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
SEPARATE AND CONSOLIDATED
OF 30 SEPTEMBER 2010

(from 1 January to 30 September 2010)

According to International Accounting Standard 34

CONTENTS

INTERIM CONDENSED FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 30 SEPTEMBER 2010

It is ascertained that the accompanying financial statements for the period 1.1.2010-30.9.2010 are those approved by the Board of Directors of "TERNA SOCIETE ANONYME TOURISM TECHNICAL SHIPPING COMPANY" ("TERNA S.A.") on 28 November 2010. The present financial statements for the period 1.1.2010-30.9.2010 are posted on the internet at the website www.terna.gr where such will remain available for investors for a period of at least five (5) years from the preparation and release date of such.

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN & MANAGING DIRECTOR
NIKOLAOS KAMPAS	GEORGIOS PERISTERIS
THE BOARD MEMBER	THE CHIEF ACCOUNTANT
PANAGIOTIS POTHOS	AIKATERINI HALKOROKA-ATHANASOPOULOU

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF FINANCIAL POSITION	Note	GROUP 30 September 2010	GROUP 31 December 2009	COMPANY 30 September 2010	COMPANY 31 December 2009
ASSETS					
Non current assets					
Tangible fixed assets	5	104,545	102,653	84,409	89,065
Intangible fixed assets	5	83,102	5,210	5,009	5,127
Goodwill	13	8,912	0	0	0
Investment property	6	2,220	1,596	1,596	1,596
Participations in subsidiaries	13	0	0	97,656	4,610
Participations in associates		7,876	7,400	0	0
Participations in joint ventures	13	763	763	3,693	3,453
Investments available for sale		50	36	36	36
Other long-term assets		773	695	573	648
Deferred tax assets		11,508	9,036	4,144	2,319
Total non current assets		**219,749**	**127,389**	**197,116**	**106,854**
Current assets					
Inventories		21,259	8,993	3,816	3,879
Trade receivables		263,221	213,527	160,117	139,607
Receivables from construction contracts		138,995	109,274	70,343	52,518
Prepayments and other receivables		153,632	66,560	143,520	54,190
Income tax receivables		10,671	9,843	7,814	7,385
Cash and cash equivalents		109,828	144,431	31,654	85,048
Total current assets		**697,606**	**552,628**	**417,264**	**342,627**
TOTAL ASSETS		**917,355**	**680,017**	**614,380**	**449,481**
EQUITY AND LIABILITIES					
Shareholders' Equity:					
Share capital	12	28,910	28,910	28,910	28,910
Share premium account		35,922	35,922	35,922	35,922
Reserves		44,228	27,488	43,804	26,665
Retained earnings		26,536	56,660	6,576	37,640
Total		**135,596**	**148,980**	**115,212**	**129,137**
Non-controlling interests		15,728	1,666	0	0
Total Equity		**151,324**	**150,646**	**115,212**	**129,137**

(Amounts in thousand Euro, unless stated otherwise)

Long term liabilities					
Long-term loans	8	42,548	6,361	39,000	0
Loans from finance leases	8	38,986	44,230	38,986	44,230
Other long-term liabilities		123,858	0	60,812	50,000
Provisions for staff leaving indemnities	9	4,039	4,522	3,227	3,233
Other provisions	10	8,301	3,120	5,001	2,819
Grants		11	0	0	0
Deferred tax liabilities		26,566	10,393	0	0
Total long term liabilities		**244,309**	**68,626**	**147,026**	**100,282**
Short term liabilities					
Suppliers		138,580	112,329	79,300	80,124
Short term loans	8	116,335	88,617	77,463	51,210
Long term liabilities payable during the next financial year	8	16,548	13,961	13,262	10,809
Liabilities from construction contracts		27,297	31,727	22,404	23,972
Accrued and other short term liabilities		221,832	212,013	159,404	52,753
Income tax payable		1,130	2,098	309	1,194
Total short term liabilities		**521,722**	**460,745**	**352,142**	**220,062**
TOTAL EQUITY AND LIABILITIES		**917,355**	**680,017**	**614,380**	**449,481**

The accompanying notes constitute an integral part of the financial statements.

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP				COMPANY			
		1.1 – 30.9 2010	1.7 - 30.9 2010	1.1 - 30.9 2009	1.7 - 30.9 2009	1.1 – 30.9 2010	1.7 - 30.9 2010	1.1 - 30.9 2009	1.7 - 30.9 2009
Continued operations									
Turnover		353,099	112,905	530,512	177,367	251,958	78,074	385,597	133,191
Cost of sales		(333,993)	(111,464)	(484,203)	(163,815)	(235,663)	(76,132)	(359,583)	(124,028)
Gross profit		**19,106**	**1,441**	**46,309**	**13,552**	**16,295**	**1,942**	**26,014**	**9,163**
Administrative & distribution expenses		(12,884)	(3,158)	(13,820)	(3,549)	(11,368)	(2,844)	(12,764)	(3,247)
Research & development expenses		(478)	(478)	0	0	(478)	(478)	0	0
Other income/(expenses)	11	4,499	(501)	7,057	1,636	3,399	317	15,545	5,245
Operating results		**10,243**	**(2,696)**	**39,546**	**11,639**	**7,848**	**(1,063)**	**28,795**	**11,161**
Financial income/(expenses)		(5,569)	(2,335)	(3,117)	(1,246)	(4,944)	(2,207)	(2,819)	(1,146)
Profit / (Loss) from valuation of associate companies with the equity method		0	0	(1,057)	(353)	0	0	0	0
Earnings before tax		**4,674**	**(5,031)**	**35,372**	**10,040**	**2,904**	**(3,270)**	**25,976**	**10,015**
Income tax expense	12	(1,297)	831	(5,317)	(1,203)	(837)	512	(1,470)	(189)
Net earnings from continued operations		**3,377**	**(4,200)**	**30,055**	**8,837**	**2,067**	**(2,758)**	**24,506**	**9,826**
Discontinued operations									
Earnings/(losses) from discontinued operations after tax		0	0	262	0	0	0	0	0
NET EARNINGS		**3,377**	**(4,200)**	**30,317**	**8,837**	**2,067**	**(2,758)**	**24,506**	**9,826**
Other comprehensive income									
Foreign exchange differences from incorporation of foreign units		(453)	453	(110)	191	(92)	(701)	(354)	(97)
Tax corresponding to the above income									
Other income for the period net of tax		**(453)**	**453**	**(110)**	**191**	**(92)**	**(701)**	**(354)**	**(97)**
TOTAL COMPREHENSIVE INCOME		**2,924**	**(3,747)**	**30,207**	**9,028**	**1,975**	**(3,459)**	**24,152**	**9,729**

Net earnings for the periods attributed to:				
Owners of the parent company from continued operations	3,207	(4,339)	29,537	8,860
Owners of the parent company from discontinued operations	0	0	262	0
Non-controlling interests from continued operations	170	140	518	(23)
	3,377	**(4,199)**	**30,317**	**8,837**

(Amounts in thousand Euro, unless stated otherwise)

Total comprehensive income attributed to:				
Owners of the parent company from continued operations	2,719	(3,751)	29,467	9,061
Owners of the parent company from discontinued operations	0	0	262	0
Non-controlling interests from continued operations	205	5	478	(33)
	2,924	**(3,746)**	**30,207**	**9,028**
Earnings per share (in Euro):				
From continued operations attributed to owners of the parent	11.0965	(15.0086)	102.1688	30.6468
From discontinued operations attributed to owners of the parent	0	0	0.9063	0.0000
Weighted average number of shares:				
Basic	289,100	289,100	289,100	289,100

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF CASH FLOWS

	Note	GROUP 1.1 - 30.9 2010	GROUP 1.1 - 30.9 2009	COMPANY 1.1 - 30.9 2010	COMPANY 1.1 - 30.9 2009
Cash flow from operating activities					
Profit before tax from continued operations		4,674	35,372	2,904	25,976
Adjustments for the agreement of the net flows from the operating activities					
Depreciation of fixed assets	5	12,664	11,934	11,371	9,975
Provisions	9	845	1,892	594	1,275
Interest and related revenue		(1,681)	(2,762)	(625)	(1,699)
Interest and other financial expenses		7,250	5,878	5,569	4,518
Results from participations		(2,591)	(2,630)	0	0
Results from sale of fixed assets and valuation of investment property		(286)	33	(138)	36
Foreign exchange differences		562	(1,426)	(55)	(1,051)
Other adjustments		0	(5)	0	0
Operating profit before changes in working capital		**21,437**	**48,286**	**19,620**	**39,030**
(Increase)/Decrease in:					
Inventories		930	1,976	71	2,107
Trade receivables		(71,400)	(25,101)	(37,315)	(1,365)
Prepayments and other short term receivables		(70,458)	5,840	(90,015)	17,975
Increase/(Decrease) in:					
Suppliers		19,491	(11,916)	(2,138)	(17,271)
Accruals and other short term liabilities		1,975	2,595	64,722	(25,253)
Other long-term receivables and liabilities		36,220	(4,382)	89	(226)
Income Tax payments		(4,339)	(6,854)	(3,164)	(4,422)
Net cash flows from operating activities		**(66,144)**	**10,443**	**(48,130)**	**10,575**
Cash flows from investment activities					
(Purchases) / Sales of fixed assets		(3,071)	(7,321)	(1,886)	(5,636)
(Purchases) / Sales of investment property		0	0	0	0
Interest and related income received		1,681	2,716	625	1,669
(Purchases) / sales of participations and securities		410	5,309	(42,299)	0
Cash from consolidated company	13	8,954	0	0	0
Cash flows for investment activities		**7,974**	**704**	**(43,560)**	**(3,937)**

(Amounts in thousand Euro, unless stated otherwise)

Cash flows from financial activities					
Net change of short-term loans		16,261	(11,134)	26,097	(13,991)
Net change of long-term loans		37,766	(3,063)	41,000	0
Payments of liabilities from financial leases	8	(8,076)	(4,846)	(8,076)	(4,846)
Dividends paid	7.16	(15,901)	(60)	(15,901)	(60)
Interest and other financial expenses paid		(7,139)	(7,316)	(5,365)	(5,897)
Change of other financial assets		0	0	0	0
Proceeds from share capital increases		1	2	0	2
Cash flows for financial activities		**22,912**	**(26,416)**	**37,755**	**(24,792)**
Effect from foreign exchange differences in cash from continued operations		655	(494)	541	(592)
Net increase /(decrease) of cash & cash equivalents		**(34,603)**	**(15,763)**	**(53,394)**	**(18,746)**
Cash & cash equivalents at the beginning of the period		144,431	**188,961**	85,048	**115,198**
Cash & cash equivalents at the end of the period		**109,828**	**173,198**	**31,654**	**96,452**

The accompanying notes constitute an integral part of the financial statements

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF CHANGES IN EQUITY

TERNA S.A.	Share Capital	Share Premium	Reserves	Retained earnings	Total
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**
Share capital increase	2	0	0	0	**2**
Dividends	0	0	0	(11,564)	**(11,564)**
Creation of reserves/Transfers	0	0	(1,066)	1,066	**0**
30 September 2009	**28,910**	**35,922**	**25,806**	**38,925**	**129,563**
1 January 2010	**28,910**	**35,922**	**26,665**	**37,640**	**129,137**
Total comprehensive income for the period			(92)	2,067	**1,975**
Dividends				(15,900)	**(15,900)**
Creation of reserves/Transfers			17,231	(17,231)	**0**
30 September 2010	**28,910**	**35,922**	**43,804**	**6,576**	**115,212**

(Amounts in thousand Euro, unless stated otherwise)

TEPNA GROUP	Share Capital	Share Premium	Reserves	Retained earnings	Sub-total	Non-controlling interests	Total
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**
Purchase of treasury shares	2	0	0	0	**2**	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**

1 January 2010	**28,910**	**35,922**	**27,488**	**56,660**	**148,980**	**1,666**	**150,646**
Total comprehensive income for the period			(488)	3,208	**2,720**	206	**2,926**
Dividends				(15,901)	**(15,901)**		**(15,901)**
Change in percentage of consolidated subsidiary				(203)	**(203)**	165	**(38)**
Creation of reserves/Transfers			17,228	(17,228)	**0**		**0**
Purchase/sale of capital in subsidiary/associate/joint venture						13,691	**13,691**
30 September 2010	**28,910**	**35,922**	**44,228**	**26,536**	**135,596**	**15,728**	**151,324**

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 Société Anonyme Registrar of the Athens Prefecture, under Reg. No.56330/01/B/04/506(08). The company's duration has been set to ninety (90) years.
On 23.12.2008, the merger through absorption of 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.
Moreover, through the acquisition of a majority stake (54.77%) in BIOMAGN S.A. (note 13) the Group will expand its activities to the mining of magnesite and real estate management with the construction of an Industrial Area in the Mandoudi region of North Evia, for which a relevant application has been submitted.

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

The Group mainly operates in Greece, while at the same time its activities in the Balkans and the Middle East are expanding at an increasing rate.

2 BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements
The accompanying separate and consolidated financial statements have been prepared according to the historic cost principal, except for investment property and investments available for sale that are valued at fair value. Also, several self-used tangible fixed assets on the transition date (1 January 2004) to the International Financial Reporting Standards (IFRS) were valued at fair values, which were used as implied cost, according to the provisions of IFRS 1 "First implementation of IFRS".
The interim condensed financial statements, which consist of the separate and consolidated financial statements of the Parent Company and its Group, have been prepared according to IFRS, as such have been adopted by the European Union, and specifically according to the provisions of IAS 34 "Interim Financial Statements". The interim condensed financial statements should be read together with the annual financial statements of 31 December 2009.

b) New standards, interpretations and amendments of standards

The accounting principles applied during the preparation of the financial statements are the same as those followed for the preparation of the Group's and company's financial statements for the period ended on December, 31 2009, except for the adoption of new standards and interpretations, whose application is mandatory for periods beginning on 1 January 2010.

Therefore, from January 1st 2010 the Group and the company adopted new standards, amendments of standards and interpretations as follows:

Standards and Interpretations mandatory for 2010

Amendments to standards that are part of the IASB (International Accounting Standards Board) annual improvements plan published in May 2008. The application of all amendments issued is for 31 December 2009, with the following exception:

Part I: 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")

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.

This amendment will not affect the financial statements of the Group and Company during the presented period.

–IAS 27 (Amended) "Consolidated and Separate Financial Statements"

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.

–IAS 39 (Amendment) "Financial instruments: Recognition and Measurement"

The present amendment clarifies how the hedge accounting is used on the part of the financial instrument that corresponds to inflation and to options when such are used as hedging instruments.

This amendment does not apply to the financial statements of the Group and Company during the presented period.

–IFRS 1 (Replacement) "First implementation of I.F.R.S."

The restructured IFRS 1 replaces the existing IFRS 1, in order to facilitate the use of IFRS 1 and its amendment in the future. Moreover, the restructured IFRS 1 deletes from the standard several transitional guidances and it includes several less significant restatements. The effective requirements remain unchanged.

The specific amendment has no effect on the Company's and Group's financial statements as the Company has already made the transition to IFRS.

–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 has no effect on the Company's and Group's financial statements.

–IFRS 3 (Revised) "Business Combinations"

The revised IFRS 3 introduces a series of changes in the accounting treatment of business combinations that 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.

The amendment applies to the financial statements of the Group and Company during the presented period.

–IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

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.

The interpretation does not apply to the Group's and Company's financial statements during the presented period, as the Group and Company do not apply accounting hedging for any investment in a foreign operation.

–IFRIC 17 "Distribution of Non-Cash assets to Owners"

The interpretation provides guidance on the accounting treatment of the following non-reciprocal distributions of assets from the economic entity to shareholders who act under their capacity as such: a) distribution of non-cash assets and b) distributions providing the option to shareholders of either non-cash assets or cash. Also several amendments were made to IFRS 5 and IAS 10.

This interpretation does not apply to the Group's and Company's financial statements during the presented period.

–IFRIC 18 "Transfers of assets from customers"

The interpretation clarifies the requirements of IFRS for the agreements under which the economic entity receives tangible assets from one customer, and subsequently it must use such assets to provide constant access to goods or services to the customer. In several cases, the economic entity receives cash from a customer that must be used only for the purchase or construction of the tangible asset.

Several amendments were also made to IFRS 1.

This interpretation does not apply to the Group's and Company's financial statements during the presented period.

-Amendments to standards that are part of the IASB (International Accounting Standards Board) 2009 annual improvement plan

The following amendments describe the most important changes introduced to IFRS as a result of the annual improvement plan of the IASB, which was released in April 2009. The following amendments apply for the present financial period. Also, unless stated otherwise, the following amendments do not have a significant effect on the Group's financial statements.

IFRS 2 "Share-based Payments"
The amendment confirms that the contributions of a company for the establishment of a joint venture and the joint control transactions are exempt from the application scope of IFRS 2.

IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations"
The amendment clarifies disclosures required for non-current assets classified as held for sale or discontinued operations.

IFRS 8 "Operating Segments"
The amendment provides clarifications for the disclosure of information relating to the segment's assets.

IAS 1 "Presentation of Financial Statements"
The amendment provides clarification that the potential settlement of a liability with the issue of equity instruments is not relevant to its classification as current or non-current.

IAS 7 "Statement of Cash Flows"
The amendment requires that only expenses that lead to a recognized asset in the statement of financial position can be classified as investment activities.

IAS 17 "Leases"
The amendment provides clarification regarding the classification of land and building leases as finance or operating leases.

IAS 18 "Revenue"
The amendment provides additional guidance regarding the definition of whether an entity acts as a principal or agent.

IAS 36 "Impairment of Assets"
The amendment clarifies that the largest cash flow generating unit in which goodwill should be allocated for the purposes of an impairment review is an operating segment as defined by paragraph 5 of IFRS 8 (namely before the concentration – summation of segments).

IAS 38 "Intangible Assets"
The amendments clarify (a) the requirements according to IFRS 3 (revised) regarding the accounting treatment of intangible assets acquired in a business combination and (b) the description of valuation methods used broadly from entities during the fair value measurement of intangible assets acquired in a business combination that are not traded in active markets.

IAS 39 "Financial Instruments: Recognition and Measurement"

The amendments concern (a) clarifications regarding the treatment of penalties / fines from loan prepayments as closely related embedded derivatives, (b) the exemption scope for business combination contracts and (c) clarifications that profit or losses from a cash flow hedge of an expected transaction should be reclassified from equity to the results during the period when the hedged expected cash flow affects the results.

IFRIC 9 "Re-evaluation of Embedded Derivatives"

The amendment clarifies that IFRIC 9 does not apply in a possible re-evaluation, during the acquisition date, of embedded derivatives in contracts that were acquired in a business combination that concerns entities under joint control.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

The amendment mentions that in a hedge of a net investment in a foreign operation, appropriate hedging instruments may be held by any entity within the group, including the foreign entity itself, given that specific conditions are met.

Standards and Interpretations mandatory for financial statements beginning after 1 January 2010

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.

–IFRS 9 "Financial instruments" (applied for annual accounting periods beginning on or after 1 January 2013)

IFRS 9 is the first part of the first phase in the plans of IASB (International Accounting Standards Board) to replace IAS 39. The IASB intends to extend IFRS 9 during 2010 in order to add new requirements for the classification and measurement of financial liabilities, the de-recognition of financial instruments, the impairment of value and hedge accounting. IFRS 9 defines that all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through the results, specific transaction costs. The subsequent measurement of financial assets takes place either at amortized cost or at fair value and depends on the business model of the economic entity regarding the management of financial assets and the contractual cash flows of the financial asset.

IFRS 9 does not permit reclassifications, except for rare occasions where the entity's business model changes, and in such a case the entity is required to reclassify the affected financial assets in the future. According to the principles of IFRS9, all investments in equity instruments must be measured at fair value. However, management has the option to present realized and unrealized profit and losses from fair value of equity instruments not held for commercial purposes in other comprehensive income. This definition is made during initial recognition for each financial instrument separately and cannot be changed. The fair value profit or losses are not subsequently transferred to the results, while income from dividends will continue to be recognized in the results. IFRS 9 repeals the exception of measurement at cost for non-listed shares and derivatives on non-listed shares, but it provides guidance for when the cost may be considered as a representative estimation of fair value. The Group is currently assessing the effect of IFRS 9 on its financial statements. The standard has not yet been adopted by the EU.

–IAS 24 (Amendment) "Related party disclosures" (applied for annual accounting periods beginning on or after 1 January 2011)

The present amendment attempts to relax the disclosures of transactions between government-related entities and to clarify the definition of a related party. Specifically, the obligation of government-related entities to disclose details of all transactions with the government and other government-related entities is repealed, the definition of a related party is clarified and simplified and the amendment also imposes the disclosure not only of the relationships, transactions and balances between related parties but also of the commitments both in the separate and in the consolidated financial statements. The Group will apply these changes from the day such are put in effect.

–IAS 32 (Amendment) "Financial instruments: Presentation"

Applied for annual accounting periods beginning on or after 1 February 2010.

The amendment to IAS 32 clarifies the accounting treatment of several options when the issued instruments are expressed in a currency other than the issuer's operational currency. If such instruments are distributed proportionately to existing shareholders of the issuer for a specific amount of cash, such must be classified as share capital, even if their exercise price is in a currency different than the issuer's operational currency. Specifically, the amendment concerns, rights, pre-emptive rights, options for the purchase of a specific number of equity instruments of the economic entity.

The amendment will not apply to the Company and Group.

-IFRS 1 (Amendment) "First implementation of international financial reporting standards" – disclosure on financial instruments (applied for annual accounting periods beginning on or after 1 July 2010)

The present amendment provides, for companies that apply IFRS for the first time, the same transition provisions that are included in the amendment of IFRS 7 as regards to the comparative information concerning disclosures of the new three-level hierarchy of fair value. The specific amendment will not affect the Group's financial statements as the Group has already made the transition to IFRS.

–IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (applied for annual accounting periods beginning on or after 1 July 2011)

The present amendment provides the disclosures for transferred financial assets that have not been fully de-recognized as well as for transferred financial assets that have been fully de-recognized but for which the Group has a continued involvement. It also provides guidance on the application of the required disclosures. The standard has not yet been adopted by the EU.

–-IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (applied for annual accounting periods beginning on or after 1 January 2011)

The amendments apply to limited cases: when the entity is subject to a minimum funding requirement and proceeds with an advance payment of contributions to cover such requirements. The amendments allow such an entity to face the benefit from such an advance payment as an asset. The interpretation does not apply to the Group.

– IFRIC 19 "Extinguishing Financial Liabilities with equity instruments"

Applied for annual accounting periods beginning on or after 1 July 2010.

IFRIC 19 refers to the accounting treatment applied by the entity that issues equity instruments to a creditor, in order to settle, in full or in part, a financial liability. The interpretation does not apply to the Group.

–**Amendments to standards that are part of the IASB (International Accounting Standards Board) annual improvement plan for 2010, were published in May 2010.**
The effective dates for the amendments vary, however most apply for annual accounting periods beginning on or after 1 January 2011. The standard has not yet been adopted by the EU.
Such amendments are not expected to have a significant effect on the Group's financial statements.

IFRS 1 "First implementation of international financial reporting standards"
The amendments concern: (a) additional disclosures if an entity changes its accounting policies or the application of the exemption of IFRS 1 if it has already published interim financial information according to IAS 34. (b) exemptions when the readjustment base is used as "deemed cost", and (c) exemptions for entities that are subject to a special standard to use the book values as "deemed cost" for tangible or intangible assets according to the previous accounting standards financial statements.

IFRS 3 "Business Combinations"
The amendments provide additional clarification as regards to: (a) contingent consideration agreements that result from business combinations with acquisition dates prior to the application of IFRS 3 (2008), (b) the calculation of the non-controlling interest, and (c) the accounting treatment of share-based payments that are part of a business combination, including awards based on shares and that were not replaces or indirectly replaced.

IFRS 7 "Financial Instruments: Disclosures"
The amendments include multiple clarifications regarding the disclosures of financial instruments.

IAS 1 "Presentation of Financial Statements"
The amendment clarifies that entities may present the analysis of the individual items in total comprehensive income either in the statement of changes in equity or in the notes.

IAS 27 "Consolidated and Separate Financial Statements"
The amendment clarifies that the amendments of IAS 21, IAS 28 and IAS 31 that emanate from the revision of IAS 27 (2008) must be applied in the future.

IFRS 34 "Interim Financial Reporting"
The amendment put the largest emphasis on the disclosure principles that must be applied in relation to significant events and transactions, including the changes regarding fair value measurements, as well as the need to update the relevant information from the most recent annual report.

IFRS 13 "Customer Loyalty Programs"
The amendment clarifies the definition of the term "fair value", in the context of the measurement of customer loyalty programs.

c)Use of Estimates
The Group makes estimations, assumptions and judgments in order to choose the best accounting principles related to the future evolution of events and transactions. These estimations, assumptions and judgments are continuously assessed in order to reflect current information and risk and are based on the management's experience related to level/volume of transactions or events.
The main assumptions and judgments that refer to data that may affect the financial statements in the coming 12 months are as follows:

i) Recognition of income from construction contracts and agreements for the construction of real estate: The Group uses the percentage of completion method to recognize such income, in accordance with IAS 11. According to this method the construction cost as of each date of the statement of financial position, is compared to the budgeted total cost of the project in order to determine the percentage of completion of such. The cumulated effect of the restatements/reassessments of the total budgeted cost of the projects and the total contractual payment (recognition of work over and above the contract) 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.
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.
vii)Provision for environmental rehabilitation: The Group creates a provision against its relevant liabilities for dismantlement of the technical equipment of wind parks and rehabilitation of the environment, which emanate from the documented environmental law or from the Group's binding practices. The provision for environmental rehabilitation reflects the present value (based on an appropriate discount rate), during the date of the financial statements, of the rehabilitation liability reduced by the estimated recoverable value of materials expected to be dismantled and sold.

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 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.

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 due appears as a liability in the attached financial statements.

(ii)Sale of goods

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

(iii) 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 1^{st}, 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, on deferred income tax based on the enacted tax rates, as well as any other extraordinary tax contribution calculated on earnings.

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

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

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

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

Income tax that relates to items, which have been directly recognized in other comprehensive income, is also recognized in other comprehensive income.

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).

v) Business Combinations, Goodwill from Acquisitions and Changes in Non-Controlling Interests

Business/activity combinations are accounted for with the acquisition method. According to this method, assets (including previously non-recognized intangible assets) and liabilities (including contingent liabilities) of the acquired company/activity are recognized at fair values during the transaction date. The goodwill from business/activity combinations results as the difference in fair values, during the transaction date, between a) the price, the amount that corresponds to the non-controlling interest and any participation of such in the acquired and, b) the value of the individual assets acquired and liabilities assumed. During the transaction date (or during the completion date of the relevant allocation of the acquisition price), the goodwill that is acquired, is allocated to the cash flow generating units or in groups of cash flow generating units that are expected to benefit from this combination. If the fair value of assets acquired exceeds the cost of the combination, then the Group re-estimates the recognition and measurement of recognizable net assets and the cost of the combination, and it directly recognizes the negative difference of the acquisition price and the fair value of net assets (negative goodwill) in the results.
Goodwill is measured at historic cost minus accumulated impairment losses. Goodwill is not amortized but is subject to impairment reviews on an annual basis or more frequently if events or changes in conditions indicate that its value may be impaired.
If the book value of a cash flow generating unit, including the corresponding goodwill, exceeds its recoverable amount, then impairment loss is recognized. The impairment is calculated by estimating the recoverable amount of the cash flow generating units, which are related to the goodwill.
If part of a cash flow generating unit to which goodwill has been allocated, is sold, then the goodwill that corresponds to the sold portion is included in the book value of this portion in order to define the profit or loss. The value of goodwill that corresponds to the sold portion, is defined according to the relevant values of the part sold and the part of the cash flow generating unit that remains.

(Amounts in thousand Euro, unless stated otherwise)

Goodwill that has resulted from acquisitions or business combinations, has been allocated and is monitored on a Group level to the basic cash flow generating units, which have been defined according to the provisions of IAS 36 "Impairment of Assets".
When the Group increases its participation percentage in existing subsidiaries (acquisition of non-controlling interests), the total difference between the acquisition price and the proportion of non-controlling interests acquired, is recognized directly in equity given that it is considered a transaction between shareholders. Accordingly, when non-controlling interests are sold (without the final participation leading to loss of control on the subsidiary), then the relevant profit or loss is recognized directly in equity.

4 GROUP STRUCTURE

During the period ended on 30.9.2010, the following companies were included in the consolidation for the first time, due to their establishment or acquisition:

- the acquired company ENERGY TECHNICAL DEVELOPMENT OF WESTERN GREECE SA together with the joint venture it participates in, namely J/V METKA-ETADE (Construction of PPC steam-electric stations in Megalopoli), which are included in the industrial and construction sector respectively.
- the acquired company BIOMAGN SA which is classified in the industrial and real estate management sectors.
- the construction joint ventures APION KLEOS and TERNA SA-SICES CONSTRUCTIONS S.p.A. that are classified in the construction sector.

The table that follows presents the participations of TERNA SA in economic entities on 30.9.2010 and which were included in the consolidation:

ECONOMIC ENTITY	DOMICILE	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
VRONDIS QUARRY PRODUCTS SA	Greece	100.00	Full
WESTERN GREECE ENERGY TECHNICAL DEVELOPMENT SA	Greece	100.00	Full
BIOMAGN SA	Greece	54.77	Full
TERNA OVERSEAS LTD	Cyprus	100.00	Full
TERNA QATAR LLC **	Qatar	40.00	Full
TERNA BAHRAIN HOLDING WLL	Bahrain	99.99	Full
PCC TERNA WLL	Bahrain	80.00	Full
TERNA CONTRACTING CO WLL	Bahrain	100.00	Full
TERNA ELECTRICAL MECHANICAL WLL	Bahrain	70.00	Full
CEMENT PRODUCTION AND EXPORT FZC	Libya	75.00	Full
MALCEM CONSTRUCTION MATERIALS LTD	Malta	75.00	Full
J/V TERNA SA - IMPEGILO SPA (TRAM)	Greece	55.00	Proportionate
J/V ANCIENT OLYMPIA BY-PASS	Greece	50.00	Proportionate
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	Greece	50.00	Proportionate

(Amounts in thousand Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
J/V UNDERGROUND CARS THESSALONIKI	Greece	50.00	Proportionate
J/V ATHENS CONCERT HALL	Greece	69.00	Proportionate
J/V TERNA S.A. - ATHENA ATE ARAHTHOS - PERISTERI PROJECT	Greece	62.50	Proportionate
J/V PERISTERI METRO	Greece	50.00	Proportionate
J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	Greece	24.00	Proportionate
J/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	Greece	50.00	Proportionate
J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE	Greece	35.00	Proportionate
JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	Greece	37.50	Proportionate
J/V TERNA S.A. PANTECHNIKI S.A.	Greece	83.50	Proportionate
J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	Greece	69.00	Proportionate
J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	Greece	35.00	Proportionate
J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	Greece	50.00	Proportionate
J/V SALONIKA PARK	Greece	50.00	Proportionate
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	Proportionate
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	Greece	25.00	Proportionate
J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	Greece	49.00	Proportionate
J/V UNDERGROUND CHAIDARI-PART A	Greece	50.00	Proportionate
J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	Greece	60.00	Proportionate
J/V VIOTER SA-TERNA SA	Greece	50.00	Proportionate
J/V TERNA SA - IONIOS SA	Greece	90.00	Proportionate
J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	Greece	39.20	Proportionate
J/V VIOTER SA-TERNA SA	Greece	50.00	Proportionate
J/V TERNA-MOCHLOS ATE	Greece	70.00	Proportionate
J/V TERNA-VIOTER SA	Greece	50.00	Proportionate
J/V EDRASI-PSALLIDAS-TERNA-EDRACO	Greece	51.00	Proportionate
J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J&P AVAX-IMEC GmbH	Greece	24.00	Proportionate
J/V EUROPEAN TECHNICAL-HOMER-TERNA	Greece	50.00	Proportionate
J/V TERNA-THEMELIODOMI	Greece	60.00	Proportionate
J/V TERNA-EDRASI-STROTIRES - WP	Greece	41.00	Proportionate
J/V UNIVERSITY OF CRETE-RETHYMNON	Greece	25.00	Proportionate
J/V EKTER-TERNA (THETIKON)	Greece	50.00	Proportionate
J/V AKTOR-TERNA SA	Greece	50.00	Proportionate
J/V AKTOR-TERNA SA IASO BUILDING	Greece	50.00	Proportionate
TERNA SA - PANTECHNIKI S.A. (OAKA)	Greece	50.00	Proportionate
J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	Greece	31.50	Proportionate

(Amounts in thousand Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	Greece	35.00	Proportionate
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	Greece	33.33	Proportionate
J/V THEMELIODOMI-TERNA-DIEKAT-KTIRIODOMI SA	Greece	25.00	Proportionate
J/V MINISTRY OF TRANSPORTATION	Greece	33.33	Proportionate
J/V AEGEK TERNA	Greece	45.00	Proportionate
J&P AVAX SA-TERNA SA-EYKLEIDIS	Greece	35.00	Proportionate
J/V EURO IONIA	Greece	33.33	Proportionate
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12.00	Proportionate
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12.00	Proportionate
J/V TERNA - AKTOR	Greece	50.00	Proportionate
J/V CENTRAL GREECE MOTORWAY E-65	Greece	33.33	Proportionate
J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS –TREIS GEFYRES	Greece	33.33	Proportionate
J/V TERNA SA- AKTOR ATE DOMOKOS	Greece	50.00	Proportionate
J/V TERNA SA-THALES RAIL SIGNALING SOLUTIONS	Greece	37.43	Proportionate
J/V J&P AVAX SA-VIOTER SA-TERNA SA	Greece	33.33	Proportionate
J/V ALPINE BAU-TEPNA SA	Greece	49.00	Proportionate
J/V AKTOR-TERNA	Greece	50.00	Proportionate
J/V EVAGGELISMOS PROJECT C	Greece	50.00	Proportionate
J/V EPL DRAMAS	Greece	40.00	Proportionate
J/V K. MANIOTIS - TERNA -ENERGIAKI	Greece	37.50	Proportionate
J/V TERNA-TERNA ENERGY-TSAMBRAS (DRAMA HOSPITAL)	Greece	40.00	Proportionate
J/V METKA-ETADE	Greece	90.00	Proportionate
J/V TERNA SA-SICES CONSTRUCTIONS S.p.A.	Greece	50.00	Proportionate
J/V APION KLEOS	Greece	17.00	Proportionate
JV QBC S.A. – TERNA S.A.	Qatar	40.00	Proportionate
HAMRIYAH CEMENT COMPANY FZC	U.A.E.	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.

(Amounts in thousand Euro, unless stated otherwise)

COMPANY NAME	TOTAL PARTICIPATION % (Indirect)
J/V BIOTER SA-TERNA SA- REVIEW	50.00%
J/V BIOTER SA-TERNA SA-FENCING (APOLLONIA SPA)	50.00%
J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
J/V MARITIME MIDSHIPMEN –GNOMON ATE-GEK SA-GENER SA	33.00%
J/V IMPREGILO Spa – TERNA SA-ALTE SA (EXECUTIONS)-in clearance	33.33%
J/V ARCHIRODON HELLAS ATE-TERNA SA	30.00%
J/V EVINOU-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%
J/V MAIN ARROGATION CANAL D 1	75.00%
J/V IRAKLEION CAMPUS	50.00%
J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20.00%
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%
J/V DEPA PROJECT	10.00%
J/V ARTA-FILIPPIADA BY-PASS	98.00%
J/V ATHENS CAR PARKS	20.00%
J/V FRAGMATOS PRAMORITSA	33.33%
J/V ENERGEIAKI SA - OLYMPIOS SA	50.00%

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

5 FIXED ASSETS

The summary movement of intangible and tangible fixed assets for the period 1.1-30.9.2010 and the respective comparable period, is as follows:

A. Tangible fixed assets

	GROUP		COMPANY	
	1.1-30.9.2010	**1.1-30.9.2009**	**1.1-30.9.2010**	**1.1-30.9.2009**
Net book value 1 January	**102,653**	**80,764**	**89,065**	**68,919**
Purchases	4,520	7,374	3,038	6,203
Acquisitions of fixed assets through financial leasing	4,317	16,595	4,317	16,596
Additions due to acquisition (note 13)	6,614	2	0	0
Transfers	0	(439)	0	0
Foreign exchange differences	374	(284)	258	(184)
Sales/Write-offs during the period	(1,529)	(300)	(1,110)	(735)
Depreciations	(12,404)	(11,708)	(11,159)	(9,770)
Net book value 30 September	**104,545**	**92,004**	**84,409**	**81,029**

(Amounts in thousand Euro, unless stated otherwise)

B. Intangible fixed assets

	GROUP		COMPANY	
	1.1-30.9.2010	**1.1-30.9.2009**	**1.1-30.9.2010**	**1.1-30.9.2009**
Net book value 1 January	**5,210**	**5,387**	**5,128**	**5,307**
Purchases	165	175	95	94
Additions due to acquisition (note 13)	77,986	0	0	0
Foreign exchange differences	1	(1)	0	0
Transfers	0	439	0	0
Amortization	(260)	(226)	(214)	(205)
Net book value 30 September	**83,102**	**5,774**	**5,509**	**5,196**

6 INVESTMENT PROPERTY

Investment property on 30 September 2010 are analyzed as follows in the accompanying financial statements:

	GROUP		COMPANY	
	1.1-30.9.2010	**1.1-30.9.2009**	**1.1-30.9.2010**	**1.1-30.9.2009**
Balance 1 January	**1,596**	**1,596**	**1,596**	**1,596**
Additions due to acquisition (note 13)	624	0	0	0
Balance 30 September	**2,220**	**1,596**	**1,596**	**1,596**

7 SHARE CAPITAL

The Company's share capital and number of shares did not change compared to 31.12.2009.

On 30.9.2010 the Group did not own, either directly through the parent or indirectly through subsidiaries, treasury shares.

8 LOANS

A. Long-term loans

During the present period, and specifically during the third quarter, new bond loans were received, with a floating interest rate (euribor plus spread) in euro, with a mid-term duration and amounting to 41 million, which mainly concern a conversion of short-term debt.
The payments for the repayment of installments of existing loans amounted to 3,234.

Following the above changes, the Group's long-term debt is now mainly in euro (86% of total) while the remaining long-term debt, which concerns only companies in the Middle East, is in USD or in currencies pegged to the USD (11.5% of total, respectively). The total long-term debt of the Group now represents about 22.3% of the Group's total debt.

(Amounts in thousand Euro, unless stated otherwise)

B. Financial leasing contracts

During the period the Group signed new financial leasing contracts for machinery and other factory equipment amounting to a total of euro 4,317, while for the payment of installments on existing contracts the amount of 7,194 was paid.

The remaining total capital of financial leasing contracts, on 30.9.2010, amounts to euro 50,201 million, from which 11,215 is payable within the next 12 months, and represents 23.4% of the Group's total debt.

C. Short-term debt

During the present period, and specifically during the third quarter, 27.7 million of short-term debt was converted to a long-term bond loan. Following the above, short-term debt remains the basic financing source for the Group's construction activity. Short-term debt is in euro or currencies pegged to the euro, it represents approximately 54.3% of the Group's total debt and mainly covers working capital needs.

9 PROVISION FOR STAFF INDEMNITIES

The summary movement of the provision for staff indemnities of the Group and Company on 30.9.2010 and 30.9.2009, was as follows:

	GROUP		COMPANY	
	1.1-30.9.2010	**1.1-30.9.2009**	**1.1-30.9.2010**	**1.1-30.9.2009**
Balance 1 January	**4,522**	**2,995**	**3,233**	**2,168**
Additional provisions charged against net earnings	845	1,355	593	775
Used provisions and additional payments for employee dismissals	(683)	(310)	(672)	(206)
Unused provisions transferred to net earnings	0	0	0	0
Additions due to acquisition (note 13)	44	0	0	0
Transfer to short-term liabilities	(853)	0	0	0
Foreign exchange differences	164	(116)	73	(52)
Balance 30 September	**4,039**	**3,924**	**3,227**	**2,685**

There were no changes in the assumptions in relation to the comparative period, while the assumptions are those presented in the annual financial statements of 2009.

10 OTHER PROVISIONS

The summary movement of the group's and company's other provisions on 30.9.2010 and 30.9.2009, is as follows:

(Amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	1.1-30.9.2010	1.1-30.9.2009	1.1-30.9.2010	1.1-30.9.2009
Balance 1 January	**3,120**	**1,042**	**2,819**	**941**
Provision for windfall tax of L. 3845/2010	2,182	0	2,182	0
(Used provisions)	0	0	0	0
Additions due to acquisition (note 13)	3,000	0	0	0
Other additions	0	1,536	0	1,500
Transfers (to)/from short-term liabilities	(2)	0	0	0
Foreign exchange differences	0	(2)	0	0
Balance 30 September	**8,301**	**2,576**	**5,001**	**2,441**

11 OTHER INCOME/EXPENSES

The analysis of other income/expenses on 30.9.2010 is presented in the following table:

	GROUP		COMPANY	
	1.1-30.9.2010	1.1-30.9.2009	1.1-30.9.2010	1.1-30.9.2009
Income from provision of related services	291	1,450	495	1,889
Income from leases of facilities/machinery	15	0	15	0
Profit/(loss) from sale of fixed assets	285	0	138	0
Sales of useless material	147	81	137	60
Foreign exchange differences	0	1,426	55	1,051
Income from participation in joint ventures	0	95	1,523	12,418
Profit from sale of subsidiaries	0	0	0	0
Profit from sale of joint ventures	0	8,595	0	0
Profit from acquisition of subsidiaries (see Note 13)	2,591	0	0	0
Other sundry income	1,741	464	1,043	178
	5,070	**12,111**	**3,406**	**15,596**
Taxes - Dues	(7)	(51)	(7)	(51)
(Losses)/Profit from valuation of associates	0	(5,003)	0	0
Foreign exchange differences	(562)	0	0	0
Other sundry expenses	(2)	0	0	0
	(571)	**(5,054)**	**(7)**	**(51)**
Total	**4,499**	**7,057**	**3,399**	**15,545**

(Amounts in thousand Euro, unless stated otherwise)

12 INCOME TAX

The expense for income tax is analyzed as follows:

	GROUP	COMPANY
Current tax	1,460	480
Deferred tax	(2,345)	(1,825)
	(885)	**(1,345),**
Windfall tax of L. 3845/2010 (note 10)	2,182	2,182
Balance 30 September	**1,297**	**837**

The company has been audited by the tax authorities up to fiscal year 2008 included.

As regards to the tax un-audited fiscal years of the other consolidated companies and joint ventures, we note that there has been no change in the tax un-audited years presented in the relevant table of Note 21 of the annual financial statements of 31.12.2009, apart from the fact that year 2010 is now added to the tax un-audited fiscal years.

13 ACQUISITIONS OF COMPANIES

A) On 8.1.2010 the group acquired 100% of the shares and voting rights in ENERGY TECHNICAL DEVELOPMENT OF WESTERN GREECE SA. The latter company is included in the industry sector and specifically it constructs mechanical equipment, machinery as well as turn key projects in the industrial and energy sector. Moreover, the company participates by 90% in the joint venture ETADE SA – METKA SA, which was undertaken the construction of PPC's new project "Steam-electric Station of Megalopoli – Design, procurement, transfer, installation and commissioning of combined cycle unit No. 5, with capacity of 811 MW, running on natural gas", with a total budget of approximately 500 m euro.

The consideration transferred amounted to 42,515 and is payable during 2011, while in the Statement of financial position it is presented in the account Other long-term liabilities. Also it is noted that the company essentially had no activity and thus no results from the acquisition date.

Information on the net assets acquired and goodwill, is as follows:

Transferred consideration (cash)	42,515
Minus: Fair value of net recognizable assets	(33,603)
Goodwill	**8,912**

The goodwill of 8,912 emerged mainly from the requirement of IAS 12 for recognition of a deferred tax liability, calculated as the difference between the fair value of acquired net assets and their tax base.

(Amounts in thousand Euro, unless stated otherwise)

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

	Fair value at acquisition
Intangible fixed assets (construction contract)	50,521
Tangible fixed assets	100
Trade receivables	342
Other receivables	14
Cash & cash equivalents	191
Short-term loans	(8,058)
Deferred tax liability	(8,912)
Other liabilities	(595)
Net assets	**33,603**

B) On 8.6.2010 the Group acquired 54.77%, of the shares and voting rights of BIOMAGN SOCIETE ANONYME MINING COMMERCIAL TECHNICAL INDUSTRIAL COMPANY. The latter company is included in the industrial and real estate management segment and specifically it owns rights on mines and licenses to extract magnesite in North Evia, with the necessary relevant industrial facilities and mechanical equipment. Also, it owns property for development, for part of which a file has been submitted to receive the necessary licenses to construct an Industrial Park in North Evia.

The transferred consideration amounted to 18,072 in cash, from which 9,600 has already been paid, while an amount of 8,472 is outstanding.

Information on the net assets acquired and goodwill is as follows:

Transferred consideration (cash)	18,072
Proportion of non-controlling interest	13,692
	31,764
Minus: Fair value of net recognized assets	34,355
Negative Goodwill (profit)	**2,591**

The proportion of the non-controlling interest in the acquired, amounting to 13,692, was calculated based on its fair value.

The negative goodwill (profit) amounting to 2,591 has been recognized in Other income/(expenses) (note 10).

(Amounts in thousand Euro, unless stated otherwise)

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

	Fair value during acquisition
Intangible fixed assets	27,506
Tangible fixed assets	6,465
Investment property	624
Inventories	13,483
Trade receivables	143
Other receivables	119
Cash & cash equivalents	1,962
Provisions	(3,000)
Suppliers and other liabilities	(2,395)
Short-term loans	(3,400)
Deferred tax liability	(7,152)
Net assets	**34,355**

The above recognized provision of 3,000 (see note 10), is related to judicial claims by third parties against the acquired company.

C) On 19.4.2010 the Group became, with a 17% stake and with no consideration, a member of the joint venture APION KLEOS, which has undertaken the construction of the Elefsina-Tsakona motorway.

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

	Fair value
Fixed assets	145
Trade receivables	7,531
Prepayments and other receivables	26,614
Cash & cash equivalents	6,801
Suppliers	(6,131)
Other short-term liabilities	(34,960)
Net assets	**0**

14 RIGHTS ON JOINTLY CONTROLLED COMPANIES

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

(Amounts in thousand Euro, unless stated otherwise)

	30.9.2010	31.12.2009
Non current assets	132,043	3,347
Current assets	38,486	270,051
Long-term liabilities	(118,500)	(3,483)
Short-term liabilities	(3,302)	(256,977)
Net assets	**48,727**	**12,938**

	1.1 - 30.9.2010	1.1 - 30.9.2009
Income	69,688	99,134
Expenses	(68,152)	(88,685)
Net earnings	**1,516**	**10,449**

15 JUDICIAL OR UNDER ARBITRATION DIFFERENCES

During the execution of its activities, the Company may face contingent legal claims by third parties. According to the Management, as well as the Legal Counsel of the Company, any such claims are not expected to have a significant effect on the Company's operation and financial position during 30.9.2010.

16 TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and Group with related parties for the periods ended on 30.9.2010 and 30.9.2009, as well as the balances of receivables and liabilities that have emerged from such transactions during 30.9.2010 and 31.12.2009, are as follows:

Period 30.9.2010	GROUP				COMPANY			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	0	604	720	1,718	0	604	720	58
Subsidiaries	0	0	0	0	3,962	4,898	6,355	3,145
Joint Ventures	0	0	0	0	97,275	1,701	101,434	136,096
Associates	0	0	0	0	0	0	0	0
Other related parties	36,899	5,415	15,300	4,054	36,899	2,272	14,242	3,273
Management executives (acquisition of subsidiary)	0	18,072	0	8,472	0	18,072	0	8,472

(Amounts in thousand Euro, unless stated otherwise)

Period 30.9.2009 / 31.12.2009	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	1,080	750	0	2,694	1,038	750	0	716
Subsidiaries	0	0	0	0	469	7,969	805	3,015
Joint Ventures	0	0	0	0	4,310	167	42,102	67,116
Associates	170	135	5,495	0	0	0	0	0
Other related parties except management executives	71,289	15,452	18,433	110,029	71,289	10,460	8,018	3,666

The Company had income from jointly controlled companies amounting to 1,523 (13,573 during the period 1.1-30.9.2009).

Also, the Company paid its parent dividends for its shares held by the latter, amounting to 15,901 (60 during the period 1.1-30.9.2009).

During the period, the Company paid the amount of 32,459 and 250 for the share capital increase of its subsidiaries and joint ventures, respectively (0 and 58 during the period1.1-30.9.2009, respectively).

Remuneration of Board of Directors members and senior executives: The remuneration of Board of Directors members and senior executives of the group and Company, recognized for the period ended on 30.9.2010 and 30.9.2009, as well as the balances of receivables and liabilities that have emerged from such transactions during 30.9.2010 and 31.12.2009, are as follows:

	GROUP		**COMPANY**	
	1.1-30.9.2010	**1.1-30.9.2009**	**1.1-30.9.2010**	**1.1-30.9.2009**
Remuneration of executives included in the executive Board members	750	785	734	785
Remuneration for participation in Board meetings	600	600	600	600
	30,9,2010	**31,12,2009**	**30,9,2010**	**31,12,2009**
Relevant Liabilities	370	706	370	706

The company proceeded with the acquisition of 54.77% of the shares of the company BIOMAGN SOCIETE ANONYME MINING COMMERCIAL TECHNICAL INDUSTRIAL COMPANY, by the Chairman and Managing Director of the company for the amount of euro 18,072, with was settled in full by cash, from which the amount of 9,600 had already been paid up to 30.09.2010, while an amount of 8,472 remains outstanding (note 14).

17 SIGNIFICANT CHANGES OF ACCOUNTS IN THE FINANCIAL STATEMENTS OF THE PRESENT PERIOD

a) The account Prepayments and other receivables increased during the period, a fact attributed to prepayments provided to foreign suppliers for new construction projects amounting to 89,107.

b) The account of Other long-term liabilities resulted during the period mainly from the following:
- balances of customer prepayments, from a jointly controlled entity consolidated for the first time, amounting to 21,987
- new customer prepayments amounting to 36,298 and
- transfer of customer prepayments from short-term liabilities amounting to 65,000.

c) The account of Accrued and other short-term liabilities increased during the period, mainly because the following have been included in such:
- balances of customer prepayments, from a joint venture consolidated for the first time, amounting to 12,974
- the recognition of the liability from the acquisition two subsidiaries towards the former shareholders of such, amounting to 50,172,
- transfer of customer prepayments to long-term liabilities amounting to 65,000 and
- new customer prepayments amounting to 25,613.

18 SIGNIFICANT EVENTS DURING THE PERIOD

The Annual Ordinary General Meeting of the Company's shareholders on 21 May 2010 approved the dividend payment from earnings of 2009, amounting to 15,901, which has already been paid in full.

Moreover, the Ordinary General Meeting of the parent's shareholders decided on the acquisition of 54.77% of the shares and voting rights of the company BIOMAGN S.A., which owns mining rights on an area of 219,000 acres, 4,500 acres of land, as well as port facilities in the area of Mandoudi in North Evia. The price amounted to approximately 18,082.

On 27.4.2010 the joint venture TERNA SA-SICES CONSTRUCTIONS S.p.A, in which the Company participates with a stake of 50%, was declared the lowest bidder of the project "Mechanical projects/Area 1" of the Elefsina plant of Hellenic Petroleum, with a budget of 68,371.

On 19.4.2010 the Group proceeded, at no consideration, as a member in the joint venture APION KLEOS, which has undertaken the construction of the Elefsina-Tsakona motorway (note 14).

The total backlog of construction projects of the Group on 30.9.2010 amounts to 2,100,000.

19 CYCLICALITY-SEASONALITY

The group's activities and specifically the construction segment, are affected by economic circumstances and the total performance of the economy at the mid-long-term horizon.
Also, several construction activities are affected by abrupt weather conditions or delays due to force majeure. This results in a fluctuation of gross profit.

20 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no such.

21 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 31.12.2009.