLIS, EMMANUIL VRAILAS, IOANNIS STEFANATOS (MEMBERS)

FIGURES FROM STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro

	CONSOLIDATED		COMPANY	
	31/12/15	31/12/14	31/12/15	31/12/14
ASSETS				
Self used tangible fixed assets	105.974	113.279	75.057	86.813
Investment property	2.220	2.220	1.596	1.596
Intangible assets	65.795	74.774	4.680	5.109
Other non-current assets	115.956	99.798	271.678	236.640
Inventories	21.049	17.869	7.226	8.626
Trade receivables	271.351	184.789	219.564	168.843
Other current assets	599.225	479.127	519.066	349.892
TOTAL ASSETS	**1.181.570**	**971.856**	**1.098.867**	**857.519**
EQUITY & LIABILITIES				
Share capital	40.010	40.010	40.010	40.010
Other equity	53.803	23.150	153.360	105.437
Total Net Position of company shareholders (a)	93.813	63.160	193.370	145.447
Minority interest (b)	20.044	19.161	0	0
Total Net Position (c) = (a) + (b)	113.857	82.321	193.370	145.447
Long-term loans	62.583	84.736	61.564	82.719
Provisions/Other-long-term liabilities	315.454	206.927	311.376	160.211
Short-term bank liabilities	136.885	112.004	101.420	84.574
Other-short-term liabilities	552.791	485.868	431.137	384.568
Total liabilities (d)	1.067.713	889.535	905.497	712.072
TOTAL EQUITY & LIABILITIES (c) + (d)	**1.181.570**	**971.856**	**1.098.867**	**857.519**

FIGURES FROM STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro

	CONSOLIDATED		COMPANY	
	1/1/15 - 31/12/15	1/1/14 - 31/12/14	1/1/15 - 31/12/15	1/1/14 - 31/12/14
Turnover	768.476	758.974	700.870	718.499
Gross profit	39.474	12.523	35.504	43.869
Profit/(Loss) before tax, financial and investment results (EBIT)	25.276	2.575	28.557	46.403
Profit/(Loss) before tax	465	(44.780)	22.620	29.263
Profit/(Loss) after tax (A)	(10.015)	(48.029)	9.190	17.310
-Shareholders of the company	(8.868)	(43.214)		
-Minority interest	(1.147)	(4.815)		
Other comprehensive income after taxes (B)	3.789	(9.891)	3.001	(5.118)
Total comprehensive income after taxes (A) + (B)	(6.226)	(57.920)	12.191	12.192
-Shareholders of the company	(5.079)	(53.143)		
-Minority interest	(1.147)	(4.777)		
Earnings/Losses after tax per share - basic (in €)	(22,1648)	(108,0055)		
Proposed dividend per share (in EUR)			25,0000	25,0000
Profit/(Loss) before tax, financial and investment results and depreciation (EBITDA)	52.224	33.152	44.378	60.517

FIGURES FROM STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro

	CONSOLIDATED		COMPANY	
	31/12/15	31/12/14	31/12/15	31/12/14
Equity at the beginning of the period (1.1.15 and 1.1.14 respectively)	82.321	138.908	145.447	133.255
Total comprehensive income after taxes	(6.226)	(57.920)	12.191	12.192
Distributed dividends	(7.970)	0	(10.000)	0
Share capital increase	45.750	0	45.750	0
Purchase / sale of treasury shares	0	0	0	0
Other movements	(18)	1.333	(18)	0
Equity at the end of the period (31.12.15 and 31.12.14 respectively)	**113.857**	**82.321**	**193.370**	**145.447**

ADDITIONAL DATA AND INFORMATION

1. The joint operations (tax joint ventures) of the Company and the subsidiaries, and joint ventures of the Group with their respective participation percentages that are consolidated or incorporated in the Group, as well as the joint operations not consolidated as their activities have been concluded, are reported in detail in Note 4 of the Financial Statements of 31 December 2015.
- The joint operations that were incorporated in the Company's Financial Statements and the Group's Consolidated Financial Statements of the present period and had not been incorporated in the Financial Statements of the previous fiscal year, due to the fact that they were established, commenced activities or were acquired after the present period are the following:
J/V AKTOR SA – TERNA SA (No. 751 ERGOSE Joint Venture).
2. The Company has been audited by the tax authorities up to the fiscal year of 2009. For the fiscal years 2011, 2012 and 2013 the parent company and its Greek subsidiaries (apart from the tax joint ventures) are subject to the tax audit of the Certified Auditors Accountants provided by the clauses of article 82, par. 5 of Law 2238/1994 (POL. 1159/26/7/2011), whereas for the fiscal year 2014 the above companies are subject to the tax audit of the Certified Auditors Accountants provided by the clauses of article 65A par. 1 of Law 4174/2014 (POL. 1124/22/6/2015). With regard to the above years, the finalization of the audit from the Ministry of Finance is pending. With regard to the fiscal year 2015, the parent company as well as its Greek subsidiaries which fulfill the conditions of article 1 of POL 1124/22/6/2015, are subject to the tax audit of the Certified Auditors Accountants provided by the clauses of article 65A par. 1 of Law 4174/2014 (POL. 1124/22/6/2015). This audit is underway and the relevant tax certificate is expected to be issued following the publication of the 2015 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.
With regard to the tax unaudited fiscal years of the remaining consolidated companies, there is a relevant comment in the note 4 of the financial statements of 31/12/2015.
3. There are no pending litigations or cases under arbitration by courts or arbitration authorities that may have a significant impact on the Company's or Group's financial position. The accumulated provision for the litigations or cases under arbitration as at 31/12/2015, amount to EUR 1,380 thousand for the Group and to 380 thousand for the Company. The amount of the accumulated provision for the tax unaudited fiscal years of the Group's companies as at 31/12/2015, amounted to EUR 1,440 thousand and for the Company to EUR 1,240 thousand. The amount of the accumulated other provisions as at 31/12/2015 amounted to EUR 8,916 thousand for the Group and 2,916 thousand for the Company.
4. . The Other comprehensive income after income tax relates to: a) Loss from valuation of investments available for sale amounting to 1,455 thousand EUR for the Group and 1,455 thousand EUR for the Company, b) Loss deriving from proportional participation in other total comprehensive income of joint ventures amounting to 3 thousand EUR for the Group, c) Profit from foreign exchange translation differences due to the incorporation of operations abroad amounting to 1,252 thousand EUR for the Group and 439 thousand EUR for the Company, d) Reclassifications in the losses of previous fiscal years from the valuation of securities available for sale due to sale, of 4,429 thousand EUR, e) Actuarial losses from defined benefit plans of 119 thousand EUR for the Group and 107 thousand EUR for the Company, f) Tax expenses corresponding to the said amounts of 301 thousand EUR for the Group and 305 thousand EUR for the Company, g) expenses due to share capital increase of 14 thousand EUR for the Group.
5. At the end of the current fiscal year the Company employed 1,310 individuals and the Group 1,413 (excluding joint operations and companies abroad). Respectively, at the end of the previous year the Company employed 1,412 individuals and the Group 1,490 individuals.
6. The entire amounts of transactions (inflows and outflows) cumulatively from the beginning of the financial period, as well as the balances of receivables and liabilities of the Company and the Group at the end of the present period, that have emerged from its transactions with its related parties, as such are defined by IAS 24, are as follows (in thousand EUR):

	Group	Company
Outflows from sales of goods and services	370.649	347.013
Inflows for goods and services	11.185	13.504
Receivables	115.458	108.740
Liabilities	110.154	96.399
Transactions & remuneration of BoD and executives	1.414	1.049
Receivables from BoD members and executives	1	1
Liabilities towards BoD members and executives	27	5

7. The Group holds directly or via its parent company, 583,349 shares of the parent company GEK TERNA SA, with acquisition cost of 1,135 thousand EUR.
8. The Company is consolidated in the financial statements of GEK TERNA SA HOLDING REAL ESTATE and CONSTRUCTION via the full consolidation method. The former is fully owned (100%) by the latter.
9. For comparability purposes, in the Statement of Cash Flows of years 2015 and 2014 an amount of 5,991 EUR was reclassified from the financing activities into the investing activities.
10. The Board of Directors of the Company will propose to the Annual General Meeting of Shareholders the distribution of dividend amounting to 10,000 thousand EUR.

FIGURES FROM STATEMENT OF CASH FLOWS (indirect method)

Amounts in thousand euro

	CONSOLIDATED		COMPANY	
	1/1/15 - 31/12/15	1/1/14 - 31/12/14	1/1/15 - 31/12/15	1/1/14 - 31/12/14
Operating activities				
Profit before tax from operating activities	465	(44.780)	22.620	29.263
Adjustments for reconciliation of net cash flows from operating activities				
Depreciation	27.041	30.577	15.821	14.113
Amortization of grants	(93)	0	0	0
Other impairments	(9.018)	21.455	(3.487)	7.926
Provisions	1.338	13.052	4.710	1.401
Interest and related income	(3.398)	(3.324)	(3.534)	(3.042)
Interest and other financial expenses	22.676	19.305	23.137	17.770
Results from associates and joint ventures	11.265	(1.112)	0	0
Results from participations and securities	10.631	(2.004)	2.417	(9.615)
Results from tangible and intangible fixed assets and investment property	(152)	128	(296)	(91)
Foreign Exchange Differences	(11.679)	(8.611)	(6.416)	(3.581)
Operating profit before changes in working capital	**49.076**	**24.686**	**54.972**	**54.144**
(Increase)/Decrease in:				
Inventories	(3.093)	(4.905)	1.412	(260)
Trade receivables	(9.758)	38.544	16.184	13.317
Advances and other short term receivables	(72.200)	2.818	(105.456)	21.187
Increase/(Decrease) in:				
Suppliers	2.741	59.519	12.110	38.277
Accruals and other short term liabilities	49.815	74.656	31.244	45.536
Receipt of grants	0	4.586	0	0
Other long-term receivables and liabilities	100.202	(19.041)	136.118	9.405
Income Tax payments	(31.953)	(8.436)	(31.922)	(4.028)
Net cash flows from operating activities (a)	**84.830**	**172.427**	**114.662**	**177.578**
Cash flows from investment activities				
Net additions of fixed assets	(9.739)	(25.522)	(2.695)	(11.452)
Sales of fixed assets	524	1.109	553	1.106
Interest and related income received	1.352	4.699	1.558	4.535
(Purchases) / sales of participations and securities	(36.720)	5.637	(48.750)	(36.696)
Net change of granted loans	(2.858)	(13.244)	(866)	(16.234)
Initial cash balance of companies acquired or which recorded change in their consolidation percentage rate	(698)	0	(698)	0
Net Cash flows for investment activities (b)	**(48.139)**	**(27.321)**	**(50.898)**	**(58.741)**
Cash flows from financial activities				
Change in parent company's share capital	0	0	0	0
Net change of short-term loans	14.308	(35.840)	9.036	(44.457)
Net change of long-term loans	(1.803)	(48.795)	(4.797)	(49.583)
Payments for financial leases	(9.872)	(9.340)	(9.634)	(9.207)
Dividends paid	(8.000)	0	(8.000)	0
Interest and other financial expenses payable	(21.421)	(18.075)	(22.144)	(16.241)
Net Cash flows for financial activities (c)	**(26.788)**	**(112.050)**	**(35.539)**	**(119.488)**
Effect of foreign exchange differences on cash (d)	6.318	1.013	5.895	685
Net increase /(decrease) of cash & cash equivalents (a)+(b)+(c)+(d)	**16.221**	**34.069**	**34.120**	**35**
Cash & cash equivalents at the beginning of the year	176.278	142.209	106.140	106.105
Cash & cash equivalents at the end of the year	**192.499**	**176.278**	**140.260**	**106.140**

Athens, 28 March 2016

THE BoD CHAIRMAN	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE HEAD ACCOUNTANT
DIMITRIOS ANTONAKOS ID No. : AH 042199	GEORGIOS PERISTERIS ID No. : AB 560298	PANAGIOTIS KAZANTZIS G.E.C. No. 0010000	AIKATERINI CHALKOROKA-ATHANASOPOULOU G.E.C. No. 0009929