TERNA SOCIETE ANONYME
TOURISM TECHNICAL SHIPPING COMPANY

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

ANNUAL FINANCIAL REPORT

for the period

from 1 January to 31 December 2008

CONTENTS

I. INDEPENDENT AUDITOR'S REPORT

SOL s.a.
CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS
Institute of CPA Reg. No 125
A Horwath Business Alliance Associate

To the Shareholders of "TERNA S.A."

Report on the Financial Statements

We have audited the accompanying corporate and consolidated financial statements of " *TERNA S.A."*, which comprise the corporate and consolidated balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying corporate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Report on Other Legal and Regulatory Requirements

We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying financial statements, under the legal frame of the articles 43a, 107 and 37 of c.L. 2190/1920.

Athens, 29 March 2009

GEORGE LAGGAS
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 13711
SOL S.A. – Certified Public Accountants Auditors
3, Fok. Negri Street - Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

II. ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2008

The present Report by the Board of Directors was prepared in accordance with the provisions of C.L. 2190/1920 (article 107 par. 3).

A. Financial Developments & Performance for the Period

2008 was an extremely critical year. The problem of subprime mortgages in the USA, the elevated global financial leverage of companies and individuals, together with the policy of financial institutions, were just some of the factors that led the global economy to a financial crisis, surely one of the worst during the last decades.

The interventions by central banks were not sufficient to reverse the negative trend of economies, and as a result governments were led to the enforcement of direct measures to strengthen economic activity and provide liquidity in the banking system.

However, the decline in consumer demand together with increasing unemployment, continue to threaten the prospects for a quick recovery, while expectations remain at low levels.

In this context, the TERNA Group, as in the past, continues to follow a careful path maintaining high liquidity, while its planned investments for fixed equipment continue to be implemented with an even more careful pace.

For the Group, 2008 was a significant year, as the corporate transformations that simplified its structure were concluded, offering more flexibility to achieve the Group objectives. Specifically TERNA S.A. was separated with its construction activities absorbed by the company LITHOS S.A., which was renamed to TERNA S.A., and its remaining activities were absorbed by the Parent Company GEK S.A., which was renamed to GEK TERNA S.A.

The basic financial data of 2008, according to the International Financial Reporting Standards, for the Company, are as follows:

- Turnover amounted to approximately 510 million euro, compared to 206 million euro in 2007, posting an increase of about 148%, due to increased activities of the construction sector.

- Earnings before interest tax depreciation & amortization (EBITDA) amounted to 48.7 million euro compared to 12.3 in 2007, presenting an increase of 295,93% compared to the previous year.

- Earnings before taxes amounted to 30.9 million euro, from 7.1 million euro in 2007, presenting an increase of 335%.

- Earnings after taxes amounted to 22.2 million compared to 9.6 million euro, posting an increase of 131% compared to the previous year.

- The net cash position (cash & cash equivalents minus loan liabilities) on 31.12.208 amounted to approximately 27.8 million euro compared to 0.7 million on 31.12.2007.

- The capital base amounts to 117 million euro compared to 100 million euro on 31.12.2007.

- Assets currently amount to 461 million euro, compared to 294 million euro on 31.12.2007.

The basic Consolidated Financial Data of 2008, according to the International Financial Reporting Standards, are as follows:

- Turnover towards third parties, from **continued activities,** amounted to approximately 666million euro, compared to 330 million euro in 2007, posting an increase of about 102%, due to increased activities of the construction sector.

- Earnings before interest tax depreciation & amortization (EBITDA) amounted to 48.6 million euro compared to 18.7 in 2007, presenting an increase of 159,89% compared to the previous year.

- Earnings before taxes, from continued activities, amounted to 29.2 million euro, from 9.7 million euro in 2007, presenting an increase of 201%, due to increased income from construction activities.

- Earnings after taxes and minority interest amounted to 18.5 million compared to 10.4 million euro, posting an increase of 78% compared to the previous year.

- The net cash position of TERNA Group (cash & cash equivalents minus loan liabilities) on 31.12.208 amounted to approximately 58.4 million euro compared to 0.8 million on 31.12.2007.

- The capital base of the Group amounts to 135 million euro compared to 121 million euro on 31.12.2007.

- Group Assets currently amount to 716 million euro, compared to 450 million euro on 31.12.2007.

B, Significant events during 2008

The Group has strategically placed itself in countries also outside of Greece, which are developing with vast rates, such as the Balkan countries and the Emirates region. For this reason the Group implements increased investments that render such one of the leaders in the sector of Greece.

Our Group continued to present an exceptional dynamic, as income from our construction activities follows and upward trend, while maintaining a high backlog.

TERNA S.A. is holder of the highest construction license and is one of the most powerful Greek construction companies, with significant presence in the Balkans and the Middle East, while it constitutes the construction base of the GEK TERNA Group.

Turnover from activities in Greece correspond to 68% of overall turnover, while activities in Balkan countries correspond to 16% and those from the Middle East to 16%.

The construction backlog at the end of the year amounted to approximately 1,800 million euro. It is noted that 37% of the backlog concerns projects implemented abroad.

In the Balkans, the backlog amounted to 142 million euro at the end of 2008.

In the Middle East, the total backlog amounted to 525 million euro at the end of 2008.

The outlook of the construction market in Greece is considered positive, as the forthcoming 4rth European Community Support Framework will be able to support the construction activities for infrastructure for the next years, while Public and Private Partnerships will further reinforce the construction activities of healthy construction Groups.

Moreover, in the mid-term, the inclusion of the South East European countries in the European Union, and the subsequent investments of such countries in infrastructure, as well as the established presence of TERNA in the dynamic Middle Eastern market, allow the estimation for the maintenance of our significant presence in such regions.

C. Significant Events after the end of 2008

There are no significant events from the end of 2008 until today.

D. Risks and Uncertainties

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

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

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

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

Credit risk

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

The Group is not exposed to significant credit risk from trade receivables. This is due to both the Group's policy that focuses on working with credible customers and also to the nature of the Group's activities. Specifically, the total receivables correspond to the broader public sector in Greece and abroad, or to customers with particularly large financial abilities.

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

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

Foreign exchange risk

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

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

Interest rate risk

The Group's policy is to minimize its exposure to interest rate risk as regards to long-term financing, which refers to the purchase of equipment for construction projects. In the context of this policy, long-term loans are mainly in euro and with a fixed rate.

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

Analysis of liquidity risk

The Group manages its liquidity needs with careful monitoring of its long-term liabilities as well as the daily payments. The liquidity needs are monitored in different time zones, on a daily or weekly base as well as in a rolling 30-day period. The liquidity needs for the coming 6 months and the coming year are estimated on a monthly basis.

The company maintains cash and equivalents in banks in order to cover liquidity needs for periods up to 30 days. The capital for the mid-term liquidity needs are taken from the company's time-deposits.

Other risks and uncertainties

The Group's activity is exposed to trends prevailing in the construction market and thus may be negatively affected by the slowdown of construction activity in Greece and abroad, which may be due amongst others to the general economic conditions. The backlog of construction contracts are not necessarily indicative of future income from the Group's activity in this sector. Despite the fact that the backlog of such contracts represent projects that are considered certain, there is no guarantee that there will be no cancellations or adjustments to their objective. The backlog of construction contracts of the Group can be subject to fluctuations related to project delays, external market factors and economic factors not under its control.

E, Estimated course and Outlook

As results from the above analysis, the Group's outlook, despite the fact of the existing economic crisis, is considered positive. This is also reinforced by the common effort of governments to reverse the effects of the crises with the injection of capital to productive investments and infrastructure projects.

At the same time, the fact that exceptional synergies are created between the different activities of the Parent Company's Group GEK TERNA S.A., is quite important and particularly beneficial for the Group (i.e. self-construction of energy production units, real estate projects etc.).

Dear Shareholders,

2008 was a year during which the Group continued its profitable path. Moreover, the Group carefully continues its investment plan, by maintaining at the same time adequate liquidity.
We would like to express our thank you to the Board or Directors, our Staff, Executives and Partners for their contribution to our work.
We also thank our Customers, Suppliers and cooperating Banks and of course you Shareholders for your trust in us.

Athens, 26 March 2009
On behalf of the Board of Directors

Georgios Peristeris
BoD Vice-Chairman & Managing Director

III, ANNUAL FINANCIAL STATEMENTS, INDIVIDUAL AND CONSOLIDATED, OF 31 DECEMBER 2008

(1 January - 31 December 2008)

According to the International Financial Reporting Standards

The Financial Statements were approved by the Board of Directors of TERNA SOCIETE ANONYME TOURISM TECHNICAL SHIPPINT COMPANY on 26 March 2009 and have been published by being posted on the internet at the website www.terna.gr in which they remain at the disposal of the investment community for at least 5 years since their publication. It is noted that the published in the press Data and Information aim at providing the reader with certain general financial information but do not provide a full picture of the financial position and the results of the Group, in accordance with the International Financial Reporting Standards (IFRS).

BALANCE SHEET
31st of DECEMBER 2008
(All amounts are expressed in thousand Euro, unless stated otherwise)

		GROUP		COMPANY	
	Note	31 December 2008	31 December 2007	31 December 2008	31 December 2007
ASSETS					
Non current assets					
Intangible fixed assets	5	5,387	5,509	5,307	5,508
Tangible fixed assets	6	80,764	88,093	68,919	50,238
Investment property	7	1,596	7,748	1,596	7,748
Participations in subsidiaries	4	0	0	2,110	2,050
Participations in associates	4, 8	16,226	8,562	0	0
Participations in joint ventures	4, 27	119	0	3,371	11,313
Investments available for sale		36	96	36	36
Other long-term assets	9	509	2,206	461	1,479
Deferred tax assets	20	8,809	7,906	2,076	5,599
Total non current assets		**113,446**	**120,120**	**83,876**	**83,971**
Current assets					
Inventories	10	7,809	7,555	5,514	5,549
Trade receivables	11	262,654	167,403	171,801	98,905
Prepayments and other receivables	11	97,023	60,925	76,381	65,770
Income tax receivables		10,548	8,914	8,701	7,770
Cash and cash equivalents	13	188,961	84,970	115,198	32,185
Total current assets		**566,995**	**329,767**	**377,595**	**210,179**
Non-current assets held for sale	26	35,469	0	0	0
TOTAL ASSETS		**715,910**	**449,887**	**461,471**	**294,150**
EQUITY & LIABILITIES					
Equity attributable to the shareholders of the parent					
Share capital	19	28,908	28,908	28,908	28,908
Share premium account		35,922	35,922	35,922	35,922
Reserves		27,219	19,036	27,223	19,341
Profit carried forward		42,821	37,235	24,920	15,624
Total		**134,870**	**121,101**	**116,973**	**99,795**
Minority interest		114	235	0	0
Total equity		**134,984**	**121,336**	**116,973**	**99,795**

Long term liabilities					
Long-term loans	14	9,645	10,255	0	0
Loans from finance leases	14	29,284	19,684	29,284	17,889
Other long-term liabilities	17	42,047	1	58,712	1
Provisions for staff indemnities	15	2,995	1,287	2,168	1,124
Other Provisions	16	1,042	1,189	941	2,772
Deferred tax liabilities	20	10,460	5,323	0	0
Total long term liabilities		**95,473**	**37,739**	**91,105**	**21,786**
Short term liabilities					
Suppliers	17	125,863	70,283	92,635	46,031
Short term loans	18	81,830	45,144	51,555	9,716
Long term loans payable during the next financial year	14	9,799	9,103	6,499	3,876
Accrued and other short term liabilities	17	250,838	161,838	101,765	110,542
Income tax payable		1,929	4,444	939	2,404
Total short term liabilities		**470,259**	**290,812**	**253,393**	**172,569**
Liabilities directly connected to non-current assets held for sale	26	15,194	0	0	0
TOTAL LIABILITIES & EQUITY		**715,910**	**449,887**	**461,471**	**294,150**

The accompanying notes constitute an integral part of the financial statements

INCOME STATEMENT
31st December 2008

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

		GROUP		COMPANY	
		1.1 – 31.12	**1.1 – 31.12**	**1.1 – 31.12**	**1.1 – 31.12**
	Note	**2008**	**2007**	**2008**	**2007**
Continued activities					
Turnover	21	666,377	330,343	510,498	206,647
Cost of sales	22	(607,643)	(298,714)	(459,687)	(193,956)
Gross profit		**58,734**	**31,629**	**50,811**	**12,691**
Administration and Distribution expenses	22	(25,946)	(25,218)	(25,637)	(22,994)
Research and Development expenses		(13)	(0)	(13)	0
Other income / (expenses)	23	558	7,574	10,801	20,259
Net financial income/(expenses)	24	(4,154)	(4,248)	(5,050)	(2,809)
Profit / (loss) from the valuation of associates under the equity method		(25)	(0)	0	
PROFIT BEFORE TAX		**29,154**	**9,737**	**30,912**	**7,147**
Income tax	20	(12,476)	(957)	(8,685)	2,544
Net profit from continued activities		**16,678**	**8,780**	**22,227**	**9,691**
Discontinued activities					
Profit from discontinued activities after tax	26	1,637	1,616	0	0
NET PROFIT		**18,315**	**10,396**	**22,227**	**9,691**
Attributed to:					
Shareholders of the parent company from continued activities	19	16,913	8,275		
Shareholders of the parent company from discontinued activities	26	1,637	1,616		
Minority interest from continued activities		(235)	55		
Minority interest from discontinued activities		0	0		
Basic earnings per share (in euro)					
From continued activities attributed to shareholders of the parent	19	58.50	30.39		
From discontinued activities attributed to shareholders of the parent	26	5.66	5.63		
Weighted average number of shares					
Basic	19	289,100	287,100		

CASH FLOW STATEMENT
31st December 2008

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

	Note	GROUP		COMPANY	
		1.1 – 31.12 2008	**1.1 – 31.12 2007**	**1.1 – 31.12 2008**	**1.1 – 31.12 2007**
Cash flow from operating activities					
Profit before tax from continued activities		29,154	9,737	30,912	7,147
Adjustments for the agreement of the net flows from the operating activities		0	0	0	0
Depreciation	5, 6, 22	12,958	8,825	10,805	7,579
Provisions		139	266	(600)	2,156
Interest and related revenue	24	(4,498)	(1,628)	(1,343)	(893)
Interest and other financial expenses	24	8,651	5,876	6,393	3,702
Results from participations and securities	23	(16)	(5,313)	(9,996)	(17,935)
Results from intangible and tangible assets and investment property		(82)	(1,315)	(60)	(1,310)
Other adjustments		2,378	1,089	1,954	1,208
Operating profit before changes in working capital		**48,685**	**17,537**	**38,065**	**1,654**
(Increase)/Decrease in:					
Inventories		(1,042)	(1,341)	(13)	(1,269)
Trade receivables		(103,615)	(24,464)	(84,053)	431
Prepayments and other short term receivables		(18,991)	(30,965)	26,169	(36,621)
Increase/(Decrease) in:					
Suppliers		63,250	17,073	45,860	(4,727)
Accruals and other short term liabilities		107,357	75,968	32,487	52,344
(Increase)/Decrease of other long term claims and liabilities		1,017	2,108	1,025	2,823
Income Tax payments		(12,477)	(9,238)	(7,627)	(5,008)
Operating flows from discontinued activities	26	5,264	990	0	0
Net Cash inflow from operating activities		**89,449**	**47,668**	**51,913**	**9,627**
Cash flows from investment activities					
Net additions of intangible and tangible assets	5, 6	(13,441)	(11,576)	(10,339)	(8,207)
Sale of intangible and tangible fixed assets		129	1,307	62	1,178
Interest and related income received		4,669	1,942	1,159	893
(Purchases) / sales of participations and securities		(8,197)	(3,222)	(168)	17,036
Profit from investments		41	0	7,941	6,796
Investment Property		6,250	124	6,250	124
Investment flows from discontinued activities	26	(596)	(482)	0	0
Cash outflows for investment activities		**(11,145)**	**(11,907)**	**4,905**	**17,820**

Cash flows from financial activities					
Increase of share capital		0	0	0	200
Net change of short-term loans		44,983	(37)	42,064	214
Net change of long-term loans		2,176	10,255	0	0
Payments of Loans from Financial Leases		(4,796)	(3,558)	(4,796)	(3,558)
Dividends paid		(6,884)	(10,094)	(6,884)	(10,094)
Interest paid		(6,305)	(6,278)	(4,182)	(6,044)
Change of other financial assets		0	6,036	0	0
Financial flows from discontinued activities	26	(4,358)	(1,221)	0	0
Cash outflows for financial activities		**24,817**	**(4,897)**	**26,202**	**19,282**
Effect from foreign exchange differences in cash		870	0	(7)	
Net increase of cash & cash equivalents		**103,991**	**30,863**	**83,013**	**8,165**
Cash & cash equivalents at the beginning of the period from continued activities		83,249	51,673	32,185	24,020
Cash & cash equivalents at the beginning of the period from discontinued activities	26	1,721	2,434	0	0
Cash & cash equivalents at the end of the period from continued activities		**188,961**	**84,970**	**115,198**	**32,185**

The accompanying notes constitute an integral part of the financial statements

TERNA SA
STATEMENT OF CHANGES IN EQUITY
31st December 2008
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Profit carried forward	Total
1st January 2007	**322**	**0**	**0**	**(147)**	**175**
Absorption of sector of former TERNA SA	28,386	35,922	19,153	18,125	**101,586**
1st January 2007 revised	**28,708**	**35,922**	**19,153**	**17,978**	**101,761**
Net profit for the period	0	0	0	9,691	**9,691**
Valuation profit registered directly in Equity	0	0	(454)	0	**(454)**
Foreign exchange differences from incorporation of foreign entities	0	0	(277)	0	**(277)**
Total recognized net profit	**0**	**0**	**(731)**	**9,691**	**8,960**
Dividends	0	0	0	(10,112)	**(10,112)**
Distribution of reserves	0	0	1,064	(1,064)	**0**
Absorption of sector of former TERNA SA	0	0	(145)	(869)	**(1,014)**
Share capital issue	200	0	0	0	**200**
31st December 2007	**28,908**	**35,922**	**19,341**	**15,624**	**99,795**
1st January 2008	**522**	**0**	**0**	**(89)**	**433**
Absorption of sector of former TERNA SA	28,386	35,922	19,341	15,713	**99,362**
1st January 2007 revised	**28,908**	**35,922**	**19,341**	**15,624**	**99,795**
Net profit for the period	0	0	0	22,227	**22,227**
Foreign exchange differences from incorporation of foreign entities	0	0	115	0	**115**
Tax on items included directly or transferred from Equity	0	0	0	9	**9**
Total recognized net profit	**0**	**0**	**115**	**22,236**	**22,351**
Dividends	0	0	0	(6,894)	**(6,894)**
Distribution of reserves	0	0	7,767	(7,767)	**0**
Absorption of sector of former TERNA SA	0	0	0	1,721	**1,721**
31st December 2008	**28,908**	**35,922**	**27,223**	**24,920**	**116,973**

TERNA GROUP
STATEMENT OF CHANGES IN EQUITY
31st December 2008
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Profit carried forward	Sub-total	Minority Interest	Total
1st January 2007	**28,708**	**35,922**	**19,063**	**35,433**	**119,126**	**865**	**119,991**
Foreign exchange difference from the consolidation of foreign companies	0	0	(646)	0	**(646)**	(8)	**(654)**
Profit/(Loss) from valuation recognized directly in Equity	0	0	(460)	0	**(460)**	0	**(460)**
Total net profit registered directly in Equity	0	0	(1,106)	0	**(1,106)**	(8)	**(1,114)**
Net profit for the year	0	0	0	10,341	**10,341**	55	**10,396**
Total recognized net profit	**0**	**0**	**(1,106)**	**10,341**	**9,235**	**47**	**9,282**
Dividends	0	0	0	(10,112)	**(10,112)**	0	**(10,112)**
Share capital issue	200	0	0	0	**200**	0	**200**
Creation of reserves	0	0	1,079	(1,079)	**0**	0	**0**
Separation of sector of former TERNA SA	0	0	0	2,652	**2,652**	0	**2,652**
Acquisition of subsidiary	0	0	0	0	**0**	188	**188**
Discontinuation of consolidation-sale of subsidiary	0	0	0	0	**0**	(865)	**(865)**
31st December 2007	**28,908**	**35,922**	**19,036**	**37,235**	**121,101**	**235**	**121,336**

	Share Capital	Share Premium	Reserves	Profit carried forward	Sub-total	Minority Interest	Total
1st January 2008	**28,908**	**35,922**	**19,036**	**37,235**	**121,101**	**235**	**121,336**
Foreign exchange differences from consolidation of foreign companies	0	0	420	0	**420**	(2)	**418**
Tax on items included directly or transferred from equity	0	0	0	11	**11**	0	**11**
Total net profit registered directly in Equity	**0**	**0**	**420**	**11**	**431**	**(2)**	**429**
Net profit for the year	0	0		18,550	**18,550**	**(235)**	**18,315**
Total recognized net profit	**0**	**0**	**420**	**18,561**	**18,981**	**(237)**	**18,744**
Dividends	0	0	0	(6,894)	**(6,894)**	0	**(6,894)**
Discontinuation of consolidation	0	0	0	(39)	**(39)**	0	**(39)**
Separation of sector of former TERNA SA	0	0	0	1,721	**1,721**	0	**1,721**
Acquisition of subsidiary	0	0	0	0	**0**	116	**116**
Distribution of reserves	0	0	7,763	(7,763)	**0**	0	**0**
31st December 2008	**28,908**	**35,922**	**27,219**	**42,821**	**134,870**	**114**	**134,984**

1 ESTABLISHMENT AND ACTIVITY OF THE COMPANY

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

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

The basic sector in which the Company and Group are active is constructions. TERNA S.A. holds a 7th grade construction certificate and its main activity is to undertake and carry out public and private construction projects of any kind. According to the legislation in effect, companies that hold a 7th grade construction certificate may undertake public projects of over 35 mil. euros. There is no upper limit to the budget of the projects that the Group may independently undertake. Furthermore, TERNA owns and operates a quarry and trades in inert materials.

Moreover, the Group, through IRON THERMOELECTRIC SA, operates in the sector of production of electricity from thermal energy sources, with a total installed capacity of 147 M/W.

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

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

2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

a)Basis for the Preparation of the financial statements
The accompanying individual 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 during 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 accompanying financial statements consist of the individual and consolidated financial statements of the Parent Company and its Group and have been prepared according to IFRS, as such have been adopted by the European Union. There are no standards that have been applied before their initial effective date, except for the revised IAS 23.

b) Presentation of transformation of former TERNA SA
i) The presented individual financial statements of TERNA SA, have been prepared according to the decisions by the extraordinary General Meetings dated 6.11.2008 of the separated company TERNA SA, dated 18.11.2008 of the former GEK SA, currently renamed to GEK TERNA SA and dated 6.11.2008 of the former LITHOS SA, currently renamed to TERNA SA.

(Amounts in thousand Euro, unless stated otherwise)

According to the decisions by the above General Meetings, the former LITHOS SA, already renamed to TERNA SA, absorbed the construction activities of the separated company TERNA SA.

As regards to the basis for preparation of the revised financial statements of former LITHOS SA, already renamed to TERNA SA, we note the following specific points:

a) the separated company TERNA SA is a subsidiary (according to the definition of IAS 27) with a total participation by GEK TERNA SA in such by 56.38% (currently 100%), while the latter consolidates TERNA and has control of such since 1999.

b) the successor LITHOS SA is a 100% subsidiary of the separated company TERNA SA.

c) the absorption by the former LITHOS SA of the construction activities of TERNA SA, does not fall under the implementation scope of IFRS 3 as such are under joint control.

Taking into account the above, to present the absorption of TERNA SA's construction activities, the Pooling of Interests method was selected, according to which the current TERNA SA (former LITHOS SA0 has reflected in its financial statements, the results and net assets of the absorbed construction sector from 1 January 2007.

The individual financial statements on 31.12.2007 (balance sheet, income statement, cash flow statement) of the current TERNA SA (former LITHOS SA), as had been initially published and as revised, including the assets and liabilities of TERNA which were absorbed by the current TERNA SA (former LITHOS SA), are as follows:

BALANCE SHEET	**Revised accounts of 31.12.2007**	**Changes due to absorption of sector**	**Initially published accounts of 31.12.2007**
ASSETS			
Non current assets			
Intangible fixed assets	5,508	5,326	182
Tangible fixed assets	50,238	49,557	681
Investment property	7,748	7,748	0
Participations in subsidiaries	2,050	2,050	0
Participations in joint ventures	11,313	11,313	0
Other investments	36	0	36
Other long-term assets	1,479	1,478	1
Deferred tax assets	5,599	5,589	10
Total non current assets	**83,971**	**83,061**	**910**
Current assets			
Inventories	5,549	4,820	729
Trade receivables	98,905	98,888	17
Prepayments and other receivables	65,770	65,492	278
Income tax receivables	7,770	7,770	0
Cash and cash equivalents	32,185	32,115	70
Total current assets	**210,179**	**209,085**	**1,094**
TOTAL ASSETS	**294,150**	**292,146**	**2,004**
EQUITY & LIABILITIES			
Share capital	28,908	28,386	522
Share premium account	35,922	35,922	0

(Amounts in thousand Euro, unless stated otherwise)

Reserves	19,341	19,341	0
Profit/(loss) carried forward	15,624	15,713	(89)
Total equity	**99,795**	**99,362**	**433**
Long term liabilities			
Loans from finance leases	17,889	17,889	0
Provisions for staff indemnities	1,124	1,124	0
Other Provisions	2,772	2,658	114
Other long-term liabilities	1	1	0
Total long term liabilities	**21,786**	**21,672**	**114**
Short term liabilities			
Suppliers	46,031	44,723	1,308
Short term loans	9,716	9,716	0
Long term loans payable during the next financial year	3,876	3,876	0
Accrued and other short term liabilities	110,542	110,393	149
Income tax payable	2,404	2,404	0
Total short term liabilities	**172,569**	**171,112**	**1,457**
TOTAL LIABILITIES & EQUITY	**294,150**	**292,246**	**2,004**

INCOME STATEMENT	**Revised accounts of 31.12.2007**	**Changes due to absorption of sector**	**Initially published accounts of 31.12.2007**
Turnover	206,647	205,713	934
Cost of sales	(193,956)	(193,222)	(734)
Gross profit	**12,691**	**12,491**	**200**
Administrative and selling expenses	(22,994)	(22,833)	(161)
Other income/(expenses)	20,259	20,232	27
Net financial income/(expenses)	(2,809)	(2,809)	0
Profit/(Losses) before taxes	**7,147**	**7,081**	**66**
Income tax	2,544	2,552	(8)
Net profit / (losses) for the period	**9,691**	**9,633**	**58**

CASH FLOW STATEMENT	**Revised accounts of 31.12.2007**	**Changes due to absorption of sector**	**Initially published accounts of 31.12.2007**
Cash flow from operating activities			
Profit before tax	7,147	7,081	66
Adjustments for the agreement of the net flows from the operating activities			
Depreciation	7,579	7,560	19
Provisions	2,156	2,156	0
(Interest and related revenue)	(893)	(893)	0
Interest and other financial expenses	3,702	3,702	0
Results from intangible and tangible assets and investment property	(1,310)	(1,310)	0
Results from participations and securities	(17,935)	(17,935)	0
Other adjustments	1,208	1,208	0
Operating profit before changes in working capital	1,654	1,569	85

(Amounts in thousand Euro, unless stated otherwise)

(Increase)/Decrease in:		0	
Inventories	(1,269)	(540)	(729)
Trade receivables	431	448	(17)
Prepayments and other short term receivables	(36,621)	(36,387)	(234)
Increase/(Decrease) in:			
Suppliers	(4,727)	(5,812)	1,085
Accruals and other short term liabilities	52,344	52,277	67
(Increase)/Decrease of other long term claims and liabilities	2,823	2,824	(1)
Income Tax payments	(5,008)	(5,008)	0
Net Cash inflow from operating activities	**9,627**	**9,371**	**256**
Cash flows from investment activities			
(Purchases of intangible and tangible assets)	(8,207)	(7,821)	(386)
Sales of intangible and tangible assets	1,178	1,178	0
Interest and related income received	893	893	0
(Purchases) / sales of participations and securities	17,036	17,036	0
Income from participations	6,796	6,796	0
Investment Property	124	124	0
Cash outflows for investment activities	**17,820**	**18,206**	**(386)**
Cash flows from financial activities			
Increase of share capital	200	0	200
Net change of short-term loans	214	214	0
(Payments of Loans from Financial Leases)	(3,558)	(3,558)	
(Dividends paid)	(10,094)	(10,094)	0
(Interest paid)	(6,044)	(6,044)	0
Cash outflows for financial activities	**(19,282)**	**(19,482)**	**200**
Net increase of cash & cash equivalents	**8,165**	**8,095**	**70**
Cash & cash equivalents at the beginning of the period	**24,020**	**24,020**	**0**
Cash & cash equivalents at the end of the period	**32,185**	**32,115**	**70**

ii) The accompanying consolidated financial statements have been prepared with the pooling of interests method from 1.1.2007, according to those stated above in point i) and are included in the financial statements of the present TERNA SA, as well as in those of its subsidiaries, joint ventures and associates referred to in note 4, for 2007 and 2008.

c) Statutory Financial Statements

Until the 31st of December 2004 TERNA SA and its subsidiaries kept their accounting books and prepared financial statements in accordance to the provisions of L. 2190/1920 and the tax legislation in effect. From January 1st, 2005 it is obliged, according to the legislation in effect, to prepare its Statutory Financial Statements in accordance to the IFRS that have been adopted by the European Union. The Company and Greek companies of the Group, continue to keep their accounting books in accordance with the provisions of the tax laws, as it has the right to do so. Off balance sheet adjustments are then made in order to prepare the attached financial statements in accordance with the IFRS.

d) New standards, interpretations and amendments

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 2007, except for the adoption of new standards and those applied in advance.

Therefore, from January, 1 2008 the Group and the company adopted new standards and amendments as follows:

- *IAS 23 Borrowing Cost (amendment)* (mandatory application for periods beginning on or after 1 January 2009, while prior adoption is permitted). The option to categorize as an expense borrowing cost that is related to the purchase, construction or production of a special asset, is repealed. The Group has applied the provisions of the revised standard as it has already adopted the standard from 1 January 2008.

- *IFRIC 12, Service Concession Arrangements* (applied for periods beginning on or after 1 January 2008). IFRIC 12 handles the way with which the concession managers of a service concession must apply the existing International Financial Reporting Standards (IFRS) to account for the liabilities they undertake and the rights provided to them in the service concession arrangement. Based on the Interpretation, concession managers must not recognize the relevant infrastructure as tangible fixed assets, but must recognize a financial or an intangible asset.

- *IFRIC 13, Customer loyalty programs* (applied for periods beginning on or after 1 July 2008). The interpretation is related to the implementation of those defined by IAS 18 for the recognition of income. IFRIC 13 "Customer loyalty programs" specifies that when companies grant their customers award credits (i.e. points) as part of a sale transaction and customers can cash such credits in the future for free or discounted goods or services, then paragraph 13 of IAS 18 should be applied. This requires that award credits be accounted for as a separate item of the sale transaction and a part of the price received or the receivable recognized to be allocated to award credits. The recognition time of this income item is postponed until the company satisfies its liabilities that are linked to the award credits, either providing such awards directly or transferring the liability to a third party. The interpretation has been adopted by the EU and its application is not expected to affect the Group's financial statements.

- *IFRIC 14, The limit on a Defined Benefit Asset, minimum funding requirements and their interaction:* (applied for periods beginning on or after 1 January 2008). IFRIC 14 addresses three issues, specifically: a) when capital refunds or reductions in future contributions should be presented as "available" in the context of paragraph 58 of IAS 19, Employee Benefits, b) how a minimum funding requirement may affect the availability of the reductions in future contributions, and c) when a minimum funding requirement creates an obligation. Furthermore, given that there is a minimum funding requirement, the Interpretation distinguishes between contributions that are necessary to cover an inadequacy for a past service on the base of the minimum contribution and, the future recognition of benefits. IFRIC 14 has been adopted by the EU. The Company considers that the application of the Interpretation will not affect the Group's financial statements.

- *Amendments to I.A.S. 39 and I.F.R.S. 7 – Reclassification of Financial Assets* (applied for periods beginning on or after January 1st 2009). The amendments to IAS 39 allow in some cases, the reclassification from the category of investments held for trading purposes to other categories, of non-derivative financial assets, as well as the reclassification of financial assets from the category of available for sale to loans and receivables. The amendments to IFRS 7 require additional disclosures in the financial statements of companies that apply the above amendments to IAS 39.

Upon the date of approval of the financial statements, there are new IFRS interpretations and amendments of existing standards that will be mandatory for the years starting on 1st of January 2009 onwards. The assessment of the management of the Group regarding the effect of these new standards and interpretations is presented below:

- *IFRS 8, Operating Sectors:* (applied for annual accounting periods beginning on or after January 1st 2009). IFRS 8 replaces IAS 14 *Financial Information by segment* and adopts an administrative approach as regards to financial information provided by segment. The information provided will be that used by management internally for the evaluation of the return by operating sectors and the allocation of resources to such sectors. This information may differ from that presented in the balance sheet and income statements and companies must provide explanations and reconciliations regarding such differences. IFRS 8 is expected to be adopted by the European Union in the near future. The Group is in the process of evaluating the effect of this standard on its financial statements.

- *IAS 1 Presentation of Financial Statements (amendment)* (applied for periods beginning on or after 1 January 2009). The revised standard includes many changes in definitions, including include changes in the titles of some of the financial statements to reflect their function more clearly (for example, the balance sheet is renamed a statement of financial position). The most important changes are:
- at the cases in which an accounting policy is applied retrospectively or a revision or a reclassifications of accounts in the financial statements, for comparability reasons it is necessary to report also the Statements of Financial Position for the previous periods.
- all income and expenses data (including those recorded directly in Equity) must be reported in one statement (Statement of Comprehensive Income), or in two statements (a separate Income Statement and a Statement of Comprehensive Income).
- the specific presentation of results that are directly recorded in equity is no longer permitted (e.g. profit/loss of fair value). Such changes that do not arise from the shareholders must be presented in the Comprehensive Income Statement, the total of which must be transferred to the Statement of Changes in Equity.
- the presentation of shareholders transactions when they are acting as owners is not allowed to be presented in the notes. The Statement of Changes in Equity must be presented as a separate financial statement.
- new requirements are introduced regarding an analytical presentation of results that are directly recorded in equity

- *IFRS 3, Business Combinations – Amended in 2007 and consequent amendments in IAS 27, 28 and 31 (effective from 1st July 2009):* The amended standard inserts new important amendments in the purchase method in order to reflect business combinations. Among the amendments in the standard is the option to present rights of third parties that have no control (minority interest), in their fair value. Also, the amended standards state that the acquisition of additional percentages in a subsidiary or the sale of part of the shares of a subsidiary must be accounted as a transactions with the shareholders of the company and any difference should be recognized in equity. The amended IFRS 3 is effective for acquisition of companies that will take place after July the 1st 2009, while there is no requirement for business combination that have taken place before the adoption of the certain standard. Therefore, this amendment will not affect the present financial position of the Company.

- *IFRS 2: Share-based payment – 2008 Revision: vesting conditions and cancellations (effective from 1st January 2009):* The revision of the standard clarifies the that vesting conditions are service conditions and performance conditions only, while other features of a share-based payment that are not vesting conditions should be included in the grant date fair value of the share-based payment at the concession date. This standard will have no effect on the financial statements of the Group.

- *IAS 32 Financial Instruments: Presentations and IAS 1 Presentation of Financial Statements – 2008 Revision: Puttable instruments and obligations arising on liquidation (effective from 1st of January2009):* This amendment sets the classification of puttable financial instruments as well as the terms of some instruments that oblige the issuer to proportionally pay the net assets of the instrument during settlement. The relevant revision will have no effect on the financial statements of the Group.

- *IFRIC 15, Agreements for the Construction of Real Estate*: (issued on July, 30 2008 and is applicable for the fiscal years starting on or after January, 1 2009). IFRIC 15 offers guidelines regarding whether an agreement for the construction of a real estate is included in the framework of IAS 11 "Construction Contracts" or IAS 18 "Revenue" and when the revenue from construction should be recognized.

- *IFRIC 16, Hedges of a Net Investment in a Foreign Operation*: (issued on July, 3 2008 and is valid for the fiscal years starting on or after October, 1 2008 and may have future or retroactive application). IFRIC 16 clarifies three major issued, in particular: a) The presentation currency of the Financial Statements does not create risk exposure in a situation that the company is in a position to hedge the risk. Therefore, the parent company may define as risk for hedging only the foreign exchange differences that arise between operating and presentation currency for the foreign operations. b) Any company belonging in the Group may hold hedging instruments, c) Despite that IAS 39 «Financial Instruments: Recognition. and Measurement» is applied to define the amount that must be transferred in Income Statement from the foreign exchange differences reserve, the IAS 21 «The effect of changes in Foreign Exchange» is applied in reference to the hedging instrument. This interpretation will not affect the Financial Statements of the Group. This interpretation is not yet adopted by the European Union.

- *IFRIC 17, Distributions of Non-Cash Assets to Owners* (applied for periods beginning on or after July 1st 2009). When a company proceeds with announcing a distribution and has the obligation to distribute assets that relate to its owners, it should recognize a liability for such dividends payable. The aim of IFRIC 17 is to provide guidance regarding when a company should recognize dividends payable, how such should be measured as well as how the differences between the book value of assets distributed and the book value of dividends payable should be booked when the company pays out the dividends payable. IFRIC 17 "Distribution of Non-Cash Assets to Owners" is effective for companies in the future for annual periods beginning on or after 01/07/2009. Prior application of the Interpretation is permitted, given that the company discloses such in the Explanatory Notes on the Financial Statements and at the same time applies IFRS 3 (as revised in 2008), IAS 27 (as amended in May 2008) and IFRS 5 (as amended by the present Interpretation). Retrospective application of the Interpretation is not permitted. This interpretation has not been adopted by the European Union.

- *IFRIC 18, Transfers of Assets from Customers* (applied for periods beginning on or after July 1st 2009). The Interpretation is applied mainly to companies in the utility sector. The aim of IFRIC 18 is to clarify the requirements of IFRS regarding agreements in which a company receives from a customer an item of property, plant and equipment that it must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water) or to do both. In some cases, a company receives cash from its customers, which should be used for the purchase or construction of a facility with the objective to connect the customer with the network or the ongoing access to the network of goods or services (or both). The Interpretation clarifies the cases in which the definition of the tangible asset is met, the recognition and calculation of the initial cost. Moreover, it defines the way in which the verification of the liability can be made to provide the above services in exchange for the tangible asset as well as the recognition method of the income and the accounting treatment of cash received from customers.

- In May 2008 the IASB issued several amendments to the IFRS, as a result of its annual improvement plan, with the objective to eliminate inconsistencies and to provide clarifications. These amendments are applied for accounting periods beginning on or after January 1st 2009 and have not yet been adopted by the European Union.

- *Amendments to IFRS 5, Non-Current Assets Held of Sale and Discontinued Operations,* applied for annual accounting periods beginning on or after 1 July 2009. This amendment clarifies the fact that all assets and liabilities of a subsidiary continue to be classified as held for sale, according to IFRS 5, even in the case where the company, following a sale, maintains a non-controlling participation in the subsidiary. The amendment has a future application from the first effective date of IFRS 5. Therefore, participations in subsidiaries that have been classified as held for sale from the application date of IFRS 5, should be re-estimated. Prior application of the amendment is permitted. In case of prior application, the amendments of IAS 27 (as amended in January 2008) must also be applied during the application date of the amendments to IFRS 5.

- *Amendments to IAS 1, Presentation of Financial Statement,* (applied for annual accounting periods beginning on or after January 1st 2009). This amendment clarifies that assets and liabilities classified as held for trading purposes, according to IAS 39, Financial instruments: Recognition and calculation, are not classified automatically as short-term items in the balance sheet. The amendment has retrospective effect and prior application is encouraged.

- *Amendments to IAS 8, Accounting policies, changes in accounting estimations and errors,* (applied for annual accounting periods beginning on or after January 1st 2009). The amendment clarifies that only the application guidance, which is considered an integral part of a IFRS, is mandatory during the selection of accounting policies.

- *Amendments to IAS 10, Events after the Balance Sheet Date,* (applied for annual accounting periods beginning on or after January 1st 2009). The amendment clarifies that dividends approved after the balance sheet date are not considered as liabilities.

- *Amendments to IAS 16 Tangible assets,* applied for annual accounting periods beginning on or after January 1st 2009.
It replaces the term Net sale price with the term Fair value minus sale price as regards to the recoverable amount, in order to be consistent with IFRS 5 and IAS 36.
Tangible assets held for lease and during the ordinary course of activities intended for sale after the end of the lease period, are transferred to the Inventories account during the end of this period and are classified in assets held for sale. Proceeds from the subsequent sale are presented as income. At the same time, IAS 7 Cash flow statements, is also amended, where it is required that cash payments, for the construction or acquisition of relevant fixed assets, be classified in the category of Operating Activities. Moreover, cash proceeds from rents and subsequent sales of relevant fixed assets are presented in Operating Activities.

- *Amendments to IAS 18, Income* (applied for annual accounting periods beginning on or after January 1st 2009). This amendment replaces the term Direct costs with the term Transaction cost, as defined in IAS 39.

- *Amendments to IAS 19, Employee benefits,* (applied for annual accounting periods beginning on or after January 1st 2009). The amendment revises the term of Service cost in order to include benefit reductions related to the service of the employee in previous periods (negative service cost) and to exclude benefit reduction in relation to the service of the employee in future periods that arise from amendments to the benefit plan.

Amendments to benefit plans that lead to the reduction of benefits in relation to the service rendered in future periods, are considered as cut-backs. The amendment has future application – for changes in benefits that take place on or after January 1st 2009. Prior application is encouraged. It revises the definition of Return on assets of the plan, excluding management costs of the plan if such have been included in the actuarial assumptions based on which the committed defined benefits were calculated. The amendment has retrospective application and prior application is encouraged. It revises the definition of short-term and other long-term benefits to employees in order to focus on the point where the liability will be settled. The amendment has retrospective application and prior application is encouraged. It repeals the reference to contingent liabilities in order to conform to IAS 37, Provisions, contingent liabilities and contingent assets. IAS 37 does not allow the recognition of contingent liabilities. The amendment has retrospective application and prior application is encouraged.

- *Amendments to IAS 20, Accounting for Government Grants and Disclosure of Government Assistance,* (applied for annual accounting periods beginning on or after January 1st 2009). Loans that are granted with zero or very low interest rates compared to the market, will not be excluded by the requirement to present the implied rate. The implied rate of granted loans will be lower than the market rate, and thus it will conform to IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant. The amendment has future application for government grants received on or after January 1st 2009. Prior application is encouraged. However IFRS 1, First implementation of International Financial Reporting Standards, has not been revised for the new users of the standards and thus the presentation of the implied rate is required for all relevant loans outstanding during the transition date.

- *Amendments to IAS 23, Borrowing Cost,* (applied for annual accounting periods beginning on or after January 1st 2009). The amendment revises the definition of borrowing cost in order to unite all the borrowing cost items in one item. The interest expenses is calculated based on the real interest rate method, as described in IAS 39. The amendment has retrospective effect and prior application is encouraged.

- *Amendments to IAS 27, Consolidated and separate financial statements,* (applied for annual accounting periods beginning on or after January 1st 2009). In case where a parent company values a subsidiary at fair value according to IAS 39 in its separate financial statements, this accounting treatment holds also in the case where subsequently the subsidiary is classified as held for sale. The amendment has future application, from the first implementation date of IFRS 5. Therefore, any subsidiaries that have been classified as held for sale from the implementation date of IFRS 5, must be re-valued. Prior application is encouraged.

- *Amendments to IAS 28, Investments in associate companies* (applied for annual accounting periods beginning on or after January 1st 2009).
In case where an associated company is valued at fair value, according to IAS 39 (given that it has been exempt from the requirements of IAS 28), only the requirements of IAS 28 regarding the disclosure of the nature and extent of significant limitations to the ability of the associate company to transfer capital to the Company in the form of cash equivalents or repayment of debt, are applied. The amendment has retrospective effect, even though future application is permitted. Prior application is encouraged. In case of prior application, the Company must at the same time adopt the following amendment as well as the amendment of paragraph 3 of IFRS 7, Financial instruments: Disclosures, of paragraph 1 of IAS 31, Participations in joint ventures and of paragraph 4 of IAS 32, Financial instruments: Presentation. For the purposes of an impairment audit, the investment in an associate is considered a unique asset – including any reversal of impairment loss. Therefore, in case of impairment, a separate allocation of the impairment to the goodwill included in the investment's balance, is not needed.

The impairment loss is reversed in the case where the recoverable value of the investment in the associate increases. In case of prior application, the company must at the same time adopt the above amendment as well as the amendment of paragraph 3 of IFRS 7, Financial instruments: Disclosures, of paragraph 1 of IAS 31, Participations in joint ventures and of paragraph 4 of IAS 32, Financial instruments: Presentation.

- *Amendments to IAS 29, Presentation of financial assets in hyperinflationary economies* (applied for annual accounting periods beginning on or after January 1st 2009). This amendment revises the limiting list of exemptions as regards to asset and liability items calculated at history cost, i.e. tangible fixed assets. No special transition requirements are mentioned due to the fact that the amendment is mostly a clarification and not a change.

- *Amendments to IAS 31, Participations in joint ventures,* applied for annual accounting periods beginning on or after January 1st 2009. This amendment clarifies the fact that if a joint venture is valued at fair value, according to IAS 39 (given that is has been exempted from the requirements of IAS 31), then only the requirements of IAS 31 regarding the disclosure of obligations of the member of the joint venture and the joint venture, as well as regarding the summary of financial information for the balance sheet and results items, apply. Prior application is encouraged. In case of prior application, the company must at the same time adopt the amendment of paragraph 3 of IFRS 7, Financial instruments: Disclosures, of IAS 28, Investments in associate companies and of paragraph 4 of IAS 32, Financial instruments: Presentation.

- *Amendments to IAS 34, Interim financial reporting,* (applied for annual accounting periods beginning on or after January 1st 2009). This amendment clarifies that earnings per share are disclosed in the interim financial reports in the case where the company is subject to the application scope of IAS 33.

e) Approval of Financial Statements

The accompanying individual and consolidated annual financial statements were approved by the Board of Directors of the Parent Company on March 26th 2009 and are subject to approval by the Annual General Shareholders' Meeting.

f) 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:

a) Recognition of income from construction contracts: The Group uses the percentage of completion method to recognize revenue from construction contracts, in accordance with IAS 11. According to this method the construction cost as of each balance sheet date is compared to the budgeted total cost of the project in order to determine the percentage of completion of the project. 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 and the total contractual payment of the projects arise from estimation procedures and are reassessed and reviewed at each balance sheet date.

b) Provision for income tax: The provision for income tax according to IAS 12 is calculated with the estimation of taxes to be paid to tax authorities and includes the current income tax for each period and a provision for additional taxes that may occur from tax audits. The final settlement of income tax may differ from the relevant amounts recognized in the financial statements.

3 SUMMARY OF KEY ACCOUNTING PRINCIPLES

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

a) Basis of consolidation
The attached consolidated financial statements include those of TERNA 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 consolidated in the attached financial statements with the method of proportionate consolidation which includes the proportion of the joint-venture on the assets, liabilities and results 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 income statement shows the Group's share in the associate's results, while the amounts recorded by the associates directly in their equity, are recognized directly in Group's equity.

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 profit or loss
(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 investment available for sale. After the initial recognition, available for sale investments are valued at fair value with the resulting gains or losses being recognized as a separate item in equity. Upon sale or write-off or impairment of the investment the accumulated gains or losses are included in the profit or loss.

(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 profit or loss 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 profit or loss
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 profit or loss.

(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 profit or loss 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 balance sheet 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 Company's bank loans are denominated in euros and are subject to variable and fix interest rates. The Company does not use financial derivatives to reduce its exposure to interest rate risk. 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 Balance Sheets 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 attached consolidated income statement.
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 balance sheet date all subsidiaries' accounts 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 from the valuation of foreign subsidiaries are recoded directly in equity. During the sale or distribution of foreign subsidiaries the cumulative foreign exchange differences are recorded in income statement.

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 Balance Sheet date are compared to the total estimated cost of the project in order to determine the percentage of the project that has been completed. This percentage is applied to the total revised contract price in order to determine the cumulated income from the project, based on which the invoiced income to date is revised. The cumulated effect of the revisions of the total estimated construction cost and the total contract price are accounted for during the accounting periods in which they arise. In the cases of

contracts where it is forecast that the total estimated cost will exceed the total contract price, the entire loss is recognized in the year during which the loss-making events become probable.
Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced, while non-accrued income comprises amounts invoiced up to the balance sheet date over and above the income calculated using the percentage-of-completion method.
Project execution down-payments represent amounts received by the Company upon signing the relevant contracts and are proportionally netted-off with the partial invoicing. The remaining amount appears as a liability in the attached financial statements.

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

(iii) Revenue from the sale of Electric Energy
Revenue from the sale of Electric Energy is accounted for in the year in which it accrues. Revenue from sales of electric energy to DESMHE or any other buyer that have not yet been invoiced is recognized as accrued non-invoiced income in the financial statements.

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

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

(vi) Interest
Interest income is recognized on an accruals basis.

h)Tangible Fixed Assets
As previously mentioned, the Company has valued certain land and buildings at fair value on January 1st , 2004 and these fair values have been used as deemed cost at the date of transition to IFRS. The resulting surplus was credited to the profits carried forward account. The remaining land, buildings, machinery and vehicles are measured at purchase cost less accumulated depreciation and any provisions for impairment.
Repairs and maintenance are booked as expenses during the year in which they are incurred. Significant improvements are capitalized in the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.
Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the financial year in which the fixed asset in question is eliminated.
Fixed assets under construction include fixed assets that are work in progress and are recorded at cost. Fixed assets under construction are not depreciated until the asset is completed and put into operation.

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

	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 income statement. The recoverable amount is defined as the largest between the net estimated sale price and the value in use. The net sale value 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 loss 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.

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 income statement 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 acquisition cost of an investment property is eliminated from the accounts upon sale. All gains or losses resulting from the sale of an investment property are included in the income statement of the year during which it was sold. Investment property being build or developed are recorded at book value in tangible assets till their completion, and then they are transferred to investment property.

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 balance sheet date 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 to be received for the construction of fixed assets and inventories, whose construction requires a significant period of time, increase the value of relevant assets from 1.1.2008 and onwards, based on the revised IAS 23. The capitalization of interest will be 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 attached income statement and consist of the present value of benefits that have accrued during the year, the interest on the benefits' liability, the cost of prior service, the actuarial profit or loss and any other additional retirement costs. The prior service costs are recognized on a straight line basis over the average period during which access to the program's benefits is earned. The liabilities for retirement benefits are not financed. As at the 1st of January 2004 (transition date to IFRS and compilation of initial Balance Sheet) the Company, applying the exemptions provided for by IFRS 1 for the first-time application of the IFRS, recognized the total actuarial losses that had accumulated as of the 1st of January 2004. During the compilation of subsequent financial statements TERNA, applying the general provisions of IAS 19, followed the "margin" method for the recognition of accumulated actuarial losses/profits. Actuarial profits and losses are registered as income or expenses when the accumulated actuarial profit or losses for each program separately exceed 10% of the largest value between the liability of the defined benefit and the actual value of the program's assets. These profits or losses are systematically recorded during the expected average remaining working life of employees participating in the programs.

q) Government Pension Plans

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

r) Income Tax (Current and Deferred)

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

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

Income tax that relates to items, which have been directly recognized in equity, is directly recorded in equity and not in the income statement.

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 results. Capitalized leased fixed assets are depreciated based on the estimated 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 income statement on a constant basis for the duration of the lease.

t) Government Grants

The Group has not received government grants.

u) Provisions, Contingent Liabilities and Contingent Receivables

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

(Amounts in thousand Euro, unless stated otherwise)

v)Earnings per Share

Basic earnings per share (EPS) are calculated by dividing net earnings 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 Company as own-shares.

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

4 GROUP STRUCTURE

The following table presents the participations of TERNA SA, direct and indirect, in economic entities during 31.12.2008, which were included in the consolidation:

COMPANY NAME	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
IRON THERMOELECTRIC S.A.	Greece	0.00	50.00	50.00	Proportionate
VRONTIS QUARRY PRODUCTS SA	Greece	100.00	0.00	100.00	Full
TERNA OVERSEAS LTD	Cyprus	100.00	0.00	100.00	Full
TERNA QATAR LLC **	Qatar	0.00	40.00	40.00	Full
TERNA BAHRAIN HOLDING WLL	Bahrain	0.00	99.99	99.99	Full
PCC TERNA WLL	Bahrain	0.00	80.00	80.00	Full
TERNA CONTRACTING CO WLL	Bahrain	0.00	100.00	100.00	Full
TERNA ELECTRICAL MECHANICAL WLL	Bahrain	0.00	70.00	70.00	Full
J/V MAIN ARROGATION CANAL D 1	Greece	75.00	0.00	75.00	Proportionate
J/V TRAM CIVIL ENGINEERING PROJECTS (IMPREGILO)	Greece	55.00	0.00	55.00	Proportionate
J/V IRAKLEION CAMPUS	Greece	50.00	0.00	50.00	Proportionate
J/V ANCIENT OLYMPIA BY-PASS	Greece	50.00	0.00	50.00	Proportionate
J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	Greece	20.00	0.00	20.00	Proportionate
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	Greece	50.00	0.00	50.00	Proportionate
J/V DEPA PROJECT	Greece	10.00	0.00	10.00	Proportionate
J/V UNDERGROUND CARS THESSALONIKI	Greece	50.00	0.00	50.00	Proportionate
J/V ARTA-FILIPPIADA BY-PASS	Greece	98.00	0.00	98.00	Proportionate
J/V ATHENS CONCERT HALL	Greece	49.50	0.00	49.50	Proportionate
J/V ATHENS CAR PARKS	Greece	20.00	0.00	20.00	Proportionate

(Amounts in thousand Euro, unless stated otherwise)

COMPANY NAME	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
J/V PERISTERI METRO	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA S.A. - ATHINA ATE ARAHTHOS PERIST. PROJECTS	Greece	62.50	0.00	62.50	Proportionate
J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	Greece	24.00	0.00	24.00	Proportionate
J/V THALES ATM SA-TERNA UPGRADE OF TACAN STATIONS	Greece	22.55	0.00	22.55	Proportionate
J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE	Greece	35.00	0.00	35.00	Proportionate
JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	Greece	37.50	0.00	37.50	Proportionate
J/V TERNA S.A. PANTECHNIKI S.A.	Greece	83.50	0.00	83.50	Proportionate
J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	Greece	49.50	0.00	49.50	Proportionate
J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	Greece	35.00	0.00	35.00	Proportionate
J/V TERNA SA - ATHINA ATE	Greece	62.50	0.00	62.50	Proportionate
J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	Greece	50.00	0.00	50.00	Proportionate
J/V SALONIKA PARK	Greece	50.00	0.00	50.00	Proportionate
J/V SIEMENS-AKTOR ATE-TERNA SA	Greece	37.50	0.00	37.50	Proportionate
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	0.00	65.00	Proportionate
J/V TERNA S.A.-THALES S.A.	Greece	50.00	0.00	50.00	Proportionate
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	Greece	25.00	0.00	25.00	Proportionate
J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	Greece	49.00	0.00	49.00	Proportionate
J/V UNDERGROUND CHAIDARI-PART A	Greece	50.00	0.00	50.00	Proportionate
J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	Greece	60.00	0.00	60.00	Proportionate
J/V TERNA SA - TERNA ENERGY SA	Greece	50.00	0.00	50.00	Proportionate
J/V BIOTER SA-TERNA SA	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA SA - IONIOS SA	Greece	90.00	0.00	90.00	Proportionate
J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	Greece	39.20	0.00	39.20	Proportionate
J/V TERNA-MOCHLOS ATE	Greece	70.00	0.00	70.00	Proportionate
J/V TERNA-VIOTER SA	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA-ERGODOMI-KTISTOR ATE	Greece	50.00	0.00	50.00	Proportionate

(Amounts in thousand Euro, unless stated otherwise)

COMPANY NAME	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
J/V EDRASI-PSALLIDAS-TERNA-EDRACO	Greece	51.00	0.00	51.00	Proportionate
J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J&P AVAX-IMEC GmbH	Greece	24.00	0.00	24.00	Proportionate
J/V TERNA-KARAGIANNIS	Greece	50.00	0.00	50.00	Proportionate
J/V EUROPEAN TECHNICAL-HOMER-TERNA	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA-THEMELIODOMI	Greece	60.00	0.00	60.00	Proportionate
J/V TERNA-AKTOR GOULANDRI MUSEUM	Greece	50.00	0.00	50.00	Proportionate
J/V FRAGMATOS PRAMORITSA	Greece	33.33	0.00	33.33	Proportionate
J/V TERNA-EDRASI-STROTIRES - WP	Greece	41.00	0.00	41.00	Proportionate
J/V UNIVERSITY OF CRETE-RETHYMNON	Greece	25.00	0.00	25.00	Proportionate
J/V EKTER-TERNA (THETIKON)	Greece	50.00	0.00	50.00	Proportionate
J/V AKTOR-TERNA SA	Greece	50.00	0.00	50.00	Proportionate
J/V AKTOR-TERNA SA IASO BUILDING	Greece	50.00	0.00	50.00	Proportionate
J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	Greece	31.50	0.00	31.50	Proportionate
J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	Greece	35.00	0.00	35.00	Proportionate
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	Greece	33.33	0.00	33.33	Proportionate
J/V THEMELIODOMI-TERNA-DIEKAT-KTIRIODOMI SA	Greece	25.00	0.00	25.00	Proportionate
J/V MINISTRY OF TRANSPORTATION	Greece	33.33	0.00	33.33	Proportionate
J/V AEGEK TERNA	Greece	45.00	0.00	45.00	Proportionate
J&P AVAX SA-TERNA SA-EYKLEIDIS	Greece	35.00	0.00	35.00	Proportionate
J/V EURO IONIA	Greece	33.33	0.00	33.33	Proportionate
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12.00	0.00	12.00	Proportionate
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	50.00	0.00	12.00	Proportionate
J/V TERNA - AKTOR	Greece	33.33	0.00	50.00	Proportionate
J/V CENTRAL GREECE MOTORWAY E-65	Greece	33.33	0.00	33.33	Proportionate
J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS –TREIS GEFYRES	Greece	50.00	0.00	33.33	Proportionate
J/V TERNA SA- AKTOR ATE DOMOKOS	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA SA-THALES RAIL SIGNALLING SOLUTIONS	Greece	33.33	0.00	50.00	Proportionate
J/V J&P AVAS SA-VIOTER SA-TERNA	Greece	49.00	0.00	33.33	Proportionate

(Amounts in thousand Euro, unless stated otherwise)

COMPANY NAME	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
SA					
J/V ALPINE BAU-TERNA SA	Greece	36.00	0.00	49.00	Proportionate
J/V TRAM CIVIL ENGINEER WORKS	Greece	50.00	0.00	36.00	Proportionate
JV QBC S.A. - TERNA S.A.	Qatar	40.00	0.00	40.00	Proportionate
HAMRIYAH CEMENT COMPANY FZC	U.A.E.	0.00	40.00	40.00	Equity

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

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

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

The voting rights of TERNA SA in all the aforementioned participations, except for those indicated under (**), coincide with the respective participation in the share capital of such companies.

5 INTANGIBLE FIXED ASSETS

The intangible fixed assets as at 31 December 2008, in the attached financial statements, are analyzed as follows:

	GROUP			
	Concessions and Rights	Software	Research & Development	Total
Net book value 1.1.2008	**5,291**	**54**	**164**	**5,509**
Additions	0	161	0	161
Amortization for the Period	(220)	(57)	(6)	(283)
Net book value 31.12.2008	**5,071**	**158**	**158**	**5,387**

(Amounts in thousand Euro, unless stated otherwise)

Cost 1.1.2008	6,623	695	182	7,500
Accumulated Amortization	(1,332)	(641)	(18)	(1,991)
Net book value 1.1.2008	**5,291**	**54**	**164**	**5,509**
Cost 31.12.2008	6,623	856	182	7,661
Accumulated Amortization	(1,552)	(698)	(24)	(2,274)
Net book value 31.12.2008	**5,071**	**158**	**158**	**5,387**

	GROUP			
	Concessions and Rights	**Software**	**Research & Development**	**Total**
Net book value 1.1.2007	**5,492**	**74**	**0**	**5,566**
Additions	0	25	0	25
Newly consolidated companies-cost	20	0	182	202
Newly consolidated companies-amortization	(1)	(0)	(12)	(13)
Amortization for the Period	(220)	(44)	(6)	(270)
Other movements in book cost of fixed assets	0	(3)	0	(3)
Other movements in amortization of fixed assets	0	2	0	2
Net book value 31.12.2007	**5,291**	**54**	**164**	**5,509**
Cost 1.1.2007	6,603	673	0	7,276
Accumulated Amortization	(1,111)	(599)	(0)	(1,710)
Net book value 1.1.2007	**5,492**	**74**	**0**	**5,566**
Cost 31.12.2007	6,623	695	182	7,500
Accumulated Amortization	(1,332)	(641)	(18)	(1,991)
Net book value 31.12.2007	**5,291**	**54**	**164**	**5,509**

	COMPANY			
	Concessions and Rights	**Software**	**Research & Development**	**Total**
Net book value 1.1.2008	**5,291**	**54**	**164**	**5,509**
Additions	0	161	0	161
Amortization for the Period	(220)	(57)	(6)	(283)
Net book value 31.12.2008	**5,071**	**158**	**158**	**5,387**

(Amounts in thousand Euro, unless stated otherwise)

Cost 1.1.2008	6,623	695	182	7,500
Accumulated Amortization	(1,332)	(641)	(18)	(1,991)
Net book value 1.1.2008	**5,291**	**54**	**164**	**5,509**
Cost 31.12.2008	6,623	856	182	7,661
Accumulated Amortization	(1,552)	(698)	(24)	(2,274)
Net book value 31.12.2008	**5,071**	**158**	**158**	**5,387**

	COMPANY			
	Concessions and Rights	**Software**	**Research & Development**	**Total**
Net book value 1.1.2007	**5,492**	**74**	**0**	
Additions	0	24	0	24
Acquisition cost of fixed assets of newly consolidated companies	20	0	182	202
Accumulated amortization of fixed assets of newly consolidated companies	(1)	(0)	(12)	(13)
Amortization for the Period	(220)	(44)	(6)	(270)
Net book value 31.12.2007	**5,291**	**54**	**164**	**5,509**
Cost 1.1.2007	6,603	634	0	7,237
Accumulated Amortization	(1,111)	(560)	(0)	(1,671)
Net book value 1.1.2007	**5,492**	**74**	**0**	**5,566**
Cost 31.12.2007	6,623	658	182	7,463
Accumulated Amortization	(1,332)	(604)	(18)	(1,954)
Net book value 31.12.2007	**5,291**	**54**	**164**	**5,509**

The account Concessions and Rights include the recognition of purchased rights to exploit quarries with an initial agreed duration of 20-30 years.

The Group’s amortization for 2008 has been registered in the Income Statement in Cost of Sales by euro 20 (40 in 2007) and Administrative and Selling Expenses by euro 263 (230 in 2007).

The Company’s amortization for 2008 has been registered in the Income Statement in Cost of Sales by euro 20 (40 in 2007) and Administrative and Selling Expenses by euro 263 (230 in 2007).

6 TANGIBLE FIXED ASSETS

The account of tangible fixed assets on 31 December 2008 in the accompanying financial statements, is analyzed as follows:

(Amounts in thousand Euro, unless stated otherwise)

GROUP	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Other	Assets under construction	Total
Net book value 1.1.2008	**9,834**	**7,528**	**58,805**	**9,796**	**1,774**	**356**	**88,093**
Additions	287	408	9,417	1,386	1,235	324	**13,057**
Additions of discontinued activities	184	29	33	0	5	398	**649**
Additions based on financial leasing agreements	0	0	17,301	1,553	0	0	**18,854**
Transfers of constructed fixed assets	0	0	20	0	0	(20)	**0**
Transfer of book cost on 31.12.2008 of discontinued activity	(1,193)	(6,867)	(25,395)	(10)	(165)	(398)	**(34,028)**
Transfer of accumulated depreciations on 31.12.2008 of discontinued activity	0	2,119	6,233	5	114	0	**8,471**
Book cost of sold, written-off fixed assets	(0)	(322)	(252)	(109)	(1,617)	(0)	**(2,300)**
Accumulated depreciations of sold, written-off fixed assets	0	322	176	102	1,584	0	**2,184**
Depreciations for the period	(277)	(183)	(8,884)	(2,323)	(1,008)	(0)	**(12,675)**
Depreciations for the period of discontinued activities	(0)	(550)	(1,551)	(2)	(28)	(0)	**(2,131)**
Other movements in acquisition cost of fixed assets (foreign exchange differences etc)	0	(391)	722	95	186	0	**612**
Other movements in depreciations of fixed assets	0	101	(119)	(6)	2	0	**(22)**
Net book value 31.12.2008	**8,835**	**2,194**	**56,506**	**10,487**	**2,082**	**660**	**80,764**
Cost 1.1.2008	10,131	10,171	82,591	16,560	6,804	356	126,613
Accumulated Depreciations	(297)	(2,643)	(23,786)	(6,764)	(5,030)	(0)	(38,520)
Net book value 1.1.2008	**9,834**	**7,528**	**58,805**	**9,796**	**1,774**	**356**	**88,093**
Cost 31.12.2008	9,410	3,027	84,437	19,475	6,448	660	123,457
Accumulated Depreciations 31.12.2008	(574)	(834)	(27,931)	(8,988)	(4,366)	(0)	(42,693)
Net book value 31.12.2008	**8,836**	**2,193**	**56,506**	**10,487**	**2,082**	**660**	**80,764**

(Amounts in thousand Euro, unless stated otherwise)

GROUP	Quarries/ Land-Plots	Buildin gs	Machinery	Vehicles	Other	Assets under construction	Total
Net book value 1.1.2007	**1,888**	**7,808**	**49,743**	**6,573**	**1,378**	**175**	**67,565**
Additions	477	610	6,816	2,663	1,273	181	12,020
Additions based on financial leasing agreements	(0)	(0)	9,920	2,552	(0)	(0)	12,472
Book cost of sold, written-off fixed assets	(0)	(118)	(947)	(252)	(492)	(0)	(1,809)
Accumulated depreciations of sold, written-off fixed assets	0	11	258	155	349	0	773
Book cost of fixed assets of newly consolidated companies	7,652	18	0	0	0	0	7,670
Accumulated depreciations of fixed assets of newly consolidated companies	(20)	(0)	(0)	(0)	(0)	(0)	(20)
Depreciations for the period	(277)	(801)	(6,759)	(2,110)	(734)	(0)	(10,681)
Other movements in acquisition cost of fixed assets (foreign exchange differences etc)	114	0	(419)	255	0	0	(50)
Other movements in depreciations of fixed assets	0	0	193	(40)	0	0	153
Net book value 31.12.2007	**9,834**	**7,528**	**58,805**	**9,796215**	**1,774**	**356**	**88,093**
Cost 1.1.2007	1,888	9,661	67,221	11,342	6,023	175	96,310
Accumulated Depreciations	(0)	(1,853)	(17,478)	(4,769)	(4,645)	(0)	(28,745)
Net book value 1.1.2007	**1,888**	**7,808**	**49,743**	**6,573**	**1,378**	**175**	**67,565**
Cost 31.12.2007	10,131	10,171	82,591	16,560	6,804	356	126,613
Accumulated Depreciations 31.12.2007	(297)	(2,643)	(23,786)	(6,764)	(5,030)	(0)	(38,520)
Net book value 31.12.2007	**9,834**	**7,528**	**58,805**	**9,796**	**1,774**	**356**	**88,093**

(Amounts in thousand Euro, unless stated otherwise)

COMPANY	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Other	Assets under construction	Total
Net book value 1.1.2008	**1,565**	**1,870**	**36,345**	**9,113**	**1,294**	**50**	**50,237**
Additions	150	409	7,665	1,060	769	171	**10,224**
Additions based on financial leasing agreements	0	0	17,301	1,552	0	0	**18,853**
Transfers of constructed fixed assets	0	0	20	0	0	0	**20**
Book cost of sold, written-off fixed assets	(0)	(322)	(2)	(56)	(1,592)	(0)	**(1,972)**
Accumulated depreciations of sold, written-off fixed assets	0	322	(21)	50	1,559	0	**1,910**
Depreciations for the period	(10)	(160)	(7,569)	(2,112)	(688)	(0)	**(10,539)**
Other movements in acquisition cost of fixed assets (foreign exchange differences etc)	0	2	134	(6)	67	0	**197**
Other movements in depreciations of fixed assets	0	0	0	(12)	0	0	**(12)**
Net book value 31.12.2008	**1,705**	**2,121**	**53,873**	**9,589**	**1,409**	**221**	**68,918**
Cost 1.1.2008	1,596	2,706	53,692	15,523	5,310	50	78,877
Accumulated Depreciations	(31)	(836)	(17,347)	(6,410)	(4,016)	(0)	(28,640)
Net book value 1.1.2008	**1,565**	**1,870**	**36,345**	**9,113**	**1,294**	**50**	**50,237**
Cost 31.12.2008	1,746	2,794	78,809	18,072	4,554	221	106,196
Accumulated Depreciations 31.12.2008	(41)	(673)	(24,936)	(8,483)	(3,145)	(0)	(37,278)
Net book value 31.12.2008	**1,705**	**2,121**	**53,873**	**9,589**	**1,409**	**221**	**68,918**

(Amounts in thousand Euro, unless stated otherwise)

COMPANY	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Other	Assets under construction	Total
Net book value 1.1.2007	**1,286**	**1,979**	**26,592**	**6,438**	**1,129**	**0**	**37,424**
Additions	114	80	5,330	1,925	777	50	8,276
Additions based on financial leasing agreements	0	0	9,921	2,552	0	0	12,473
Book cost of sold, written-off fixed assets	(0)	(97)	(634)	(114)	(333)	(0)	(1178)
Accumulated depreciations of sold, written-off fixed assets	0	11	89	55	201	0	356
Depreciations for the period	(10)	(121)	(4,737)	(1,959)	(480)	(0)	(7,307)
Other movements in acquisition cost of fixed assets (foreign exchange differences etc)	196	18	(261)	261	0	0	214
Other movements in depreciations of fixed assets	(21)	0	45	(45)	0	0	(21)
Net book value 31.12.2007	**1,565**	**1,870**	**36,345**	**9,113**	**1,294**	**50**	**50,237**
Cost 1.1.2007	1,286	2,704	39,338	10,898	4,685	0	58,911
Accumulated Depreciations	(0)	(725)	(12,746)	(4,460)	(3,736)	(0)	(21,667)
Net book value 1.1.2007	**1,286**	**1,979**	**26,592**	**6,438**	**949**	**0**	**37,244**
Cost 31.12.2007	1,596	2,706	53,692	15,523	5,310	50	78,877
Accumulated Depreciations 31.12.2007	(31)	(836)	(17,347)	(6,410)	(4,016)	(0)	(28,640)
Net book value 31.12.2007	**1,565**	**1,870**	**36,345**	**9,113**	**1,294**	**50**	**50,237**

(Amounts in thousand Euro, unless stated otherwise)

The depreciations of the Group for 2008, from ongoing activities, have been registered in the Income Statement in Cost of Sales by euro 12,114 (8,003 in 2007), and in Administration and Distribution Expenses by euro 561 (555 in 2007).

The depreciations of the Company of euro 522, are presented in the Income Statement in Cost of Sales by euro 9,993 (6,757 in 2007) and in Administration and Distribution Expenses by euro 546 (552 in 2007).

From the above tangible fixed assets of the Group, the following have been acquired through financial leasing:

	Machinery	Vehicles	Total
Cost 31.12.2008	61,356	6,132	**67,488**
Accumulated depreciations	(11,499)	(1,471)	**(12,970)**
Net book value 31.12.2008	**49,857**	**4,661**	**54,518**

	Machinery	Vehicles	Total
Cost 31.12.2007	44,051	4,580	**48,631**
Accumulated depreciations	(4,107)	(672)	**(4,779)**
Net book value 31.12.2007	**39,944**	**3,908**	**48,352**

7 INVESTMENT PROPERTY

Investment property as at 31 December 2008 in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
Balance January 1st	**7,748**	**6,917**	**7,748**	**6,917**
Additions for the period	0		0	
Reductions for the period	(6,152)	(180)	(6,152)	(180)
Adjustments to fair value	0	1,011	1,011	1,011
Balance December 31st	**1,596**	**7,748**	**1,596**	**7,748**

8 PARTICIPATIONS IN ASSOCIATE COMPANIES

The financial data of associate companies are as follows (100%):

(Amounts in thousand Euro, unless stated otherwise)

GROUP 31.12.2008	Assets	Liabilities	Equity	Income	Net Results
HAMRIYAH CEMENT CO	40,061	20,800	19,261	464	(61)

COMPANY 31.12.2008	Assets	Liabilities	Equity	Income	Net Results
HAMRIYAH CEMENT CO	12,121	12,244	(123)	102	(817)

During the period, the valuation study was concluded for the associate company HAMRIYAH CEMENT CO FZC based in SHARJAH of the U.A.E., which had been acquired in 2007. From the valuation, no differences emerged in comparison to the recognized values during acquisition.

The basic parameter used in the aforementioned study was the expected cash flows from the company, discounted with the current discount rates.

9 OTHER LONG-TERM RECEIVABLES

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Loans to joint ventures	0	616	0	0
Loans to other affiliated companies	102	0	102	0
Provided guarantees	407	1,590	359	1,479
Total	**509**	**2,206**	**461**	**1,479**

10 INVENTORIES

The inventories account on 31st December 2008 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Raw and auxiliary materials and spare parts	5,616	5,469	3,321	3,464
Finished and semi-finished products	1,996	1,915	1,996	1,915
Merchandise	197	170	197	170
Total	**7,809**	**7,554**	**5,514**	**5,549**

Raw and auxiliary materials mainly concern materials that will be incorporated in technical works the Company undertakes.

As at 31 December 2008 and 2007 there was no need for impaired or low turnover inventories.

(Amounts in thousand Euro, unless stated otherwise)

11 TRADE RECEIVABLES AND PREPAYMENTS AND OTHER RECEIVABLES

The trade receivables on December 31st 2008, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Trade receivables	187,403	99,274	128,592	55,270
Receivables from construction projects underway	76,570	70,464	44,662	46,149
Customers - Doubtful and Litigious	1,986	2,002	1,852	1,862
Checks receivable	2,544	3,427	2,544	3,388
Minus: Provision for doubtful receivables	(5,850)	(7,764)	(5,850)	(7,764)
	262,653	**167,403**	**171,800**	**98,905**

The prepayments and other receivables on December 31st 2008 in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Prepayments to Suppliers	67,347	44,075	34,243	41,661
Accounts for Management of Prepayments and Credits	3,088	4,256	1,869	1,144
Deferred Expenses - Accrued Income	5,526	5,986	3,839	2,926
Other receivables against subsidiaries and joint ventures of the Group and other affiliates	9,985	152	34,440	20,664
Other Receivables - Sundry Debtors	12,958	7,322	3,871	241
Blocked deposit accounts	423	1,438	423	1,438
Minus: Provisions for doubtful receivables	(2,304)	(2,304)	(2,304)	(2,304)
	97,023	**60,925**	**76,381**	**65,770**

The movement of the account for impairment of receivables from customers and debtors during the period, is analyzed as follows:

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Opening balance	**10,068**	**10,568**	**10,068**	**10,568**
Provisions for the period	0	1,000	0	1,000
Reversal of provisions for the period	(1,914)	(1,500)	(1,914)	(1,500)
Closing balance	**8,154**	**10,068**	**8,154**	**10,068**

The reversal of created provisions amounting to euro 1,915 is due to the fact that the reasons for which the impairment loss had been booked were repealed according to recent developments.

(Amounts in thousand Euro, unless stated otherwise)

The Company's receivables include accounts totaling euro 2,678 (3,878 for 2007) that refer to overdue receivables between 1-5 years, for which impairment loss has not been recognized. The reason for such is that there is certainty that the receivables will be collected in total.

12 CONSTRUCTION CONTRACTS

The technical works assumed by the Group and company, which were under construction as at 31.12.2008, are analyzed as follows:

	GROUP		COMPANY	
Cumulatively from the beginning of the projects	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Cumulative costs	1,660,270	1,353,262	994,391	879,758
Cumulative profit	241,522	242,451	162,581	185,111
Cumulative loss	(33,064)	(19,039)	(21,610)	(13,522)
Pricings	(1,812,241)	(1,543,467)	(1,108,292)	(1,034,892)
	56,487	**33,207**	**27,070**	**16,455**
Receivables from customers of projects	76,570	70,764	44,662	46,149
Liabilities to customers of projects	(20,083)	(37,257)	(17,592)	(29,694)
Net receivables from customers of projects	**56,487**	**33,507**	**27,070**	**16,455**
Received prepayments	235,075	88,961	114,806	53,153
Withheld good execution guarantees	40,971	9,665	34,111	10,396

13 CASH & CASH EQUIVALENTS

The cash & cash equivalents on 31st December 2008, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Cash in hand	1,082	171	197	68
Site and Term Deposits	187,879	84,799	115,001	32,117
Total	**188,961**	**84,970**	**115,198**	**32,185**

14 LONG-TERM LOANS AND FINANCIAL LEASES

The long-term loans and liabilities from financial leases on 31st December 2008, in the accompanying financial statements, are analyzed as follows:

(Amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Liabilities from financial leasing	35,783	28,787	35,783	21,765
Minus: Short-term portion	(6,499)	(9,103)	(6,499)	(3,876)
Long-term loans	12,944	10,255	0	0
Minus: Short-term portion	(3,299)	0	0	0
	38,929	**29,939**	**29,284**	**17,889**

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

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Up to 1 Year	3,299	0	0	0
Between 2 & 5 Years	9,645	10,255	0	0
Over 5 Years	0	0	0	0

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

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Up to 1 Year	6,499	9,103	6,499	3,876
Between 2 & 5 Years	26,416	17,053	26,416	15,875
Over 5 Years	2,868	2,631	2,868	2,014

Finance leases are in euro and for the most part concern mechanical and factory equipment used for the execution needs of construction projects. The weighted average interest on the above finance leases amounted to 5.89 and 5.35% for the Group and company respectively (6.13% and 5.03% respectively during 2007).

Long-term loans are mainly in euro and for the most part used to cover the development needs of the Group’s construction sector. The weighted average interest rate on the above loans during 2008 amounted to 4.22% for loans in USD and to 5.71% for loans in BHD (6.02% for loans in USD during 2007, respectively).

15 PROVISIONS FOR STAFF INDEMNITIES

According to Greek labor law, each employee is entitled to a lump-sum indemnity in case of dismissal or retirement. The amount of the indemnity depends on the length of service with the company and the employee’s wages the day he/she is dismissed or retires. Employees that resign or are justifiably dismissed are not entitled to such an indemnity. The indemnity payable in case of retirement in Greece is equal to 40% of the indemnity calculated in case of dismissal. According to the practices in the countries where the subsidiaries of the Group are operating in, staff indemnity programs are usually not funded.

(Amounts in thousand Euro, unless stated otherwise)

The liabilities for staff indemnity liabilities were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions recorded in the results for the financial year ended on the 31st of December 31, 2008 and the movement of the relevant provision accounts for staff indemnities presented in the attached consolidated Balance Sheet for the year ended on December 31st 2008.

The amount due for staff indemnities is analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Present value of liabilities	3,464	1,287	2,637	1,124
Non-registered actuarial losses	(469)	0	(469)	0
Recognized liability	**2,995**	**1,287**	**2,168**	**1,124**

The expense for staff indemnity recognized in the income statement in the cost of sales account, is analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Current cost of service	1,525	287	856	181
Financial cost	77	119	77	67
Recognition of actuarial profit/losses	96	94	96	94
Effect of cut-backs or settlements	273	324	272	324
	1,971	**824**	**1,301**	**666**

The movement of the relevant provision account in the Balance Sheet is as follows:

	GROUP		**COMPANY**	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Opening balance	**1,287**	**806**	**1,124**	**771**
Provision recognized in the income statement	1,971	824	1,301	666
Transfer from other provisions	146	0	146	0
Foreign exchange differences from conversion	21	0	17	0
Provisions for discontinued activity	(10)	0	0	0
Indemnities paid	(420)	(343)	(420)	(313)
Closing balance	**2,995**	**1,287**	**2,168**	**1,124**

The main actuarial assumptions for financial years 2008 and 2007 are as follows:

(Amounts in thousand Euro, unless stated otherwise)

	2008	2007
Discount rate	5.5%	4.1%
Average annual rate of inflation	2%	2%
Average annual long-term GDP growth	3%	3%
Mortality: Greek Mortality Table	1990	1990
Future wage increases	2.9%	2.9%
Movement of salaried workers (departure under their own will)	3%	3%
Movement of day-waged workers (departure under their own will)	2%	2%
Movement of salaried workers (laid-off)	12%	12%
Movement of day-waged workers (laid-off)	25%	25%

16 OTHER PROVISIONS

The movement of the relevant provision in the Balance Sheet for financial years 2008 and 2007, is as follows:

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
Balance 1.1.2008	**114**	**1,075**	**1,189**	**114**	**2,658**	**2,772**
Provision recognized in the results	0	400	**400**	0	300	**300**
Provision recognized in fixed assets	0	0	**0**	0	0	**0**
Transfer from/(to) short-term liabilities	0	(8)	**(8)**	0	(1,943)	**(1,943)**
Transfer to provisions for staff indemnities	0	(146)	**(146)**	0	(146)	**(146)**
Used provisions	0	(393)	**(393)**	0	(42)	**(42)**
Balance 31.12.2008	**114**	**928**	**1,042**	**114**	**827**	**941**

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
Balance 1.1.2007	**0**	**1,175**	**1,175**	**0**	**668**	**668**
Provision recognized in the results	0	146	**146**	0	2,126	**2,126**
Provision recognized in fixed assets	114	0	**114**	114	0	**114**
Used provisions	0	(246)	**(246)**	0	(136)	**(136)**
Balance 31.12.2007	**114**	**1,075**	**1,189**	**114**	**2,658**	**2,772**

(Amounts in thousand Euro, unless stated otherwise)

During the present period provisions were made for tax unaudited fiscal years of the Group's companies and joint ventures amounting to euro 400, which are included in the provisions of the balance "Other provisions". The respective account for the company amounted to euro 300.

17 SUPPLIERS, ACCRUED AND OTHER LIABILITIES

The suppliers on 31st December 2008, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Suppliers	112,432	63,533	81,687	40,960
Checks & notes payable	13,432	6,749	10,948	5,071
	125,864	**70,282**	**92,635**	**46,031**

The account accrued and other short-term liabilities on 31st December 2008 in the attached financial statements, is analyzed as follows:

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Liabilities from taxes-duties	16,747	7,462	14,675	4,503
Insurance organizations	1,636	1,229	1,101	788
Dividends payable	29	79	29	79
Liabilities to affiliates	46,514	5,895	64,160	4,022
Customer prepayments	193,028	92,745	56,094	54,646
Accrued expenses and deferred income and other transitory accounts	3,091	6,482	1,028	2,464
Liabilities from contracts related to construction projects under development	20,083	37,257	17,592	29,693
Sundry Creditors	11,757	10,690	5,797	14,350
	292,885	**161,839**	**160,476**	**110,545**
Long-term portion	**42,047**	**1**	**58,712**	**1**
Short-term portion	**250,838**	**161,838**	**101,764**	**110,544**

The long-term liabilities refer to customer prepayments for projects whose certification and offsetting will take place after 31.12.2009.

18 SHORT-TERM LOANS

The short-term loans refer mainly to current bank accounts having a duration between one and three months and are renewed depending on the needs. The amounts withdrawn are mainly used to cover the liquidity needs for the construction of technical works. Such loans, with the completion of the relevant projects, are repaid with the collection of the contractor prices.

The largest part of the Group's loans (75,063 on 31/12/08 and 44,955 on 31/12/07) are issued in euro and the weighted average interest rate for such during 2008 amounted to 6.43% (5.77% during 2007). The remaining amount refers to loans in AED and QAR with an average rate during 2008 of 4.8% (4.2% during 2007).

19 SHARE CAPITAL

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

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

Shareholders have the right to dividends, as such are proposed annually, while each share carries one voting right in the General Shareholders' Meetings.

The weighted average number of shares outstanding for 2008 and 2007, for the purpose of earnings per share, corresponded to 289,100 and 287,100 respectively, taking into account the share capital increase by euro 200,000 at the end of 2007.

The earnings per share from continued activities for 2008 amount to euro 58.50 (euro 30.39 in 2007) and were calculated based on earnings corresponding to shareholders of the parent and amounting to euro 16,913,000 (euro 8,725,000 in 2007) and the weighted average number of shares outstanding during 2008 and 2007 respectively.

The Board of Directors proposes the non distribution of dividend for 2008, a proposal which is subject to approval by the ordinary General Meeting of the Company's shareholders.

20 INCOME TAX

According to Greek tax legislation the tax rate corresponds to 25% for 2008 and 2009, reduced by 1% or the subsequent 5 financial years (20% for 2014). The effective tax rate differs from the nominal. The calculation of the effective tax rate is affected by several factors, the most important of which are the non-exemption of specific expenses, differences from the use of depreciation rates that emerge between the fixed asset's useful life and the use of rates stipulated by PD 299/2003 and the capability of companies to create tax-exempt discounts and tax-exempt reserves, and the aforementioned reduction of the tax rate through calculations of deferred income tax.

(a) Current tax

Income tax in the accompanying consolidated financial statements is analyzed as follows:

(Amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Current tax expense				
Current tax	7,214	6,479	4,341	2,462
Tax of previous years	838	53	812	0
	8,052	**6,532**	**5,153**	**2,462**
Deferred tax expense	4,243	(5,035)	3,532	(5,007)
Total	**12,295**	**1,497**	**8,685**	**(2,544)**

The aforementioned tax expense for 2008 and 2007 also includes the tax for the discontinued operation amounting to euro 181 and 539 (tax revenue) respectively, which in the income statement of 2008 and 2007 appears offset in net results from the discontinued operation.

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

	GROUP		COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Earnings before tax	30,610	11,893	30,912	7,147
Nominal tax rate	**25%**	**25%**	**25%**	**25%**
Income tax based on the effective nominal tax rate	**7,653**	**2,973**	**7,728**	**1,787**
Tax difference of accounting-implied profit	156	0	156	0
Complementary property tax	0	21	0	21
Implied taxation method	610	786	247	948
Expenses not included in the calculation of tax	743	744	654	122
Provision for tax audit differences	400	0	300	0
Effect of differences of tax rate	(385)	0	170	0
Tax audit differences	838	53	812	0
Difference in taxation of foreign companies	(3,433)	(2,109)	(3,029)	(1,700)
Non-recognition of tax losses	6,178	357	4,146	199
Tax-exempt reserves and income	(465)	(1,328)	(2,500)	(3,922)
Real tax expense / (income)	**12,295**	**1,497**	**8,685**	**(2,544)**

The above earnings before tax for 2008 and 2007 also includes the earnings before tax of the discontinued activity amounting to euro 1,456 and 2,154 (profit) respectively, which in the income statement of 2008 and 2007 appears offset with the net result from the discontinued activity.

The income tax statement is submitted on an annual basis, however profit or losses that are state remain temporary until the tax authorities audit the books and items and issue the final tax report. In this case it is possible that the tax authorities may impose additional taxes and surcharges. For this reason, and based on new information that emerged from tax audits of previous periods, which were conducted during the preparation of the accompanying financial statements, relevant provisions have been recognized for possible additional taxes and surcharges that may be imposed, amounting to €400 for the Group and €300 for the company. The provisions are included in the account "Other Provisions".

(Amounts in thousand Euro, unless stated otherwise)

The tax losses, to the extent that such are accepted by the tax authorities, may offset future profit for a period of five years from the year such emerged.

The Company has been tax-audited up to the fiscal year 2007 included. During the preparation date of the accompanying financial statements, the non-audited tax years of the Group's companies are as follows:

A. Companies consolidated with the full consolidation method:

Company	Domicile	Total Participation %	Tax Unaudited Fiscal Years
IRON THERMOELECTRIC S.A.	Greece	50	2004-2007
VRONTIS QUARRY PRODUCTS SA	Greece	100	-
TERNA OVERSEAS LTD	Cyprus	100	2006-2007
TERNA BAHRAIN HOLDING WLL	Bahrain	99.99	2006-2007
TERNA QATAR LLC	Qatar	35	2006-2007
PCC TERNA WLL	Bahrain	80	2007
TERNA CONTRACTING CO WLL	Bahrain	100	1st financial year
TERNA ELECTRICAL MECHANICAL WLL	Bahrain	70.00	1st financial year

B. Companies and joint ventures consolidated with the proportionate method:

Company	Domicile	Total Participation %	Tax Unaudited Fiscal Years
JV QBC S.A. – TERNA S.A.	Qatar	40	1st financial year
J/V MAIN ARROGATION CANAL D 1	Greece	75	2002-2007
J/V TRAM CIVIL ENGINEERING PROJECTS (IMPREGILO)	Greece	55	2007
J/V IRAKLEION CAMPUS	Greece	50	2006-2007
J/V ANCIENT OLYMPIA BY-PASS	Greece	50	2004-2007
J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	Greece	20	2007
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	Greece	50	2004-2007
J/V DEPA PROJECT	Greece	10	2004-2007
J/V UNDERGROUND CARS THESSALONIKI	Greece	50	2004-2007
J/V ARTA-FILIPPIADA BY-PASS	Greece	98	2004-2007
J/V ATHENS CONCERT HALL	Greece	49.5	2003-2007
J/V ATHENS CAR PARKS	Greece	20	2004-2007
J/V PERISTERI METRO	Greece	50	2004-2007
J/V TERNA S.A. - ATHINA ATE ARAHTHOS PERIST. PROJECTS	Greece	62.5	2007
J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	Greece	24	2006-2007
J/V THALES ATM SA-TERNA UPGRADE OF TACAN STATIONS	Greece	22.25	2002-2007
J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE	Greece	35	2005-2007

(Amounts in thousand Euro, unless stated otherwise)

Company	Domicile	Total Participation %	Tax Unaudited Fiscal Years
J/V TERNA S.A. PANTECHNIKI S.A.	Greece	83.5	2005-2007
J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	Greece	49.5	2003-2007
J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	Greece	35	2006-2007
J/V TERNA SA - ATHINA ATE	Greece	62.5	2005-2007
J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	Greece	50	2002-2007
J/V SALONIKA PARK	Greece	50	2006-2007
J/V SIEMENS-AKTOR ATE-TERNA SA	Greece	37.5	2006-2007
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65	2006-2007
J/V TERNA S.A.-THALES S.A.	Greece	50	2004-2007
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	Greece	25	2007
J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	Greece	49	2007
J/V UNDERGROUND CHAIDARI-PART A	Greece	50	2007
J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	Greece	60	2007
J/V TERNA SA - TERNA ENERGY SA-TSAMBRA SA	Greece	40	2004-2007
J/V TERNA SA - TERNA ENERGY SA	Greece	50	2004-2007
J/V BIOTER SA-TERNA SA	Greece	50	2004-2007
J/V TERNA SA - IONIOS SA	Greece	90	2004-2007
J/V TERNA ENERGY SA - TERNA SA - MANIOTIS	Greece	37.5	2004-2007
J/V TERNA SA - TERNA ENERGY SA - TSAMPRAS (EPL)	Greece	56	2004-2007
J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	Greece	39.2	2005-2007
J/V TERNA-VIOTER SA	Greece	50	2004-2007
J/V TERNA-MOCHLOS ATE	Greece	70	2001-2007
J/V TERNA-ERGODOMI-KTISTOR ATE	Greece	50	2004-2007
J/V EDRASI-PSALLIDAS-TERNA-EDRACO	Greece	51	2004-2007
J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J&P AVAX-IMEC GmbH	Greece	24	2003-2007
J/V TERNA-KARAGIANNIS	Greece	50	2005-2007
J/V EUROPEAN TECHNICAL-HOMER-TERNA	Greece	50	1998-2007
J/V TERNA-THEMELIODOMI	Greece	60	2004-2007
J/V TERNA-AKTOR GOULANDRI MUSEUM	Greece	50	2002-2007
J/V FRAGMATOS PRAMORITSA	Greece	33.33	2004-2007
J/V TERNA-EDRASI-STROTIRES - WP	Greece	41	2003-2007
J/V UNIVERSITY OF CRETE-RETHYMNON	Greece	25	2006-2007
J/V EKTER-TERNA (THETIKON)	Greece	50	2004-2007
J/V AKTOR-TERNA SA	Greece	50	2004-2007
J/V AKTOR-TERNA SA IASO BUILDING	Greece	50	2004-2007
TERNA SA - PANTECHNIKI S.A. (O.A.K.A.) G.P.	Greece	50	2005-2007
J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	Greece	31.5	2007
J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	Greece	35	2007
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	Greece	33.33	2007

(Amounts in thousand Euro, unless stated otherwise)

Company	Domicile	Total Participation %	Tax Unaudited Fiscal Years
J/V THEMELIODOMI-TERNA-DIEKAT-KTIRIODOMI SA	Greece	25	2003-2007
J/V MINISTRY OF TRANSPORTATION	Greece	33	2004-2007
J/V AEGEK TERNA	Greece	44.78	2004-2007
J&P AVAX SA-TERNA SA-EYKLEIDIS	Greece	35	2004-2007
J/V EURO IONIA	Greece	33.33	2007
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12	2007
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12	2007
J/V TERNA - AKTOR	Greece	50	2007
J/V TERNA SA-THALES RAIL SIGNALLING	Greece	50	2007
J/V CENTRAL GREECE MOTORWAY E-65	Greece	33.33	1st financial year
J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS –TREIS GEFYRES	Greece	33.33	1st financial year
J/V TERNA SA- AKTOR ATE DOMOKOS	Greece	50	1st financial year
J/V ALPINE BAU-TERNA SA	Greece	49.00	1st financial year
J/V J&P AVAS SA-VIOTER SA-TERNA SA	Greece	33.33	1st financial year

C. Companies consolidated with the equity method

COMPANY NAME	DOMICILE	TOTAL PARTICIPATION %	TAX UNAUDITED FISCAL YEARS
HAMRIYAH CEMENT COMPANY FZC	U.A.E.	40.00	2007

(b) Deferred tax

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

The company maintains tax-exempt reserves amounting to euro 21,386 (euro 12,562 for 2007), which in case of distribution or capitalization will be taxed under the current tax rate. In the future the Group does not plan to distribute or capitalize this reserve.

Deferred income tax is calculated on all the temporary tax differences between the book value and the tax basis of the assets and liabilities. The deferred income tax is calculated using the expected tax rate at the time in which the tax receivable/ liability matures.

The deferred taxes (assets and liabilities) for 2008 and 2007, are analyzed as follows:

(Amounts in thousand Euro, unless stated otherwise)

GROUP	Balance Sheet		Results (Debit)/Credit	Net Position (Debit)/Credit
	31.12.2008	31.12.2007	1.1 – 31.12.2008	1.1 – 31.12.2007
Deferred tax asset				
Expense for intangible assets	77	355	(278)	0
Recognition of technical project income according to IAS 11	1,154	5,691	(4,537)	0
Provision for staff indemnity	298	283	15	0
Tax recognized losses	923	472	451	0
Other provisions	99	95	4	0
Provisions for doubtful receivables	1,631	2,339	(708)	0
Deferred tax liability				
Investment property valuation	0	(253)	253	0
Recognition of financial leases	(3,286)	(6,326)	3,040	0
Valuation of fixed assets	(1,854)	(2,840)	975	11
Difference in depreciations	(693)	2,768	(3,461)	0
Deferred tax on results/equity			**(4,246)**	**11**
Net deferred income tax asset / (liability)	**(1,651)**	**2,583**		

The balance of deferred taxation on 31.12.2008 also includes the deferred tax liability of the discontinued operations amounting to euro 2,133 (2,339 on 31.12.2007).

GROUP	Balance Sheet		Results (Debit)/Credit	Net Position (Debit)/Credit
	31.12.2007	31.12.2006	1.1 – 31.12.2007	1.1 – 31.12.2007
Deferred tax asset				
Expense for intangible assets	355	273	82	0
Recognition of technical project income according to IAS 11	5,691	319	5,372	0
Provision for staff indemnity	283	202	81	0
Valuation of investments	0	629	0	(629)
Tax recognized losses	472	0	472	0
Other provisions	95	95	0	0
Provisions for doubtful receivables	2,339	2,464	(125)	0
Deferred tax liability				
Investment property valuation	(253)	0	(253)	0
Recognition of financial leases	(6,326)	(4,734)	(1,592)	0
Valuation of fixed assets	(2,840)	(970)	(6)	(1,864)
Difference in depreciations	2,768	1,764	1,004	0
Deferred tax on results/equity			**5,035**	**(2,493)**
Net deferred income tax asset / (liability)	**2,583**	**42**		

(Amounts in thousand Euro, unless stated otherwise)

COMPANY	**Balance Sheet**		**Results (Debit)/Credit**	**Net Position (Debit)/Credit**
	31.12.2008	**31.12.2007**	**1.1 – 31.12.2008**	**1.1 – 31.12.2008**
Deferred tax asset				
Expense for intangible assets	(3)	58	(61)	0
Recognition of technical project income according to IAS 11	1,310	4,945	(3,635)	0
Provision for staff indemnity	296	281	15	0
Other provisions	99	95	4	0
Provisions for doubtful receivables	1,631	2,339	(708)	0
Deferred tax liability				
Investment property valuation	0	(253)	253	0
Recognition of financial leases	1,962	(2,799)	4,761	0
Valuation of fixed assets	(1,520)	(976)	(555)	11
Difference in depreciations	(1,698)	1,909	(3,607)	0
Deferred tax on results/equity			**(3,532)**	**1**
Net deferred income tax asset / (liability)	**2,077**	**5,599**		

COMPANY	**Balance Sheet**		**Results (Debit)/Credit**	**Net Position (Debit)/Credit**
	31.12.2007	**31.12.2006**	**1.1 – 31.12.2007**	**1.1 – 31.12.2007**
Deferred tax asset				
Expense for intangible assets	58	150	(92)	0
Valuation of investments	0	629	0	(629)
Provision for staff indemnity	281	193	88	0
Other provisions	95	95	0	0
Provisions for doubtful receivables	2,339	2,464	(125)	0
Deferred tax liability				
Investment property valuation	(253)	0	(253)	0
Recognition of financial leases	(2,799)	(2,240)	(559)	0
Valuation of fixed assets	(976)	(988)	12	0
Difference in depreciations	1,909	1,229	680	0
Recognition of income according to IAS 11	4,945	(311)	5,256	0
Deferred tax on results/equity			**5,007**	**(629)**
Net deferred income tax asset / (liability)	**5,599**	**1,221**		

(Amounts in thousand Euro, unless stated otherwise)

21 TURNOVER

	GROUP		COMPANY	
	1.1-31.12.2008	**1.1-31.12.2007**	**1.1-31.12.2008**	**1.1-31.12.2007**
Income from construction services	653,561	319,721	497,682	196,025
Income from sale of other services	8,320	4,437	8,320	4,437
Income from sales of products	4,496	6,185	4,496	6,185
	666,377	**330,343**	**510,498**	**206,647**

22 COST OF SALES AND ADMINISTRATION AND DISTRIBUTION EXPENSES

The cost of sales and administration and distribution expenses as at 31st December 2008 in the attached financial statements, are analyzed as follows:

Cost of Sales	GROUP		COMPANY	
	1.1-31.12.2008	**1.1-31.12.2007**	**1.1-31.12.2008**	**1.1-31.12.2007**
Cost of inventories	222,245	86,667	181,552	64,199
Employee remuneration	58,340	31,090	38,850	23,288
Sub-contractors	245,018	134,249	191,955	75,635
Remuneration and expenses of engineers	13,512	5,630	7,877	7,219
Remuneration and expenses of other advisors	22,061	10,787	11,263	1,950
Other third-party benefits	5,291	2,527	3,762	2,157
Taxes dues	338	0	285	0
Depreciations	12,134	8,043	10,013	6,797
Leases	8,932	8,416	4,988	4,601
Rights	105	0	105	0
Transfer expenses	3,329	2,917	3,046	3,085
Other	16,338	8,388	5,991	5,024
	607,643	**298,714**	**459,687**	**193,955**

Administrative and Distribution Expenses	GROUP		COMPANY	
	1.1-31.12.2008	**1.1-31.12.2007**	**1.1-31.12.2008**	**1.1-31.12.2007**
Employee remuneration	6,735	7,623	6,637	6,769
Sub-contractors	0	339	0	339
Remuneration and expenses of engineers	3,195	2,818	3,195	2,818
Remuneration and expenses of other advisors	666	5,341	805	4,719

(Amounts in thousand Euro, unless stated otherwise)

Other third-party benefits	1,169	885	1,165	834
Depreciations	824	785	809	782
Leases	255	276	216	56
Transfer expenses	5,502	2,452	5,502	2,265
Travel expenses	297	1	282	1
Taxes dues	223	0	223	0
BoD Remuneration	600	0	600	0
Other	6,480	4,698	6,202	4,411
	25,946	**25,218**	**25,636**	**22,994**

23 OTHER INCOME/(EXPENSES)

The other operating income/(expenses) as at 31st December 2008 in the accompanying financial statements, are analyzed as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2008	**1.1-31.12.2007**	**1.1-31.12.2008**	**1.1-31.12.2007**
Results from participations	0		9,955	11,468
Dividends from investments	41	0	41	0
Profit/loss from investment valuation	0	2,940	0	0
Profit from the sale of participations	0	2,373	0	6,484
Other provision of services	1,152	1,509	1,820	1,529
Valuation of investment property	0	1,011	0	1,011
Income from rents	0	373	0	373
Other provisions	0	2	0	2
Foreign exchange differences	(2,360)	(1,212)	(1,985)	(1,208)
Taxes - dues	(44)	(34)	(44)	(32)
Other income	1,769	612	1,014	632
Total	**558**	**7,574**	**10,801**	**20,259**

24 FINANCIAL INCOME / (EXPENSES)

The financial income/ (expenses) as at 31st December 2008, in the accompanying financial statements, are analyzed as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2008	**1.1-31.12.2007**	**1.1-31.12.2008**	**1.1-31.12.2007**
Interest on deposit accounts	4,498	1,628	1,343	893
Loan interest	(8,651)	(5,876)	(6,393)	(3,702)
Total	**(4,153)**	**(4,248)**	**(5,050)**	**(2,809)**

(Amounts in thousand Euro, unless stated otherwise)

25 PAYROLL COST

Staff wages and the average number of employees as of December 31st 2008 are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2008	**1.1-31.12.2007**	**1.1-31.12.2008**	**1.1-31.12.2007**
Wages and ensuing benefits	52,381	30,630	36,180	23,488
Insurance and pension fund contributions	10,504	7,138	7,852	5,901
Provision for employee indemnities	1,920	830	1,323	668
Other	259	116	132	0
Total expenses	**65,064**	**38,714**	**45,487**	**30,057**
Number of employees	4,810	1,040	2,989	948

26 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED ACTIVITIES

During December 2008, the group's management announced its decision to proceed with the distribution of a 50% stake of its participation in the company IRON THERMOELECTRIC S.A. to the group GDP SUEZ. The aforementioned company operates in the production of electric energy from natural gas. The completion of the distribution of the above participation stake is expected to be completed during 2009. As at 31/12/2008 the assets and liabilities of the above activity are presented as held for sale. Moreover, the results and cash flows for the periods of 2008 and 2007 are presented as derived from "Discontinued activities".

The results of the company IRON THERMOELECTRIC S.A. as at 31.12.2008, are presented as follows:

	2008	**2007**
Turnover	26,848	17,574
Cost of sales	(24,006)	(13,798)
Gross Profit (Loss)	**2,842**	**3,778**
Administration Expenses	(880)	(669)
Financial results	(662)	(1021)
Other income/expenses	156	66
Profit before tax from discontinued operations	**1,456**	**2,154**
Income tax	181	(538)
Profit (loss) for the period from discontinued operations after tax	**1,637**	**1,616**

The most significant categories of assets and liabilities of the company IRON THERMOELECTRIC S.A. during 31.12.2008, are analyzed as follows:

(Amounts in thousand Euro, unless stated otherwise)

	31.12.2008	31.12.2007
Tangible fixed assets	25,559	27,041
Other long-term receivables	66	95
Current assets	7,526	14,191
Cash & cash equivalents	2,031	1,721
Assets	**35,182**	**43,048**
Provisions	10	7
Loan liabilities	10,901	15,123
Suppliers	1,012	6,667
Other Liabilities	3,270	5,033
Liabilities	**15,193**	**26,830**
Net value of discontinued operations	**19,989**	**16,218**

The net cash flows of the company IRON THERMOELECTRIC S.A., are as follows:

	2008	2007
Operating	5,264	990
Investment	(596)	(482)
Financial	(4,358)	(1,221)
Net cash inflows/outflows	310	(713)

Earnings per share

	2008	2007
Basic earnings per share	5.66	5.63

27 RIGHTS IN JOINT VENTURES

The Group holds rights in jointly controlled companies. The financial statements of the Group reflect its rights on assets, liabilities, revenues and expenses of joint ventures as follows:

	31.12.2008	31.12.2007
Non-current assets	29,474	31,054
Current assets	221,769	165,714
Long-term liabilities	(3,500)	(5,748)
Short-term liabilities	(219,554)	(158,938)
Net assets/liabilities	**28,189**	**32,082**

(Amounts in thousand Euro, unless stated otherwise)

Revenues	160,668	160,041
Expenses	(152,249)	(148,206)
	8,419	**11,835**

28 TRANSACTIONS WITH AFFILIATED PARTIES

The transactions, as well as the balances of the Group with its affiliated parties for 2008 and 2007, are analyzed as follows:

2008	**GROUP**				**COMPANY**			
Affiliated party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	4,560	2	423	1,988	4,560	2	423	15
Subsidiaries	0	0	0	0	352	7,011	8,825	2,227
Joint Ventures	0	0	0	0	16,315	395	26,712	66,743
Other affiliated parties	194,387	44,077	35,061	82,528	177,524	42,226	33,714	4,503
	198,947	**44,079**	**35.484**	**82,516**	**198,751**	**49,634**	**69,674**	**73,488**

2007	**GROUP**				**COMPANY**			
Affiliated party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	5,669	261	69	2,361	5,374	252	69	388
Subsidiaries	0	0	0	0	518	2,725	3,103	815
Joint Ventures	0	0	0	0	31,139	1,028	34,991	9,510
Other affiliated parties	27,480	3,446	5,347	31,975	27,179	1,064	5,271	30,080
	33,149	**3,707**	**5,416**	**34,336**	**64,210**	**5,069**	**43,434**	**40,793**

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

Remuneration of Board of Directors members and senior executives

The remuneration of Board of Directors members and senior executives recognized during 2008 are as follows:

	GROUP	**COMPANY**
Remuneration to independent professionals	910	774
Remuneration of employees	216	216
Remuneration for participation in BoD meetings	560	560
	1,686	**1,550**
Liabilities	(137)	(137)

(Amounts in thousand Euro, unless stated otherwise)

29 AIM AND POLICIES OF RISK MANAGEMENT

The group is exposed to many financial risks such as market risk (volatility in exchange rates, interest rates, market prices etc.), credit risk and liquidity risk. The risk management plan aims to eliminate the negative effect of these risks on financial results of the group as these effects are the results of the uncertainty in financial markets and the changes in costs and sales. The risk management policy is undertaken by the treasury of the Group and the procedure is as follows:

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

The financial means of the Group are mainly deposits in banks, trade debtors and creditors and liabilities from bank loans and finance leases.

FOREIGN EXCHANGE RISK

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

This kind of risk may arise for the Group, from transactions in foreign currency, with countries outside the Eurozone and with countries that do not peg their currency to the euro. Transactions mainly concern purchases of fixed assets and inventories, trade sales, investments in financial assets, loans, as well as net investments in foreign operations. The Group operates through branches and companies in Greece, the Middle East and the Balkans, and therefore it may be exposed to foreign exchange risk.

As regards to the construction projects in the Balkans: the contractual receivables, liabilities to basic suppliers (of concrete, iron products, cement, cobble, skids etc.) and subcontractors, are in euro and therefore exposure to foreign exchange risk is limited. Moreover, the Bulgarian Lev (BGN) is pegged to the euro.

As regards to the construction projects in the Middle East: the contractual receivables, liabilities to basic suppliers (of concrete, iron products, cement, cobble, skids etc.) and subcontractors, are in local currencies, which are pegged to the US Dollar (USD) and therefore there is exposure to foreign exchange risk from changes in the USD exchange rate.

	2008							
Nominal values	**RON**	**MKD**	**BGN**	**AED**	**QAR**	**BHD**	**USD**	**ALL**
Financial assets	10	611	28,802	63,497	52,815	49,265	13,223	4,480
Financial liabilities	1,536	3	20,280	54,693	58,950	30,210	38,753	7,163
Total current	**1,546**	**614**	**49,082**	**118,190**	**111,765**	**79,475**	**51,976**	**11,643**
Financial assets	0	0	2	217	0	19,172	10,641	0
Financial liabilities	0	0	0	8,712	0	1,664	10,641	0
Total non-current	**0**	**0**	**2**	**8,929**	**0**	**20,836**	**21,282**	**0**

(Amounts in thousand Euro, unless stated otherwise)

	2007							
Nominal values	**RON**	**MKD**	**BGN**	**AED**	**QAR**	**BHD**	**USD**	**ALL**
Financial assets	3,310	6,521	12,290	18,565	13,289	12,086	5,442	0
Financial liabilities	1,881	3,390	20,581	20,192	13,123	11,043	14,476	0
Total Short-term	**5,191**	**9,911**	**32,871**	**38,757**	**26,412**	**23,129**	**19,918**	**0**
Financial assets	1,299	0	2	0	1,073	9,315	10,255	0
Financial liabilities	0	0	0	0	19	149	10,255	0
Total Long-term	**1,299**	**0**	**2**	**0**	**1,092**	**9,464**	**20,510**	**0**

The following table presents the sensitivity of the year's results and equity to fluctuations in exchange rates through their effect on monetary assets and liabilities.

For the above currencies, we examined the sensitivity to a 10% change. For the BGN currency we did not examine possible changes as the currency is pegged to the euro.

	2008							
	RON	**MKD**	**BGN**	**AED**	**QAR**	**BHD**	**USD**	**ALL**
Effect on the Results before tax	(153)	62	0	31	(614)	3,656	(2,553)	(268)
Effect on Equity	(134)	0	0	(7)	48	(37)	0	1

	2007							
	RON	**MKD**	**BGN**	**AED**	**QAR**	**BHD**	**USD**	**ALL**
Effect on the Results before tax	136	157	0	(163)	122	1,021	(903)	0
Effect on Equity	0	0	0	0	19	18	0	0

To manage this category of risk, the Management and treasury department of the Group attend to make sure that the receivables (income) and liabilities (expenses) are as much as possible in euro or in currencies pegged to the euro (i.e. the Bulgarian Lev (BGN) or in the same currency so as to be offset respectively.

ANALYSIS OF INTEREST RATE RISK

The Group's policy is to minimize its exposure to interest rate risk regarding its long-term financing. 82% (euro 29,321) of liabilities from financial leasing and a total of 60% of long-term debt, are in fixed rates.

The following table presents the sensitivity of the results for the period as well as of equity towards a reasonable change in interest rates (for long-term and short-term debt) amounting to +20% –20% (2007: +/-10%). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2008		2007	
	+20%	-20%	+10%	-10%
Result for the period before taxes	(996)	996	(517)	517

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

(Amounts in thousand Euro, unless stated otherwise)

ANALYSIS OF CREDIT RISK

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

	2008	2007
Categories of financial assets		
Financial assets available for sale	36	96
Cash and equivalents	188,961	84,970
Loans and receivables	274,731	186,074
Total	**463,728**	**271,140**

The Group continuously monitors its receivables, either separately or per group and encompasses any differences in its credit risk. In cases that deemed necessary external reports related to current or potential customers are used. The Group's policy is to co-operate only with trustworthy customers.

The management of the Group assumes that the aforementioned financial assets for which necessary impairment is calculated are of high credit quality, included those in debt. (see Note 11 for further information regarding the impairment of assets or financial assets in debt).

For trade and other receivable the Group is not exposed to significant credit risk. The credit risk for receivables ready to be liquidated as well as other short-term financial assets (cash equivalents) is estimated to be minimal, given that the counterparties are reliable banks having a high grade capital structure, the Greek state or companies of the broader public sector, or powerful business groups.

ANALYSIS OF LIQUIDITY RISK

The Group and Company manage their liquidity needs by closely monitoring long-term financial liabilities and the daily payments. The liquidity needs are monitored in different time-zones daily and weekly as well as in a rolling 30 days period. The liquidity needs for the coming 6 months and the coming year are estimated on a monthly basis.

The Group and Company maintain cash and deposits in banks in order to cover liquidity needs for periods up to 30 days. The capital for long-term liquidity needs are not bonded to time-deposits of the company. The maturity of financial liabilities at the 31st of December 2008 for the Group is analyzed as follows:

	Short-term	Long-term	
	0 to 12 months	2 to 5 years	Over 5 years
Long-term Debt	3,731	10,339	0
Liabilities from financial leasing	8,162	29,904	2,984
Short-term Debt	82,224	0	0
Trade Liabilities	125,863	0	0
Other financial liabilities	11,967	42,047	0
Total	**231,947**	**82,290**	**2,984**

The respective maturity of financial liabilities for 31st December 2007, was as follows:

(Amounts in thousand Euro, unless stated otherwise)

	Short-term	Long-term	
	0 to 12 months	2 to 5 years	Over 5 years
Long-term Debt	0	12,388	0
Liabilities from financial leasing	9,593	19,398	2,017
Short-term Debt	45,932	0	0
Trade Liabilities	67,125	0	0
Other financial liabilities	76,766	1	0
Total	**199,416**	**31.787**	**2,017**

The above contractual maturities reflect the gross cash flows, which may differ from the book values of liabilities during the balance sheet date.

PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY
The financial assets as well as the financial liabilities of the Group during the balance sheet date, may be categorized as follows:

	31.12.2008	31.12.2007
Non-current assets		
Other long-term receivables - Loans and receivables	510	2,206
Other investments - Financial assets available for sale	36	96
Total	**546**	**2,302**
Current assets		
Trade receivables - Loans and receivables	262,254	161,057
Prepayments and other receivables - Loans and receivables	11,967	22,811
Cash and equivalents	188,961	84,970
Total	**463,182**	**268,838**

	31.12.2008	31.12.2007
Long-term liabilities		
Loans - Financial liabilities at depreciated cost	38,929	29,939
Other long-term liabilities - Financial liabilities at depreciated cost	42,047	1
Total	**80,976**	**29,940**
Short-term liabilities		
Loans - Financial liabilities at depreciated cost	91,629	54,247
Suppliers - Financial liabilities at depreciated cost	125,863	67,125
Accrued and other liabilities - Financial liabilities at depreciated cost	39,289	72,766
Total	**256,781**	**194,138**

(Amounts in thousand Euro, unless stated otherwise)

The above table does not include financial assets and liabilities of non-current assets available for sale. See notes 3c, 3d for a more detailed description on how the category of financial instruments affects their subsequent valuation.

30 POLICIES AND PROCEDURES FOR CAPITAL MANAGEMENT

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

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

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

For this purpose, the Group monitors its capital based on the leverage ratio which is defined as Net Debt / Equity, where a) Net Debt is defined as Liabilities from loans and financial leases minus Cash equivalents, as such appear in the Balance Sheet

The ratio at the end of 2008 and 2007 was as follows:

	2008	**2007**
Interest bearing debt	130,558	84,186
Minus:	0	0
Cash & Cash equivalents	(188,961)	(84,970)
Net Debt	**(58,403)**	**(784)**
Total equity	**134,984**	**121,336**
Leverage ratio	**(43.26%)**	**(0.65)%**

31 EXISTING COLLATERAL ASSETS

There are no existing collateral assets or other burdens.

32 CONTINGENT LIABILITIES-OBLIGATIONS

During the course of conducting its business, the Company may face legal claims from third parties. According to both the Management and the Company's Legal Counsel, any such claims are not expected to have a significant impact on the Company's operation and financial position as of the 31st of December 2008.

Also, guarantees have been provided for security against bank loans on behalf of participating companies amounting to euro 75,000.

33 EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the end of 2008 until today.

THE CHAIRMAN OF THE BoD	THE VICE PRESIDENT OF THE BoD & MANAGING DIRECTOR
NIKOLAOS KAMPAS	GEORGIOS PERISTERIS

HEAD OF ACCOUNTING

AIKATERINI CHALKOROKA-ATHANASOPOULOU