GEK Group

INTERIM FINANCIAL STATEMENTS (IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS) FOR THE SIX MONTHS PERIOD FROM 1 JANUARY TO 30 JUNE 2005

(Amounts in thousand Euro, unless stated otherwise)

GEK GROUP
BALANCE SHEET
30 JUNE 2005

	Notes	30 June 2005	31 December 2004
ASSETS			
Long term assets			
Intangible assets	5	5,903	6,173
Tangible assets	6	195,181	199,292
Investment Property	7	83,427	59,739
Participation in associates companies	8	10,553	10,061
Other long term receivables		279	347
Deferred income tax	18	15,863	7,171
Total long term assets		**311,206**	**282,783**
Current assets:			
Inventories	9	59,793	63,499
Trade receivables	10	192,311	240,015
Prepayments and other receivables	10	46,473	53,840
Other financial assets	11	21,730	20,550
Cash and cash equivalents	12	89,044	83,786
Total current assets		**409,351**	**461,690**
TOTAL ASSETS		**720,556**	**744,473**
EQUITY & LIABILITIES			
Equity attributed to the parent's shareholders			
Share capital	20	23,567	23,567
Above par		170,410	170,410
Profit carried forward		27,903	8,761
Reserves		41,464	41,418
		263,344	**244,156**
Minority interest		100,509	82,300
Total equity		**363,852**	**326,456**
Long term liabilities:			

Long term loans	14	69,847	51,008
Loans from financial leases	14	35,573	40,277
Other long term liabilities		1,083	5,722
Provisions		2,065	3,374
Provision for staff retirement indemnities	15	1,538	1,380
Grants	16	12,290	12,822
Deferred income tax	18	9,187	3,109
Total long term liabilities		**131,584**	**117,692**
Short term liabilities:			
Suppliers	17	65,155	127,826
Short term loans	18	95,328	127,851
Long-term Liabilities payable in the next period	13	384	2,928
Accrued and other short term liabilities	19	64,253	41,720
Total short term liabilities		**225,120**	**300,325**
TOTAL LIABILITIES AND EQUITY		**720,556**	**744,473**

The attached notes constitute an inseparable part of the consolidated financial statements

(Amounts in thousand Euro, unless stated otherwise)

GEK GROUP
INCOME STATEMENT
FOR THE PERIOD ENDING ON 30 JUNE 2005

	Notes	1.1-30.6 2005	1.1-30.6 2004	1st Quarter 2005	2nd Quarter 2004
INCOME:					
Net turnover	21	119,195	262,223	53,393	161,727
Cost of goods sold	22	(86,479)	(208,052)	(37,467)	(123,422)
Gross profit		**32,716**	**54,171**	**14,909**	**38,305**
Administrative and distribution expenses	22	(10,906)	(12,391)	(5,959)	(9,241)
Other income/(expenses)	23	8,887	3,495	8,392	2,514
Net financial income/(expenses)	24	(4,536)	(4,157)	(1,824)	(1,678)
EARNINGS BEFORE TAX		**26,161**	**41,118**	**15,518**	**29,900**
Income tax	18	(3,185)	(7,577)	(1,989)	(3,610)
NET EARNINGS		**23,080**	**33,541**	**13,529**	**26,290**
Distributed in:					
Shareholders of the parent		15,129	24,849	10,004	21,421
Minority interest		7,952	8,692	3,526	4,869
		23,080	**33,541**	**13,529**	**26,290**
Earnings per share (in euro)					
Basic	2	0.23	0.90	0.15	0.77
Diluted					
Weighted average number of shares basic					

and diluted

Basic	65,463,360	27,720,000	65,463,360	27,720,000
Diluted				

The attached notes constitute an inseparable part of the consolidated financial statements

(Amounts in thousand Euro, unless stated otherwise)

GEK GROUP
CASH FLOW STATEMENT
FOR THE PERIOD ENDING ON 30 JUNE 2005

	1.1-30.6 2005	1.1-30.6 2004	2nd Quarter 2005	2nd Quarter 2004
Cash flow from operating activities				
Earnings before tax	26,161	41,118	15,518	29,900
Readjustments for the agreement of the net flows from the operating activities				
Depreciation	6,076	4,924	3,054	2,645
Provisions	158	903	1,306	(402)
Interest and related expenses	(625)	(275)	(364)	(264)
Interest and other financial expenses	5,669	2,554	3,158	1,459
(Profit)/Loss from the sale and valuation of participations	526	(1,183)	(1,407)	1,786
Amortization of grants	0	(626)	289	(8,345)
Operating profit before working capital changes	**37,965**	**47,415**	**21,554**	**26,779**
(Increase)/Decrease in:				
Inventories	3,706	(3,751)	(687)	1,104
Trade receivables	49,279	(80,850)	53,133	(71,165)
Prepayments and other short term receivables	7,367	(15,699)	12,147	(2,916)
Increase/(Decrease) in:				
Suppliers	(67,308)	32,971	(47,961)	31,511
Accruals and other short term liabilities	(3,634)	(8,484)	(6,627)	(5,892)
Grants	2,252	0	(467)	0
(Increase)/Decrease of other long term claims	68	27	41	8
Cash inflow from operating activities	**29,695**	**(28,371)**	**31,133**	**(20,571)**

Cash flow from investing

(Amounts in thousand Euro, unless stated otherwise)

activities:				
Purchase of tangible assets	(6,564)	(16,922)	(6,565)	13,625
Sale of tangible assets	0	0	(1,324)	0
Purchase of intangible assets	(64)	(80)	(46)	(57)
Interest and related income received	625	275	364	264
Other participations	24,168	(9,493)	1,084	(3,050)
Increase in the share capital of participation/Newly consolidated entities, Initial cash	413	(0)	413	0
Investment Property	(12,987)	(1,524)	(8,310)	(1,015)
Cash outflows for investment activities	**5,591**	**(27,744)**	**(14,384)**	**9,767**
Cash flows from financial activities				
Net change of short term loans	(34,192)	70,977	(24,353)	28,081
Withdrawals/(Payments) from long term loans	16,062	235	6,253	1,008
Loan payments for financial leases	(4,704)	(1,030)	(2,355)	(613)
Dividends paid	0		0	0
Interest paid	(6,014)	(2,554)	(3,503)	(1,373)
Change of other financial receivables	(1,180)	712	2,016	1,085
Cash outflows for financial activities	**(30,028)**	**68,340**	**(21,9421)**	**28,188**
Effect of exchange rate movements in cash	0	0	0	0
Net increase of cash	**5,258**	**12,225**	**(5,193)**	**17,384**
Cash at the beginning of the period	83,786	30,328	94,237	25,169
Cash at the end of the period	**89,044**	**42,553**	**89,044**	**42,553**

The attached notes constitute an inseparable part of the consolidated financial statements

(Amounts in thousand Euro, unless stated otherwise)

GEK GROUP
STATEMENT OF CHANGES IN EQUITY
30th of June 2005
(amounts in euro)

	Amounts attributed to the Parent's shareholders						
	Share capital	**Difference from issuance of shares above par**	**Reserves**	**Profit brought forward**	**Sub Total**	**Minority interest**	**Total**
31st of December 2004	23,567	170,410	41,418	8,761	244,156	82,300	326,456
Net earnings for the period				15,129	15,129	7,952	23,080
Reduction in the participation of a consolidated subsidiary				12,364	12,364	14,088	26,452
Dividend of the parent for 2004 paid in 2005				(7,857)	(7,857)		(7,857)
Dividend of 2004 paid in the minorities in 2005					0	(5,165)	(5,165)
Companies consolidated for the 1st time			46	(122)	(76)		(76)
Share capital increase of subsidiaries (IRON-IOANNINON)					0	1,374	1,374

(Amounts in thousand Euro, unless stated otherwise)

Transfers-Other movements charged directly on equity				(372)	(372)	(40)	(412)
30^{th} of June 2005	23,567	170,410	41,464	27,903	263,344	100,509	364,852

The attached notes constitute an inseparable part of the consolidated financial statements

(Amounts in thousand Euro, unless stated otherwise)

GEK GROUP
STATEMENT OF CHANGES IN EQUITY
30th of June 2005

	Amounts distributed to the shareholders of the Parent						
	Share capital	Difference from issuing shares above par	Reserves	Profit brought forward	Sub Total	Minority interest	Total
31st of December 2003	16,632	77,588	29,468	4,114	127,802	57,870	185,672
Net income for the period				24,849	24,849	8,692	33,541
Dividend of the parent for 2004 paid in 2005				(4,990)	(4,990)		(4,990)
Dividend of 2004 paid in the minorities in 2005					0	(3,742)	(3,742)
Purchase percentage of minority interest in subsidiaries				(8,361)	(8,361)	(1,071)	(9,432)
Transfers-Other movements charged directly on equity					0	105	105
30th of June 2004	16,632	77,588	29,468	15,612	139,300	61,854	201,154

The attached notes constitute an inseparable part of the consolidated financial statements

1. ESTABLISHMENT AND ACTIVITY OF THE COMPANY:

"GEK Holdings, Real Estate, Construction CO S.A.", 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 the 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 life 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 life 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 '60s it is 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 lists 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 Defense 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 as well as the absorbed companies, that took place on 15/10/2004, approved the Merger Plan. The merger was completed on 2/12/04 following the 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. Through this merger, the GEK Group of companies was created, with significant presence in constructions, energy, as well as in the development, administration and exploitation of real estate, and having a strong capital base.

The main activity of GEK is the development and management of real estate. The Group is active in the construction sector through TERNA S.A. and its joint ventures, in the industrial sector through its subsidiaries BIOMEK, which develops metal constructions and STROTIRES AEBE which produces and distributes skids from armed concrete. In addition, the Group is active in the energy sector through the companies IRON THERMOELECTRIC SA and TERNA ENERGY ABETE.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS:

α. ***Basis for the preparation of the financial statements:*** The attached consolidated financial statements have been prepared according to the historic cost principle as this is amended by the readjustment of specific asset and liabilities items in fair values with the exception of the value readjustment of specific fixed assets which on the date of transition (1st of January 2004) to the International Financial Reporting Standards (IFRS) were fairly valued, and these values were used as deemed cost in accordance with the IFRS 1 clauses "First-Time adoption of International Financial Reporting Standards".

The attached consolidated financial statements have been prepared in accordance with IFRS as these are published by the International Accounting Standards Committee (IASC), and their interpretation as published by the International Financial Reporting Interpretations Committee (IFRIC) of IASC. For the preparation the IFRS 1 "First-Time adoption of International Financial Reporting Standards" is applied with transition date the 1st of January 2004. No standards have been applied before their inception date.

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b. ***Book Keeping:*** The Greek companies of the group keep their accounting records in accordance with the Greek Law of Commerce, the Greek Generally Accepted Accounting Principles and the tax legislation, while the foreign companies keep their accounting records in accordance with the laws and provisions followed in each of the countries they are active in. The group makes specific off balance sheet adjustment records in order to compile the attached consolidated financial statements in accordance with IFRS.

The basic off balance sheet records that were applied on the balance sheets on the 1st of January 2004 and on the 31st of December 2004, as well as on the income statement of the quarterly period ending on the 30th of June 2004 in order to be adjusted to the IFRS and the important differences that are applied in the relevant consolidated financial statements are described in Note 34.

c. ***First-Time adoption of International Financial Reporting Standards:*** According to the rule 1606/2002 of the European Union and the Law 3229/04, amended by the Law 3301/04, Greek companies listed in Stock Markets (home or abroad), are obliged from the 1st of January 2005 to compile their financial statements in accordance with IFRS.

Based on IFRS 1 and the aforementioned Greek law, the companies mentioned above are obliged to report comparative financial statements in accordance with IFRS for at least one fiscal year (31 December 2004).

Consequently the companies adopting the IFRS for the first time as previously mentioned, will as a rule have the 31st of December 2005 as compilation date for the first full set of IFRS financial statements and the 1st of January 2004 as transition date. The Company will prepare and publish the first full financial statements according to the IFRS within the institutional time-frame and the compilation date of the aforementioned financial statements will be the 31st of December, 2005.

In accordance with the relevant provisions of IFRS 1, a company compiling the first financial statements according to the IFRS must use the IFRS in effect at the closing date of the period covered by the first full financial statements for all the financial years/periods presented and for the transition balance sheet.

As a result, the attached financial statements have been compiled in accordance with the IFRS in effect on June 30, 2005 and include judgments regarding the IFRS that are expected to be in effect at the first closing date (December 31, 2005).

For the compilation of the attached consolidated financial statements, the Group applied IFRS 1 "First-Time adoption of International Financial Reporting Standards". Specifically:

- The Group decided not to apply IFRS 3 "Business Combinations" retroactively for the combinations that were formed prior to the IFRS transition date (January 1^{st}, 2004).

As a result and based on IFRS 1 as regards prior business combinations, the Company:

(i) Retained the same classification as in previous financial statements based on Greek Generally Accepted Accounting Principles (G.A.P.),

(ii) Recognized, on the date of transition to IFRS, all assets and liabilities acquired or included in business combinations except:

- Specific financial assets and financial liabilities that had not been recognized under previous GAS and
- Assets, including goodwill, and liabilities that had not been recognised in the consolidated balance sheet of the Company based on previous G.A.P. and that also do not meet the recognition criteria according to the IFRS for the separate balance sheet of the acquired company.

(iii) Excluded/deleted from its opening consolidated balance sheet based on the IFRS any item recognized according to the previous G.A.P. that does not meet the criteria for recognition as an asset or liability based on IFRS.

- The Group decided to value specific land, buildings and machinery at the date of transition to IFRS at fair value and used these fair values as implied cost at the specified date.

- Regarding the provision for staff retirement indemnities, the total amount of cumulated actuarial losses and gains was recognized at the date of transition to the IFRS, while for the actuarial losses and gains that arose in 2004 and thereafter the corridor approach was used.

- The estimates of the Group based on the IFRS at the date of transition to the IFRS were consistent with the estimates made for the same date based on the previous G.A.P. (after whatever restatements were made to reflect differences in accounting principles), except the cases where there was clear evidence that these estimates were incorrect.

(iv) Effect of newly issued accounting standards (IFRS or IAS) and interpretations (SIC):

Revisions were published on December 18th, 2003 relating to:

- IAS 1 “Presentation of Financial Statements”,
- IAS 2 “Inventories”,
- IAS 8 “Accounting Policies, Changes in Accounting Estimates, and Errors”,
- IAS 10 “Events After the Balance Sheet Date”,
- IAS 16 “Property, Plant and Equipment”,
- IAS 17 “Leases”,
- IAS 21 “The Effects of Changes in Foreign Exchange Rates”,
- IAS 24 “Related Party Disclosures”
- IAS 27 “Consolidated and Separate Financial Statements”,
- IAS 28 “Investments in Associates”,
- IAS 31 “Interests In Joint Ventures”,
- IAS 32 “Financial Instruments: Disclosure and Presentation”,
- IAS 33 “Earnings Per Share”,
- IAS 39 “Financial Instruments: Recognition and Measurement”,
- IAS 40 “Investment Property”.

The application date for all the revised standards is January 1st, 2005 while earlier adoption is encouraged. The revised standards also replace the following Interpretations that are withdrawn:

- SIC 1 “Consistency - Different Cost Formulas for Inventories”,
- SIC 2 “Consistency - Capitalisation of Borrowing Costs.”,
- SIC 3 “Elimination of Unrealised Profits and Losses on Transactions with Associates”,
- SIC 5 “Classification of Financial Instruments - Contingent Settlement Provisions”,
- SIC 6 “Costs of Modifying Existing Software”,
- SIC 11 “Foreign Exchange - Capitalisation of Losses Resulting from Severe Currency Devaluations”,
- SIC 14 “Property, Plant and Equipment - Compensation for the Impairment or Loss of Items”,
- SIC 16 “Share Capital - Reacquired Own Equity Instruments (Treasury Shares)”,
- SIC 17 “Equity - Costs of an Equity Transaction”,
- SIC 18 “Consistency - Alternative Methods”,
- SIC 19 “Reporting Currency – Measurement and Presentation of Financial Statements under IAS 21 and IAS 29”,
- SIC 20 “Equity Accounting Method - Recognition of Losses”,
- SIC 23 “Property, Plant and Equipment - Major Inspection or Overhaul Costs”,
- SIC 24 “Earnings Per Share – Financial Instruments and Other Contracts that May Be Settled in Shares”,
- SIC 30 “Reporting Currency - Translation from Measurement Currency to Presentation Currency” and
- SIC 33 “Consolidation and Equity Method - Potential Voting Rights and Allocation of Ownership Interests”.

IFRS 2 "Share-based Payment" (which also replaced specific disclosure requirements in IAS 19 "Employee Benefits") was issued in February 19, 2004. IFRS 2 applies to annual periods starting from January 1st 2005 onwards. Earlier adoption is encouraged. IFRS 3 "Business Combinations" (which replaced IAS 22 "Business Combinations"), IFRS 4 "Insurance Contracts" and IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (which replaced IAS 35 "Discontinuing Operations") were published on March 31st, 2004. Revisions to IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets", which are both related to IFRS 3, were also issued on March 31st, 2004. IFRS 3 is applied to all business combinations that took place from March 31st, 2004 onwards. Special transitory provisions are in effect for the previously recognized goodwill, negative goodwill, intangible assets and investments accounted for by the equity method. IFRS 5 must be applied in annual financial statements starting from January 1st, 2005 onwards. Earlier adoption is permitted provided that the necessary information for the application of the Standard was obtained when the relevant business combinations were originally accounted for. The revised IAS 36 and IAS 38 must be applied in annual periods starting from March 31st, 2004 onwards (or the date of adoption of IFRS 3 as regards goodwill and intangible assets that were acquired through business combinations).

According to the relevant provisions of IFRS 1, for the compilation of the first financial statements based on the IFRS, companies must use the IFRS in effect at the closing date of the first full financial statements for all the financial years/periods presented and for the transition balance sheet. As a result, since the date of the first full financial statements of the Group based on the IFRS will be the 31st of December, 2005, all the revised or newly-issued Standards previously mentioned were used for the compilation of the attached consolidated financial statements.

The International Accounting Standards Board and the Interpretations Committee have issued a series of new Accounting Standards and interpretations. The IFRS and IFRIC are mandatory for the accounting periods beginning from January 1st 2006.

- **IFRS 6. Exploration and evaluation of mineral resources:** It is applied to the financial statements beginning from January 1st 2006.
- **IFRIC 3. Rights for gas emission:** It is applied to the financial statements beginning from January 1st 2006.
- **IFRIC 4. Determination of whether a receivable includes a lease:** IFRIC 4 applies to annual periods that begin from January 1st 2006. The Group has decided not to apply IFRIC 4 before that date. It will apply IFRIC 4 to the financial statements of 2006, based on the transitional provisions of IFRIC 4. Therefore, the Group will apply IFRIC 4 based on the events and conditions that were in effect on January 1st 2005. The implementation of IFRIC 4 is not expected to change the accounting treatment of any of the Group's current contracts.

- **IFRIC 5. Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds.** It is applied to the financial statements beginning from January 1st 2006.

(v) Approval of the financial statements: The attached financial statements have been approved by the Board of Directors on the 28th of September 2005.

(vi) Use of estimates: The compilation of the financial statements in accordance to IFRS requires that the management will use forecast and assumptions that will affect the items of both the assets and the liabilities, the notification of potential claims and liabilities at the date of the financial statements as well as the income and expenses amounts occurring during the fiscal year/period. The real results may differ from these forecasts.

3. SUMMARY OF KEY ACCOUNTING PRINCIPLES:

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

a) Consolidation basis: The attached consolidated financial statements include the financial statements of GEK and its subsidiaries. The subsidiary companies in which the Group holds directly or indirectly more than half of the voting rights or has the right to exercise control over their operation have been consolidated. Subsidiaries are consolidated from the date that the Group acquires control over them and cease to be consolidated from the date it no longer has control.

The Group's interests in Joint Ventures are consolidated in the consolidated financial statements using the equity consolidation method whereby the Group's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is included in the Group's financial statements.

Intra-group transactions and balances have been cancelled-out in the attached consolidated financial statements. Whenever required the accounting principles of the subsidiaries have been amended in order to ensure consistency with the accounting principles adopted by the Group.

b) Investments in Associates: The Group's participating interests in other companies in which GEK exercises significant influence are accounted for using the equity method. According to this method the participating interest in the associate company is carried at cost plus any change in the percentage of its equity held by the Group, less any provisions for impairment. The consolidated income statement shows the Group's share in the associate's results.

c) Other Investments: Other investments comprise interests in companies in which GEK does not exercise control or significant influence over their operation. According to IAS 39 investments other than interests in subsidiaries, associates and joint ventures are classified as available-for-sale, financial instruments remeasured at fair value through the profit or loss or held-to-maturity investments. In general, available-for-sale investments and financial instruments remeasured at fair value through the profit or loss are valued at fair value with the resulting gains or losses being recognized as a separate item in equity for available-for-sale investments or through the consolidated income statement for financial instruments at fair value through the profit or loss.

Held-to-maturity investments are valued at net amortised cost using the effective interest rate method and the resulting discounting results are recognized in the income statement through the amortisation process or at disposal.

d)Financial Instruments and Risk Management: From January 1st, 2004 onwards the Group has adopted International Accounting Standard 39 "Financial Instruments: Recognition and Measurement" for the recognition and measurement of financial instruments. Primary financial assets and liabilities in the balance sheet include cash balances, receivables, bank loans and other short-term liabilities. 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 Group, 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.

- **Interest rate and exchange rate risk:** The Group's bank debt is subject to floating interest rates. The Group makes limited use of financial derivatives, whenever such is deemed necessary, in order to reduce its risk exposure to interest rate changes. Derivatives are the financial means, which at inception usually have small or zero value that subsequently changes according to the changes on an underlying asset (exchange rate, interest rate, index or other variable).

  When the derivative has a positive value it is recognized as an asset, whereas when it has a negative value it is recognized as a liability. The Group uses derivatives for hedging purposes against interest rate risk. The derivatives are valued at their fair value.

  When the Group uses derivatives for hedging, at inception it provides a complete validation of the hedging ratio as well as an examination of its efficiency.

- **Fair value:** The amounts appearing in the attached Balance Sheets for the 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 the short-term bank loans does not differ from their accounting value due to the use of flexible interest rates.

- **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. Regarding receivables from the private sector, the Company 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 with respect to receivables from the private sector is limited compared to the total amount of trade receivables due to the great dispersion of the balances.

e) Foreign Exchange Conversion: The euro is the currency of operation and presentation of GEK S.A. and its Greek subsidiaries. Transactions in other currencies are converted into euros using the exchange rates in effect at the date of the transaction. At the date of compilation of the financial statements the monetary asset and liability items that are denominated in other currencies are adjusted so as to reflect the current exchange rates.

The profits and losses resulting from the end-of-year valuation of monetary items in foreign currencies are reflected in the attached consolidated income statement. The profits or losses resulting from transactions are also reflected in the consolidated income statement.

The currency of operation of the foreign subsidiaries of the Group is the official currency of the country each subsidiary operates in. Accordingly, at each balance sheet date all the balance sheet accounts of the subsidiaries are converted into euros using the exchange rate in effect at the balance sheet date. Income and expenses are converted using the weighted average rate in effect during the year. The resulting exchange differences from the valuation of foreign subsidiaries as described above are booked directly to equity. Upon sale or disposal of a foreign subsidiary the cumulated exchange differences described above are taken to the profit or loss account.

f) Intangible assets: Intangible assets mainly consist of quarry use rights, software acquisition costs and all expenses incurred to develop the software in order to bring it to operational status. Amortization on the quarry use rights is accounted for using the straight-line method for the duration of the contractual right for the use of the quarries (approximately 30 years) and within their productive use period while amortization on software is accounted for based on the straight line method for a period of three years.

g) Income recognition: Income is recognized to the extent that economic benefits will result for the Group and the relevant amounts can be accurately measured. The following specific recognition criteria must also be met for the recognition of income.

Income from construction activities
Construction subsidiaries and joint-ventures recognize income from construction contracts in their 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 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 recognised in the year during which the loss-making events become possible.

Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced. 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 Group upon signing the relevant contracts and are proportionally netted-off with the partial invoicings. The remaining amount appears as a liability in the attached consolidated financial statements.

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

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.

Revenue from the construction and sale of buildings**:** Buildings owned by the Group that are under construction, appear as stock. 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.

Rent Revenue**:** Rent revenue is recognized using the straight-line method, according to the terms of the lease.

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

Interest: Interest income is recognized on an accruals basis.

h)Tangible Fixed Assets: As previously mentioned, the Group has valued certain land, buildings, machinery and vehicles 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.

It is noted that upon the withdrawal or disposal of a fixed asset that had been previously revalued according to what was previously described, the respective surplus is not recycled through the income statement.

Fixed assets under construction include fixed assets that are work in progress and reflect their 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 coefficients that approximate the relevant useful economic lives of the respective assets.

	ETH
Quarries	30
Buildings and Construction projects	8-30
Machinery and Technical Projects	3-12
Vehicles	5-12
Fixtures and Other Equipment	3-12

j)Impairment of Fixed Assets' Value: The book values of long-term asset items are audited 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 recovery value, the respective impairment loss is registered in the consolidated profit & loss account. The recovery value is defined as the largest value between the net estimated sale price and the acquisition value. The net sale value is the plausible income from the sale of an asset in the context of a reciprocal transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct distribution 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 distribution 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 are possible to be recognized separately.

An offset of impairment loss for assets' values accounted for in previous years, takes place only when there are sufficient indications that such impairment does not exist at the present or it has decreased. In these cases the above offset is treated as income.

The Management assesses that there is no case for impairment of the Group's fixed assets and thus the valuation of the assets' recovery value has not been made.

k)*Investment property:* Investments in property are registered at their fair value. Profit or losses that arise from changes in the fair value of investments in property are included in the profit & loss account of the period/year during which they arise.

l)Inventories: Inventories are valued at the lowest price between cost and net liquidation value. 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 (based on a normal operating capacity, but not including borrowing costs) and packaging.

The cost of raw materials and finished products is defined based on the weighted average. The net liquidation value of finished products is their estimated selling price within the Group's regular operation less the estimated costs for their completion and the estimated necessary costs for their sale. The net liquidation value of raw materials consists of their estimated replacement cost within the company's regular operation.

m)Receivables Accounts: Short-term receivables are accounted for at their nominal value less the provisions for doubtful receivables. At each balance sheet date all overdue or doubtful receivables are estimated in order to determine the necessity for a provision for doubtful receivables. The balance of the specific provision for doubtful receivables is appropriately adjusted to 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)Liquid Assets: The Group considers time deposits and other high liquidity investments with an initial maturity less than three months, as liquid assets.

For the compilation of the cash flow statements, liquid assets consist of cash, deposits in banks and liquid assets as defied above.

o)Long-term loan liabilities: All long-term loan liabilities are initially registered to the cost, which is the actual value of the received payment less the considerable issuance expenses related to the loan. After the initial registration, interest-bearing loans are valued at the net book cost using the real interest rate method. The net book cost is calculated after taking into account the issuance expenses and the differences between the initial amount and the maturing amount. Profit and losses are registered in the net profit or loss when the liabilities are written off or devalued and through the depreciation procedure. Interest expenses are recognized on an accrued basis.

p)Provisions for Staff Retirement Indemnities: According to the provisions of L2112/20, the Group reimburses its retired or laid off employees, and the amount of the relevant indemnities depends on the years the employees worked in the company, the level of his/her wages and the grounds of departure (lay off or retirement). The liabilities for staff retirement indemnities are calculated on the discounted value of future benefits that are cumulated 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 recognitions and are defined using the actuarial valuation method of the projected liability units (projected unit method). Net retirement costs for the period are included in the attached profit & loss account and consist of the present value of benefits accrued during the year, the interest on the benefits' liability, the cost of prior services, the actuarial profit or losses and any other additional retirement costs. The prior services costs are recognized on a constant basis in the mid period during which the program's benefits are provided for. The liabilities for retirement benefits are not financed. As at the 1st of January 2004 (transition date to I.F.R.S. and compilation of initial Balance Sheet) the Group, applying the exemptions provided for by I.F.R.S. 1 for the first application year for I.F.R.S., recognized the total accumulated actuarial losses as for the 1st of January 2004. During the compilation of subsequent financial statements GEK, applying the general provisions of IAS 19, followed the "margin" method for the recognition of accumulated actuarial losses/profit. Actuarial profit 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. This profit or losses are systematically registered during the expected average remaining working life of employees participating in the programs.

q)Government Pension Plans: The Group's staff is mainly covered by the main Government Social Security Fund that corresponds to the private sector (IKA) and which provides pension and medical-pharmaceutical benefits. Each employee is obligated to contribute part of his/her monthly wage to the fund, while part of the total contribution is covered by the Group. At the time of retirement, the pension fund is responsible for the payment of retirement benefits to the employees. Consequently, the Group has no legal or presumed liability 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 financial statements, according to the tax regulation effective in Greece or other tax frameworks under which the foreign subsidiaries operate. Income tax is calculated based on the earnings of each company as such are reformed on the companies' tax reports, on additional income taxes emerging from the Tax Authorities' tax audits and on deferred income taxes 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 during the balance sheet date. Deferred tax liabilities are recognized for all taxable temporary differences.

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

The deferred tax receivables are estimated at 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 receivables and liabilities are calculated according to the tax rates that are expected to be in effect during the fiscal year the receivable will be realized or the liability will be settled, and are based on the tax rates (and tax regulations) that are effective or enacted during the balance sheet date.

The income tax that is related to items, which have been directly recognized in equity, is directly registered in equity and not in the consolidated profit & loss account.

s)Borrowing costs: The Group follows the basic accounting treatment provided for by IAS 23, "Borrowing Costs", according to which the borrowing costs are recognized as an expense within the period it corresponds to.

t)Financial Leases: Financial 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 financial 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 smallest period between the estimated useful economic life of the asset and the duration of the lease.

Leases where the leaser maintains all the risks and returns of the fixed asset's ownership, are registered as operating leases. The payments of operating leases are recognized as an expense in the consolidated profit & loss account on a constant basis for the duration of the lease.

u)Government Grants: Government grants that are related 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. When government grants are related to an asset, the fair value is credited to a deferred income account and transferred to the consolidated profit & loss account with equal annual instalments based on the expected useful economic life of the asset that was subsidized. When the grant is related to an expense it is recognized as income during the period deemed necessary to balance the grant on a systematic basis towards the expenses it is meant to offset.

v)Provisions, Contingent Liabilities and Contingent Receivables: Provisions are recognized when the Group has a present or implied liability resulting from prior facts, its clearing is possible through the outflow of funds and a reliable estimation of the liability can be made. The provisions are reconsidered on each balance sheet date and are adjusted in order to reflect the present value of expenses that are deemed necessary 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 liability. Contingent liabilities are not recognized in the consolidated financial statements but are notified, unless the possibility of an outflow of funds including financial benefits is small. Contingent assets are not recognized in the consolidated financial statements but are notified when an inflow of financial benefits is likely.

w)Earnings per Share: The 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 group as own-shares.

Diluted earnings per share are calculated by dividing the net earnings attributed to the parent's shareholders (after deducted the interest on convertible shares, after taxes) with the average weighted number of common shares that are outstanding during each year (adjusted for the effect of the diluted convertible shares).

x)Information Per Business Activity: The Group its activities by business segments. Until the full initiation of the foreign subsidiaries' activities, the Group considers that its activities take place in each geographic area. The operating activities are organized and managed separately according to the nature of the products and services they refer to, with each section constituting a strategic business unit that provides different products and operates in different markets.

The Group presents information per activity sector its activities in construction, sale of electricity, management of real estate, industrial production as well as the remaining activities. The basic notion for the presentation of assets and liabilities as well as income and expenses for each sector, which are not included directly in a specific sector, is their allocation to sectors according to criteria that are applied consistently. Cross-sectional income is calculated based on real and allocated expenses of each sector 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.

4. GROUP STRUCTURE

The structure of the GEK Group as at 30/6/2005 is as follows:

A) Direct Subsidiaries of the Parent

(Amounts in thousand Euro, unless stated otherwise)

COMPANY NAME	COUNTRY OF DOMICILE	PARTICIPATION PERCENTAGE
TERNA SA	GREECE	56,10%
GEKE AEBE	GREECE	99,99%
A.B.C. KALYFTAKI SA	GREECE	55%
IRON THERMOELECTRIC SA	GREECE	50%
CRETAN HOLIADYS SA	GREECE	70%
IOANNINA ENTERTAINMENT DEVELOPMENT SA	GREECE	65%
MONASTHRI TECHNICAL DEVELOPMENT SA	GREECE	50%
CARLIA LTD	CYPRUS	49%
CRASMIRA LTD	CYPRUS	49%
MESPECIOUS LTD	CYPRUS	50%
POLIS PARK SA	GREECE	20%
CAR PARK OLP SA	GREECE	20%
ATHENS CAR PARK SA	GREECE	20%
ICON LTD	BULGARIA	100%
IOLKOS SA	GREECE	100%

B) Subsidiaries of TERNA SA:

COMPANY NAME	COUNTRY OF DOMICILE	PARTICIPATION PERCENTAGE
TERNA ENERGY ABETE	GREECE	61,75%
BIOMEK ABETE	GREECE	66,50%
STROTIRES AEBE	GREECE	51%
DIKEVE SA	GREECE	100%
ILIOCHORA SA	GREECE	100%

C) Subsidiaries of TERNA ENERGY SA:

COMPANY NAME	COUNTRY OF DOMICILE	PARTICIPATION PERCENTAGE
IWECO CHONOS LASITHI CRETE SA	GREECE	100,00%
TERNA ENERGY CRETE SA	GREECE	100,00%
TERNA ENERGY ABETE & BROS ENERGIAKI SERVOUNIO SA	GREECE	99,00%
EVROS ENERGY SA	GREECE	100,00%
PPC RENEWABLE- TERNA ENERGY SA	GREECE	51,00%

(Amounts in thousand Euro, unless stated otherwise)

D) Joint ventures in which TERNA participates.

1	J/V TERNA SA - ATHENA ATE
2	J/V PANEPISTIMIOUPOLI HERAKLION
3	J/V ARTA PHILIPPIADIS DIVERSION
4	J/V TERNA SA - TH. KARAGIANNIS SA MINISTRY FOR THE ENVIRONMENT, PHYSICAL PLANNING AND PUBLIC WORKS CONSTRUCTION PROJECT
5	J/V UNDERGROUND CAR PARK THESSALONIKI
6	J/V THALES ATM SA - TERNA RENNOVATION OF TACAN STATIONS
7	J/V TERNA SA - PANTECHNIKI SA
8	J/V TERNA SA-THALES SA
9	J/V MAIN IRRIGATIVE CANAL D1
10	J/V TERNA SA - ATHENA ATE PROJECTS ARAHTHOS PERISTERI
11	J/V ANCIENT OLYMPIA DIVERSION (ALPINE MAYREDER BAU GMBH)
12	J/V PERISTERI METRO
13	J/V ATHENS CONCERT HALL
14	J/V TERNA SA AKTOR ATE J&P AVAX
15	J/V TRAM ENGINEER PROJECTS (IMPREGILO)
16	J/V TERNA SA - KARAGIANNIS PROJECT TEFAA KOMOTINI
17	J/J EVINOS - AEGEK-METON SA-TERNA SA-EYKLEIDIS SA
18	J/V DEPA PROJECT
19	J/V ATHENS CAR PARKS
20	J/V TERNA SA-AKTOR SA - GOYLANDRI MUSEUM
21	J/V AKTOR, AEGEK, EKTER, TERNA, SPATA AIRPORT FACILITIES
22	J/V ARHIRODON HELLAS ATE - TERNA SA
23	J/V TERNA SA VIOTER SA
24	J/V AVAX-VIOTER (CONTRUCTION OF OLYMPIC VILLAGE)
25	J/V EDRACO ATE - TERNA SA Z. NIKOLOPOULOS
26	J/V TERNA SA - EDRACO ATE
27	J/V ETETH - TERNA AVAX PANTECHNIKI
28	J/V TERNA S.A. J&P AVAX - PANTECHNIKI

E) Participations in associates companies:

The Company has a 26.70% participation in GEKA SA, and 23.91% in KEKROPS SA.

5. INTANGIBLE ASSETS

The intangible assets reported in the attached financial statements as of the 30th of June 2005 is analysed as follows:

Intangible assets	**Licenses and Rights**	**Software**	**Total**
Net balance 1.1.2005	5,934	239	6,173

(Amounts in thousand Euro, unless stated otherwise)

Additions	**-**	64	64
(Depreciations of the year)	(252)	(82)	(334)
Balance 30.06.2005	**5,682**	**221**	**5,903**
Cost 01.01.2005	6,605	682	7,287
Cumulative depreciation	(671)	(443)	(1,114)
Net value 01.01.2005	**5,934**	**239**	**6,173**
Cost 30.06.2005	6,605	746	7,351
Cumulative depreciation	(923)	(525)	(1,448)
Net value 30.06.2005	**5,682**	**221**	**5,903**

(Amounts in thousand Euro, unless stated otherwise)

6. TANGIBLE ASSETS

The tangible assets reported in the attached financial statements as of the 30th of June 2005 is analysed as follows:

Tangible Assets	Quarries/ Plots, Fields	Building	Machinery	Vehicles	Other	Fixed Assets under construction	Total
Net value 1.1.2005	**7,060**	**20,955**	**121,328**	**5,668**	**2,125**	**42,156**	**199,292**
Additions	267	4,590	2,192	300	316	9,126	16,791
(Sales-Deletions)	-	(700)	(502)	(278)	(52)	-	(1,532)
New consolidated companies	-	-	-	-	-	6,235	6,235
Transfers	-	-	-	-	-	(19,536)	(19,536)
(Depreciation of the fiscal year)	-	(694)	(4,577)	(487)	(311)	-	(5,672)
Balance at 30.06.2005	**7,327**	**24,151**	**118,441**	**5,203**	**2,078**	**37,981**	**195,181**
Cost 01.01.2005	7,060	24,218	145,613	8,324	6,904	42,156	234,275
Cumulative depreciation	-	(3,263)	(24,285)	(2,656)	(4,779)	-	34,983
Net value 01.01.2005	**7,060**	**20,955**	**121,328**	**5,668**	**2,125**	**42,156**	**199,292**
Cost 30.06.2005	7,327	28,108	147.302	8,346	7,168	37,981	236.232
Cumulative depreciation	-	(3,957)	(28,861)	(3,143)	(5,090)	-	(41,051)
Net value 30.06.2005	**7,327**	**24,151**	**118,441**	**5,203**	**2,078**	**37,981**	**196,371**

From the tangible assets analyzed in the above table the following have been acquired by the use of financing lease

	Machinery	Vehicles	Total
Cost 30.6.2005	**43,590**	**975**	**44,565**
Less: Cumulative depreciation	(3,283)	(185)	(3,468)
Net value 30.6.2005	**40,307**	**790**	**41,097**

The Group is obliged to restore the land on which it has installed the Aeolian electric energy production parks. Presently, the Group has commenced the process for estimating the above expenditure. The resulting amount will appear in the assets as an intangible fixed asset and as a provision in the liabilities accounts. The intangible fixed asset will be depreciated in the period's results for a period equal to the productive life of the Aeolian park. According to the Group's Management estimations, the amount of the annual depreciation is not significant as regards to the Group's consolidated results

(Amounts in thousand Euro, unless stated otherwise)

7. INVESTMENT PROPERTY

The investment property as of the 30th of June 2005 is analysed as follows:

Balance 1.1.2005	**59,739**
Additions	2,060
Transfers	15,053
Valuation	6,575
Balance 30.06.2005	**83,427**

8. PARTICIPATIONS IN ASSOCIATES

The participations in associates companies in the attached financial statements as of the 30th of June 2005 are analysed as follows:

Balance on 01/01/2005	**10,061**
Result of affiliates	492
Balance on 30/06/2005	**10,553**

The Company has a participation of 26.70% in GEKA SA and 23.91% in KEKROPS SA. The market value of KEKROPS on the 30th of June 2005 was € 8,680.

9. INVENTORIES AND PROJECTS IN PROGRESS

The inventories and projects in progress account reported in the attached financial statements as of the 30th of June 2005 are analysed as follows:

	30.06.2005	**31.12.2004**
Tangibles for sale	12,753	8,047
Raw materials	9,921	9,011
Finished and semi-finished products	9,253	11,181
Buildings under construction	21,190	21,323
Plots	6,676	13,937
Total	**59,793**	**63,499**

(Amounts in thousand Euro, unless stated otherwise)

10. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

The trade receivables reported in the attached financial statements as of the 30th of June 2005 are analysed as follows:

	30.06.2005	**31.12.2004**
Customers	180,111	244,022
Customers-Other enterprises of a participation interest	17,875	3,297
Customers – Doubtful and litigious	5,060	5,076
Receivables in delay	1,989	1,074
Cheques receivable	4,979	3,365
Minus: Provisions for impairment of receivables' value	(17,703)	(16,819)
	192,311	**240,015**

The receivables from customers include an amount of 24,303 Euro that refers mainly to previous periods, and concerns the proportion of respective receivables from two Joint Ventures the Company participates in for the execution of a specific private project.

The delay is due to the complexity of the certification approval procedure both from a legal and a technical perspective, given that the contractual and the additional technical part of the project are mainly financed by community funds.

Taking into account the changes on the project's technical part, according to the undersigned by the Project's technical manager technical plans that include both the contractual and the additional technical part of the project, that changed the data that available at the time the contract was executed and the employers credibility, the above receivables are considered secure receivables and are not believed to be doubtful.

The movement of the provision for receivables' impairment is analyzed as follows:

Balance 31.12.2004	**16,819**
Additions	884
Balance 30.06.2005	**17,703**

(Amounts in thousand Euro, unless stated otherwise)

The prepayments and other receivables as at June 30th 2005, in the attached financial statements, are analyzed as follows:

	30.06.2005	**31.12.2004**
Prepayments to suppliers	7,418	8,606
Tax prepayments	3,450	1,598
Prepayments and Credit Management Accounts	4,778	5,826
Other receivables from the Group's Joint Ventures	6,151	6,489
Deferred expenses - Accrued Income	3,398	1,710
Other Receivables	21,278	29,611
	46,473	**53,840**

11. CONSTRUCTION CONTRACTS FOR TECHNICAL PROJECTS

The under construction technical projects the Group has undertaken as at the compilation date of the attached financial statements, are analyzed as follows:

Cumulatively from the commencement of the projects until 30.6.2005	
Cumulative income from the projects' commencement	1,000,954
Cumulative costs from the projects' commencement	(840,921)
Cumulative results from the projects' commencement	160,033
Received prepayments	12,512

Certified - invoiced receivables	971,008
Accrued receivables non-invoiced	43,512
Minus: Invoiced non-accrued income	(13,566)
Total recognized receivables	1,000,954

12. OTHER FINANCIAL ASSETS

The other financial assets reported in the attached financial statements as of the 30th of June 2005 are analysed as follows:

Initial Balance 01.01.05	**20,550**
Other	465
Additions	2,807
Sales	(1,278)
Evaluation	30
Net Balance 30.06.05	**21,730**

(Amounts in thousand Euro, unless stated otherwise)

13. CASH AND CASH EQUIVALENTS

The cash and cash equivalents as at June 30th 2005, in the attached financial statements, are analyzed as follows:

	30.06.2005	31.12.2004
Cash in hand	587	381
Site Deposits	38,849	26,537
Time Deposits	49,608	-
Total	**89,044**	**83,786**

14. LONG TERM LOANS

The long term loans reported in the attached financial statements as of the 30th of June 2005 is analysed as follows:

	30.06.2005	31.12.2004
Liabilities from financial leases	69,847	51,008
Other loans	35,573	40,277

The time schedule for the repayment of the above loans is analyzed in the following table.

	30.06.2005	31.12.2004
Up to 1 Year	384	2,928
From 2 to 5 Years	96,960	77,973
Over 5 Years	8,076	10,384

The largest part of financial leases is used to cover needs for the facilities and operation of the electric energy production plant.

The long-term loans mainly cover development needs for the Aeolian parks of the Group's energy sector. Also, part of the long-term loans covers the financing for the construction of investment property.

The weighted average interest rate of the above loans is calculated based on Euribor plus a margin of 3%.

(Amounts in thousand Euro, unless stated otherwise)

15. PROVISIONS FOR STAFF RETIREMENT INDEMNITIES

According to the Greek labor law, each employ is entitled to a lump-sum indemnity in case of lay-off or retirement. The amount of the indemnity depends on the service time with the company and the employees wage the day he/she is laid off or retires. If the employee remains with Company until normal retirement, he/she is entitled to a lump-sum equal to 40% of the indemnity he/she would receive if laid off the same day. The Greek labor law, states that companies should create provisions that refer to the total staff and at least for the liability that emerges from departure due to retirement (40% of total liability).

The liabilities for staff retirement were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions registered in the results of the period January 1st – June 30th 2005 and 2004 and the movement of the relevant provision accounts for staff retirement indemnities presented in the attached Balance Sheet for the period ending on June 30th 2005 and the period ending on December 31st 2004.

Provision for staff retirement indemnities recognized in the Periods' Results

	01.01 – 30.06
	2005
Current service cost	85
Financial cost	73
	158

The movement of the relevant provision is as follows:

Balance of liability as at 1.1.2005	**1,380**
Provision for period	158
Balance as at June 30th 2005	**1,538**

	30.06.2005	**31.12.2004**
Current value of liability for indemnity	2,059	1,901
Cumulative non-recognized actuarial loss	(521)	(521)
Provisions in the Balance Sheet	**1,538**	**1,380**

Assumptions	**30.06.2005**	**31.12.2004**
Discount rate	3.03%	3.03%
Future wage increases	2.3%	2.3%
Average remaining work life (years)	4.81	4.81

16. GRANTS

The grants reported in the attached financial statements as of the 30th of June 2005 is analysed as follows:

Net value 1.1.2005	**12,822**
Transfers to Income statement	(532)

(Amounts in thousand Euro, unless stated otherwise)

Net value 01.01.2005	**12,290**

The grants refer to public grants for the development of wind parks and are amortized during the useful life of these parks.

17. SUPPLIERS AND OTHER LIABILITIES

The suppliers and other liabilities reported in the attached financial statements as of the 30th of June 2005 are analysed as follows:

Liabilities	**30.06.2005**	**31.12.2004**
Suppliers- Subcontractors	28,650	57,869
Suppliers-other	7,408	31,636
Notes payable	1,064	7
Cheques payable	4,613	12,668
Customer prepayments	14,430	11,023
Liabilities to other companies having a participation interest	8,990	14,623
	65,155	**127,826**

The account accruals and other short term liabilities reported in the attached financial statements as of the 30th of June 2005 is analysed as follows:

	30.06.2005	**31.12.2004**
Liabilities from taxes-dues	18,016	21,895
Pension organizations	2,155	2,251
Dividends payable	13,694	161
Guarantees	1,019	1,561
BoD remuneration	1,019	1,561
Deferred income-accrued expenses	7,370	8,615
Sundry Creditors	21,999	3,736
	64,253	**41,721**

18. INCOME TAX (CURRENT AND DEFERRED)

According to the Greek tax legislation the Company is taxed with a tax rate of 32% for 2005, 29% for 2006 and 25% for 2007 and onwards.

The income tax recorded in the income statements is analyzed as follows:

	30.06.2005
Current tax	5,692
Deferred tax (debit/credit)	(2,507)
Total	**3,185**

(Amounts in thousand Euro, unless stated otherwise)

The income tax statement is submitted on an annual base but the profits or losses recorded remain temporary until the tax authorities audit the tax payer's books and items and issue a final audit report.

The agreement of the tax income and the accounting profit multiplied by the applied tax rate follows.

	30.06.2005
Earnings before tax	26,557
Income tax calculated using the current tax rate of 32%	8,498
Tax according to the implied way of taxation	(4,379)
Tax from previous years	(1,163)
Other	(229)
Income tax	3,185

The deferred income tax is calculated on all the temporary tax differences between the book value and the tax value of the assets and liabilities. The deferred income tax is calculated using the expected tax rate of the Company at the time in which the tax receivable/liability matures. The deferred tax liabilities for the first half of 2005 and of the fiscal year 2004 are analyzed as follows:

(Amounts in thousand Euro, unless stated otherwise)

	Balance sheet		Income statement (Debit)/Credit
	30.06.2005	**31.12.2004**	**01.01 – 30.06.2005**
Deferred income tax receivable			
Expenses of intangible assets	3,184	2,917	267
Recognition of income from technical projects in accordance to the provisions of IAS 11	7,613	2,742	4,871
Provision for doubtful customers	2,967	1,226	1,750
Other	1,772	2,147	3,919
	15,545	**4,738**	
Deferred income tax liability			
Valuation of investment property	(4,751)	(368)	(4,383)
Valuation of participations	(1,131)	(290)	(841)
Recognition of financial leases, depreciation of fixed assets based on the useful life and revaluation of fixed assets	(3,305)	(229)	(3,076)
	(9,187)	**(887)**	
Deferred tax income/(expense)			2,507
Net income tax receivable (liability)	**6,358**	**3,851**	

The Group has the legal right to offset the income tax from claims and liabilities since these refer to the same tax principles.

The Group keeps tax exempt reserves of € 29,255 which will be taxed using the current tax rate in case these will be distributed or capitalized. In the near future the Company is not going to distribute or capitalize these reserves.

(Amounts in thousand Euro, unless stated otherwise)

GEK SA has not been tax audited from the year 2002 until today. The un-audited tax fiscal years for the GEK Group companies that are consolidated with the full and equity consolidation, are as follows:

NAME	**UN-AUDITED TAX FISCAL YEARS**
1.TERNA SA	2002-2004
2.GEKE AEBE	2003-2004
3.A.B.C. KALYFTAKI SA	2004
4.IRON THERMOELECTRIC SA	2003-2004
5.CRETAN HOLIDAYS SA	A tax audit has not been made since the company is at the premature stage
6.IOANNINON ENTERTAINMENT DEVELOPMENT SA	A tax audit has not been made since the company started its production in May 2004.
7.MONASTIRIOU TECHNICAL DEVELOPMENT SA	2003-2004

NAME	**UN-AUDITED TAX FISCAL YEARS**
1.TERNA ENERGY ABET	2004
2.VIOMEK ABETE	2002-2004
3.STROTIRES ABEE	2003-2004
4.DIKEBE SA	2003-2004
5.ILIOCHORA SA	2003-2004

NAME	**NON AUDITED FISCAL YEARS**
1.IWECO CHONOS LASITHI CRETE SA	2002-2004
2.TERNA ENERGY CRETE SA	2002-2004
3.TERNA ENERGY ABETE & BROS ENERGIAKI SERVOUNIO SA	2002-2004
4.EVROS ENERGY SA	2002-2004
5.PPC RENEWABLE- TERNA ENERGY SA	2002-2004

JOINT VENTURES CONSOLIDATED WITH THE EQUITY CONSOLIDATION METHOD	UN-AUDITED TAX FISCAL YEARS
J/V TERNA SA - ATHENA ATE	1
J/V PANEPISTIMIOUPOLI HERAKLION	1
J/V ARTA PHILIPPIADIS DIVERSION	3
J/V TERNA SA - TH. KARAGIANNIS SA MINISTRY FOR THE ENVIRONMENT, PHYSICAL PLANNING AND PUBLIC WORKS CONSTRUCTION PROJECT	4
J/V UNDERGROUND CAR PARK THESSALONIKI	2
J/V THALES ATM SA - TERNA RENNOVATION OF TACAN STATIONS	4
J/V TERNA SA - PANTECHNIKI SA	2
J/V TERNA SA-THALES SA	2
J/V MAIN IRRIGATIVE CANAL D1	5
J/V TERNA SA - ATHENA ATE PROJECTS ARAHTHOS PERISTERI	3
J/V ANCIENT OLYMPIA DIVERSION (ALPINE MAYREDER BAU GMBH)	5
J/V PERISTERI METRO	3
J/V ATHENS CONCERT HALL	3
J/V TERNA SA AKTOR ATE J&P AVAX	3
J/V TRAM ENGINEER PROJECTS (IMPREGILO)	4
J/V TERNA SA - KARAGIANNIS PROJECT TEFAA KOMOTINI	2
J/J EVINOS - AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	2
J/V DEPA PROJECT	2
J/V ATHENS CAR PARKS	2
J/V TERNA SA-AKTOR SA - GOYLANDRI MUSEUM	2
J/V AKTOR, AEGEK, EKTER, TERNA, SPATA AIRPORT FACILITIES	5
J/V ARHIRODON HELLAS ATE - TERNA SA	3
J/V TERNA SA VIOTER SA	5
J/V AVAX-VIOTER (CONTRUCTION OF OLYMPIC VILLAGE)	2
J/V EDRACO ATE - TERNA SA Z. NIKOLOPOULOS	5
J/V TERNA SA - EDRACO ATE	3
J/V ETETH - TERNA AVAX PANTECHNIKI	2
J/V TERNA S.A. J&P AVAX - PANTECHNIKI	2

19. SHORT TERM LOANS

The total amount of Group's short term loans refers to current bank accounts that are used for working capital purposes to cover the Company's operating needs. These withdrawal amounts are mainly used to cover the short term liabilities of the constructive sector that emerge from the time difference between the realization of the construction cost and the collection of the certifications, as well as to the large delays on the collection of receivables from the State. The weighted average interest rate for the short-term loans approaches 4%.

20. SHARE CAPITAL

(Amounts in thousand Euro, unless stated otherwise)

The share capital of GEK SA amounts to € 23,567 and is totally paid and divided into 65,463,360 shares having a nominal value of € 0.35 each.

21. INCOME

The sales per category on the 30th of June as reported in the attached financial statements as of the 30th of June 2005 are analysed as follows:

	1.1-30.06.2005	**1.1-30.06.2004**
Income from technical projects	70,995	240,830
Sale of Electric Energy	19,765	11,108
Sale of industrial products – building materials	12,054	5,187
Sale of real asset	5,201	1,697
Rents	10,436	2,557
Service Rendering	744	844
	119,195	**262,223**

22. COST OF GOODS SOLD AND ADMINISTRATIVE AND DISTRIBUTION EXPENSES

The cost of goods sold and the administrative and distribution expenses reported in the attached financial statements as of the 30th of June 2005 are analysed as follows:

Analysis of the cost of goods sold and the Administrative-Distribution expenses							
1.1-30.06.2005	**Cost of project construction**	**Cost of utilization and sale of real estate**	**Cost for the production of Electric Energy**	**Cost for the productions of industrial products-building materials**	**Cost of goods sold**	**Administrative and distribution expenses**	**Total**
Staff wages	6,484	58	298	1,106	7,946	2,687	10,633
Sub-contractors	19,354	208	14	499	20,075	305	20,380
Cost of joint venture projects	12,498	-	-	-	12,498	-	12,498
Other third party fees	2,577	231	532	399	3,739	2,168	5,907
Telecommunications	252	-	4	-	256	12	268
Rents	1,509	1	29	193	1,732	5	1,737
Insurance	639	17	55	3	714	6	720
Repairs and maintenance	357	-	222	278	857	7	864
Other third party benefits	245	80	3,969	85	4,379	102	4,481
Taxes	122	56	86	11	275	170	445
Transportation expenses	1,475	-	6	278	1,759	6	1,765
Expenses for journeys	198	-	1	-	199	109	308
Subscriptions	169	-	-	-	169	66	235

(Amounts in thousand Euro, unless stated otherwise)

Printed paper materials	139	-	-	-	139	19	158
Impairment losses of receivables	884	-	-	-	884	-	884
Other expenses	1,657	646	386	-	2,689	4,373	7,062
Depreciation	1,588	120	3,118	379	4,809	871	6,076
Material spending	3,755	9,376	2,392	7,441	22,964	-	22,964
Total	**53.902**	**10,793**	**11,112**	**10,672**	**86,083**	**10,906**	**97.385**

23. OTHER OPERATING INCOME/(EXPENSES)

The other operating income/(expenses) reported in the attached financial statements as of the 30th of June 2005 are analysed as follows:

	1.1-30.06.2005	1.1-30.06.2004
Real estate valuation	7,529	-
Other	1,358	3,495
Total	**8,887**	**3,495**

The real estate valuation was conducted by the company and refers to an investment in a real estate that includes leased offices of a subsidiary company in the municipality of Kifisia on a plot of 14,800 sq.m. and total office space of 15,852 sq.m. and a basement area of 9,000 sq.m. having 256 parking spaces.

24. FINANCIAL INCOME/(EXPENSES)

The financial income/(expense) reported in the attached financial statements as of the 30th of June 2005 are analysed as follows:

	1.1-30.06.2005	1.1-30.06.2004
Interest Income from Bank deposits	625	302
Income from participations	(36)	(1,970)
Income from affiliates	492	-
Profit/(Loss) from securities sale	52	65
Interest expense on banking loans and financing leases	(4,874)	(1,969)
Bank commissions	(523)	(562)
Other expenses	(272)	(23)
Total	**(4,536)**	**(4,157)**

25. AVERAGE NUMBER OF EMPLOYEES

(Amounts in thousand Euro, unless stated otherwise)

The average number of employees for the period 1st of January 2005 till 30th of June 2005 is analyzed as follows:

Average number of employees	**1.1-30.06.2005**
Workers	304
Clerks	547

26. JOINT VENTURES

The main asset, liabilities and income statement parts in which TERNA participates and are recorded in the attached financial statements are analyzed as follows:

Assets	**30.6.2005**	**31.12.2004**
Long term assets	30,491	36,145
Short term assets	106,255	150,325

Liabilities	**30.6.2005**	**31.12.2004**
Long term liabilities	17,725	25,497
Short term liabilities	101,420	135,141
Period Results	**1.1- 30.6.05**	**1.1- 30.6.04**
Income for the period	16,661	112,044
Expenses for the period	1,058	91,342
Income tax	973	(1,820)

The analysis of TERNA's subsidiaries is reported in Note 4 underneath.

27. EXISTING REAL COLLATERAL ASSETS

On the real estate of some of the subsidiaries that are included in the consolidation, mortgage collateral has been made for a total amount of € 49,65 mil. for taking banking loans.

28. TRANSACTIONS WITH RELATED PARTIES

The transactions of GEK group with related parties for the period 1.1.2005 till 30.6.2005 as well as the balances on the 30th of June 2005 are analyzed as follows:

Turnover (Sales)	25,879
Cost of sales and services rendered	(26,262)
Other income / expense (Net)	1,577
Financial Income / expenses (Dividends)	15,200

(Amounts in thousand Euro, unless stated otherwise)

Customer receivables (net)	40,536
Other receivables	11,442
Liabilities to suppliers	(38,208)
Other liabilities	(20,576)

29. CONTINGENT LIABILITIES

In the context of conducting its activities, the Company may face contingent legal claims from third parties. According to both the Management and the Company's Legal Consultant, any such claims are not expected to have a significant impact on the Company's operation and financial status as at the 30th of June 2005.

Collaterals and financial leases have been granted for the equipment of the subsidiary of a total mount of € 38,000. Also, collaterals have been given against banking loans taken for companies having a participation interest, of a total amount of € 55,783.

30. GEK SA – ERMIS SA MERGER

On the 23rd of July 2004 the merger through absorption of "GEK SA" (legally the absorbed) by the Company "ERMIS REAL ESTATE S.A." (legally the acquirer) was decided according to the provisions of L 2166/93 and with the 31st of March 2004 as the official merger date. With the completion of the merger through absorption, the legally acquirer increased its share capital by € 17,197 (by € 16,632 through the contribution of the absorbed share capital and by € 565 through the capitalization of the above par difference of the acquirer and the newly issued 44,232,000 common nominal shares were distributed to the shareholders of the absorbed after defining the share exchange ratio (0.48 shares of the absorbing to 1 share of the absorbed), which resulted from the application of internationally accepted valuation methods. After the completion of the merger, the legally acquirer "ERMIS REAL ESTATE S.A." was renamed to "GEK SA".

According to the provisions of IFRS 3, the business combinations that appertain to the Standard's provisions must be accounted for with the Purchase Method based on which the acquirer recognizes the recognizable assets, liabilities and contingent liabilities of the acquired at fair value as at the acquisition date and defines the resulting surplus value, which subsequently is examined for impairment instead of being depreciated.

In the context of IFRS, the above merger through absorption was accounted as a reverse acquisition where the legally absorbed (GEK SA) is essentially considered as the absorbing and conversely.

Consequently, the provisions of IFRS 3 "Business Combinations", referring to reverse acquisitions, were applied resulting in:

- The determination of the date on which the essentially absorbed (ERMIS SA) gained the management control of the essentially acquirer (GEK SA).
- The determination of the absorption's acquisition cost as at the above date.

(Amounts in thousand Euro, unless stated otherwise)

- The calculation at fair value of ERMIS SA's assets and liabilities, at the consolidated level as at the above date and the subsequent purchase price allocation.
- The determination of the company surplus value that emerged from the above merger.

The data of the reverse acquisition are as follows::

Attainment of management control	03/12/2004
Acquisition Cost (fair value of participating securities)	84,091
Direct acquisition expenses	378
Total acquisition cost	84,469
Consolidated merged net position	127,819
Negative Surplus Value	43,350

The fair values of consolidated financial assets and liabilities of "ERMIS SA" during the acquisition date (December 3rd 2004) are as follows:

	Book Value	**Fair Value**
Intangible Assets	2,478	-
Tangible Assets and Investment Property	27,662	34,626
Participations	19,458	12,072
Receivables	25,844	24,978
Inventories	50,777	47,848
Shares and Securities	18,169	18,513
Liquid Assets	17,264	17,264
Other	92	301
Liabilities	(28,756)	(26,674)
Provisions	(37)	(104)
Deferred tax liabilities	-	(1,005)
Net Position at fair values		127,819
Total Acquisition Cost		84,469
Negative Surplus Value		43,350

Due to the above merger, which was accounted for as a reverse acquisition, the essentially acquirer (GEK SA) is implied to maintain its continuance as regards to the financial statements it posts and the comparative financial statements for 2003 (parent and consolidated) are those of GEK SA before the merger with ERMIS SA.

(Amounts in thousand Euro, unless stated otherwise)

According to the provisions of IFRS 3, the resulting negative surplus value of € 43,350, was only registered in the consolidated results of GEK SA for the fiscal year 2004, while in GEK's simple financial statements the merger was accounted for as a pooling of interest without assessing the relevant negative surplus value in the year's results.

31. EVENTS AFTER THE BALANCE SHEET DATE

Following the compilation date of the financial statements, the Company signed new project contracts amounting to € 5,543, while it has also been declared temporary the lowest bidder in project tenders amounting to € 31,922.

Also, the Group signed on August 2005 a sale pre-agreement of its participation in the equity consolidated Kalyftaki S.A.

32. INFORMATION PER SECTOR OF ACTIVITY

The following table presents the Group's results as at 30th of June 2005 and 30th of June 2004 according to its main activities as follows:

GEK GROUP 30th of June 2005 (in thous. euro)	Construction Sector	Energy Sector	Real Estate Sector	Industrial Sector	Other Sectors	Total Sectors
ASSETS						
Intangible assets (net)	178	44	-	-	5.680	5.903
Tangible assets (net)	50,808	128.420	15.050	416	884	195,578
Investment Property	-	-	83.427	-	-	83.427
Participations	-	-	-	-	32.283	32.283
Inventories	14.219	1.724	20.806	2.626	20.417	59.793
Receivables from customers (net)	158.768	3.171	15.075	635	14.661	192.311
Other Receivables	39,480	8.646	13.370	721	-	62,217
Cash and cash equivalents	-	-	-	-	89.044	89.044
Total Assets	**263,453**	**142.005**	**147.728**	**4.398**	**162.972**	**720,556**
LIABILITIES						
Long-term loans	(19.742)	(50.603)	(29.707)	-	(5.368)	(105.420)
Provisions	(3.022)	(11)	-	(120)	(450)	(3.603)
Short-term loans	(72.045)	(18.230)	(2.018)	-	(3.035)	(95.328)
Suppliers	(36.486)	(21.412)	(4.306)	(697)	(2.254)	(65.155)
Other liabilities	(56.780)	(13.183)	(14.657)	(2.578)	-	(87.198)

(Amounts in thousand Euro, unless stated otherwise)

Total Liabilities	**188.074**	**103.439**	**50.688**	**3.395**	**11.107**	**356.704**
GEK GROUP 31 DECEMBER 2004	**Construction**	**Energy**	**Real Estate**	**Industrial**	**Other**	**Total**
(in thous. euro)	**Sector**	**Sector**	**Sector**	**Sector**	**Sectors**	**Sectors**
ASSETS						
Intangible assets (net)	215	22	4	-	5.932	6.173
Tangible assets (net)	54.403	127.367	16.478	496	1.341	200.085
Investment Property	-	-	59.739	-	-	59.739
Participations	-	-	-	-	30.611	30.611
Stock	11.783	3.373	31.746	1.869	14.728	63.499
Claims from customers (net)	211.935	2.557	11.500	3.610	10.413	240.015
Other claims	37.746	13.894	6.573	642	70	58.925
Cash and cash equivalents	-	-	-	-	83.786	83.786
Total Assets	**316.082**	**147.213**	**126.040**	**6.617**	**146.881**	**742.833**
LIABILITIES						
Long-term loans	(15.683)	(45.315)	(25.654)	-	(4.633)	(91.285)
Provisions	(4.188)	(8)	-	(115)	(442)	(4.753)
Short-term loans	(85.897)	(35.821)	(5.558)	(4)	(3.498)	(130.778)
Suppliers	(92.280)	(25.139)	(5.835)	(1.815)	(2.758)	(127.827)
Other liabilities	(19.597)	(18.908)	(13.497)	(3.141)	(6.010)	(61.153)
Total Liabilities	**(217.645)**	**(125.191)**	**(50.544)**	**(5.075)**	**(17.341)**	**(415.796)**

GEK GROUP 30th OF June 2005	**Construction**	**Energy**	**Real Estate**	**Industrial**	**Other**	**Total**
	Sector	**Sector**	**Sector**	**Sector**	**Sectors**	**Sectors**
RESULTS OF FISCAL YEAR						
Turnover (Sales)	(70.995)	(19.765)	(15.637)	(12.054)	(744)	(119.195)
Cost of Sales and Services Rendered	(54.987)	(10.235)	(10.793)	(10.672)	-	(86.479)
Gross Operating Results	**16.216**	**9.530**	**4.844**	**1.382**	**744**	**32.716**
Other Income / Expenses (net)	(4.829)	(1.567)	(5.545)	(90)	(1.078)	(2.019)
Financial Income / Expenses (net)	(1.670)	(1.646)	(661)	10	(569)	(4.536)
Result before taxes	**(9.717)**	**(6.317)**	**(9.728)**	**(1.302)**	**903**	**(26.161)**

(Amounts in thousand Euro, unless stated otherwise)

GEK GROUP 30th OF June 2004	Construction	Energy	Real Estate	Industrial	Other	Total
RESULTS OF FISCAL YEAR	247.804	4.134	4.254	5.187	844	262.223
Turnover (Sales)						
	(201.043)	(2.386)	-	(4.416)	(207)	(208.052)
Cost of Sales and Services Rendered						
Gross Operating Results	**46.761**	**1.748**	**4.254**	**771**	**637**	**54.171**
Other Income / Expenses (net)	(6.259)	(1.850)	(53)	(155)	(579)	(8.896)
Financial Income / Expenses (net)	(9.502)	(174)	(184)	(73)	5.777	(4.156)
Result before taxes	**31.000**	**(276)**	**4.017**	**543**	**5.835**	**41.118**

(Amounts in thousand Euro, unless stated otherwise)

33. CORRECTION OF PREVIOUSLY PUBLISHED ACCOUNTING FIGURES

During the first half of 2005 the Group decided to correct accounting figures referring to previous fiscal years. These corrections were made in accordance to the provisions of I.A.S. 8 "Accounting Policies, Changes in Accounting Estimates, and Errors", thus with retrospective correction of figures from previous fiscal years.

The cumulative effect of the readjustments that refer to fiscal years before the 1st of January 2004 recorded against the share capital of that date while the corrections that refer to periods/fiscal years that are included in the attached financial statements were made at the respective periods/fiscal years.

Consequently the attached balance sheet of the 31st of December is reported corrected compared to the one that was included in the financial statements that were published for the first half of 2005. The effect of the aforementioned corrections on the share capital at the transition date to IFRS are as follows:

	Equity
Balance at 1/1/2004	
(as published in the financial statement on 31/3/2005)	185,672
Corrections	
- Tangible net position of associates companies	(14,947)
	170,725

34. SUMMARY OF MOST IMPORTANT DIFFERENCES BETWEEN G.A.A.P. AND I.F.R.S.

The following table presents in summary, the effect of the most important adjustment entries on equity for 1.1.2004 and 1.1.2004, which were applied on the Company's statutory financial statements, in order to adjust the latter to I.F.R.S.

ADJUSTMENT TABLE FOR INITIAL PERIOD's NET POSITION (1.1.2005 and 1.1.2004) BETWEEN GREEK GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (G.A.A.P.) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)

	GEK GROUP	
	1.1.2005	**1.1.2004**
Initial period's net position according to G.A.A.P.	346,196	208,771
Recognition of staff indemnities according to IAS 19	162	(1,331)
Valuation at fair value of investment property & fixed assets	12,119	10,884
Write-off of intangible assets	(9,729)	(11,735)
Recognition of long-term construction contracts according to IAS 11	(7,090)	(2,356)
Accounting of deferred taxes	5,128	5,688
Recognition of financial leases	739	(1,949)

(Amounts in thousand Euro, unless stated otherwise)

Provision for doubtful receivables	(12,269)	(12,972)
Transfer of grants to deferred income	(12,822)	(12,165)
Consolidation of Joint Ventures & other companies based on the equity method	3,375	(2,417)
Other	(1,306)	265
Incorporation of the equity from associated companies	(8,235)	(14,947)
Valuation at fair value of absorbed company	2,913	-
Recognition of 2003 dividend according to IAS	7,856	4,989
Increase of depreciation	-582	0
Initial period's net position according to I.F.R.S.	**326.455**	**170,725**

The following Reconciliation Table presents in summary the most important adjustment entries on the Company's net results for the period ending on the 30th of June 2004, which were applied on the Company's statutory financial statements, in order to adjust the latter to I.F.R.S.:

ADJUSTMENT TABLE FOR THE PERIOD's (30.6.2004) RESULTS BETWEEN GREEK ACCOUNTING STANDARDS (G.A.S.) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)

	GEK GROUP 30.6.2004
Period's results according to G.A.S.	39.581
Recognition of staff indemnities according to IAS 19	189
Valuation at fair value of investment property & fixed assets	548
Write-off of intangible assets	(2.201)
Recognition of long-term construction contracts according to IAS 11	8.158
Accounting of deferred taxes	822
Recognition of financial leases	570
Provision for doubtful receivables	(288)
Provision for the period's income tax	(8.502)
Transfer to results of expenses charged directly in the net position	(7.245)
Other	1.909
Period's results according to I.F.R.S.	33.541

a. ***Investment Grants:*** According to Greek Generally Accepted Accounting Principles, grants that are received for the financing of the acquisition and/ or construction of Company fixed assets, are registered in equity and are depreciated according to the useful economic life of the fixed assets they refer to. According to I.F.R.S., the above grants and consumer participations are registered as deferred income and are depreciated according to the useful economic life of the fixed assets they refer to.

b. ***Recognition of income from technical projects based on the percentage-of-completion method:*** For the recognition of income that arises from projects constructed by the Group, the percentage-of-completion method was applied according to IAS 11.

c. ***Intangible Assets:*** According to G.A.P., many expenses categories related to pre-operating activities, acquisition of tangible assets, foreign exchange differences from loans in the construction period and research and development, are capitalized and depreciated always within a five-year period. The entry and recognition of expenses in intangible assets (except for the procedure of corporate acquisitions and mergers) are subject to specific and rigorous rules according to IAS 38 and essentially only the recognition of specific research and development expenses are permitted under exceptional conditions. Therefore the majority of expenses that were capitalized according to the previous G.A.P. were written-off on the transition date, at the expense of the profit carried forward balance.

d. ***Provisions for Staff Indemnities:*** According to Greek General Accepted Accounting Principles, Companies must make a relevant provision for a percentage of at least 40% the cumulative liability that would be paid had the total staff been fired on the 31st of December of each year, whereas according to I.F.R.S. such provisions should be made based on the relevant actuarial studies carried out according to IAS 19.

e. ***Deferred Income Taxes:*** The Greek accounting standards do not allow for the recognition of deferred income taxes, something which is mandatory according to the provisions of I.F.R.S.

f. ***Financial leases:*** The Company recognized the fixed assets acquired through financial leases contracts on its Balance Sheet, whereas according to the previous Accounting Principles financial leases were recognized as operating.

g. ***Dividends:*** Proposed dividends after the balance sheet date, which during the approval time of the financial statements by the Board of Directors were subject to approval by the Company's Shareholders, and which according to the previous Accounting Principles appear as a liability, were reallocated to the net position.

h. ***Tangible Assets, Investment Property:*** According to G.A.P., tangible assets (mainly plots and buildings, self-used or not) are valued at their readjusted values based on readjustments that take place every four years. Such readjustments are based on non-sector readjustment rates, which are specified by Presidential Decrees and applied on the acquisition value and cumulative depreciations of the relevant fixed assets, while the resulting surplus values are capitalized within a two-year period from the readjustment. Based on I.F.R.S. (and according to the admissible treatment of the I.F.R.S. 1) specific plots, buildings and mechanical equipment items were valued at fair value as at the transition date, a value that was used as implied cost. Furthermore, depreciations according to I.F.R.S. correspond to the useful economic life of the relevant fixed assets, while depreciations according to G.A.P. are effected based on rates set by the tax regulation.

i. ***Joint Ventures:*** According to G.A.P., participations in joint ventures were valued at acquisition costs in the consolidated balance sheet, while the account "Income from Participations" in the profit & loss account included the proportion of net profit or loss of the joint venture corresponding to the Group according to the relevant participation percentages. According to IAS 31 "Joint Ventures", joint ventures were mainly consolidated with the equity consolidation method based on which consolidated financial statements include the participation percentage of the Group in the assets, liabilities and profit and loss accounts of the joint ventures, which are consolidated with equity consolidation method.

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REVIEW REPORT

To the Shareholders of GEK GROUP OF COMPANIES AE

We have reviewed the accompanying interim consolidated financial statements of GEK GROUP OF COMPANIES SA, as of and for the six-month period ended 30 June 2005. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the International Standard on Review Engagements, as provided for by the Greek Auditing Standards. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view in accordance with the International Financial Reporting Standards that have been adopted by the European Union.

Without expressing qualification as to the conclusions of the review, we draw attention to Note 18 on the consolidated financial statements, where reference is made to the fact that the tax returns for the years 2000 to 2004 inclusive of the parent company and these of the consolidated subsidiary companies and joint-ventures, cited in the above Note, have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

Athens, 29 September 2005

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