TERNA SOCIETE ANONYME

TOURISM TECHNICAL SHIPPING COMPANY

85 Mesogeion Ave., 115 26 Athens

S.A. Reg. No.56330/01/B/04/506(08)

INTERIM CONDENSED FINANCIAL STATEMENTS

for the period

from 1 January to 30 September 2009

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INTERIM CONDENSED FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED AS OF 30 SEPTEMBER 2009

It is ascertained that the accompanying Interim Condensed Financial Statements for the period 1.1.2009-30.9.2009 are those approved by the Board of Directors of "TERNA SOCIETE ANONYME TOURISM TECHNICAL SHIPPING COMPANY" ("TERNA S.A.") on 27 November 2009. The accompanying Interim condensed Financial Statements for the period 1.1.2009-30.9.2009 have been published by being posted on the internet at the website www.terna.gr.

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF FINANCIAL POSITION

	Note	GROUP 30 September 2009	GROUP 31 December 2008	COMPANY 30 September 2009	COMPANY 31 December 2008
ASSETS					
Non current assets					
Intangible fixed assets	5	5,774	5,387	5,196	5,307
Tangible fixed assets	5	92,004	80,764	81,029	68,919
Investment property		1,596	1,596	1,596	1,596
Participations in subsidiaries	4	0	0	2,110	2,110
Participations in associates	4, 6	10,463	16,226	0	0
Participations in joint ventures	4, 16	119	119	3,404	3,371
Investments available for sale		36	36	36	36
Other long-term assets		586	509	534	461
Deferred tax assets		6,909	8,809	986	2,076
Total non current assets		**117,487**	**113,446**	**94,891**	**83,876**
Current assets					
Inventories		5,951	7,809	3,417	5,514
Trade receivables		166,581	186,084	101,984	127.139
Receivables according to IAS 11		121,103	76,570	69,508	44,662
Prepayments and other receivables		83,278	97,023	56,140	76,381
Income tax receivables		15,322	10,548	12,587	8,701
Cash and cash equivalents		173,198	188,961	96,452	115,198
Total current assets		**565,433**	**566,995**	**340,088**	**377,595**
Non-current assets held for sale	12	0	35,469	0	0
TOTAL ASSETS		**682,920**	**715,910**	**434,979**	**461,471**
EQUITY AND LIABILITIES					
Equity attributable to the owners of the parent					
Share capital		28,910	28,908	28,910	28,908
Share premium account		35,922	35,922	35,922	35,922
Reserves		26,122	27,219	25,806	27,223
Profit carried forward		62,083	42,821	38,925	24,920
Total		**153,037**	**134,870**	**129,563**	**116,973**
Non-controlling interests		592	114	0	0
Total equity		**153,629**	**134,984**	**129,563**	**116,973**

(Amounts in thousand Euro, unless stated otherwise)

Long term liabilities					
Long-term loans	7	6,371	9,645	0	0
Loans from finance leases	7	38,075	29,284	38,075	29,284
Other long-term liabilities		17,973	42,047	58,381	58,712
Provisions for staff leaving indemnities	8	3,924	2,995	2,685	2,168
Other provisions	9	2,576	1,042	2,441	941
Deferred tax liabilities		9,941	10,460	7	0
Total long term liabilities		**78,860**	**95,473**	**101,589**	**91,105**
Short term liabilities					
Suppliers		114,032	125,863	74,873	92,635
Short term loans	7	69,696	81,830	36,553	51,555
Long term liabilities payable during the next financial year	7	11,899	9,799	8,833	6,499
Liabilities according to IAS 11		19,798	20,083	18,303	17,592
Accrued and other short term liabilities		233,535	230,755	64,670	84,173
Income tax payable		1,471	1,929	595	939
Total short term liabilities		**450,431**	**470,259**	**203,827**	**253,393**
Liabilities directly connected to non-current assets held for sale	12	0	15,194	0	0
TOTAL EQUITY AND LIABILITIES		**682,920**	**715,910**	**434,979**	**461,471**

The accompanying notes constitute an integral part of the financial statements

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP 1/1 - 30/9 2009	GROUP 1/7 - 30/9 2009	GROUP 1/1 - 30/9 2008	GROUP 1/7 - 30/9 2008	COMPANY 1/1 - 30/9 2009	COMPANY 1/7 - 30/9 2009	COMPANY 1/1 - 30/9 2008	COMPANY 1/7 - 30/9 2008
Continued operations									
Turnover		530,512	177,367	401,123	183,095	385,597	133,191	298,954	149,569
Cost of sales		(484,203)	(163,815)	(368,054)	(172,083)	(359,583)	(124,028)	(271,127)	(135,269)
Gross profit		**46,309**	**13,552**	**33,069**	**11,012**	**26,014**	**9,163**	**27,827**	**14,300**
Administrative & distribution expenses		(13,820)	(3,549)	(18,854)	(3,835)	(12,764)	(3,247)	(18,141)	(4,569)
Research & development expenses		0	0	(12)	(12)	0	0	(12)	(12)
Other income/(expenses)	10	7,057	1,636	795	(607)	15,545	5,245	6,232	585
Operating results		**39,546**	**11,639**	**14,998**	**6,558**	**28,795**	**11,161**	**15,906**	**10,304**
Net financial income/(expenses)		(3,117)	(1,246)	(3,360)	(959)	(2,819)	(1,146)	(3,313)	(1,371)
Profit / (Loss) from valuation of associate companies with the equity method	6	(1,057)	(353)	(249)	(92)	0	0	0	0
Earnings before tax		**35,372**	**10,040**	**11,389**	**5,507**	**25,976**	**10,015**	**12,593**	**8,933**
Income tax expense		(5,317)	(1,203)	(5,954)	(2,968)	(1,470)	(189)	(3,936)	(2,617)
Net Earnings from continued operations		**30,055**	**8,837**	**5,435**	**2,539**	**24,506**	**9,826**	**8,657**	**6,316**
Discontinued operations									
Profit/(loss) from discontinued activities after tax	12	262	0	1,160	493	0	0	0	0
NET EARNINGS FOR THE PERIOD		**30,317**	**8,837**	**6,595**	**3,032**	**24,506**	**9,826**	**8,657**	**6,316**
Other comprehensive income									
Foreign exchange differences from incorporation of foreign units		(110)	191	(324)	1.173	(354)	(97)	10	114
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**30,207**	**9,028**	**6,271**	**4,205**	**24,152**	**9,729**	**8,667**	**6,430**
Net earnings for the period attributed to									
Owners of the parent company from continued operations		29,537	8,860	5,669	2,746				
Owners of the parent company from discontinued activities		262	0	1,160	493				
Minority interest from continued operations		518	(23)	(234)	(207)				
		30.317	**8.837**	**6.595**	**3.032**				
Total comprehensive income attributed to									
Owners of the parent company from continued operations		29,467	9,061	5,345	3,901				
Owners of the parent company from discontinued activities		262	0	1,160	493				
Minority interest from continued operations		478	(33)	(234)	(189)				
		30,207	**9,028**	**6,271**	**4,205**				

(Amounts in thousand Euro, unless stated otherwise)

Earnings per share (in Euro)				
From continued operations attributed to the owners of the parent	102,1688	30,6468	19,6091	9,4984
From discontinued operations attributed to owners of the parent	0,9063	0,0000	4,01245	1,7053
Weighted average number of shares				
Basic	289.100	289.100	289.100	289.100

(Amounts in thousand Euro, unless stated otherwise)

CASH FLOW STATEMENT

	Note	GROUP 1/1 - 30/9 2009	GROUP 1/1 - 30/9 2008	COMPANY 1/1 - 30/9 2009	COMPANY 1/1 - 30/9 2008
Cash flow from operating activities					
Profit for the period before tax		35,372	11,389	25,976	12,593
Adjustments for the agreement of the net flows from the operating activities					
Depreciation of fixed assets	5	11,934	9,719	9,975	8,264
Provisions	8,9	1,892	(909)	1,275	(1,296)
Interest and related revenue		(2,762)	(2,401)	(1,699)	(712)
Interest and other financial expenses		5,878	5,761	4,518	4,025
Results from participations and securities	10	(2,630)	209	0	(40)
Results from sale of fixed assets	10	33	(77)	36	(77)
Foreign exchange differences		(1,426)	1,231	(1,051)	882
Other adjustments		(5)	26	0	8
Operating profit before changes in working capital		**48,286**	**24,948**	**39,030**	**23,646**
(Increase)/Decrease in:					
Inventories		1,976	2,272	2,107	2,468
Trade receivables		(25,101)	(42,606)	(1,365)	(18,775)
Prepayments and other short term receivables		5,840	1,739	17,975	4,772
Increase/(Decrease) in:					
Suppliers		(11,916)	21,414	(17,271)	17,665
Accruals and other short term liabilities		2,595	62,121	(25,253)	(25,535)
Other long-term receivables and liabilities		(4,382)	1,475	(226)	(82)
Income Tax payments		(6,854)	(4,243)	(4,422)	(745)
Cash inflows from operating activities		**10,443**	**67,120**	**10,575**	**3,414**
Cash flows from investment activities					
(Purchases)/Sales of fixed assets		(7,321)	(9,843)	(5,636)	(7,677)
(Purchases)/Sales of investment property		0	6,250	0	6,250
Interest and related income received		2,716	2,360	1,669	689
(Purchases) / sales of participations and securities		5,309	(5,433)	0	(53)
Income from participations		0	40	0	40
Cash outflows for investment activities		**704**	**(6,626)**	**(3,937)**	**(751)**
Cash flows from financial activities					
Proceeds from share capital increases		2	0	2	0
Net change of short-term loans		(11,134)	15,783	(13,991)	13,864
Net change of long-term loans	7	(3,063)	6,625	0	4,500
Payments of Loans from financial leases	7	(4,846)	(3,099)	(4,846)	(3,099)
Dividends paid		(60)	(6,805)	(60)	(6,805)

(Amounts in thousand Euro, unless stated otherwise)

Interest and other financial expenses paid	(7,316)	(5,207)	(5,897)	(3,858)
Cash inflows for financial activities	**(26,416)**	**7,297**	**(24,792)**	**4,602**
Effect from foreign exchange differences in cash	(494)	1,617	(592)	280
Net increase /(decrease) of cash & cash equivalents	**(15,763)**	**69,408**	**(18,746)**	**7,545**
Cash & cash equivalents at the beginning of the period	**188,961**	**83,249**	**115,198**	**32,185**
Cash & cash equivalents at the end of the period	**173,198**	**152,657**	**96,452**	**39,730**

The accompanying notes constitute an integral part of the financial statements

(Amounts in thousand Euro, unless stated otherwise)

TERNA S.A.

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Reserves	Profit Carried Forward	Total
1 January 2008	**522**	**0**	**0**	**(89)**	**433**
Absorption of sector of former TERNA SA	28,386	35,922	19,341	15,713	**99,362**
1 January 2008 restated	**28,908**	**35,922**	**19,341**	**15,624**	**99,795**
Total comprehensive income for the period	0	0	(11)	8,678	**8,667**
Dividends	0	0	0	(6,893)	**(6,893)**
Distributions of reserves/Transfers	0		3,752	(3,752)	**0**
Absorption of sector of former TERNA SA (movement for the period)	0	0	0	1,105	**1,105**
30 September 2008	**28,908**	**35,922**	**23,082**	**14,762**	**102,674**
1 January 2009	**28,908**	**35,922**	**27,223**	**24,920**	**116,973**
Total comprehensive income for the period	0	0	(351)	24,503	**24,152**
Issue of share capital	2	0	0	0	**2**
Dividends	0	0		(11,564)	**(11,564)**
Distributions of reserves/Transfers	0	0	(1,066)	1,066	**0**
30 September 2009	**28,910**	**35,922**	**25,806**	**38,925**	**129,563**

(Amounts in thousand Euro, unless stated otherwise)

TERNA GROUP

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Reserves	Profit Carried Forward	Total owners of the parent	Non-controlling Interest	Total
1 January 2008	**28,908**	**35,922**	**19,036**	**37,236**	**121,102**	**234**	**121,336**
Total comprehensive income for the period	0	0	(324)	6,829	**6,505**	(234)	**6,271**
Dividends	0	0	0	(6,893)	**(6,893)**	0	**(6,893)**
Separation of sector of former TERNA SA	0	0	0	1,105	**1,105**	0	**1,105**
Discontinuance of consolidation	0	0	0	(39)	**(39)**	0	**(39)**
Distribution of reserves	0	0	3,822	(3,822)	**0**	0	**0**
30 September 2008	**28,908**	**35,922**	**22,534**	**34,416**	**121,780**	**0**	**121,780**
1 January 2009	**28,908**	**35,922**	**27,219**	**42,821**	**134,870**	**114**	**134,984**
Total comprehensive income for the period	0	0	(70)	29,799	**29,729**	478	**30,207**
Treasury shares	2	0	0	0	**0**	0	**2**
Dividends	0	0	0	(11,564)	**(11,564)**	0	**(11,564)**
Transfers - other movements	0	0	(1,027)	1,027	**0**	0	**0**
30 September 2009	**28,910**	**35,922**	**26,122**	**62,083**	**153,037**	**592**	**153,629**

NOTES ON 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 the Societe 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 par 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.
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. Furthermore, TERNA owns and operates a quarry and trades in inert materials.
The consolidated financial statements of TERNA are included in the consolidated financial statements of its parent GEK SA, which during the balance sheet date, owned 100% of its share capital.
The Group operates in Greece and the Balkans and Middle East. The contribution of foreign operations to turnover during the present period amounted to 45% (compared to 32% during the comparative period). From such, 43% is from the Balkans (53% during the comparative period) and the remaining 57% from the Middle East (47% during the comparative period).

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, financial derivatives and investments available for sale that are valued at fair value. Also, several self-used tangible fixed assets on the transition date (1 January 2004) to the International Financial Reporting Standards (IFRS) were valued at fair values, which were used as implied cost, according to the provisions of IFRS 1 "First implementation 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, and specifically with the provisions of IAS 34 "Interim Financial Statements". The interim condensed financial statements should be read in conjunction with the annual financial statements of 31 December 2008.

b) Presentation of transformation of former TERNA SA
i) The presented individual financial statements of TERNA SA, have been prepared according to the decisions by the extraordinary General Meetings dated 6.11.2008 of the separated company TERNA SA, dated 18.11.2008 of the former GEK SA, currently renamed to GEK TERNA SA and dated 6.11.2008 of the former LITHOS SA, currently renamed to TERNA SA.
According to the decisions by the above General Meetings, the former LITHOS SA, already renamed to TERNA SA, absorbed the construction activities of the separated company TERNA SA.
As regards to the basis for preparation of the revised financial statements of former LITHOS SA, already renamed to TERNA SA, we note the following specific points:

(Amounts in thousand Euro, unless stated otherwise)

a) the separated company TERNA SA is a subsidiary (according to the definition of IAS 27) with a total participation by GEK TERNA SA in such by 56.38% (currently 100%), while the latter consolidates TERNA and has control of such since 1999.
b) the successor LITHOS SA is a 100% subsidiary of the separated company TERNA SA.
c) the absorption by the former LITHOS SA of the construction activities of TERNA SA, does not fall under the implementation scope of IFRS 3 as such are under joint control.

Taking into account the above, to present the absorption of TERNA SA's construction activities, the Pooling of Interests method was selected, according to which the current TERNA SA (former LITHOS SA) has reflected in its financial statements, the results and net assets of the absorbed construction sector from 1 January 2007.

The individual financial statements on 30/09/2008 (balance sheet, income statement, cash flow statement) of the current TERNA SA (former LITHOS SA), as had been initially prepared and as revised, including the assets and liabilities of TERNA which were absorbed by the current TERNA SA (former LITHOS SA), are as follows:

BALANCE SHEET	**Revised accounts of 30/9/2008**	**Changes due to absorption of sector**	**Initial accounts of 30/9/2008**
ASSETS			
Non current assets			
Intangible fixed assets	5,300	5,151	149
Tangible fixed assets	67,365	66,333	1,032
Investment property	1,596	1,596	0
Participations in subsidiaries	2,050	2,050	0
Participations in joint ventures	11,366	11,366	0
Other investments	36	0	36
Other long-term assets	1,566	1,565	1
Deferred tax assets	3,412	3,412	0
Total non current assets	**92,691**	**91,473**	**1,218**
Current assets			
Inventories	3,045	2,068	977
Trade receivables	122,013	121,571	442
Prepayments and other receivables	58,736	58,600	136
Income tax receivables	4,902	4,902	0
Cash and cash equivalents	39,730	39,660	70
Total current assets	**228,426**	**226,801**	**1,625**
TOTAL ASSETS	**321,117**	**318,274**	**2,843**
EQUITY & LIABILITIES			
Share capital	28,908	28,386	522
Share premium account	35,922	35,922	0
Reserves	23,082	23,082	0
Profit/(loss) carried forward	14,762	14,603	159
Total equity	**102,674**	**101,993**	**681**

(Amounts in thousand Euro, unless stated otherwise)

Long term liabilities			
Loans from finance leases	29,871	29,871	0
Provisions for staff indemnities	1,659	1,634	25
Other Provisions	647	533	114
Deferred tax liabilities	(3)	0	(3)
Total long term liabilities	**32,174**	**32,038**	**136**
Short term liabilities			
Suppliers	64,152	62,465	1,687
Short term loans	23,501	23,501	0
Long term loans payable during the next financial year	6,090	6,090	0
Accrued and other short term liabilities	91,976	91,693	283
Income tax payable	550	494	56
Total short term liabilities	**186,269**	**184,243**	**2,026**
TOTAL LIABILITIES & EQUITY	**321,117**	**318,274**	**2,843**

INCOME STATEMENT	**Revised accounts of 30/9/2008**	**Changes due to absorption of sector**	**Initial accounts of 30/9/2008**
Turnover	298,954	296,382	2,572
Cost of sales	(271,127)	(269,207)	(1,920)
Gross profit	**27,827**	**27,175**	**652**
Administrative and selling expenses	(18,141)	(17,756)	(385)
Research and development expenses	(12)	0	(12)
Other income/(expenses)	6,232	6,175	57
Net financial income/(expenses)	(3,313)	(3,312)	(1)
Profit/(Losses) before taxes	**12,593**	**12,282**	**311**
Income tax	(3,936)	(3,873)	(63)
Net profit / (losses) for the period	**8,657**	**8,409**	**248**

CASH FLOW STATEMENT	**Revised accounts of 30/9/2008**	**Changes due to absorption of sector**	**Initial accounts of 30/9/2008**
Cash flow from operating activities			
Profit before tax	12,593	12,282	311
Adjustments for the agreement of the net flows from the operating activities			
Depreciation	8,264	8,178	86
Provisions	(1,296)	(1,323)	27
(Interest and related revenue)	(712)	(712)	0
Interest and other financial expenses	4,025	4,024	1
Results from intangible and tangible assets and investment property	(77)	(77)	0
Results from participations and securities	(40)	(40)	0
Other adjustments	890	890	0
Operating profit before changes in working capital	23,646	23,221	425

(Amounts in thousand Euro, unless stated otherwise)

(Increase)/Decrease in:			
Inventories	2,468	2,716	(248)
Trade receivables	(18,775)	(18,351)	(424)
Prepayments and other short term receivables	4,772	4,630	142
Increase/(Decrease) in:			
Suppliers	17,665	17,266	399
Accruals and other short term liabilities	(25,535)	(25,666)	131
(Increase)/Decrease of other long term claims and liabilities	(82)	(82)	0
Income Tax payments	(745)	(745)	0
Net Cash inflow from operating activities	**3,414**	**2,989**	**425**
Cash flows from investment activities			
(Purchases of intangible and tangible assets)	(7,677)	(7,253)	(424)
Interest and related income received	689	689	0
(Purchases) / sales of participations and securities	(53)	(53)	0
Income from participations	40	40	0
Investment Property	6,250	6,250	0
Cash outflows for investment activities	**(751)**	**(327)**	**(424)**
Cash flows from financial activities			
Net change of short-term loans	13,864	13,864	0
Net change of long-term loans	4,500	4,500	0
(Payments of Loans from Financial Leases)	(3,099)	(3,099)	0
Dividend paid	(6,805)	(6,805)	0
(Interest paid)	(3,858)	(3,857)	(1)
Cash outflows for financial activities	**4,602**	**4,603**	**(1)**
Effect of foreign exchange changes on cash	280	280	0
Net increase of cash & cash equivalents	**7,545**	**7,545**	**0**
Cash & cash equivalents at the beginning of the period	**32,185**	**32,115**	**70**
Cash & cash equivalents at the end of the period	**39,730**	**39,660**	**70**

ii) The accompanying consolidated financial statements have been prepared with the pooling of interests method from 1/1/2007, according to those stated above in point i) and are included in the financial statements of the present TERNA SA, as well as in those of its subsidiaries, joint ventures and associates referred to in note 4, for 2008 and the interim period ended on 30/9/2008.

c) 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 period ended on December, 31 2008, except for the adoption of new standards and interpretations, whose application is mandatory for periods beginning on 1 January 2009.

Therefore, from January, 1 2009 the Group and the company adopted new standards, amendments of standards and interpretations as follows:

Standards and Interpretations mandatory for 2009

– **IAS 1 (Revised 2007) "Presentation of Financial Statements"**

IAS 1 has been revised to improve the usefulness of information presented in the financial statements. The most important changes are:

a) The statement of changes in equity includes only transactions with shareholders,

b) The introduction of a new total comprehensive income statement that combines all income and expenses, which were registered in the income statement with "other income", and

c) Restatements in the financial statements or retrospective applications of new accounting principles and methods must be presented from the beginning of the earliest comparative period.

The Company (and Group) has applied the above amendments and made the necessary changes to the presentation of the financial statements for 2009.

– **IAS 23 "Borrowing Cost" (revised 2007)**

The standard replaces the previous version of IAS 23. The basic difference in relation to the previous version concerns the repeal of the option to register the borrowing cost related to assets as an expense when a significant time period is needed in order for such to be operational or sold. Also, several amendments were made to IFRS1, IAS1, IAS7, IAS11, IAS16, IAS 38 and IFRIC 1 that are effective on or after 1.1.2009.

– **IAS 32 (Amendment) "Financial instruments: Presentation" and IAS 1 (Amendment) "Presentation of financial statements" – Puttable instruments**

The amendment to IAS 32 requires that specific puttable financial instruments and liabilities that arise during the liquidation of an entity be included in Equity if specific criteria are met. The amendment to IAS 1 requires the disclosure of information regarding puttable instruments classified as Equity.

Also, several amendments were made to IFRS 7, IAS 39 and IFRIC 2 that are affective for periods beginning on or after 1.1.2009.

As the Company (and Group) does not have such instruments, the amendments did not affect the 2009 financial statements.

– **IFRS 1 (Amendment) "First adoption of IFRS" and IAS 27 (Amendment) "Consolidated and Separate Financial Statements"**

The amendment of IFRS 1 allows companies that apply IFRS for the first time to use either the fair value of the book value according to previous accounting practices as implied cost for the valuation of the initial cost of investments in subsidiaries, jointly controlled companies and associate companies. Also, the amendment cancels the definition of the cost method from IAS 27 and replaces such with the requirement that dividends be presented as income in the separate financial statements of the investor. Also several amendments were made to IAS 18, IAS 21 and IAS 36 that are also applied for periods beginning on or after 1.1.2009.

As the parent company and all its subsidiaries have already made the transition to IFRS, the amendment had no effect on the financial statements of 2009.

– **IFRS 2 (Amendment) "Share Based Payments" – Vesting Conditions and Cancellations**

The amendment clarifies the definition of "vesting conditions", with the introduction of the term "non-vesting conditions" for terms that do not constitute service of performance terms. It also clarifies that all cancellations either arising from the entity itself or from third parties, must have the same accounting treatment.

The amendment had no effect on the financial statements for 2009.

– **IFRS 8 "Operating Segments"**

This standard replaces IAS 14, according to which segments were recognized and presented on the basis of a risk and return analysis. According to IFRS 8 segments constitute parts of an economic entity that are regularly examined by the CEO/Board of Directors of the entity and are presented in the financial statements according to this internal categorization.

– **IFRIC 13 – Customer Loyalty Programs**

The interpretation clarifies the accounting treatment that companies must adopt when granting award credits such as "points" or "travel miles" to customers that purchase goods or services.
The interpretation does not apply to the Company and Group.

– **Amendments to standards that are part of the IASB (International Accounting Standards Board) annual improvements plan**

Part I

The following amendments describe the most significant changes to IFRS as a result of the annual improvement plan of the IASB that was published in May 2008. The following amendments, unless stated otherwise, are in effect for annual accounting periods beginning on or after 1 January 2009.

IAS 1 (Amendment) "Presentation of financial statements"

The amendment clarifies that specific financial assets and liabilities registered as intended for trading purposes according to IAS 39 "Financial instruments: Recognition and Measurement" constitute examples of current assets and short-term liabilities respectively. The Company (and Group) has applied this amendment it did not affect its financial statements.

IAS 16 (Amendment) "Tangible assets" (and subsequent amendment to IAS 7 "Cash flow statement")

This amendment requires that economic entities with ordinary activities that include the lease and then sale of assets, present the product of the sale of such assets to income and then transfer the net book value of the item to inventories when the asset is considered as available for sale. The subsequent amendment to IAS 7 states that cash flows arising from the purchase, lease and sale of such assets be classified in cash flows from operating activities.

IAS 19 (Amendment) "Employee benefits"

The changes to the standard are as follows:

a) An amendment to the plan that leads to a change where commitments for benefits are affected by future wage increases is considered as a cut-back, while an amendment that changes the benefits attributed to working service induces a negative service cost if such leads to a reduction of the present value of liabilities of the defined benefits.

b) The definition of the performance of the plan's assets has been amended to define that management expenses of the plan are exempt from the calculation of the performance of the plan's assets only to the extent that such expenses have been excluded from the valuation of the liability for defined benefits.

c) The distinction between short-term and long-term employment benefits will be based on whether the benefits will be settled before or after 12 months of service provided from the employees.

d) IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" requires that contingent liabilities be disclosed but not recognized. IAS 19 has been amended so as to be consistent. The Company (and Group) has applied this amendment it did not affect its financial statements.

IAS 20 (Amendment) "Accounting of government grants and disclosure of government assistance"

This amendment requires that the benefit from a government loan with an interest rate lower than the market rate, should be valued as the difference between the book value according to IAS 39 "Financial instruments: Recognition and Measurement" and the income that arises from the benefit with the accounting treatment of IAS 20. Due to the fact that the Company (and Group) have not received loans by the Government, the amendment will not affect their financial statements.

IAS 23, Borrowing Cost (as revised in 2007) (Amendment)

With the amendment:

(a) It is clarified that the interest expense must be calculated with the effective interest rate method as described in IAS 39 Financial Instruments: Recognition and Valuation,

(b) The option to include the amortization of the above par receipt or above par repayment of loans and the amortization of related cost lined to the settlement of the loan, in borrowing cost is repealed.
The amendment did not affect the financial statements of the Company and Group.

IAS 27 (Amendment) "Consolidated and separate financial statements"
The amendment defines that cases where an investment in a subsidiary, which is treated according to IAS 39 "Financial instruments: Recognition and Measurement", has been classified as an item held for sale according to IFRS 5 "Non-current assets held for sale and discontinued operations", IAS 39 will continue to apply.
Due to the fact that the Company and Group follow the principle where investments in subsidiaries are registered at cost in the separate financial statements, the amendment had no effect on the financial statements.

IAS 28 (Amendment) "Investments in associate companies" (and subsequent amendments to IAS 32 "Financial instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")
According to this amendment, an investment in an associate is handled as a unique item for purposes of impairment reviews, and any possible impairment loss is not allocated to specific assets included in the investment. The reversals of impairment losses are registered as an adjustment in the accounting balance of the investment to the extent that the recoverable amount of the investment in the associate increases.
The Company (and Group) applied this amendment.

IAS 28 (Amendment) "Investments in associate companies" (and subsequent amendments to IAS 32 "Financial instruments: Presentation" and to IFRS 7 "Financial instruments: Disclosures")
This amendment defines that in cases where an investment in an associate is accounted for according to IAS 39 "Financial instruments: Recognition and Measurement" additionally to the required disclosures of IAS 32 "Financial instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures", specific and not all the required disclosures of IAS 28 must be made.
Due to the fact that the Group follows the principle of incorporating associate companies in its consolidated financial statements with the equity method, this amendment did not affect its financial statements.

IAS 29 (Amendment) "Presentation of Financial Data in Hyperinflationary Economies"
The guidance in this standard has been amended so as to reflect the fact that some assets and liabilities are valued at fair value instead of historic cost.
Because neither the subsidiaries nor the associates operate in hyperinflationary economies, the amendment did not affect the Group's financial statements.

IAS 31 (Amendment) "Participations in joint ventures" (and subsequent amendments to IAS 32 "Financial instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")
This amendment defines that in cases where an investment in a joint venture is accounted according to IAS 39 "Financial instruments: Recognition and Measurement" additionally to the required disclosures of IAS 32 "Financial instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures", specific and not all the required disclosures of IAS 31 "Participations in joint ventures" must be made.
Due to the fact that the Group follows the principle of incorporating joint ventures in its consolidated financial statements with the proportionate method, this amendment did not affect its financial statements.

IAS 36 (Amendment) "Impairment of Assets"
This amendment requires that in cases where the fair value minus the sale cost is calculated based on discounted cash flows, then disclosures must be made according to those required for the calculation of value in use.
The Company (and Group) applied this amendment and provides the necessary disclosure where applicable for the impairment reviews.

IAS 38 (Amendment) "Intangible Assets"
This amendment defines that a payment can be recognized as a prepayment only if it has been realized before the acquisition of the right for access to goods or services.
The amendment practically means that when the Company (and Group) acquires access to goods or to receive services, then the payment must be registered in expenses.
The Company (and Group) applied the amendment.

IAS 38 (Amendment) "Intangible Assets"
The amendment deletes the statement that defines that there will be "rarely, if ever" indications for the use of a method that results in a lower depreciation rate from that of the straight line method. The amendment currently has no effect on the financial statements of the Company (and Group) as all intangibles are depreciated with the straight line method.

IAS 39 (Amendment) "Financial instruments: Recognition and Measurement"
The changes to this standard are as follows:
a) It is possible to apply transfers towards and from the category of fair value through the results, when a derivative begins or ceases to fulfill the conditions as a cash flow hedging instrument or a net investment hedging instrument.
b) The definition of a financial assets or financial liability at fair value through the results as regards to items held as available for trading, has been amended. It is clarified that a financial asset or liability that constitutes part of a portfolio of financial instruments that are under joint management with established indication of a real plan for short-term profit, is included in this kind of portfolio during initial recognition.
c) the effective guidance for the definition and establishment of hedging states that a hedged item must involve a part that is not owned by the relevant entity and it mentions a section as an example of an entity. This means that in order to apply accounting hedging at the segment level, receivables for the accounting hedge must be met at the same time by the segment that applies such. The amendment excludes this receivable in order to reconcile IAS 39 with IFRS 8 "Operating segments" which requires the disclosure for segments to be based on information presented by the CEO/Board of Directors of the entity.
d) When the book value of a debt item is calculated again during the end of the fair value accounting hedge, the amendment clarifies that a revised real interest rate must be used (calculated on the day the fair value accounting hedge ends).
The Company (and Group) applied IAS 39 (Amendment). It had no effect on the financial statements.

IAS 40 (Amendment) "Investment property" (and subsequent amendments to IAS 16 "Tangible Assets")
The amendment defines that property under construction or management for future use as investment property, fall under the implementation scope of IAS 40. Therefore, where the fair value method is applied, such property are valued at fair value. However, in cases where the fair value of an investment property under construction cannot be reliably estimated, then the property is valued at cost until the soonest between the completion date of construction and the date on which fair value can be reliably estimated.

The Company (and Group) applied the amendment, which however has no effect on the financial statements of the present period.

IAS 41 (Amendment) "Agriculture"
The amendment requires the use of a discount market rate where calculations of fair value are based on discounted cash flows, while it also includes the repeal of the prohibition to take into account biological transformations during the calculation of fair value.
Given that the Company (and Group) has not undertaken any agricultural activity, the amendment has no effect on their activities.

Part II

The amendments that are included in Part II of the regulation, refer to changes in terminology or amendments of issuing nature, and do not lead to accounting changes for presentation or recognition purposes, and therefore the applicable amendments will not affect the financial statements of the Company (Group).
The standards on which the above amendments were applied, are as follows:
- IAS 8, Accounting Policies, Changes in Accounting Estimations and Errors
- IAS 10, Events after the Balance Sheet Date
- IAS 20, Accounting for Government Grants and Disclosure of Government Assistance (and subsequent amendments to IAS 41, Agriculture)
- IAS 29, Financial Reporting in Hyperinflationary Economies
- IAS 34, Interim Financial Reporting
- IAS 40, Investment Property
- IAS 41, Agriculture (and subsequent amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IAS 2 Inventories, IAS 36 Impairment of Assets).

Standards and Interpretations mandatory after 30 June 2009

Specific new standards, amendments of standards and interpretation that have been issued and are mandatory for accounting periods beginning during the present period or after. The Company's (and Group's) assessment regarding the effect from the application of the new standards, amendments and interpretations, is presented below.

– **IAS 27 (Amended) "Consolidated and Separate Financial Statements"**
Applied for annual accounting periods beginning on or after 1 July 2009.
The amended IAS 27 requires that transaction that lead to changes in participation percentages in a subsidiary, be registered in equity. Moreover, the amended standard changes the accounting treatment for losses realized by a subsidiary as well as the loss of control in a subsidiary.
The approval of the amendments to IAS 27 entails amendments to international financial reporting standards (IFRS)1, IFRS 4, IFRS 5, IAS1, IAS 7, IAS 14, IAS 21, IAS 28, IAS 31, IAS 32, IAS 33, IAS 39 and interpretation 7 of the Standing Interpretation Committee (SIC) in order to ensure consistency between the international accounting standards.
The company (and Group) will apply all changes of the above standards for future acquisitions and transactions with minority shareholders that will take place after the relevant application date.

– **IFRS 3 (Revised) "Business Combinations"**
Applied for annual accounting periods beginning on or after 1 July 2009.
The revised IFRS 3 introduces a series of changes in the accounting treatment of business combinations that will affect:
a) The amount of goodwill that arises,
b) The results of the reported period during which the companies' acquisition takes place and
c) The future results.

Such changes include:
a) The registration in the results of expenses related to the acquisition and
b) The registration in the results of subsequent changes to the fair value of the potential price
The approval of revised IFRS 3 entails amendments to IFRS 1, IFRS 2, IFRS 7, to International Accounting Standards (IAS 12), IAS 16, IAS 28, IAS 32, IAS 33, IAS 34, IAS 36, IAS 37, IAS 38, IAS 39 and interpretation 9 of the International financial Reporting Interpretation Committee (IFRIC) in order to ensure consistency between the international accounting standards.

- IFRS 5 (Amendment) "Non-Current Assets Held for Sale and Discontinued Operations" (and subsequent amendments to IFRS 1 "First Adoption of International Financial Reporting Standards")
In effect for annual accounting periods beginning on or after 1 July 2009.
The amendment clarifies that all assets and liabilities of a subsidiary are classified as held for sale if a sales plan for partial distribution results in loss of its control and therefore the relevant disclosures must be made for the subsidiary given that the definition for a discontinued operation is met. The subsequent amendment to IFRS 1 defines that such amendments will be applied in the future from the transition date to IFRS. The Group will apply this amendment in the future for all the partial sales of subsidiaries from 1 January 2010.

– **IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"**
Applied for annual accounting periods beginning on or after 1 July 2009.
The interpretation applies to an economic entity that hedges the foreign exchange risk from a net investment in a foreign operation and meets the condition for accounting hedge according to IAS 39. The interpretation provides guidance regarding the way in which an entity must define the amounts reclassified from equity to the results both for the hedge instrument and for the hedged item. As the Company (and Group) does not apply accounting hedging for any investment in a foreign operation, the interpretation does not apply to the Company or Group.

d) Approval of Financial Statements
The accompanying interim financial statements were approved by the Board of Directors of the Parent Company on 27 November 2009 and posted on the internet at the website of the parent www.terna.gr .

e) Use of Estimates
The Group makes estimations, assumptions and judgments in order to choose the best accounting principles related to the future evolution of events and transactions. These estimations, assumptions and judgments are continuously assessed in order to reflect current information and risk and are based on the management's experience related to level/volume of transactions or events.
The main assumptions and judgments that refer to data that may affect the financial statements in the coming 12 months are as follows:
i) Recognition of income from construction contracts and agreements for the construction of real estate: The Group uses the percentage of completion method to recognize such income, in accordance with IAS 11. According to this method the construction cost as of each date of the statement of financial position, is compared to the budgeted total cost of the project in order to determine the percentage of completion of such. The cumulated effect of the restatements/reassessments of the total budgeted cost of the projects and the total contractual payment (recognition of work over and above the contract) is 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 depreciations, 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, the Group defines the fair value based on valuation reports prepared on its behalf from independent appraisers.
For the interim financial statements, the fair value results from reports by independent appraisers only in cases where there are indications for significant changes in fair value and according to the financial significance.

iv) Valuation of inventories: For the valuation of its inventories, the Group estimates, based on statistical data and market conditions, expected sale prices and the cost of their finalization and distribution, per category of inventory.
v) Impairment of assets and their reversal: 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. The provision for current income tax is calculated by (i) estimating taxable profit of the present period, (ii) deriving the estimated real current tax rate and (iii) applying the rate on the taxable profit of the interim period. 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

a) Basis of consolidation
The attached consolidated financial statements include those of TERNA SA and its subsidiaries. The subsidiaries in which the Group has a direct or indirect participation of more than half of the voting rights has the right to control the consolidated operations. The subsidiaries are consolidated from the date the Group acquires the control and stop being consolidated at the date this control ceases to exist.
The participation of the Group in Joint ventures when there is common control, are incorporated in the attached financial statements with the method of proportionate consolidation which includes the proportion of the joint-venture on the assets, liabilities and total income with the inclusion of the items in their Financial Statements.
Intragroup transactions and balances are deleted from the attached consolidated financial statements. When necessary, the accounting bodies of subsidiaries are amended in order to secure the consistency with the accounting principles adopted by the Group.

b) Investments in Associates:
Includes companies in which the Group exercises significant influence however they are not subsidiaries or joint ventures. The Group's participating interests are recorded using the equity method. According to this method the participating interest in the associate company is carried at acquisition cost plus any change in the percentage of its Equity held by the Group, less any provisions for impairment.
The consolidated comprehensive income statement shows the Group's share in the total comprehensive income of the associate companies.

c) Investments and other (non-derivative) financial assets
Financial assets that fall under the provisions of IAS 39 and are governed by them are classified according to their nature and characteristics into one of the following four categories:
(i) Investments available for sale
(ii) Receivables and loans
(iii) Financial assets at fair value through the comprehensive income statement
(iv) Investments held to maturity

Initially they are recognized at acquisition cost, which represents the fair value plus, in some cases, the direct transaction and acquisition expenses.
The classification of the above financial assets is made upon their initial recognition and wherever permitted it is reviewed and reassessed on a periodic basis.

(i) Investments available for sale

Financial assets (non-derivative) that cannot be classified in any of the above categories are designated and classified as investments available for sale. After the initial recognition, available for sale investments are valued at fair value with the resulting gains or losses being recognized in the other total income of the Comprehensive income statement. Upon sale or write-off or impairment of the investment the accumulated gains or losses are included in the net earnings.

(ii) Receivables and loans

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

(iii) Financial assets at fair value through the net earnings

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

(iv) Investments held to maturity

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

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

d) Financial Instruments and Risk Management

Non-derivative financial assets and liabilities in the Statement of financial position include cash balances, receivables, participations bank loans and other short and long-term liabilities. The Company does not use derivative financial tools. The accounting principles for the recognition and measurement of these items are mentioned in the respective accounting principles, which are presented in this Note. Financial instruments are disclosed as receivables, liabilities or equity based on the substance and the contents of the relevant contracts from which they stem.

Interest, dividends, gains and losses resulting from the financial instruments that are classified as receivables or liabilities are accounted for as expenses or income respectively. The distribution of dividends to shareholders is accounted for directly through equity. Financial instruments are netted-off when the Company, according to the law, has this legal right and intends to set them off (against each other) on a net basis or to recover the asset and net the liability off at the same time. Financial risk management aims to reduce possible negative consequences. More specifically:

(i) Interest rate risk and exchange rate risk

The Group’s bank debt is mainly in Euro and is subject to variable and fixed interest rates. The Group has entered into interest rate swap agreements in order to reduce its exposure to interest rate risk from its 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. Company's policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within a amicable settlement context. Moreover the credit risk concentration is limited due to the great dispersion of the balances.

(iv) Market Risk

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

e) Operation and Presentation Currency and Foreign Exchange Conversion

The euro is the currency of operation and presentation of the Company. Transactions in other currencies are converted into euros using the exchange rates in effect at the date of the transaction. At the date of compilation of the financial statements the monetary asset and liability items that are denominated in other currencies are adjusted so as to reflect the current exchange rates. The profits and losses resulting from transactions in foreign currencies and from the end-of-year valuation of monetary items in foreign currencies are recorded in the net earnings. The currency of operation for the foreign subsidiaries of the Group is the official currency of the country in which the subsidiary operates. Therefore, at any financial statements date all subsidiaries' accounts in the Statement of financial position are translated to euro based on the foreign exchange rate prevailing at that date. Revenues and expenses are translated based on the weighted average exchange rate of the year. Any foreign exchange differences resulting as mentioned above, are recoded directly in other comprehensive income. During the sale or distribution of foreign subsidiaries the cumulative foreign exchange differences are recorded in net earnings.

f) Intangible assets

Intangible assets mainly consist of royalties related to quarries, software acquisition costs and all expenses incurred to develop the software in order to bring it to operating condition.

Amortization on royalties are based on straight line method during the normal period for the use of quarries (30 years) and the one on software is accounted for based on the straight line method for a period of three years.

Furthermore intangible assets include the fair value of rights under service concession agreements with the state. Fair value is construction costs plus a reasonable construction profit. Depreciation starts after the infrastructure is commissioned and stretches throughout the concession period.

g) Revenue recognition

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

(i) Revenue from construction activities

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

According to the percentage-of-completion method the construction costs incurred up to the 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 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) Rent Revenue

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

(iv) 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.

(v) Interest

Interest income is recognized on an accruals basis.

h) Tangible Fixed Assets

As previously mentioned, the Company has valued certain land and buildings at fair value on January 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.

i) Depreciation

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

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

j) 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 an impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income in net earnings.
The Management estimates that there is no case of impairment of the Group's fixed assets and thus a calculation of the assets' recoverable amounts has not been made.

k) Investment property
Investments in property are those held for the purpose to receive rent or capital appreciation and are valued at their fair value which is based on market value, that is to say at the estimated value of which the property may be sold, at the day of the estimation, in a normal transaction. The estimation is contacted regularly by external professional estimators who have the knowledge on the property market.
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.

l) Inventories
Inventories include excavated from the quarry material, construction material, spare parts and raw material. Inventories are valued at the lower of cost and net 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.

m) Receivables Accounts
Short-term receivables are accounted for at their nominal value less the provisions for doubtful receivables, while long-term receivables are valued at net 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.

n) Cash and Cash Equivalents
The Group considers time deposits and other highly liquid investments with an initial maturity less than three months, as cash and cash equivalents.
For the compilation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above.

o) Long-term loan liabilities

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

p) Provisions for Staff Retirement Indemnities

According to the provisions of L2112/20, the Group reimburses its retiring or dismissed employees, and the amount of the relevant indemnities depends on the years of service, the level of wages and the reason for exit from employment (dismissal or retirement). The liabilities for staff retirement indemnities are calculated using the discounted value of future benefits that have accrued at the end of the year, based on the recognition of the employees’ benefit rights during the duration of their expected working years. The above liabilities are calculated based on the financial and actuarial assumptions and are defined using the projected unit method of actuarial valuation. Net retirement costs for the period are included in the net earnings and consist of the present value of benefits that have accrued during the year, the interest on the benefits’ liability, the cost of prior service, the actuarial profit or loss and any other additional retirement costs. The prior service costs are recognized on a straight line basis over the average period during which access to the program’s benefits is earned. The liabilities for retirement benefits are not financed. As at the 1st of January 2004 (transition date to IFRS and compilation of initial Balance Sheet) the Company, applying the exemptions provided for by IFRS 1 for the first-time application of the IFRS, recognized the total actuarial losses that had accumulated as of the 1st of January 2004. During the compilation of subsequent financial statements TERNA, applying the general provisions of IAS 19, followed the “margin” method for the recognition of accumulated actuarial losses/profits. Actuarial profits and losses are registered as income or expenses when the accumulated actuarial profit or losses for each program separately exceed 10% of the largest value between the liability of the defined benefit and the actual value of the program’s assets. These profits or losses are systematically recorded during the expected average remaining working life of employees participating in the programs.

q) Government Pension Plans

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

r) Income Tax (Current and Deferred)

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

Deferred income tax is calculated using the liability method on all temporary differences between the tax base and the book value of assets and liabilities on the 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.

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) 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.

u) Earnings per Share
Basic earnings per share (EPS) are calculated by dividing net earnings corresponding to the parent's owners with the average weighted number of common shares that are outstanding during each year, with the exception of the average common shares acquired by the group as treasury-shares.
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).

4 GROUP STRUCTURE

During the presented period, the Group sold its participation in the company HERON THERMOELECTRIC SA (see Note 12). The newly formed joint venture ACTOR-TERNA (Construction of the electrical installation in the Athens Music Center) is included in the financial statements for the first time.
The following table presents the participations of TERNA SA, direct and indirect, in economic entities during 30/09/09, which were included in the consolidation:

(Amounts in thousand Euro, unless stated otherwise)

COMPANY NAME	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
VRONTIS QUARRY PRODUCTS SA	Greece	100.00	0.00	100.00	Full
TERNA OVERSEAS LTD	Cyprus	100.00	0.00	100.00	Full
TERNA QATAR LLC **	Qatar	0.00	40.00	40.00	Full
TERNA BAHRAIN HOLDING WLL	Bahrain	0.00	99.99	99.99	Full
PCC TERNA WLL	Bahrain	0.00	80.00	80.00	Full
TERNA CONTRACTING CO WLL	Bahrain	0.00	100.00	100.00	Full
TERNA ELECTRICAL MECHANICAL WLL	Bahrain	0.00	70.00	70.00	Full
J/V MAIN ARROGATION CANAL D 1	Greece	75.00	0.00	75.00	Proportionate
J/V TRAM CIVIL ENGINEERING PROJECTS (IMPREGILO)	Greece	55.00	0.00	55.00	Proportionate
J/V IRAKLEION CAMPUS	Greece	50.00	0.00	50.00	Proportionate
J/V ANCIENT OLYMPIA BY-PASS	Greece	50.00	0.00	50.00	Proportionate
J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	Greece	20.00	0.00	20.00	Proportionate
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	Greece	50.00	0.00	50.00	Proportionate
J/V DEPA PROJECT	Greece	10.00	0.00	10.00	Proportionate
J/V UNDERGROUND CAR PARK THESSALONIKI	Greece	50.00	0.00	50.00	Proportionate
J/V ARTA-FILIPPIADA BY-PASS	Greece	98.00	0.00	98.00	Proportionate
J/V ATHENS CONCERT HALL	Greece	49.50	0.00	49.50	Proportionate
J/V ATHENS CAR PARKS	Greece	20.00	0.00	20.00	Proportionate
J/V PERISTERI METRO	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA S.A. - ATHINA ATE ARAHTHOS PERIST. PROJECTS	Greece	62.50	0.00	62.50	Proportionate
J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	Greece	24.00	0.00	24.00	Proportionate
J/V THALES ATM SA-TERNA UPGRADE OF TACAN STATIONS	Greece	22.55	0.00	22.55	Proportionate
J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE	Greece	35.00	0.00	35.00	Proportionate
JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	Greece	37.50	0.00	37.50	Proportionate
J/V TERNA S.A. PANTECHNIKI S.A.	Greece	83.50	0.00	83.50	Proportionate
J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	Greece	49.50	0.00	49.50	Proportionate
J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	Greece	35.00	0.00	35.00	Proportionate
J/V TERNA SA - ATHINA ATE	Greece	62.50	0.00	62.50	Proportionate
J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	Greece	50.00	0.00	50.00	Proportionate
J/V SALONIKA PARK	Greece	50.00	0.00	50.00	Proportionate
J/V SIEMENS-AKTOR ATE-TERNA SA	Greece	37.50	0.00	37.50	Proportionate
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	0.00	65.00	Proportionate
J/V TERNA S.A.-THALES S.A.	Greece	50.00	0.00	50.00	Proportionate
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	Greece	25.00	0.00	25.00	Proportionate
J/V CONSTRUCTION OF PROJECT	Greece	49.00	0.00	49.00	Proportionate

(Amounts in thousand Euro, unless stated otherwise)

COMPANY NAME	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
PARADEISIA-TSAKONA					
J/V UNDERGROUND CHAIDARI-PART A	Greece	50.00	0.00	50.00	Proportionate
J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	Greece	60.00	0.00	60.00	Proportionate
J/V TERNA SA - TERNA ENERGY SA	Greece	50.00	0.00	50.00	Proportionate
J/V BIOTER SA-TERNA SA	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA SA - IONIOS SA	Greece	90.00	0.00	90.00	Proportionate
J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	Greece	39.20	0.00	39.20	Proportionate
J/V TERNA-MOCHLOS ATE	Greece	70.00	0.00	70.00	Proportionate
J/V TERNA-VIOTER SA	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA-ERGODOMI-KTISTOR ATE	Greece	50.00	0.00	50.00	Proportionate
J/V EDRASI-PSALLIDAS-TERNA-EDRACO	Greece	51.00	0.00	51.00	Proportionate
J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J&P AVAX-IMEC GmbH	Greece	24.00	0.00	24.00	Proportionate
J/V TERNA-KARAGIANNIS	Greece	50.00	0.00	50.00	Proportionate
J/V EUROPEAN TECHNICAL-HOMER-TERNA	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA-THEMELIODOMI	Greece	60.00	0.00	60.00	Proportionate
J/V TERNA-AKTOR GOULANDRI MUSEUM	Greece	50.00	0.00	50.00	Proportionate
J/V FRAGMATOS PRAMORITSA	Greece	33.33	0.00	33.33	Proportionate
J/V TERNA-EDRASI-STROTIRES - WP	Greece	41.00	0.00	41.00	Proportionate
J/V UNIVERSITY OF CRETE-RETHYMNON	Greece	25.00	0.00	25.00	Proportionate
J/V EKTER-TERNA (THETIKON)	Greece	50.00	0.00	50.00	Proportionate
J/V AKTOR-TERNA SA	Greece	50.00	0.00	50.00	Proportionate
J/V AKTOR-TERNA SA IASO BUILDING	Greece	50.00	0.00	50.00	Proportionate
J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	Greece	31.50	0.00	31.50	Proportionate
J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	Greece	35.00	0.00	35.00	Proportionate
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	Greece	33.33	0.00	33.33	Proportionate
J/V THEMELIODOMI-TERNA-DIEKAT-KTIRIODOMI SA	Greece	25.00	0.00	25.00	Proportionate
J/V MINISTRY OF TRANSPORTATION	Greece	33.33	0.00	33.33	Proportionate
J/V AEGEK TERNA	Greece	45.00	0.00	45.00	Proportionate
J&P AVAX SA-TERNA SA-EYKLEIDIS	Greece	35.00	0.00	35.00	Proportionate
J/V EURO IONIA	Greece	33.33	0.00	33.33	Proportionate
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12.00	0.00	12.00	Proportionate
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12.00	0.00	12.00	Proportionate
J/V TERNA - AKTOR	Greece	50.00	0.00	50.00	Proportionate
J/V CENTRAL GREECE MOTORWAY E-65	Greece	33.33	0.00	33.33	Proportionate
J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS –TREIS GEFYRES	Greece	33.00	0.00	33.33	Proportionate

(Amounts in thousand Euro, unless stated otherwise)

COMPANY NAME	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
J/V TERNA SA- AKTOR ATE DOMOKOS	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA SA-THALES RAIL SIGNALLING SOLUTIONS	Greece	50.00	0.00	50.00	Proportionate
J/V J&P AVAS SA-VIOTER SA-TERNA SA	Greece	49.00	0.00	49.00	Proportionate
J/V ALPINE BAU-TERNA SA	Greece	36.00	0.00	36.00	Proportionate
J/V TRAM CIVIL ENGINEER WORKS	Greece	50.00	0.00	50.00	Proportionate
J/V AKTOR ATE – TERNA SA (Construction of the electrical installation in the Athens Music Center)	Greece	50.00	0.00	50.00	Proportionate
JV QBC S.A. - TERNA S.A.	Qatar	40.00	0.00	40.00	Proportionate
HAMRIYAH CEMENT COMPANY FZC	U.A.E.	0.00	40.00	40.00	Equity

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

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

No.	COMPANY NAME	TOTAL INDIRECT PARTICIPATION %
1	J/V BIOTER SA-TERNA SA- REVIEW	50.00%
2	J/V BIOTER SA-TERNA SA-FENCING (APOLLONIA SPA)	50.00%
3	J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
4	J/V CAR PARK “PARKING WHEEL SA”	12.16%
5	J/V MARITIME MIDSHIPMEN –GNOMON ATE-GEK SA-GENER SA	33.00%
6	J/V IMPREGILO S.p.a – TERNA SA-ALTE SA (EXECUTIONS)-in clearance	33.33%
7	J/V ARCHIRODON HELLAS ATE-TERNA SA	30.00%
8	J/V ATHINA ATE-PANTECHNIKI SA –TERNA SA	33.33%
9	J/V EVINOU-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%

The aforementioned joint ventures for technical projects construction in which the Company participates have already completed the projects for which they were established for, the guarantee time has passed, the relations with third parties are cleared and their final clearance is pending.

The voting rights of TERNA SA in all the aforementioned participations coincide with the respective participation in the share capital of such companies.

5 FIXED ASSETS (Intangible and Tangible)

The summary movement of intangible and tangible fixed assets for the period 1.1-30.9.2009 and the respective comparative period is as follows:

(Amounts in thousand Euro, unless stated otherwise)

A. Tangible fixed assets

	GROUP		COMPANY	
	1.1-30.9.2009	1.1-30.9.2008	1.1-30.9.2009	1.1-30.9.2008
Net book value, January 1st	**80,764**	**88,093**	**68,919**	**50,238**
Purchases for the period	7,374	9,764	6,203	7,630
Acquisitions of fixed assets through financial leasing	16,595	17,471	16,596	17,471
Additions due to acquisitions	2	0	0	0
Transfer to intangibles	(439)	0	0	0
Other transfers	0	19	0	19
Sales/Deletions for the period	(300)	(73)	(735)	(47)
Discontinued operations	0	(27,041)	0	0
Depreciation for the period	(11,708)	(9,468)	(9,770)	(8,020)
Foreign exchange differences	(284)	106	(184)	74
Net book value, September 30th	**92,004**	**78,871**	**81,029**	**67,365**

B. Intangible fixed assets

	GROUP		COMPANY	
	1.1-30.9.2009	1.1-30.9.2008	1.1-30.9.2009	1.1-30.9.2008
Net book value, January 1st	**5,387**	**5,509**	**5,307**	**5,509**
Purchases for the period	175	94	94	35
Transfers from tangibles	439	0	0	0
Currency translation difference	(1)	0	0	0
Depreciation for the period	(226)	(251)	(205)	(244)
Net book value, June 30th	**5,774**	**5,352**	**5,196**	**5,300**

6 PARTICIPATIONS IN ASSOCIATES

The summary movement of the account is as follows:

	GROUP
Balance 31.12.2008	**16,226**
Additions	0
Currency translation differences	297
Impairments	(5,003)
Results from the application of the equity method	(1,057)
Balance 30.9.2009	**10,463**

During the period, the management observed indications of impairment of the value of the participation in a foreign industrial associate. For this reason, it was performed an impairment test on its value, by the calculation of its recoverable amount. The recoverable amount was defined to be value in use, which was discounted with rates of 8.6-9%.

(Amounts in thousand Euro, unless stated otherwise)

From the above test the associate was found to be impaired, and the calculated and recognized loss amounted to euro 5,003 and is included in the operating results in the account "Other income/expenses".

7 LOANS

A, Long-term debt

The Group's long-term debt in total concerns foreign companies and is raised by banks mainly in USD (81.7% of total), while the remaining 18.3% in currencies pegged to the USD. The total long-term debt corresponds to approximately 7.5% of the Group's total debt.
No new loans were received during the present period, while for the repayment of existing loans the amount of 3,953 euro was paid. The average weighted interest rate on the above loans during the present period amounted to 3.26% for loans in USD and 8.18% for loans in BHD.

B. Financial leasing contracts

Financial leasing constitutes the basic source of midterm financing (37.2% of total debt) for acquiring construction equipment. During the present period new financial leasing contracts were signed by the group for machinery and other construction equipment amounting to euro 16.596, while for the payment of leases on existing contracts, the amount of euro 4.846 was paid, with a weighted average effective interest rate of 4.64%.
The remaining payments for financial leasing contracts is in euro and as at 30.9.2009, amounts to euro 46,908.

C. Short-term debt

The Group's short-term debt is in euro or currencies pegged to the euro (96.75% of the Group's short term debt), while the remaining 3.25% of the Group's short-term debt is in currencies pegged to USD. Short-term debt represents the 55,3% of the total debt of the Group and mainly covers the needs for working capital of the Group.
The weighted average effective interest rate of short-term debt during the period was 4.60% compared to 6.26% during 2008.

8 PROVISION FOR STAFF LEAVING INDEMNITIES

The summary movement of the provision for the group's and company's staff leaving indemnities on 30.9.2009 and 30.9.2008 was as follows:

	GROUP		COMPANY	
	1.1-30.9.2009	1.1-30.9.2008	1.1-30.9.2009	1.1-30.9.2008
Balance, January 1st	**2,995**	**1,287**	**2,168**	**1,124**
Additional provisions charged on net earnings	1,355	1,154	775	766
Additional provisions charged on assets				
Unused provisions transferred to net earnings				
Used provisions	(310)	(233)	(206)	(233)
Transfers	0	13	0	0
Foreign exchange differences	(116)	(12)	(52)	2
Balance, September 30th	**3,924**	**2,209**	**2,685**	**1,659**

(Amounts in thousand Euro, unless stated otherwise)

There was no change in the assumptions from the comparative period and thus the assumptions are those mentioned in the annual financial statements of the previous year.

9 OTHER PROVISIONS

The summary movement of the group's other provisions on 30.9.2009 and 30.9.2008, was as follows:

	GROUP		COMPANY	
	1.1-30.9.2009	1.1-30.9.2008	1.1-30.9.2009	1.1-30.9.2008
Balance, January 1st	**1,042**	**1,189**	**941**	**2,772**
Additional provisions	1,536	0	1,500	0
Foreign exchange differences	(2)		0	0
Transfers	0	(145)	0	(2,125)
Balance, September 30th	**2.576**	**1.044**	**2.441**	**647**

10 OTHER INCOME/EXPENSES

The analysis of the other income/expenses account of 30.9.2009 is presented in the following table:

	GROUP		COMPANY	
	1.1-30.9.2009	1.1-30.9.2008	1.1-30.9.2009	1.1-30.9.2008
Revenue from rentals	0	96	0	96
Foreign exchange differences	1,426	(1,231)	1,051	(882)
Property taxes	(51)	(44)	(51)	(44)
Revenue from participations	95	40	12.418	5.685
(Losses) / Profit from valuation of associates (see Note 6)	(5,003)	0	0	0
Profit from sale of joint ventures	8,595	0	0	0
Income from provision of related services	1,450	1,134	1,889	788
Sale of needless material	81	160	60	136
Other sundry income/expenses	464	640	178	453
Total	**7,057**	**795**	**15,545**	**6,232**

11 INCOME TAX

The expense for income tax is recognised according to the management's best estimation on the weighted average annual tax rate for a full year. This rate for the Group on 30.9.2009 amounts to 15%
During the period the tax audit of the Company was finalized by the tax authorities in respect of the fiscal years 2007-2008. As a result the result of the company and the Group were affected by 556.
As regards to the tax un-audited fiscal years of the other consolidated companies and joint ventures, we note that there was no change in the un-audited years presented in the relevant table of the Note 20 of the annual financial statements for 31.12.2008, apart from the fact that the year 2008 is added to the tax un-audited fiscal years.

(Amounts in thousand Euro, unless stated otherwise)

12 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On 3.6.2009, the total participation (50% of the shares, together with the voting rights) of the joint venture (jointly controlled company) HERON THERMOELECTRIC SA, that is included in the segment of energy production from thermal sources, was sold. The aforementioned participation on 31.12.2008 was presented in the statement of financial position as non current assets held for sale and in the comprehensive income statement as discontinued operations.
The transfer took place with the sale of 50% of shares, with voting rights. The agreed price amounted to euro 30,924 and from such the amount of euro 7,924 has been received. The debited amount of euro 23,000 will be received in the beginning of 2010. The profit realized for the group amounted to euro 8,595 and is included in the operating results in the account “Other income/expenses”.
Below we present condensed financial information of the company (100%-before consolidation entries) on the sale date, namely 3/6/2009:

Fixed assets	49,407
Receivables	11,249
Cash & cash equivalents	1,918
Loans	(19,828)
Other Liabilities	(6,511)
Net assets	**36,235**

During the period 1/1-3/6/2009 the company generated cash flows from operating activities amounting to euro 207 (9.215on 30.9.2008), from investment activities euro 13 (-1.135 on 30.9.2008) and from financing activities euro -2,365 (-1.990 on 30.9.2008).
The assets and liabilities of the company at 31.12.2008 are analyzed as follows:

Fixed assets	51,118
Other receivables	15,183
Cash & cash equivalents	4,063
Loans	(21,802)
Other Liabilities	(12,851)
Net assets	**35,711**

The analysis of the company’s results for the period 1/1-3/6/2009 is as follows:

	3.6.2009	**30.9.2008**
Income	5,655	43.962
Expenses	(4,781)	(40.800)
Earnings before tax from the discontinued operations	**874**	**3.162**
Tax	(350)	(842)
Earnings for the period after tax from the discontinued operations	**524**	**2.320**

13 LITIGIOUS OR DIFFERENCES UNDER ARBITRATION

During the course of conducting its business, the Company may face legal claims from third parties. According to both the Management and the Company’s Legal Counsel, any such claims are not expected to have a significant impact on the Company’s operation and financial position on 30.9.2009.

14 SHARE CAPITAL – EARNINGS PER SHARE

During the period it was paid up the amount of euros 2 thous., from the capital increase decided by the shareholders in 2008.
On 30.9.2009 the Group did not own, directly through the parent or indirectly through subsidiaries, treasury shares.

(Amounts in thousand Euro, unless stated otherwise)

The weighted average number of shares outstanding, for the purposes of earnings per share, amounted to 289,100 shares (289,100 on 30.9.2008).
Earnings per share from continued activities on 30.9.2009 amounted to euro 102,1688 (euro 19,6091 on 30.9.2008) and were calculated based on earnings from continued activities that correspond to shareholders of the parent amounting to euro 29,537 (euro 5,669 on 30.9.2008).

15 TRANSACTIONS WITH RELATED PARTIES

The Company's and Group's transactions with related parties for the period ended on 30.9.2009 and 30.9.2008, as well as the balances of receivables and liabilities from such transactions during 30.9.2009 and 31.12.2008 are as follows:

Period 30.9.2009	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	1,080	750	2	2,617	1,038	750	2	644
Subsidiaries	0	0	0	0	469	7,969	6,186	3,390
Joint Ventures	0	0	0	0	4,310	167	34,382	68,114
Associates	170	135	5,568	0	0	0	0	0
Other related parties	71,289	15,452	20,364	113,539	71,289	10,460	14,346	1,859

Period 30.9.2008 / 31.12.2008	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	2,839	0	423	1,988	2,839	0	423	15
Subsidiaries	0	0	0	0	210	4,780	8,825	2,227
Joint Ventures	0	0	0	0	2,794	0	26,712	66,743
Associates	0	0	0	0	0	0	0	0
Other related parties	43,293	7,695	35,061	80,528	31,318	6,967	33,765	4,503

Remuneration of the Board of Directors members and senior executives: The remuneration of Board of Directors members and senior executives of the group and Company, recognized during the period 1.1 – 30.9.2009are as follows:

	GROUP		**COMPANY**	
	30.9.2009	**30.9.2008**	**30.9.2009**	**30.9.2008**
Remuneration of executives included in the executive Board members	785	736	785	651
Remuneration for participation in Board meetings	600	600	600	600
	1,385	**1,336**	**1,385**	**1,251**
	30.9.2009	**31.12.2008**	**30.9.2009**	**31.12,.008**
Relevant Liabilities	523	137	523	137

(Amounts in thousand Euro, unless stated otherwise)

16 INTERESTS IN JOINT VENTURES

The group owns rights in jointly controlled companies. The group's financial statements present the group's rights on the assets, liabilities, income and expenses of the jointly controlled companies as follows:

	30.9.2009
Non-current assets	3,070
Current assets	267,816
Long-term liabilities	(3,008)
Short-term liabilities	(254,156)
Net assets	**13,722**
Income	99,134
Expenses	(88,685)
Net earnings	**10,449**

17 SIGNIFICANT EVENTS DURING THE PERIOD

During the period, it was concluded the sale of the 50% of the company HERON THERMOELECTRIC SA to the Group GDF SUEZ. The company realized significant profit from this sale (see Notes 10 and 12).
During the period 1/1-30/09/2009, the Group's main construction contracts signed amounted to 361 mn euro and mainly concerned contracts within Greece.

18 SIGNIFICANT EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

After September 30th 2009, the Company signed construction project s, of a total value of approximately 31mn, which is included in the total construction backlog of 1,800 mn.

19 CONTINGENT LIABILITIES

The Group's Management considers that there are no changes in contingent liabilities in relation to those mentioned in the annual financial statements of 31.12.2008.

THE CHAIRMAN OF THE BoD

NIKOLAOS KAMPAS

THE VICE PRESIDENT OF THE BoD &
MANAGING DIRECTOR

GEORGIOS PERISTERIS

HEAD OF ACCOUNTING

AIKATERINI CHALKOROKA-ATHANASOPOULOU