GEK GROUP

ANNUAL FINANCIAL STATEMENTS OF THE PARENT COMPANY AND ITS GROUP AS AT THE 31ST OF DECEMBER 2007 IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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CONSOLIDATED MANAGEMENT REPORT
Of
GEK SOCIETE ANONYME HOLDINGS REAL ESTATE AND CONSTRUCTION
For the period
1/1 - 31/12/2007

Dear Ladies and Gentlemen Shareholders,

2007 was a satisfactory year for the Group: the main activities improved regarding their financial figures while our investment activity continued at an intensive pace in all segments of activity. The Group's assets amounted to 1,4 bil. Euros while equity amounted to 720 mil. euros. The GEK group is active in segments presenting particular strength (Construction, Real Estate, Concessions, Energy) entering dynamically in them and securing a long-term successful development through increased investments and efficient management.

The macroeconomic environment was and continues to remain unstable, as the slowdown in economic activity and the inflationary pressures create a particular mix of expectation at an international level. The monetary policy adopted by the Central Banks in Europe and US and the public policy of local governments attempts to reduce the impact or to reverse the negative repercussions, having so far questionable results.

Operating in this very demanding environment, the Group continues its investment plan maintaining also high liquidity and low leverage, limiting its risk and managing any potential investment opportunities.

The main Consolidated Financial Figures for 2007 in accordance with the International Financial Reporting Standards are as follows:

Turnover amounted to approximately 446 million euros compared to 337 million euros in 2006, increased by 32.34%, mainly due to increased volume of construction activities.

Operating earnings (EBITDA) amounted to 90,3 million euros increased by 30% compared to 2006.

Earnings after tax and minority interest amounted to 37.5 million euros increased by 114% compared to last year.

Net cash position of GEK Group (cash less loans) on 31/12/2007 amounted to approximately 78 million euros.

The capital base of the Group was significantly strengthened as equity amounted to 720 million euros compared to 399 million euros in the previous year, as a result of the successful introduction in Athens Exchange of our subsidiary TERNA ENERGY, as well as the increased profitability of the Group.

The Board of Directors of GEK, taking into account the investment plan of the Group, proposes the distribution of 0.12 euro per share dividend, the same as last year.

Dear Ladies and Gentlemen Shareholders,

The GEK group maintains a strong presence in 4 segments of economic activity in Greece while at the same time it expands its international operations.

A brief presentation of these segments follows:

Construction segment

Our construction segment presented a positive trend while the backlog of undertaken contracts ensures the continuation in the growth of our activities in the segment.

TERNA SA consolidates the construction activities of the Group and is one of the most significant Greek construction companies holding a significant presence in Balkans and Middle East.

The turnover from construction activity amounted to 368 million euros, while the backlog of undertaken projects at the end of 2007 exceeded 1.9 billion euros compared to 1 billion euros at the end of 2006. It is noted that 19% of the backlog refers to projects undertaken abroad.

Indicatively, we mention the agreement in 2007 for the construction of Central Greece Motorway having an expected budget of approximately 400 mil. euros.

In Balkans and specifically in Bulgaria Terna undertook the construction of «HERMES PARK SOFIA» (CARREFOUR) in Sofia, having a budget of 123 mil. euros.. At the same time the construction activities in Romania and Skopje continue, following agreements undertaken in the previous years.

In the Middle East the TERNA group strengthened its presence by undertaking projects of 250 mil. euros.

The outlook of the construction market in Greece in the coming year is positive as in the context of the 3rd and 4rth European Community Support Frameworks new large scale public projects are expected to be tendered. At the same time, this co-operation between the Private and Public sector will further strengthen the construction business activities of the healthy players. Also, the entrance of the Balkan countries in the European Union and the consequent investments of these countries in infrastructure, as well as the strong expansion of construction sector in Middle East allow us to presume that TERNA will significantly strengthen its position in this region.

The aforementioned factors advocate the profitable and increasing activity of our construction activity for the coming years.

Real Estate segment

The results from our activities in Real Estate in 2007 were significantly improved compared to the previous year resulting to their increased contribution to Group's profitability. Specifically, Earnings before Tax amounted to 36.3.million euros compared to 16 million euros in 2006.

Particularly important in 2007 was the contribution of activities taking place abroad.

- **International Real Estate activities**

The development of the real estate complex in Sofia continued at an intensive pace. Specifically, there is constructed the 70% of the houses, offices and shops complex on Bulgaria Avenue as well as the housing development in Boyana. The company has already sold the 72% of both complexes, while the building interest is expected to rocket in 2008 with the completion of this construction activity.

The company has also acquired the necessary licensing and has started the initial activities for the construction of an office and shops complex of 53,000 sq.m. having also 370 parking spaces on a land it owns at a central place in Sofia on Macedonia square. The commercial interest is already high and is expected to rocket during the development of the project.

Additionally, the company, in August 2007 after a competition announced by the Municipality of Samokov acquired a land of 166,000 sq. meters. The company aims to develop a tourist resort for both winter and summer tourism combining multiple activities such as luxury hotel, golf, commercial activities, sports activities (football and tennis courts) as well as entertaining park.

The company also acquired in October the company ICON BOROVEC, which owned a land of 19,500 sq. Meters in the tourist area of Borovec, for which the necessary licences are issued and the construction activities are expected to begin this year. Specifically, the company aims to develop a complex of 235 luxury houses as well as 15 independent luxury houses covering a total area of 18,000 sq. meters.

With this purchase the company sets the necessary infrastructure to develop its activities in the promising tourist resort of Borovec.

The aforementioned developments, in conjunction with the reserves we have in land in Bulgaria are expected to have a significantly positive effect in the Group's profitability in the coming years.

The activity was also increased in Romania in 2007. Specifically, we established two subsidiaries (HIGHLIGHT SRL & HERMES DEVELOPMENT SRL) in which the Group participates at 100%. Using these companies, we acquired land in central points in Bucharest, specifically in Unirri avenue and in Ploesti aiming to develop them. In Ploesti the company HIGHLIGHT SRL (100% subsidiary of the Group), owns a land of 6,987 sq.m. Recently, was issued the construction licence for an office complex of 18,703 sq.m. plus 290 parking spaces.

In November the company HERMES DEVELOPMENT SRL acquired land in Unirri avenue extended to 1,899 sq.m. Within 2008 the necessary licences are expected to be issued in order for the construction activity to begin.
A further enrichment of our portfolio in this country is expected.

- **Real Estate Investment Fund**

The Group, on its own initiative established a private Real Estate Investment Fund, under the name PRIMEREALTY INVESTMENTS LTD, aiming to invest in selected countries such as Greece, Bulgaria, Romania, Ukraine, Russia and Egypt, targeting increasing returns on investment capital.
The investment capital was set at € 40 mil. euros and GEK SA participates by 25%, while the remaining 75% will be covered by private investors.
In addition GEK SA participates by 50% in the Limited Partnership company «PRIMPROPERTY INVESTMENTS MANAGEMENT LTD» based in Cyprus, which will provided consultancy services for the development and management of investments.

- **Development in Metaxourgio**

The company continues at fast pace the development of a prototype complex of houses and shops on an own land at Millerou Str in Metaxourgio. Till today the company has contracted a number of transfer pre-agreement (approximately 40% of the complex). The development is expected to be completed in 2009, a period in which the buying interest is expected to rocket.

- **VIPA Thessaloniki SA**

The company has completed, to a large extend the infrastructure projects in order to create and develop the 1st private industrial park extended in 988 sq.m. in the Agios Athanasios Area (Kato Gefyra Thessalonikis). Out of the 988 sq.m. the available for sale ones are extended to 470 sq.m. Till today there is an official interest for the acquisition of the 40% of this area. The construction activities are expected to be completed at the end of 2008.

- **Development in Monastiriou area in Thessaloniki**

Within 2007 was completed the first stage of the Investment plan included the completion of six flats and shops extended to 32,000 sq.m.
Out of these, the company has sold the 72% of the property and the remaining is expected to be sold within a period of 2-3 years.
The interest of the company now is to develop a land of 13,728 sq.m. in the central axis of Monastiriou str. The company re-assesed the building permit for the construction of a complex building for shops extended to approximately 33,000 sq.m. plus 23,000 sq.m. parking spaces.

During 2007 almost all of the luxurious residences in Paros and the offices at the Limani business center were sold.

Energy segment

The Group, having a presence in the segment since 1996, continues to invest intensively. The year 2007 was particularly important for our activity as two significant events took place: the introduction in Athens Exchange of our subsidiary TERNA ENERGY as well as the beginning of construction of the second thermoelectric plant of the Group, having a total power of 435 MW.

TERNA ENERGY, our subsidiary that gathers our activities in the Renewable Energy Sources, following its listing in Athens Exchange and the consequent share capital increase raised approximately 300 mil. euros. This capital is adequate to finance the equity required for the planned investments of the company for the coming years in Greece and abroad.
118 MW are already under operation while additional 44 MW of wind parks and 15 MW of small hydroelectric plants are at an advanced stage of development and are expected to be completed within the year. At the same time TERNA ENERGY holds additional Production Licences having a total power of approximately 523 MW for wind parks and 112 MW of small hydroelectric projects and one larger hydroelectric project. Also it has applied to acquire licences for additional capacity of 2,051 MW and 92 MW of small hydroelectric projects.

The turnover of wind parks in 2007 amounted to 21 mil. euros while operating profits (EBITDA) amounted to 14.7 mil. euros.

At the segment of thermal produced energy, the Group started in 2007 the construction of this second hydroelectric plant, having a power of 435 MW. The cost for the investment is expected to reach 250 mil. euros and the operation of the plant is expected to start in 2009.

The income from the operation of the existing thermoelectric plant of the Group, having a power of 147 MW, amounted to 35,1 mil. euros, while operating profit amounted to 6 mil. euros. Our investments in the segment make the Group one of the largest private producers of thermal produced energy.

Concessions – Self / Co-funded projects

2007 was a preparatory year for the operation of the two large motorway projects undertaken by the Group, Ionia Road and Central Greece Motorway. We underline that the Group has undertaken these projects as an equal partner with the Spanish companies FERROVIAL- CINTRA and ACS-DRAGADOS. The duration of the concessions is set to 30 years, while it is estimated that the revenues from this activity will be important in the coming years. Already from the beginning of 2008 the construction on Ioanina Road has started and soon is expected the same for the Central Greece Motorway.

Significant was the strengthening of our portfolio in car parks in 2007. Our company strengthened its presence in the segment with its participation in the company «SMYRNI PARK SA» in which it participates by 20% and which will undertake the Study, Construction, Development and Exploitation of a public park at Karilou Square in Nea Smyrni, having a capacity of 700 parking spaces.
Our Group participates in 11 car parks, including the aforementioned ones, having a total of approximately 5,900 parking spaces, holding a leading position in the segment.

Dear Ladies and Gentlemen shareholders,

2007 was a year in which the Group continued its increasing route creating the conditions, through significant investments, for its further growth.
Our human capital continues to form the most significant factor for our development.
We would like to thank the BoD members, our Employees and Partners for their contribution.
Also, we thank our Customers, our Suppliers and the co-operating banks and you, the Shareholders for your trust.

Athens, 27 March 2007
The Board of Directors

EXPLANATORY REPORT
TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF
PURSUANT TO ARTICLE 11a para. 1 of Law. 3371/2005

This explanatory report of the Board of Directors, addressed to the Ordinary General Meeting of shareholders of the Company, contains detailed information regarding the items of paragraph 1 of article 11a of Law 3371/2005.

I. Structure of the Company's share capital

The company's share capital amounts to twenty three million five hundred sixty six thousand eight hundred and nine euros and sixty cents (€23.566.809,60), divided into sixty five million four hundred sixty three thousand three hundred and sixty (65.463.360) common registered shares with voting rights, of a par value of thirty six cents (0.36 €) each.
The Company's shares are listed for trading at the Securities Market of the Stock Exchange of Athens (under "Large Cap" classification).
Each share confers all rights provided by the law and its articles, and especially:
• the right to receive dividends from the profits of the Company amounting to at least 6% of the paid-up share capital after the deduction for the ordinary reserve, which is distributed to the shareholders out of the profits of each fiscal year as a first dividend, while the distribution of additional dividends is resolved by the General Meeting. Every shareholder listed in the register of shareholders kept by the Company as of the date of distribution, is entitled to receive dividends. The dividend of each share is paid to the shareholder within two (2) months from the date of the Ordinary General Meeting that approved the annual financial statements. The manner and place of payment is published at the Daily Official List, as well as at the webpage of the Stock Exchange and the Company. The claim regarding the collection of the dividends is prescribed and the respective amount is transferred to the State upon 5 years from the end of the year, in which said dividends were decided to be distributed by the General Meeting,
• the right to receive the contribution during the liquidation or, respectively, to amortize the capital pertaining to the share, if decided by the General Meeting,
• a first refusal right at each share capital increase of the Company involving payment in cash and the issuance of new shares,
• the right to obtain a copy of the financial statements and the reports of the auditors and the Board of Directors of the Company,
• the right to participate at the General Meeting, wherein each share confers the right to one vote.
The General Meeting of shareholders of the Company retains all its rights throughout the liquidation procedure (pursuant to para. 4 of article 33 of its Articles).
The shareholders are liable only up to the par value of the shares they hold.

II. Restrictions on the transfer of the Company's shares

The transfer of the Company's shares is effected in accordance with the Law and there are no restrictions on their transfer pursuant to the Company's Articles of Incorporation, considering that they are intangible shares listed at the Stock Exchange of Athens.

III. Significant direct or indirect participations in the sense of L.3556

The shareholders who directly held on 31/12/2007 a percentage of 5% or more of the share capital are listed in the following table:

NAME OF SHAREHOLDER	SHARES	PERCENTAGE
George Peristeris	11.662.031	17,815%
Nikolaos Kambas	8.335.114	12,732%
Maria Kamba	3.866.365	5,906%

IV. Shares conferring special control rights

According to the Articles of Association there are no shares which award special rights of control.

V. Restrictions on voting rights

No restrictions on the voting rights deriving from the Company's shares are provided in its Articles of Incorporation.

VI. Shareholders' agreements in the Company

The Company is not aware of any agreements among its shareholders which might result in restrictions on the transfer of the Company's shares or on the exercise of the voting rights conferred by its shares.

VII. Rules of appointment and replacement of Board members and amendment of Articles

The rules provided in the Company's articles regarding the appointment and replacement of its Board members as well as the amendment of its Articles do not deviate from those provided for in codified law 2190/1920.

VIII. Competency of the Board to issue new shares or purchase owned shares

1a) According to the provisions of article 13 para. 1 (b) and (c) of codified law 2190/1920 and article 5 para. 8 of the Articles of Incorporation, within the first five years from the establishment of the company the Board of Directors of the Company is entitled to increase the share capital of the Company through the issuance of new shares, by virtue of a decision adopted by a majority of at least two thirds (2/3) of the total number of its members. In such case, the share capital may be increased only up to the amount of the capital which is paid-up on the date of adoption of the decision by the General Meeting. The aforementioned power of the Board of Directors may be renewed by the General Meeting for a period which cannot exceed five years for each renewal, and it shall enter into effect upon the expiration of each five-year period.

1b) According to the provisions of article 13 para. 9 of codified law 2190/1920, by virtue of a decision of the General Meeting a stock option plan may be implemented in favor of members of the Board and the personnel of the Company and its affiliates, in the form of the granting of a call option pursuant to the specific terms of such decision, a summary of which is subject to the publication requirements of article 7b of codified law 2190/1920. The decision of the General Meeting shall especially determine the maximum number of shares that may be issued, which according to the law cannot exceed 1/10 of the existing shares if the beneficiaries exercise their call option, as well as the price and the terms of distribution of the shares to the beneficiaries.

The Board of Directors shall adopt such decisions as to regulate any other relevant detail which is not otherwise determined by the General Meeting, it shall issue the call option certificates and, in December of each year, it shall issue shares to the beneficiaries who exercised their option, respectively increasing the share capital and confirming the payment of the relevant amount.

2) According to the provisions of paragraphs 5-13 of article 16 of codified law 2190/1920, companies listed at the Stock Exchange of Athens may acquire owned shares through the Stock Exchange of Athens upon decision of the General Meeting of their shareholders, up to 10% of the entirety of their shares.

The General Assembly of the Shareholders, held on 27/6/2007, making use of the provisions of the aforementioned law 2190/1920, decided the purchase on behalf of the Company of its own shares up to 10% of the total share capital of the Company at a minimum price of six (6) euros and a maximum price of twenty five (25) euros till June 27, 2008. The General Assembly also empowered the Board of Directors to follow the procedure in force regarding the approval of such purchase.
The Company during 2007 proceeded with the purchase of 173.120 own shares representing 0.26% of the total share capital of the Company at an average price of 11,49 euros per share and with a total transaction value of 1.988.720,82 euros.

IX. Important agreements which will enter into effect, will be amended or will expire in case of change of control following a public offer

There are no agreements which will come into effect, will be amended or will expire in case of change of control following a public offer.

X. Agreements with members of the Board or personnel of the Company

There are no agreements of the Company with members of its Board of Directors or its personnel, which provide for the payment of compensation especially in case of resignation or release without substantiated reason or in case of termination of their term or employment due to a public offer.

Athens, 27 March 2007
The Board of Directors

GEK GROUP

BALANCE SHEET

31st of December 2007

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

		GROUP		COMPANY	
	Note	**31 December 2007**	**31 December 2006**	**31 December 2007**	**31 December 2006**
ASSETS					
Long-term assets					
Intangible fixed assets	7	6,934	6,292	0	0
Tangible fixed assets	8	312,551	257,340	50	19
Investment property	9	147,364	68,946	21,769	24,937
Participations in subsidiaries	5	0	0	155,055	130,235
Participations in associates	5, 10	50,535	9,261	17,419	14,919
Participations in joint ventures	5, 32	21,086	0	26,801	5,473
Other investments		12,193	14,920	12,157	12,463
Other long-term assets	11	25,942	12,314	3,206	1,709
Deferred tax assets	24	13,197	9,707	0	0
Total long-term assets		**589,802**	**378,780**	**236,457**	**189,755**
Current assets:					
Inventories	12	60,582	55,352	11,540	16,746
Trade receivables	13	219,571	182,434	12,853	12,296
Prepayments and other receivables	13	105,945	54,983	1,622	2,398
Income tax receivables		14,186	9,862	2,885	3,215
Other financial assets	15	5,069	40,040	3,726	32,835
Cash and cash equivalents	16	424,670	109,040	19,308	23,258
Total current assets		**830,023**	**451,711**	**51,934**	**90,748**
Non-current assets held for sale	30	0	29,594	0	0
TOTAL ASSETS		**1,419,825**	**860,085**	**288,391**	**280,503**
EQUITY & LIABILITIES					
Equity attributable to the shareholders of the parent					
Share capital	23	23,567	23,567	23,567	23,567
Share premium account		242,762	170,410	170,410	170,410
Reserves		68,799	52,840	52,537	38,913
Profit carried forward		51,542	42,861	29,548	44,725
Total		**386,670**	**289,678**	**276,062**	**277,615**
Minority interest		333,781	109,298	0	0
Total equity		**720,451**	**398,976**	**276,062**	**277,615**

Long term liabilities:					
Long-term loans	17	143,603	106,891	0	0
Loans from finance leases	17	21,521	21,231	0	0
Other long-term liabilities		1,724	1,551	176	261
Other Provisions	19	6,235	1,713	0	0
Provisions for staff leaving indemnities	18	1,763	1,171	178	121
Grants	20	51,697	39,983	0	0
Deferred tax liabilities	24	16,554	10,317	2,685	254
Total long term liabilities		**243,097**	**182,857**	**3,039**	**636**
Short term liabilities:					
Suppliers	21	86,824	73,258	245	787
Short term loans	22	182,215	64,867	5,000	0
Long term loans payable during the next financial year	17	33,175	24,700	0	0
Accrued and other short term liabilities	21	145,352	96,431	2,376	1,465
Income tax payable		8,711	4,442	1,669	0
Total short term liabilities		**456,277**	**263,698**	**9,290**	**2,252**
Liabilities directly related to non-current assets held for sale	30	0	14,554	0	0
TOTAL LIABILITIES & EQUITY		**1,419,825**	**860,085**	**288,391**	**280,503**

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

GEK GROUP

INCOME STATEMENT
31st of December 2007
(All amounts are expressed in euros, unless otherwise stated)

	Note	GROUP		COMPANY	
		1/1 - 31/12 2007	**1/1 - 31/12 2006**	**1/1 - 31/12 2007**	**1/1 - 31/12 2006**
Revenue	6, 25	446,139	337,533	25,342	23,202
Cost of sales	26	(379,412)	(276,443)	(18,916)	(17,584)
Gross profit		**66,727**	**61,090**	**6,426**	**5,618**
Administration and Distribution expenses	26	(33,920)	(29,852)	(2,062)	(2,136)
Research and Development expenses		(2,135)	(1,097)	0	0
Other income / (expenses)	27	47,866	19,997	6,249	22,314
Net financial income/(expense)	28	(12,428)	(10,004)	1,791	1,243
Profit / (loss) from the valuation of associates using the equity method		1,454	(1,658)	0	0
PROFIT BEFORE TAX		**67,564**	**38,476**	**12,404**	**27,039**
Income tax	24	(13,481)	(11,785)	(2,185)	(2,035)
Net profit/(Loss) from continuing operations		**54,083**	**26,691**	**10,219**	**25,004**
Discontinued operations					
Profit/(Loss) from discontinued operations after tax	30	0	5,095	0	0
NET PROFIT		**54,083**	**31,786**	**10,219**	**25,004**
Attributable to:					
Shareholders of the parent company from continuing operations	23	37,529	17,561		
Shareholders of the parent company from discontinued operations		0	2,979		
Minority interest from continuing operations		16,554	9,130		
Minority interest from discontinued operations		0	2,116		
		54,083	**31,786**		
Basic earnings per share (in euro					
From continuing operations attributable to shareholders of the parent	23	0,57	0,27		
From discontinued operations attributable to shareholders of the parent		0	0,04		
Weighted average number of shares					
Basic	23	65,436,750	65,463,360		

GEK GROUP

CASH FLOW STATEMENT
31st of December 2007

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

	GROUP		COMPANY	
	1/1 - 31/12 2007	**1/1 - 31/12 2006**	**1/1 - 31/12 2007**	**1/1 - 31/12 2006**
Cash flow from operating activities				
Profit before tax	67,564	44,658	12,404	27,039
Adjustments for the agreement of the net flows from the operating activities				
Depreciation	21,329	18,123	12	16
Provisions	2,500	(7,252)	57	(11)
Interest and related revenue	(6,290)	(2,950)	(2,060)	(1,291)
Interest and other financial expenses	18,718	12,954	269	49
Results from participations and securities	(13,383)	(1,389)	(5,455)	(21,881)
Results from intangible and tangible assets and investment property	(35,111)	(14,266)	(952)	(230)
Amortization of grants	(1,820)	(1,507)	0	0
Other adjustments	1,731	(366)	12	(86)
Operating profit before changes in working capital	**55,239**	**48,005**	**4,287**	**3,605**
(Increase)/Decrease in:				
Inventories	(5,230)	(4,009)	5,206	5,629
Trade receivables	(35,637)	(8,405)	(557)	(9,696)
Prepayments and other short term receivables	(25,647)	(4,386)	776	920
Increase/(Decrease) in:				
Suppliers	13,566	41,915	(542)	(2,688)
Accruals and other short term liabilities	43,975	18,746	1,149	(1,151)
Collection of grants	5,392	16,865	0	0
(Increase)/Decrease of other long term assets and liabilities	(7,920)	(11,577)	(1,582)	(2,005)
Tax payments	(13,904)	(13,446)	(237)	(5,245)
Cash flow from operating activities	**29,834**	**83,708**	**8,500**	**(10,631)**
Cash flows from investment activities				
Net additions of intangible assets	(79,948)	(61,098)	(43)	0
Sale of tangible fixed assets	1,623	1,665	0	0
Interest and related income received	4,397	2,948	2,060	1,291
(Purchases) / Income from the sale of participations and securities	(54,975)	13,519	(48,530)	13,209
Receipts from dividends participations and securities	9	0	5,399	5,389
Investment property	(31,031)	(6,640)	4,120	(241)
Cash flows for investment activities	**(159,925)**	**(49,606)**	**(36,994)**	**19,648**

Cash flows from financial activities				
Receipts from share capital increase of a subsidiary	289,868	0	0	0
Net change of long term loans	45,187	34,357	0	0
Net change of short term loans	117,348	6,221	5,000	0
Loan payments for finance leases	(12,000)	(13,166)	0	0
Dividends paid	(12,787)	(13,806)	(7,856)	(7,870)
Interest paid	(2,050)	0	(1,989)	0
Purchase of treasury shares	(15,539)	(11,347)	(269)	(49)
Change of other financial receivables	35,694	(31,564)	29,658	(29,619)
Cash flows for financial activities	**445,721**	**(29,305)**	**24,544**	**(37,538)**
Net increase of cash	**315,630**	**4,797**	**(3,950)**	**(28,521)**
Cash at the beginning of the period	109,040	104,243	23,258	51,779
Cash at the end of the period	**424,670**	**109,040**	**19,308**	**23,258**

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

GEK SA

STATEMENT OF CHANGES IN EQUITY
31ST OF December 2007
(All amounts are in thousand euros unless otherwise stated)

	Share capital	Share premium	Reserves	Profit carried forward	Total
1st January 2006	**23,567**	**170,410**	**47,176**	**16,214**	**257,366**
Net profit for the year	0	0		25,004	**25,004**
Net result from the valuation of investments available for sale	0	0	3,578		**3,578**
Total net earnings recorded	**0**	**0**	**3,578**	**25,004**	**28,582**
Dividends	0	0		(7,856)	**(7,856)**
Distribution of reserves	0	0	(11,841)	11,682	**(159)**
BoD remuneration	0	0		(319)	**(319)**
31st December 2006	**23,567**	**170,410**	**38,913**	**44,725**	**277,615**
1st January 2007	**23,567**	**170,410**	**38,913**	**44,725**	**277,615**
Net profit for the year	0	0	0	10,219	**10,219**
Valuation profit recorded directly in equity	0	0	305	0	**305**
Transfer of profits from financial assets available for sale	0	0	82	0	**82**
Tax on assets transferred to or transferred from equity	0	0	(2,314)	0	**(2,314)**
Total net earnings recorded	**0**	**0**	**(1,927)**	**10,219**	**8,292**
Dividends	0	0		(7,856)	**(7,856)**
Distribution of reserves	0	0	17,540	(17,540)	**0**
Acquisition of treasury shares	0	0	(1,989)	0	**(1,989)**
31st December 2007	**23,567**	**170,410**	**52,537**	**29,548**	**276,062**

GEK GROUP

STATEMENT OF CHANGES IN EQUITY

31ST OF December 2007

(All amounts are in thousand euros unless otherwise stated)

	Share capital	Share premium account	Reserves	Profit carried forward	Sub-Total	Minority Interest	Total
1st January 2007	**23,567**	**170,410**	**52,840**	**42,861**	**289,678**	**109,298**	**398,976**
Foreign exchange difference from the consolidation of foreign companies	0	0	188	0	**188**	(304)	**(116)**
Valuation Profit/(loss) recorded directly in equity	0	0	(1,978)	0	**(1,978)**	(247)	**(2,225)**
Total net profit recorded directly in equity	0	0	(1,790)	0	**(1,790)**	(551)	**(2,341)**
Net profit for the year	0	0	0	37,529	**37,529**	16,554	**54,083**
Total net earnings recorded	**0**	**0**	**(1,790)**	**37,529**	**35,739**	**16,003**	**51,742**
Dividends	0	0	0	(7,855)	**(7,855)**	(4,932)	**(12,787)**
Sale of a subsidiary	0	0	0	0	**0**	(866)	**(866)**
Reduction of the share of a consolidated subsidiary	0	0	0	(3,853)	**(3,853)**	3,853	**0**
Increase of the share of a consolidated subsidiary	0	0	0	(91)	**(91)**	(5,433)	**(5,524)**
Acquisition of treasury shares	0	0	(2,050)	0	**(2,050)**		**(2,050)**
Share capital issue for listing in Athens Exchange	0	73,022	0	0	**73,022**	208,940	**281,962**
Share capital issue of subsidiaries	0	(670)	248	2,502	**2,080**	6,918	**8,998**
Distribution of reserves	0	0	19,551	(19,551)	**0**	0	**0**
31st of December 2007	**23,567**	**242,762**	**68,799**	**51,542**	**386,670**	**333,781**	**720,451**

1st January 2006	**23,567**	**170,410**	**56,245**	**13,286**	**263,508**	**97,723**	**361,231**
Corrections of errors			(4,980)	4,698	**(282)**	(1,102)	**(1,384)**
Restated balances at 1st of January 2006	**23,567**	**170,410**	**51,265**	**17,984**	**263,226**	**96,621**	**359,847**
Foreign exchange difference from the consolidation of foreign companies	0	0	284	0	**284**	0	**284**
Net result from the valuation of investments available for sale	0	0	4,185	0	**4,185**	0	**4,185**
Net profit for the year	0	0	0	20,540	**20,540**	11,246	**31,786**
Total net earnings recorded	**0**	**0**	**4,469**	**20,540**	**25,009**	**11,246**	**36,255**
Dividends	0	0	0	(6,211)	**(6,211)**	(4,894)	**(11,105)**
Sale of a subsidiary	0	0	0	0		(1,112)	**(1,112)**
Reduction of the share of a consolidated subsidiary	0	0	0	12,289	**12,289**	7,090	**19,379**
Increase of the share of a consolidated subsidiary	0	0	0	(1,894)	**(1,894)**	(704)	**(2,598)**
Absorption of a company	0	0	0	0	**0**	126	**126**
Transfers other changes	0	0	(128)	(329)	**(457)**	0	**(457)**
BoD remuneration	0	0	0	(319)	**(319)**	0	**(319)**
Distribution of reserves	0	0	(2,766)	801	**(1,965)**	0	**(1,965)**
31st December 2006	**23,567**	**170,410**	**52,840**	**42,861**	**289,678**	**109,298**	**398,976**

1 ESTABLISHMENT AND ACTIVITY OF THE COMPANY

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

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

The main activity of the Company is the development and management of investment property, the constructions of any kind and its participation in companies having similar activities.

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

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

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

During 2007 the company DIKEVE SA that was active in exploiting a logistics facilitiy was disposed of. Also, during the same period the group acquired the total of the shares of the company Lithos SA which is active in quarry business, while with other investors participated in the joint establishment of the companies NEA ODOS SA and MOTORWAY OF CENTRAL GREECE SA which are underwriters of the self-financed motorways sharing the same name.

2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

a) Basis for the preparation of the financial statements

The attached financial statements of the Company and the Group have been prepared according to the historic cost principle, except from investment property which is valued at fair value. Moreover some own-used intangible fixed assets 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 provisions of IFRS 1 "First-Time adoption of International Financial Reporting Standards".

The attached Company and Group financial statements have been prepared in accordance with the IFRS, as these have been adopted by the European Union. No standards have been applied before their effective date.

b) Statutory Financial Statements

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

c) New standards, interpretations and amendments

The accounting principles adopted are the same as those adopted for the period ended on December, 31 2006, except from the adoption of new standards that became mandatory from January, 1 2007. Therefore, from January, 1 2007 the Group and the company adopted new standards and amendments as follows:

- *IFRS 7, Financial instruments: Disclosures*. IFRS 7 requires further disclosures regarding financial instruments, with the objective of improving the provided information and specifically it requires the disclosure of qualitative and quantitative information as regards to the risk exposure emerging from financial instruments. The new disclosures are included in the financial statements while the adoption of the standard did not have any effect on results and on equity.

- *Additional adjustment to IAS 1, Presentation of Financial Statements-Equity disclosure:* The relevant adjustment of IAS 1 regards disclosures concerning the amount of a company's capital and the way such is managed. The relevant disclosures are analysed in Note 36.

- Amendment of IFRS 4 Insurance Contracts. It is not applied in the company and the group and it does not affect the financial statements.

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

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

- *IAS 23 (amendment)* (applied for annual accounting periods beginning on or after January 1st 2009). Withdrawal of the option to expense borrowing costs related to the acquisition, construction or production of a special asset. The amendment of Standard 23 is expected to be adopted by the European Union in the near future.

- *IAS 1 'Presentation of Financial Statements' (amendment)* (effective date: annual periods beginning on or after 1 January 2009).
The revisions include changes in the titles of some of the financial statements to reflect their function more clearly (for example, the balance sheet is renamed a statement of financial position). The most important changes are:

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

- *IFRIC 11, IFRS 2 – Group and treasury shares Transactions :* (applied for annual accounting periods beginning on or after March 1st 2007). This Interpretation requires that transactions in which a right on participating titles is granted to an employee be considered for accounting purposes as remuneration defined by the value of the share and is settled with participating titles, even if the company chooses or is obliged to purchase such titles by third parties or the company shareholders provide the granted participating titles. The Interpretation is also extended to the way subsidiaries, in their individual financial statements, account for plans where their employees receive rights on participating titles of the parent company.

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

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

d) Approval of the Financial Statements

The attached annual financial statements were approved by the Board of Directors of the Company on March, 27 2008. The amended financial statements are approved by the Board of Directors of the Company on the 26th of May 2008 and are subject to approval at the Shareholders' Annual General Meeting.

e) Use of estimates

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

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

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

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

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

3 SUMMARY OF KEY ACCOUNTING PRINCIPLES

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

a) Basis of consolidation
The attached consolidated financial statements include those of GEK and its subsidiaries. The subsidiaries in which the Group has a direct or indirect participation of more than 50% of the voting rights has the right to control the consolidated operations. The subsidiaries are consolidated from the date the Group acquires the control and stop being consolidated at the date this control ceases to exist.

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

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

b) Participation in associates
The participations of the Group in other companies in which GEK has a significant influence are consolidated with the equity method. Based on this method, the participation in associates is recorded at cost plus the change of the Group's participation in their equity, less any provisions for impairments. The consolidated income statement reflects the proportion of the Group in the results of the associates.

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

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

Initially they are recognised at acquisition cost, which represents the fair value plus, in some cases, the direct transaction and acquisition expenses.
The classification of the above financial assets is made upon their initial recognition and wherever permitted it is reviewed and reassessed on a periodic basis.

(i) Investments available for sale

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

(ii) Receivables and loans

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

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

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

(iv) Investments held to maturity

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

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

d) Financial Instruments and Risk Management

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

(i) Interest rate risk and exchange rate risk

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

(ii) Fair Value

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

(iii) Credit Risk Concentration

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

(iv) Market Risk

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

e) Operation and Presentation Currency and Foreign Exchange Conversion

The euro is the currency of operation and presentation of the Company. Transactions in other currencies are converted into euros using the exchange rates in effect at the date of the transaction. At the date of compilation of the financial statements the monetary asset and liability items that are denominated in other currencies are adjusted so as to reflect the current exchange rates.
The profits and losses resulting from transactions in foreign currencies and from the end-of-year valuation of monetary items in foreign currencies are recorded in the attached consolidated income statement.

The currency of operation for the foreign subsidiaries of the Group is the official currency of the country in which the subsidiary operates. Therefore, at any balance sheet date all subsidiaries' accounts are translated to euro based on the foreign exchange rate prevailing at that date. Revenues and expenses are translated based on the weighted average exchange rate of the year. Any foreign exchange differences resulting from the valuation of foreign subsidiaries are recoded directly in equity. During the sale or distribution of foreign subsidiaries the cumulative foreign exchange differences are recorded in income statement.

f) Intangible assets

Intangible assets mainly consist of royalties related to quarries, software acquisition costs and all expenses incurred to develop the software in order to bring it to operating condition. Amortisation on royalties are based on straight line method during the normal period for the use of quarries (30 years) and the one on software is accounted for based on the straight line method for a period of three years.

g) Revenue recognition

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

(i) Revenue from construction activities

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

According to the percentage-of-completion method the construction costs incurred up to the Balance Sheet date are compared to the total estimated cost of the project in order to determine the percentage of the project that has been completed. This percentage is applied to the total revised contract price in order to determine the cumulated revenue from the project, based on which the invoiced revenue 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 probable.

Non-invoiced accrued revenue relates to revenue recognized on the basis of the method described above that has not yet been invoiced, while non-accrued revenue comprises amounts invoiced up to the balance sheet date over and above the revenue calculated using the percentage-of-completion method.
Project execution down-payments represent amounts received by the Company upon signing the relevant contracts and are proportionally netted-off with the partial invoicing. The remaining amount appears as a liability in the attached financial statements.

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

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

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

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

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

(vii) Interest
Interest revenue is recognized on an accruals basis.

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

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

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

j)Impairment of the Value of Fixed Assets

The book values of long-term asset, other than goodwill and tangible fixed assets with an infinite life, are reviewed for impairment purposes when facts or changes in circumstances imply that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is recorded in the income statement. The recoverable amount is defined as the largest value between the net estimated sales price and the acquisition value. The net sales value is the plausible income from the sale of an asset in the context of an arm's-length transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct sales cost for the asset. The acquisition cost consists of the net present value of future estimated cash flows expected to occur from the continuous use of the asset and from the income expected to arise from its sale at the end of its estimated useful economic life. In order to determine the impairment, the asset items are grouped at the lowest level for which cash flows can be recognized separately.

A reversal of an impairment loss for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such an impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income. The Management assesses that there is no case of impairment of the Group's fixed assets and thus a calculation of the assets' recoverable amounts has not been made.

k) Investment property

Investments in property are those held for the purpose to receive rent or for capital appreciation and are valued at their fair value which is based on market value, that is to say at the estimated value of which the property may be sold, at the day of the estimation, in a normal transaction. The estimation is contacted regularly by external professionals who have the knowledge on the property market. Profits or losses that arise from changes in the fair value of investments in property are included in the income statement of the period during which they arise. Repairs and maintenance are recorded as expenses in the year in which they are incurred. Material subsequent expenses are capitalised when they augment the useful life of the buildings, their productive capacity or reduce their operation cost. The fair value of an investment property is eliminated from the accounts upon sale. All gains or losses resulting from the sale of a property are included in the income statement of the year during which it was sold. Investment property being build or developed are recognised under IAS 16 till their completion.

l) Inventories

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

m) Accounts Receivable

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

n) Cash and Cash Equivalents

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

o)Long-term loan liabilities

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

It is noted that the interest on loans taken for the construction of fixed assets and inventories that requires time for their completion will be capitalised from 1.1.2008 hereafter based on the amended IAS 23. The capitalisation of interest will be interrupted when the asset will be ready for its intended use.

p)Provisions for Staff Leaving Indemnities

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

q) Government Pension Plans

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

r) Income Tax (Current and Deferred)

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

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

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

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

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

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

s) Finance and Operating Leases

Finance leases, which essentially transfer to the Company all the risks and returns related to the leased fixed asset, are capitalized during the inception of the lease based on the leased asset's fair value or, if it is lower, on the present value of the minimal leases. Payments for finance leases are allocated between the financial expenses and the reduction of the financing liability, in order to achieve a fixed interest rate on the remaining portion of the liability. The financial expenses are debited directly to the results. Capitalized leased fixed assets are depreciated based on the estimated useful life of the asset.

Leases where the lessor maintains all the risks and returns related to ownership of the fixed asset, are recorded as operating leases. The payments of operating leases are recognized as an expense in the income statement on a constant basis for the duration of the lease.

t) Government Grants

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

u) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each balance sheet date and are adjusted in order to reflect the present value of expenses that are expected to be required for the settlement of the liability. If the effect of the time value of money is significant, then provisions are calculated by discounting the expected future cash flows with a pre-tax rate, which reflects the market's current estimations for the time value of money, and wherever considered necessary, the risks related specifically to the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, unless the outflow of economic resources that include an economic loss benefits is probable. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of financial benefits is possible.

v)Earnings per Share

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

w) Segment reporting

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

4 ERROR CORRECTION OF PREVIOUS PUBLICATIONS

During the compilation of the financial statements some errors and omissions were noticed for the periods 31 December 2006 and 2005, emerged from the consolidated sub-group TERNA ENERGY SA during the audit for the listing of company's shares in Athens Exchange. The Management decided to correct these errors retrospectively and therefore to restate the financial statements for 31 December 2006 and 2005 in accordance with IAS 8 «Accounting Principles, Changes in Accounting Estimations and Errors». The adjustments made and reported below refer to:
i) Provision for the dismantlement of technical equipment of Wind Parks and rehabilitation of environment. In 2006 the Group, based on its policy, periodically examines the procedures and assumptions of its estimates restating the relevant accounts of provisions according to a new study that took place regarding the liabilities arising from the dismantlement and rehabilitation based on new data regarding the estimation of their residual value. Therefore, the reduces net book value of the technical equipment of Wind Parks will be depreciated in accordance with the residual useful life of the relevant assets.

ii) In 2006 the Group, based on its policy to periodically review the main accounting estimations and assumptions during the compilations of its financial statements and due to the change legal framework that set the period of conventional operating period for Wind Parks to twenty years, at least, amended the depreciation period of Wind Parks and the relevant grants (Substations/Connection Networks, Technical Installations of Wind Parks) from 14 or 15 years (depreciation period emerged in accordance with the conventional plan and the application of depreciation coefficient of P.D. 299/2003) to 20 years. This re-estimation of useful life of the technical equipment of wind parks made in 2006 and will be valid since then based on IAS 16. Therefore, the grants for Wind Parks will be depreciated in accordance with the residual useful life of the relevant assets.

iii) During the procedure of measuring percentage of completion for construction works and the preparation of the accompanying consolidated financial statements, some numerical and other errors were detected, which as a result affecting the revenue or construction cost (income statement accounts) and the respective unbilled deferred revenue and expenses (balance sheet accounts).
At the consolidated financial statements of 31.12.2006 there is made a correction (reduction) of trade receivables and consequently profits carried forward for the amount of 2,403 thous euro that refer to year 2004 resulting from joint ventures for the execution of technical projects of TERNA ENERGY ABETE.

iv) Re-introduction to the balance sheet of building licence and other expenses of first installation that in the initially financial statements of 2006 were recorded in income statement.

v) The Company did not initially made provisions for additional (in addition and not on-top) income tax that finally emerged in 2007 for the tax year of 2006.

vi) In previous years the subsidiary TERNA ENERGY ABETE did not evaluate and record in the income statements the change in fair value of investment property according to the chosen accounting method. During the compilation of the attached restated financial statements the Company attributed the change in fair value of investment property, as emerged from a valuation made by independent evaluators on March, 19 2007, proportionally to years 2000 till 2006.

vii) The interest for the construction period that were initially recorded in construction cost of tangible assets were transferred to expenses.

viii) The record of difference from discounting to present value of receivables and grants as well as the relevant non-accrued income was reversed.

ix) In the fiscal year 2004, the sub-subsidiary of the Group TERNA ENERGY ABETE recorded a tax-exempt reserve based on L.2601/98 amounting to € 5,000 approximately, interpreting the relevant provisions of the Law as regards to the time period for creating the relevant reserve. The tax audit conducted in 2006 did not recognize the ability to create the aforementioned tax-exempt reserve for 2004 and an additional tax was imposed amounting to € 1,750 for the latter period, while the recognition of the relevant tax-exempt reserve was recognized for tax purposes and registered by the Company in fiscal year 2005. Therefore, the imposed tax amount of € 1,750, which was imposed with the tax audit of 2006, was considered as a correction of the income tax for 2004.
From the aforementioned tax amount, 1,663 thous euro is already corrected in the financial statements for the years 2005 and 2006.

x) It was consolidated in year 2005 the foreign subsidiary GP ENERGY S.A. of the Group TEPNA ENERGY ABETE.

xi) The deferred tax for the years 2004 - 2006 were amended due to corrections emerged from the issues mentioned above in paragraphs (i) - (iii) and (vii-x).

xii) In the balance sheet and income statement accounts for the year 2006 some reclassifications made for better presentation. These reclassifications did not have any impact on the results.

The effect of these corrections and reclassifications in the balances of 31.12.2005 and 31.12.2006 has as follows:

(Amounts in thousand Euros, unless otherwise stated)

GEK GROUP 31.12.2005	Balances at 31.12.2005 as published in the consolidated financial statements of 31.12.2005	Error corrections	Reclassifications	Restated balances 31.12.2005
Tangible assets	204,615	-237	904	205,282
Investment property	77,227	58	216	77,501
Deferred tax assets	7,385	158	17	7,560
Inventories	59,569	0	20	59,589
Trade receivables	154,587	-718	-504	153,365
Prepayments and other receivables	50,185	1,126	-1,523	49,788
Other short-term financial assets	1,905	-150	35	1,790
Cash and equivalents	104,179	64	0	104,243
TOTAL CORRECTIONS OF ASSETS		**301**	**-835**	
Profit/(loss) carried forward	13,286	-384	5,082	17,984
Reserves	56,245	38	-5,018	51,265
Minority interest	97,723	-1,102	0	96,621
Long-term loans	68,957	0	-12,001	56,956
Other provisions	2,406	138	0	2,544
Provision for staff indemnities	1,495	-13	0	1,482
Grants	16,087	-4	93	16,176
Supplier	40,309	284	-403	40,190
Short-term loans	82,129	0	10,170	92,299
Long-term liabilities falling due	3,669	0	1,830	5,499
Accrued and other short-term liabilities	82,891	-276	1,181	83,796
Income tax payable	609	1,620	-1,769	460
TOTAL CORRECTION OF LIABILITIES		**301**	**-835**	

GEK GROUP 31.12.2006	Balances at 31.12.2006 as published in the consolidated financial statements of 31.12.2006	Error corrections	Reclassifications	Restated balances 31.12.2006
Intangible assets	6,209	81	2	6,292
Tangible assets	250,644	6,696	0	257,340
Other long-term receivables	5,246	7,068	0	12,314
Deferred tax assets	5,282	-227	4,652	9,707
Trade receivables	185,144	-2,710	0	182,434
Prepayments and other receivables	66,534	-11,551	0	54,983
Income tax receivables	9,943	-100	19	9,862
TOTAL CORRECTIONS OF ASSETS		**-743**	**4,673**	
Reserves	46,944	-108	6,004	52,840
Profit/(loss) carried forward	49,064	-149	-6,054	42,861
Minority interest	109,955	-707	50	109,298
Provision for staff indemnities	1,114	58	-1	1,171
Other provisions	2,661	-948	0	1,713
Grants	36,517	1,163	2,303	39,983
Deferred tax liabilities	5,655	11	4,651	10,317
Accrued and other short-term liabilities	98,911	-180	-2,300	96,431
Income tax payable	4,302	121	19	4,442
TOTAL CORRECTION OF LIABILITIES		**743**	**4,673**	

(Amounts in thousand Euros, unless otherwise stated)

The effect of corrections and reclassifications in the income statements for 2006 is as follows:

GEK GROUP 31.12.06	Amounts for year 2006 published in the consolidated financial statements of 31.12.06	Error corrections	Restated balances for 2006
Revenue	336,458	1,075	337,533
Cost of sales	(276,015)	(428)	(276,443)
Gross profit	**60,443**	**647**	**61,090**
Administrative and distribution expenses	(29,691)	(161)	(29,852)
Research and development expenses	(1,097)	0	(1,097)
Other income/(expenses)	19,062	935	19,997
Net financial income/(expenses)	(9,429)	(575)	(10,004)
Profit / (loss) from the valuation of associates using the equity method	(1,658)	0	(1,658)
Profit before tax	**37,630**	**846**	**38,476**
Income tax	(11,351)	(434)	(11,785)
Net profit from continuing operations	**26,279**	**412**	**26,691**
Profit from discontinued operations after tax	5,095	0	5,095
Net profit for the period	**31,374**	**412**	**31,786**
Attributed to:			
Shareholders of the parent from continuing operations	17,336	225	17,561
Minority interest from continuing operations	8,943	187	9,130
Shareholders of the parent from discontinued operations	2,979	0	2,979
Minority interest from discontinued operations	2,116	0	2,116
	31,374	**412**	**31,786**
Profit/(Loss) after tax per share (in Euro)			
Basic from continuing operations attributed to shareholders of the parent	0.26	0.01	0.27
Basic from discontinuing operations attributed to shareholders of the parent	0.05	(0.01)	0.04

5 GROUP STRUCTURE

Participations in subsidiaries, associates and joint ventures on 31.12.2007 are as follows:

(Amounts in thousand Euros, unless otherwise stated)

A) Subsidiaries of GEK SA

Company name	Country of Domicile	Participation percentage % 2007	Participation percentage % 2006	Consolidation method	Tax unaudited years
TERNA SA*	Greece	54,63	57,79	Full	1
GEKE AEBE	Greece	99,99	99,99	Full	2
HERON THERMOELEKTRIKI SA**	Greece	77,32	77,32	Full	4
IOANNINA ENTERTAINMENT DEVELOPMENT SA	Greece	64,59	65,00	Full	4
MONASTHRIOU TECHNICAL DEVELOPMENT SA	Greece	100,00	50,00	Full	4
ICON LTD	Bulgaria	100,00	100,00	Full	3
VIPA THESSALONIKI	Greece	100,00	100,00	Full	6
IOLKOS SA	Greece	100,00	100,00	Full	4
CHIRON PARKING SA	Greece	100,00	100,00	Full	1
GEK ROMANIA	Romania	100,00	100,00	Full	2
GEK BALCAN DOOEL	F.Y.R.O.M.	100,00	100,00	Full	2
ICON BOROVEC	Bulgaria	100,00	-	Full	1
DOMUS DEVELOPMENT	Bulgaria	100,00	-	Full	1st financial year
HERMES DEVELOPMENT	Romania	100,00	-	Full	1st financial year
ERGON CITY DEVELOPMENT	Romania	100,00	-	Full	1st financial year
HIGHLIGHT SRL	Bulgaria	100,00	-	Full	1st financial year
IRON PARTICIPATIONS SA	Greece	100,00	-	Full	1st financial year
IRON VIOTIAS	Greece	100,00	-	Full	1st financial year

* It is included the direct participation of GEKE SA
** It is included the direct participation of TERNA SA

B) Associates of GEK SA

Company name	Country of Domicile	Participation percentage % 2007	Participation percentage % 2006	Consolidation method	Un-audited tax years
KEKROPS SA	Greece	23.91	23.91	Equity	3
GEKA SA	Greece	33.34	33.34	Equity	3
PRIME REALTY INVESTMENTS LTD	Cyprus	25	0	Equity	

(Amounts in thousand Euros, unless otherwise stated)

C) Jointly controlled entities of GEK SA

Company name	Country of Domicile	Participation percentage %		Consolidation method	Un-audited tax years
		2007	2006		
OYIL CAR PARK	Greece	50	50	Proportionate	5
ATHENIAN CAR PARK SA	Greece	20	20	Proportionate	2
THESSALONIKI CAR PARK SA	Greece	50	50	Proportionate	2
AGIOS NIKOLAOS PIRAEUS CAR PARK (former OLP CAR PARK SA)	Greece	30	30	Proportionate	3
POLIS PARK SA	Greece	20	20	Proportionate	3
NEA IONIA ROAD SA	Greece	33,33	-	Proportionate	1st financial year
GLS OOD SOFIA BULGARIA	Bulgaria	50	50	Proportionate	1st financial year
SMIRNI PARK SA	Greece	20	-	Proportionate	1st financial year
ENTERTAINMENT & ATHLETIC PARKS ELLINIKOU SA	Greece	25	-	Proportionate	1st financial year
CENTRAL GREECE MOTORWAY SA	Greece	33,33		-	1st financial year

The jointly controlled companies NEA ODOS SA and CENTRAL GREECE MOTORWAY SA were not consolidated in the financial statements of 31.12.2007 since at that date they were at preliminary stage. The book values of these participations at the balance sheet of 31.12.2007 are 19,282 euros and 1,667 euros respectively.

D) Subsidiaries of TERNA SA

Company name	Country of Domicile	Participation percentage		Consolidation method	Un-audited tax years
		2007	2006		
1.BIOMEK ABETE	Greece	66,50	66,50	Full	6
2.TERNA ENERGY ABETE	Greece	47,39	63,19	Full	2
3.STROTIRES AEBE	Greece	51,00	51,00	Full	6
4.LITHOS SA	Greece	100,00	-	Full	3
5.ILIOCHORA SA	Greece	100,00	100,00	Full	3
6. SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	Romania	100,00	100,00	Full	3
7. TERNA OVERSEAS LTD	Cyprus	100,00	100,00	Full	2
8. TERNA BAHRAIN HOLDING WLL*	Bahrein	99,99	99,99	Full	2
9. TERNA QATAR LLC*	Qatar	35,00	35,00	Full**	2
10. PCC TERNA WLL*	Bahrein	80,00	-	Full	1

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

E) Subsidiaries of the parent consolidated using the proportionate method:

No	Name	Country of domicile	Participation percentage 2007 and 2006 %	Un-audited tax years
1.	HERON THERMOELECTRIKI SA	Greece	50%	4
2.	QBC S.A. – TERNA SA	Qatar	40%	1st year

(Amounts in thousand Euros, unless otherwise stated)

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

No.	Name	Participation percentage 2007 and 2006	Tax unaudited years
1.	J/V MAIN ARROGATION CANAL D 1	75,00	6
2.	J/V TRAM CIVIL ENGINEERING PROJECTS (IMPREGILO)	55,00	1
3.	J/V IRAKLEION CAMPUS	50,00	2
4.	J/V ANCIENT OLYMPIA BY-PASS	50,00	4
5.	J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20,00	1
6.	J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50,00	4
7.	J/V DEPA PROJECT	10,00	4
8.	J/V UNDERGROUND CARS THESSALONIKI	50,00	4
9.	J/V ARTA-FILIPPIADA BY-PASS	98,00	4
10.	J/V ATHENS CONCERT HALL	45,00	5
11.	J/V ATHENS CAR PARKS	20,00	4
12.	J/V PERISTERI METRO	50,00	4
13.	J/V TERNA S.A. - ATHINA ATE ARAHTHOS PERIST. PROJECTS	62,50	1
14.	J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	24,00	2
15.	J/V THALES ATM SA-TERNA UPGRADE OF TACAN STATIONS	22,25	6
16.	J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE	35,00	3
17.	JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	37,50	3
18.	J/V TERNA S.A. PANTECHNIKI S.A.	83,50	3
19.	J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	33,00	5
20.	J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	35,00	2
21.	J/V TERNA SA - ATHINA ATE	62,50	3
22.	J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	50,00	6
23.	J/V SALONIKA PARK	50,00	2
24.	J/V SIEMENS-AKTOR ATE-TERNA SA	37,50	2
25.	J/V TERNA-MICHANIKI AGRINIO BY-PASS	65,00	2
26.	TERNA SA BIOTER SA NAT BUILDING	50,00	7
27.	J/V TERNA S.A.-THALES S.A.	50,00	4
28.	J/V TOMI ABETE-ILIOHORA SA	30,00	2
29.	J/V AVAX-BIOTER-ILIOHORA SA	37,50	2
30.	J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	25,00	1
31.	J/V BUILDING CONSTRUCTION OSE ILIOHORA SA	13,30	1
32.	J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	49,00	1
33.	J/V UNDERGROUND CHAIDARI-PART A	50,00	1
34.	J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	60,00	1
35.	J/V TERNA-TERNA ENERGY-TSAMPRAS AETE	40,00	4
36.	J/V TERNA SA - TERNA ENERGY SA	50,00	4
37.	J/V BIOTER SA-TERNA SA	50,00	4
38.	J/V TERNA SA - IONIOS SA	90,00	4
39.	J/V TERNA ENERGY SA - TERNA SA- MANIOTIS	37,50	4
40.	J/V TERNA-TERNA ENERGY-TSMPRAS (EPL)	56,00	4
41.	J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	39,20	3
42.	J/V BIOTER SA-TERNA SA	50,00	4
43.	J/V TERNA-MOCHLOS ATE	70,00	7
44.	J/V TERNA-VIOTER SA	50,00	4
45.	J/V TERNA-ERGODOMI-KTISTOR ATE	50,00	4
46.	J/V EDRASI-PSALLIDAS-TERNA-EDRACO	51,00	4
47.	J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J&P ABAΞ-IMEC GmbH	24,00	5
48.	J/V TERNA-ATERMON ATEE	50,00	2
49.	J/V TERNA-VERMION ATE-ANAPLASEON	50,00	3
50.	J/V TERNA-KARAGIANNIS	50,00	3
51.	J/V EUROPEAN TECHNICAL-HOMER-TERNA	50,00	10
52.	J/V TERNA-THEMELIODOMI	60,00	4

(Amounts in thousand Euros, unless otherwise stated)

No.	Name	Participation percentage 2007 and 2006	Tax unaudited years
53.	J/V TERNA-AKTOR GOULANDRI MUSEUM	50,00	6
54.	J/V TERNA-THEMELIODOMI	60,00	6
55.	J/V TERNA-TEMA SA	36,50	5
56.	J/V FRAGMATOS PRAMORITSA	33,33	4
57.	J/V TERNA-EDRASI-STROTIRES	41,00	5
58.	J/V UNIVERSITY OF CRETE-RETHYMNON	25,00	2
59.	J/V PROJECT FOR COMPLETION OF WASTEWATER TREATMENT (BIOLOGICAL)	50,00	4
60.	J/V EKTER-TERNA (THETIKON)	50,00	4
61.	TERNA SA & Co	99,00	4
62.	J/V AKTOR-TERNA SA	50,00	4
63.	J/V AKTOR-TERNA SA IASO BUILDING	50,00	4
64.	TERNA SA - PANTECHNIKI S.A. (OAKA)	50,00	3
65.	J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	31,50	1
66.	J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	35,00	1
67.	J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	33,33	1
68.	J/V AKTOR-TERNA-J&P AVAX KALLIDROMO TUNNEL	33,33	1
69.	J/V THEMELIODOMI-TERNA-DIEKAT-KTIRIODOMI SA	25,00	5
70.	J/V MINISTRY OF TRANSPORTATION	33,00	4
71.	J/V AEGEK TERNA	44,78	4
72.	J&P AVAX SA-TERNA SA-EYKLEIDIS	35,00	4
73.	ALTE ATE - TEPNA SA	50,00	4
74.	J/V EURO IONIA	33,33	1
75.	J/V AKTOR ATE – J&P AVAX - TERNA SA	12,00	1
76	J/V AKTOR ATE – J&P AVAX - TERNA SA	12,00	1
77	J/V TERNA-KARAYIANNIS-ATTALOS-ILIOCHORA	50,00	1
78.	J/V TERNA - AKTOR	50,00	1
79.	K/Ξ TEPNA-THALES RAIL SIGNALING	50%	1

G) Tax joint ventures that were not consolidated on 31.12.2007

No.	NAME	PARTICIPATION PERCENTAGE
1	J/V BIOTER SA-TERNA SA- REVIEW	50.00%
2	J/V BIOTER SA-TERNA SA-FENCING (APOLLONIA SPA)	50.00%
3	J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
4	J/V CAR PARK “PARKING OYIL SA”	12.16
5	J/V MARITIME MIDSHIPMEN –GNOMON ATE-GEK SA-GENER SA	33.00%
6	J/V IMPREGILO S.p.a – TERNA SA-ALTE SA (EXECUTIONS)-in clearance	33.33%
7	J/V ARCHIRODON HELLAS ATE-TERNA SA	30.00%
8	J/V ATHINA ATE-PANTECHNIKI SA –TERNA SA	33.33%
9	J/V EVINOU-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%
10	J/V CENTRAL GREECE MOTORWAY E-65	33.33%

The aforementioned joint ventures from No 1 till No 9 for technical projects construction in which the Company participates have already completed the projects for which they were established for, the guarantee time has passed, the relations with third parties are cleared and their final clearance is pending. The Joint Venture 10 has not started its activities yet.

H) Associates of TERNA SA

Name	Country of domicile	Participation percentage 2007	Participation percentage 2006	Consolidation method	Tax unaudited years
HAMRIYAH CEMENT COMPANY FZC*	U.A.E.	40.00	-	Equity	1
ATTIKAT ATE	Greece	21.40	-	Equity	5

(Amounts in thousand Euros, unless otherwise stated)

I) Subsidiaries of TERNA ENERGY SA

	Name	Country of domicile	Participation percentage 2007	Participation percentage 2006	Consolidation method	Tax unaudited years
1	IWECO CHONOS LASITHI CRETE SA	Greece	100,00	100,00	Full	2
2	TERNA ENERGY ABETE&Co ENERGIAKI SERVOUNIO SA	Greece	100,00	100,00	Full	2
3	TERNA ENERGY EVROS SA	Greece	100,00	100,00	Full	1
4	GP ENERGY	Bulgaria	100,00	100,00	Full	1
5	PPC RENEWABLE- TERNA ENERGY SA	Greece	51,00	51,00	Full	2
6	TERNA ENERGY ABETE & SIA AIOLIKI RACHOYLAS DERVENOCHORION G.P.	Greece	100,00	100,00	Full	1
7	TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU G.P.	Greece	100,00	100,00	Full	1
8	TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRAIANOUPOLEOS G.P.	Greece	100,00	100,0	Full	1
9	TERNA ENERGY ABETE & SIA ENERGIAKI DERVENOHORION G.P.	Greece	100,00	100,00	Full	1
10	TERNA ENERGY ABETE & SIA ENERGIAKI VELANIDION LAKONIAS G.P.	Greece	100,00	100,00	Full	1
11	TERNA ENERGY ABETE & SIA ENERGIAKI DISTION EVIAS G.P.	Greece	100,00	100,00	Full	1
12	TERNA ENERGY ABETE & SIA AIOLIKI PASTRA ATTIKIS G.P.	Greece	100,00	100,00	Full	1
13	TERNA ENERGY ABETE & SIA AIOLIKI MALEA LAKONIAS G.P.	Greece	100,00	100,00	Full	1
14	TERNA ENERGY ABETE & SIA ENERGIAKI FERRON EVROU G.P.	Greece	100,00	100,00	Full	1
15	TERNA ENERGY ABETE & SIA AIOLIKI DERVENI TRAIANOUPOLEOS G.P.	Greece	100,00	100,00	Full	1
16	TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS G.P.	Greece	100,00	100,00	Full	1
17	TERNA ENERGY ABETE & SIA ENERGIAKI ARI SAPPON G.P.	Greece	100,00	100,00	Full	1
18	TERNA ENERGY ABETE & SIA ENERGIAKI PELOPONNISOU G.P.	Greece	100,00	100,00	Full	1
19	TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS ELLADOS G.P.	Greece	100,00	100,00	Full	1
20	TERNA ENERGY ABETE & SIA AIOLIKI MARMARIOU EVIAS G.P.	Greece	100,00	100,00	Full	1
21	TERNA ENERGY ABETE & SIA ENERGIAKI PETRION EVIAS G.P.	Greece	100,00	100,00	Full	1
22	TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENOHORION G.P.	Greece	100,00	100,00	Full	1
23	TERNA ENERGY ABETE & SIA ENERGIAKI STIRON EVIAS G.P.	Greece	100,00	100,00	Full	1
24	TERNA ENERGY ABETE & SIA ENERGIAKI NEAPOLEOS LAKONIAS G.P.	Greece	100,00	100,00	Full	1
25	TERNA ENERGY ABETE & SIA AIOLIKI PANORAMATOS DERVENOHORION G.P.	Greece	100,00	100,00	Full	1
26	TERNA ENERGY ABETE & SIA ENERGIAKI KAFIREOS EVIAS G.P.	Greece	100,00	100,00	Full	1
27	EOL TECHNICS SRL	Romania	100,00	-	Full	-

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

(Amounts in thousand Euros, unless otherwise stated)

J) Tax Joint ventures of TERNA ENERGY ABETE proportionally consolidated

	Name	Participation percentage 2007 and 2006 %	Tax unaudited years
1.	J/V TRAM POLITICAL ENGINEERING WORKS	36%	1
2.	J/V ENVAGELISMOU, PROJECT C'	50%	4
3.	J/V TERNA ENERGY - TSAMPR. DRAMAS HOSPITAL	40%	4
4.	J/V EPL DRAMAS	24%	4
5.	J/V TERNA ENERGY - OLYMPIOS ATE	50%	1
6.	J/V K. MANIOTIS - TERNA - TERNA ENERGY	37.50%	4
7.	TERNA ENERGY ABETE- M.E.L. MACEDONIAN PAPER COMPANY SA & SIA SYBAR G.P.	50%	5
8.	TERNA ENERGY SA & SIA ENERGIAKI XIROVOUNIOU G.P.	70%	5
9.	J/V/ EMBEDOS - PANTECHNIKI - TERNA ENERGY	50.10%	4
10.	J/V THEMELI-TERNA ENERGY ABETE-J/V TERNA SA	40%	1
11.	J/V EKTER - TERNA - ATHONIKI	31%	1
12.	J/V/ KL. ROUTSIS - TERNA ENERGY ABETE	50%	1
13	TERNA ENERGY ABETE & Co	70%	5

K) Associates of TERNA ENERGY ABETE

Name	Country of domicile	Participation percentage %		Consolidation method	Tax unaudited years
		2007	2006		
Energy Center RES Cyclades SA *	Greece	45.00	45.00	Net Equity	2

* Participation through IWECO CHONOS LASITHI CRETE SA.

6 SEGMENT REPORTING

The table below presents the analysis of the results of the Group as of the 31st of December 2007 and the 31st of December 2006 according to its main activities:

(Amounts in thousand Euros, unless otherwise stated)

Business Segments 31.12.2007	**Construction**	**Electricity from renewable sources**	**Electricity from Thermal sources**	**Real Estate**	**Industry**	**Concessions**	**Non-allocated**	**Eliminations on Consolidation**	**Total**
Revenues from external clients									
Sales of products	6,185	21,082	35,148	14,895	9,293	0	0		**86,603**
Sales of services	4,437	0	0	2,868	0	7,010	375		**14,690**
Revenues from construction activities	344,846	0	0	0	0	0	0		**344,846**
Total revenues from external clients	**355,468**	**21,082**	**35,148**	**17,763**	**9,293**	**7,010**	**375**		**446,139**
Intrasegment revenues	30,414	0	0	40	6,336	0	0	(36,790)	**0**
Total revenues	**385,882**	**21,082**	**35,148**	**17,803**	**15,629**	**7,010**	**375**	**(36,790)**	**446,139**
Results per segment	**23,519**	**10,197**	**6,071**	**36,359**	**417**	**2,567**	**8,789**	**(9,381)**	**78,538**
Net financial results									**(12,428)**
Earnings from associates	555	(2)		901					**1,454**
Income tax									**(13,481)**
Net results									**54,083**
Net depreciation for the year	8,562	4,523	4,252	165	1,376	639	10		**19,527**
EBITDA	24,172	14,736	10,322	36,056	1,747	3,206	99		**90,338**
EBIT	15,610	10,213	6,070	35,891	371	2,567	89		**70,811**
Assets per segment	391,175	207,722	108,848	212,725	23,357	51,969	489,363	(115,869)	**1.369.290**
Investments in associates	29,313	10	0	12,650	8,562	0	0		**50,535**
Total assets	**420,488**	**207,732**	**108,848**	**225,375**	**31,919**	**51,969**	**489,363**	**(115,869)**	**1,419,825**
Liabilities of segments	**276,733**	**59,544**	**18,752**	**22,383**	**11,692**	**4,852**	**408,546**	**(103,129)**	**699,373**
Capital expenditure	11,717	72,744	835	44,540	841	849	80		**131,606**

(Amounts in thousand Euros, unless otherwise stated)

Business Segments 31.12.2006	Construction	Electricity from renewable sources	Electricity from Thermal sources	Real Estate	Industry	Concessions	Non-allocated	Eliminations on Consolidation	Total
Revenues from external clients									
Sales of products	292	16,914	33,688	11,484	4,447	0	0		**66,825**
Sales of services	116	434	0	2,677	0	1,719	143		**5,089**
Revenues from construction activities	265,619	0	0	0	0	0	0		**265,619**
Total revenues from external clients	**266,027**	**17,348**	**33,688**	**14,161**	**4,447**	**1,719**	**143**		**337,533**
Intrasegment revenues	17,534	0	0	0	7,895	0	0	(25,429)	**0**
Total revenues	**283,561**	**17,348**	**33,688**	**14,161**	**12,342**	**1,719**	**143**	**(25,429)**	**337,533**
Results per segment	**17,313**	**9,120**	**11,643**	**12,145**	**2,924**	**47**	**(809)**	**(2,246)**	**50,137**
Profit from discontinued operations before tax				6,182					**6,182**
Operating results									**56,319**
Net financial results									**(10,004)**
Earnings from associates				(1,658)					**(1,658)**
Income tax									**(12,872)**
Net results									**31,786**
Net depreciation for the year	6,134	5,334	4,123	159	630	236	0		**16,614**
EBITDA	22,447	14,452	15,762	16,250	(37)	283	355		**69,512**
EBIT	16,313	9,118	11,639	16,091	(667)	47	355		**52,896**
Assets per segment	296,004	136,784	66,963	166,526	13,116	24,441	191,653	(44,663)	**850,824**
Investments in associates		12		9,249					**9,261**
Total assets	**296,004**	**136,796**	**66,963**	**175,775**	**13,116**	**24,441**	**191,653**	**(44,663)**	**860,085**
Liabilities of segments	**186,662**	**44,760**	**27,315**	**21,019**	**2,321**	**4,607**	**217,963**	**(43,538)**	**461,109**
Capital expenditure	17,848	42,438	1,064	15,960	112	10,348	0		**87,770**

(Amounts in thousand Euros, unless otherwise stated)

Geographical segments 31.12.2007	Greece	Balkans	Middle East	Non allocated	Consolidated totals
Revenues from external clients	326,404	75,425	43,935	375	**446,139**
Assets	747,396	141,886	41,180	489,363	**1,419,825**
Capital expenditure	89,909	35,773	5,924		**131,606**

Geographical segments 31.12.2006	Greece	Balkans	Middle East	Non allocated	Consolidated totals
Revenues from external clients	278,260	66,057	2,190	143	**346,650**
Assets	563,837	102,712	1,883	191,653	**860,085**
Capital expenditure	77,634	10,121	15	0	**87,770**

7 INTANGIBLE ASSETS

The intangible fixed assets figure reported in the attached financial statements as of the 31st of December 2007, is analysed as follows:

	GROUP		
	Concessions and Royalties	**Software**	**Total**
Net Book Value 1.1.2007	**6,175**	**117**	**6,292**
Additions	751	41	792
Newly consolidated companies	188	0	188
(depreciation for the year)	(274)	(64)	(338)
Balance 31.12.2007	**6,840**	**94**	**6,934**
Cost 01.01.2005	7,293	764	8,057
Accumulated depreciation	(1,118)	(647)	(1,765)
Net Book Value 01.01.2007	**6,175**	**117**	**6,292**
Cost 31.12.2007	8,245	981	9,226
Accumulated depreciation	(1,405)	(887)	(2,292)
Net Book Value 31.12.2007	**6,840**	**94**	**6,934**

(Amounts in thousand Euros, unless otherwise stated)

	GROUP		
	Concessions and Royalties	**Software**	**Total**
Net Book Value 1.1.2006	**5,682**	**179**	**5,861**
Additions	688	60	745
(depreciation for the year)	(195)	(122)	(317)
Balance 31.12.2006	**6,175**	**117**	**6,292**
Cost 01.01.2006	6,605	704	7,309
Accumulated depreciation	(923)	(525)	(1,448)
Net Book Value 01.01.2006	**5,682**	**179**	**5,861**
Cost 31.12.2006	7,208	764	7,972
Corrections and reclassifications	85	0	85
Revised cost 31.12.2006	7,293	764	8,057
Accumulated depreciation 31.12.2006	(1,116)	(647)	(1,763)
Corrections and reclassifications	(2)	0	(2)
Revised accumulated depreciations 31.12.2006	(1,118)	(647)	(1,765)
Net Book Value 31.12.2006	**6,175**	**117**	**6,292**

The depreciation for 2007 and 2006 are recorded in income statement, euros 85 at cost of sales (0 euros in 2006) and euros 253 at Administration and Distribution Expenses (317 in 2006).

In the concession and rights account there are recorded purchased rights for the exploitation of quarries, of net book value of euro 5,291 (5,492 in 2006), with initially agreed period of 20-30 years. Also, in the account are recorded the paid rights for the installation of wind parks, for a net book value of euro 1,381 (681 in 2006).

8 TANGIBLE FIXED ASSETS

The tangible fixed assets account reported in the attached financial statements as of the 31st of December 2007, is analysed as follows:

(Amounts in thousand Euros, unless otherwise stated)

GROUP	Quarries/ Land Plots	Buildings	Machinery	Vehicles	Other	Fixed Assets under construction	Total
Net Book Value 1.1.2007	**7,361**	**68,243**	**157,934**	**6,818**	**2,243**	**14,741**	**257,340**
Additions	956	3,542	15,629	5,267	1,709	54,331	81,434
Additions based on provisions	114	0	0	0	0	0	114
Transfers	0	0	6,588	216	(8)	(6,796)	0
(Sales-Deletions)	0	(266)	(835)	(97)	(168)	0	(1,366)
New companies in the consolidation	7,651	18	1	0	0	0	7,670
Transfers to investment property	0	0	0	0	0	(2,451)	(2,451)
Transfers to inventory	0	0	0	0	0	(9,199)	(9,199)
(Depreciation for the year)	(277)	(4,286)	(13,219)	(2,077)	(1,132)	0	(20,991)
Balance as at 31.12.2007	**15,805**	**67,251**	**166,098**	**10,127**	**2,644**	**50,626**	**312,551**
Cost 01.01.2007	7,361	76,542	203,340	12,223	9,234	14,741	323,441
Accumulated Depreciation	0	(8,299)	(45,406)	(5,405)	(6,991)	0	(66,101)
Net Book Value 01.01.2007	**7,361**	**68,243**	**157,934**	**6,818**	**2,243**	**14,741**	**257,340**
Cost 31.12.2006	**16,082**	**79,828**	**224,692**	**17,609**	**10,767**	**50.626**	**399.604**
Accumulated Depreciation 31.12.2007	**(277)**	**(12,577)**	**(58,594)**	**(7,482)**	**(8,123)**	**0**	**(87,053)**
Net Book Value 31.12.2007	**15,805**	**67,251**	**166,098**	**10,147**	**2,644**	**50,626**	**312,551**

(Amounts in thousand Euros, unless otherwise stated)

GROUP	Quarries/ Land Plots	Buildings	Machinery	Vehicles	Other	Fixed Assets under construction	Total
Net Book Value 1.1.2006	**6,660**	**44,451**	**119,591**	**4,332**	**1,860**	**27,721**	**204,615**
Corrections and reclassifications	0	0	667	0	0	0	667
Restated net book value 1.1.2006	**6,660**	**44,451**	**120,258**	**4,332**	**1,860**	**27,721**	**205,282**
Additions	701	22,708	19,279	1,874	1,982	24,521	71,065
(Disposals – Write-offs)	0	(52)	(1,017)	(45)	(87)	0	(1,201)
Transfers	0	4,867	30,562	2,017	55	(37,501)	0
(Depreciation for the year)	0	(3,731)	(11,148)	(1,360)	(1,567)	0	(17,806)
Balance as at 31.12.2006	**7,361**	**68,243**	**157,934**	**6,818**	**2,243**	**14,741**	**257,340**
Cost 1.1.2006	6,660	49,019	153,849	8,377	7,284	27,721	252,910
Corrections and reclassifications	0	0	667	0	0	0	667
Restated cost 1.1.2006	6,660	49,019	154,516	8,377	7,284	27,721	253,577
Accumulated Depreciation	0	(4,568)	(34,258)	(4,045)	(5,424)	0	(48,295)
Net Book Value 01.01.2006	**6,660**	**44,451**	**120,258**	**4,332**	**1,860**	**27,721**	**205,282**
Cost 31.12.2006	7,361	76,388	204,946	12,223	8,919	8,374	318,211
Corrections and reclassifications	0	154	(1,606)	0	315	6,367	5,230
Restated cost 31.12.2006	7,361	76,542	203,340	12,223	9,234	14,741	323,441
Accumulated Depreciation	0	(8,299)	(47,187)	(5,405)	(6,676)	0	(67,567)
Corrections and reclassifications	0	0	1,781	0	(315)	0	1,466
Restated accumulated depreciation 31.12.2006	0	(8,299)	(45,406)	(5,405)	(6,991)	0	(66,101)
Net Book Value 31.12.2006	**7,361**	**68,243**	**157,934**	**6,818**	**2,243**	**14,741**	**257,340**

(Amounts in thousand Euros, unless otherwise stated)

COMPANY	Machinery	Vehicles	Other	Fixed Assets under construction	Total
Net Book Value 1.1.2007	**2**	**0**	**17**	**0**	**19**
Additions	40	0	3	0	43
(Disposals – Write-offs)	0	0	0	0	0
(Depreciation for the year)	(2)	0	(10)	0	(12)
Balance as at 31.12.2007	**40**	**0**	**10**	**0**	**50**
Cost 01.01.2007	4	61	1,223	0	1,288
Accumulated Depreciation	(2)	(61)	(1,206)	0	(1,269)
Net Book Value 01.01.2007	**2**	**0**	**17**	**0**	**19**
Cost 31.12.2006	44	61	1,226	0	1,331
Accumulated Depreciation	(4)	(61)	(1,216)	0	(1,281)
Net Book Value 31.12.2007	**40**	**0**	**10**	**0**	**50**

COMPANY	Machinery	Vehicles	Other	Fixed Assets under construction	Total
Net Book Value 1.1.2007	**2**	**1**	**32**	**0**	**35**
Additions	0	0	0	0	0
(Disposals – Write-offs)	0	(1)	0	0	(1)
(Depreciation for the year)	0	0	(15)	0	(15)
Balance as at 31.12.2007	**2**	**0**	**17**	**0**	**19**
Cost 01.01.2007	4	62	1,223	0	1,289
Accumulated Depreciation	(2)	(61)	(1,191)	0	(1,254)
Net Book Value 01.01.2007	**2**	**1**	**32**	**0**	**35**
Cost 31.12.2006	4	61	1,223	0	1,288
Accumulated Depreciation	(2)	(61)	(1,206)	0	(1,269)
Net Book Value 31.12.2007	**2**	**0**	**17**	**0**	**19**

The depreciation for the Group for 2007 is recorded in the Income Statement in the cost of sales account for euros 19,767 (17,091 in 2006), in the distribution and administration expenses for euros 1,134 (715 in 2006) and in Research and Development expenses for euro 93 (0 in 2006).

Of the tangible fixed assets analyzed above, the following have been acquired through financial leasing:

(Amounts in thousand Euros, unless otherwise stated)

	GROUP		
	Machinery	**Vehicles**	**Total**
Cost 31.12.2007	**64,381**	**18,173**	**82,554**
Less: Accumulated Depreciation	7,277	2,350	**9,627**
Net Book Value 31.12.2007	**57,104**	**15,823**	**72,927**

	GROUP		
	Machinery	**Vehicles**	**Total**
Cost 31.12.2006	**57,433**	**2,028**	**59,461**
Less: Accumulated Depreciation	(6,896)	(79)	**(6,975)**
Net Book Value 31.12.2006	**50,537**	**1,949**	**52,486**

On property of group's companies at 31.12.2007 having a book value of euros 42,545 there are prenotations amounting to euros 11,307 (17,100 in 2006) for securing bank loans.

During 2007 there were expenses amounting to 75,004 (24,251 in 2006) for fixed assets that are under construction.

In years 2007 and 2006, wind-generators for wind parks of a net book value of euro 17,538 (22,721 in 2006) which are included above as "Machinery", have been collateralized towards banks as security for loans.

The Group has made provisions for the rehabilitation of the land in which it has installed wind parks for the production of electricity, amounting to euro 412 (406 at 31.12.2006). This amount is recorded as tangible asset and as liability and is depreciated in the income statements for a period equal to the production life of the wind park.

The categories "Land-Plots", "Buildings" and "Machinery", include a net book value of 6,060, and 6,710, as at December 31st 2007, and 2006, respectively, which concerns Installations of Distribution Networks constructed by the Company and, as stipulated by the agreements with PPC, are transferred to PPC with no charge, during the commencement of operations of each wind park. The same applies to inventories related to Distribution Network for the amount of euro 179. Due to legal and procedural difficulties, until today no transfer has taken place. However, following their transfer, such installations will continue to serve the purpose of their construction, namely the sale of the produced electric energy to PPC and DESMIE, and they will remain at the exclusive use by the Company. Therefore, the net book value during the transfer date will continue to be depreciated, as previously, until the completion of the 20year depreciation period of wind parks.

9 INVESTMENT PROPERTY

The investment property account reported in the attached financial statements as of the 31st of December 2007, is analysed as follows.

	GROUP		COMPANY	
	2007	**2006**	**2007**	**2006**
Balance January 1st	**68,946**	**77,227**	**24,937**	**24,466**
Corrections and reclassifications	0	274	0	0
Restated balance January 1st	**68,946**	**77,501**	**24,937**	**24,466**

(Amounts in thousand Euros, unless otherwise stated)

Additions	34,874	15,960	0	642
Reductions	(4,255)	(5,967)	(4,075)	(401)
Adjustments to fair value	34,714	10,610	907	229
Transfers from inventory and fixed assets	13,625	0	0	0
Transfers of recoverable VAT to receivables	(540)	0	0	0
Transfers to held for sale	0	(29,158)	0	0
Balance 31 December	**147,364**	**68,946**	**21,769**	**24,937**

During 2007 the investment property of the company and the group were valued at fair value and the surplus that emerged was recorded in the income statement in the account Other income/expenses (see also note 27).

Investment property that in the previous period 2006 were transferred to the non-current assets held for sale refer to the sold in 2007 company DIKEVE SA.

10 PARTICIPATIONS IN ASSOCIATES

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

GROUP 31.12.2007	Assets	Liabilities	Equity	Revenue	Net earnings
GEKA SA	38,308	14,859	23,449	4,328	3,029
KEKROPS SA	18,977	6,254	12,723	915	4,496
HAMRIYAH CEMENT CO	12,121	12,244	(123)	102	(817)
ATTIKAT ATE	418,253	282,104	136,150	180,318	2,860
CENTRE OF RENEWABLE ENERGY SOURCES KYKLADES SA	49	26	23	0	(4)

COMPANY 31.12.2007	Assets	Liabilities	Equity	Revenue	Net earnings
GEKA SA	38,308	14,859	23,449	4,328	3,029
KEKROPS SA	18,977	6,254	12,723	915	4,496

GROUP 31.12.2006	Assets	Liabilities	Equity	Revenue	Net earnings
GEKA SA	46,770	26,350	20,420	1,899	4,874
KEKROPS SA	12,760	2,822	8,228	316	(574)
CENTRE OF RENEWABLE ENERGY SOURCES KYKLADES SA	47	21	26	0	(32)

COMPANY 31.12.2006	Assets	Liabilities	Equity	Revenue	Net earnings
GEKA SA	46,770	26,350	20,420	1,899	4,874
KEKROPS SA	12,760	2,822	8,228	316	(574)

The fair value of the listed in Athens Exchange KEKROPS SA at 31.12.2007 was euros 12,231 (9,343 at 31.12.2006). The respective value of the listed ATTIKAT SA at 31.12.2007 was euros 18,174.

The net position of the newly established associate PRIME REALTY LTD amounts to 10,000 euros. The company at 31.12.2007 has not started its activities.

11 OTHER LONG TERM RECEIVABLES

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Receivables from grants	12,604	7,086	0	0
Receivables from withheld money from clients as a guarantee for good execution	3,319	4,179	0	0
Loans to joint ventures	0	0	3,200	1,700
Given guarantees	10,019	1,049	6	9
Total	**25,942**	**12,314**	**3,206**	**1,709**

The Group till 31.12.2007 recognised receivables from grants amounting to euro 12,604 (7,086 at 31.12.2006). These grants refer to investments in Wind Park of Terna Energy Evros SA and PPC Renewable-Terna Energy SA which are expected to be received after the completion of the relevant investments which is estimated at the end of 2008.

Also, the Given guarantees account includes guarantees of € 10,019 million of which € 9,968 refers to guarantees to foreign companies for achieving production priority for future co-operation.

12 INVENTORIES

The inventory and work in progress figure reported in the attached financial statements as of the 31st of December 2007, is analysed as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Raw and auxiliary materials	16,214	17,977	6,432	8,256
Finished products and work in progress	14,163	11,349	1,306	6,467
Buildings under construction	14,266	17,548	3,694	2,023
Merchandise	15,939	8,478	108	0
Total	**60,582**	**55,352**	**11,540**	**16,746**

Raw and auxiliary materials refer to materials that would be used in technical projects undertaken by the Company.

Finished products mainly refer to non-active material. On 31st of December 2007 and 2006 there were no provisions for impaired or slow moving inventories.

13 TRADE RECEIVABLES AND PREPAYMENTS AND OTHER RECEIVABLES

The trade receivables figure reported in the attached financial statements as of the 31st of December 2007, is analysed as follows:

(Amounts in thousand Euros, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Trade receivables	141,406	125,285	10,710	7,608
Receivables from construction contracts under development	75,539	53,478	1,893	245
Customers - Doubtful and in Litigation	5,712	5,689	0	0
Overdue Notes/Cheques Receivable	17	89	0	0
Checks receivable	4,931	7,208	250	4,443
Less: Impairment account for doubtful debt	(8,034)	(9,315)	0	0
	219,571	**182,434**	**12,853**	**12,296**

The aforementioned trade receivables include the receivables from Wind Energy customers amounting to euro 370 (4,108 at December, 31 2006) which are pledged to banks for securing loans for the construction of Wind Parks.

The prepayments and other receivables at December, 31 2007 included in the attached financial statements are analysed as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Prepayments to suppliers	43,264	8,757	396	992
Prepayments and Credits Control Accounts	5,477	4,159	48	0
Prepaid expenses – Accrued Income	10,950	5,557	0	27
Other receivables by Group's joint ventures	14,395	6,076	316	121
Other receivables-Sundry debtors	32,190	30,180	862	1,258
Blocked deposits	1,493	1,558	0	0
Less: Impairment account for doubtful receivables	(2,364)	(1,304)	0	0
	105,945	**54,983**	**1,622**	**2,398**

The Group recognised at December, 31 2007 a receivable from grant amounting to 5,648 euro. The grants refer to investment in Wind Parks which are expected to be received after the completion of the relevant investments within the year.

The movements of the impairment account for receivables from customers in the period is analysed as follows:

	GROUP	COMPANY
Balance 31.12.2006	**10,970**	**0**
Provisions for the year	1,060	
Unused provisions	(1,632)	0
Balance 31.12.2007	**10,398**	**0**

	GROUP	COMPANY
Balance 31.12.2005	**18,554**	**0**
Provisions for the year	350	
Unused provisions	(7,934)	0
Balance 31.12.2006	**10,970**	**0**

The reversal of provisions of euros 1,600 is due to the fact that reasons for which the impairment loss was recorded are no longer valid according to latest development.

(Amounts in thousand Euros, unless otherwise stated)

The receivables include amounts of 16,984 euro regarding receivables past-due between 1-5 years for which there was not recognised any impairment loss. The reason is that there is certainty that these amounts will be received in full.

14 CONTRACTS FOR THE CONSTRUCTION OF TECHNICAL PROJECTS

The technical projects under construction that have been undertaken by the Group as at the date of compilation of the attached financial statements have as follows:

	GROUP		COMPANY	
Cumulatively from the commencement of the projects	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Cumulative cost	1,388,472	1,030,157	16,736	12,514
Cumulative profit	248,928	183,682	3,529	1,906
Cumulative loss	25,889	26	0	0
Prepayments	74,151	31,441	0	0
Withheld amounts from customers	11,002	2,732	0	0
Invoiced receivables	1,572,183	1,171,872	19,001	14,177
Receivables from customers	75,539	53,478	1,893	244
Liabilities to customers	(36,211)	(11,537)	(628)	0
Net receivable from customers	39,328	41,941	1,265	244

15 OTHER FINANCIAL ASSETS

The other financial assets figure reported in the attached financial statements as of the 31st of December 2007, include shares of Societe Anonyme and Mutual Funds and are analysed as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Securities available for sale	4,662	4,238	3,365	2,975
Securities held to maturity	0	35,546	0	29,650
Securities of trading portfolio	407	256	361	210
	5,069	**40,040**	**3,726**	**32,835**

On 31.12.2007 the securities available for sale were valued at fair value and a profit of euro 381 was realised (3,055 in 2006) that was recorded in equity. The relevant amount for the company amounted to euro 206 (3,236 in 2006).

(Amounts in thousand Euros, unless otherwise stated)

16 CASH AND CASH EQUIVALENTS

The cash and cash equivalents figure reported in the attached financial statements as of the 31st of December 2007, are analysed as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Cash in hand	389	496	1	3
Sight and time deposits	424,281	108,544	19,307	23,255
Total	**424,670**	**109,040**	**19,308**	**23,258**

17 LONG-TERM LOANS AND FINANCE LEASE

The long-term loans figure reported in the attached financial statements as of the 31st of December 2007, is analysed as follows:

GROUP	**31.12.2007**	**31.12.2006**
Liabilities from finance leases	34,852	32,247
Less: Short-term portion	(13,331)	(11,016)
Long-term debt	163,447	120,575
Less : Short-term portion	(19,844)	(13,684)
	165,124	**128,122**

The repayment period of long-term loans is analysed as follows:

GROUP	**31.12.2007**	**31.12.2006**
Up to 1 year	19,844	13,684
Between 2 & 5 years	107,436	52,267
Over 5 years	36,167	54,624

Liabilities from finance lease refer to companies of the Group and the repayment periods are reported in the following table:

GROUP	**31.12.2007**	**31.12.2006**
Up to 1 year	13,331	11,016
Between 2 & 5 years	19,430	18,883
Over 5 years	2,091	2,348

Finance leases are in euro and for the most part used to cover the financing requirements of the installation and operation of a factory producing electric power, as well as the lease of mechanical and construction site equipment.

Long-term loans are in euro and for the most part are used to cover the financing requirements of the development of wind parks of the energy segment of the Group. Also, part of the long term loans cover the financing requirements of building investment property. The weighted average interest on the above loans is calculated as Euribor plus a spread of 0.9%.

(Amounts in thousand Euros, unless otherwise stated)

18 PROVISIONS FOR STAFF LEAVING INDEMNITIES

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

The liabilities for staff indemnity liabilities were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions recorded in the results for the financial year ended on the 31st of December 31, 2007 and the movement of the relevant provision accounts for staff indemnities presented in the attached consolidated Balance Sheet for the year ended on December 31st 2007.

The provision for staff indemnities recognized in the consolidated Balance Sheet for the financial year is as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Present value of liabilities	1,799	1,663	140	170
Non recorded actuarial losses	(36)	(492)	37	(49)
Recognised liability	**1,763**	**1,171**	**177**	**121**

The expense for staff indemnities recognised in the income statements at the cost of sale account is as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Current service cost	399	215	13	12
Finance cost	90	63	9	6
Recognition of actuarial profit/loss	122	103	12	0
Additional payments	0	40	0	0
Effect of cutbacks or settlements	376	0	23	0
	987	**421**	**57**	**18**

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

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Opening balance	**1,171**	**1,495**	**121**	**121**
Corrections and reclassifications	0	(13)	0	0
Revised opening balance	**1,171**	**1,482**	**121**	**121**
Provision recognized in the income statement	956	421	57	18
Indemnities paid	(364)	(732)	0	(18)
Closing balance	**1,763**	**1,171**	**178**	**121**

(Amounts in thousand Euros, unless otherwise stated)

The main assumptions for the financial years 2007 and 2006 are as follows:

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

19 OTHER PROVISIONS

The movement of the relevant provision in the Balance Sheet for the years 2007 and 2006 is as follows:

	GROUP		
	Provisions for restoration of nature	**Other provisions**	**Total**
Balance 1.1.2007	**406**	**1,307**	**1,713**
Provision recognised in assets	113	2,502	**2,615**
Provision recognised in the income statement	6	1,797	**1,803**
Used provisions	0	104	**104**
Balance 31.12.2007	**525**	**5,710**	**6,235**

	GROUP			COMPANY		
	Provisions for restoration of nature	**Other provisions**	**Total**	**Provisions for restoration of nature**	**Other provisions**	**Total**
Balance 1.1.2006	**0**	**2,406**	**2,406**	**0**	**315**	**315**
Corrections and reclassifications	759	(621)	**138**	0	0	**0**
Restated balance 1.1.2006	**759**	**1,785**	**2,544**	**0**	**315**	**315**
Provision recognised in the income statement	262	0	**262**	0	0	**0**
Provision recognised in assets	(615)	0	**(615)**	0	0	**0**
Used provisions	0	(478)	**(478)**	0	(315)	**(315)**
Balance 31.12.2006	**406**	**1,307**	**1,713**	**0**	**0**	**0**

Companies of the energy segment are obliged to restore nature in places they install units for the production of electricity when the installation finishes and the licences granted by the state last for twenty years. The aforementioned provision of euro 525 (406 at 31.12.2006) reflects the necessary expenses for un-installation and area restoration with the use of current technology and material.

(Amounts in thousand Euros, unless otherwise stated)

20 GRANTS

The grants figure reported in the attached financial statements for the year 2007 and 2006 are analysed as follows:

Net book value 1.1.2007	**39,983**
Receipt of grants	3,586
Approved grants	9,948
Amortisation of grants	(1,820)
Net book value 31.12.2007	**51,697**
Balance 1.1.2006	**16,087**
Corrections and reclassifications	89
Restated balance 1.1.2006	**16,176**
Transfers to income statement	(1,507)
Receipt of grants	16,685
Approved grants	8,629
Net book value 31.12.2006	**39,983**

Grants relate to government grants for the development of Wind Parks and are amortized according to the depreciation rate of fixed assets granted, in the income statement such refer to.

The approved grants refer to amounts not yet collected amounting to € 5,241 which are included in "Other long-term receivables" and € 4,412 included in ''Prepayments and other receivables''. Such grants were recognized based on the Group's Management's certainty that all the requirements for the collection of the grants are met regularly and that eventually the amounts will be received with the completion of the relevant investments. The aforementioned non-received grants are amortized in income only by the portion that corresponds to fully completed and operating wind generators of wind parks.

21 SUPPLIERS AND ACCRUED AND OTHER LIABILITIES

The suppliers figure reported in the attached financial statements as of the 31st of December 2007, is analysed as follows:

	GROUP		**COMPANY**	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Suppliers- Subcontractors	59,414	7,087	0	439
Suppliers-other	19,604	50,846	245	348
Cheques payable	7,806	15,325	0	0
	86,824	**73,258**	**245**	**787**

The account accrued and other short-term liabilities at 31st of December 2007 in the attached financial statements is analysed as follows:

(Amounts in thousand Euros, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Liabilities from taxes-duties	9,056	12,863	139	183
Insurance organizations	1,735	2,324	34	40
Dividends payable	273	260	194	185
Social Security Funds	16,823	4,796	0	0
BoD remuneration	120	1,490	0	500
Customer prepayments	68,031	39,779	1,381	383
Accrued expenses and prepaid income	9,588	4,642	0	131
Liabilities arising from contracts related to construction projects under development	36,211	11,537	628	0
Various creditors	3,516	18,740	0	43
	145,353	**96,431**	**2,376**	**1,465**

22 SHORT TERM LOANS

The total amount of the Group's short-term loans refers to current bank accounts having a duration between one and three months and are renewed depending on the needs. The amounts withdrawn are mainly used to cover the short term liquidity needs for the construction of wind parks for the energy segment of the company. Following the completion of the projects, these loans become long-term. They are also used to cover the short term liabilities of the construction sector that emerge from the timing difference between the realization of the construction cost and the certification of the work completed, as well as from the large delays in the collection of receivables from the State.

The weighted average interest rate for the short-term loans is close to 5.5%.

23 SHARE CAPITAL

The share capital of the Parent amounts to € 23,567 and is totally paid and divided into 65,463,360 common shares having a nominal value of € 0.36 each. The shareholders are entitled to receive dividends, as these are proposed on an annual basis, while each share represents one vote in the General Assembly of the Shareholders.

At 31.12.2007 the company held 173,120 treasury shares amounting to 1,989 euros (0 at 31.12.2006). All shares were acquired during 2007. The weighted average number of shares was 65,436,750 shares in 2007 (65,436,350 in 2006),

The Board of Directors proposed the dividend distribution of 7,835 euros (7,856 euro in 2006), that is to say 0.12 euro per share (0.12 euro in 2006). The dividends are distributed from taxed earnings.

Earnings per share from continuing operations in 2007 amounted to 0.57 euro (0.31 euro in 2006) and were estimated based on earnings attributable to the shareholders of the parent of 37,529 euro (20,540 euro in 2006) and on average weighted number of shares between the years 2007 and 2006.

(Amounts in thousand Euros, unless otherwise stated)

24 INCOME TAX

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

The income tax figure recorded in the income statements has as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Current tax expense				
Current tax	11,646	6,068	1,784	1,056
Tax of previous years	324	2,605	200	462
	11,970	8,673	1,984	1,518
Deferred tax expense	1,511	4,199	201	517
Total	**13,481**	**12,872**	**2,185**	**2,035**

The aforementioned tax expense includes income tax for discontinued operation of 1,087 euro, which in the income statement of 2006 is shown in net results from the discontinued operation.

The tax return is submitted on an annual basis but the profits or losses declared remain provisional until the tax authorities audit the tax payer's books and records and issue a final audit report. Currently, addition taxes that may be charged during the tax audit of un-audited tax years is difficult to be calculated and therefore no relevant provision is set-up in the attached financial statements. The un-audited tax years for the Group's companies are shown below in current note.

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

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Earnings before tax	67,564	44,658	12,404	27,039
Tax (25% and 29%)	**16,891**	**12,951**	3,101	**7,841**
Tax on distributed reserves	115	268	115	268
Additional real estate tax	59	59	30	39
Deemed taxation on construction revenue	511	707	(245)	0
Non-exempt tax expenses	2,209	578	383	133
Effect from tax rate change	0	(1,554)	0	(338)
Tax differences	291	2,605	185	462
Tax rate differences from foreign operations	(4,169)	(1,256)	0	0
Non-recognised tax loss	469	99		0
Tax exempt reserves and income	(2,895)	(1,585)	(1,384)	(6,370)
	13,481	**12,872**	**2,185**	**2,035**

Deferred income tax is calculated on all the temporary tax differences between the book value and the tax base 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 asset/liability matures. The deferred tax assets and liabilities for the years 2007 and 2006 have as follows:

(Amounts in thousand Euros, unless otherwise stated)

GROUP	Balance sheet		Profit and loss account (Debit)/Credit	Equity (Debit)/Credit
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Deferred tax asset				
Expense of intangible assets	778	1,242	(464)	0
Expense for issuing capital	3,491	0	0	3,491
Recognition of construction project income according to IAS 11	6,028	4,108	1,920	0
Provision for staff indemnity	401	293	108	0
Valuation of investments	(1,760)	1,094	0	(2,854)
Tax recognised losses	1,732	301	1,431	0
Other provisions	310	162	148	0
Provisions for doubtful receivables	2,468	2,507	(39)	0
Totals	**13,448**	**9,707**	**3,104**	**637**
Deferred tax liability				
Investment property valuation	(5,969)	(311)	(5,658)	0
Recognition of financial leases	(10,086)	(8,466)	(1,620)	0
Valuation of assets	(2,840)	(970)	4	(1,874)
Depreciation differences	2,089	1,466	623	0
Recognition of construction project income according to IAS 11	0	(2,036)	2,036	0
Total	**(16,806)**	**(10,317)**	**(4,615)**	**(1,874)**
Deferred tax income/(expense)			**(1,511)**	**(1,237)**
Net deferred tax asset/(liability)	**(3,358)**	**(610)**		

GROUP	Balance sheet		Profit and loss account (Debit)/Credit	Equity (Debit)/Credit
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Deferred tax asset				
Expense of intangible assets	1,242	2,193	(951)	0
Recognition of construction project income according to IAS 11	4,108	1,502	2,606	0
Provision for staff indemnity	293	343	(50)	0
Valuation of investments	1,094	48	(48)	1,094
Tax recognised losses	301	0	301	0
Other provisions	162	36	126	0
Provisions for doubtful receivables	2,507	3,094	(587)	0
Totals	**9,707**	**7,216**	**1,397**	**1,094**
Deferred tax liability				
Investment property valuation	(311)	0	(311)	0
Recognition of financial leases	(8,466)	(4,849)	(3,617)	0
Valuation of assets	(970)	(837)	(133)	
Depreciation differences	1,466	965	501	
Recognition of construction project income according to IAS 11	(2,036)	0	(2,036)	0
Total	**(10,317)**	**(4,721)**	**(5,596)**	**0**
Deferred tax income/(expense)			**(4,199)**	**1,094**
Net deferred tax asset/(liability)	**(610)**	**2,495**		

(Amounts in thousand Euros, unless otherwise stated)

COMPANY	**Balance sheet**		**Profit and loss account (Debit)/Credit**	**Equity (Debit)/Credit**
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Deferred tax asset				
Intangible assets expense	30	50	(20)	
Valuation of investments	(1,888)	342	0	(2,230)
Provision for staff indemnity y	44	30	14	
Other	0	150	(150)	
Totals	**(1,814)**	**572**	**(156)**	**(2,230)**
Deferred tax liability				
Investment property valuation	(283)	(230)	(53)	0
Difference from asset valuation	(278)	(212)	(66)	0
Recognition of construction project income according to IAS 11	(310)	(384)	74	0
Total	**(871)**	**(826)**	**(45)**	**0**
Deferred tax income/(expense)			**(201)**	**(2,230)**
Net deferred tax asset/(liability)	**(2,685)**	**(254)**		

COMPANY	**Balance sheet**		**Profit and loss account (Debit)/Credit**	**Equity (Debit)/Credit**
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Deferred tax asset				
Intangible assets expense	50	108	(58)	0
Valuation of investments	342	0	0	342
Provision for staff indemnity y	30	0	30	0
Other	150	369	(219)	0
Totals	**572**	**477**	**(247)**	**342**
Deferred tax liability				
Investment property valuation	(230)	(266)	36	0
Valuation of participations	0	(290)	290	0
Difference from asset depreciation	(212)	0	(212)	0
Recognition of construction project income according to IAS 11	(384)	0	(384)	0
Total	**(826)**	**(556)**	**(270)**	**0**
Deferred tax income/(expense)			**(516)**	**342**
Net deferred tax assets/(liability)	**(254)**	**(79)**		

The Group and the company maintain tax exempt reserves of € 42,459 and € 41,283 respectively (31,804 euro and 27,090 euro in 2006) which will be taxed using the current tax rate in the event that they are distributed or capitalized. In the foreseeable future the Company does not intend to distribute or capitalize these reserves.

GEK SA is tax audited till 2006 while the tax-unaudited years of the consolidated companies of the Group are analysed in paragraph 5.

(Amounts in thousand Euros, unless otherwise stated)

25 REVENUE

Revenue reported in the attached financial statements as at the 31st of December 2007 has as follows:

	GROUP		COMPANY	
	1.1-31.12.2007	1.1-31.12.2006	1.1-31.12.2007	1.1-31.12.2006
Income from technical projects	341,827	265,619	4,335	8,335
Electrical Energy Sales	56,230	51,036	0	0
Industrial products – Construction Materials Sales	16,097	4,447	0	0
Rents	2,332	2,677	1,014	1,377
Property sales	15,201	11,484	15,205	13,490
Provision of services	14,452	2,270	4,788	0
	446,139	**337,533**	**25,342**	**23,202**

26 COST OF SALES AND ADMINISTRATION AND DISTRIBUTION EXPENSES

The figures for cost of sales and administration and distribution expenses reported in the attached financial statements as of the 31st of December 2007, has as follows:

Cost of sales	GROUP		COMPANY	
	1.1-31.12.2007	1.1-31.12.2006	1.1-31.12.2007	1.1-31.12.2006
Inventory cost	120,557	88,179	12,847	5,952
Staff wages	37,461	23,351	183	345
Subcontractors	126,654	100,175	3,755	10,747
Fees for technical advisors	35,178	19,046	1,960	0
Other third party benefits	17,519	18,671	50	62
Tax – duties	0	1,510	0	0
Depreciation	19,852	17,091	10	0
Other	22,191	8,420	111	478
	379,412	**276,443**	**18,916**	**17,584**

Administrative expenses	GROUP		COMPANY	
	1.1-31.12.2007	1.1-31.12.2006	1.1-31.12.2007	1.1-31.12.2006
Staff wages	10,046	8,013	1,045	805
Subcontractors	543	627	0	0
Fees for technical advisors	6,979	4,987	617	695
Other third party benefits	1,228	3,950	28	101
Depreciation	1,387	1,032	2	16
Other	13,737	11,243	370	519
	33,920	**29,852**	**2,062**	**2,136**

27 OTHER OPERATING INCOME/(EXPENSES)

The figures for other operating income/(expenses) reported in the attached financial statements as of the 31st of December 2007, has as follows:

(Amounts in thousand Euros, unless otherwise stated)

	GROUP		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Dividends from participations in subsidiaries	0	0	5,382	5,375
Dividends from investments	28	207	16	14
Profit/loss from investment valuation	9,487	0	0	120
Profit from the sale of investments	2,578	2,840	205	109
Loss from the sale of other participations	(152)		(152)	0
Profit from the sale of participation in subsidiaries	0	0	0	16,643
Other services revenue	2,993	1,148	8	71
Amortisation of grants	1,820	1,507	0	0
Property valuation	34,714	4,521	907	229
Income from rents	476	1,474		
Other provisions	(1,998)	0		
Reversal of impairment for doubtful receivables	0	7,935	0	0
Foreign exchange differences	(1,852)	745		
Other taxes	(228)	(380)	(117)	(247)
Total	**47,866**	**19,997**	**6,249**	**22,314**

28 FINANCIAL INCOME/(EXPENSES)

Financial income/(expenses) at 31st of December 2007 have as follows:

	GROUP		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Interest received from deposits	6,290	2,950	2,060	1,292
Loan interest	(18,718)	(12,954)	(269)	(49)
Total	**(12,428)**	**(10,004)**	**1,791**	**1,243**

29 PAYROLL COST

Staff wages and the average number of employees as of December 31st 2007 have as follows:

	GROUP		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Wages and ensuing benefits	37,391	19,821	862	917
Insurance and pension fund contributions	8,885	6,957	169	215
Provision for employee indemnities	956	421	56	18
Other	275	165	142	0
Total expenses	**47,507**	**27,364**	1,229	1,150
Average number of employees	950	842	25	40

(Amounts in thousand Euros, unless otherwise stated)

30 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

At the beginning of 2007 the company DIKEVE SA was sold and did not present significant results till its sale. This company on 31/12/2006 was reported as discontinued operation while before was recorded in the real estate segment. The agreed amount of sale amounted to euro 27,377.

The following table reports summary financial information of the sold company at the date off its sale:

Investment property	29,158
Receivables	11,172
Cash	140
Loans	(10,802)
Other liabilities	(3,754)
Net assets and liabilities	**25,914**

In 2006 the company had cash flows from operating activities of 11,192 euro, from investment activities 2,898 euro and from financing activities 14,197 euro.
The assets and liabilities of the company at 31.12.2006 are analysed as follows:

Investment property	29,158
Receivables	296
Cash	140
Loans	(10,801)
Other liabilities	(2,191)
Net assets and liabilities	(1,562)
	15,040

The analysis of the results for this company for 2006 has as follows:

Revenue	919
Difference of the fair value of investment property	6,089
Expenses	(826)
Profit before tax from discontinued operations	6,182
Tax	(1,087)
Profit after tax from discontinued operations	**5,095**

31 ACQUISITION OF COMPANIES

A) On 16/01/07 and on 12/7/2007 the group acquired the 51% and 49% respectively of the shares and voting rights of **LITHOS SA.** The acquired company did not have any cash. The company is active in quarry exploration.
Information on the net assets that were acquired and on goodwill are as follows:

Agreed price (paid)	2,733
Direct expenses	100
Total	**2,833**
Fair value of net recognizable assets	5,773
Negative Goodwill	2,940

The amount of negative goodwill of 2,940 euros, is recorded in Other income/expenses of the consolidated results

(Amounts in thousand Euros, unless otherwise stated)

The difference emerged by the acquisition of LITHOS SA is due to the fact that the price paid was less that the fair value of the company's assets acquired and specifically the fair value of the quarry the company exploits.

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

	Fair value at acquisition
Intangible assets	187
Tangible assets	7,761
Deferred tax receivables	28
Receivables	80
Provisions	(114)
Liabilities	(2,169)
Net assets	**5,773**

B) As already mentioned in note 10, the Group acquired in May and June the 21.4% of the listed company ATTI-KAT SA.

Information on net assets that were acquired and on goodwill are as follows:

Agreed price (paid)	22,718
Direct expenses	100
Total	**22,718**
Fair value of net recognizable assets	28,661
Negative Goodwill	5,943

The amount of negative goodwill of 5,943 euros, is recorded in Other income/expenses of the consolidated results (see relevant note 13),
The temporary fair value of assets and the liabilities are shown in the following table:

	Temporary fair value at acquisition
Intangible assets	12,894
Tangible assets	111,707
Investment property	21,819
Investments	20,606
Receivables	233,746
Provisions	(750)
Loans	(102,495)
Deferred tax liabilities	(12,280)
Liabilities	(151,319)
Net assets	**133,928**
Proportion on net assets (21,4%)	**28,661**

C) Finally, on 12/7/2007 the Group acquired the 40% of shares and voting rights of HAMRIYAH CEMENT CO FZC based in SHARJAH of UAE. This company is active in the exploitation of a cement factory.

(Amounts in thousand Euros, unless otherwise stated)

Information on net assets that were acquired and on goodwill are as follows:

Agreed price (paid)	3,673
Direct expenses	368
Total	**4,041**
Fair value of net recognizable assets	(661)
Goodwill	4,702

The goodwill amount of 4,702 euro increased the acquisition value of the associate and is recorded in the amount Participation in Associates. In addition, the amount of 4,669 euro that refers to cash injection of the Group to an associate, has a long-term horizon aiming to be capitalised and is recorded in the amount Participations in associates.

The assets and the liabilities acquired are shown in the following table:

	Temporary fair value at acquisition
Tangible assets	11
Receivables	226
Liabilities	(1,890)
Net assets	**(1,653)**
Proportion on net assets (40%)	**(661)**

The goodwill of b) and c) were estimated using temporary fair values of the balance sheets at the acquisition dates and in accordance with IFRS 3. The fair value valuation of net assets and the finalisation of goodwill is under development and will be completed within a 12 month period following the acquisition date.

32 RIGHTS IN JOINT-VENTURES

The financial statements of the Group reflect its rights on fixed assets, liabilities, revenues and expenses of joint ventures as follows:

	31.12.2007	**31.12.2006**
Non-current assets	19,216	19,729
Current assets	157,917	105,073
Long-term liabilities	(14,295)	(15,027)
Short-term liabilities	(140,869)	(95,894)
Net assets/liabilities	**21,969**	**13,881**
Revenues	149,153	75,770
Expenses	142,607	75,362

(Amounts in thousand Euros, unless otherwise stated)

33 TRANSACTIONS WITH RELATED PARTIES

The transactions and the balances of GEK group with the related parties for the years 2007 and 2006 are analysed as follows:

2007	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit balance**	**Credit balance**	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
Subsidiaries	0	0	0	0	366	5,669	1,640	67
Other related parties	0	0	0	0	143	0	4,734	0
Main executives	0	887	29	156	0	31	0	0

2006	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit balance**	**Credit balance**	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
Subsidiaries	0	0	0	0	303	9,105	331	691
Other related parties	324	0	0	0	0	0	0	0
Main executives	384	0	10	0	120	0	0	0

The transactions with related parties are made under the same terms as those related to transactions with third party transactions.

During 2007 were paid by the company amounts for the participation in the share capital of related companies. These amounts are analysed as follows:

Category of company	**GROUP**	**COMPANY**
Associate	33,876	2,500
Subsidiary	0	24,821
Joint managed	20,948	21,328
Other	0	0
Total	**54,824**	**48,649**

Remuneration of the Board of Directors and the Management of the Company: The BoD and Management remuneration at 31st of December 2007 and 2006 are as follows:

	GROUP		**COMPANY**	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
BoD remuneration	0	1,320	0	500
Remuneration of management included in the executive members of BoD	887	179	31	0
	887	**1,499**	**31**	**500**

(Amounts in thousand Euros, unless otherwise stated)

34 AIM AND POLICIES OF RISK MANAGEMENT

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

The risk management policy is undertaken by the treasury of the Group and the procedure is as follows:

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

The financial means of the Group are mainly deposits in banks, overdraft facility by banks, short-term financial products of high liquidity traded in the money market, trade debtors and creditors, loans to and from subsidiaries, associates and joint ventures, shares, dividends payable and liabilities arising from financial leasing.

34.1 FOREIGN EXCHANGE RISK

The group is active mainly in Greece as well as in the Balkans and the Middle East and therefore it may be exposed in exchange rate risk arising from the volatility of euro against other currencies. This type of risk may be emerged from trade transactions in foreign currency, from investments of financial assets in foreign currency as well as direct investments abroad. For the management of this type of risk the treasury of the group assures that the cash management of the Group is hedged from currency risk.
Regarding the transaction of the company with foreign companies these are made with European companies having euro as settlement currency.
The Group holds investments in foreign economic units, which assets are exposed in currency risk.

	2007							
Nominal values	**RON**	**MKD**	**BGN**	**AED**	**QAR**	**BHD**	**USD**	**CYPR**
Financial assets	3,874	6,536	14,802	18,743	13,111	12,086	5,442	2,248
Financial liabilities	3,138	3,390	22,826	21,074	12,241	11,043	14,476	1,216
Total short-term	**7,012**	**9,926**	**37,628**	**39,817**	**25,352**	**23,129**	**19,918**	**3,464**
Financial assets	7,495	0	2	9	1,064	9,315	10,255	1,715
Financial liabilities	0	0	6,276	0	19	149	10,255	0
Total long-term	**7,495**	**0**	**6,278**	**9**	**1,083**	**9,464**	**20,510**	**1,715**

	2006							
Nominal values	**RON**	**MKD**	**BGN**	**AED**	**QAR**	**BHD**	**USD**	**CYPR**
Financial assets	8,261	1,056	9,734	121	44	1,700	0	880
Financial liabilities	1,560	5,648	11,997	399	0	0	0	471
Total short-term	**9,821**	**6,704**	**21,731**	**520**	**44**	**1,700**	**0**	**1,351**
Financial assets	2,113	2,011	55	1	0	0	0	1,715
Financial liabilities	11	0	0	0	0	0	0	0
Total long-term	**2,124**	**2,011**	**55**	**1**	**0**	**0**	**0**	**1,715**

(Amounts in thousand Euros, unless otherwise stated)

The following table presents the sensitivity of income and equity to financial assets, liabilities and exchange rate of euro with the relevant currencies. For some currencies that are pegged to USD we analysed the sensitivity to a 10% change while for the other currencies to a 5% change. For BGN and CYPR we did not analyse the change as these currencies are pegged to euro and therefore there are not subjects to currency risk.

	2007							
	RON	**MKD**	**BGN**	**AED**	**QAR**	**BHD**	**USD**	**CYPR**
Effect on profit before tax	412	157	0	-232	192	1,021	-903	0
Effect on equity	-30	0	0	0	19	18	0	0

	2006							
	RON	**MKD**	**BGN**	**AED**	**QAR**	**BHD**	**USD**	**CYPR**
Effect on profit before tax	440	-129	0	-28	4	170	0	0
Effect on equity	0	0	0	0	0	0	0	0

34.2 INTEREST RATE RISK SENSITIVITY

The Group's policy is to eliminate its exposure in interest rate risk regarding its long-term financing. Long-term financing is usually made with floating interest rates. At the 31st of December 2007 the Group is exposed in interest rate risk relayed to its bank loans which have floating rate. (For more information see note 17) As in the previous year, the other financial assets and liabilities have fixed rates.
The following table reports the sensitivity of the results as well as of the equity in a normal change of interest rate (long-term and short-term) of +10% –10% (2006: +/-10% also). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2007		**2006**	
	+10%	-10%	+10%	-10%
Profit before tax	(1,243)	1,243	(1,000)	1,000

The Group does not manage the risk from these changes.
The Group is not exposed in other interest rate risk or changes in prices of securities which are traded in the secondary market.

34.3 CREDIT RISK ANALYSIS

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

	2007	**2006**
Categories of financial assets		
Financial assets available for sale	12,193	14,920
Cash and equivalents	424,670	109,040
Financial results in fair value through income statement	5,069	40,400
Trade and other receivables	365,644	259,593
Total	**807,576**	**423,953**

(Amounts in thousand Euros, unless otherwise stated)

GEK Group continuously monitors its receivables, either separately or per group and encompasses any differences in its credit risk. In some cases external reports related to current or potential customers are used. The Group's policy is to co-operate only with trustworthy customers.
The management of the Group assumes that the aforementioned financial assets for which necessary impairment is calculated are of high credit quality, included those in debt. (see Note 14 for further information regarding the impairment of assets or financial assets in debt).

For trade and other receivables the Group is not exposed in significant credit risk. The credit risk for receivables ready to be liquidated as well as other short-term financial assets (cash equivalents) is estimated to be minimal, given that the dealers are reliable banks having a high grade capital structure.

34.4 ANALYSIS OF LIQUIDITY RISK

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

The company maintains cash and deposits in banks in order to cover its liquidity needs for periods up to 30 days. The capital for long-term liquidity needs are not bonded to time-deposits of the company.
The maturity of financial liabilities at the 31st of December 2007 for the GEK Group is analysed as follows:

	Short-term		Long-term
	0 up to 12 months	1 up to 5 years	Later than 5 years
Long-term loans	29,315	139,963	21,649
Liability for financial leasing	3,592	21,682	1,963
Short-term loans	182,215	0	0
Trade liabilities	86,824	0	0
Other liabilities	154,064	1,724	0
Total	**456,010**	**163,369**	**23,612**

The respective maturity of financial liabilities as at 31st of December 2006 is as follows:

	Short-term		Long-term
	0 up to 12 months	1 up to 5 years	Later than 5 years
Long-term loans	7,620	75,600	33,566
Liability for financial leasing	18,385	21,475	0
Short-term loans	64,867	0	0
Trade liabilities	73.258	0	0
Other liabilities	154,064	1,551	0
Total	**318.194**	**98,626**	**33,566**

The aforementioned conventional maturities reflect the gross cash flows which may differ from the accounting values of liabilities at the balance sheet date.

(Amounts in thousand Euros, unless otherwise stated)

35 PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

The financial assets and liabilities at the balance sheet dates are classified as follows:

	2007	2006
Non-current assets		
Loans and receivables	25,942	12,314
Financial assets available for sale	12,193	14,920
Total	**38,135**	**27,234**
Current assets		
Financial assets in fair value through profit and loss	5,069	40,040
Trade and other receivables	325,516	237,417
Loans and receivables	0	0
Cash and equivalents	424,670	109,040
Total	**755,255**	**386,497**

	2007	2006
Long-term liabilities		
Loans		
Financial liabilities at amortized cost	122,726	100,065
Trade receivables		
Financial liabilities at amortized cost	1	31
Total	**122,727**	**100,096**
Short-term liabilities		
Loans		
Financial liabilities at amortized cost	215,390	89,567
Trade liabilities		
Financial liabilities amortized cost	240.887	174,131
Total	**456.817**	**263,698**

See notes 3c, 3d for further explanations as of how the category of financial means affects their valuation.

36 POLICIES AND PROCEDURES FOR CAPITAL MANAGEMENT

The aims of the Group regarding the management of its equity is as follows:

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

(Amounts in thousand Euros, unless otherwise stated)

The Group monitors its capital in the base of equity plus subordinated loans, less cash and equivalents as appeared in the balance sheet. The capital for the years 2007 and 2006 is as follows:

	2007	**2006**
Debt with interest	380,514	217,689
Less :		
Cash	(424,670)	(109,040)
Other short-term financial assets	(5,069)	(40,040)
Net debt	**(49,225)**	**68,609**
Total capital	**720,451**	**398,976**
Leverage ratio	**(6,8 %)**	**17,2 %**

The aim of the Group regarding the management of capital is to adjust the leverage ratio (as shows above) to 50% in the future. In the current table the ratio is negative (underleveraged) a fact attributed to the significant Share Capital increase of Terna Energy in November, as well as the significant increase of the subsidiary's TERNA ENERGY debt by 75% (from 217 mil € to 380 mil €) compared to the previous year.

37 EXISTING COLLATERALIZED ASSETS

Mortgage prenotations to the amount of € 11,307 have been registered on the property of some subsidiaries included in the consolidation, as security for bank loans. For the same reason shares of subsidiaries and associates amounting to 11,951 euros are pledged.

38 CONTINGENT LIABILITIES

During the course of conducting its business, the Company may face legal claims from third parties. According to both the Management and the Company's Legal Counsel, any such claims are not expected to have a significant impact on the Company's operation and financial position as of the 31st of December 2007.

There are given guarantees for financial leasing on behalf of a subsidiary amounting to 11,000 euros. Also, there are given guarantees for securing bank loans on behalf of participating companies amounting to 99,000 euros.

The Group, in the context of developing the operating Wind Parks as well as installing new renewable energy sources, whose completion is expected during 2008 and 2009, has signed agreements for the supply of fixed equipment, amounting to approximately € 162 million.

(Amounts in thousand Euros, unless otherwise stated)

39 POST-BALANCE SHEET DATE EVENTS

The Group in the first quarter of 2008 signed new contracts of 30 mil. the most important one being the construction of a hospital for the YGEIA Group SA in Tirana of Albania, having a budget of 27,4 mil.
Also, it has been declared best bidder for the following projects:
a) construction of a commercial centre in Qatar having a budget of 130 mil.
b) construction of a commercial centre in Sherjah of UAE having a budget of 138 mil.
c) construction of a car park in Manama of Bahrein having a budget of 19 mil.

CERTIFICATE

It is ascertained that the attached financial statements are those approved by the Board of Directors of the Company on the March, 27 2008, amended on the 26th of May 2008 and have been published by being posted on the internet at the website www.gek.gr. It is noted that the summary financial figures that have been published in the press aim at providing the reader with certain general financial information but do not provide a full picture of the financial position and the results of the Group, in accordance with the International Financial Reporting Standards (IFRS). In the summary information published in the press some figures have been abbreviated.

The amended financial statements are approved by the Board of Directors of the Company on the 26th of May 2008.

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

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GEK HOLDING REAL ESTATE CONSTRUCTIONS AE

Report on the Financial Statements

We have audited the accompanying separate and restated - consolidated financial statements of GEK HOLDING REAL ESTATE CONSTRUCTIONS AE (the "Company"), which comprise the separate and consolidated balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying separate and restated consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Emphasis of matters

Without qualifying our opinion, we draw attention to:
a) The present Auditor's Report was re-issued after the restatement of the consolidated balance sheet at 31.12.2007 by the Board of Directors of the company (Minutes of B. of D. 26.5.2008). This restatement concerning correction of recognition error, in the consolidated financial statements included in the consolidation of a subsidiary subgroup, advance payment to supplier amount Euro 16.784 thousands in the Assets account "Tangible Assets" while it should be recognised in payment of the supplier in question. Consequently, the above balance sheet at 31.12.2007 for which we issued on 28 March 2007 our Auditor's Report (which is valid as to the other records) includes only the above restatement. The correction of this recognition has no impact on the results and the equity of the Group and entails only equal in amount in the least changes except for the above accounts and in the respective items of the cash flows and the notes.
b) The note 24 in the Notes on the consolidated financial statements, where reference is made to the fact that the tax returns of the parent company for the year 2007 as well as those of the consolidated subsidiaries and Joint-Ventures referred to in the above-mentioned 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.

Report on Other Legal and Regulatory Requirements

The Report of the Board of Directors includes the information that is provided by the articles 43a paragraph 3, 107 paragraph 3 and 16 paragraph 9 of c.L. 2190/20 as well as the article 11a of L. 3371/2005 and its content is consistent with the accompanying financial statements.

Athens, 27 May 2008

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