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

1 January to 31 December 2010

CONTENTS

I. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "TERNA SA"

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of TERNA S.A. and its subsidiaries, which comprise the separate and consolidated statement of financial position as at 31 December 2010, the separate and consolidated statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determine is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's 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 separate and consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at 31 December 2010, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

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 separate and consolidated financial statements, under the legal frame of the articles 43a, 108 and 37 of c.L. 2190/1920.

Athens, 29 March 2011
CERTIFIED PUBLIC ACCOUNTANT AUDITOR

GEORGIOS I. LAGGAS
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II. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2010

The present Report of the Board of Directors was prepared according to the provisions of C.L. 2190/1920 (articles 43a and 107).

A. Financial Developments and Performance for the Period

2010 was an exceptionally difficult period for the Greek Economy. The downgrading of Greece's credit rating, due to the large government debt essentially blocked the access of Greece and Greek banks to international borrowing, a fact that resulted in a significant reduction of liquidity in the economy. The problem was extended by the fiscal austerity measures applied by the Government, in an effort to reduce public debt.

Witinh a tough environment, TERNA Group continues its course in a cautious manner as its operating activities produce satisfactory cash flows and liquidity remains satisfactory. The Group's successful positioning in the construction sector implies a leading status in the Greek market.

At the same time, our Group has managed to strengthen its position in international markets as well, since a significant part of revenues derives from the countries of South East Europe and Middle East.

The most important consolidated financial accounts of 2010 according to the International Financial Reporting Standards are as follows:

Turnover towards third parties, from continued operations, amounted to 494 mil euro approximately, compared to 681 mil euro in 2009, posting a decline of 27.4%.

Turnover, 494 mil euro in total, consists of activities in Greece by 71.8%, activities in the Balcans by 9.5% and activities in the Middle East by 18.7%.

In the Middle East, the Group continues to act upon the existing contracts with a 255 mil euro backlog of unexecuted projects at the end of the year and it has signed contracts of total value of 87 million in Libya.

The backlog of unexecuted projects today, amounts to approximately 2,060 mil euro, compared to 2,050 mil euro at the end of 2009. It is noted that 18% of unworked balance concerns projects carried out abroad.

Earnings before interest, tax, depreciation & amortization (EBITDA) amounted to 25.7 mil euro, reduced by 53.78% compared to 2009.

At the same time, Earnings before interest and tax (EBIT) amounted to 8.4 mil euro, compared to 39.7 mil euro in the previous period and were reduced by 78.8%.

Earnings before tax amounted to 2.3 mil euro compared to 35.5 mil euro in 2009, posting a decrease of 93.5 % mainly due to the decline of turnover which reduced gross profit as a percentage of turnover to 5.5% from 8.4% the previous year.

Earnings after tax and minority interest amounted to 0.2 mil euro, compared to 25.4 mil euro the previous year.

The Net Debt Position of TERNA Group (cash & cash equivalents minus loans excluding discontinued operations) amounted to approximately minus 122.8 mil euro on 31.12.2010 compared to a Net Cash Position of minus 8.7 mil euro on 31.12.2009. This reduction is due to the tripling, compared to the previous year, of purchases of fixed equipment (116 mil euro), to overdue receivables from construction projects in Greece and abroad, as well as to the provided prepayments for purchase of mechanical equipment that is incorporate in customer projects.

The Group's capital base amounts to 148.2 mil euro compared to 150.6 mil euro on 31.12.2009.

The Group's Total Assets amount to 1.073 mil euro.

The Board of Directors of TERNA, taking into account the increased cash flow needs to implement its investment plan as well as the negative prospects for recovery of the construction sector in Greece, proposes not to distribute dividend (versus a dividend payment of 55.00 euro per share the previous year).

B. Significant events during 2010

The acquisition of a 54.77% share in "BIOMAGN S.A.", which holds mining magnesite at an area of 219,000 acres with industrial and machinery equipment, 4,500 acres of land, as well as harbor facilities in the area of Mantoudiou of the South Evoia. It should be noted that an application has been filed for the construction of an Industrial Area.
The full acquisition (100%) of "ETADE SA" which its main operation, through the concession, is the execution of PPC's energy project "AHS MEGALOPOLIS- Study, procurement, transportation, installation and initiation of operation of the unit No 5, combined circle, power of 811MW, utilizing natural gas", with a total budget of 500 mil euro approximately.

New contracts and expansion of contracts were signed regarding construction projects for third parties with respect to the construction sector, with a total consideration of approximately 500 mil euro.

At the same time, in the medium term, the entrance of countries from South East Europe in the European Union strengthens the prospects of the Group's construction activities in the broader region, whereas TERNA's already successful presence in Middle East implies favorable prospects.

C. Significant Events after the end of 2010

The inability of the Greek State to directly resolve the problems of construction – collection of tolls in concession projects has temporarily lead to a partial postponement of activities on projects of the Ionia Road and Central Greece E-65 motorways, in anticipation of the relevant resolution from the Greek State.

The episodes in Libya have caused a suspension in the operations' initiation regarding the granted projects in the area, total budget of 87 mil euro.

The episodes in Bahrain have caused a slowdown in the execution of the projects in the specific Emirate.

D. Risks and Uncertainties

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

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 emerges from the inability to predict financial markets and the volatility of the cost and sales variables.

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

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

Credit risk

The Group continuously monitors its receivables, either separately or by groups and it incorporates the resulting information in its credit control. When 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 are performed, 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. Due to its limited exposure to such financing, given its business activity, the Group does not entered into interest rate swaps to cover interest rate risk.

The Group's short-term debt is also exclusively in euro and under a floating rate linked to euribor. Short-term loans are received mainly as working capital. Such loans are repaid directly 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 by carefully monitoring the balance of long-term financial liabilities as well as payments that take place on a daily basis. The liquidity needs are monitored at different time zones, on a daily and weekly basis, as well as on the basis of a moving 30-day period. The liquidity needs for the next 6 months and the next year are defined on a monthly basis.

The company maintains cash and cash equivalents in banks to cover its liquidity needs for periods up to 30 days. Capital for mid-term liquidity needs are released from the company's term deposits.

Other risks and uncertainties

The Group's activity is exposed to trends prevailing in the construction market and thus may be negatively affected by the slowdown of construction activity in Greece and abroad, which may be due amongst others to the general economic conditions. The backlog of construction contracts 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 scope. 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

The construction sector is expected to follow a satisfactory course in the following years in Greece. This is due to significant capital inflows expected in the country from the National Strategic Reference Framework (NSRF or ESPA), which will support additional infrastructure works in the Greek region. Furthermore the joint ventures between Public and Private sectors (known as SDIT) are also expected to drive growth in construction activities.

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.

The diversification of the Group's activities beyond Greek borders, offers a dispersion of risk and a less dependence of profitability on specific markets.

Dear Shareholders,

2010 was a year during which the Group continued a steady 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.

The Board of Directors unanimously approves the above Management Report to be submitted to the Ordinary Shareholders' Meeting.

Athens, 28 March 2011
On behalf of the Board of Directors

Georgios Peristeris
Vice-Chairman of the Board & Managing Director

III. ANNUAL FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 31 DECEMBER 2010

(1 January - 31 December 2010)

According to the International Financial Reporting Standards

The Financial Statements were approved by the Board of Directors of TERNA SOCIETE ANONYME TOURISM TECHNICAL SHIPPING COMPANY on 28 March 2011 and have been published by being posted on the internet at the website http://www.terna.gr/, where such will remain at the disposal of the investment community for at least 5 years since their preparation and publication. It is noted that the published in the press Data and Information aim at providing the reader with general information on the financial position and the results of the company and Group but do not provide a full picture of the financial position and the results of the Group, in accordance with the International Financial Reporting Standards (IFRS).

TERNA GROUP
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2010
(All amounts are expressed in thousand Euro, unless stated otherwise)

		GROUP		COMPANY	
	Note	31 December 2010	31 December 2009	31 December 2010	31 December 2009
ASSETS					
Non current assets					
Intangible fixed assets	6	83,082	5,210	4,978	5,127
Tangible fixed assets	7	105,148	102,653	81,848	89,065
Goodwill		8,912	0	0	0
Investment property	8	2,220	1,596	1,596	1,596
Participations in subsidiaries	4,29	0	0	98,220	4,610
Participations in associates	4, 9	8,066	7,400	0	0
Participations in joint ventures	4, 29,30	763	763	3,708	3,453
Investments available for sale		51	36	36	36
Other long-term assets	10	10,903	695	577	648
Deferred tax assets	22	15,750	9,036	6,975	2,319
Total non current assets		**234,895**	**127,389**	**197,938**	**106,854**
Current assets					
Inventories	11	22,831	8,993	4,205	3,879
Trade receivables	12	354,424	213,527	219,176	139,607
Receivables from construction contracts	13	132,476	109,274	57,511	52,518
Prepayments and other receivables	12	150,616	66,560	162,985	54,190
Income tax receivables		9,389	9,843	6,791	7,385
Cash and cash equivalents	14	168,234	144,431	93,671	85,048
Total current assets		**837,970**	**552,628**	**544,339**	**342,627**
TOTAL ASSETS		**1,072,865**	**680,017**	**742,277**	**449,481**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	15	28,910	28,910	28,910	28,910
Share premium account		35,922	35,922	35,922	35,922
Reserves		44,739	27,488	44,028	26,665
Retained earnings		22,867	56,660	1,816	37,640
Total		**132,438**	**148,980**	**110,676**	**129,137**
Non-controlling interests		15,805	1,666	0	0
Total equity		**148,243**	**150,646**	**110,676**	**129,137**

	Note				
Long term liabilities					
Long-term loans	16	99,830	6,361	97,000	0
Loans from finance leases	16	36,708	44,230	36,708	44,230
Other long-term liabilities	16	123,537	0	71,761	50,000
Other provisions	19	5,674	3,120	2,374	2,819
Provisions for staff leaving indemnities	18	4,150	4,522	3,134	3,233
Deferred tax liabilities	22	27,551	10,393	0	0
Total long term liabilities		**297,450**	**68,626**	**210,977**	**100,282**
Short term liabilities					
Suppliers	20	181,727	112,329	111,212	80,124
Short term loans	21	134,105	88,617	82,430	51,210
Long term liabilities payable during the next financial year	17	20,383	13,961	16,310	10,809
Liabilities from construction contracts	13	46,772	31,727	41,158	23,972
Accrued and other short term liabilities	20	240,297	212,013	166,419	52,753
Income tax payable		3,888	2,098	3,095	1,194
Total short term liabilities		**627,172**	**460,745**	**420,624**	**220,062**
Liabilities directly connected to non-current assets held for sale	28	0	0		0
TOTAL EQUITY AND LIABILITIES		**1,072,865**	**680,017**	**742,277**	**449,481**

The accompanying notes constitute an integral part of the financial statements

TERNA GROUP
STATEMENT OF COMPREHENSIVE INCOME
31 December 2010
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Note	GROUP 1.1 – 31.12 2010	GROUP 1.1 – 31.12 2009	COMPANY 1.1 – 31.12 2010	COMPANY 1.1 – 31.12 2009
Continued operations					
Turnover	23	493,638	681,250	351,224	507,724
Cost of sales	24	(466,236)	(623,754)	(334,061)	(473,157)
Gross profit		**27,402**	**57,496**	**17,163**	**34,567**
Administrative expenses	24	(20,421)	(18,507)	(15,550)	(17,324)
Research & development expenses	24	(696)	(0)	(696)	(0)
Other income/(expenses)	25	4,477	1,823	5,476	15,516
Net financial income/(expenses)	25	(8,496)	(4,625)	(8,310)	(4,149)
Profit / (Loss) from valuation of associate companies with the equity method		0	(702)	0	0
EARNINGS BEFORE TAX		**2,266**	**35,485**	**(1,917)**	**28,610**
Income tax expense	21	(1,865)	(9,451)	(775)	(4,592)
Net Earnings from continued operations		**401**	**26,034**	**(2,692)**	**24,018**
Discontinued operations					
Earnings from discontinued operations after tax	28	0	262	0	0
NET EARNINGS		**401**	**26,296**	**(2,692)**	**24,018**
Other comprehensive income					
Foreign exchange differences from incorporation of foreign units		(536)	(21)	132	(289)
Tax corresponding to the above income	21	0	(0)	(0)	(0)
Other comprehensive income for the year net of tax		**(536)**	**(21)**	**132**	**(289)**
TOTAL COMPREHENSIVE INCOME		**(135)**	**26,275**	**(2,560)**	**23,729**
Net earnings for the period attributed to:					
Owners of the parent company from continued operations		192	25,203		
Owners of the parent company from discontinued operations		0	262		
Non-controlling interests from continued operations		209	831		
		401	**26,296**		

Total comprehensive income attributed to:				
Owners of the parent company from continued operations		(418)	25,211	
Owners of the parent company from discontinued operations		0	262	
Non-controlling interests from continued operations		283	802	
		(135)	**26,275**	
Earnings per share (in Euro):				
From continued operations attributed to owners of the parent	15	0.6641	87.1774	
From discontinued operations attributed to owners of the parent		0	0.9063	
Weighted average number of shares:				
Basic	15	289,100	289,100	

GROUP TEPNA

STATEMENT OF CASH FLOWS

31 December 2010

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

		GROUP		COMPANY	
	Note	1.1 – 31.12 2010	1.1 – 31.12 2009	1.1 – 31.12 2010	1.1 – 31.12 2009
Cash flow from operating activities					
Profit before tax from continued operations		2,266	35,485	(1,917)	28,610
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	6, 7	17,303	15,880	15,447	13,427
Other impairments	12	4,047	500	2,634	500
Provisions		3,179	5,843	2,726	5,126
Interest and related revenue	27	(2,251)	(3,373)	(920)	(2,086)
Interest and other financial expenses	27	10,747	7,998	9,230	6,235
Results from participations and securities	26	(2,591)	645	0	(82)
Results from intangible and tangible fixed assets and investment property		(209)	48	(139)	45
Foreign exchange differences	26	227	(1,065)	(48)	(633)
Operating profit before changes in working capital		**32,718**	**61,961**	**27,013**	**51,142**
(Increase)/Decrease in:					
Inventories		(642)	(1,207)	(326)	1,634
Trade receivables		(152,037)	(63,283)	(84,505)	(22,678)
Prepayments and other short term receivables		(67,282)	11,598	(108,853)	20,886
Increase/(Decrease) in:					
Suppliers		62,622	(13,684)	31,087	(12,014)
Accruals and other short term liabilities		47,639	(7,314)	98,646	(20,004)
(Increase)/Decrease of other long-term receivables and liabilities		20,194	(197)	72	(9,128)
Income Tax payments		(3,832)	(7,820)	(2,172)	(6,347)
Net cash inflows from operating activities		**(60,620)**	**(19,946)**	**(39,038)**	**3,491**
Cash flows from investment activities					
Net additions of fixed assets		(9,089)	(10,872)	(3,764)	(7,494)
Sales of fixed assets		1,608	927	1,255	858
Interest and related income received		2,265	3,758	919	2,085
(Purchases) / sales of participations and securities	31	(4,071)	5,390	(47,364)	(2,594)
Granted loans		(10,000)	0	0	102
Cash from acquired company	29	8,954	4	0	0
Cash outflows for investment activities		**(10,333)**	**(793)**	**(48,954)**	**(7,043)**

	Note				
Cash flows from financial activities					
Share capital increase		0	2	0	2
Net change of short-term loans		33,837	6,799	31,000	(519)
Net change of long-term loans		97,633	(3,264)	101,000	0
Payments of Loans from financial leases	17	(11,684)	(7,398)	(11,684)	(7,398)
Dividends paid		(15,901)	(11,564)	(15,901)	(11,564)
Interest paid		(9,902)	(7,719)	(8,390)	(6,372)
Cash outflows for financial activities		**93,983**	**(23,144)**	**96,025**	**(25,851)**
Effect from foreign exchange differences in cash		773	(647)	590	(747)
Net increase /(decrease) of cash & cash equivalents		**23,803**	**(44,530)**	**8,623**	**(30,150)**
Cash & cash equivalents at the beginning of the year		144,431	188,961	85,048	115,198
Cash & cash equivalents at the end of the year		**168,234**	**144,431**	**93,671**	**85,048**

The accompanying notes constitute an integral part of the financial statements

TERNA S.A.
STATEMENT OF CHANGES IN EQUITY
31 December 2010
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
1 January 2009	**28,908**	**35,922**	**27,223**	**24,920**	**116,973**
Total comprehensive income for the year	0	0	(289)	24,018	**23,729**
Share capital increase	2	0	0	0	**2**
Dividends	0	0	0	(11,564)	**(11,564)**
Formation/(Distribution) of reserves	0	0	(266)	266	**0**
Other movements	0	0	(3)	0	**(3)**
31 December 2009	**28,910**	**35,922**	**26,665**	**37,640**	**129,137**
1 January 2010	**28,910**	**35,922**	**26,665**	**37,640**	**129,137**
Total comprehensive income for the year	0	0	132	(2,692)	**(2,560)**
Dividends				(15,901)	**(15,901)**
Formation/(Distribution) of reserves			17,231	(17,231)	**0**
31 December 2010	**28,910**	**35,922**	**44,028**	**1,816**	**110,676**

TERNA GROUP

STATEMENT OF CHANGES IN EQUITY

31 December 2010

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

	Share Capital	Share Premium	Reserves	Retained Earnings	Sub-total	Non-controlling interests	Total
1 January 2009	**28,908**	**35,922**	**27,219**	**42,821**	**134,870**	**114**	**134,984**
Total comprehensive income for the year	0	0	(54)	25,527	**25,473**	802	**26,275**
Share capital increase (of parent)	2	0	0	0	**2**	0	**2**
Dividends	0	0	0	(11,564)	**(11,564)**	(0)	**(11,564)**
Acquisition of subsidiary's capital	0	0	0	0	**0**	750	**750**
Increase/Decrease in percentage of consolidated companies	0	0	0	199	**199**	(0)	**199**
Formation/(Distribution) of reserves	0	0	323	(323)	**0**	0	**0**
31 December 2009	**28,910**	**35,922**	**27,488**	**56,660**	**148,980**	**1,666**	**150,646**

	Share Capital	Share Premium	Reserves	Retained Earnings	Sub-total	Non-controlling interests	Total
1 January 2010	**28,910**	**35,922**	**27,488**	**56,660**	**148,980**	**1,666**	**150,646**
Total comprehensive income for the year	0	0	(610)	192	**(418)**	283	**(135)**
Dividends	0	0	0	(15,901)	**(15,901)**	0	**(15,901)**
Acquisition of subsidiary	0	0	0	0	**0**	13,691	**13,691**
Change in percentage of consolidated companies	0	0	0	(223)	**(223)**	165	**(58)**
Formation/(Distribution) of reserves	0	0	17,861	(17,861)	**0**	0	**0**
31 December 2010	**28,910**	**35,922**	**44,739**	**22,867**	**132,438**	**15,805**	**148,243**

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

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

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

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

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements

The accompanying separate and consolidated financial statements have been prepared according to the historic cost principal, except for investment property, financial derivatives and investments available for sale that are valued at fair value. Also, several self-used tangible fixed assets on the transition date (1 January 2004) to the International Financial Reporting Standards (IFRS) were valued at fair values, which were used as implied cost, according to the provisions of IFRS 1 "First implementation of IFRS".

The accompanying financial statements consist of the separate and consolidated financial statements of the Parent Company and its Group and have been prepared according to IFRS, as such have been adopted by the European Union. There are no standards that have been applied prior to their initial effective date.

b) Statutory Financial Statements

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

c) New standards, interpretations and amendments of standards

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

Standards and Interpretations mandatory for 2010

- **Amendments to standards that are part of the IASB (International Accounting Standards Board) annual improvements plan which was published in May 2008**. The application of all the amendments was published on the 31st of December 2009 with the following exception:

Part 1: IAS 5 (Amendment) " Non-current Assets which are held for sale and interrupted activities" (and following amendments to IAS 1 "First Adoption of International Accounting Standards").

The Amendment clarifies that all the assets and obligations of a subsidiary are classified as owned for sale if a sale programme for partial disposal ends up to the loss of control and the relevant disclosures have to be made for the specific subsidiary on condition that the definition for an interrupted activity is followed. The consequent amendment to IAS 1 defines that these amendments will be applied in the future from the transition date and onward.
This amendment has no effect on the Financial Statements of the Group and the Company during the presented period.

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

The amended IAS 27 requires that transaction that lead to changes in participation percentages in a subsidiary, be registered in equity. Moreover, the amended standard changes the accounting treatment for losses realized by a subsidiary as well as the loss of control in a subsidiary.
The approval of the amendments to IAS 27 entails amendments to international financial reporting standards (IFRS)1, IFRS 4, IFRS 5, IAS1, IAS 7, IAS 14, IAS 21, IAS 28, IAS 31, IAS 32, IAS 33, IAS 39 and interpretation 7 of the Standing Interpretation Committee (SIC) in order to ensure consistency between the international accounting standards.

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

The present amendment clarifies the way the hedging accounting is used in the part of the financial instrument that corresponds to the inflation and the options when used as hedging instruments.
This amendment has no effect on the Financial Statements of the Group and the Company during the reported period.

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

The restructured IFRS 1 replaces the existing IFRS 1, in order to facilitate the use of IFRS 1 and its amendment in the future. Moreover, the restructured IFRS 1 deletes from the standard several transitional guidance and it includes several less significant restatements. The effective requirements remain unchanged.
The specific amendment will not affect the Company's and Group's financial statements as the Company has already made the transition to IFRS.

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

The amendment clarifies the definition of "vesting conditions", with the introduction of the term "non-vesting conditions" for terms that do not constitute service of performance terms. It also clarifies that all cancellations either arising from the entity itself or from third parties, must have the same accounting treatment.
The amendment has no effect on the financial statements of the Company and the Group.

– **IFRS 3 (Revised) "Business Combinations"**

The revised IFRS 3 introduces a series of changes in the accounting treatment of business combinations that will affect:
a) The amount of goodwill that arises,
b) The results of the reported period during which the companies' acquisition takes place and
c) The future results.
Such changes include:
a) The registration in the results of expenses related to the acquisition and
b) The registration in the results of subsequent changes to the fair value of the potential price
The approval of revised IFRS 3 entails amendments to IFRS 1, IFRS 2, IFRS 7, to International Accounting Standards (IAS) 12, IAS 16, IAS 28, IAS 32, IAS 33, IAS 34, IAS 36, IAS 37, IAS 38, IAS 39 and interpretation 9 of the International financial Reporting Interpretation Committee (IFRIC) in order to ensure consistency between the international accounting standards.

The amendment has effect on the financial statements of the Group and the Company during the reported period.

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

The interpretation applies to an economic entity that hedges the foreign exchange risk from a net investment in a foreign operation and meets the condition for accounting hedge according to IAS 39.
The interpretation provides guidance regarding the way in which an entity must define the amounts reclassified from equity to the results both for the hedge instrument and for the hedged item.

As the Company (and Group) does not apply accounting hedging for any investment in a foreign operation, the interpretation does not apply to the Company or Group.

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

The interpretation provides guidance on the accounting treatment of the following non-reciprocal distributions of assets from the economic entity to shareholders who act under their capacity as such: a) distribution of non-cash assets and b) distributions providing the option to shareholders of either non-cash assets or cash. Also several amendments were made to IFRS 5 and IAS 10.
This interpretation has no effect on the financial statements of the Group and the Company during the presented period.

– **IFRIC 18 "Transfers of assets from customers"**

The interpretation clarifies the requirements of IFRS for the agreements under which the economic entity receives a tangible asset from one customer, and it must subsequently use this asset to provide constant access to goods or services to the customer. In several cases, the economic entity receives cash from a customer that must be used only for the purchase or construction of the tangible asset. Several amendments have also been made to IFRS 1.
This interpretation has no effect on the financial statements of the Group and the Company during the presented period.

- Amendments to standards which constitute part of the International Accounting Standards Board's (IASB) annual additions program for 2009

The following amendments describe the major changes which will be implemented on IFRS as an outcome of the IASB's annual additions which was published on April 2009. The following amendments will come into effect as of the current fiscal year. In addition, if otherwise stated, the amendments will not have significant impact on the financial statements of the Group.

IFRS 2 "Share Based Payments"

The amendment ensures that the contributions of a firm for the establishment of a consortium and the mutual control trades are excluded from the application field of the IFRS 2.

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The amendment clarifies disclosures that are required with regards to the non-current assets that are files as held for sale or the discontinued operations.

IFRS 8 "Operating Segments"

The amendment provides clarifications with regards to the disclosure of information concerning the assets of the segment.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies that the possible settlement of an obligation with the issuance of equities is not related to its classification as current or non-current asset.

IAS 7 "Statement of Cash flows"
The amendment requires that only the expenditures that lead to a recognized asset in the shareholders' equity can be classified under the investment activities.

IAS 17 "Leases"
The amendment provides clarifications as to the classification of the leases of fields and buildings as financial or operating leases.

IAS 18 "Income"
The amendment provides further guidance with regards to the determination of the financial entity acting as a principal or an agent.

IAS 36 "Impairment of Assets"
This amendment clarifies that the largest unit generating operating cash flows to which the goodwill should be allocated for the purposes of impairment control, is an operating segment as defined in the IFRS 8 (i.e. before the concentration/summation of segments)

IAS 38 "Intangible Assets"
These amendments clarify: a) the receivables according to IFRS 3 (revised) with regards to the accounting treatment of the intangible assets which have been acquired through a merger of firms and b) the description of valuation methods which are widely used by the financial entities for the calculation of the fair value of the intangible assets acquired through a merger of firms and which are not traded in active markets.

IAS 39 "Financial instruments: Recognition and Measurement"
The amendments refer to: a) clarifications with regards to the treatment of sanctions/fines stemming from the prepayment of loans as derivatives closely related to the main contract, b) the discharge field for the treaties of firm mergers and c) the clarifications that the gains/losses from the hedging of the cash flows of a prospective trade have to be reclassified from the shareholders' equity to the results of the period during which the prospective hedged cash flow affects the results.

IFRIC 9 "Revaluation of Embedded Derivatives"
The amendment clarifies that the IFRIC 9 does not apply to a possible revaluation, at the acquirement date, of the embodied derivatives to contracts which have been obtained through a merger of firms that has to do with financial entities that operate under common control.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"
The amendment mentions that, for the hedging of a Net Investment in a Foreign Operation, appropriate hedging instruments can be used by any of the financial entities of the Group, including the same Foreign Operation, provided that certain conditions are met.

Standards and Interpretations mandatory after the 1st of January 2010

Specifically new standards, amendments of standards and interpretations, which have been issued and their applications is obligatory for accounting periods which begin during the present fiscal year or later. The estimate of the Company and the Group with regards to the effect from the application of these new standards, amendments and interpretations board
is presented below.

– **IFRS 9 "Financial Instruments" (applied to the annual accounting periods starting from or after the 1st of January 2013)**
The IFRS 9 constitutes the first part of the first phase of the project of the IASB (International Accounting Standards Board) for the replacement of IAS 9. The IASB aims at extending the IFRS 9 during 2010, so that new requirements are added for the classification and measurement of the financial obligations, the derecognition of the financial instruments, the impairment of the value and the accounting hedging. The IFRS 9 defines that all the financial assets are initially measured at their fair value plus, in case of a financial asset which is not at fair value through the results, certain trade costs. The posterior assessment of the financial assets is performed either at the depreciated cost or the fair value and depends on the business model of the financial entity with regards to the management of the financial assets and the conventional cash flows of this financial asset. The IFRS 9 forbids the reclassifications, apart from the rare cases where the business model of the financial entity changes, and in that case the financial entity is required to reclassify in the future the affected financial assets. According to the principles of the IFRS 9, all the investments equities have to be assessed at fair value. Nevertheless, the Management has the option of presenting among the other total income, the realized and unrealized gains and losses of fair value of equities which are not held for commercial purposes. This determination is executed during the initial recognition of each financial asset separately and cannot be changed. The gains and losses of fair value are not carried forward to the results, while the income stemming from the dividends will continue being recognized at the results. The IFRS 9 abolishes the exception of valuation at cost for the non-listed shares and the derivatives on non-listed shares, but provides guidance as to when the cost can be a representative assessment of the fair value. The Group is in the process of assessing the effect of the IFRS 9 on its financial statements. The standard has not yet been adopted by the E.U.

- **IAS 24 (Amendment) "Related Party Disclosures" (applied to the annual accounting periods which begin on or after the 1st of January 2011).**
The present amendment tries to decrease the disclosures of the trades between the government-related entities and clarify the meaning of related entity. More specifically, the obligation of the government-related entities to disclose the details of all their trades with the state and all the government-related entities is abolished. Moreover, it clarifies and simplifies the meaning of the related entity and imposes the disclosure not only of the relationships, the trades and the other transactions in-between the related entities but also of the commitments in the Company's and Consolidated Financial Statements. The Group will apply these changes from the day that they will put into effect.

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

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

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

The amendment will not apply to the Company and Group.

- IFRS 1 (Amendment) "First adoption of IFRS" Disclosures for financial instruments (applied for annual accounting periods beginning on or after the 1st of July 2010)

The amendment of IFRS 1 allows companies that apply IFRS for the first time to use the same transition practices which are included in the amendment of IFRS 7 with regards to the comparative information of the new hierarchy of the three stages of fair value. The present amendment will not apply to the Group as the Group has already moved to IFRS.

- IFRS 7 (Amendment) "Financial instruments: Disclosures" – transfers of financial assets (applied for annual accounting periods beginning on or after the 1st of July 2010)

The present amendment provides the disclosures for transferred financial assets which have not been fully recognized as well as for transferred financial assets which have been fully recognized but for which the Group has an ongoing concern. It also provides guidance for the application of the required disclosures. The standard has not been yet adopted by the E.U.

- IFRIC 14(Amendment) "Limits on Defined Benefit Assets, Minimum Funding Requirements and their Interaction" (applied for annual accounting periods beginning on or after the 1st of January 2011)

The amendments are applied to certain cases: when the financial entity is subject to a minimum required registered shareholders' capital and rushes into early payment of the contributions in order to meet these requirements. These amendments allow to such a financial entity to face the benefit from such an early payment as a benefit asset. This interpretation does not apply to the Group.

– **IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"**

It is applied to annual accounting periods beginning on or after the 1st of July 2010.

The Interpretation 19 refers to the accounting treatment from the financial entity which issues equities to a creditor, in order to settle, wholly or partially, a financial obligation. This interpretation does not apply to the Group.

– **Amendments to standards that are part of the IASB (International Accounting Standards Board) annual improvements plan, published in May 2010.**

The due dates of them defer. However, most of them apply to the annual accounting periods beginning on or after the 1st of January 2011. The standard has not yet been adopted by the E.U.

These amendments are not expected to have a serious impact on the financial statements of the Group.

IFRS 1 "First adoption of International Financial Reporting Standards"
The amendments refer to: a) additional disclosures when a financial entity changes its accounting policies of the application of the discharges of IFRS 1 after it has published interim financial information according to the IAS 34, b) discharges when the basis of adjustment is used as "presumed cost" and, c) discharges for the financial entities which underlie special settings in order to use as "presumed cost" for the tangible assets or the intangible assets the accounting values according to previous disclosed financial statements.

IFRS 3 Business Combinations"
The amendments provide additional clarifications with regards to: a) agreements of possible price which arise from Business Combinations with acquisition dates former to the application of the IFRS 3 (2008), b) the valuation of the non-controlled participation and, c) the accounting treatment of the payment transactions which are based on the shares value and which are part of a Business Combination, including the appraisals which are based on shares value and which were not substituted or deliberately substituted.

IFRS 7 "Financial instruments: Disclosures"
The amendments include multiple clarifications with regards to the disclosures of financial instruments.

IAS 1 "Presentation of the Financial Statements"
The amendment clarifies that the financial entities can present the analysis of the compartments of their other income either in the statement of changes in shareholders' equity or in the notes.

IAS 27 "Consolidated and Separate Financial Statements"
The amendment clarifies that the amendments of IAS 21, IAS 28 AND IAS 31 which stem from the review of IAS 27 (2008) should be applied in the future.

IAS 34 " Interim Financial Reporting"
The amendment emphasizes on the disclosure principles which should be applied with regards to important events and transactions, including the changes referring to the assessment of the fair value, as well as to the need of updating of the relevant information from the most recent annual report.

IFRIC 13 "Customer Loyalty Programs"
The amendment clarifies the definition of "fair value" in the context of the assessment of the appraisal of the Customer Loyalty Programmes.

c) Approval of Financial Statements

The accompanying financial statements were approved by the Board of Directors of the Parent Company on 28 March 2011 and posted on the internet at the website of the parent www.terna.gr .

d) Use of Estimates

The Group makes estimations, assumptions and judgments in order to choose the best accounting principles related to the future evolution of events and transactions. These estimations, assumptions and judgments are continuously assessed in order to reflect current information and risk and are based on the management's experience related to level/volume of transactions or events.

The main assumptions and judgments that refer to data that may affect the financial statements in the coming 12 months are as follows:

i) Recognition of income from construction contracts: The Group uses the percentage of completion method to recognize such income, in accordance with IAS 11. According to this method the construction cost as of each date of the statement of financial position, is compared to the budgeted total cost of the project in order to determine the percentage of completion of such. The cumulated effect of the restatements/reassessments of the total budgeted cost of the projects and the total contractual payment (recognition of work over and above the contract) is recorded in the financial years during which such restatements arise. The total budgeted cost arises from estimation procedures and is reassessed and reviewed at each statement of financial position date.

ii) Depreciation of fixed assets: For the calculation of depreciations, the group reviews the useful life and residual value of tangible and intangible assets based on the technological, institutional and financial developments, as well as on experience from their use.

iii) Value readjustment of investment property: For the valuation of its investment property, the Group defines the fair value based on the valuation reports prepared on its behalf from independent appraisers.

iv) Valuation of inventories: For the valuation of its inventories, the Group estimates, based on statistical data and market conditions, expected sale prices and the cost of their finalization and distribution, per category of inventory.

v) Impairment of assets and their reversal: The Group evaluates the technological, institutional and financial developments looking for indications of impairment of any kind of assets (fixed, trade and other receivables, financial assets etc) as well as their reversal.

vi) Provision for staff indemnities: The Group, based on IAS 19, proceeds with estimations of assumptions based on which the provision for staff indemnities is calculated actuarially.

vii) Provision for income tax: The Group, based on IAS 12, makes a provision for income tax, current and deferred. The provision for current income tax is calculated by (i) estimating taxable profit of the present period, (ii) deriving the estimated real current tax rate and (iii) applying the rate on the taxable profit of the interim period. It also includes a provision for additional taxes that may arise from tax audits. The final settlement of income tax may differ from the respective amounts registered in the interim and annual financial statements.

viii) Provision for environmental rehabilitation: The Group creates a provision against its relevant liabilities for rehabilitation of the environment, which emanate from the documented environmental law or from the Group's binding practices. The provision for environmental rehabilitation reflects the present value (based on an appropriate discount rate), during the date of the financial statements, of the rehabilitation liability reduced by the estimated recoverable value of materials expected to be dismantled and sold.

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

a) Basis of consolidation

The attached consolidated financial statements include those of TERNA SA and its subsidiaries. The subsidiary in which the Group has a direct or indirect participation of more than half of the voting rights has the right to control the consolidated operations. The subsidiaries are consolidated from the date the Group acquires the control and stop being consolidated at the date this control ceases to exist.

The participation of the Group in Joint ventures when there is common control, are incorporated in the attached financial statements with the method of proportionate consolidation which includes the proportion of the joint-venture on the assets, liabilities and total income with the inclusion of the items in their Financial Statements.

Intergroup transactions and balances are deleted from the attached consolidated financial statements. When necessary, the accounting bodies of subsidiaries are amended in order to secure the consistency with the accounting principles adopted by the Group.

b) Investments in Associates:

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

The consolidated comprehensive income statement shows the Group's share in the total comprehensive income of the associate companies.

c) Investments and other (non-derivative) financial assets

Financial assets that fall under the provisions of IAS 39 and are governed by them are classified according to their nature and characteristics into one of the following four categories:

I. Investments available for sale
II. Receivables and loans
III. Financial assets at fair value through the comprehensive income statement
IV. Investments held to maturity

Initially they are recognized at acquisition cost, which represents the fair value plus, in some cases, the direct transaction and acquisition expenses.

The classification of the above financial assets is made upon their initial recognition and wherever permitted it is reviewed and reassessed on a periodic basis.

(i) Investments available for sale

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

(ii) Receivables and loans

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

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

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

(iv) Investments held to maturity

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

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

d) Financial Instruments and Risk Management

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

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

(i) Interest rate risk and exchange rate risk

The Group's bank debt is mainly in Euro and is subject to variable and fixed interest rates. The Management of the Group follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

(ii) Fair Value

The amounts appearing in the attached Statements of financial position for cash balances, short-term receivables and other short-term liabilities approximate their respective fair values due to their short-term nature. The fair value of short-term bank loans does not differ from their accounting value due to the use of floating interest rates.

(iii) Credit Risk Concentration

A substantial part of trade receivables in general relate to agencies and entities of the Public sector with which there is no credit risk, per se. Company's policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within a amicable settlement context. Moreover the credit risk concentration is limited due to the great dispersion of the balances.

(iv) Market Risk

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

e) Operation and Presentation Currency and Foreign Exchange Conversion

The euro is the currency of operation and presentation of the Company. Transactions in other currencies are converted into euro using the exchange rates in effect at the date of the transaction. At the date of compilation of the financial statements the monetary asset and liability items that are denominated in other currencies are adjusted so as to reflect the current exchange rates.

The profits and losses resulting from transactions in foreign currencies and from the end-of-year valuation of monetary items in foreign currencies are recorded in the net earnings.

The currency of operation for the foreign subsidiaries of the Group is the official currency of the country in which the subsidiary operates. Therefore, at any financial statements date all subsidiaries' accounts in the Statement of financial position are translated to euro based on the foreign exchange rate prevailing at that date. Revenues and expenses are translated based on the weighted average exchange rate of the year. Any foreign exchange differences resulting as mentioned above, are recoded directly in other comprehensive income. During the sale or distribution of foreign subsidiaries the cumulative foreign exchange differences are recorded in net earnings.

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 for use of quarries are based on straight line method during the contractual right for the use of quarries (30 years) and within the period of its productive use, while amortization of software is accounted for based on the straight line method for a period of three years.

Furthermore intangible assets include the fair value of rights under service concession agreements with the state and more specifically those providing for building, operating, transferring (BOT) of closed motorways and car parks. Fair value is construction costs plus a reasonable construction profit. Amortization of rights starts after the infrastructure is commissioned and stretches throughout the concession period.

g) Revenue recognition

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

(i) Revenue from construction activities

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

According to the percentage-of-completion method the construction costs incurred up to the date of the Statement of Financial position, are compared to the total estimated cost of the project in order to determine the percentage of the project that has been completed.

This percentage is applied to the total revised contract price in order to determine the cumulated income from the project, based on which the invoiced income to date is revised. The cumulated effect of the revisions of the total estimated construction cost and the total contract price are accounted for during the accounting periods in which they arise. In the cases of contracts where it is forecast that the total estimated cost will exceed the total contract price, the entire loss is recognized in the year during which the loss-making events become probable.

Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced, while non-accrued income comprises amounts invoiced up to the balance sheet date over and above the income calculated using the percentage-of-completion method.

Project execution down-payments represent amounts received by the Company upon signing the relevant contracts and are proportionally netted-off with the partial invoicing. The remaining amount due appears as a liability in the attached financial statements.

(ii) Sale of goods

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

(iii) Rent Revenue

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

(iv) Dividends

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

(v) Interest

Interest income is recognized on an accruals basis.

h)Tangible Fixed Assets

As previously mentioned, the Company has valued certain land and buildings at fair value on January 1st , 2004 and these fair values have been used as deemed cost at the date of transition to IFRS. The resulting surplus was credited to the profits carried forward account. The remaining land, buildings, machinery and vehicles are measured at purchase cost less accumulated depreciation and any provisions for impairment.

Repairs and maintenance are booked as expenses during the year in which they are incurred. Significant improvements are capitalized in the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.

Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the financial year in which the fixed asset in question is eliminated.
Fixed assets under construction include fixed assets that are work in progress and are recorded at cost. Fixed assets under construction are not depreciated until the asset is completed and put into operation.

i)Depreciation

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

Category of Fixed Asset	YEARS
Buildings and Construction projects	8-30
Machinery and Technical Installations	3-12
Vehicles	5-12
Fixtures and Other Equipment	3-12

j)Impairment of the Value of Fixed Assets

The book values of long-term assets, other than goodwill and tangible fixed assets with an indefinite life, are reviewed for impairment purposes when facts or changes in circumstances imply that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is recorded in the ret earnings. The recoverable amount is defined as the largest between the fair value minus the sale cost and the value in use.
The fair value minus the sale cost is the plausible income from the sale of an asset in the context of an arm's-length transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct sales cost for the asset. The value in use consists of the net present value of future estimated cash flows expected to occur from the continuous use of the asset and from the income expected to arise from its sale at the end of its estimated useful economic life. In order to determine the impairment, the asset items are grouped at the lowest level for which cash flows can be recognized separately.
A reversal of an impairment for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such an impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income in net earnings.
The Management estimates that there is no case of impairment of the Group's fixed assets and thus a calculation of the assets' recoverable amounts has not been made.

k) Investment property

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

Profits or losses that arise from changes in the fair value of investments in property are included in the net earnings of the period during which they arise. Repairs and maintenance are recorded as expenses in the year in which they are incurred. Material subsequent expenses are capitalized when they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost.

The investment property is eliminated from the Statement of financial position upon sale. All gains or losses resulting from the sale of an investment property are included in the net earnings of the year during which it was sold.

Investment property being build or developed are monitored, as those completed, at fair value.

l) Inventories

Inventories include excavated from the quarry inert materials, construction material, spare parts and raw material. Inventories are valued at the lower of cost and net realizable value. The cost of raw materials, semi-finished and finished products is defined based on the weighted average method.

The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, labor costs, general industrial expenses and other costs that directly relate to the purchase of materials.

The net realizable value of finished products is their estimated selling price during the Company's normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale. The net realizable value of raw materials is their estimated replacement cost during the normal course of business. A provision for impairment is made if it is deemed necessary.

m) Receivables Accounts

Short-term receivables are accounted for at their nominal value less the provisions for doubtful receivables, while long-term receivables are valued at net amortized cost based on the effective interest rate method. At each date of the financial statements, all overdue or doubtful receivables are reviewed in order to determine the necessity for a provision for doubtful receivables.

The balance of the specific provision for doubtful receivables is appropriately adjusted at each balance sheet date in order to reflect the estimated relevant risks. Each write-off of customer balances is debited to the existing provision for doubtful receivables.

n) Cash and Cash Equivalents

The Group considers time deposits and other highly liquid investments with an initial maturity less than three months, as cash and cash equivalents.

For the compilation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above.

o)Long-term loan liabilities

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

We note that interest on loans related to the construction of fixed assets and inventories, whose construction requires a significant period of time, increase the value of relevant assets, based on the revised IAS 23. The capitalization of interest is disrupted when the asset is ready for the use it is intended for.

p)Provisions for Staff Retirement Indemnities

According to the provisions of L2112/20, the Group reimburses its retiring or dismissed employees, and the amount of the relevant indemnities depends on the years of service, the level of wages and the reason for exit from employment (dismissal or retirement). The liabilities for staff retirement indemnities are calculated using the discounted value of future benefits that have accrued at the end of the year, based on the recognition of the employees' benefit rights during the duration of their expected working years. The above liabilities are calculated based on the financial and actuarial assumptions and are defined using the projected unit method of actuarial valuation.

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

q) Government Pension Plans

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

r) Income Tax (Current and Deferred)

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

Deferred income tax is calculated using the liability method on all temporary differences between the tax base and the book value of assets and liabilities on the date of the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences.
Deferred tax assets are recognized for all the exempt temporary differences and the transferable tax losses, to the extent that it is likely that there will be available taxable earnings, which will be set against the exempt temporary differences and the transferable unused tax losses.
The deferred tax assets are estimated on each date of the financial statements and are reduced to the degree that it is not considered likely that there will be adequate taxable earnings against which part or the total of receivables from deferred income taxes may be used.
Deferred tax assets and liabilities are calculated according to the tax rates that are expected to be in effect during the financial year when the asset will be realized or the liability will be settled, and are based on the tax rates (and tax regulations) that are effective or enacted on the date of the financial statements.
Income tax that relates to items, which have been directly recognized in other comprehensive income, is also recognized in other comprehensive income.

s) Finance and Operating Leases

Finance leases, which essentially transfer to the Group all the risks and returns related to the leased fixed asset, are capitalized during the inception of the lease based on the leased asset’s fair value or, if it is lower, on the present value of the minimal leases. Payments for finance leases are allocated between the financial expenses and the reduction of the financing liability, in order to achieve a fixed interest rate on the remaining portion of the liability. The financial expenses are debited directly to the net earnings. Capitalized leased fixed assets are depreciated based on straight lime method during the useful life of the asset.
Leases where the lessor maintains all the risks and returns related to ownership of the fixed asset, are recorded as operating leases. The payments of operating leases are recognized as an expense in the net earnings on a constant basis for the duration of the lease.

t) Government Grants

Government grants relating to subsidies of tangible fixed assets, are recognized when there is reasonable certainty that the grant will be received and all relevant terms will be met.
These government grants are recorded in a deferred income account and are transferred to the comprehensive income statement in equal annual installments based on the expected useful life of the asset that was subsidized, as a reduction to the relevant depreciation expense. When the grant relates to an expense it is recognized as income during the period deemed necessary to match the grant on a systematic basis with the expenses it is meant to reimburse.

u) Provisions, Contingent Liabilities and Contingent Receivables

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each date of the financial statements and are adjusted in order to reflect the present value of expenses that are expected to be required for the settlement of the liability.

If the effect of the time value of money is significant, then provisions are calculated by discounting the expected future cash flows with a pre-tax rate, which reflects the market's current estimations for the time value of money, and wherever considered necessary, the risks related specifically to the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, unless the outflow of economic resources that include an economic loss benefits is probable.
Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of financial benefits is possible.

v) Financial Derivatives and Hedging Instruments
The Group has used financial derivatives and specifically in enters into interest rate swaps to hedge its risk linked to fluctuations of interest rates for substantial loans. The financial derivatives are valued at fair value during the reference date. The fair value of such derivatives is mainly defined based on the market value and is confirmed by the counterparty financial institutions.
For the purposes of hedge accounting, the hedges are classified as follows:

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

The full hedged part of the profit/loss of a measurement of derivatives that meet the conditions for hedge accounting is registered in other comprehensive income, if such refers to cash flow hedges, while the non-effective part is registered in net earnings.
If such refers to a fair value hedge, the relevant profit or loss is recognized in net earnings, where the fair value change if the hedged instrument is registered respectively.
When the estimated hedgable future transactions or liabilities lead to the recognition of a receivable or liability, the profit or losses previously registered in the statement of comprehensive income (cash flow hedges) are incorporated in the initial valuation of the cost of such receivables or liabilities. Otherwise, the amounts presented in equity are transferred to the statement of comprehensive income and are characterized as an income or expense during the period in which the estimated hedged transactions affect the statement of comprehensive income.

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

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

(Amounts in thousand Euro, unless stated otherwise)

4. GROUP STRUCTURE

During the present period that ended on 31.12.2010 the following companies were included in the consolidation for the first time, due to their establishment or acquisition:

- the acquired company ENERGEIAKI TECHNIKI ANAPTYXIAKI OF WESTERN GREECE S.A. along with the joint venture it participates in, namely J/V METKA-ETADE (Construction of PPC Hydroelectric Station in Megalopoli), that are included in the industrial and construction segments respectively,
- the acquired company BIOMAGN S.A., which is included in the industrial and real estate management segments.
- the construction joint ventures APION KLEOS and TERNA SA-SICES CONSTRUCTION S.p.A, which are included in the construction segment,

The table that follows presents the participations of the Company, direct and indirect, in economic entities at the end of the present reporting period and which were included in the consolidation:

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
TERNA S.A.	Greece	100.00	0.00	100.00	Full
BIOMAGN SA (note 29)	Greece	54.77	0.00	54.77	Full
ENERGEIAKI TECHNIKI ANAPTYXIAKI OF WESTERN GREECE S.A. (note 29)	Greece	0.00	100.00	100.00	Full
VRONDIS 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
CEMENT PRODUCTION AND EXPORT FZC	Libya	0.00	75.00	75.00	Full
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0.00	75.00	75.00	Full
J/V TERNA SA - IMPEGILO SPA (TRAM)	Greece	0.00	55.00	55.00	Proportionate
J/V ANCIENT OLYMPIA BY-PASS	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	Greece	50.00	0.00	50.00	Proportionate
J/V UNDERGROUND CARS THESSALONIKI	Greece	50.00	0.00	50.00	Proportionate
J/V ATHENS CONCERT HALL	Greece	69.00	0.00	69.00	Proportionate
J/V PERISTERI METRO	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI	Greece	24.00	0.00	24.00	Proportionate

(Amounts in thousand Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
PROJECT					
J/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	Greece	50.00	0.00	50.00	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.-ATHENS ATE ARACHTHOU-PERISTERIOU	Greece	62.50	0.00	62.50	Proportionate
J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	Greece	69.00	0.00	69.00	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 - 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 TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	0.00	65.00	Proportionate
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH SA	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 VIOTER 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 VIOTER SA-TERNA SA	Greece	50.00	0.00	50.00	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 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 EUROPEAN TECHNICAL-HOMER-TERNA SA	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA SA -THEMELIODOMI SA	Greece	60.00	0.00	60.00	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 SA-TERNA SA(THETIKON)	Greece	50.00	0.00	50.00	Proportionate

(Amounts in thousand Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
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
TERNA SA - PANTECHNIKI S.A. (OAKA)	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/V J&P AVAX SA-TERNA SA-EYKLEIDIS	Greece	35.00	0.00	35.00	Proportionate
J/V EURO IONIA	Greece	33.33	0.00	33.33	Proportionate
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12.00	0.00	12.00	Proportionate
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12.00	0.00	12.00	Proportionate
J/V TERNA – AKTOR	Greece	50.00	0.00	50.00	Proportionate
J/V CENTRAL GREECE MOTORWAY E-65	Greece	33.33	0.00	33.33	Proportionate
J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS – TREIS GEFYRES	Greece	33.33	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 AUSTRIA	Greece	37,43%	0.00	37,43%	Proportionate
J/V J&P AVAX SA-VIOTER SA-TERNA SA	Greece	33.33	0.00	33.33	Proportionate
J/V ALPINE BAU-TEPNA SA	Greece	49.00	0.00	49.00	Proportionate
J/V AKTOR-TERNA	Greece	50.00	0.00	50.00	Proportionate
J/V EVAGGELISMOS PROJECT C	Greece	50.00	0.00	50.00	Proportionate
J/V EPL DRAMAS	Greece	40.00	0.00	40.00	Proportionate
J/V K. MANIOTIS - TERNA –ENERGIAKI	Greece	37.50	0.00	37.50	Proportionate
J/V TERNA-TERNA ENERGY-TSAMBRAS (DRAMA HOSPITAL)	Greece	40.00	0.00	40.00	Proportionate
J/V METKA-ETADE (note 29)	Greece	90.00	0.00	90.00	Proportionate
J/V TERNA SA-SICES CONSTRUCTIONS S.p.A	Greece	50.00	0.00	50.00	Proportionate
J/V APION KLEOS (note 29)	Greece	17.00	0.00	17.00	Proportionate
JV QBC S.A. - TERNA S.A.	Qatar	0.00	40.00	40.00	Proportionate
HAMRIYAH CEMENT COMPANY FZC	U.A.E.	0.00	40.00	40.00	Equity

(Amounts in thousand Euro, unless stated otherwise)

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

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

COMPANY NAME	TOTAL PARTICIPATION % (Indirect)
J/V BIOTER SA-TERNA SA- REVIEW	50.00%
J/V BIOTER SA-TERNA SA-FENCING (APOLLONIA SPA)	50.00%
J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
J/V CAR PARK "PARKING WHEEL SA"	12.16%
J/V MARITIME MIDSHIPMEN –GNOMON ATE-GEK SA-GENER SA	33.00%
J/V IMPREGILO Spa – TERNA SA-ALTE SA (EXECUTIONS)-in clearance	33.33%
J/V ARCHIRODON HELLAS ATE-TERNA SA	30.00%
J/V ATHINA ATE-PANTECHNIKI SA –TERNA SA	33.33%
J/V EVINOU-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%
J/V MAIN ARROGATION CANAL D 1	75.00%
J/V IRAKLEION CAMPUS	50.00%
J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20.00%
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%
J/V DEPA PROJECT	10.00%
J/V ARTA-FILIPPIADA BY-PASS	98.00%
J/V ATHENS CAR PARKS	20.00%
J/V FRAGMATOS PRAMORITSA	33.33%
J/V TERNA S.A.- VERMION SA-ANAPLASEON SA (In clearance)	50.00%
J/V TERNA SA - ERGODOMI SA - KTISTOR SA	50.00%
J/V TERNA S - TH. KARAGIANNIS SA	50.00%

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

5. GEOGRAPHIC SEGMENTS

The following table presents selective information on the Group per geographic segment. The other regions include Malta and Libya. Capital expenditure also includes acquisitions from purchases of companies.

(Amounts in thousand Euro, unless stated otherwise)

Geographic segments 31.12.2010	**Greece and Cyprus**	**Balkans and Eastern Europe**	**Middle East**	**Other regions**	**Consolidated totals**
Turnover from external customers	354,486	46,696	92,456	0	**493,638**
Segment assets	862,220	59,842	146,388	4,415	**1,072,865**
Capital expenditure	109,412	59	6,121	0	**115,592**

Geographic segments 31.12.2009	**Greece and Cyprus**	**Balkans and Eastern Europe**	**Middle East**	**Other regions**	**Consolidated totals**
Turnover from external customers	372,823	146,400	162,027	0	**681,250**
Segment assets	495,439	84,838	99,226	514	**680,017**
Capital expenditure	32,429	315	6,644	345	**39,733**

6. INTANGIBLE FIXED ASSETS

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

	GROUP				
	Concessions and Rights	**Right from construction contract**	**Software**	**Research and development**	**Total**
Net book value 1.1.2010	**4,850**	**0**	**208**	**152**	**5,210**
Additions	0	0	234	23	**257**
Additions on acquisition value from acquisitions – cost (note 29)	28,581	50,471	14	0	**79,066**
Additions on acquisition value from acquisitions – amortization (note 29)	(1,028)	0	(11)	0	**(1,039)**
Book cost of sales – written-off fixed assets	0	0	(18)	0	**(18)**
Accumulated amortization of sales – written-off fixed assets	0	0	18	0	**18**
(Amortization for the year)	(236)	0	(129)	(6)	**(371)**
Foreign exchange differences	(43)	0	2	0	**(41)**
Net book value 31.12.2010	**32,124**	**50,471**	**318**	**169**	**83,082**
Cost 1.1.2010	6,623	0	987	182	**7,792**
Accumulated Amortization 1.1.2010	(1,773)	0	(779)	(30)	**(2,582)**
Net book value 1.1.2010	**4,850**	**0**	**208**	**152**	**5,210**
Cost 31.12.2010	35,204	50,471	1,220	205	**87,100**
Accumulated Amortization 31.12.2010	(3,080)	0	(902)	(36)	**(4,018)**
Net book value 31.12.2010	**32,124**	**50,471**	**318**	**169**	**83,082**

(Amounts in thousand Euro, unless stated otherwise)

	GROUP			
	Concessions and Rights	**Software**	**Research and development**	**Total**
Net book value 1.1.2009	**5,071**	**158**	**158**	**5,387**
Additions		131		**131**
(Amortization for the year)	(221)	(81)	(6)	**(308)**
Net book value 31.12.2009	**4,850**	**208**	**152**	**5,210**
Cost 1.1.2009	6,623	856	182	**7,661**
Accumulated Amortization 1.1.2009	(1,552)	(698)	(24)	**(2,274)**
Net book value 1.1.2009	**5,071**	**158**	**158**	**5,387**
Cost 31.12.2009	6,623	987	182	**7,792**
Accumulated Amortization 31.12.2009	(1,773)	(779)	(30)	**(2,582)**
Net book value 31.12.2009	**4,850**	**208**	**152**	**5,210**

	COMPANY			
	Concessions and Rights	**Software**	**Research and development**	**Total**
Net book value 1.1.2010	**4,850**	**125**	**152**	**5,127**
Additions	0	153	0	**153**
(Amortization for the year)	(221)	(75)	(6)	**(302)**
Net book value 31.12.2010	**4,629**	**203**	**146**	**4,978**
Cost 1.1.2010	6,623	819	182	**7,624**
Accumulated Amortization 1.1.2010	(1,773)	(694)	(30)	**(2,497)**
Net book value 1.1.2010	**4,850**	**125**	**152**	**5,127**
Cost 31.12.2010	6,623	972	182	**7,777**
Accumulated Amortization 31.12.2010	(1,994)	(769)	(36)	**(2,799)**
Net book value 31.12.2010	**4,629**	**203**	**146**	**4,978**

(Amounts in thousand Euro, unless stated otherwise)

	COMPANY			
	Concessions and Rights	**Software**	**Research and development**	**Total**
Net book value 1.1.2009	**5,071**	**78**	**158**	**5,307**
Additions		95		**95**
(Amortization for the year)	(221)	(48)	(6)	**(275)**
Net book value 31.12.2009	**4,850**	**125**	**152**	**5,127**
Cost 1.1.2009	6,623	724	182	**7,529**
Accumulated Amortization 1.1.2009	(1,552)	(646)	(24)	**(2,222)**
Net book value 1.1.2009	**5,071**	**78**	**158**	**5,307**
Cost 31.12.2009	6,623	819	182	**7,624**
Accumulated Amortization 31.12.2009	(1,773)	(694)	(30)	**(2,497)**
Net book value 31.12.2009	**4,850**	**125**	**152**	**5,127**

The Group's amortization for 2010 has been registered in production cost by euro 55 (25 in 2009) and administrative expenses by euro 316 (273 in 2009). The respective amounts for the Company correspond to euro 1 (2 in 2009) and euro 301 (273 in 2009).

The account Concessions and Rights include the recognition of purchased rights to exploit quarries with net book value of euro 4,629 (euro 4,850 in 2009), and an initial agreed duration of 20-30 years.

7. TANGIBLE FIXED ASSETS

The tangible fixed assets account, 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 1.1.2010	**8,824**	**2,307**	**72,317**	**13,091**	**3,247**	**2,867**	**102,653**
Additions	67	188	6,251	622	1,001	696	**8,825**
Additions based on financial leasing contracts	0		1,320	3,724	0	0	**5,044**
Acquisition cost of sold, written-off fixed assets	(188)	(49)	(2,001)	(491)	(329)	0	**(3,058)**
Accumulated depreciation of sold, written-off fixed assets	0	49	765	390	245	0	**1,449**
Additions on acquisition cost from acquisitions – cost (note 29)	2,650	3,523	10,867	629	986	0	**18,655**
Additions on acquisition cost from acquisitions – depreciation (note 29)	0	(2,398)	(9,006)	(510)	(954)	0	**(12,868)**
Transfer to another tangible fixed asset account – cost	0		(8)	(35)	43	0	**0**
Transfer to another tangible fixed asset account – depreciation	0		6	10	(16)	0	**0**
Transfer from investment property – cost (note 8)	923			0			**923**
Other movements on acquisition cost of fixed assets (FX differences etc.)	0	36	744	109	73	19	**981**
Other movements on depreciation of fixed assets (FX differences etc.)	0	(12)	(287)	(176)	(49)	0	**(524)**
Depreciation for the year	(276)	(281)	(11,886)	(3,316)	(1,173)	0	**(16,932)**
Net book value 31.12.2010	**12,000**	**3,363**	**69,082**	**14,047**	**3,074**	**3,582**	**105,148**
Cost 1.1.2010	9,675	3,218	109,384	24,528	8,778	2,867	**158,450**
Accumulated Depreciation 1.1.2010	(851)	(911)	(37,067)	(11,437)	(5,531)	0	**(55,797)**
Net book value 1.1.2010	**8,824**	**2,307**	**72,317**	**13,091**	**3,247**	**2,867**	**102,653**
Cost 31.12.2010	13,127	6,916	126,557	29,086	10,552	3,582	**189,820**
Accumulated Depreciation 31.12.2010	(1,127)	(3,553)	(57,475)	(15,039)	(7,478)	0	**(84,672)**
Net book value 31.12.2010	**12,000**	**3,363**	**69,082**	**14,047**	**3,074**	**3,582**	**105,148**

(Amounts in thousand Euro, unless stated otherwise)

GROUP	Quarries /Land-Plots	Buildings	Machinery	Vehicles	Other	Assets under construction and prepayments for acquisition of fixed assets	Total
Net book value 1.1.2009	**8,836**	**2,193**	**56,506**	**10,488**	**2,081**	**660**	**80,764**
Additions	265	389	5,495	1,141	2,540	1,895	**11,725**
Additions based on financial leasing contracts	0	0	22,594	4,306	0	0	**26,900**
Transfers of acquisition cost	0	0	0	0	0	(660)	**(660)**
Cost of sold-deleted fixed assets	0	(99)	(1,263)	(320)	(178)	0	**(1,860)**
Accumulated depreciation of sold-deleted fixed assets	0	78	94	241	150	0	**563**
Additions on cost from acquisitions	0	0	0	0	0	977	**977**
Reduction of cost due to change in consolidation percentage	0	0	(23)	(27)	(54)	0	**(104)**
Reduction of accumulated depreciation due to change in consolidation percentage	0	0	12	8	51	0	**71**
Other movements on cost of fixed assets (foreign exchange differences etc)	0	(7)	(232)	(48)	20	(5)	**(272)**
Other movements on depreciation of fixed assets (foreign exchange differences etc)	0	3	108	21	(11)	0	**121**
Depreciation for the year	(277)	(250)	(10,974)	(2,719)	(1,352)	0	**(15,572)**
Net book value 31.12.2009	**8,824**	**2,307**	**72,317**	**13,091**	**3,247**	**2,867**	**102,653**
Cost 1.1.2009	9,410	3,027	84,437	19,476	6,447	660	**123,457**
Accumulated Depreciation 1.1.2009	(574)	(834)	(27,931)	(8,988)	(4,366)	0	**(42,693)**
Net book value 1.1.2009	**8,836**	**2,193**	**56,506**	**10,488**	**2,081**	**660**	**80,764**
Cost 31.12.2009	9,675	3,218	109,384	24,528	8,778	2,867	**158,450**
Accumulated Depreciation 31.12.2009	(851)	(911)	(37,067)	(11,437)	(5,531)	0	**(55,797)**
Net book value 31.12.2009	**8,824**	**2,307**	**72,317**	**13,091**	**3,247**	**2,867**	**102,653**

(Amounts in thousand Euro, unless stated otherwise)

COMPANY	**Quarries /Land-Plots**	**Buildings**	**Machinery**	**Vehicles**	**Other**	**Assets under construction**	**Total**
Net book value 1.1.2010	**1,850**	**2,270**	**70,263**	**12,156**	**2,526**	**0**	**89,065**
Additions	41	0	2,718	299	549	0	3,607
Additions based on financial leasing contracts	0	0	1,320	3,724	0	0	5,044
Acquisition cost of sold, written-off fixed assets	0	(14)	(1,463)	(338)	(180)	0	(1,995)
Accumulated depreciation of sold, written-off fixed assets	0	14	495	276	97	0	882
Transfer to another tangible fixed asset account – cost	0	0	(8)	(35)	43	0	0
Transfer to another tangible fixed asset account – depreciation	0	0	6	10	(16)	0	0
Depreciations	(10)	(236)	(11,035)	(3,011)	(854)	0	(15,146)
Other movements on acquisition cost of fixed assets (FX differences etc.)		36	412	27	27	0	502
Other movements on depreciation of fixed assets (FX differences etc.)		(12)	(75)	(8)	(16)	0	(111)
Net book value 31.12.2010	**1,881**	**2,058**	**62,633**	**13,100**	**2,176**	**0**	**81,848**
Cost 1.1.2010	1,901	3,077	102,871	22,916	6,611	0	137,376
Accumulated Depreciation 1.1.2010	(51)	(807)	(32,608)	(10,760)	(4,085)	0	(48,311)
Net book value 1.1.2010	**1,850**	**2,270**	**70,263**	**12,156**	**2,526**	**0**	**89,065**
Cost 31.12.2010	1,943	3,099	105,849	26,593	7,050	0	144,534
Accumulated Depreciation 31.12.2010	(62)	(1,041)	(43,216)	(13,493)	(4,874)	0	(62,686)
Net book value 31.12.2010	**1,881**	**2,058**	**62,633**	**13,100**	**2,176**	**0**	**81,848**

(Amounts in thousand Euro, unless stated otherwise)

COMPANY	Quarries /Land-Plots	Buildings	Machinery	Vehicles	Other	Assets under construction and prepayments for acquisition of fixed assets	Total
Net book value 1.1.2009	**1,705**	**2,121**	**53,873**	**9,589**	**1,409**	**221**	**68,918**
Additions	155	381	4,459	808	2,170	0	7,973
Additions based on financial leasing contracts	0	0	22,594	4,306	0	0	26,900
Cost of sold-deleted fixed assets	0	0	(1,230)	(237)	(148)	0	(1,615)
Accumulated depreciation of sold-deleted fixed assets	0	0	69	168	123	0	360
Transfers	0	0	0	0	0	(221)	(221)
Depreciations	(10)	(228)	(9,404)	(2,466)	(1,044)		(13,152)
Other movements on cost of fixed assets (foreign exchange differences etc)	0	(7)	(137)	(23)	33	0	(134)
Other movements on depreciation of fixed assets (foreign exchange differences etc)	0	3	39	11	(17)	0	36
Net book value 31.12.2009	**1,850**	**2,270**	**70,263**	**12,156**	**2,526**	**0**	**89,065**
Cost 1.1.2009	1,746	2,796	78,809	18,062	4,556	221	106,190
Accumulated Depreciation 1.1.2009	(41)	(675)	(24,936)	(8,473)	(3,147)	0	(37,272)
Net book value 1.1.2009	**1,705**	**2,121**	**53,873**	**9,589**	**1,409**	**221**	**68,918**
Cost 31.12.2009	1,901	3,077	102,871	22,916	6,611	0	137,376
Accumulated Depreciation 31.12.2009	(51)	(807)	(32,608)	(10,760)	(4,085)	0	(48,311)
Net book value 31.12.2009	**1,850**	**2,270**	**70,263**	**12,156**	**2,526**	**0**	**89,065**

(Amounts in thousand Euro, unless stated otherwise)

The depreciations of the Group for 2010, have been registered in production cost by euro 16,111 (euro 14,688 in 2009), and in Administration and Distribution Expenses by euro 821 (euro 884 in 2009).

The depreciations of the Company for 2010, have been registered in production cost by euro 14,353 (12,273 in 2009), and in Administration and Distribution Expenses by euro 793 (879 in 2009).

The above tangible fixed assets also include those acquired through financial leasing:

GROUP AND COMPANY	**Machinery**	**Vehicles**	**Total**
Cost 31.12.2010	59,629	14,325	**73,954**
Accumulated depreciation 31.12.2010	(16,567)	(4,462)	**(21,029)**
Net book value 31.12.2010	**43,062**	**9,863**	**52,925**

GROUP AND COMPANY	**Machinery**	**Vehicles**	**Total**
Cost 31.12.2009	59,228	10,601	**69,829**
Accumulated depreciation 31.12.2009	(10,115)	(2,662)	**(12,777)**
Net book value 31.12.2009	**49,113**	**7,939**	**57,052**

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

8. INVESTMENT PROPERTY

The investment property in the accompanying financial statements are analyzed as follows:

	GROUP		**COMPANY**	
	2010	**2009**	**2010**	**2009**
Balance January 1st	**1,596**	**1,596**	**1,596**	**1,596**
Additions from acquisitions – cost (note 29)	3,743	0	0	0
Transfer to tangible fixed assets (note 7)	(923)	0	0	0
Transfer to reserves	(2,196)	0		0
Balance December 31st	**2,220**	**1,596**	**1,596**	**1,596**

(Amounts in thousand Euro, unless stated otherwise)

9. PARTICIPATIONS IN ASSOCIATES

The account "Participations in associates" concerns a 40% participation of a Company subsidiary in the Middle East in a cement production company at the same area. The change in the balance is due to foreign exchange differences. The impairment review on the participation value conducted by the Group's Management, did not result in an impairment difference compared to the previous review.

10. OTHER LONG-TERM RECEIVABLES

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Loans to other related companies	10,000	0	0	0
Given guarantees	903	695	577	648
Total	**10,903**	**695**	**577**	**648**

11. INVENTORIES

The account inventories on 31 December 2010 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Raw-auxiliary materials	6,141	6,106	1,027	992
Spare parts of fixed assets	25	25	25	25
Property under construction	13,196	0	0	0
Merchandise and Finished and semi-finished products	3,469	2,862	3,153	2,862
Total	**22,831**	**8,993**	**4,205**	**3,879**

During the end of the present year and the previous year there was no need to provide for impaired or low turnover inventories.

12. TRADE RECEIVABLES AND PREPAYMENTS AND OTHER RECEIVABLES

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

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Trade receivables	339,221	206,597	201,503	133,458
Accrued income	872	2,600	871	2,600
Customers – Doubtful and litigious	13,046	2,264	12,766	2,090
Checks Receivable	14,463	8,416	13,020	7,809
Minus: Provisions for doubtful receivables	(13,178)	(6,350)	(8,984)	(6,350)
	354,424	**213,527**	**219,176**	**139,607**

(Amounts in thousand Euro, unless stated otherwise)

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

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Accounts for management of prepayments and credits	2,955	2,919	1,802	1,837
Accrued income of other debtors	640	94	0	0
Receivables against members of joint ventures, associates and other related parties	13,351	14,148	45,418	40,033
Receivables from sale of joint ventures	0	23,000	0	0
Other sundry debtors	10,935	6,277	8,184	3,278
Blocked deposit accounts	2,001	503	351	333
Minus: Provisions for doubtful receivables	(2,304)	(2,304)	(2,304)	(2,304)
Prepayments to suppliers	106,603	6,728	104,477	4,672
Prepayments of deferred expenses (insurance premiums, leases, bank commissions on letters of guarantee)	7,806	5,626	2,591	2,692
VAT to be rebated – offset	7,590	8,657	1,855	3,213
Social Security on technical projects	1,039	912	611	436
	150,616	**66,560**	**162,985**	**54,190**

The increase of prepayments to suppliers mainly concerns mechanical equipment that will be incorporated in construction projects.

Provisions for impairment of receivables

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

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
Opening balance	**8,654**	**8,154**	**8,654**	**8,154**
Provisions for the period	4,047	500	2,634	500
Additions due to acquisitions	2,781	0	0	0
Closing balance	**15,482**	**8,654**	**11,288**	**8,654**

The receivables of the Group and the Company include accounts amounting to 50,533 and 42,609 respectively (37,430 and 20,802 respectively for 2009) that concern overdue receivables, apart from those impaired. Such refer to receivables for which there is certainty regarding their collection in full, given that they mainly concern receivables from government entities or customers whose credibility is secure.

(Amounts in thousand Euro, unless stated otherwise)

The time allocation of the above receivables is as follows:

	GROUP		COMPANY	
YEARS OVERDUE	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**
Up to 1 year	4,373	1,502	1,873	1,502
1-2 years	16,723	11,683	13,773	1,947
2-3 years	18,064	21,908	15,590	15,286
Over 3 years	11,373	2,337	11,373	2,067
	50,533	**37,430**	**42,609**	**20,802**

13. CONSTRUCTION CONTRACTS

The technical works, undertaken by the Group and company that were under construction on 31.12.2010 are analyzed as follows:

	GROUP		COMPANY	
Cumulatively from the beginning of the projects	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**
Cumulative costs	2,335,058	2,206,164	1,540,755	1,375,659
Cumulative profit	289,793	297,909	194,061	198,950
Cumulative loss	(20,521)	(35,692)	10,411	(24,527)
Billings	(2,518,570)	(2,390,834)	(1,708,051)	(1,521,536)
	86,068	**77,547**	**37,176**	**28,546**
Receivables from construction contracts	132,476	109,274	57,512	52,518
Liabilities from construction contracts	(46,772)	(31,727)	(41,158)	(23,972)
Net receivables from customers of projects	**85,704**	**77,547**	**16,354**	**28,546**
Received prepayments	251,494	235,918	155,483	81,061
Withheld amounts from customers of projects	37,191	63,991	35,589	60,981

The account "Received prepayments" consists of the account "Customer prepayments" of the account "Accrued and other short-term liabilities" (note 20) and by the account "Other long-term liabilities" (note 16), while the account "Withheld amounts from customers of projects" is included in the account "Customers" of the account "Trade receivables" (note 12).

(Amounts in thousand Euro, unless stated otherwise)

14. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Cash in hand	150	303	20	180
Site Deposits	63,826	82,069	12,487	24,631
Term Deposits	104,258	62,059	81,164	60,237
Total	**168,234**	**144,431**	**93,671**	**85,048**

Term deposits have a usual duration of 3-6 months and interest rates ranging between 1.7% - 2.2% and 2.5%-3% for 2010 and 2009 respectively.

15. 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.

Following the completion of the transformation, the Company's shares are owned by 100% by GEK TERNA SA. Both during the present and during the previous period, the Company did not own treasury shares. The weighted average number of shares outstanding during both financial years, for the purpose of earnings per share, was 289,100 shares.

The earnings per share from continued operations for 2010 amount to euro 0.66 (87.18 in 2009) and were calculated based on earnings corresponding to shareholders of the parent and amounting to euro 192,099 (euro 25,203,000 in 2009) and the above weighted average number of shares outstanding during 2010 and 2009 respectively.

The Board of Directors, taking into consideration its investment plan and the uncertainty in the global and Greek economies, proposes not to distribute dividend for the 2010 period.

(Amounts in thousand Euro, unless stated otherwise)

16. OTHER LONG-TERM LIABILITIES

The account "Other long-term liabilities" in the accompanying financial statements concern prepayments of construction contracts (motorways and thermoelectric plants in Greece and building facilities abroad).

17. LONG-TERM LOANS AND FINANCIAL LEASES

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

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Liabilities from financial leasing	48,430	55,039	48,430	55,039
Minus: Short-term portion	(11,721)	(10,809)	(11,720)	(10,809)
Long-term loans	108,491	9,513	101,588	0
Minus: Short-term portion	(8,662)	(3,152)	(4,588)	0
	136,538	**50,591**	**133,710**	**44,230**

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

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
up to 1 year	8,662	3,152	4,588	0
between 2 & 5 years	99,830	6,361	97,000	0
over 5 years	0	0	0	0
	108,492	**9,513**	**101,588**	**0**

The increase of the Group's long-term debt mainly financed the overdue collection of trade receivables (note 12).

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

	GROUP & COMPANY	
	31.12.2010	**31.12.2009**
up to 1 year	11,720	10,809
between 2 & 5 years	35,975	38,941
over 5 years	735	5,289
	48,430	**55,039**

Finance leases have been contracted in euro and concern mechanical and plant equipment used for the execution needs of construction projects. Finance leases represent 16.64% (35.93% during the previous year) of the Group's total debt and 20.83% (38.31% during the previous year) of the Company's total debt. 52% of liabilities from finance leases of the Company and Group are under floating interest rates.

During the present year, the Group signed new finance leasing contracts for machinery and other plant equipment under a floating interest rate and a total value of euro 5,045, while the amount of euro 11,700 was paid for leases on existing contracts with an effective interest rate of 3.97% (4.34% in 2009). The above amounts also concern the Company.

The Group's long-term debt is in Euro (94.6% of total) and USD or currencies pegged to such (6.4% of total) and represents almost 37.3% of the Group's overall debt. Long-term debt mainly covers the financing needs of the Group's investments. As regards to the Company, total long-term debt is in euro and represents approximately 43.7% of its overall debt.

During the presented period, the Company signed long-term loan contracts amounting up to 250 mil euro with a floating interest rate, namely euribor plus a margin, to finance new large projects undertaken. From this limit, amounts of 101 mil euro have already been withdrawn, while the remaining amounts will be received according to the progress of activities. There are no other Group companies that have signed such new contracts during the year.

During the present year, an amount of 4,374 (3,184 during the previous year) was paid by the Group as repayment of existing long-term loans. The respective amount for the Company corresponds to 1,000, while during the previous year the Company had no long-term debt.

The Group's total long-term debt is under floating interest rates. The average effective interest rate on long-term debt during the period, amounted to 5.96 % for debt in euro, 1.41% for debt in USD (2.29% during the previous year) and 8.66% for debt in BHD (8.35%, respectively during the previous year).

18. PROVISION FOR STAFF INDEMNITIES

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

The estimations for staff indemnity liabilities were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions recorded in the accompanying statement of comprehensive income as well as the movement of the relevant provision accounts for staff indemnities presented in the accompanying statement of financial position.

(Amounts in thousand Euro, unless stated otherwise)

The amount due for staff indemnities is analyzed as follows:

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Present value of liabilities	4,445	4,844	3,429	3,556
Unrecognised actuarial losses	(295)	(322)	(295)	(323)
Recognized liability	**4,150**	**4,522**	**3,134**	**3,233**

The movement of the relevant provision in the Statement of financial position is as follows:

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Opening balance	**4,522**	**2,995**	**3,233**	**2,168**
Additions recognized in the results	3,062	3,180	2,610	2,590
Transfer of unused provisions to the results	(496)	0	0	0
Transfers to short-term liabilities	(349)	173	0	44
Foreign exchange translation differences	215	(65)	109	(32)
Payments of indemnity	(2,849)	(1,761)	(2,818)	(1,537)
Additions from acquisitions (note 29)	45	0	0	0
Closing balance	**4,150**	**4,522**	**3,134**	**3,233**

The expense for staff indemnity of the Group recognized, mainly in cost of sales of the period's results, is analyzed as follows:

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Current cost of service	1,172	2,557	720	1,967
Financial cost	124	105	124	105
Recognition of actuarial profit/(losses)	24	69	24	69
Cost of previous working service	16	0	16	0
Dismissal benefits	1,726	449	1,726	449
	3,062	**3,180**	**2,610**	**2,590**

(Amounts in thousand Euro, unless stated otherwise)

The basic actuarial assumptions are as follows:

	2010	**2009**
Discount rate	4.1%	5.7%
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%

19. OTHER PROVISIONS

The movement of the account "Other provisions" statement of financial position is as follows:

	GROUP			**COMPANY**		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
Balance 1.1.2010	**114**	**3,006**	**3,120**	**114**	**2,705**	**2,819**
Additions recognized in the results	0	233	**233**	0	233	**233**
Additions from acquisitions (note 29)	0	3,000	**3,000**	0	0	**0**
Used provisions	0	(679)	**(679)**	0	(678)	**(678)**
Balance 31.12.2010	**114**	**5,560**	**5,674**	**114**	**2,260**	**2,374**

(Amounts in thousand Euro, unless stated otherwise)

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
Balance 1.1.2009	**114**	**928**	**1,042**	**114**	**827**	**941**
Provision recognized in total comprehensive income	0	2,078	2,078	0	**1,878**	**1,878**
Balance 31.12.2009	**114**	**3,006**	**3,120**	**114**	**2,705**	**2,819**

The Group is obliged to proceed to environmental rehabilitation where it installs production units for management of quarries, after the completion of the concession period, which is 20-30 years, according to the licenses granted by state. The aforementioned provision of 114 euro reflects the required expenses for the removal of equipment and formation of the area in which the equipment was installed, using the available technology and materials.

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

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Provisions for income tax	1,033	800	733	500
Provisions for doubtful receivables	380	380	380	380
Provisions for legal cases of an acquired company (note 29)	3,000	0	0	0
Other provisions	1,261	1940	1,261	1939
	5,674	**3,120**	**2,374**	**2,819**

The account "Provisions for income tax" concerns provisions for tax un-audited fiscal years.

20. SUPPLIERS, ACCRUED AND OTHER SHORT-TERM LIABILITIES

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

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Suppliers	158,872	97,263	89,452	71,390
Checks payable	22,855	15,066	21,760	8,734
	181,727	**112,329**	**111,212**	**80,124**

(Amounts in thousand Euro, unless stated otherwise)

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

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Dividends payable	29	29	29	29
Liabilities to related companies	19,050	17,812	9,941	10,422
Remuneration of Board of Directors	126	0	126	0
Accrued expenses	8,056	5,038	2,994	2,536
Sundry creditors	65,891	6,713	51,979	5,112
Customer prepayments	128,352	170,801	84,117	26,025
Liabilities from taxes – dues	17,017	9,477	15,724	7,160
Social security funds	1,776	1,963	1,509	1,469
Deferred income	0	180	0	0
	240,297	**212,013**	**166,419**	**52,753**

21. SHORT-TERM LOANS

The Group’s short-term loans refer mainly to current bank accounts having a duration up to three months and are renewed depending on the needs. The amounts withdrawn are used mainly to cover the liquidity needs of the Group during the construction period of technical works. Such loans, with the completion of the relevant projects, are repaid with the collection of the contractor prices. The same holds also for the Company.

The Group’s total loans are almost entirely in euro (89.3%) and the average weighted interest rate on such during 2010 amounted to 4.56% (3.42% during the previous year). The remaining loans are in QAR with a 1.67% interest rate.

The Company’s total loans are mainly in euro and the average weighted interest rate during 2010 amounted to 4.93 % (3.20% during the previous year).

22. INCOME TAX

According to Greek tax legislation the tax rate corresponds to 24% for 2010 and 20% for the following years. 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 assets’ 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.

(Amounts in thousand Euro, unless stated otherwise)

In May 2010, the Law regarding the windfall tax "Extraordinary Contribution for Social Responsibility" came into force (L. 3845/2010). According to article 5 of the aforementioned law, a windfall tax was imposed retroactively on the net earnings of 2009 and was recognized in income tax expenses.

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

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Current tax expense				
Current tax	4,664	5,252	3,492	3,019
Windfall Tax L. 3808/2009	2,183	1,233	1,693	1,233
Provision for tax audit differences	233	400	233	200
Differences from tax of previous years	407	701	13	383
	7,487	**7,586**	**5,431**	**4,835**
Deferred tax expense	**(5,622)**	**1,865**	**(4,656)**	**(243)**
Total	**1,865**	**9,451**	**775**	**4,592**

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

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Earnings before tax	**2,266**	**35,485**	**(1,917)**	**28,610**
Nominal tax rate	**24%**	**25%**	**24%**	**25%**
Income tax based on the effective nominal tax rate	**544**	**8,871**	**(460)**	**7,152**
Adjustments for:				
Tax difference of accounting-implied profit	450	0	450	0
Implied taxation method	(341)	(370)	97	92
Expenses not included in the calculation of tax	599	869	231	859
Provision for tax audit differences	233	400	233	200
Effect of differences of tax rate	328	1,160	186	1,162
Tax differences from previous years	407	701	13	383
Difference in taxation of foreign companies	(2,197)	(7,791)	(743)	(4,229)
Non-recognition of tax losses	(171)	4,632	239	1,117
Windfall tax of L. 3808/2009	2,183	1,233	1,693	1,233
Tax-exempt results	(170)	(254)	(1,164)	(3,377)
Real tax expense	**1,865**	**9,451**	**775**	**4,592**

(Amounts in thousand Euro, unless stated otherwise)

The income tax statement is submitted on an annual basis, however profit or losses that are declared 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, relevant provisions have been recognized in 2010 for possible additional taxes and surcharges that may be imposed, amounting to 233 and 233 respectively (400 and 200 for 2009 respectively). The provisions are included in the account “Other provisions”.

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 parent company TERNA S.A. has been tax audited up to fiscal year 2008 included. During the end of the present reporting period, the tax unaudited years of the Group’s companies are as follows:

ECONOMC ENTITY	DOMICILE	TOTAL PARTICIPA-TION%	CONSOLIDA-TION METHOD	TAX UN-AUDITED FISCAL YEARS
TERNA S.A.	Greece	100.00	Full	2009-2010
VIOMAGN S.A.	Greece	54.77	Full	2010
ENERGEIAKI TECHNIKI ANAPTYXIAKI OF WESTERN GREECE S.A.	Greece	100.00	Full	2010
VRONDIS QUARRY PRODUCTS SA	Greece	100.00	Full	2007-2010
TERNA OVERSEAS LTD	Cyprus	100.00	Full	2006-2010
TERNA QATAR LLC **	Qatar	40.00	Full	2007-2010
TERNA BAHRAIN HOLDING WLL	Bahrain	99.99	Full	-
PCC TERNA WLL	Bahrain	80.00	Full	-
TERNA CONTRACTING CO WLL	Bahrain	100.00	Full	-
TERNA ELECTRICAL MECHANICAL WLL	Bahrain	70.00	Full	-
CEMENT PRODUCTION AND EXPORT FZC	Libya	75.00	Full	2009-2010
MALCEM CONSTRUCTION MATERIALS LTD	Malta	100.00	Full	2009-2010
J/V TERNA SA - IMPEGILO SPA (TRAM)	Greece	55.00	Proportionate	2010
J/V ANCIENT OLYMPIA BY-PASS	Greece	50.00	Proportionate	2008-2010
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	Greece	50.00	Proportionate	2002-2010
J/V UNDERGROUND CARS THESSALONIKI	Greece	50.00	Proportionate	2007-2010
J/V ATHENS CONCERT HALL	Greece	69.00	Proportionate	2010
J/V PERISTERI METRO	Greece	50.00	Proportionate	2003-2010
J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	Greece	24.00	Proportionate	2010
J/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	Greece	50.00	Proportionate	2010
J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE	Greece	35.00	Proportionate	2004-2010

(Amounts in thousand Euro, unless stated otherwise)

ECONOMC ENTITY	DOMICILE	TOTAL PARTICIPA-TION%	CONSOLIDA-TION METHOD	TAX UN-AUDITED FISCAL YEARS
RIDING CENTRE				
JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	Greece	37.50	Proportionate	2007-2010
J/V TERNA S.A. PANTECHNIKI S.A.	Greece	83.50	Proportionate	2004-2010
J/V TERNA S.A.-ATHENS ATE ARACHTHOU-PERISTERIOU	Greece	62.50	Proportionate	2010
J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	Greece	69.00	Proportionate	2002-2010
J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	Greece	35.00	Proportionate	2007-2010
J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	Greece	50.00	Proportionate	2010
J/V SALONIKA PARK	Greece	50.00	Proportionate	2010
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	Proportionate	2005-2010
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	Greece	25.00	Proportionate	2010
J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	Greece	49.00	Proportionate	2010
J/V UNDERGROUND CHAIDARI-PART A	Greece	50.00	Proportionate	2007-2010
J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	Greece	60.00	Proportionate	2010
J/V VIOTER SA-TERNA SA	Greece	50.00	Proportionate	2003-2010
J/V TERNA SA - IONIOS SA	Greece	90.00	Proportionate	2003-2010
J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	Greece	39.20	Proportionate	2007-2010
J/V VIOTER SA-TERNA SA	Greece	50.00	Proportionate	2003-2010
J/V TERNA-MOCHLOS ATE	Greece	70.00	Proportionate	2001-2010
J/V TERNA-VIOTER SA	Greece	50.00	Proportionate	2007-2010
J/V EDRASI-PSALLIDAS-TERNA-EDRACO	Greece	51.00	Proportionate	2007-2010
J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J&P AVAX-IMEC GmbH	Greece	24.00	Proportionate	2007-2010
J/V EUROPEAN TECHNICAL-HOMER-TERNA	Greece	50.00	Proportionate	1998-2010
J/V TERNA-THEMELIODOMI	Greece	60.00	Proportionate	2007-2010
J/V TERNA-EDRASI-STROTIRES - WP	Greece	41.00	Proportionate	2009-2010
J/V UNIVERSITY OF CRETE-RETHYMNON	Greece	25.00	Proportionate	1993-2010
J/V EKTER-TERNA (THETIKON)	Greece	50.00	Proportionate	2004-2010
J/V AKTOR-TERNA SA	Greece	50.00	Proportionate	2010
J/V AKTOR-TERNA SA IASO BUILDING	Greece	50.00	Proportionate	2010
TERNA SA - PANTECHNIKI S.A. (OAKA)	Greece	50.00	Proportionate	2007-2010
J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	Greece	31.50	Proportionate	2007-2010

(Amounts in thousand Euro, unless stated otherwise)

ECONOMC ENTITY	DOMICILE	TOTAL PARTICIPA-TION%	CONSOLIDA-TION METHOD	TAX UN-AUDITED FISCAL YEARS
J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	Greece	35.00	Proportionate	2008-2010
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	Greece	33.33	Proportionate	2007-2010
J/V THEMELIODOMI-TERNA-DIEKAT-KTIRIODOMI SA	Greece	25.00	Proportionate	2003-2010
J/V MINISTRY OF TRANSPORTATION	Greece	33.33	Proportionate	2010
J/V AEGEK TERNA	Greece	45.00	Proportionate	2010
J&P AVAX SA-TERNA SA-EYKLEIDIS	Greece	35.00	Proportionate	2002-2010
J/V EURO IONIA	Greece	33.33	Proportionate	2010
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12.00	Proportionate	2010
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	12.00	Proportionate	2010
J/V TERNA - AKTOR	Greece	50.00	Proportionate	2010
J/V CENTRAL GREECE MOTORWAY E-65	Greece	33.33	Proportionate	2008-2010
J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS – TREIS GEFYRES	Greece	33.33	Proportionate	2010
J/V TERNA SA- AKTOR ATE DOMOKOS	Greece	50.00	Proportionate	2008-2010
J/V TEPNA AE-THALES AUSTRIA	Greece	37,43%	Proportionate	2010
J/V J&P AVAX SA-VIOTER SA-TERNA SA	Greece	33.33	Proportionate	2010
J/V ALPINE BAU-TEPNA SA	Greece	49.00	Proportionate	2010
J/V AKTOR-TERNA	Greece	50.00	Proportionate	2010
J/V EVAGGELISMOS PROJECT C	Greece	50.00	Proportionate	2003-2010
J/V EPL DRAMAS	Greece	40.00	Proportionate	2003-2010
J/V K. MANIOTIS - TERNA -ENERGIAKI	Greece	37.50	Proportionate	2007-2010
J/V TERNA-TERNA ENERGY-TSAMBRAS (DRAMA HOSPITAL)	Greece	40.00	Proportionate	2003-2010
J/V METKA-ETADE	Greece	90.00	Proportionate	2009-2010
J/V TERNA SA-SICES CONSTRUCTIONS Spa	Greece	50.00	Proportionate	2010
J/V APION KLEOS	Greece	17.00	Proportionate	2008-2010
JV QBC S.A. - TERNA S.A.	Qatar	40.00	Proportionate	2007-2010
HAMRIYAH CEMENT COMPANY FZC	U.A.E.	40.00	Equity	-

(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 Group maintains tax-exempt reserves amounting to euro 35,546 (19,717 respectively for 2009), 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.

(Amounts in thousand Euro, unless stated otherwise)

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 asset/ liability matures:

	GROUP		COMPANY	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Net deferred tax asset / (liability)	**(11,801)**	**(1,357)**	**6,975**	**2,319**
Opening Balance	**(1,357)**	**(1,651)**	**2,319**	**2,076**
(Expense)/Income recognized in earnings	5,622	(1,865)	4,656	243
Acquisitions of companies (note 29)	(16,064)	0	0	0
Effect from discontinued operation	0	2,133	0	0
Effect from change of consolidation percentage/ termination of J/V consolidation	(2)	26		0
Closing Balance	**(11,801)**	**(1,357)**	**6,975**	**2,319**

The deferred taxes (assets and liabilities) of 2010 and 2009 are analyzed as follows:

GROUP	**Statement of financial position**		**Net earnings (Debit)/Credit**
	31.12.2010	**31.12.2009**	**1.1 – 31.12.2010**
Deferred tax asset			
Expense of intangible fixed assets	55	63	(8)
Recognition of income from construction contracts based on completion percentage	103	85	18
Provisions for staff indemnities	364	376	(12)
Taxable recognized losses	4,336	765	3,571
Other provisions	99	99	0
Provision for doubtful debt	2,258	1,731	527
Deferred tax liability			
Investment property valuation	(319)	(319)	0
Recognition of financial leases	(276)	(724)	448
Valuation of fixed assets	(1,847)	(1,853)	6
Difference of depreciation	(231)	(956)	725
Non-priced receivables	(277)	(624)	347
Company acquisitions	(16,064)	0	0
Change of consolidation percentage	(2)	0	0
Deferred tax on net earnings/ other comprehensive income			**(5,622)**
Net deferred income tax asset / (liability)	**(11,801)**	**(1,357)**	

(Amounts in thousand Euro, unless stated otherwise)

GROUP	**Statement of financial position**		**Net earnings (Debit)/Credit**
	31.12.2009	**31.12.2008**	**1.1 – 31.12.2009**
Deferred tax asset			
Expense of intangible fixed assets	63	21	42
Recognition of income from construction contracts based on completion percentage	85	1,182	(1,097)
Provisions for staff indemnities	376	295	81
Taxable recognized losses	765	267	498
Other provisions	99	99	0
Provision for doubtful debt	1,731	1,631	100
Deferred tax liability			
Investment property valuation	(319)	(319)	0
Recognition of financial leases	(724)	750	(1,474)
Valuation of fixed assets	(1,853)	(1,853)	0
Difference of depreciation	(956)	(1,565)	609
Non-priced receivables	(624)	0	(624)
Discontinued operations	0	(2,133)	0
Termination of consolidation	0	(26)	0
Deferred tax on net earnings/ other comprehensive income			**(1,865)**
Net deferred income tax asset / (liability)	**(1,357)**	**(1,651)**	

COMPANY	**Statement of financial position**		**Net earnings (Debit)/Credit**
	31.12.2010	**31.12.2009**	**1.1 – 31.12.2010**
Deferred tax asset			
Expense of intangible fixed assets	31	37	(6)
Valuation differences of fixed assets	10	10	0
Recognition of income from construction contracts based on completion percentage	5,447	2,889	2,558
Provisions for staff indemnities	364	376	(12)
Other provisions	99	99	0
Provision for doubtful debt	2,258	1,731	527
Deferred tax liability			
Investment property valuation	(319)	(319)	0
Difference of depreciation of fixed assets	(478)	(1,156)	678
Recognition of financial leases	(276)	(724)	448
Non-priced receivables	(161)	(624)	463
Deferred tax on net earnings/ other comprehensive income			**4,656**
Net deferred income tax asset / (liability)	**6,975**	**2,319**	

(Amounts in thousand Euro, unless stated otherwise)

COMPANY	**Statement of financial position**		**Net earnings (Debit)/Credit**
	31.12.2009	**31.12.2008**	**1.1 – 31.12.2009**
Deferred tax asset			
Expense of intangible fixed assets	37	(3)	40
Valuation differences of fixed assets	10	10	0
Recognition of income from construction contracts based on completion percentage	2,889	1,309	1,580
Provisions for staff indemnities	376	296	80
Other provisions	99	99	0
Provision for doubtful debt	1,731	1,631	100
Deferred tax liability			
Investment property valuation	(319)	(319)	0
Difference of depreciation of fixed assets	(1,156)	(1,698)	542
Valuation of investments		0	0
Recognition of financial leases	(724)	751	(1,475)
Non-priced receivables	(624)	0	(624)
Deferred tax on net earnings/ other comprehensive income			**243**
Net deferred income tax asset / (liability)	**2,319**	**2,076**	

23. TURNOVER

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

	GROUP		**COMPANY**	
	1.1-31/12/2010	**1.1-31/12/2009**	**1.1-31/12/2010**	**1.1-31/12/2009**
Revenue from construction services	472,007	659,368	330,963	482,098
Revenue from provision of other services	19,716	10,008	17,917	12,876
Income from sales of products	1,915	11,874	2,344	12,750
	493,638	**681,250**	**351,224**	**507,724**

Income from construction services mainly concerns road, building and energy projects, while income from provision of other services concerns advisory services and leases of mechanical equipment. Income from sales of products concern sales of inert quarry products.

(Amounts in thousand Euro, unless stated otherwise)

24. COST OF SALES, ADMINISTRATIVE EXPENSES AND RESEARCH & DEVELOPMENT EXPENSES

The account "Cost of sales and administrative expenses" in the accompanying financial statements, is analyzed as follows:

Cost of Sales	**GROUP**		**COMPANY**	
	1.1-31.12.2010	**1.1-31.12.2009**	**1.1-31.12.2010**	**1.1-31.12.2009**
Cost of inventories-construction materials	112,074	157,603	87,377	122,700
Employee remuneration	66,688	79,249	46,096	47,641
Sub-contractors	160,589	255,112	101,887	205,451
Remuneration of engineers, technical advisors and third parties	64,618	61,179	49,782	45,595
Other third-party benefits	5.509	5.516	3.655	4.121
Taxes dues	1,116	1,218	893	1,128
Provisions (apart from staff indemnities)	1,465	3,137	76	500
Depreciations	16,166	14,549	14,354	12,116
Leases	13,548	14,638	9,007	9,269
Insurance charges	4,806	4,205	2,196	3,442
Transfer expenses	5,441	12,792	5,281	12,069
Net financial cost	6,341	3,589	4,856	2,436
Foreign exchange differences	47	246	0	0
Other	7,828	10,721	8,601	6,689
	466,236	**623,754**	**334,061**	**473,157**

Administrative expenses	**GROUP**		**COMPANY**	
	1.1-31.12.2010	**1.1-31.12.2009**	**1.1-31.12.2010**	**1.1-31.12.2009**
Employee remuneration	4,995	5,265	5,085	5,185
Remuneration of engineers, technical advisors and third parties	8,438	5,611	4,123	4,976
Other third-party benefits	908	923	935	922
Depreciations	1,137	1,169	1,094	1,169
Fees of certified auditors	99	197	57	92
Remuneration of board of directors	600	600	600	600
Leases	926	855	979	855
Taxes dues	261	287	155	77
Other	3,057	3,600	2,522	3,448
	20,421	**18,507**	**15,550**	**17,324**

(Amounts in thousand Euro, unless stated otherwise)

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

Research and development expenses	**GROUP AND COMPANY**	
	1.1-31.12.2010	**1.1-31.12.2009**
Employee remuneration	62	0
Remuneration of engineers, technical advisors and third parties	536	0
Other	98	0
	696	**0**

25. REMUNERATION OF CERTIFIED AUDITORS

	GROUP		**COMPANY**	
	1.1-31.12.2010	**1.1-31.12.2009**	**1.1-31.12.2010**	**1.1-31.12.2009**
Remuneration for statutory audits	123	179	56	104
Remuneration for extraordinary audits	4	9	1	9
Remuneration for other services	34	66	7	0
	161	**254**	**64**	**113**

From the above remuneration for the Group, an amount of 62 has been recognized in cost of sales (57 during the previous year) and 99 in administrative expenses (197 during the previous year).

From the above remuneration for the Company, an amount of 7 has been recognized in cost of sales during the present year (21 during the previous year), and 57 has been recognized in administrative expenses (92 during the previous year).

26. OTHER INCOME/(EXPENSES)

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

(Amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	1.1-31.12.2010	**1.1-31.12.2009**	**1.1-31.12.2010**	**1.1-31.12.2009**
Grants on expenses	101	45	69	12
Other provision of services	158	802	158	802
Charges of expenses	985	268	1,906	2,512
Income from leases	163	74	21	74
Profit from sale of fixed assets	280	5	145	2
Profit from sale of useless material	206	78	165	4
Other income	2,869	650	288	1,221
Foreign exchange differences	0	1,065	48	632
Impairment of doubtful receivables	(2,634)	0	(2,634)	0
Taxes – dues	(9)	(18)	(7)	(10)
Profit/Losses from valuation of associates		(8,632)	0	0
Foreign exchange differences	(227)	0	0	0
Other expenses	(6)	(1,203)	(6)	(3,307)
	1,886	(6,866)	155	1,942
Results from participations and investments				
Profit from acquisition of subsidiaries	2,591	0	0	0
Income from participations in joint ventures	0	94	5,321	13,574
Profit from sale of participations in joint ventures	0	8,595	0	0
	2,591	**8,689**	**5,321**	**13,574**
Total	**4,477**	**1,823**	**5,476**	**15,516**

27. FINANCIAL INCOME/(EXPENSES)

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

	GROUP		COMPANY	
	1.1-31.12.2010	**1.1-31.12.2009**	**1.1-31.12.2010**	**1.1-31.12.2009**
Financial income				
Interest on deposit accounts and related investments	2,018	3,286	832	2,000
Interest on trade receivables	222	0	87	0
Other financial income	11	86	0	86
	2,251	**3,372**	**919**	**2,086**

(Amounts in thousand Euro, unless stated otherwise)

Financial expenses				
Interest and expenses of short-term financing	(4,644)	(2,898)	(3,291)	(1,546)
Interest and expenses of long-term financing	(1,201)	(268)	(1,100)	0
Interest on financial leasing contracts	(2,142)	(1,888)	(2,142)	(1,888)
Bank commissions (guarantees etc.)	(1,799)	(2,334)	(1,762)	(2,288)
Other financial expenses	(961)	(609)	(934)	(513)
	(10,747)	**(7,997)**	**(9,229)**	**(6,235)**
Total	**(8,496)**	**(4,625)**	**(8,310)**	**(4,149)**

28. PAYROLL COST

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

	GROUP		**COMPANY**	
	1.1-31.12.2010	**1.1-31.12.2009**	**1.1-31.12.2010**	**1.1-31.12.2009**
Wages and related employee benefits	57,225	68,053	38,459	41,918
Insurance and pension fund contributions	11,683	12,632	10,310	9,358
Provision for employee indemnities	3,062	2,136	2,610	1,550
Total expenses	**71,970**	**82,821**	**51,379**	**52,826**

29. ACQUISITIONS OF COMPANIES

A) On 8.1.2010 the Group acquired by 100% the shares and voting rights on ENERGIAKI TECHNIKI ANAPTIXIAKI OF WESTERN GREECE S.A. The respective company is included in the industrial sector and specifically it produces machinery equipment and machines as well as complete projects (turn key projects) in the fields of industry and energy. Moreover, the company participates by 90% in the concession ETADE SA - METKA SA, which has undertaken the construction of the new power station of PPC "AIS Megalopoli-Study, procurement, transfer, installation and commissioning of combined cycle unit No. 5 with capacity 811MW, with natural gas fuel", with total budget of EUR 500 million approximately.

The price paid amounted to 42,515.00 euro and it is payable within 2011 and it is included in the statement of financial position in the account "Other long-term liabilities". It should be noted that the company does not have substantial activity and thus results as of the acquisition date.

(Amounts in thousand Euro, unless stated otherwise)

Information regarding the net assets acquired and the goodwill are displayed below:

Consideration Paid (cash)	42,515
Minus: Fair value of net recognized assets	(33,603)
Goodwill	**8,912**

Goodwill of euro 8,912 has been estimated mainly due to the requirements of IAS 12 for deferred tax liability recognition, estimated as the difference between the acquired net assets fair value and their tax base.

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

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

B) On 8.6.2010 the Group acquired 54.77% of “BIOMAGN MINING COMMERCIAL TECHNICAL INDUSTRIAL SA” shares and voting rights. The respective company is included in the sector of industry and real estate and more precisely it owns licenses for mining and extraction of magnesite in North Evoia, including all the required industrial installations and machinery equipment. In addition, the company owns land for exploitation, where especially for a part of this land an application has been filed for the required licenses regarding the construction of an Industrial Park in South Evoia.

The relevant consideration amounted to 18,072 in cash, from which 14,100 has already been paid, while the remaining amount of 3,972 is due.

Information is displayed below regarding the net assets acquired and the goodwill estimated:

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

The proportion of the non-controlled participation in the acquired company amounting to 13,692 was calculated at fair value.

(Amounts in thousand Euro, unless stated otherwise)

The negative goodwill (gain) amounting to 2,591 has been recognized in Other income/(expense) (note 26).

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

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

The aforementioned provision of 3,000 (see note 19) refers to legal claims from third parties against the acquired company.

c) On 19.4.2010 the Group joined the joint venture APIO KLEOS, without paying any respective consideration, with a participation of 17%, whereas the joint venture has undertaken the construction of the motorway Eleusina-Tsakona.

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

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

30. 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:

(Amounts in thousand Euro, unless stated otherwise)

	31.12.2010	**31.12.2009**
Non-current assets	4,644	3,347
Current assets	411,073	270,051
Long-term liabilities	(4,183)	(3,483)
Short-term liabilities	(401,938)	(256,977)
Net assets/liabilities	**9,596**	**12,938**
Revenues	103,763	129,786
Expenses	(98,465)	(119,286)
Net earnings	5,298	10,500

31. TRANSACTIONS WITH RELATED PARTIES

The transactions, as well as the balances of the Group and Company with related parties for 2010 and 2009, are analyzed as follows:

2010	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	0	1,406	0	1,793	0	1,406	0	195
Subsidiaries	-	-	-	-	4,605	8,214	5,127	8,046
Joint Ventures	-	-	-	-	59,685	4,187	139,750	134,125
Associates	4.053	2.354	10.701	2.918	4.053	1.789	10.701	2.912
Other related parties	51,497	7,609	84,489	97,257	51,445	3,347	8,109	3,594

2009	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	1,080	892	0	2,694	1,038	888	0	716
Subsidiaries	0	0	0	0	463	9,009	805	3,015
Joint Ventures	0	0	0	0	25,419	2,174	42,102	67,116
Associates	80	0	5,495	0	0	0	0	0
Other related parties	107,308	19,967	18,433	110,029	82,226	10,003	8,018	3,666

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

(Amounts in thousand Euro, unless stated otherwise)

Both during the present year and during the previous, the Company had received no income from dividends of subsidiaries, while it had income from distribution of results by jointly controlled companies amounting to 293 (13,573 during the previous year).

During the present year, the Company paid the amounts of 47,364 and 2,594 for the acquisition and share capital increase of subsidiaries and jointly controlled companies.

Remuneration of Board of Directors members and senior executives of the Company: The remuneration of Board of Directors members and senior executives of the group and Company, that are included in the accompanying financial statements are as follows:

	GROUP		COMPANY	
	1.1-31.12.2010	**1.1-31.12.2009**	**1.1-31.12.2010**	**1.1-31.12.2009**
Remuneration to independent professionals	1,134	1,278	1,103	1,278
Remuneration of employees	44	44	44	44
Remuneration for participation in Board meetings	600	600	600	600
	1,778	**1,922**	**1,747**	**1,922**
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Relevant liabilities	**504**	**3**	**504**	**3**

The Company acquired 54.77% of the shares of the company VIOMAGN MINING COMMERCIAL TECHNICAL INDUSTRIAL S.A. from the Chairman, as well as from the CEO of the company against the amount of 18,072, which was settled in full by cash and from which 14,100 has already been paid, while the remaining amount of 3,972 is due (note 29).

32. AIMS 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 uncertainty in financial markets and changes in the variables of 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 instruments of the Group are mainly deposits in banks, trade debtors and creditors , as well as liabilities from bank loans and finance leasing.

(Amounts in thousand Euro, unless stated otherwise)

33. FOREIGN EXCHANGE RISK

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

This type of risk may result, for the Group, from transactions realized in foreign currency, with countries outside the Eurozone and in countries with currencies not pegged to the euro. The transactions mainly concern purchases of fixed assets and inventories, commercial sales, investments in financial assets, loans, as well as net investments in foreign operations. The Group operates through branches and companies in Greece, the Middle East and the Balkans, and thus it may be exposed to foreign exchange risk.

As regards to the construction projects in the Balkans: the contractual receivables, liabilities to basic suppliers (cement, iron products, asphalt, cobble, skids etc) and sub-contractors are realized in euro and thus the exposure to foreign exchange risk is limited. Moreover, the Bulgarian lev (BGN) has a fixed exchange rate against the euro.

As regards to the construction projects in the Middle East: the contractual receivables, liabilities to basic suppliers (concrete, iron products, asphalt, cobble, skids etc) and sub-contractors are realized in local currencies, which are pegged to the US dollar (USD) and thus there is exposure to foreign exchange from change in the USD exchange rate.

	2010								
Nominal amounts	**RON**	**MKD**	**BGN**	**AED**	**QAR**	**BHD**	**USD**	**LYD**	**ALL**
Financial assets	613	503	37,619	13,815	64,553	54,536	7,055	180	1,525
Financial liabilities	1,437	67	11,115	13,489	82,191	44,434	5,645	5,154	75
Total current	**2,050**	**570**	**48,734**	**27,304**	**146,744**	**98,970**	**12,700**	**5,334**	**1,600**
Financial assets	4	3	13	22	122	16,373	0	0	0
Financial liabilities	1,000	0	44	175	272	693	8,488	210	33
Total non-current	**1,004**	**3**	**57**	**197**	**394**	**17,066**	**8,488**	**210**	**33**

	2009							
Nominal amounts	**RON**	**MKD**	**BGN**	**AED**	**QAR**	**BHD**	**USD**	**ALL**
Financial assets	0	722	56,279	35,814	51,498	53,569	1,001	6,943
Financial liabilities	2,143	74	9,958	36,732	63,880	27,695	5,425	13
Total current	**2,143**	**796**	**66,237**	**72,546**	**115,378**	**81,264**	**6,426**	**6,956**
Financial assets	10	0	1,398	290	0	10,985	7,849	0
Financial liabilities	1,678	0	43	1,328	115	1,172	13,082	0
Total non-current	**1,688**	**0**	**1,441**	**1,618**	**115**	**12,157**	**20,931**	**0**

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

(Amounts in thousand Euro, unless stated otherwise)

For the above currencies, we examined the sensitivity to a 10% change. For the BGN currency we did not examine the sensitivity as it maintains a stable exchange rate against the euro.

	2010								
	RON	MKD	BGN	AED	QAR	BHD	USD	LYD	ALL
Effect on the Results before taxes	(182)	44	0	17	(1,779)	2,578	(708)	(518)	142
Effect on Equity	0	(1)	0	(22)	(23)	(50)	0	3	26

	2009							
	RON	MKD	BGN	AED	QAR	BHD	USD	ALL
Effect on the Results before taxes	1,217	74	0	3,610	5,150	6,455	885	694
Effect on Equity	82	(6)	0	(4)	(33)	(13)	0	26

To manage this category of risk, the Group's Management and financial department makes sure that the largest possible part of receivables (income) and liabilities (expenses) are realized in euro or in currencies pegged to the euro (i.e. the Bulgarian lev (BGN) or in the same currency in order to be matched against each other.

34. SENSITIVITY ANALYSIS OF INTEREST RATE RISK

Due to the financial difficulties faced by the Greek economy during 2010, the total debt (loans and finance leases) received by the Group during the presented year was under floating interest rates.

The Group does not have a policy to use derivatives to hedge its exposure to cash flow risk from interest rate changes as regards to its long-term financing. The Group's total long-term debt is under floating interest rates (likewise during 31.12.2009) (note 17).

As regards to finance leases, the total new finance leases during the year were under floating interest rates. Therefore, on 31.12.2010, 52% of liabilities from finance leases (44% on 31.12.2009) are under floating rates (Note 17).

With the total short-term debt under floating interest rates, overall 92% of debt (loans and finance leases) are under floating rates (84% on 31.12.2009).

The following table presents the sensitivity of the Group's net earnings for the year towards a reasonable change in interest rates on interest bearing assets and liabilities amounting to +/-20% (2009: +/-20%). The changes in interest rates are estimated to be normal in relation to recent market conditions.

	2010		2009	
	+20%	-20%	+20%	-20%
Net earnings before tax from interest bearing liabilities	(1,762)	1,762	(762)	762
Net earnings before tax from interest bearing assets	403	(403)	(762)	762

(Amounts in thousand Euro, unless stated otherwise)

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

35. ANALYSIS OF CREDIT RISK

The credit risk exposure of the Group is limited to financial assets which at the end of the reporting period are as follows:

	31.12.2010	31.12.2009
Investments available for sale	51	36
Cash and equivalents	168,084	144,127
Loans and receivables	392,905	380,487
Total	**561,040**	**524,650**

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.

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.

36. ANALYSIS OF LIQUIDITY RISK

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

The Group maintains cash and deposits in banks in order to cover its liquidity needs for periods up to 30 days. The capital for long-term liquidity needs are not bonded to time-deposits of the company.

The maturity of the Group's financial liabilities is analyzed as follows:

	Short-term		Long-term
	0 to 12 months	2 to 5 years	Over 5 years
Long-term Debt	14,396	109,313	0
Liabilities from financial leasing	13,366	39,411	751
Short-term Debt	135,661	0	0
Trade Liabilities	181,727	0	0
Other liabilities	93,152	0	0
Total	**438,302**	**148,724**	**751**

(Amounts in thousand Euro, unless stated otherwise)

The respective maturity of financial liabilities for 31st December 2009, was as follows:

	Short-term		Long-term
	0 to 12 months	**2 to 5 years**	**Over 5 years**
Long-term Debt	3,396	6,666	0
Liabilities from financial leasing	12,809	43,552	5,464
Short-term Debt	88,936	0	0
Trade Liabilities	112,329	0	0
Other liabilities	29,572	0	0
Total	**247,042**	**50,218**	**5,464**

The above contractual maturities reflect the gross cash flows, which may differ from the book values of liabilities during the end of the reporting period.

37. PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

The financial assets as well as the financial liabilities in the Group's accompanying financial statements are categorized as follows:

	31.12.2010	**31.12.2009**
Non-current assets		
Investments available for sale - Other investments	51	36
Loans and receivables - Other long-term assets (note 10)	10,903	695
Total	**10,954**	**731**
Current assets		
Loans and receivables - Trade receivables (note 12)	354,424	322,801
Loans and receivables - Prepayments and other receivables (note 12)	27,578	11,426
Cash and equivalents (note 14)	168,234	424,339
Total	**550,236**	**758,566**

	31.12.2010	**31.12.2009**
Long-term liabilities		
Financial liabilities at amortized cost - Long-term loans (note 17)	99,830	6,361
Financial liabilities at amortized cost - Liabilities from finance leases (note 17)	36,708	44,230
Total	**136,538**	**50,591**
Short-term liabilities		
Financial liabilities at amortized cost - Short-term loans (note 21)	134,105	102,578
Financial liabilities at amortized cost - Long-term liabilities payable in the next year (note 17)	20,383	112,329
Financial liabilities at amortized cost - Suppliers (note 20)	181,727	
Financial liabilities at amortized cost - Accrued and other short-term liabilities (note 20)	93,152	29,592
Total	**429,367**	**244,499**

(Amounts in thousand Euro, unless stated otherwise)

38. POLICIES AND PROCEDURES FOR CAPITAL MANAGEMENT

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

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

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

For this purpose, the Group monitors its capital based on the leverage ratio which is defined as Net Debt / Equity, where Net Debt is defined as Liabilities from loans and financial leases minus Cash equivalents, as such appear in the Statement of Financial Position.

The ratio at the end of 2010 and 2009 was as follows:

	31.12.2010	31.12.2009
Interest bearing debt	291,026	153,169
Minus:		
Cash & Cash equivalents	(168,234)	(144,431)
Net Debt	**122,792**	**8,738**
Total equity	**148,243**	**150,646**
Leverage ratio	**82.8%**	**5.8%**

39. EXISTING COLLATERAL ASSETS

No prenotations or other burdens have been written on the Group's self-owned property and fixed equipment for security against bank loans.

40. CONTINGENT LIABILITIES

In order to achieve the objective of implementing construction projects, the Group has issued good execution letters of guarantee with a total amount of 543 mil.

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 2010.

41. EVENTS AFTER THE END OF THE REPORTING PERIOD

The inability of the Greek State to directly resolve the problems of construction – collection of tolls in concession projects has temporarily lead to a partial postponement of activities on projects of the NEW ROAD and CENTRAL GREECE E-65 motorways, in anticipation of the relevant resolution from the Greek State.

The episodes in Libya have caused a suspension in the operations' initiation regarding the granted projects in the area, total budget of 87 mil euro.

The episodes in Bahrain have caused a slowdown in the execution of the projects in the specific Emirate.

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN OF THE BOARD & MANAGING DIRECTOR
NIKOLAOS KAMBAS	GEORGIOS PERISTERIS

THE HEAD ACCOUNTANT

AIKATERINI HALKOROKA-ATHANASOPOULOU