GEK GROUP

CONDENSED INTERIM FINANCIAL STATEMENTS OF THE PARENT AND THE GROUP AS AT THE 31ST MARCH 2008 IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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GEK GROUP

BALANCE SHEET

31st of March 2008

(All amounts are expressed in thousand of euros unless otherwise stated)

		GROUP		COMPANY	
	Notes	**31 March 2008**	**31 December 2007**	**31 March 2008**	**31 December 2007**
ASSETS					
Long-term assets					
Intangible fixed assets	6	16,730	6,934	0	0
Tangible fixed assets	6	321,355	312,551	52	50
Investment Property	7	142,634	147,364	15,579	21,769
Participations in subsidiaries	4	0	0	155,081	155,055
Participations in associates	4	51,832	50,535	17,419	17,419
Participations in joint ventures	4	13,339	21,086	38,301	26,801
Other investments (AFS)		13,848	12,193	12,157	12,157
Other long-term assets		24,322	25,942	2,011	3,206
Deferred tax receivables		18,355	13,197	0	0
Total long-term assets		**602,415**	**589,802**	**240,600**	**236,457**
Current assets					
Inventories		58,428	60,582	11,429	11,540
Trade receivables		266,856	219,571	18,551	12,853
Prepayments and other receivables		111,057	105,945	1,636	1,622
Income tax receivables		11,214	14,186	1,583	2,885
Other financial assets		4,073	5,069	2,978	3,726
Cash and cash equivalents		431,341	424,670	15,492	19,308
Total current assets		**882,969**	**830,023**	**51,669**	**51,934**
TOTAL ASSETS		**1,485,384**	**1,419,825**	**292,269**	**288,391**
EQUITY & LIABILITIES					
Equity attributable to the shareholders of the parent					
Share capital		23,567	23,567	23,567	23,567
Share premium account		242,762	242,762	170,410	170,410
Reserves		67,498	68,799	51,300	52,537
Retained earnings		64,390	51,542	30,242	29,548
Total		**398,217**	**386,670**	**275,519**	**276,062**
Minority interest		337,772	333,781	0	0
TOTAL EQUITY		**735,989**	**720,451**	**275,519**	**276,062**

	Note				
Long term liabilities					
Long-term loans	9	142,871	143,603	0	0
Loans from finance leases	9	18,507	21,521	0	0
Other long-term liabilities		662	1,724	128	176
Other Provisions	10	6,094	6,235	0	0
Provisions for staff leaving indemnities	10	2,229	1,763	189	178
Grants	11	69,058	51,697	0	0
Deferred tax liabilities		23,482	16,554	2,741	2,685
Total long term liabilities		**262,903**	**243,097**	**3,058**	**3,039**
Short term liabilities					
Suppliers		100,157	86,824	327	245
Short term loans	9	212,768	182,215	11,500	5,000
Long term loans portion falling due	9	33,787	33,175	0	0
Accrued and other short term liabilities		132,349	145,352	1,865	2,376
Income tax payable		7,431	8,711	0	1,669
Total short term liabilities		**486,492**	**456,277**	**13,692**	**9,290**
TOTAL LIABILITIES & EQUITY		**1,485,384**	**1,419,825**	**292,269**	**288,391**

The accompanying notes are an integral part of the consolidated financial statements

GEK GROUP

INCOME STATEMENT
31st of March 2008

(All amounts are expressed in euros, with the exception of the number of shares data)

	Note	GROUP		COMPANY	
		1/1 - 31/3	**1/1 - 31/3**	**1/1 - 31/3**	**1/1 - 31/3**
		2008	**2007**	**2008**	**2007**
Revenue	5	145,278	95,621	1,865	9,572
Cost of sales		(122,050)	(78,589)	(1,005)	(7,491)
Gross profit		**23,228**	**17,032**	**860**	**2,081**
Administration and Distribution expenses		(9,636)	(6,891)	(471)	(318)
Research and Development expenses		(387)	(328)	0	0
Other income / (expenses)	12	10,354	13,119	426	907
Profit / (loss) from the valuation of associates under the equity method	5	(241)	0	0	0
Net financial income/(expense)	5	(1.020)	(2,060)	140	400
PROFIT BEFORE TAX	**5**	**22,298**	**20,872**	**955**	**3,070**
Income tax	5, 13	(4,744)	(6,042)	(261)	(884)
NET PROFIT	**5**	**17,554**	**14,830**	**694**	**2,186**
Attributable to:					
Shareholders of the parent company		13,142	10,452		
Minority interest		4,412	4,378		
		17,554	**14,830**		
Earnings per share (in euro					
Basic		0,20	0,16		
Weighted average number of shares					
Basic		65,260,665	65,463,360		

The accompanying notes are an integral part of the consolidated financial statements

GEK GROUP

CASH FLOW STATEMENT
31st of March 2008
(All amounts are expressed in thousand of euros unless otherwise stated)

		GROUP		COMPANY	
	Notes	**1/1 - 31/3 2008**	**1/1 - 31/3 2007**	**1/1 - 31/3 2008**	**1/1 - 31/3 2007**
Cash flow from operating activities					
Profit before tax	5	22,298	20,872	955	3,070
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	6	6,082	4,595	7	2
Provisions		(859)	569	11	1
Interest and related revenue	5	(4,068)	(697)	(218)	(427)
Interest and other financial expenses	5	5,088	2,757	78	27
Results from participations and securities	5	241	(9,028)	0	0
Results from intangible and tangible asset and investment property		(10,095)	(608)	(446)	(1,217)
Amortization of grants	11, 12	(638)	(418)	0	0
Other adjustments	5	1,432	0	0	0
Operating profit before changes in working capital		**19,480**	**18,042**	**387**	**1,456**
(Increase)/Decrease in:					
Inventories		5,779	(7,706)	111	(194)
Trade receivables		(30,937)	(38,015)	(5,698)	1,815
Prepayments and other short term receivables		(18,406)	(11,807)	(162)	363
Increase/(Decrease) in:					
Suppliers		19,595	(5,230)	82	(332)
Accruals and other short term liabilities		(7,635)	1,353	(511)	(94)
Collection of grants		0	654	0	0
(Increase)/Decrease of other long term assets and liabilities		1,658	3,220	1,147	(1,550)
Income tax paid		(1,293)	(1,255)	0	20
Cash flows from operating activities		**(11,759)**	**(40,744)**	**(4,644)**	**1,484**
Cash flows from investment activities					
Purchases of intangible and tangible assets		(21,301)	(7,227)	(47)	0
Sale of tangible fixed assets		75	1,359	0	0
Interest and related income received		1,593	697	218	427
(Purchases) / Income from the sale of participations and securities		(14,700)	11,007	(11,526)	(5,243)
Cash from consolidated company		20,229	0	0	0
Investment property		11,223	8,573	6,250	3,650
Cash flows from investment activities		**(2,881)**	**14,409**	**(5,105)**	**(1,166)**

	Note				
Cash flows from financial activities					
Purchase of treasury shares		(489)	0	(489)	0
Net change of short term loans		30,698	2,250	6,500	5,000
Withdrawals/(Payments) from long-term loans		(636)	5,282	0	0
Loan payments for finance leases	9	(2,827)	(2,356)	0	0
Dividends paid		0	0	0	0
Interest paid		(5,436)	(2,757)	(78)	(27)
Flows from other financial assets		0	33,936	0	29,650
Cash flows from financial activities		**21,310**	**36,355**	**5,933**	**34,623**
Net increase of cash		**6,671**	**10,020**	**(3,816)**	**34,941**
Cash at the beginning of the period		**424,670**	**109,040**	**19,308**	**23,258**
Cash at the end of the period		**431,341**	**119,060**	**15,492**	**58,199**

The accompanying notes are an integral part of the consolidated financial statements

GEK SA

STATEMENT OF CHANGES IN EQUITY
31ST of March 2008
(All amounts are in thousand euros unless otherwise stated)

	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2007	**23,567**	**170,410**	**38,913**	**44,725**	**277,615**
Net profit for the period	0	0	0	2,187	**2,187**
31st March 2007	**23,567**	**170,410**	**38,913**	**46,912**	**279,802**
1st January 2008	**23,567**	**170,410**	**52,537**	**29,548**	**276,062**
Net profit for the period	0	0	0	694	**694**
Loss from assets available for sale valued at fair value	0	0	(748)	0	**(748)**
Total comprehensive income	**0**	**0**	**(748)**	**694**	**(54)**
Treasury shares	0	0	(489)	0	**(489)**
Dividends	0	0	0	0	**0**
31st March 2008	**23,567**	**170,410**	**51,300**	**30,242**	**275,519**

GEK GROUP

STATEMENT OF CHANGES IN EQUITY

31ST OF March 2008

(All amounts are in thousand euros unless otherwise stated)

	Share capital	Share premium account	Reserves	Retained earnings	Sub-Total	Minority Interest	Total
1st January 2007	**23,567**	**170,410**	**46,944**	**49,064**	**289,985**	**109,955**	**399,940**
Changes in accounting policies and corrections of errors	0	0	5,896	(6,151)	(255)	(671)	**(926)**
Restated balances at 1st of January 2007	**23,567**	**170,410**	**52,840**	**42,913**	**289,730**	**109,284**	**399,014**
Foreign exchange difference from the consolidation of foreign entities	0	0	17	0	17	0	**17**
Loss from assets available for sale valued at fair value	0	0	(19)	0	(19)	0	**(19)**
Net profit for the period	0	0	0	10,452	10,452	4,378	**14,830**
Total comprehensive income	**0**	**0**	**(2)**	**10,452**	**10,450**	**4,378**	**14,828**
Sale of subsidiary	0	0	0	(2,349)	(2,349)	(2,786)	**(5,135)**
Participation increase in a consolidated subsidiary	0	0	0	0		(3,336)	**(3,336)**
Transfers other movements	0	0	277	(445)	(168)	0	**(168)**
31st of March 2007	**23,567**	**170,410**	**53,115**	**50,571**	**297,663**	**107,540**	**405,203**

	Share capital	Share premium account	Reserves	Retained earnings	Sib-total	Minority Interest	Total
1st January 2008	**23,567**	**242,762**	**68,799**	**51,542**	**386,670**	**333,781**	**720,451**
Loss from assets available for sale valued at fair value	0	0	(871)	(4)	(875)	(177)	**(1,052)**
Foreign exchange difference from the consolidation of foreign entities	0	0	(71)	0	(71)	(244)	**(315)**
Net profit for the period	0	0	0	13,142	13,142	4,412	**17,554**
Total comprehensive income	**0**	**0**	**(942)**	**13,138**	**12,196**	**3,991**	**16,187**
Discontinuation of a consolidation	0	0	0	(39)	(39)	0	**(39)**
Acquisition of a subsidiary	0	0	0	(121)	(121)	0	**(121)**
Purchase of treasury shares	0	0	(489)	0	(489)	0	**(489)**
Transfers other movements	0	0	130	(130)	0	0	**0**
31st March 2008	**23,567**	**242,762**	**67,498**	**64,390**	**398,217**	**337,772**	**735,989**

1 ESTABLISHMENT AND ACTIVITY OF THE COMPANY

"**GEK Holdings, Real Estate, Construction S.A.**", (the "Company" or "GEK") as renamed from ERMIS REAL ESTATE S.A. according to the decision of the Extraordinary General Shareholders' Meeting on 15.10.2004 and approved by the No. K2-13956/3-10-04 decision of the Ministry of Development published in the Government Gazette with No. 14334/3-12-04, is registered in the Societe Anonyme Registry of the Ministry of Development with Registration number 6044/06/B/86/142. The duration of the company has been set to thirty (30) years, while according to the decision of the Extraordinary General Shareholders' Meeting on 26.03.1990 the duration of the company is extended up to the 31st of December 2030.
The company is based in the municipality of Athens and its head offices are located in 85 Mesogeion Avenue, Postal Code 11526, Athens (tel: 210-6968200), following the decision of its Board of Directors on the 14th of March 2003.

The company was founded in 1960 under the name ERMIS HOTEL ENTERPRISES S.A.. In the middle of the 1960s it was renamed to ERMIS REAL ESTATE CONSTRUCTIONS ENTERPRISES S.A. with its main activity being building constructions (ERMIS mansion, apartment buildings and maisonettes in various areas across the country). In 1969, the company listed its shares in the Athens Stock Exchange (28.08.1969). Following the Extraordinary General Shareholders' Meeting on the 4th of August 1999 the company's ownership status is altered. On 16.10.2000, the decision No. K2-10469/16.10.2000 of the Ministry of Development is registered in the Societe Anonyme Registry. This decision approved the amendment, by changing the numbering and the provisions of the Articles, and the codification of the company's Articles of Association in accordance with the decision of the Extraordinary General Shareholders' Meeting on 17.07.2000. On the same date, the complete new text of the Articles of Association, with the amendments, is registered in the Societe Anonyme registry. On 10/02/04 the Board of Directors decided that the company should merge with the company "General Construction Company S.A." by absorbing it. The Extraordinary General Shareholders' Meetings of both the acquiring and the absorbed company, that took place on 15/10/2004, approved the Merger Contract Plan. The merger was completed on 3/12/04 with decision K2-13956 of the Ministry of Development that was published in the Government Gazette under No. 14334/3-12-04. At the same time, the change of the company's name and the amendment of its corporate objective were approved.

The main activity of the Company is the development and management of investment property, the construction of any kind, energy from renewable sources, service concessions and the participation in companies having similar activities.

The Group has a significant and specialized presence in construction, energy as well as in the development, management and exploitation of investment property having a strong capital base.

The Group is also active in construction and quarry through its subsidiary «TERNA SA» and its joint ventures, in industry through the subsidiaries of its sub-group «TERNA SA», «VIOMEK ABETE», which undertakes metal constructions, and «STROTIRES AEBE», which produces skids from armed concrete. Also, through «HERON THERMOELEKTRIKI SA» and the sub-group of its subsidiary «TERNA ENERGY ABETE» the Group is active in the energy segment producing electricity from thermal and renewable energy sources, having an installed capacity of 147 and 118 MW respectively at 31.12.2007.

The activities of the Group are mainly taking place in Greece and to an increasing extend in Balkans and Middle East.

2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

a) Basis for the preparation of the financial statements
The condensed interim financial statements for the company and the group are prepared in accordance with IFRS as these are adopted by EU and specifically in accordance with the provisions of IAS 34 'Interim Financial Statements'. The condensed interim financial statements must be read in relation to the annual financial statements of December 31, 2007.

b) Statutory Financial Statements

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

c) New standards, interpretations and amendments

The accounting principles adopted are the same as those adopted for the period ending on December, 31 2007, except the adoption of new standards that became mandatory from January, 1 2008. Therefore, from January, 1 2008 the Group and the company adopted new standards and amendments as follows:

- *IAS 23 Cost of borrowing (amendment)* (applied for annual accounting periods beginning on or after January 1st 2009). Withdrawal of the option to expense borrowing costs related to the acquisition, construction or production of a special asset.

- *IFRIC 12, Concession Agreements:* (applied for annual accounting periods beginning on or after January 1st 2008). IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. Based on the Interpretation, concession managers must not recognize the relevant infrastructure as tangible fixed assets, but must recognized a financial or an intangible asset.

- *IFRIC 13, Customer loyalty programs:* (applied for annual accounting periods beginning on or after January 1st 2008). The interpretation is related to the implementation of those defined by IAS 18 for the recognition of income. IFRIC 13 "Customer loyalty programs" specifies that when companies grant their customers award credits (i.e. points) as part of a sale transaction and customers can cash such credits in the future for free or discounted goods or services, then paragraph 13 of IAS 18 should be applied. This requires that award credits be accounted for as a separate item of the sale transaction and a part of the price received or the receivable recognized to be allocated to award credits. The recognition time of this income item is postponed until the company satisfies its liabilities that are linked to the award credits, either providing such awards directly or transferring the liability to a third party.

- *IFRIC 14, The limit on a Defined Benefit Asset, minimum funding requirements and their interaction: (*applied for annual accounting periods beginning on or after January 1st 2008*).* IFRIC 14 addresses three issues, specifically a) when capital refunds or reductions in future contributions should be presented as "available" in the context of paragraph 58 of IAS 19, Employee Benefits, b) how a minimum funding requirement may affect the availability of the reductions in future contributions, and c) when a minimum funding requirement creates an obligation. Furthermore, given that there is a minimum funding requirement, the Interpretation distinguishes between contributions that are necessary to cover an inadequacy for a past service on the base of the minimum contribution and, the future recognition of benefits.

Upon the date of approval of the financial statements, there are new IFRS interpretations and amendments of existing standards that will be mandatory for the years starting on 1st of January 2008 onwards. The assessment of the management of the Group regarding the effect of these new standards is offered below:

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

- *IAS 1 'Presentation of Financial Statements' (amendment)* (effective date: annual periods beginning on or after 1 January 2009).

The revisions include changes in the titles of some of the financial statements to reflect their function more clearly (for example, the balance sheet is renamed a statement of financial position). The most important changes are:

- at the cases in which an accounting policy is applied retrospective or a revision or a reclassifications of accounts in the financial statements, for comparability reasons it is necessary to report also the Statements of Financial Position for the previous periods.
- all income and expenses data (including those recorded directly in Equity) must be reported in <u>one</u> statement (Total Results Statement), or in <u>two</u> statements (a Statement for the current year Results and a Statement of Total Results).
- it is not allowed the specific presentation of results that are directly recorded in equity (e.g. profit/loss of fair value). Such changes that do not arise from the shareholders must be presented in the Total Results Statement, the total of which must be transferred to the Statement of changes in Equity.
- the presentation of shareholders transactions when they are acting as owners is not allowed to be presented in the notes. The Statement of changes in Equity must be presented as a separate financial statement.
- new requirements are introduced regarding an analytical presentation of results that are directly recorded in equity

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

- IFRS 2: Share-based payment – Amended in 2008: vesting conditions and cancellations (effective from 1st January 2009): The amendment of the standard clarifies the that vesting conditions are service conditions and performance conditions only, while other features of a share-based payment that are not vesting conditions should be included in the grant date fair value of the share-based payment at the concession date. This standards is not applied in the Company.

- IAS 32 Financial Instruments: Presentations and IAS 1 Presentation of Financial Statements – 2008 Amendment: Puttable instruments and obligations arising on liquidation (effective from 1st of January2009): This amendment sets the classification of puttable financial instruments as well as the terms of some instruments that oblige the issuer to proportionally pay the net assets of the instrument during settlement. The amendment is not currently applied in the Company.

- *IFRS* Improvements in International Financial Reporting Standards 2008 (applicable for fiscal years starting on or after January, 1 2009). It refers to the first standard related to annual improvements and is separated in two parts. In the first part amendments in accounting methods for the recognition and presentation are analyzed, and in the second part the amendments are related to definitions that bring minimum changes in accounting treatment.
The main impact on the Group refers to the valuation at fair value of investment property <u>under construction</u>.

d) Approval of the Financial Statements
The attached financial statements were approved by the Board of Directors of the Company on May, 30 2008.

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

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

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

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

c) Provision for environmental rehabilitation: The Group creates a provision against its relevant liabilities for dismantlement of technical equipment of wind parks and environmental rehabilitation, that arise based on the written environmental legislation or by the Group's restrictive practices. The environmental rehabilitation provision reflects the present value (based on an appropriate discount rate), at the balance sheet date of the rehabilitation liability less the estimated recoverable value of material estimated to be dismantled and sold.

3 SUMMARY OF KEY ACCOUNTING PRINCIPLES

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

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

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

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

b) Participation in associates
The participations of the Group in other companies in which it has an important influence are consolidated with the equity method. Based on this method, the participation in associates is recognized at cost plus the change of the Group's participation in their equity, less any provisions for impairments. The consolidated income statements reflect the proportion of the Group in the results of the associates.

c) Investments and other (non-derivative) financial assets
Financial assets that fall under the provisions of IAS 39 are classified according to their nature and characteristics into one of the following four categories:

(i) Investments available for sale
(ii) Receivables and loans
(iii) Financial assets at fair value through the profit or loss
(iv) Investments held to maturity

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

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

(i) Investments available for sale

Financial assets (non-derivative) that cannot be classified in any of the above categories are designated and classified as investment available for sale. After the initial recognition, available for sale investments are valued at fair value with the resulting gains or losses being recognized as a separate item in equity. Upon sale or write-off or impairment of the investment the accumulated gains or losses are included in the profit or loss.

(ii) Receivables and loans

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

(iii) Financial assets at fair value through the profit or loss

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

(iv) Investments held to maturity

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

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

d) Financial Instruments and Risk Management

Non-derivative financial assets and liabilities in the balance sheet include cash balances, receivables, participations bank loans and other short and long-term liabilities. The Company does not use derivative financial products. The accounting principles for the recognition and measurement of these items are mentioned in the respective accounting principles, which are presented in this Note. Financial instruments are disclosed as receivables, liabilities or equity based on the substance and the contents of the relevant contracts from which they stem. Interest, dividends, gains and losses resulting from the financial instruments that are classified as receivables or liabilities are accounted for as expenses or income respectively. The distribution of dividends to shareholders is accounted for directly through equity. Financial instruments are netted-off when the Company, according to the law, has this legal right and intends to set them off (against each other) on a net basis or to recover the asset and net the liability off at the same time. Financial risk management aims to reduce possible negative consequences. More specifically:

(i) Interest rate risk and exchange rate risk

The Company's bank loans are denominated in euros and are subject to variable interest rates. The Group use swap contracts in euro in order to reduce its exposure to interest rate risk. The Management of the Group follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

(ii) Fair Value

The amounts appearing in the attached Balance Sheets for cash balances, short-term receivables and other short-term liabilities approximate their respective real 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) Functional and Presentation Currency and Foreign Exchange Conversion

Functional and presentation currency of the Company and it's Greek subsidiaries is the euro. Transactions in other currencies are converted into euros using the exchange rates in effect at the date of the transaction. At the date of compilation of the financial statements monetary assets and liabilities 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 recognized in the income statement.
The functional currency of the foreign subsidiaries of the Group is the official currency of the country in which the subsidiary operates. Therefore, at any balance sheet date all subsidiaries' accounts are translated to euro based on the foreign exchange rate prevailing at that date. Revenues and expenses are translated based on the weighted average exchange rate of the year. Any foreign exchange differences resulting from the valuation of foreign subsidiaries are recognized directly in equity. During the sale or distribution of foreign subsidiaries the cumulative foreign exchange differences are recorded in income statement.

f) Intangible assets

Intangible assets mainly consist of royalties related to quarries, software acquisition costs and all expenses incurred to develop the software in order to bring it to operating condition. Amortization on royalties are based on straight line method during the normal period for the use of quarries (30 years) and the one on software is accounted for based on the straight line method for a period of three years. 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). Fair value is construction costs plus a reasonable construction profit. Depreciation starts after the infrastructure is ready for operation and stretches throughout the concession period.

g) Income recognition

Income 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 income.

(i) Income from construction activities

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

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

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

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

(ii) Toll Revenue
Revenues from tolls derive from service concessions agreements (BOT) concerning toll roads. As revenue is recognized the part of receipts that relate to operating costs. Additional receipts during the construction stage are recognized as unearned income.

(iii) 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.

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

(v) Revenue from the construction and sale of buildings
Buildings owned by the Company that are under construction, appear as inventories. When the final sale contracts are drawn, by which the risks and benefits of ownership of the building are transferred, and to the extent that after the compilation of these contracts there remains significant construction work to be carried out, the relevant revenue is recognized according to the percentage-of-completion method, as described above.

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

(vii) 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.

(viii) 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 implied cost at the date of transition to IFRS. The resulting surplus was credited to the profits carried forward account. The remaining land, buildings, machinery and vehicles are measured at purchase cost less accumulated depreciation and any provisions for impairment.
Repairs and maintenance are booked as expenses during the year in which they are incurred. Significant improvements are capitalized in the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.
Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the financial year in which the fixed asset in question is eliminated.

Fixed assets under construction include fixed assets that are work in progress and are recorded at cost. Fixed assets under construction are not depreciated until the asset is completed and put into operation.

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

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

j)Impairment of the Value of Fixed Assets

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

k) Investment property

Investments in property are those held for the purpose to receive rent or goodwill and are valued at their real 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 professionals estimators who have the knowledge on the property market. Profits or losses that arise from changes in the real value of investments in property are included in the income statement of the period during which they arise. Repairs and maintenance are recorded as expenses in the year in which they are incurred. Material subsequent expenses are capitalized when they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost. The acquisition cost and the accumulated depreciation of an investment property are eliminated from the accounts upon sale. All gains or losses resulting from the sale of a property are included in the income statement of the year during which it was sold. Investment property being build or developed are recorded at book value in tangible assets till their completion, and then they are transferred to investment property. Already, with the issue of the new improved standard, as mentioned in the relevant paragraph, investment property under construction or development will also be recognized at fair value.

l) Inventories

Inventories include excavated from the quarry material, construction material, spare parts and raw material. Inventories are valued at the lower of cost and net realizable value. The cost of raw materials, semi-finished and finished products is defined based on the weighted average method.
The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, labour costs, general industrial expenses and other costs that directly relate to the purchase of materials. The net realizable value of finished products is their estimated selling price during the Company's normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale. The net realizable value of raw materials is their estimated replacement cost during the normal course of business. A provision for impairment is made if it is deemed necessary.

m) Receivables Accounts

Short-term receivables are accounted for at their nominal value less the provisions for doubtful receivables, while long-term receivables are valued at net amortized cost based on the effective interest rate method. At each balance sheet date all overdue or doubtful receivables are reviewed in order to determine the necessity for a provision for doubtful receivables. The balance of the specific provision for doubtful receivables is appropriately adjusted at each balance sheet date in order to reflect the estimated relevant risks. Each write-off of customer balances is debited to the existing provision for doubtful receivables.

n) Cash and Cash Equivalents

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

o)Long-term loan liabilities

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

p)Provisions for Staff Retirement Indemnities

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

q) Government Pension Plans

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

r) Income Tax (Current and Deferred)

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

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

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

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

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

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

s) Finance and Operating Leases

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

t) Government Grants

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

v)Earnings per Share

Basic earnings per share (EPS) are calculated by dividing net earnings with the average weighted number of common shares that are outstanding during each year, with the exception of the average common shares acquired by the Company as own-shares.
Diluted earnings per share are calculated by dividing the net earnings attributable to the shareholders (after deducting the interest on convertible shares, after taxes) with the weighted average number of shares that are outstanding during the year (adjusted for the effect of the diluted convertible shares).

w) Operating segments

Segment of activity is a recognizable part of the Group that produces products or services (business segment) or offers products or services in a specific geographic environment (geographic segment) which differs in risk and benefits compared to other segments. The primary type of information is reported for business segment while the secondary one is reported for geographic segment.
The segments of activity refer to activities in construction, sale of electricity, property management, industrial production, concessions as well as remaining activities. Geographical segments refer to construction activities taken place in Greece, Cyprus, Balkans and Middle East. Regarding revenues and assets of geographic segments these are recorded in accordance to on where the customer and the assets are based.
The basic assumption for the presentation of assets and liabilities as well as revenues and expenses for each segment, which are not included directly in a specific segment, is their allocation to segments according to criteria that are applied consistently. Cross-segment income is calculated based on real and allocated expenses of each segment plus a margin on its employed capital.
Transactions between business units take place in market terms as occurs in the case for transactions with third parties.

(Amounts in thousand Euros, unless otherwise stated)

4 GROUP STRUCTURE

Participations in subsidiaries, associates and joint-ventures on 31.3.2008 are as follows:

4.1 Subsidiaries of GEK SA

Company name	Country of Domicile	Participation percentage % 31.3.2008 and 31.12.2007	Consolidation method	Tax unaudited years
TERNA SA*	Greece	54,63	Full	1
GEKE AEBE	Greece	99,99	Full	2
HERON THERMOELEKTRIKI SA**	Greece	77,32	Full	4
IOANNINA ENTERTAINMENT DEVELOPMENT SA	Greece	64,59	Full	4
MONASTHRI TECHNICAL DEVELOPMENT SA	Greece	100,00	Full	4
ICON LTD	Bulgaria	100,00	Full	3
VIPA THESSALONIKI	Greece	100,00	Full	6
IOLKOS SA	Greece	100,00	Full	4
CHIRON PARKING SA	Greece	100,00	Full	2
GEK ROMANIA	Romania	100,00	Full	2
GEK BALCAN DOOEL	F.Y.R.O.M.	100,00	Full	2
ICON BOROVEC	Bulgaria	100,00	Full	1st financial year
DOMUS DEVELOPMENT	Bulgaria	100,00	Full	1st financial year
HERMES DEVELOPMENT	Romania	100,00	Full	1st financial year
ERGON CITY DEVELOPMENT	Romania	100,00	Full	1st financial year
HIGHLIGHT SRL	Bulgaria	100,00	Full	1st financial year
IRON HOLDINGS SA	Greece	100,00	Full	1st financial year
IRON I I VIOTIAS	Greece	100,00	Full	1st financial year

* Includes the direct participation of GEKE AEBE
** Includes the direct participation of TERNA SA

(Amounts in thousand Euros, unless otherwise stated)

4.2 Associates of GEK SA

Company name	Country of Domicile	Participation percentage % 31.3.2008 and 31.12.2007	Consolidation method	Un-audited tax years
KEKROPS SA	Greece	23.91	Equity	3
GEKA SA	Greece	33.34	Equity	3
PRIME REALTY INVESTMENTS LTD	Cyprus	25.00	Equity	

4.3 Joint Ventures of GEK SA

Company name	Country of Domicile	Participation percentage % 31.3.2008 and 31.12.2007	Consolidation method	Un-audited tax years
OYIL CAR PARK	Greece	50	Proportionate	5
ATHENIAN CAR PARK SA	Greece	20	Proportionate	2
THESSALONIKI CAR PARK SA	Greece	50	Proportionate	2
AGIOS NIKOLAOS PIRAEUS CAR PARK (former OLP CAR PARK SA)	Greece	30	Proportionate	3
POLIS PARK SA	Greece	20	Proportionate	3
NEA IONIA ROAD SA	Greece	33,33	Proportionate	1st financial year
GLS OOD SOFIA BULGARIA	Bulgaria	50	Proportionate	1st financial year
SMIRNIPARK SA	Greece	20	Proportionate	1st financial year
ENTERTAINMENT & ATHLETIC PARKS ELLINIKOU SA	Greece	25	Proportionate	1st financial year
CENTRAL GREECE MOTORWAY SA	Greece	33,33	-	1st financial year

The jointly controlled company CENTRAL GREECE MOTORWAY SA was not consolidated in the financial statements of 31.3.2008 since at that date it was at preliminary stage. The book value of this participation at the balance sheet of 31.3.2008 amounted to 13.167 euros (1.667 euros at 31.12.2007).

4.4 Subsidiaries of TERNA SA

Company name	Country of Domicile	Participation percentage 31.03.2008 and 31.12.2007	Consolidati on method	Un-audited tax years
1.BIOMEK ABETE	Greece	66,50	Full	6
2.TERNA ENERGY ABETE	Greece	47,39	Full	2
3.STROTIRES AEBE	Greece	51,00	Full	6
4.LITHOS SA	Greece	100,00	Full	3
5.ILIOCHORA SA	Greece	100,00	Full	3
6. SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	Romania	100,00	Full	3
7. TERNA OVERSEAS LTD	Cyprus	100,00	Full	2
8. TERNA BAHRAIN HOLDING WLL*	Bahrain	99,99	Full	2
9. TERNA QATAR LLC*	Qatar	35,00	Full**	2
10. PCC TERNA WLL*	Bahrain	80,00	Full	1

(Amounts in thousand Euros, unless otherwise stated)

* Participation through TERNA OVERSEAS LTD.
** The company TERNA QATAR LLC fully consolidates in accordance with SIC 12 «Consolidation-Special purpose entities», because the Group, based on contract controls the management.

4.5 TERNA SA participations that are consolidated under the proportionate method:

No	Name	Country of domicile	Participation percentage 31.3.2008 and 31.12.2007	Un-audited tax years
1.	QBC S.A. – TERNA SA	Qatar	40%	1st year

4.6 Tax Joint Ventures of TERNA SA that were consolidated under the proportionate method

No.	Name	Participation percentage 31.3.2008 and 31.12.2007 %	Tax unaudited years
1.	J/V MAIN ARROGATION CANAL D 1	75,00	6
2.	J/V TRAM CIVIL ENGINEERING PROJECTS (IMPREGILO)	55,00	1
3.	J/V IRAKLEION CAMPUS	50,00	2
4.	J/V ANCIENT OLYMPIA BY-PASS	50,00	4
5.	J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20,00	1
6.	J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50,00	4
7.	J/V DEPA PROJECT	10,00	4
8.	J/V UNDERGROUND CARS THESSALONIKI	50,00	4
9.	J/V ARTA-FILIPPIADA BY-PASS	98,00	4
10.	J/V ATHENS CONCERT HALL	49,50	5
11.	J/V ATHENS CAR PARKS	20,00	4
12.	J/V PERISTERI METRO	50,00	4
13.	J/V TERNA S.A. - ATHINA ATE ARAHTHOS PERIST. PROJECTS	62,50	1
14.	J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	24,00	2
15.	J/V THALES ATM SA-TERNA UPGRADE OF TACAN STATIONS	22,25	6
16.	J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE	35,00	3
17.	JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	37,50	3
18.	J/V TERNA S.A. PANTECHNIKI S.A.	83,50	3
19.	J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	49,50	5
20.	J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	35,00	2
21.	J/V TERNA SA - ATHINA ATE	62,50	3
22.	J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	50,00	6
23.	J/V SALONIKA PARK	50,00	2
24.	J/V SIEMENS-AKTOR ATE-TERNA SA	37,50	2
25.	J/V TERNA-MICHANIKI AGRINIO BY-PASS	65,00	2
26.	TERNA SA BIOTER SA NAT BUILDING	50,00	7

(Amounts in thousand Euros, unless otherwise stated)

No.	Name	Participation percentage 31.3.2008 and 31.12.2007 %	Tax unaudited years
27.	J/V TERNA S.A.-THALES S.A.	50,00	4
28.	J/V TOMI ABETE-ILIOHORA SA	30,00	2
29.	J/V AVAX-BIOTER-ILIOHORA SA	37,50	2
30.	J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	25,00	1
31.	J/V BUILDING CONSTRUCTION OSE ILIOHORA SA	13,30	1
32.	J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	49,00	1
33.	J/V UNDERGROUND CHAIDARI-PART A	50,00	1
34.	J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	60,00	1
35.	J/V TERNA-TERNA ENERGY-TSMPRAS AETE	40,00	4
36.	J/V TERNA SA - TERNA ENERGY SA	50,00	4
37.	J/V BIOTER SA-TERNA SA	50,00	4
38.	J/V TERNA SA - IONIOS SA	90,00	4
39.	J/V TERNA ENERGY SA - TERNA SA- MANIOTIS	37,50	4
40.	J/V TERNA-TERNA ENERGY-TSMPRAS (EPL)	56,00	4
41.	J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	39,20	3
42.	J/V BIOTER SA-TERNA SA	50,00	4
43.	J/V TERNA-MOCHLOS ATE	70,00	7
44.	J/V TERNA-VIOTER SA	50,00	4
45.	J/V TERNA-ERGODOMI-KTISTOR ATE	50,00	4
46.	J/V EDRASI-PSALLIDAS-TERNA-EDRACO	51,00	4
47.	J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J%P ΑΒΑΞ-IMEC GmbH	24,00	5
48.	J/V TERNA-VERMION ATE-ANAPLASEON	50,00	3
49.	J/V TERNA-KARAGIANNIS	50,00	3
50.	J/V EUROPEAN TECHNICAL-HOMER-TERNA	50,00	10
51.	J/V TERNA-THEMELIODOMI	60,00	4
52.	J/V TERNA-AKTOR GOULANDRI MUSEUM	50,00	6
53.	J/V FRAGMATOS PRAMORITSA	33,33	4
54.	J/V TERNA-EDRASI-STROTIRES	41,00	5
55.	J/V UNIVERSITY OF CRETE-RETHYMNON	25,00	2
56.	J/V EKTER-TERNA (THETIKON)	50,00	4
57.	TERNA SA & Co	99,00	4
58.	J/V AKTOR-TERNA SA	50,00	4
59.	J/V AKTOR-TERNA SA IASO BUILDING	50,00	4
60.	TERNA SA - PANTECHNIKI S.A. (OAKA)	50,00	3
61.	J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	31,50	1
62.	J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	35,00	1
63.	J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	33,33	1
64.	J/V AKTOR-TERNA-J&P AVAX KALLIDROMO TUNNEL	33,33	1
65.	J/V THEMELIODOMI-TERNA-DIEKAT-KTIRIODOMI SA	25,00	5

(Amounts in thousand Euros, unless otherwise stated)

No.	Name	Participation percentage 31.3.2008 and 31.12.2007 %	Tax unaudited years
66.	J/V MINISTRY OF TRANSPORTATION	33,00	4
67.	J/V AEGEK TERNA	44,78	4
68.	J&P AVAX SA-TERNA SA-EYKLEIDIS	35,00	4
69.	ALTE ATE - TEPNA SA	50,00	4
70.	J/V EURO IONIA	33,33	1
71.	J/V AKTOR ATE – J&P AVAX - TERNA SA	12,00	1
72.	J/V AKTOR ATE – J&P AVAX - TERNA SA	12,00	1
73.	J/V TERNA-KARAYIANNIS-ATTALOS-ILIOCHORA	50,00	1
74.	J/V TERNA - AKTOR	50,00	1
75.	J/V TERNA-THALES RAIL SIGNALING	50%	1
76	J/V CENTRAL GREECE MOTORWAY E-65	33%	1η fiscal year
77	J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS –TREIS GEFYRES	33%	1η fiscal year
78.	J/V TERNA SA- AKTOR ATE DOMOKOS (RAILWAY)	50%	1η fiscal year

4.7 Tax joint ventures of TERNA SA that were not consolidated on 31.03.2008

	NAME	PARTICIPATION PERCENTAGE 31.3.2008 AND 31.12.2007
1	J/V BIOTER SA-TERNA SA- REVIEW	50.00%
2	J/V BIOTER SA-TERNA SA-FENCING (APOLLONIA SPA)	50.00%
3	J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
4	J/V CAR PARK “PARKING OYIL SA”	12.16
5	J/V MARITIME MIDSHIPMEN –GNOMON ATE-GEK SA-GENER SA	33.00%
6	J/V IMPREGILO S.p.a – TERNA SA-ALTE SA (EXECUTIONS)-in clearance	33.33%
7	J/V ARCHIRODON HELLAS ATE-TERNA SA	30.00%
8	J/V ATHINA ATE-PANTECHNIKI SA –TERNA SA	33.33%
9	J/V EVINOU-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%

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

4.8 Associates of TERNA SA

Name	Country of domicile	Participation percentage 31.3.2008 and 31.12.2007	Consolidation method	Tax unaudited years
HAMRIYAH CEMENT COMPANY FZC*	U.A.N.	40.00	Equity	1
ATTIKAT ATE	Greece	21.50	Equity	5

(Amounts in thousand Euros, unless otherwise stated)

4.9 Subsidiaries of TERNA ENERGY SA

	Name	Country of domicile	Participation percentage 31.3.2008 and 31.12.2007	Consolidation method	Tax unaudited years
1	IWECO CHONOS LASITHI CRETE SA	Greece	100,00	Full	1
2	TERNA ENERGY ABETE&Co ENERGIAKI SERVOUNIO SA	Greece	100,00	Full	1
3	TERNA ENERGY EVROS SA	Greece	100,00	Full	1
4	GP ENERGY	Bulgaria	100,00	Full	1
5	PPC RENEWABLE- TERNA ENERGY SA	Greece	51,00	Full	1
6	TERNA ENERGY ABETE & SIA AIOLIKI RACHOLAS DERVENOCHORION G.P.	Greece	100,00	Full	5
7	TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU G.P.	Greece	100,00	Full	5
8	TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRAIANOUPOLEOS G.P.	Greece	100,00	Full	5
9	TERNA ENERGY ABETE & SIA ENERGIAKI DERVENOHORION G.P.	Greece	100,00	Full	5
10	TERNA ENERGY ABETE & SIA ENERGIAKI VELANIDION LAKONIAS G.P.	Greece	100,00	Full	5
11	TERNA ENERGY ABETE & SIA ENERGIAKI DISTION EVIAS G.P.	Greece	100,00	Full	5
12	TERNA ENERGY ABETE & SIA AIOLIKI PASTRA ATTIKIS G.P.	Greece	100,00	Full	5
13	TERNA ENERGY ABETE & SIA AIOLIKI MALEA LAKONIAS G.P.	Greece	100,00	Full	5
14	TERNA ENERGY ABETE & SIA ENERGIAKI FERRON EVROU G.P.	Greece	100,00	Full	5
15	TERNA ENERGY ABETE & SIA AIOLIKI DERVENI TRAIANOUPOLEOS G.P.	Greece	100,00	Full	5
16	TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS G.P.	Greece	100,00	Full	5
17	TERNA ENERGY ABETE & SIA ENERGIAKI ARI SAPPON G.P.	Greece	100,00	Full	5
18	TERNA ENERGY ABETE & SIA ENERGIAKI PELOPONNISOU G.P.	Greece	100,00	Full	5
19	TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS ELLADOS G.P.	Greece	100,00	Full	5
20	TERNA ENERGY ABETE & SIA AIOLIKI MARMARIOU EVIAS G.P.	Greece	100,00	Full	5
21	TERNA ENERGY ABETE & SIA ENERGIAKI PETRION EVIAS G.P.	Greece	100,00	Full	5
22	TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENOHORION G.P.	Greece	100,00	Full	5
23	TERNA ENERGY ABETE & SIA ENERGIAKI STIRON EVIAS G.P.	Greece	100,00	Full	5
24	TERNA ENERGY ABETE & SIA ENERGIAKI NEAPOLEOS LAKONIAS G.P.	Greece	100,00	Full	5
25	TERNA ENERGY ABETE & SIA AIOLIKI PANORAMATOS DERVENOHORION G.P.	Greece	100,00	Full	5
26	TERNA ENERGY ABETE & SIA ENERGIAKI KAFIREOS EVIAS G.P.	Greece	100,00	Full	5
27	EOL TECHNICS SRL	Romania	100,00	Full	-

The general partnership (GP) companies are established having as a sole purpose the acquisition of licenses required to construct energy plants producing electricity by using renewable resources, and if the construction goes ahead, they will be absorbed by TERNA ENERGY ABETE. Till today they have no activities and therefore no tax interest.

(Amounts in thousand Euros, unless otherwise stated)

4.10 Tax Joint ventures of TERNA ENERGY ABETE proportionally consolidated

	Name	Participation percentage 31.3.2008 and 31.12.2007 %	Tax unaudited years
1.	J/V TRAM CIVIL ENGINEERING WORKS	36	4
2.	J/V ENVAGELISMOU, PROJECT C'	50	4*
3.	J/V TERNA ENERGY - TSAMPR. DRAMAS HOSPITAL	40	4*
4.	J/V EPL DRAMAS	24	4*
5.	J/V TERNA ENERGY - OLYMPIOS ATE	50	4
6.	J/V K. MANIOTIS - TERNA - TERNA ENERGY	37,50	4
7.	TERNA ENERGY - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA SYBAR G.P.	50	5
8.	TERNA ENERGY SA & SIA ENERGIAKI XIROVOUNIOU G.P.	70	5
9.	J/V/ EMBEDOS - PANTECHNIKI - TERNA ENERGY	50,10	4
10.	J/V THEMELI-TERNA ENERGY ABETE-J/V TERNA SA	40	3
11.	J/V EKTER - TERNA - ATHONIKI	31	2
12.	J/V/ KL. ROUTSIS - TERNA ENERGY ABETE	50	3
13.	TERNA ENERGY ABETE & Co	70	5

4.11 Associates of TERNA ENERGY ABETE

Name	Country of domicile	Participation percentage % 31.3.2008 and 31.12.2007 %	Consolidation method	Tax unaudited years
Energy Center RES Cyclades SA *	Greece	45.00	Net Equity	2

* Participation through IWECO CHONOS LASITHI CRETE SA.

5 INFORMATION BY SEGMENT OF ACTIVITY

The table below presents the analysis of the results of the Group as of the 31st of March 2008 and the 31st of March 2007 according to its main activities:

(Amounts in thousand Euros, unless otherwise stated)

Period 1.1 – 31.3.2008	**SEGMENT OF ACTIVITY**							
	Construction	**Electricity from renewable sources**	**Electricity from Thermal sources**	**Real Estate**	**Industry**	**Concessions**	**Intersegment eliminations on consolidation**	**Consolidated totals**
Revenue of the segment	116,090	5,554	12,600	12,728	3,257	1,868	(6,819)	145,278
Less: Intersegment sales	(5,284)	0	0	0	(1,535)	0	6,189	0
Sales to external customers	110,806	5,554	12,600	12,728	1,722	1,868	0	145,278
Earnings before interest and tax (EBIT)	**6,979**	**2,949**	**861**	**13,673**	**74**	**465**	**0**	**25,001**
Net financial results [Profit (loss)]								(2,462)
Results of associates								(241)
Profit (loss) before tax								**22,298**
Income tax								(4,744)
Net profit for the period								**17,554**
Depreciation	3,001	1,543	1,062	32	63	381		6,082
Grants	0	(424)	0	0	0	0		(424)
Earnings before tax, interest and depreciation (EBIDTA)	**9,980**	**4,068**	**1,923**	**13,705**	**137**	**632**		**30,445**

(Amounts in thousand Euros, unless otherwise stated)

Period 1.1 – 31.3.2007	**SEGMENT OF ACTIVITY**							
	Construction	**Electricity from renewable sources**	**Electricity from Thermal sources**	**Real Estate**	**Industry**	**Concessions**	**Intersegment eliminations on consolidation**	**Consolidated totals**
Revenue of the segment	71,023	6,103	7,762	5,769	5,770	676	(1,482)	95,621
Less: Intersegment sales	(1,482)	0	0	0	0	0	1,482	0
Sales to external customers	69,250	6,103	7,762	5,769	5,770	676	0	95,621
Earnings before interest and tax (EBIT)	**3,513**	**3,483**	**3,230**	**11,590**	**1,039**	**77**		**22,932**
Net financial results [Profit (loss)]								(2,060)
Results of associates								**20,872**
Profit (loss) before tax								(6,042)
Income tax								**14,830**
Net profit for the period								
Depreciation	1,762	1,864	1,062	46	151	129		5,014
Grants	0	(418)	0	0	0	0		(418)
Earnings before tax, interest and depreciation (EBIDTA)	**5,275**	**4,929**	**4,292**	**11,636**	**1,190**	**206**		**27,528**

(Amounts in thousand Euros, unless otherwise stated)

6 FIXED ASSETS

The fixed assets in the attached financial statements as of the period 1.1-31.3.2008 is analyzed as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
Net book value, 1st January	**319,485**	**263,632**	**50**	**19**
Additions for the period	23,692	7,227	47	0
Acquisition of fixed assets through finance lease	1,140	0	0	0
Sales for the period	(150)	(547)	(38)	0
Depreciation and other changes for the period	(6,082)	(4,595)	(7)	(2)
Net book value 31st of March	**338,085**	**265,717**	**52**	**17**

On the fixed assets of some subsidiaries of the Group there are prenotations of 11.307 euro at 31.3.2008 that cover loan obligations.

7 INVESTMENT PROPERTY

The summary change in investment property for the period 1.1-31.3.2008 is analyzed as follows.

	GROUP		COMPANY	
	2008	2007	2008	2007
Balance January 1st	**147,364**	**68,946**	**21,769**	**24,937**
Additions	1,379	806		0
Reductions	(15,701)	(3,520)	(6,190)	(3,340)
Adjustments to fair value	9,592	1,918	0	907
Transfer from inventories	0	784	0	0
Balance 31 March	**142,634**	**68,934**	**15,579**	**22,504**

At 31.3.2008 investment property of the group was valued at fair value and the surplus that emerged amounting to 9.592 euros was recognized in income statement and specifically in the account Other income/expenses (see also note 12).
Also, in the same period an investment property was sold that was 50% owned by the company and 50% by a subsidiary, for 12.500 euros.

8. SHARE CAPITAL

During the period 1/1-31/03/2008, as well as during the period 1/1-31/03/2007, the number of shares and their nominal value remained unchanged.

9. LOANS

The summary changes in short-term and long-term loans of the group and the company at 31/03/2008 and 31/03/2007 is as follows:

(Amounts in thousand Euros, unless otherwise stated)

	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
Balance, 1st of January	**380,514**	**217,689**	**5,000**	**0**
New loans	48,787	20,170	11,500	5,000
Repayments	(18,354)	(14,995)	(5,000)	0
Balance 31st of March	**407.933**	**222.865**	**11.500**	**5.000**

The company in the three months period of 2008 undertook a contract for a monthly revolving loan of 11.500 euros on a floating rate.

The largest part of new loans refers to the energy segment of the group and is related to the financing of its wind park installations. These loans will be repaid with the receipt of approved grants. Also, part of new loans refers to working capital of the construction segment.

Within the year the company undertook new finance lease contracts for machines amounting to 1,140 euro, while for the payment of current contracts was paid the amount of euros 2.827. The remaining capital of the financial lease contracts at 31.3.2008 amounts to 30.714 euro for the group.

10. PROVISIONS

The summary provisions for the group and the company at 31/03/2008 and 31/03/2007 is as follows:

	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
Balance at 1st of January	**7,998**	**2,884**	**178**	**121**
Additional provisions charged in income statements	306	625	11	31
Additional provisions charged in assets	18	0	0	0
Non-used provisions transferred in income statement	1	(56)	0	0
Non-used provisions transferred in balance sheet	0	0	0	0
Used provisions	0	(230)	0	(30)
Balance 31st of March	**8,323**	**3,179**	**189**	**122**

11. GRANTS

The summary change in grants at 31/03/2008 and 31/03/2007 are analyzed as follows:

	GROUP	
	2008	**2007**
Balance at 1st of January	**51,697**	**37,323**
Receipt of grants	0	654
Grant of company consolidated in the period	17,999	0
Transfer of a proportion in income statement	(638)	(418)
Balance at 31st of March	**69,058**	**37,559**

(Amounts in thousand Euros, unless otherwise stated)

12. OTHER INCOME/EXPENSES

The analysis of other income/expenses at 31st of March 2008, which are of unexpected nature, are analyzed in the following table:

	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
Profit from the sale of DIKEVE	0	2,328	0	0
Surplus from the valuation of investment property at fair value	9,592	1,918	0	907
Pre-tax valuation loss from the acquisition of a subsidiary	0	6,700	0	0
Recovery of a provision for trade receivables	0	1,000	0	0
Income for renting fixtures/machines	432	539	0	0
Profit/(Loss) from foreign exchange differences	(1,432)		0	0
Employee indemnities	(231)	0	0	0
Proportion for the current year of grants for fixed assets	638	418	0	0
Profit from VAT receivable of investment property	426	0	426	0
Other income from services rendered	929	380	0	0
Total	**10,354**	**13,283**	**426**	**907**

13. INCOME TAX

The expense for income tax is recorded based on the best estimation of the management regarding the weighted average tax rate for the year. This rate at 31/03/2008 was 21.3% (28.9% at 31.3.2007) for the group and 27.3% at 31.3.2008 (28.8% at 31.3.2007) for the company.

14. DIFFERENCES UNDER LITIGATION OR ARBITRATION

During the execution of their projects the Group may face contingent legal claims by third parties. According to the Management, as well as the legal counsellor of the Group there are no cases under litigation or arbitration that may affect the operating or financial position of the Company at 31/03/2008.

15. TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group for the period 01/01-31/03/2008 as well as the balances of receivables and liabilities emerged from these transactions at 31/03/2008 are as follows:

Period 1/1-31/3/2008	GROUP				COMPANY			
Related party	**Sales**	**Purchases**	**Debit balance**	**Credit balance**	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
Subsidiaries	0	0	0	0	16	669	385	107
Joint ventures	0	0	0	0	35	0	5926	0
Associates	12,500	0	12,500	0	6,250	0	6,250	0
Management	0	173	0	85	0	0	0	0

Period 1/1-31/3/2007	GROUP				COMPANY			
Related party	**Sales**	**Purchases**	**Debit balance**	**Credit balance**	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
Subsidiaries	0	0	0	0	257	1,867	370	579
Joint ventures	0	0	0	0	7	0	3	0
Management	0	0	0	1,470	0	0	0	500

(Amounts in thousand Euros, unless otherwise stated)

16. IMPORTANT EVENTS FOR THE PERIOD

The construction backlog for the Group at 31.3.2008 amounted to approximately 1.8 bil. Euro (1.2 at the end of 2007).

17. CYCLICALITY-SEASONALITY

The Group's activities and specifically those of the construction segment and the investment property segment are affected by the economic cycle and the economy in the medium to long-term horizon. Also, some construction activities are affected by unexpected weather conditions or delays due to force majeure. This results in gross profits variations within the year and through time.

18. POST-BALANCE SHEET DATE EVENTS

The Board of Directors of the company, in agreement with the BoD of the subsidiary TERNA SA decided, pending the approval of General Shareholders Meetings and the relevant authorities, the merger through absorption of subsidiary TERNA SA.

The construction companies of the Group signed various construction contracts totalling 270 mil, € of which the largest part refers to projects undertaken abroad.

19. CONTINGENT LIABILITIES

The Management of the Group estimates that there are no changes in the contingent liabilities of the Group and the Company compared to those at 31/12/2007.

CERTIFICATE

It is ascertained that the attached financial statements are those approved by the Board of Directors of the Company on the May, 30 2008 and have been published by being posted on the internet at the website www.gek.gr. It is noted that the summary financial figures that have been published in the press aim at providing the reader with certain general financial information but do not provide a full picture of the financial position and the results of the Group, in accordance with the International Financial Reporting Standards (IFRS). In the summary information published in the press some figures have been abbreviated.

The Chairman of the Board	The Vice-chairman &CEO
George Peristeris	Nikolaos Kambas
The Finance Director	Head of Accounting
Merkourios Moschovis	Konstantinos Konstantinidis