GEK TERNA SOCIETE ANONYME
HOLDINGS REAL ESTATE CONSTRUCTIONS

85 Mesogeion Ave., 115 26 Athens, Greece
General Commercial Registry No. 253001000
(former S.A. Reg. No. 6044/06/B/86/142)

SEMI-ANNUAL FINANCIAL REPORT

Of the period

January 1st to June 30th 2017

In accordance with the article 5 of Law 3556/2007

SEMI-ANNUAL FINANCIAL REPORT

For the period 1st January to 30th June 2017

in accordance with the article 5 of Law 3556/2007

The current Semi-Annual Financial Report is prepared according to article 5 of Law 3556/2007 and thereon issued Decision by the Hellenic Capital Market Commission Board of Directors with Number 7/448/11.10.2007 and includes:

a) the statements by members of the Company's Board of Directors,

b) the review report by the Company's Certified Auditor,

c) the semi-annual management report by the Company's Board of Directors,

d) the interim condensed financial statements that refer to the 1st half of the financial year 2017, and

e) the data and information for the period 1.1.2017 - 30.6.2017.

CONTENTS

(Amounts in thousand Euro, unless stated otherwise)

I. STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS
(according to article 5 par. 2 of L. 3556/2007)

We,

Nikolaos Kampas, Chairman of the Board of Directors

George Peristeris, Managing Director and,

George Perdikaris, Non-executive Member of the Board of Directors

STATE THAT

To the best of our knowledge:

a. the accompanying individual and consolidated Semi-Annual Financial Statements of the company GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS for the period from January 1st 2017 to June 30th 2017, which were prepared in accordance with the effective International Financial Reporting Standards (IFRS) accurately present the data of Assets and Liabilities, the Equity and Comprehensive Income of the Company, as well as of the companies included in the consolidation and considered aggregately as an entity, according to those stipulated by paragraphs 3 to 5 of article 5 of L. 3556/2007.

b. the Board of Directors' Semi-Annual Report accurately presents the information required according to those stipulated by paragraph 6 of article 5 of L. 3556/2007.

Athens, 27 September 2017

Chairman of the Board	Managing Director	Non-Executive Board Member
Nikolaos Kampas	George Peristeris	George Perdikaris

II. REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Shareholders of the Company "GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS"

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS as of 30 June 2017 and the related condensed separate and consolidated statement of total comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information, which is an integral part of the six-month financial report under the Law 3556/2007. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with the International Financial Reporting Standards as adopted by the European Union and apply for interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Other Matter

The separate and consolidated financial statements of GEK TERNA S.A. for FY ended as at December 31^{st} 2016 have been audited by another Certified Public Accountant Auditor, who, on April 28th 2017, expressed unqualified opinion on the separate and consolidated financial statements for the prior FY. Respectively, regarding the interim condensed financial reporting as of 30/6/2016, on September 17th 2016, the Certified Public Accountant Auditor expressed unqualified conclusion with Emphasis of Matter on the comparative period interim condensed financial reporting. The Emphasis of Matter paragraph made reference to the particular Note to the interim condensed financial reporting, describing the issue of uncertainty related to the final recommendations of the Hellenic Competition Commission in respect of participation of the company and its subsidiaries in a joint scheme which limits the conditions of competition in the market of public projects.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of other information of the six-month financial report, as required by article 5 of Law 3556/2007, with the accompanying interim condensed financial information.

Athens, 28th September 2017
The Chartered Accountant

Pavlos Stellakis
SOEL Reg. No 24941

Grant Thornton
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Chartered Accountants Management Consultants
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Registry Number SOEL 127

III. SEMI-ANNUAL MANAGEMENT REPORT BY THE BOARD OF DIRECTORS

of the Company GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS for the period 1.1 – 30.6.2017.

The present Semi-Annual Report by the Board of Directors refers to the first half of the current financial year 2017. The Report was prepared and is in line with the relevant provisions of law 3556/2007 (Govt. Gazette 91A/30.4.2007) and the relevant executive decisions issued by the Hellenic Capital Market Commission and particularly Decision No. 7/448/11.10.2007 by the Board of Directors of the Capital Market Commission.

A. Financial Developments and Performance for the Reporting Period

In the first half of 2017, the continuing delays seen in the fulfillment of any type of obligations on behalf of the Greek State towards the Private Sector in combination with the frequent changes of taxation rules and insurance legislation, as well as the limitations in the free movement of capital, continue to affect negatively the economic activity, making even more difficult the efforts to attract significant investments in the country and also to boost the level of employment.

Furthermore, the Banks mainly due to the continuing uncertainty regarding the resolution of the problem of non-performing-loans were not in position to pour credit into the market, whereas at the same time they were offering high interest rates on loans and almost zero rates on deposits, thus negatively affecting the Greek economy and further delaying its actual restart.

In this context, GEK TERNA Group continued its investment plan in the areas of renewable energy sources, the industrial segment of magnesium production and the real estate sector as the Group's capital structure remains satisfactory.

Our Group, despite of the prevailing difficulties, continues to be present abroad since a significant part of its revenues in construction and energy stems from the countries of the S.E. Europe, Middle East and Americas.

The main consolidated Financial Data for the first half of 2017 according to the International Financial Reporting Standards, in comparison with the consolidated financial statements of 2016 are as follows:

Turnover towards third parties amounted to approximately 604 mil euro, compared to 581 mil euro during the first half of 2016, posting an increase of about 4%, mainly due to the increase of activities in the energy and concessions segments.

Operating earnings before interest, tax, depreciation and amortization without the non-cash results from continuing operations (adjusted EBITDA) amounted to 160.8 mil euro compared to 122.7 mil euro during the first half of 2016, posting an increase of 31%, mainly due to the higher operating earnings of the Construction works and the Renewable Energy Sources.

The alternative performance measures are presented analytically in the note 5 of the Financial Statements of 30/06/2017.

Earnings before taxes from continuing operations amounted to EUR 80.5 million versus EUR 44.6 million in 2016, posting an increase mainly due to the higher operating profit of the construction segment.

Earnings after taxes and minority interests amounted to EUR 35.6 million, versus EUR 24 million in 2016, and were affected by the increase in the profitability of the construction sector as well as the non-recurring losses from the valuation of securities.

The Net Debt of the Group (cash and cash equivalents less bank debt) settled on 30.06.2017 at approximately minus EUR 463 million compared to minus EUR 403 million of Net Debt Position on 31.12.2016.

The Group's equity reached EUR 635 million, compared to EUR 598 million on 31.12.2016.
The Group's total assets amounted to 3,049 mil euro versus 3,084 million euro on 31.12.2016.

B. Significant events during the period 1/1-30/6/2017

In the context of the implementation of its investment plan, the subsidiary company "TERNA ENERGY SA" set in operation a group of wind parks with total installed capacity of 48.6 MW in Tanagra Municipality, Periphery of Central Greece. At the same time the company continues the construction of three new wind parks with total capacity of 50.6 MW.

On 24th May 2017, the company "TERNA ENERGY FINANCING S.P. S.A.", fully owned (100%) subsidiary of the Group, submitted a prospectus of information to the Hellenic Capital Market Commission, with regard to the issue of a corporate bond loan of 60.000 that will finance the Company's investment plan in Greece and USA.

Our Company, its subsidiaries, TERNA and TERNA ENERGY, as well as almost all Greek Construction Companies as well as a significant number of foreign companies were audited ex officio by the Hellenic Competition Commission (HCC) regarding their actions and acts, which could be considered in breach of the relevant rules.

Subsequently our Company and its above subsidiaries, based on article 25a of Law 3959/2011 and the no. 628/2016 decision of the Plenary Session of HCC, and after great consideration, they submitted, on the grounds of accelerating the procedure and quick issuance of the decision, in other words for reasons of obvious corporate interest and in order to apply the benefits of Article 25A and 14 par.2 case id (ee) of Law 3959/2011 and of the HCC decision no 628/2016 regarding the terms, conditions and procedure for the settlement of disputes in horizontal partnerships in violation of Article 1 of Law 3959/2011 and / or Article 101 of the Treaty on the Functioning of the European Union, a request for inclusion in the prescribed procedures for settlement of disputes, namely in a procedure of consensual resolution as we have already informed the investing public.

On 24/02/2017 HCC notified the Company and above mentioned subsidiaries, its Settlement Suggestion, and then the entities made an irrevocable statement of commitment and compliance to the Procedure of Settlement of Differences and to the issuance of relevant decision.

The company signed on 18/02/2016, the major terms of a new bond loan, with collateral in assets, for an amount up to 197.8 million euro with a group of Credit Institutions for the refinancing of the existing debt obligations of the Group's companies, and for the partial coverage of corporate needs with regard to the activities in the concessions division. The finalization of the bond loan will take place within the second half of 2017.

Construction Segment

The turnover from our construction activities declined slightly compared to the corresponding period of 2016, while the backlog of construction work remains high.

TERNA SA, a subsidiary of the GEK TERNA Group, is one of the strongest Greek construction companies with a notable presence in the Balkans and the Middle East and constitutes the Group's main construction arm.

Turnover from construction activity for third-parties amounted to € 479.4 million compared to € 491.9 million in 2016. This figure does not include turnover between the Group's segments, which amounts to € 12 million and concerns capital goods' construction for our Group.

The earnings before interest, taxes, depreciation and amortization excluding non-cash results (adjusted EBITDA), amounted to 104.1 mil euro compared to 77.0 mil euro in the corresponding period of 2016 and there were increased by 35.2%. At the same time, earnings before interest and taxes (EBIT) amounted to 92.4 mil euro compared to 63.0 mil euro in the previous year. The above amounts do not include profits from intra-Group segments' sales.

The sector's turnover, of 479.4 mil euro, stems from activities in Greece in percentage of 86.2%, from activities in Balkan countries of percentage 3.1% and from activities in Middle Eastern countries of percentage 10.7%.

Debt on 30/06/2017 amounted to 81 mil euro compared to 74 mil euro at 31/12/2016, while the Net Bank Debt position of the construction sector (cash and cash equivalents minus debt) amounted to approximately 376 mil euro, against a net cash position of 380 mil euro at 31.12.2016.

On 11/05/2016, the Group signed with the Greek State and the Concession Companies the contract for the completion of construction works for the motorways within 2017. This provision of construction is implemented according to the contractual timetable and all of these operations are in the final stage of the completion.

At the same time, it normally executes the remaining signed contracts in Greece and abroad, while it expects within the following six months to sign two new contracts of total amount 780 million euro.

The total construction backlog of the signed agreements of the Group on 30.06.2017 amounted to € 1,950 million euro approximately.

The implementation of the construction projects and the concession projects in Greece, the construction of energy projects for third parties, and the established presence of TERNA in the markets of the Balkans and the Middle East, support the prospect of a further improvement of the Group's financial performance in this particular business segment.

Energy production segment

GEK TERNA Group, with activities in the Energy segment from the mid 1990's, has been one of the leaders both in electricity generated by renewable energy sources (RES) through the Group of "TERNA ENERGY SA" as well as by thermal energy plants through "HERON Thermoelectric SA" and "HERON II SA".

a) Electricity production from renewable energy sources

The support offered to the Renewable Energy Sources (RES) is evident on global level, with the sector standing as one of the top investment selections over the following years. In this context, the Group continues the development of selected RES projects in Greece and at the same time, capitalizing on its own experience and know how, intensifies its efforts aiming at a stronger presence in the USA, Poland and Bulgaria. The Group's total installed capacity of RES projects is expected to increase significantly over the following years, given the maturity of the investments that would have been implemented.

In the context of this strategy, the subsidiary company TERNA ENERGY continues to invest in the RES sector and until the end of the year 2017, the company will have installed 942.6 MW in Greece as well as internationally and specifically: 522.6 MW in Greece, 288 MW in the USA, 102 MW in Poland and 30 MW in Bulgaria. Within the year 2018, the Group's installed capacity is expected to exceed the threshold of one (1) GW.

It is characteristic that over the last five years, the Group invests approximately 120mil euro on average per year.

Sales of energy production from renewable energy sources amounted to 78.8 million euro, compared to 66.5 million euro in the corresponding period in 2016, posting an increase of 18.5%, while operating profit before interest, tax, depreciation and amortization excluding the non-cash results (adjusted EBITDA) of the period amounted to 56.6 million euro, compared to 47.3 million euro in the corresponding period of 2016, presenting an increase of 19.6%. At the same time, earnings before interest and taxes (EBIT) amounted to 32.0 million euro compared to 27.7 million euro in the corresponding period of 2016.

The net revenues of the Renewable Energy sector were adversely affected by the exceptionally low wind conditions in Q2 2017, which deviates from the Group's forecasts.

The investments of TERNA ENERGY Group amounted to 64.0 million euro during the first half of the year 2017. The company's ongoing investment activity sets the grounds to stabilize a significant flow of revenue and profitability on a long-term basis.

b) Electricity production from thermal resources – Sale of Electric Energy

After the adoption of the new IFRS 11, the companies "HERON Thermoelectric SA" and "HERON II" have been recognized as joint ventures and as a result the consolidation of their financial results is compiled through the equity method. In the current period, the losses after tax which have been incorporated stood at 0.4 mil euro compared to earnings 0.1 mil euro in the same period of 2016.

In the segment of electricity production from thermal resources, during the period of 2017, it was continued the operation of the thermoelectric unit power of 435 MW as well as the operation of the small unit power of 147 MW in Voiotia.

Turnover of the electricity trading sector stood at 5.1 million euro, compared to 16.4 million euro in the corresponding period of 2016. Operating earnings before interest, tax, depreciation and amortization (EBITDA) of the segment amounted to 0.4 million euro, compared with 0.3 million euro in the corresponding period in 2016.

Real Estate development segment

The uncertainty prevailing in the financial environment and the adverse financial conditions in the real estate market since the year 2010, led to the stagnation of the investment activities. Taking into account the prevailing financial conditions, the Group contemplates alternative scenarios regarding the implementation of a part of its investments.

The turnover of the Real Estate segment in the first half of 2017 stood at 1.0 mil euro, compared to 2.6 mil euro in the corresponding period of 2016, while Operating earnings before interest, tax, depreciation and amortization not including cash results (adjusted EBITDA), amounted to 0.2 million euro compared to 0.4 million euro in the corresponding period in 2016. Earnings after taxes amounted to minus 4.0 million euro, compared to minus 2.4 million euro in the corresponding period in 2016. The loss is mainly attributed to impairments in the value of specific investment properties and inventories, so as to correspond to the new economic conditions prevailing in the real estate market. The ratio of Debt over Total Assets of the segment is 74%, a factor quite safe, given the financial conditions.

Concessions – Self or Jointly Financed projects

The Group participates in three Concession Companies relating to the projects of Ionian Road, of Central Greece and Olympia Odos. The Group's participation in the concession companies of Nea Odos and Central Greece on 30.06.2017 was 57.19% and 33.33% respectively, while in Olympia Odos it was 17%. The duration of the concessions is estimated until the year 2037 with regard to the projects of Nea Odos and the motorway E-65, and until the year 2041 with regard to Olympia Road. The estimated revenues from the particular activity will be significant over the following years.

The Concession Company of NEA ODOS, according to IFRS 11, is being consolidated in the Group's financial statements using the equity method, despite the Group's increased participation, since increased majority is required for significant decision-making.

In the current period, the after tax results that were incorporated amounted to 0.9 million euro compared to 1.0 million euro in the corresponding period of 2016.

The Group participates with 70% in the company “SOCIETE ANONYME ELECTRONIC TICKET SERVICES – HELLAS SMART TICKET”, which undertook from the Athens Urban Transport Organization S.A. (OASA) based on a contractual agreement the project “Study, Financing, Installation, Support of Operation, Maintenance and Technical Administration of a Unified Automatic Ticket Collection System for the companies of OASA Group” via the SDIT (PPP) scheme. The total duration of the contract is 12 years and 6 months. The construction will be completed within the second half of 2017, while within the first half of 2017 the operation was initiated, which is expected to last 10 years and 4 months. There is an overlap of construction and operation periods for 6 months.
The Group's activity in the sector of management and exploitation of car parking stations continued, with the total number of parking places that corresponds to the Group amounting to 2,159 and the results that were incorporated amounting to minus 0.6 mil euro.

The revenues of the segment as a whole in the concession sector amounted to 35.7 mil euro in the first half of 2017 compared to 1.7 mil euro in the corresponding period in 2016, while the operating earnings before interest, taxes, depreciation and amortization not including the cash results (adjusted EBITDA), amounted to 1.3 mil euro compared to minus 0.3 mil euro in the corresponding period of 2016.

In accordance with the provisions of Interpretation IFRIC 12, the Group has recognized a financial asset for the aforementioned concession contract by the Greek State. The significant revenue increase for the Concessions segment is mainly attributed to the fact that the constructive contractual obligation has been materialized to a large extent.

Industrial Segment

The Group is engaged in the production of quarry products and in the extraction and processing of magnesite through the licenses and mining concessions it holds. The Management, estimating that the demand for caustic magnesia will be high in the coming years, has started a considerable investment program of total estimated amount of 100 mil euro in its self-owned facilities at Mantoudi Evia for the production of caustic magnesia, DBM and $Mg(OH)_2$ through its subsidiary TERNA MAG (or TERNA LEFKOLITHI).
From the above investment plan in equipment and new installations until 30/06/2017, investments amounting to 29.5 mil euro approximately have been implemented. The remaining investments for the fixed equipment will be implemented within the following three years. The turnover of the segment amounted to 4.7 million euro versus 1.7 million euro in the same period of 2016.

C. Significant Events after the end of the period 01.01 – 30.06.2017

On 19.07.2017 the Public Offering concerning the issuance of an Ordinary Bond Loan of the subsidiary company “TERNA ENERGY FINANCING SINGLE PERSON SOCIETE ANONYME” was completed, whereas the new bond securities were listed on the category of Fixed Income Securities at the Organized Market of the Athens Exchange, Greece. In total, 60,000 common non-registered bonds were issued with a nominal value of € 1,000 each resulting into the raising of capital proceeds amounting to € 60,000,000. The final yield of the Bonds was set at 3.85% and the Bonds' offer price at €1,000 each. The Public Offering was oversubscribed by 2.57 times. Bonds were allocated as follows based on the demand that was expressed for the yield of 3.85%:
A) 42,000 Bonds were allocated to Private Investors
B) 18,000 Bonds were placed to Special Investors

The Group, in the context of its growth strategy to increase alternative sources of income, is in preliminary agreements with the shareholders of motorway concession companies in order to acquire the following equity stakes:
1) For the company E-65 a percentage of 33.33%, and
2) For Nea Odos a percentage rate of 21.4%

On 21st of July 2017 an agreement via SDIT (PPP) scheme was signed between subsidiary company “AEIFORIKI IPEIROU SA” and the Periphery of Epirus for the construction and operation of a waste management unit in the Periphery of Epirus.

On 03/08/2017 the Company and its subsidiaries TERNA and TERNA ENERGY were notified about no.642/2017 decision of HCC based on which a. it is concluded that there are no legal evidences about any violations of art.1 of Law 3959/2011 for the Company and its subsidiary TERNA ENERGY and no fine or penalty is imposed and b. it is imposed on subsidiary TERNA a fine amounting at 18.612 for violation of art.1 of Law 3959/2011 and Article 101 of the Treaty on the Functioning of the European Union (for the period from 11.05.2016 till 04.01.2007 and from 04.06.2011 till 26.11.2012). The settlement procedure has then been finalized and the amount of the fine totaled 18.612. It should be noted that for above mentioned imposed fine company TERNA and GEK TERNA GROUP has already accounted for a relevant provision amounting at 19.000 (see financial statements of 31/12/16 note 25).

D. Risks and Uncertainties

The Group's activities are subject to several risks and uncertainties, such as the return of macroeconomic uncertainty, the market risk (volatility in exchange rates, interest rates, market prices, etc.), credit risk and liquidity risk, wind and weather conditions.
In order to handle the financial risks, the Group has a risk management program that aims to minimize the negative effect on the financial results of the group that emerges from the inability to predict financial markets and the volatility of the cost and sales variables.
The financial instruments used by the Group mainly consist of bank deposits, long-term and short-term loans as well as derivatives, trade debtors and creditors, other receivable and payable accounts.
Following, the effect of basic risks and uncertainties on the Group's activities is presented.

Credit risk

The Group continuously monitors its receivables, either separately or by groups and it incorporates the resulting information in its credit control. When necessary, external reports or analyses are used as regards to existing or potential clients.
The Group is not exposed to significant credit risk from trade receivables. This is due to both the Group's policy that focuses on working with credible customers and also to the nature of the Group's activities.
Specifically, the total of receivables corresponds either to the broader public sector in Greece and abroad, or to customers with particularly large financial abilities.
The credit risk with regard to the cash reserves as well as the other receivables is viewed as limited, given the recent recapitalization actions taken by the Greek banks.
Despite the aforementioned fact these receivables are under special monitoring and in case it is considered necessary respective adjustments are made.
The management considers that all of the financial assets for which the necessary impairments have been made, are of high credit quality.

Foreign exchange risk

The Group is active in Greece as well as in Middle East, the Balkans, Eastern Europe and the USA and therefore is exposed to foreign exchange risk that arises from the exchange rate of the euro against other currencies. This type of risk may emerge from the exchange rate of euro against other foreign currencies, from investments in financial assets denominated in foreign currency as well as from net investments in foreign entities. In order to manage this type of risk the risk management department of the group ensures that cash is covered from foreign exchange volatility.
Regarding the transactions of the company with foreign companies, these mainly take place with European groups and the settlement currency is euro and as a result this type of risk does not arise.

Interest rate risk

The Group's policy is to minimize its exposure to interest rate risk as regards to long-term financing. In the context of this policy, medium and long-term loans are mainly in euro, with a fixed spread and floating rate linked to Euribor. An interest rate risk exists for these loans. Whenever it is deemed that due to the length of the repayment period there is increased likelihood of changes in the interest rate, the Group proceeds with a hedging strategy based on Interest Rate Swaps for the coverage of the interest rate risk and as result there is essentially no interest rate risk for such loans.

The Group's short-term debt is to the larger extent denominated in euro and under a floating rate linked to Euribor. Short-term loans are received mainly either as working capital or as financing for the construction of the Group's investments. The aim of the Group is to continue the conversion of these Loans into long-term loans with fixed spread linked to Euribor and whenever it is deemed appropriate given the length of the repayment period, to utilize Interest Rate Swaps.

On 30/06/2017, 65.5% of the total Group loans were based on a floating interest rate (fixed spread) and the remainder 34.5% were based on a fixed interest rate.

Such loans are repaid either directly from the collection of trade receivables, or with the receipt of the relevant government grants, or with the long-term loans at the completion of the construction and the commissioning of the investments. Therefore, the Group is exposed to interest rate risk due to changes that may occur in the interest rates.

Liquidity Risk

The Group manages its liquidity needs by carefully monitoring the development of the long-term financial liabilities as well as payments that take place on a daily basis. The liquidity needs are monitored at different time zones, on a daily and weekly basis, as well as on the basis of a moving 30-day period. The liquidity needs for the next 6 months and the next year are set on a monthly basis.

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

Risks due to the current economic conditions prevailing in Greece

The measures and actions that were taken for the implementation of the program (on the fronts of taxation and social security) based on agreement with the creditors, as well as the non-resolution of the Banks’ problem which relates to non-performing loans had a negative impact on the existing economic climate.

The continuation of the measure of capital controls in the economy has a negative effect on the international transactions given the difficulty to repay contractual obligations to suppliers and creditors. The latter generates additional costs and in overall it postpones the return to economic normality whereas it further weakens the country’s ability to attract investments.

The full unfolding of the consequences from the above conditions of uncertainty and the delays observed in the payments made from the State and the broader public sector towards the Group in combination with the non-compliance on behalf of the State to the various provisions of Law (for example refusal of paying interest on the delayed VAT rebates) affect negatively the cash flows and the results of the Group, to the minimum degree by the amount of interest, in a way that it cannot be predicted accurately.

Despite the existence of risks referring to the recovery of the future benefits of the asset portfolios and the adequacy of the cash flows, the activities of the Group continue at a normal pace. In this context, the Management systematically assesses the broader situation and its potential effect, in order to ensure that all necessary measures and actions are taken for the minimization of the potential effects on the Group’s activities. The Management of the Group aims at immediately informing the investor community about any significant effect generated by the constantly changing conditions.

Other risks and uncertainties

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

b.The Real Estate segment is subject to significant effects, stemming from the existing economic crisis. The Group actively operates in the development and management of property in Greece and also in the broader Balkans region. Possible changes in prices both of the property market and of leases, directly affect the effectiveness of the Group's investment in land and real estate property, as well as its broader activity in the real estate segment.

c. The Company is partially exposed to short-term fluctuations of wind and hydrological data, in spite of the fact that the implementation of its investments requires extensive studies regarding the long-term behavior of the two aforementioned factors.

E. Outlook and Prospects

As it is derived from the analysis of the separate business segments, the prospects of the Group, despite the considerable issues and problems of the broader economic environment, appear to be positive. The diversification of the Group's business activities offers a more effective allocation of risk implying at the same time lower dependence of profitability on certain business segments.

F. Non-Financial Information

GEK TERNA GROUP
With a dynamic presence in 16 countries and four continents, GEK TERNA Group constitutes one of the largest corporate Groups of Greece with parallel activities in the Central and Southeast Europe, the USA, the North Africa and the Middle East.

The strong corporate activity of the Group concerns the divisions of constructions, production, procurement and trade of electric energy, of the concessions, the waste management, the mining activities and the real estate development. GEK TERNA Group, with regard to the entire spectrum of its activities, aims at corporate excellence while at the same time is a leading group applying best practices and targeting the responsible development via social orientation and absolute respect to the environments where it activates.
VISION AND PRINCIPLES

The vision of GEK TERNA GROUP is to maintain its leading position in the areas where it already activates in the domestic market, thus contributing to the economic growth of the country. The Group at the same time targets to strengthen its presence in the international markets with added value projects, products and services.

The Group believes that corporate excellence and strong performance can be achieved only with ethics and principles which demonstrate respect towards the employees, the society, the environment and the economy. Within this context, the entire business activity of the Group is committed to the promotion of human values and responsible practices.

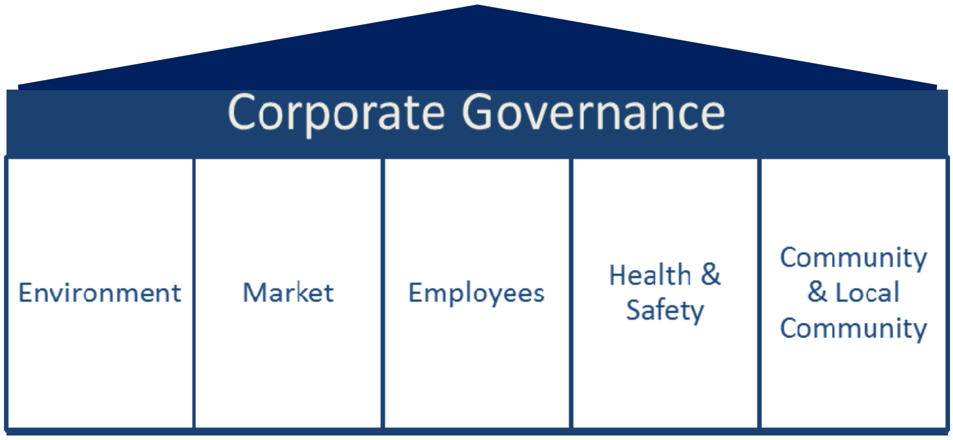
- Respect to the human being and the natural environment
- Creation of value for the employees, partners, customers and our shareholders
- Honesty and credibility
- Targeted social contribution

STRATEGIC APPROACH FOR CORPORATE RESPONSIBILITY

The strategic priorities of our Group towards Sustainable Development are clear:

- We aim at corporate excellence and we activate responsibly, with absolute respect to the environment where we are present
- We care for our people
- We protect the environment and we constantly improve our environmental footprint
- We support the local communities and dynamically strengthen the economies in which we participate
- We systematically invest in best practices and pioneering technologies.

The Group recognizes that apart from the financial risks generated by its broader activities, it is also affected from the potential implications due to climate change. It is clear that the climate change affects almost all business activities of the Group. The days during which the construction works are suspended due to unfavorable weather conditions, the increase of construction cost due to higher degree of construction difficulty, the change in the wind elements that affect the production of wind energy, are issues attributed to climate change. However at the same time, the construction of new infrastructure projects which tend to respond to the issue of climate change, the higher demand for electric energy from thermal sources (natural gas) and from RES affect positively the activities of the Group.



CORPORATE GOVERNANCE

Organization and Administration of Issues of Corporate Responsibility

GEK TERNA Group applies the principles of the corporate governance as these are stipulated by Law 2190/1920 Article 43α, Law 3016/2002 and Law 3693/2008 Article 37 as it was amended by the Article 2, Law 4403/2016. The particular principles of corporate governance have been incorporated into the Code of Corporate Governance which is based on the guidelines of the International Standard for the issuance of non financial information, The GRI Standards, as well as on the principles of the United Nations Global Compact, which is presented on the Company's website www.gekterna.com.

The Corporate Responsibility constitutes responsibility of all employees while there is strong requirement that all employees, with no exception, comply with the principles and conduct standards as these have been determined on formal basis. The issues that concern the Corporate Responsibility cover a wide spectrum and their effective management requires the contribution in terms of services from a group of well educated and trained employees.

The framework of Corporate Responsibility via which the Group activates:

- Defines the actions that can be undertaken
- Creates a common culture internally for Sustainability issues – defines the future guidance
- Promotes and boosts the fruitful discussion with stakeholders
- Constitutes a driving force, competitive advantage and a risk management methodology

The administration of issues of Corporate Responsibility has been assumed by the Team of Corporate Responsibility within the Group which is coordinated by the Department of Communication and Corporate Social Responsibility. The Team of Corporate Responsibility:

- Consists of senior staff from the Group's major departments
- Manages whatever relates to the issues of Corporate Responsibility
- Is the appropriate team for the collection of all necessary elements required for the issuance of the annual Report of Corporate Responsibility
- Informs the employees for issues and initiatives of direct interest
- Informs on a frequent basis the Group's higher management
- Takes care on daily basis of the administration of the most important issues (such as Environmental Management as well as Health and Safety)
- Sets the procedures for the coordination of the respective programs and policies.

RESPONSIBILITY FOR THE ENVIRONMENT

The protection of the environment constitutes a top priority for GEK TERNA Group. The activities of the Group are such that unavoidably have notable effect on the natural environment. GEK TERNA Group recognizes the degree of the above effect by applying methods and practices which tackle with determination the issue of the Group's environmental effect due to its business activities and overall operation. The Group has established and strictly applies, across its entire business actions, a certain Environmental Policy and an Environmental Management System, aiming at the constant improvement of its performance and the reduction of its environmental footprint.

By applying a total Environmental Management System the Group acquires a complete view of the environmental effect, detects the areas and the activities with the higher risk and takes all the necessary measures towards the optimal management and its constant improvement in the particular front.

GEK TERNA Group has developed and incorporated international systems aiming at integrated control and proper management in the core areas of its business operation. In accordance with the Group's procedures, the level of system adequacy is controlled internally and externally at regular intervals as each standard constitutes a dynamic tool of continuous improvement for the Group's operations.

Certified Management Systems:
Environmental Management System ISO 14001:2015: TERNA SA, ISO 14001:2004 TERNA ENERGY SA (on the process for the attainment of new certification ISO 14001:2015), ISO 14001:2004 TERNA LEFKOLITHI SA (on the process for the attainment of new certification ISO 14001:2015).

RESPONSIBILITY FOR THE MARKET
GEK TERNA Group, through its multi-activity and with the view of business excellence, invests in the prospects of each market, supports the economy, assists to the development of local communities in which it operates and contributes substantially, ensuring the transition to a promising future.

RESPONSIBILITY FOR THE EMPLOYEES
Our people are the most valuable asset for the GEK TERNA Group. The Group currently employs a significant number of employees covering different sectors and specialties. The Group takes care of the Health and Safety of its employees, invests in their development and education, respects and protects their rights, offers prosperity, equal employment opportunities and supports diversity.

Equal Opportunities
The main concern of GEK TERNA Group is to create an equal opportunities-work environment without discriminations where each employee is treated fairly and meritocratic on the basis of his / her skills and performance. Within this framework, the Group maintains non-discriminatory criteria for all issues related to human resources management - recruitment, remuneration, promotion, training, dismissals, etc. Under no circumstances will the decisions taken by the Group be linked to or been affected by any form of discrimination regarding the sex, nationality, language, religion, political belief, disability or sexual orientation of the employee.

Human Rights

GEK TERNA Group seeks to implement the internationally agreed principles on the protection of human rights as set out in the International Declaration of Human Rights. Due to its worldwide dispersion, the Group operates in accordance with national and local authorities and recognizes its corresponding responsibility. Therefore, GEK TERNA Group implements rigorous human rights protection policies and ensures their full implementation in the full range of its activities. Special emphasis is placed on child labor and forced labor by the GEK TERNA Group and ensures that, by applying appropriate screening procedures during recruitment, it is ensured that all the personnel employed in their activities have reached their legal age. It is noted that until now, there has been no human rights violation in the entire operation of the GEK TERNA Group in the environments in which it operates.

HEALTH AND SAFETY

The protection of health and safety at workplace is a basic principle and prerequisite that is incorporated in every business action of the GEK TERNA Group. The safeguarding of the highest possible level of protection for Health and Safety of its employees, subcontractors and, more generally, collaborators is an undeniable priority for the Group.

The GEK TERNA Group continuously improves its strategic plan for Health and Safety and is committed to strengthening its policies and its Health and Safety Management System. Within this framework, it is clear that the effective protection of health and safety at work is achieved only with the participation of all the parties involved. Both management and employees teams, as well as the other stakeholder groups involved in its operational action, should be actively involved and committed to the Health and Safety Principles of the Group.

SOCIETY AND LOCAL SOCIETY

The dynamic role of the Group in the Greek economic reality implies its contribution to social development in order to ensure substantial progress. The Group's responsibility towards society and especially towards local communities is deeply rooted in its culture and is now reflected in formal strategies and policies. The social benefits of the projects are always taken into account and counted in the decision making process in order to maximize the positive social effects. The contribution at Group level as well as at individual company level is significant and stable. GEK TERNA Group focuses mainly on the following areas:

- infrastructures creation
- employment provision
- cooperation with local suppliers
- support in kind, financial support and donations

G. Treasury Shares

On June 30th 2017, the Company held 4,522,351 treasury shares, namely 4.3727% of its share capital with an acquisition cost of 10,118,007.57.

H. Related-Party Transactions

Below the Company's and Group's transactions and balances with its related parties are presented for the period 1.1-30.6.2017:

(Amounts in thousand Euro, unless stated otherwise)

Sales-Inflows of the Company

(amounts in euros)	Participation type	Total	Sales of Goods / Services	Revenues from Consulting services	Revenues from administration support services	Income from leases	Income from dividends and related profits	Income from interest and related profit	Granted Loans	Share capital reductions
TERNA SA	Subsidiary	**15,184,388.00**	0.00	0.00	15,500.00	163,734.00	0.00	0.00	0.00	15,005,154
TERNA ENERGY SA	Subsidiary	**6,312,181.49**	0.00	0.00	8,000.00	86,125.00	6,218,056.49	0.00	0.00	0.00
CHIRON CAR PARK S.A	Subsidiary	**117,465.11**	0.00	0.00	18,000.00	0.00	99,465.11	0.00	0.00	0.00
IOANNINON S.A.	Subsidiary	**30,000.00**	0.00	0.00	30,000.00	0.00	0.00	0.00	0.00	0.00
GEK SERVICES SA	Subsidiary	**178,872.00**	0.00	0.00	372.00	0.00	178,500.00	0.00	0.00	0.00
ILIOHORA S.A.	Subsidiary	**737,980.00**	0.00	0.00	0.00	19,440.00	0.00	0.00	0.00	718,540.00
ROM GEK CONSTRUCTION SRL	Subsidiary	**9,632.72**	0.00	0.00	0.00	0.00	0.00	9,632.72	0.00	0.00
ICON BOROVETS EOOD	Subsidiary	**77,038.13**	0.00	0.00	0.00	0.00	0.00	77,038.13	0.00	0.00
ICON EOOD (BULGARIA)	Subsidiary	**123,340.76**	0.00	0.00	0.00	0.00	0.00	123,340.76	0.00	0.00
TERNA MAG SA	Subsidiary	**101,283.00**	0.00	0.00	500.00	0.00	0.00	783.00	100,000	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**13,500.00**	0.00	0.00	13,500.00	0.00	0.00	0.00	0.00	0.00
PARKING OUIL SA	Joint Venture	**180,000.00**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	180,000.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**2,933.90**	0.00	0.00	0.00	0.00	0.00	2,933.90	0.00	0.00
NEA ODOS SA	Joint Venture	**3,494,804.57**	519,187.76	375,120.00	717,729.37	0.00	0.00	1,882,767.44	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Joint Venture	**988,684.70**	405,596.00	53,869.00	494,598.31	0.00	0.00	34,621.39	0.00	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**17,542.26**	0.00	0.00	0.00	600.00	0.00	16,942.26	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**7,000.00**	0.00	7,000.00	0.00	0.00	0.00	0.00	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**7,000.00**	0.00	7,000.00	0.00	0.00	0.00	0.00	0.00	0.00
KEKROPS S.A.	Associate	**20,657.82**	0.00	0.00	0.00	0.00	0.00	20,657.82	0.00	0.00
		27,604,304.46	**924,783.76**	**442,989.00**	**1,298,199.68**	**269,899.00**	**6,496,021.60**	**2,168,717.42**	**100,000.00**	**15,903,694.00**

Company's Receivables

(amounts in Euro)	Participation type	Total	From revenue	From Loans and Interest	From Dividends and related earnings	From share capital reductions
TERNA SA	Subsidiary	**9,773,956.03**	268,802.03	0.00	0.00	9,505,154.00
TERNA ENERGY S.A.	Subsidiary	**709,399.83**	709,399.83	0.00	0.00	0.00
CHIRON CAR PARK S.A	Subsidiary	**103,185.11**	3,720.00	0.00	99,465.11	0.00
IOANNINON S.A.	Subsidiary	**80,600.00**	80,600.00	0.00	0.00	0.00
GEK SERVICES SA	Subsidiary	**178,500.00**	0.00	0.00	178,500.00	0.00
ILIOHORA S.A.	Subsidiary	**738,679.84**	20,139.84	0.00	0.00	718,540.00
ROM GEK CONSTRUCTION SRL	Subsidiary	**327,230.32**	0.00	327,230.32	0.00	0.00
ICON BOROVETS EOOD	Subsidiary	**2,774,123.84**	0.00	2,774,123.84	0.00	0.00
VIPA THESSALONIKI	Subsidiary	**9,803.10**	9,803.10	0.00	0.00	0.00
ICON EOOD (BULGARIA)	Subsidiary	**4,302,423.32**	0.00	4,302,423.32	0.00	0.00
TERNA MAG SA	Subsidiary	**101,403.34**	620.00	100,783.34	0.00	0.00
Construction Joint Ventures	Joint Entities	**707,828.31**	707,828.31	0.00	0.00	0.00

(Amounts in thousand Euro, unless stated otherwise)

AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**5,580.00**	5,580.00	0.00	0.00	0.00
PARKING OUIL SA	Joint Venture	**180,000.00**	0.00	0.00	0.00	180,000.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**130,275.67**	0.00	130,275.67	0.00	0.00
NEA ODOS SA	Joint Venture	**55,761,317.56**	403,325.56	55,357,992.00	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Joint Venture	**1,195,074.87**	271,069.41	924,005.46	0.00	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**784,128.20**	1,657.60	782,470.60	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**9,099.10**	9,099.10	0.00	0.00	0.00
GLS OOD	Joint Venture	**4.04**	4.04	0.00	0.00	0.00
KEKROPS SA	Associate	**778,076.46**	0.00	778,076.46	0.00	0.00
ATTIKAT SA	Associate	**32,439.32**	0.00	32,439.32	0.00	0.00
		78,683,128.26	**2,491,648.82**	**65,509,820.33**	**277,965.11**	**10,403,694.00**

Purchases - Company's Outflows

(amounts in euros)	Participation type	Total	Purchases of Goods	Purchases of administrati on support services	Expenses from leases	Interest expenses	Collected Loans	Share capital increases
TERNA SA	Subsidiary	**2,015,756.26**	0.00	384,000.00	5,400.00	1,126,356.26	500,000.00	0.00
TERNA ENERGY S.A.	Subsidiary	**70,000.00**	0.00	60,000.00	10,000.00	0.00	0.00	0.00
ILIOHORA S.A.	Subsidiary	**1,026,175.86**	0.00	0.00	0.00	26,175.86	1,000,000.00	0.00
TERNA – Bulgaria Branch	Subsidiary	**2,513.85**	0.00	0.00	0.00	2,513.85	0.00	0.00
MONASTIRIOU TECHNICAL DEVELOPMENT S.A.	Subsidiary	**80,000.00**	0.00	0.00	0.00	0.00	0.00	80,000.00
ICON EOOD	Subsidiary	**218,573.40**	0.00	0.00	0.00	0.00	0.00	218,573.40
ICON BOROVETS EOOD	Subsidiary	**375,032.60**	0.00	0.00	0.00	0.00	0.00	375,032.60
VIPA THESSALONIKI S.A.	Subsidiary	**116,000.00**	0.00	0.00	0.00	0.00	0.00	116,000.00
J/V EUROIONIA	Subsidiary	**1,030,139.27**	0.00	0.00	0.00	1,030,139.27	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Subsidiary	**134,448.45**	0.00	0.00	0.00	134,448.45	0.00	0.00
EUROPEAN AGENCIES OF METALS SA	Subsidiary	**603.76**	0.00	0.00	0.00	603.76	0.00	0.00
NEA ODOS SA	Joint Venture	**87.00**	0.00	87.00	0.00	0.00	0.00	0.00
ATHENS CAR PARK SA	Joint Venture	**166,728.00**	0.00	0.00	0.00	0.00	0.00	166,728.00
HERON THERMOELECTRIC S.A.	Joint Venture	**67,704.00**	63,370.00	0.00	2,755.00	1,579.00	0.00	0.00
		5,303,762.45	**63,370.00**	**444,087.00**	**18,155.00**	**2,321,816.45**	**1,500,000.00**	**956,334.00**

Company's Liabilities

(amounts in euro)	Participation type	Total	From purchases	From Loan and interest	From dividends and Joint-Ventures results	From share capital increases
TERNA SA	Subsidiary	**40,173,734.50**	4,018,473.55	36,155,260.95	0.00	0.00
TERNA ENERGY S.A.	Subsidiary	**479,957.57**	479,957.57	0.00	0.00	0.00
GEK SERVICES SA	Subsidiary	**1,271.79**	1,271.79	0.00	0.00	0.00
ILIOHORA S.A.	Subsidiary	**1,054,806.18**	0.00	1,054,806.18	0.00	0.00
IOANNINON S.A.	Subsidiary	**272,170.50**	0.00	0.00	0.00	272,170.50
MONASTIRIOU TECHNICAL DEVELOPMENT S.A.	Subsidiary	**421,052.01**	52.01	0.00	0.00	421,000.00
ICON EOOD	Subsidiary	**0.00**	0.00	0.00	0.00	0.00
ROM GEK CONSTRUCTION SRL	Subsidiary	**110,000.00**	0.00	0.00	0.00	110,000.00

(Amounts in thousand Euro, unless stated otherwise)

TERNA – Bulgaria Branch	Subsidiary	**107,346.32**	0.00	107,346.32	0.00	0.00
J/V EUROIONIA	Subsidiary	**37,691,041.44**	0.00	37,691,041.44	0.00	0.00
CENTRAL GREECE MOTORWAY SA - E-65	Subsidiary	**4,677,812.69**	0.00	4,677,812.69	0.00	0.00
EUROPEAN AGENCIES OF METALS SA	Subsidiary	**20,617.93**	0.00	20,617.93	0.00	0.00
NEA ODOS SA	Joint Venture	**809,082.31**	85,465.92	723,616.39	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Joint Venture	**26,206.96**	0.00	26,206.96	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**63,852.31**	63,852.31	0.00	0.00	0.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**60.00**	0.00	60.00	0.00	0.00
KEKROPS SA	Associate	**1,755.92**	1,755.92	0.00	0.00	0.00
		85,910,768.43	**4,650,829.07**	**80,456,768.86**	**0.00**	**803,170.50**

Below, the transactions and the balances between the Group and the related parties are presented for the period 1.1-30.6.2017:

Sales - Inflows of the Group

(amounts in euro)	Participation type	Total	Revenues from Construction Services	Sales of Goods	Revenues from Consulting services	Revenues from administration support services	Income from Leases	From dividends and Joint-Ventures results	Income from interest	Share capital reductions
HERON THERMOELECTRIC S.A.	Joint Venture	**1,482,696.00**	0.00	1,434,696.00	15,000.00	33,000.00	0.00	0.00	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**624,240.78**	0.00	0.00	15,000.00	7,000.00	0.00	0.00	602,240.78	0.00
NEA ODOS S.A.	Joint Venture	**132,485,991.81**	128,776,142.00	0.00	717,729.37	1,109,353.00	0.00	0.00	1,882,767.44	0.00
CENTRAL GREECE MOTORWAY SA	Joint Venture	**55,580,363.70**	54,840,962.00	0.00	494,598.31	210,182.00	0.00	0.00	34,621.39	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**13,500.00**	0.00	0.00	0.00	13,500.00	0.00	0.00	0.00	0.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**2,933.90**	0.00	0.00	0.00	0.00	0.00	0.00	2,933.90	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**17,542.26**	0.00	0.00	0.00	0.00	600.00	0.00	16,942.26	0.00
KEKROPS SA	Associate	**20,657.82**	0.00	0.00	0.00	0.00	0.00	0.00	20,657.82	0.00
		190,227,926.27	**183,617,104.00**	**1,434,696.00**	**1,242,327.68**	**1,373,035.00**	**600.00**	**0.00**	**2,560,163.59**	**0.00**

Receivables of the Group

(amounts in euro)	Participation type	Total	From sales	From Loans and Interest	From dividends and Joint-Ventures results
HERON THERMOELECTRIC S.A.	Joint Venture	**532,864.17**	532,864.17	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**12,187,159.33**	18,600.00	12,168,559.33	0.00
NEA ODOS SA	Joint Venture	**83,409,644.49**	28,051,652.49	55,357,992.00	0.00
CENTRAL GREECE MOTORWAY SA	Joint Venture	**4,119,453.35**	3,195,447.89	924,005.46	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**5,580.00**	5,580.00	0.00	0.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**130,275.67**	0.00	130,275.67	0.00

(Amounts in thousand Euro, unless stated otherwise)

PARKING OUIL SA	Joint Venture	**180,000.00**	0.00	0.00	180,000.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**784,128.20**	1,657.60	782,470.60	0.00
GLS OOD	Joint Venture	**9,933.00**	9,933.00	0.00	0.00
ATTIKAT SA	Associate	**32,439.32**	0.00	32,439.32	0.00
KEKROPS SA	Associate	**778,076.46**	0.00	778,076.46	0.00
		102,169,553.99	**31,815,735.15**	**70,173,818.84**	**180,000.00**

Purchases - Outflows of the Group

(amounts in euro)	Participation type	Total	Purchases of goods	Sales of consulting services	Leasing Expenses	Share Capital Increases
HERON THERMOELECTRIC S.A.	Joint Venture	**1,437,747.00**	1,437,747.00	0.00	0.00	0.00
NEA ODOS S.A.	Joint Venture	**179.00**	0.00	179.00	0.00	0.00
		1,437,926.00	**1,437,747.00**	**179.00**	**0.00**	**0.00**

Liabilities of the Group

(amounts in euro)	Participation type	Total	From Purchases and Advances	From Loans and Interest
HERON THERMOELECTRIC S.A.	Joint Venture	**1,473,410.67**	1,473,410.67	0.00
NEA ODOS SA	Joint Venture	**810,300.37**	86,683.98	723,616.39
CENTRAL GREECE MOTORWAY SA	Joint Venture	**26,206.96**	0.00	26,206.96
THESSALONIKI CAR PARK S.A.	Joint Venture	**60.00**	60.00	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**6,557.98**	6,557.98	0.00
ATTIKAT SA	Associate	**5,658.47**	5,658.47	0.00
KEKROPS SA	Associate	**1,755.92**	1,755.92	0.00
		2,323,950.37	**1,574,127.02**	**749,823.35**

The remuneration of the Board of Directors members and senior executives of the Group and the Company, recognized for the period ended on 30.6.2017 and 30.6.2016, as well as the balances of receivables and liabilities that have emerged from such transactions on 30.6.2017 and 31.12.2016 are as follows:

(Amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	1.1-30.6.2017	**1.1-30.6.2016**	**1.1-30.6.2017**	**1.1-30.6.2016**
Remuneration to freelancers	1,292	967	65	64
Remuneration to full time employees	185	40	16	20
Remuneration for participation in Board meetings	38	718	0	0
	1,515	**1,725**	**81**	**84**

	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Liabilities	948	731	16	12
Receivables	74	58	0	0

Athens, 27 September 2017
For the Board of Directors

Nikolaos Kampas
Chairman of the Board of Directors

IV. INTERIM CONDENSED FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 30 JUNE 2017

It is ascertained that the accompanying financial statements for the period 1.1.2017 - 30.6.2017 are those approved by the Board of Directors of "GEK TERNA Société Anonyme Holdings Real Estate Constructions" (GEK TERNA SA), during its meeting on 27 of September 2017. The present financial statements for the period 1.1.2017 - 30.6.2017 are posted on the internet at the website www.gekterna.com , where such will remain available for investors for a period of at least ten (10) years from the preparation and release date of such. It is noted that the published condensed financial data aim at providing readers with specific general financial information but do not provide a full picture of the financial position and results of the company and Group according to IFRS.

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF FINANCIAL POSITION

	Note	GROUP 30.06 2017	GROUP 31.12 2016	COMPANY 30.06 2017	COMPANY 31.12 2016
ASSETS					
Non-current assets					
Intangible fixed assets	7	73,054	81,069	30	33
Tangible fixed assets	7	1,100,956	1,087,192	9,679	9,820
Goodwill	6	3,183	9,759	0	0
Investment property	8	95,046	88,230	12,990	13,540
Participations in subsidiaries	4	0	0	213,634	229,975
Participations in associates	4,9	4,480	5,326	2,688	2,688
Participations in joint ventures	4,10	139,976	138,365	96,452	99,454
Financial Assets - Concessions	11	21,577	10,055	0	0
Investments available for sale	15	26,775	26,775	26,756	26,756
Other long-term assets		124,967	121,698	78,442	82,014
Receivables from derivatives	21	1,909	1,526	0	0
Deferred Tax Assets	24	31,774	77,791	3	1,384
Total non-current assets		**1,623,697**	**1,647,786**	**440,674**	**465,664**
Current assets					
Inventories		55,528	56,606	5,892	5,813
Trade receivables	12	261,704	279,786	4,507	2,921
Receivables from construction contracts	13	118,469	118,251	637	377
Advances and other receivables		326,391	334,019	30,272	6,822
Income tax receivables		22,258	20,351	4,967	4,901
Investments held for trading purposes	14	4,830	4,807	4,830	4,807
Investments available for sale	15	7,319	1,884	7,319	1,884
Cash and cash equivalents	5,16	629,260	621,003	4,634	4,771
Total current assets		**1,425,759**	**1,436,707**	**63,058**	**32,296**
Non-Current assets held for sale		0	0	0	0
TOTAL ASSETS		**3,049,456**	**3,084,493**	**503,732**	**497,960**
EQUITY AND LIABILITIES					
Shareholders’ equity					
Share capital	23	58,951	58,951	58,951	58,951
Share premium account		381,283	381,283	202,774	202,774
Reserves		206,120	199,327	60,002	57,313
Retained earnings		(222,413)	(255,712)	(29,941)	(30,336)
Total		**423,941**	**383,849**	**291,786**	**288,702**
Non-controlling interests		211,912	214,656	0	0
Total equity		**635,853**	**598,505**	**291,786**	**288,702**

(Amounts in thousand Euro, unless stated otherwise)

Non-current liabilities					
Long-term loans	5,17	853,889	827,531	199,348	197,415
Loans from finance leases	5,17	14,105	16,470	0	0
Liabilities from financial instruments	22	41,130	44,567	0	0
Other long-term liabilities		315,947	326,544	110	108
Other provisions	19	44,673	42,868	0	0
Provisions for staff leaving indemnities	18	7,442	8,392	81	77
Grants	20	169,375	180,324	0	0
Liabilities from derivatives	21	4,854	6,289	0	0
Deferred tax liabilities		810	18,204	0	0
Total non-current liabilities		**1,452,225**	**1,471,189**	**199,539**	**197,600**
Current liabilities					
Suppliers		236,059	238,288	5,259	5,424
Short term loans	5,17	112,737	54,975	0	0
Long term liabilities payable during the next financial year	5,17	111,953	125,272	799	1,176
Liabilities from construction contracts	13	188,371	264,162	0	0
Liabilities from financial instruments	22	3,384	3,987	0	0
Accrued and other short term liabilities		284,998	304,437	5,981	4,943
Income tax payable		23,876	23,678	368	115
Total current liabilities		**961,378**	**1,014,799**	**12,407**	**11,658**
Liabilities directly linked to the non-current assets held for sale		0	**0**	0	0
Total Liabilities		**2,413,603**	**2,485,988**	**211,946**	**209,258**
TOTAL EQUITY AND LIABILITIES		**3,049,456**	**3,084,493**	**503,732**	**497,960**

The accompanying notes constitute an integral part of the financial statements.

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF COMPREHENSIVE INCOME

		GROUP			
Profit and Loss	**Note**	**1.1 – 30.06. 2017**	**1.1 – 30.06. 2016**	**1.1 – 30.06. 2017**	**1.1 – 30.06. 2016**
Continued operations					
Revenues	5	604,628	580,875	5,341	2,447
Cost of sales		(470,733)	(482,311)	(4,017)	(1,916)
Gross profit		**133,895**	**98,564**	**1,324**	**531**
Administrative and distribution expenses		(19,018)	(18,319)	(795)	(799)
Research and development expenses		(854)	(995)	0	0
Other income/(expenses)	25	(6,635)	4,797	(512)	12
Net financial income/(expenses)	5	(28,122)	(24,473)	(3,331)	(1,607)
Income/(losses) from participations		1,730	683	8,226	14,921
Profit / (loss) from sale of participations and securities		1	(27)	0	649
Profit / (loss) from valuation of participations and securities		23	(16,548)	(4,388)	0
Profit / (loss) from valuation of associates under the equity method	9	(846)	(103)	0	0
Profit / (loss) from valuation of joint ventures under the equity method	10	350	1,050	0	0
EARNINGS BEFORE TAXES	5	**80,524**	**44,629**	**524**	**13,707**
Income tax	5,24	(38,369)	(17,308)	(129)	523
Net Earnings/(losses) from continued operations		**42,155**	**27,321**	**395**	**14,230**
***Discontinued* operations**					
Earnings from discontinued operations after income tax		0	0	0	0
Net Earnings / (Losses)	5	**42,155**	**27,321**	**395**	**14,230**
Other Comprehensive Results					
a) Other Comprehensive Results which are transferred to Income Statement of subsequent periods					
Valuation of investments available for sale		5,434	(12,291)	5,434	(22)
Proportion in Other comprehensive income of joint ventures	10	1,258	(281)	0	0
Proportion in Other comprehensive income of associates	9	0	0	0	0
Valuation of cash flow hedging contracts		1,867	(1,638)	0	0
Translation differences from incorporation of foreign entities		550	200	0	0
Share capital expenses		(241)	(59)	0	(6)
Reclassification of impairment losses available for sale		0	12,269	0	0
Tax corresponding to the above results		(2,548)	106	(1,576)	6
		6,320	**(1,694)**	**3,858**	**(22)**
b) Other Comprehensive Results which are not transferred to Income Statement in subsequent periods					
Actuarial gains/(losses) on defined benefit pension plan		0	(2)	0	0
Net Other Comprehensive Results		**6,320**	**(1,696)**	**3,858**	**(22)**
TOTAL COMPREHENSIVE RESULTS		**48,475**	**25,625**	**4,253**	**14,208**

(Amounts in thousand Euro, unless stated otherwise)

Net earnings/(losses) attributed to:				
Owners of the parent from continued operations, Basic	23	35,582	24,061	
Non-controlling interests from continued operations		6,573	3,260	
Total comprehensive results attributed to:				
Owners of the parent from continued operations		41,218	23,724	
Non-controlling interests from continued operations		7,257	1,901	
Basic Earnings/(losses) per share (in Euro)	23	0.3638	0.2415	
Diluted Earnings/(losses) per share (in Euro)	23	0.3638	0.2415	

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF CASH FLOWS

	Note	GROUP 1.1 – 30.06 2017	GROUP 1.1 – 30.06 2016	COMPANY 1.1 – 30.06 2017	COMPANY 1.1 – 30.06 2016
Cash flows from operating activities					
Profit before tax	5	**80,524**	**44,629**	**524**	**13,707**
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	5.7	42,339	39,495	206	205
Grants amortization	5,20,25	(5,580)	(5,534)	0	0
Provisions		1,107	(3,326)	4	6
Impairments		9,557	12,957	4,411	0
Eliminations of liabilities		(14)	0	0	0
Interest and related income	5	(5,155)	(3,140)	(2,596)	(1,818)
Interest and other financial expenses	5	33,688	27,613	5,926	3,425
Results from derivatives		(317)	0	0	0
Results from associates and joint ventures		496	(947)	0	0
Results from participations and securities		(1,756)	3,598	(8,249)	(15,571)
Results from investment property	8	860	738	550	20
Results from fixed assets		(226)	1	0	0
Foreign exchange differences		6,417	2,528	0	0
Other adjustments		0	0	0	0
Operating profit before changes in working capital		**161,940**	**118,612**	**776**	**(26)**
(Increase)/Decrease in:					
Inventories		(47)	(3,180)	(79)	(196)
Trade receivables		17,193	48,260	(2,387)	1,716
Investment property as main activity		(7,675)	0	0	0
Prepayments and other short term receivables		(2,764)	(34,149)	(5,766)	10,021
Increase/(Decrease) in:					
Suppliers		(3,629)	18,516	(166)	(663)
Accruals and other short term liabilities		(85,716)	(18,278)	(885)	(656)
Collection /(Return) of grants	20	(1,070)	0	0	0
Other long-term receivables and liabilities		(15,190)	(91,528)	0	(5)
Income tax payments		(12,484)	(26,006)	(137)	(94)
Operating cash flows from discontinued operations		0	0	0	0
Net cash flows from operating activities		**50,558**	**12,247**	**(8,644)**	**10,097**
Cash flows from investing activities					
(Purchases) / Sales of fixed assets		(73,547)	(76,599)	(61)	0
(Purchases) / Sales of investment property		0	(62)	0	0
Interest and related income received		1,353	866	1	23
(Purchases) / sales of participations and securities		(179)	(27,650)	4,578	(89,431)
Initial cash reserves of companies which were purchased or in which the proportional share of consolidation changed		0	0	0	0
Collection of dividends		947	0	7,165	11,478
Returns/(Receipts) of Loans		0	(27,008)	0	(27,008)
Net cash flows for investing activities		**(71.426)**	**(130.453)**	**11.683**	**(104.938)**

(Amounts in thousand Euro, unless stated otherwise)

Cash flows from financing activities					
Change in share capital of parent company		0	0	0	0
Receipts from bond loan mandatorily convertible into shares		0	0	0	0
(Payments) / receipts from increase/decrease of share capital from subsidiaries		(3,013)	1,125	0	0
Purchase of treasury shares		(1,169)	(3,207)	(1,169)	(3,207)
Net change of short-term loans		38,069	74,007	0	20,000
Net change of long-term loans		39,424	40,245	2,000	78,800
Payments for financial leases		(2,388)	(2,870)	0	0
Dividends paid		(5,709)	(3,576)	0	0
Interest and related expenses paid		(31,814)	(22,337)	(4,007)	(1,957)
Payments for financial instruments		(894)	(85)	0	0
Change of other financial assets		0	0	0	0
Financing cash flows from discontinued operations		0	0	0	0
Net cash flows from financing activities		**32,506**	**83,302**	**(3,176)**	**93,636**
Effect of foreign exchange differences in cash		(3,381)	(594)	0	0
Net increase /(decrease) of cash and cash equivalents from continued operations		**8,257**	**(35,498)**	**(137)**	**(1,205)**
Net increase /(decrease) of cash and cash equivalents from discontinued operations		**0**	**0**	**0**	**0**
Cash and cash equivalents at the beginning of the year from continued operations	5	621,003	365,637	4,771	2,476
Cash and cash equivalents at the beginning of the year from discontinued operations		0	0	0	0
Cash and cash equivalents at the end of the year from continued operations	**5**	**629,260**	**330,139**	**4,634**	**1,271**
Cash and cash equivalents at the end of the year from discontinued operations		**0**	**0**	**0**	**0**

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2017	**58,951**	**202,774**	**57,313**	**(30,336)**	**288,702**
Total comprehensive results for the period	0	0	3,858	395	**4,253**
Share capital issuance	0	0	0	0	**0**
Dividends	0	0	0	0	**0**
Purchase of Treasury Shares	0	0	(1,169)	0	**(1,169)**
Allocation of Treasury Shares	0	0	0	0	**0**
Formation of reserves / Transfers	0	0	0	0	**0**
30th June 2017	**58,951**	**202,774**	**60,002**	**(29,941)**	**291,786**
1st January 2016	**58,792**	**202,259**	**63,593**	**(13,384)**	**311,260**
Total comprehensive results for the period	0	(5)	(17)	14,230	**14,208**
Share capital issuance	159	520	(650)	0	**29**
Dividends	0	0	0	0	**0**
Purchase of Treasury Shares	0	0	(3,207)	0	**(3,207)**
Allocation of Treasury Shares	0	0	0	0	**0**
Formation of reserves / Transfers	0	0	0	0	**0**
30th June 2016	**58,951**	**202,774**	**59,719**	**846**	**322,290**

(Amounts in thousand Euro, unless stated otherwise)

STATEMENT OF CHANGES IN EQUITY OF THE GROUP	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
1st January 2017	**58,951**	**381,283**	**199,327**	**(255,712)**	**383,849**	**214,656**	**598,505**
Total comprehensive results for the period	0	0	5,636	35,582	**41,218**	7,257	**48,475**
Share capital issuance	0	0	0	0	**0**	0	**0**
Dividends	0	0	0	0	**0**	(6,359)	**(6,359)**
Purchase of Treasury Shares	0	0	(1,169)	0	**(1,169)**	0	**(1,169)**
Change in controlling interest of consolidated subsidiary	0	0	43	0	**43**	(456)	**(413)**
Share capital increase of subsidiary	0	0	0	0	**0**	119	**119**
Formation of reserves	0	0	2,283	(2,283)	**0**	(3,305)	**(3,305)**
Distribution of reserves	0	0	0	0	**0**	0	**0**
Transfers / Other movements	0	0	0	0	**0**	0	**0**
30th June 2017	**58,951**	**381,283**	**206,120**	**222,413**	**423,941**	**211,912**	**635,853**
1st January 2016	**58,792**	**380,768**	**192,770**	**(281,589)**	**350,741**	**211,624**	**562,365**
Total comprehensive results for the period	0	(6)	(331)	24,061	**23,724**	1,901	**25,625**
Share capital issuance	159	520	(650)	0	**29**	0	**29**
Dividends	0	0	0	0	**0**	(6,178)	**(6,178)**
Purchase of Treasury Shares	0	0	(3,207)	0	**(3,207)**	0	**(3,207)**
Change in controlling interest of consolidated subsidiary	0	0	0	513	**513**	(2,707)	**(2,194)**
Share capital increase of subsidiary	0	0	0	0	**0**	1,119	**1,119**
Formation of reserves	0	0	2,642	(2,642)	**0**	0	**0**
Distribution of reserves	0	0	0	0	**0**	0	**0**
Transfers / Other movements	0	0	(1,059)	1,059	**0**	0	**0**
30th June 2016	**58,951**	**381,282**	**190,165**	**(258,598)**	**371,800**	**205,759**	**577,559**

NOTES ON THE FINANCIAL STATEMENTS

1. ESTABLISHMENT AND ACTIVITY OF THE COMPANY

"GEK TERNA Holdings, Real Estate, Construction S.A.", (the "Company" or "GEK TERNA") as the company GEK TERNA Holdings, Real Estate, Construction S.A. was renamed according to the decision of the Extraordinary General Shareholders' Meeting on 18.11.2008 and approved by the No. K2-15459/23-12-2008 decision of the Ministry of Development published in the Government Gazette with No. 14045/23-12-2008 (SA & LTD Companies Issue), is registered in the General Commercial Register of the Ministry of Development under Reg. No. 253001000 and in the Société Anonyme Registry of the Ministry of Development with Registration number 6044/06/B/86/142. The duration of the company has been set to thirty (30) years, while according to the decision of the Extraordinary General Shareholders' Meeting on 26.03.1990 the duration of the company is extended up to the 31st of December 2030.

The company is based in the municipality of Athens and its head offices are located in 85 Mesogeion Avenue, Postal Code 11526, Athens (tel: +30 210-6968200), following the decision of its Board of Directors on the 14th of March 2003.

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

On 23.12.2008 the merger through absorption of part of the other activities of the company TERNA SOCIETE ANONYME TOURISM TECHNICAL AND SHIPPING COMPANY, was approved by means of the decision by the Ministry of Development under Reg. No. K2-15458/23.12.2008 and at the same time the share capital increase was approved by 25,386,322.56 euro. Thus the share capital amounts to euro 48,953,132.16 divided into 85,882,688 common registered shares, with a nominal value of 0.57 euro each.

By the decision on 6.12.2013 of the A' Repetitive Extraordinary General Assembly it has been decided the increase of the Company's Share Capital by the amount of 4,890,417.60 € with cash deposits, through the issuance of 8,579,680 common ordinary shares on nominal value 0.57 € and offer price of 2.50 € each. The derived difference from the share premium amounting to 16,558,782.40 € it was credited to the share premium account. The specific share capital increase has been completed through the abdication of the existing shareholders' preference right over the company York Global Finance Offshore BDH (Luxembourg) S.a.r.l

As a result of the above, the share capital of the company stands now to the amount 53,843,549.76 euro, it is fully paid up and divided into 94,462,368 common registered shares with a nominal value of 0.57 each. On 23/12/2013 it was recorded to the General Commercial Registry the N. K2 -7312 decision of the Ministry of Development and Competitiveness by which it has been approved the aforementioned increase of the Share Capital.

Following the decision on 6/12/2013 of the A' Repetitive Extraordinary General Assembly of the Company's shareholders and the decision of the Board of Directors on 27/3/2015, the Company's share capital increased by the amount of three million two hundred eighty six thousand one hundred sixteen euro and sixty nine cents (3,286,116.69) via the issuance of five million seven hundred sixty five thousand one hundred and seventeen (5,765,117) new shares, with nominal value of fifty seven cents of euro (0.57€) per share and offering price of two euro and forty three cents (2.43€) per share, due to the conversion of one hundred forty (140) bond securities with nominal value of one hundred thousand euro (100,000.00€) per security of the Company's Convertible Bond Loan increased with the contractual interest. Following and pursuant to the above decision of the General Assembly of the Company's shareholders, the share capital of the Company, based on the Board of Directors' decision on 29/6/2015, increased by the amount of one million six hundred sixty two thousand, seven hundred twenty five euro and ninety one cents (1,662,725.91) with the issuance of two millions nine hundred seventeen thousand and sixty three (2,917,063) new shares, with nominal value of fifty seven cents of the euro (€ 0.57) and with offering price two euro and forty seven cents (2,47€) per share, due to the conversion of seventy (70) bonds, with nominal value of one hundred thousand each (100,000.00 €) of the Convertible Bond Loan of the Company, increased with the contractual interest.

With the decision of 29th March 2016, the Board of Directors approved the increase of the Company's share capital by one hundred fifty eight thousand, eight hundred eighty three Euros and fifty one cents (158,883.51 €), via the issuance of two hundred seventy eight thousand, seven hundred forty three (278,743) common registered shares with nominal value of fifty seven cents (0.57€) per share and with offering price of two Euros and forty three cents (2.43 €) per share, due to conversion of convertible bonds (in the context of the Company's Convertible Bond), of nominal value of six hundred thousand Euros (650,000.00 €), increased with the interest of the holding period, in shares. With the above, the convertible Bond Loan signed between the Company and the company York Global Finance Offshore BDH (Luxembourg) S.a.r.l. was fully repaid.

Following the above changes, the Company's share capital amounts to fifty eight million, nine hundred fifty one thousand, two hundred seventy five Euros and eighty seven cents (58,951,275.87), is full paid in, and is divided by one hundred and three million, four hundred twenty three thousand and two hundred and ninety one (103,423,291) common registered shares with a nominal value of fifty seven cents (0.57) each.

The main activity of the Company mainly through its subsidiaries and joint ventures is the development and management of investment property, the construction of any kind, the management of self-financed or co-financed projects, the construction and operation of energy projects, as well as 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 and is also active in the exploitation of magnesite quarries through the rights that its subsidiary TERNA MAG S.A. possesses.

The activities of the Group mainly take place in Greece, while at the same time it has significant presence in the Balkans, the Middle East, Eastern Europe and North America.

2. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements

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

The interim condensed financial statements consist of the separate and consolidated financial statements of the Parent Company and its Group and have been prepared according to IFRS, as such have been adopted by the European Union, and specifically in accordance with the provisions of IAS 34 “Interim Financial Statements”.

The interim condensed financial statements should be read together with the annual financial statements of 31 December 2016.

b) New standards, interpretations and amendments of standards

The accounting principles applied during the preparation of the financial statements are the same as those followed for the preparation of the Group’s and company’s financial statements for the year ended on December, 31 2016, except for the adoption of amendments of several standards, whose application is mandatory in the European Union for periods beginning on 1 January 2017.
Therefore, from January, 1 2017 the Group and the Company adopted specific amendments of standards as follows:

New Standards, Interpretations, Revisions and Amendments of existing Standards mandatory for the fiscal year 2017

There are no new Standards, Interpretations, Revisions and Amendments of existing Standards that have been issued from the International Accounting Standards Board, endorsed by the European Union and mandatorily applied for the fiscal year 2017.

New Standards, Interpretations, Revisions and Amendments of existing Standards that are not in effect yet or have not been endorsed by the European Union for accounting periods beginning after 1 January 2017

The following new standards, amendments of standards and interpretations have been issued but they are mandatory for subsequent periods or it is expected to be endorsed by the European Union. The Company and the Group have not applied earlier the following standards and contemplate their effect on the financial statements.

IFRS 9 "Financial Instruments"

On 24 July 2014 the Board issued the final version of IFRS 9, which includes the classification and measurement, the impairment and the hedge accounting. The standard will replace IAS 39 and all previous versions of IFRS 9. The financial assets are valued at the non-depreciated cost, at the fair value through the results, or at the fair value through the other comprehensive income, based on the business model of the company with regard to the management of the financial assets and the conventional cash flows of the financial assets. Apart from the risk of the entity, the classification and measurement of the financial liabilities has not changed in comparison to existing requirements. The Group and the Company are in the process of assessing the effect from IFRS 9 on the financial statements. IFRS 9 is mandatorily applied for annual accounting periods beginning on or after 1st January 2018 and was adopted by the European Union on 22 November 2016.

IFRS 15 "Revenue from Contracts with Customers"

On 28 May 2014 the IASB issued the IFRS 15 "Revenue from Contracts with Customers", which including also the amendments to the standard issued on 11 September 2015 is mandatory for annual periods beginning on or after 1 January 2018 and is the new standard referring to revenue recognition.

The IFRS 15 supersedes the IAS 18 "Revenue", IAS 11 "Construction contracts" and the interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

The new standard establishes a single, five-step model that shall be used for revenue arising from a contract with a customer (with limited exemptions), regardless of the nature of the revenue transaction or the sector. The requirements of the standard will be applied also for the recognition and measurement of gains and losses from the sale of certain non-financial assets that do not constitute production from the entity's usual activities (e.g. sales of property, plant and equipment or intangible assets). Further disclosures shall be required, including an analysis of the total revenue, information in relation to return obligations, changes in the balance of the contract's assets and liabilities between the periods and critical judgments and estimates. The IFRS 15 was approved by the European Union on 22 September 2016.

IFRS 14 "Regulatory Deferral Accounts"

On 30th January 2014, the International Accounting Standards Board issued the IFRS 14 "Regulatory Deferral Accounts". The aim of IFRS 14 is to define the requirements of financial information regarding the balances of the "regulated deferred accounts" which derive when an economic entity provides goods or services to customers, at a price or percentage which is under a special regulated status by the state.

IFRS 14 allows an economic entity which is a first-time adopter of the standard to continue accounting for, based on minor changes, the balances of the "regulated deferred accounts" according to previous accounting standards, both at the first adoption of the IFRS as well as in subsequent financial statements. The balances and the movements of these accounts are separately presented in the statements of financial position, results and other total comprehensive income, whereas certain disclosures are required. The new standard is applied in annual accounting period beginning on or after January 1st, 2016 and is not expected to be adopted by the European Union in anticipation of a final standard.

IFRS 16 "Leases"

On 13 January 2016 the International Accounting Standards Board (IASB) issued the IFRS 16 which supersedes the IAS 17. Purpose of the standard is to ensure that lessors and lessees provide useful information that presents fairly the substance of the transactions concerning leases. The FIRS 16 introduces a single lessee accounting model on lessee's side, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. For the accounting, on the lessor's side, the IFRS 16 substantially incorporates the requirements of the IAS 17. Consequently, lessors continue to classify leases as operating or finance, and follow different lessor accounting for each type of contract. The new standard is applicable for annual periods beginning on or after 1 January 2019 and has not yet been approved by the European Union.

IFRS 17 "Insurance Contracts"
On 18th of May 2017, the International Accounting Standards Board issued a new Standard, IFRS 17, replacing an interim Standard, IFRS 4. It is applied on annual periods that begin on or after 01/01/2021. The IASB's aim was to develop a single principle-based Standard for the accounting treatment of all types of insurance contracts, including reinsurance contracts held by an insurer. A single Standard based on principles will enhance the comparability of the financial reporting between economic entities, jurisdictions and capital markets. IFRS 17 specifies the requirements that an entity should apply on financial reporting that is related to insurance contracts that it issues and reinsurance contracts that it holds. The Group will examine the impact of all of the above on its Financial Statements, although it is not expected to have a material effect. The above has not been adopted by the European Union.

IAS 7 (Amendment) "Cash Flow Statement": Disclosure Initiative
The amendment is applied in annual accounting periods beginning on or after 1.1.2017 and has not been adopted by the European Union. On 29.1.2016, the International Accounting Standards Board issued an amendment in IAS 7 according to which a company is required to disclose information which assists the users of the financial statements to evaluate the changes in those liabilities, the cash flows of which are classified in the financing activities of the cash flow statement. The changes, not only the ones relating to cash, which should be disclosed include the changes from cash flows from financing activities, the changes deriving from the acquisition or the loss of control of subsidiaries or other companies, the changes due to foreign exchange differences, the changes in the fair value and the other changes.
The Group assesses the effect from the adoption of the above amendment on its financial statements.

IAS 12 (Amendment) "Income Taxes": Recognition of Deferred Tax Assets for Unrealized Losses
On 19.1.2016 the International Accounting Standards Board issued an amendment in IAS 12, according to which the following were clarified:

- The non realized losses of debit instruments, which are valued for accounting purposes at fair value and for tax purposes at cost, may lead to deductible temporary differences independently of whether their possessor is going to recover their value through the sale or use of these.
- The recoverability of a deferred tax asset is reviewed in combination with the other deferred tax assets. In the case though, in which the tax law limits the option for offsetting certain taxable losses with certain income categories, the respective deductible temporary differences should be reviewed only in combination with other deductible temporary differences of the same category.
- During the recoverability audit of the deferred tax assets, the deductible tax differences are compared with the future taxable earnings without taking into account the tax reliefs deriving from the reverse entry of deferred tax assets.

The amendment is effective for annual accounting periods beginning on or after 1.1.2017 and has not been adopted by the European Union.

IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 (Amendment) "Investments in Associates and Joint Ventures" - Sale or Contribution of assets among the investor and his/her Associate or Joint Venture

The main consequence of the amendment issued by the IASB on September 11, 2014, is that a full gain or loss is recognized when a transaction involves a company (whether is based on a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a corporation, even if these assets are located in a subsidiary. The amendment is effective for annual periods beginning on or after January 1, 2016 whereas its endorsement by the European Union has been postponed indefinitely.

IFRS 2 Share-based Payment (Amendment) "Classification and Measurement of Share-based Payment"

The amendment to IFRS 2 "Share-based Payment" clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRS 4 (Amendment) "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"

The Board issued on 12 September amendments to IFRS 4 to address, concerns about applying the new standard IFRS 9 Financial Instruments before the application of the new Board amended IFRS 4. The amendments introduce two approaches: overlay approach and temporary exemption. The amended standard shall:

• Allow all companies that issue insurance contracts to recognize in OCI, rather than profit or loss, the volatility that may arise when IFRS 9 is applied before the new insurance contracts.

• Provide to companies with activities predominantly connected with insurance an optional temporary exemption to defer the application of IFRS 9 until 2021.

The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

Clarifications to IFRS 15 "Revenue from Contacts with Customers"

On April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not change the basic principles of the Standard but provide clarification on how to apply these policies. The amendments clarify how to identify performance obligations recognized as a contract, how to determine whether an entity is a principal or an agent and how is determined whether the revenue from granting a license should be recognized as transferred at a point in time or over time. The Company and the Group will assess the impact of all the above on the financial statements, however is not expected any. The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

Annual Improvements to IFRSs, 2014-2016 Cycle

The amendments of the 2014 - 2016 Cycle were issued by the IASB on 8 December 2016, are applicable for annual periods beginning on or after 1 January 2018 and have not yet been approved by the European Union. The amendments below are not expected to have a material impact on the financial statements of the Company (The Group) unless stated otherwise.

<u>IFRS 1 First time adoption of IFRS</u>

The amendment eliminates the "Short-term exemptions from IFRS" which were required according to Section E of IFRS 1 under the concept that they have served their purpose and are no longer appropriate.

IAS 28 (Amendment) "Measuring an Associate or Joint Venture at fair value"
The amendment clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment -by- investment basis, upon initial recognition.

IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of the Standard
The amendment clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10-B16, apply for an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

IAS 40 "Investment Property" Transfer of Investment Property
The amendments to IAS 40 issued by the IASB on 8 December 2016 clarify that an entity can transfer a property to, or from investment properties, when and only when, there is evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. A change in management's intentions for the use of a property, in isolation, is not evidence of a change in use to support a transfer.
The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRIC 22 Interpretation "Foreign currency transactions and Advance consideration"
The Interpretation 22 clarifies the accounting for foreign currency transactions including the receipt or the payment of consideration in advance. Specifically, it applies for the foreign currency transactions where an entity recognizes a non-monetary asset or liability arising from the payment or the receipt of consideration in advance before the entity recognizes the related item as expense or revenue. The interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognizes the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance, the date of transition is determined for each payment or receipt.
The interpretation is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRIC 23 "Uncertainty regarding the Treatment of Income Tax"
On 7th June 2017, the International Accounting Standards Board issued a new Interpretation of IFRIC 23. It is effective for annual periods beginning on or after 01/01/2019. IAS 12 "Income Tax" specifies the accounting treatment of current and deferred tax, but it does not specify the way through which the effects of the uncertainty will be reflected. IFRIC 23 includes the additional to IAS 12 requirements, specifying the way through which the effects of uncertainty will be reflected on the accounting treatment of income tax. The Company will examine the impact of all of the above on its Financial Statements, although it is not expected to have a material effect. The above have not been adopted by the European Union.

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

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

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

The total budgeted cost arises from estimation procedures and is reassessed and reviewed at each statement of financial position date.

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

iii) Value readjustment of investment property: For the valuation of its investment property, when there is an active market the Group defines the fair value based on valuation reports prepared on its behalf from independent appraisers. If no objective reports are available, especially due to the financial conditions, then the management based on its previous experience and taking into account the available information estimates the fair value.

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

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

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

vii)Provision for income tax: The Group, based on IAS 12, makes a provision for income tax, current and deferred. It also includes a provision for additional taxes that may arise from tax audits. The final settlement of income tax may differ from the respective amounts registered in the interim and annual financial statements.

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

ix) Valuation of cash flow hedging agreements

The Group uses financial derivatives and specifically it enters into interest rate swaps to hedge its risk linked to fluctuations of interest rates. The swap agreements are valued according to market estimations regarding the trend of relevant interest rates for periods up to thirty years. According to such estimated interest rates, the cash flows are discounted in order to define the liability on the date of the financial statements.

x) Fair value of financial assets and liabilities:

The Group applies estimation of the fair value of financial assets and liabilities.

xi) Liabilities from Financial Instruments:
The Group has issued financial securities, in the context of a tax equity investment program, the payments of which depend on the future returns on specific Group investments. This financial liability is measured at amortized cost with the effective interest rate method. The calculation of the effective interest rate is based on management's estimations regarding the future cash flows of the specific investments for the entire expected duration of such.
xii) Evaluation of agreements that include lease elements
In the context of electric power contracts that the Group concludes with the electric energy supplier, the Group undertakes the commitment to sell the total amount of electric energy produced by a specific facility. According to the requirements of the interpretations IFRIC 4 "Defining whether a contract includes a lease", the Group examines the electric power sales contracts, in order to evaluate if these contracts include lease elements, so to recognize the relative revenues according to IAS 17 "Leases". Lease elements is considered that are included in a contract, when the total amount of production of a specific wind farm is sold to the provider and the conventional price is neither fixed nor representative of the current price of the market during the time of production. The evaluation of the lease revenues, which are recognized on a straight line basis, depends on the future production of the wind farm, according to the capacity and the wind measurements.

d) Risks due to the current economic conditions prevailing in Greece

The measures and actions that were taken for the implementation of the program (on the fronts of taxation and social security) based on agreement with the creditors had a negative effect on the economic climate and as result the Greek State became unable to fulfill its obligations.

The continuation of the measure of capital controls in the economy has a negative effect on the international transactions given the difficulty to repay contractual obligations to suppliers and creditors.

The full unfolding of the consequences from the above conditions of uncertainty and the delays observed in the payments made from the State and the broader public sector toward the Group affect negatively the cash flows and the results of the Group in a way that it cannot be predicted accurately.

Despite the existence of risks referring to the recovery of the future benefits of the asset portfolios and the adequacy of the cash flows, the activities of the Group continue at a normal pace. In this context, the Management systematically assesses the broader situation and its potential effect, in order to ensure that all necessary measures and actions are taken for the minimization of the potential effects on the Group's activities. The Management of the Group aims at immediately informing the investor community about any significant effect generated by the constantly changing conditions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

a) Basis of consolidation
The attached consolidated interim condensed financial statements include those of GEK TERNA SA and its subsidiaries.

The attached consolidated interim condensed financial statements include those of GEK TERNA SA and its subsidiaries. Subsidiaries are the companies at which the Group has the control of their operations and they have been consolidated under the full consolidation method. The Group is considered to have the control of a subsidiary when it holds rights which provide the current ability to manage its respective activities, namely the activities which affect substantially the performance of the subsidiary. The authority stems from the rights. In certain cases the assessment of control is relatively simple as in the case where the authority upon an issuer is gained directly and exclusively from the voting rights provided by participation titles such as shares, and it can be estimated through the examination of voting rights stemming from the specific participations. In other cases the assessment is more complicated and requires the examination of more than one factor for example when the authority stems from one of more contractual arrangements. The subsidiaries are consolidated as from the date that the Group gains control on them and ends when as from the date that the specific control ceases to exist. The intergroup transactions and balances have been omitted in the accompanying consolidated financial statements. When it is required the accounting principles of the subsidiaries have been amended as to ensure the consistency in the accounting principles adopted by the Group.

b) Joint operations

It refers to tax construction joint operations. The above do not constitute separate entity under the framework of IFRS. Their assets and liabilities are incorporated in the financial statements of the Company or its subsidiaries according to the percentage that they possess of each item.

c) Investments in Joint Ventures

The participation of the Group in Joint ventures when there is common control, are incorporated in the attached financial statements with the equity consolidation method which instructs for the presentation of the participation at its cost value plus the proportion of the participation in the joint-venture of the shareholders’ equity change minus any provisions for impairment in the value of the respective participations. As a result the assets, liabilities, and total income are not incorporated in the consolidated financial statements. Under the context of the standard, as Joint-ventures are considered the forms under joint control where the members have rights in the net assets of the participations and they are responsible up to the percentage of the contribution in the share capital of the company. If the participation of the Group to the losses of a Joint Venture exceeds the value of the participation, then the Group terminates any additional recognition of losses. The allocation of the operating results and other comprehensive income is made on proportional basis, meaning according to the percentage of participation.

d) Investments in Associates

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

The consolidated comprehensive income statement shows the Group’s share in the total comprehensive income of the associate companies. If the participation of the Group to the losses of an Associate company exceeds the value of the participation, then the Group terminates any additional recognition of losses. The allocation of the operating results and other comprehensive income is made on proportional basis, meaning according to the percentage of participation.

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

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

(i) Investments available for sale
(ii) Receivables and loans
(iii) Financial assets at fair value through the comprehensive income statement
(iv) Investments held to maturity

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

(i) Investments available for sale
Financial assets (non-derivative) that cannot be classified in any of the above categories are designated and classified as investments available for sale. After the initial recognition, available for sale investments are valued at fair value with the resulting gains or losses being recognized in the other total income of the Comprehensive income statement. Upon sale or write-off or impairment of the investment the accumulated gains or losses are included in the net earnings.
(ii) Receivables and loans
Receivables and loans created by the activities of the Group (and which fall outside the usual credit limits), are valued at net amortized cost using the effective interest rate method. Gains or losses are recorded in the net earnings when the relevant amounts are written-off or suffer impairment as well as through the amortization process.
(iii) Financial assets at fair value through the net earnings
This relates to the trading portfolio and comprises investments acquired with a view to liquidate them in the near future. Gains or losses from the valuation of such assets are recorded in the net earnings.
(iv) Investments held to maturity
Financial assets (non-derivative) with defined flows and defined maturity are classified as held to maturity when the company is willing and able to retain them until their maturity. Investments held indefinitely or for a predetermined period cannot be classified in this category. Held to maturity investments are valued, after the initial recognition, at net amortized cost using the effective interest rate method. Gains or losses are recorded in the net earnings when the relevant amounts are written-off or suffer impairment as well as through the amortization process.
The fair value of such investments that are traded in an organized exchange is derived by the exchange value of the investment at the closing date. As regards to investments that are not traded in an active market, their fair value is calculated on the basis of relevant valuation techniques. These techniques are based on recent arm's-length investment transactions, with reference to the exchange value of another investment with characteristics similar to the investment valued, discounted cash-flow analysis and investment valuation models.

f) Financial Instruments and Risk Management

Non-derivative financial assets and liabilities in the Statement of financial position include cash balances, receivables, participations bank loans and other short and long-term liabilities. The accounting principles for the recognition and measurement of these items are mentioned in the respective accounting principles, which are presented in this Note. Financial instruments are disclosed as receivables, liabilities or equity based on the substance and the contents of the relevant contracts from which they stem.

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

(i) *Interest rate risk and exchange rate risk*

The Group's bank debt is mainly in Euro and is subject to variable and fixed interest rates. The Group has entered into interest rate swap agreements in order to reduce its exposure to interest rate volatility risk of certain significant bank debt liabilities. The Management of the Group follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

(ii) Fair Value

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

(iii) Credit Risk Concentration

A substantial part of trade receivables in general relate to agencies and entities of the Public sector with which there is no credit risk, per se. Despite the aforementioned fact these receivables are under special monitoring and in case it is considered necessary respective adjustments will be made. Group's policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within an 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.

g) Operation and Presentation Currency and Foreign Exchange Conversion

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

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

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

h) Intangible assets

Intangible assets mainly consist of rights related to quarries and mines, software acquisition costs as well as acquired rights (licenses of wind parks, quarries, and construction agreements recognized on acquisition at fair value).

Furthermore intangible assets include the fair value of rights under service concession agreements with the state and more specifically those providing for the building, operating, transferring (BOT) of motorways and car parks. Fair value is calculated as construction costs plus a reasonable construction profit.
Amortization on rights regarding the use of quarries, mines and wind parks licenses are based on straight line method during the normal period for the use of quarries (20-50 years) and within the period of their productive use while the amortization on software is accounted for based on the straight line method for a period of three years. The amortization on the acquired right for construction agreements is made based on the rate of execution of the respective projects.
Amortization of rights stemming from car parking concession contracts is conducted based on the duration of the concession.

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

j) Depreciation

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

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

Especially for the machinery utilized in the mining of magnesite, the estimated economic life is set at 50 years.

k) Impairment of the Value of Fixed Assets

The book values of long-term assets, other than goodwill and tangible fixed assets with an indefinite life are reviewed for impairment purposes when facts or changes in circumstances imply that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is recorded in the ret earnings. The recoverable amount is defined as the largest between the fair value minus the sale cost and the value in use.

The fair value minus the sale cost is the plausible income from the sale of an asset in the context of an arm's-length transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct sales cost for the asset. The value in use consists of the net present value of future estimated cash flows expected to occur from the continuous use of the asset and from the income expected to arise from its sale at the end of its estimated useful economic life. In order to determine the impairment, the asset items are grouped at the lowest level for which cash flows can be recognized separately.
A reversal of an impairment for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income in net earnings.

l) Investment property

Investments in property are those held for the purpose to receive rent or capital appreciation and are valued at their fair value which is based on market value, that is to say at the estimated value of which the property may be sold, at the day of the estimation, in a normal transaction. When there is an active market, the Group defines the fair value of investment property based on valuation reports prepared on its behalf by independent appraisers. If no objective information is available, specifically due to economic conditions, then the Management based on its previous experience and taking into account available information, performs an estimation of fair value.
Profits or losses that arise from changes in the fair value of investments in property are included in the net earnings of the period during which they arise. Repairs and maintenance are recorded as expenses in the year in which they are incurred. Material subsequent expenses are capitalized when they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost.
The investment property is eliminated from the Statement of financial position upon sale. All gains or losses resulting from the sale of an investment property are included in the net earnings of the year during which it was sold.
Investment property being build or developed are monitored, as those completed, at fair value.

m) Inventories

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

n) Receivables Accounts

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

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

o) 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.

p) Long-term loan liabilities

All long-term loan liabilities are initially booked at cost, which is the actual value of the received payment less the issuance expenses related to the loan. After the initial recording, interest-bearing loans are valued at the net book value using the effective interest rate method. The net book value is calculated after taking into account the issuance expenses and the differences between the initial amount and the amount at maturity. Profits and losses are registered in the net profit or loss when the liabilities are written off or impaired and through the amortization procedure. Interest expenses are recognized on an accruals basis.
We note that interest on loans related to the construction of fixed assets and inventories, whose construction requires a significant period of time, increase the value of relevant assets, based on the revised IAS 23. The capitalization of interest is disrupted when the asset is ready for the use it is intended for.

q) Provisions for Staff Retirement Indemnities

According to the provisions of L2112/20, the Group reimburses its retiring or dismissed employees, and the amount of the relevant indemnities depends on the years of service, the level of wages and the reason for exit from employment (dismissal or retirement).
The liabilities for staff retirement indemnities are calculated using the discounted value of future benefits that have accrued at the end of the year, based on the recognition of the employees' benefit rights during the duration of their expected working years.
The above liabilities are calculated based on the financial and actuarial assumptions and are defined using the projected unit method of actuarial valuation.
Net retirement costs for the period are included in the net earnings and consist of the present value of benefits that have accrued during the year, the interest on the benefits' liability, the cost of prior service, the actuarial profit or loss and any other additional retirement costs. The 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.
However from the beginning of 2013 based on the implementation of the revised IAS 19, both actuarial profit and losses are registered directly as income or expenses to the non-recycled other comprehensive results. The prior service costs in case that they change within the fiscal year they are recorded in the respective year's results.

r) 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.

s) Finance and Operating Leases

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

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

t) Government Grants

Government grants relating to subsidies of tangible fixed assets are recognized when there is reasonable certainty that the grant will be received and all relevant terms will be met.

These government grants are recorded in a deferred income account and are transferred to the comprehensive income statement in equal annual installments based on the expected useful life of the asset that was subsidized, as a reduction to the relevant depreciation expense. When the grant relates to an expense it is recognized as income during the period deemed necessary to match the grant on a systematic basis with the expenses it is meant to reimburse.

u) Provisions, Contingent Liabilities and Contingent Receivables

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

Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of financial benefits is possible.

v) Financial Derivatives and Hedging Instruments

The Group has used financial derivatives and specifically in enters into interest rate swaps to hedge its risk linked to fluctuations of interest rates for substantial loans. The financial derivatives are valued at fair value during the reference date. The fair value of such derivatives is mainly defined based on the market value and is confirmed by the counterparty financial institutions.

For the purposes of hedge accounting, the hedges are classified as follows:

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

The full hedged part of the profit/loss of a measurement of derivatives that meet the conditions for hedge accounting is registered in other comprehensive income, if such refers to cash flow hedges, while the non-effective part is registered in net earnings. If such refers to a fair value hedge, the relevant profit or loss is recognized in net earnings, where the fair value change of the hedged instrument is registered respectively.
The hedge accounting is discontinued when the hedging instrument expires or is sold, is terminated or is exercised, or when the hedge does not fulfill the criteria for hedge accounting. The accumulated amount of gains or losses which has been recognized directly in the equity until the above date remains as a reserve until the hedged item affects the Statement of Results. In case where a hedged transaction is not expected to be realized, the net accumulated gains or losses which had been recorded in the reserves are immediately transferred in the Statement of Results.

w) Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefit 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

The construction subsidiaries and joint ventures realize the income from construction contracts in their accounting books based on amounts invoiced to customers, which result from the relevant partial certifications of work completed that are issued by the responsible engineers and correspond to the work completed up to the closing date. For reasons of compliance with the IFRS, income from construction activity is accounted for in the attached consolidated financial statements using the percentage-of-completion method in accordance with the provisions of IAS 11 "Construction Contracts".
According to the percentage-of-completion method the construction costs incurred up to the date of the Statement of Financial position, are compared to the total estimated cost of the project in order to determine the percentage of the project that has been completed.
This percentage is applied to the total revised contract price in order to determine the cumulated income from the project, based on which the invoiced income to date is revised. The cumulated effect of the revisions of the total estimated construction cost and the total contract price are accounted for during the accounting periods in which they arise.
In the cases of contracts where it is forecast that the total estimated cost will exceed the total contract price, the entire loss is recognized in the year during which the loss-making events become probable.
Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced, while non-accrued income comprises amounts invoiced up to the balance sheet date over and above the income calculated using the percentage-of-completion method.
Project execution down-payments represent amounts received by the Company upon signing the relevant contracts and are proportionally netted-off with the partial invoicing. The remaining amount due appears as a liability in the attached financial statements.

(ii) Sale of goods

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

(iii) Revenues from car parks

Such revenues come from concessions for the operation of car parks' operations. Such revenue equals the amounts received.

(iv) Revenue from the sale of Electric Energy

Revenue from the sale of Electric Energy is accounted for in the year in which it accrues. Revenue from sales of electric energy to LAGIE or any other buyer that have not yet been invoiced is recognized as accrued non-invoiced income in the financial statements. Furthermore, the expected revenues from the production of Electric Energy that includes, according to the IFRIC 4, lease elements, are recognized proportional during the duration of the contract, insofar these revenues are related with the lease contract. An Electric Energy contract is consider that includes lease elements when regards the total amount of production of a specific settlement and the conventional price per production unit is neither fixed during the duration of the contract, nor representative of the current price of the market during the time of production.

(v) Revenue from the construction and sale of buildings

Buildings owned by the Company that are under construction, appear as inventories. From the price defined by the sale contract drawn by a final notary deed or memorandum agreement (given that the relevant risks in the context of the company's guaranteed responsibilities are covered by insurance), the portion that corresponds to the realized construction cost of the sold building or part of such until the end of the period, is recognized in the revenue for the period according to the percentage-of-completion method.

(vi) Rent Revenue

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

(vii) Dividends

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

(viii) Interest

Interest income is recognized on an accruals basis.

x) 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 each company as such are reformed on the company's tax returns, additional income tax emerging from the Tax Authorities' tax audits, on deferred income tax based on the enacted tax rates, as well as any possible extraordinary tax contribution calculated on earnings.

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

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

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

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

Income tax that relates to items, which have been directly recognized in other comprehensive income, is also recognized in other comprehensive income.

y) Earnings per Share

Basic earnings per share (EPS) are calculated by dividing net earnings corresponding to the parent's owners with the average weighted number of common shares that are outstanding during each year, with the exception of the average common shares acquired by the group as treasury-shares.
Diluted earnings per share are calculated by dividing the net earnings corresponding to owners of the parent (after deducting the interest on convertible shares, after taxes) with the weighted average number of shares that are outstanding during the reporting period (adjusted for the effect of the diluted convertible shares).

z) Business Combinations, Goodwill from Acquisitions and Changes in Percentages of non-controlling Participations

Business Combinations are accounted on the basis of the acquisition method. According to this method, the financial assets (including the formerly not recognized intangible assets) and the obligations (including the possible obligations) of the acquired firm/activity are recognized at fair value at the date of the transaction.
The goodwill arising from the Business Combinations derives as the difference of the fair values at the transaction date of a) the price paid, the amount which corresponds to the percentage to the percentage of non-controlling participation and the potential participation in the acquired company and b) the value of the individual assets which were acquired and the liabilities undertaken. At the date of the transaction (or at the date that the allocation of the respective price paid is completed), the goodwill which gained, is distributed to cash generating units or to cash generating units which are expected to be benefitted from this combination. If the fair value of the assets acquired exceeds the cost of the combination, then the Group re-estimates the recognition and the measurement of the recognized net assets and the cost of the combination and recognizes immediately in the results the negative difference between the price of the acquisition and the fair value of the net assets (negative goodwill).
The goodwill is valued at historical cost minus the accumulated impairment losses. The goodwill is not depreciated but is subject to impairment control on annual basis or more frequently when the situation or changes of conditions imply that the value might have been impaired.
If the book value of a cash generating unit, including the pro rata goodwill, exceeds its recoverable sum, then loss impairment is recognized. This impairment is defined by estimating the recoverable sum of the units generating cash flows, which are associated with the goodwill.
If part of the cash flow generating unit to which the goodwill has been distributed, is sold, then the goodwill which is proportionate to the sold part, is defined according to the relevant prices of the part that was sold and the part of the cash flow generating unit that remains.
The goodwill that has arisen from acquisitions or business combinations has been distributed and is being monitored on Group basis at the basic units generating cash flows, which have been defined according to IAS 36 "Impairment of Assets".
When the Group increases its participation ratio to current subsidiaries (acquisition of percentages of non-controlled participations) the total difference between the acquisition price and the proportion of the percentages of the non-controlled participations which are acquired is recognized directly to the shareholders' equity as it is deemed as a transaction between shareholders. Respectively, when percentages of non-controlled participations are sold (without the final participation leading to the loss of control on the subsidiary), the relevant gains or losses are directly recognized at the shareholders' equity.

Expenses of Mining – Mineral's Extraction Operating Development

It refers to the expenses of mining and minerals' operational development which mainly include stripping, tunneling and waste removal. During the operational development phase of mineral-mining extraction areas (before production begins), stripping costs are usually capitalized as part of mining's developing and construction depreciable cost. The depreciation of the operational development expenditure of mineral-mining extraction areas – are calculated based on the extraction percentage of the commercially extractable deposit. Depreciation – expense of capitalized development expenditure of mineral-mining extraction is included in the cost of mining-ore extraction. The mining-ore operational development costs - are capitalized if and only if all the following conditions are met:

(a) the Group will derive future economic benefits (improved access to the ore deposit) associated with the stripping activity,

(b) the Group can utilize the portion of the deposit to which access has been improved and,

(c) the cost of stripping-related activity related to this part can be measured reliably. The asset stemming from the stripping activity is been added to the cost of the mine and subsequently is measured at the cost less accumulated depreciation and any impairment in value.

Provisions for dismantling of wind parks and environmental rehabilitation:

The Group is forming provisions for dismantling the wind turbines from the wind farms and the rehabilitation of the surrounding area. The provisions of dismantling and rehabilitation reflects the present value at the reference date, the estimated cost, reduced by the expected salvage value of the recoverable materials. The provisions are reviewed every time the financial statements are issued and adjust in order to reflect the present value of the expenses that expected to be disbursed for the clearing of the dismantling and rehabilitation obligation.

The relative provision is registered accretive of the acquisition cost of the wind turbines and is depreciated in fixed method basis, within the 20 year duration of the Electric Energy contract. The depreciation expense of the capitalized dismantling and rehabilitation expenses is included in the income statement with the depreciations of the wind farms.

Any changes to the evaluations in reference to the estimated cost or the discount rate are added or reduced respectively to the cost of the asset. The effect of the discount of the estimated cost is registered at the income statement as an interest expense.

Financial Assets from Concessions – Loans and receivables

The financial assets include rights acquired based on concession agreements from the public sector and specifically concern the Study, Financing, Installation, Support of Operation, Maintenance and Technical Administration of a Unified Automatic Ticket Collection System for the companies of OASA Group.

The concessionaire will recognize a financial asset to the extent there is a contractual right to receive cash. The amount of the receivable of the concessionaire party is calculated according to IAS 39, is classified under the category "Loans and receivables" and is valued at the non depreciated cost based on the real interest rate.

The value of the financial asset increases with the construction and financial costs, plus a construction and operating profit margin, and decreases with the receipts that are made according to the relevant contract.

(Amounts in thousand Euro, unless stated otherwise)

4. STRUCTURE OF THE GROUP AND THE COMPANY

The following tables present the participations of the parent company GEK TERNA SA, direct and indirect in economic entities during 30.06.2017, which were included in the consolidation. According to the level of their consolidation, they are classified as follows:

4.1 Company Structure

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
CONSTRUCTION SEGMENT – JOINT VENTURES					
J/V HELLAS TOLLS	Greece	33.33	0	33.33	
ALTE ATE – TERNA SA GP	Greece	50	0	50	
J/V GEK TERNA – TERNA ENERGY (INSTALLATION AND OPERATION ASSK)	Greece	50	50	100	

4.2 Group Structure

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
CONSTRUCTION SEGMENT - SUBSIDIARIES					
TERNA SA	Greece	100	0	100	Full
TERNA ENERGY SA *	Greece	41.24	0	41.24	Full
J/V EUROIONIA	Greece	0	100	100	Full
J/V CENTRAL GREECE MOTORWAY E-65	Greece	0	100	100	Full
ILIOHORA SA	Greece	70.55	29.45	100	Full
TERNA OVERSEAS LTD	Cyprus	0	100	100	Full
TERNA QATAR LLC **	Qatar	0	35	35	Full
TERNA BAHRAIN HOLDING WLL	Bahrain	0	99.99	99.99	Full
TERNA CONTRACTING CO WLL	Bahrain	0	100	100	Full
TERNA VENTURES WLL	Bahrain	0	100	100	Full
TERNA SAUDI ARABIA LTD	Saudi Arabia	0	60	60	Full
J/V GEK TERNA – TERNA ENERGY (INSTALLATION AND OPERATION ASSK)	Greece	50	50	100	Full
CONSTRUCTION SEGMENT - JOINT VENTURES					
J/V TOMI ABETE-ILIOHORA SA	Greece	0	30	30	
J/V AVAX SA-VIOTER SA-ILIOHORA SA	Greece	0	37.5	37.5	
J/V ILIOCHORA-KASTAT CONSTRUCTIONS (Koumpila-Louloudi project)	Greece	0	70	70	
J/V TERNA-KARAYIANNIS-KARAYIANNIS-ILIOCHORA	Greece	0	50	50	
J/V TERNA - AKTOR - POWELL (CHAIDARI METRO)	Greece	0	66	66	
J/V TERNA - IMPEGILOSPA (TRAM)	Greece	0	55	55	
J/V ALPINEMAYREDERBAUGmbH-TERNA (ANCIENT OLYMPIA BYPASS)	Greece	0	50	50	
J/V ATHANASIADIS - TERNA (THESSAL. CAR PARK.)	Greece	0	50	50	
J/V TERNA SA - AKTOR SA-J&P-AVAX SA (LAND OF CONCERT HALL)	Greece	0	69	69	

(Amounts in thousand Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
J/V TERNA AE - WAYSS (PERISTERI METRO)	Greece	0	50	50	
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	0	35	35	
J/V TERNA – PANTECHNIKI (OAKA SUR. AREAS)	Greece	0	83.5	83.5	
J/V TERNA S.A. - AKTOR A.T.E.- J&P AVAX (Concert Hall)	Greece	0	37	37	
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	0	65	65	
J/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	Greece	0	50	50	
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (CHAIDARI METRO STATION, PART A')	Greece	0	50	50	
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (PARADEISIA TSAKONA)	Greece	0	49	49	
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH (THESSAL. MEG. MUNICIPALITY)	Greece	0	25	25	
J/V TERNA - AKTOR (SUBURBAN SKA)	Greece	0	50	50	
J/V TERNA - AKTOR (R.C. LIANOKLADI - DOMOKOS)	Greece	0	50	50	
J/V TERNA SA- THALES AUSTRIA (ETCS SYSTEM PROCUREMENT)	Greece	0	37.4	37.4	
J/V TERNA SA-AKTOR ATE J&P AVAX–TREIS GEFYRES	Greece	0	33.33	33.33	
J/V METKA-TERNA	Greece	0	90	90	
J/V APION KLEOS	Greece	0	17	17	
J/V TERNA SA-SICES CONSTRUCTIONS (HELPE REF. UPGR.)	Greece	0	50	50	
J/V AKTOR-TERNA-PORTO KARRAS (Florina-Niki road)	Greece	0	33.33	33.33	
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	0	50	50	
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	0	50	50	
J/V AKTOR-TERNA (Patras Port)	Greece	0	70	70	
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece	0	33.33	33.33	
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	0	49	49	
J/V AKTOR ATE – TERNA SA (Lignite works)	Greece	0	50	50	
J/V AKTOR ATE – TERNA SA (Thriasio B’)	Greece	0	50	50	
J/V AKTOR SA – J&P AVAX – TERNA SA (Tithorea Domokos)	Greece	0	33.33	33.33	
J/V AKTOR SA – J&P AVAX – TERNA SA (Bridge RL 26, TITHOREA - DOMOKOS)	Greece	0	44.56	44.56	
J/V AKTOR SA – TERNA SA (Thriasio B’ ERGOSE)	Greece	0	50	50	
J/V AKTOR – TERNA (Joint Venture ERGOSE No. 751)	Greece	0	50	50	
JV TERNA GCC WAC	Qatar	0	30	30	
JV TERNA-Al OMAIER	Saudi Arabia	0	60	60	
JV TERNA-CGCE (AMAS 1)	Bahrain	0	50	50	
J/V RENCO-TERNA (Constr. of compr. stat. TAP)	Greece	0	50	50	
J/V J&P AVAX SA-TERNA SA-AKTOR SA-INTRAKAT (Temenos)	Greece	0	25	25	
J/V TERNA - CGCE (AMAS 2)	Bahrain	0	50	50	
CONSTRUCTION SEGMENT - ASSOCIATES					
ATTIKAT SA	Greece	22.15	0	22.15	
RES ENERGY SEGMENT - SUBSIDIARIES					
TERNA ENERGY SA	Greece	41.24	0	41.24	Full
IWECO HONOS LASITHIOU CRETE SA	Greece	0	41.24	41.24	Full

(Amounts in thousand Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
ENERGIAKI SERVOUNIOU SA	Greece	0	41.24	41.24	Full
TERNA ENERGY EVROU SA	Greece	0	41.24	41.24	Full
PPC RENEWABLES - TERNA ENERGY SA	Greece	0	41.24	41.24	Full
AIOLIKI PANORAMATOS DERVENOCHORION S.A.	Greece	0	41.24	41.24	Full
AIOLIKI RACHOULAS DERVENOCHORION S.A.	Greece	0	41.24	41.24	Full
ENERGIAKI DERVENOCHORION S.A.	Greece	0	41.24	41.24	Full
AIOLIKI MALEA LAKONIAS S.A.	Greece	0	41.24	41.24	Full
ENERGIAKI FERRON EVROU S.A.	Greece	0	41.24	41.24	Full
AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	Greece	0	41.24	41.24	Full
ENERGIAKI PELOPONNISOU S.A.	Greece	0	41.24	41.24	Full
ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Greece	0	41.24	41.24	Full
AIOLIKI ILIOKASTROU S.A.	Greece	0	41.24	41.24	Full
EUROWIND S.A.	Greece	0	41.24	41.24	Full
ENERGEIAKI XIROVOUNIOU S.A.	Greece	0	41.24	41.24	Full
DELTA AXIOU ENERGEIAKI S.A.	Greece	0	41.24	41.24	Full
TERNA ENERGY SEA WIND PARKS S.A.	Greece	0	41.24	41.24	Full
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	Greece	0	41.24	41.24	Full
VATHICHORI ENVIRONMENTAL S.A.	Greece	0	41.24	41.24	Full
VATHICHORI ONE PHOTOVOLTAIC S.A.	Greece	0	41.24	41.24	Full
CHRISOUPOLI ENERGY Ltd	Greece	0	41.24	41.24	Full
LAGADAS ENERGY SA	Greece	0	41.24	41.24	Full
DOMOKOS ENERGY SA	Greece	0	41.24	41.24	Full
DIRFIS ENERGY SA	Greece	0	41.24	41.24	Full
FILOTAS ENERGY SA	Greece	0	41.24	41.24	Full
MALESINA ENERGY SA	Greece	0	41.24	41.24	Full
ORCHOMENOS ENERGY Ltd	Greece	0	41.24	41.24	Full
ALISTRATI ENERGY Ltd	Greece	0	41.24	41.24	Full
TERNA ENERGY AI-GIORGIS SA	Greece	0	41.24	41.24	Full
TERNA AIOLIKI AMARINTHOU SA	Greece	0	41.24	41.24	Full
TERNA AIOLIKI AITOLOAKARNANIAS SA	Greece	0	41.24	41.24	Full
TERNA ILIAKI VIOTIAS SA	Greece	0	41.24	41.24	Full
VATHICHORI TWO ENERGY S.A.	Greece	0	41.24	41.24	Full
TERNA AIOLIKI XEROVOUNIOU SA	Greece	0	41.24	41.24	Full
TERNA ILIAKI ILIOKASTROU SA	Greece	0	41.24	41.24	Full
TEPNA ILIAKI PANORAMATOS SA.	Greece	0	41.24	41.24	Full
AIOLIKI KARYSTIAS EVOIA S.A.	Greece	0	41.24	41.24	Full
GEOTHERMIKI ENERGY ANAPTYXIAKI S.A.	Greece	0	41.24	41.24	Full
TEPNA ILIAKI PELLOPONISSOU SA.	Greece	0	41.24	41.24	Full
TERNA ENERGY OVERSEAS LTD	Cyprus	0	41.24	41.24	Full
EOLOS POLSKA sp.z.o.o.	Poland	0	41.24	41.24	Full
EOLOS NOWOGRODZEC sp.z.o.o.	Poland	0	41.24	41.24	Full
HAOS INVEST 1 EAD	Bulgaria	0	41.24	41.24	Full

(Amounts in thousand Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
VALE PLUS LTD	Cyprus	0	41.24	41.24	Full
GALLETTE LTD	Cyprus	0	41.24	41.24	Full
ECO ENERGY DOBRICH 2 EOOD	Bulgaria	0	41.24	41.24	Full
ECO ENERGY DOBRICH 3 EOOD	Bulgaria	0	41.24	41.24	Full
ECO ENERGY DOBRICH 4 EOOD	Bulgaria	0	41.24	41.24	Full
COLD SPRINGS WINDFARM LLC	U.S.A.	0	41.24	41.24	Full
DESERT MEADOW WINDFARM LLC	U.S.A.	0	41.24	41.24	Full
HAMMETTHILL WINDFARM LLC	U.S.A.	0	41.24	41.24	Full
MAINLINE WINDFARM LLC	U.S.A.	0	41.24	41.24	Full
RYEGRASS WINDFARM. LLC	U.S.A.	0	41.24	41.24	Full
TWO PONDS WINDFARM. LLC	U.S.A.	0	41.24	41.24	Full
MOUNTAIN AIR WIND. LLC	U.S.A.	0	41.24	41.24	Full
EOLOS NORTH sp.z.o.o.	Poland	0	41.24	41.24	Full
EOLOS EAST sp.z.o.o.	Poland	0	41.24	41.24	Full
AIOLIKI PASTRA ATTIKIS SA	Greece	0	41.24	41.24	Full
JP GREEN sp.z.o.o.	Poland	0	41.24	41.24	Full
WIRON sp.z.o.o.	Poland	0	41.24	41.24	Full
BALLADYNA sp.z.o.o.	Poland	0	41.24	41.24	Full
TERNA ENERGY SA & Co AIOLIKI POLYKASTROU G.P.	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & CO ENERGEIAKI VELANIDION LAKONIAS G.P.	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & CO ENERGIAKI DYSTION EVIAS G.P.	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & CO ENERGIAKI ARI SAPPON G.P.	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & CO AIOLIKI EASTERN GREECE G.P.	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & CO AIOLIKI MARMARIOU EVIAS G.P.	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & CO ENERGIAKI PETRION EVIAS G.P.	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & CO AIOLIKI ROKANI DERVENOCHORION G.P.	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & CO ENERGIAKI STYRON EVIAS G.P.	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIAS G.P.	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & SIA PROVATA TRAIANOUPOULEOS	Greece	0	41.24	41.24	Full
TERNA ENERGY SA & VECTOR GREECE WIND PARKS – TROULOS WIND PARK G.P.	Greece	0	41.24	41.24	Full
MOUNTAIN AIR PROJECTS LLC	U.S.A.	0	41.24	41.24	Full
MOUNTAIN AIR INVESTMENTS LLC	U.S.A.	0	41.24	41.24	Full
MOUNTAIN AIR ALTERNATIVES LLC	U.S.A.	0	41.24	41.24	Full
MOUNTAIN AIR RESOURCES LLC	U.S.A.	0	41.24	41.24	Full
MOUNTAIN AIR HOLDINGS LLC	U.S.A.	0	41.24	41.24	Full
FLUVANNA WIND ENERGY LLC	U.S.A.	0	41.24	41.24	Full
FLUVANNA HOLDINGS LLC	U.S.A.	0	41.24	41.24	Full
FLUVANNA INVESTMENTS LLC	U.S.A.	0	41.24	41.24	Full
TERNA DEN LLC	U.S.A.	0	41.24	41.24	Full
TERNA RENEWABLE ENERGY PROJECTS LLC	U.S.A.	0	41.24	41.24	Full
AEGIS LLC	U.S.A.	0	41.24	41.24	Full
MOHAVE VALLEY ENERGY LLC	U.S.A.	0	41.24	41.24	Full

(Amounts in thousand Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
RES ENERGY SEGMENT – JOINT VENTURES					
TERNA ENERGY SA – MEL MACEDONIAN PAPER MILLS SA & CO CO-PRODUCTION GP	Greece	0	20.4	20.4	
TERNA ENERGY AVETE & SIA LP	Greece	0	28.56	28.56	
RES ENERGY SEGMENT - ASSOCIATES					
CYCLADES RES ENERGY CENTER SA	Greece	0	18.36	18.36	Equity
EN.ER.MEL S.A.	Greece	0	20.07	20.07	Equity
TRADING OF ELECTIRCITY SEGMENT - SUBSIDIARIES					
GP ENERGY LTD	Bulgaria	0	41.24	41.24	Full
TETRA DOOEL SKOPJE	FYROM	0	41.24	41.24	Full
PROENTRA D.O.O BEOGRAD	Serbia	0	41.24	41.24	Full
OPTIMUS ENERGY AE	Greece	0	41.24	41.24	Full
THERMAL ENERGY AND TRADING OF ELECTIRCITY SEGMENT – JOINT VENTURES					
HERON THERMOELECTRIC S.A.	Greece	50	0	50	Equity
HERON II VIOTIA THERMOELECTRIC STATION S.A.	Greece	0	25	25	Equity
REAL ESTATE SEGMENT - SUBSIDIARIES					
IOANNINON ENTERTAINMENT DEVELOPMENT S.A.	Greece	71.51	0	71.51	Full
MONASTIRIOU TECHNICAL DEVELOPMENT S.A.	Greece	100	0	100	Full
VIPA THESSALONIKI S.A.	Greece	100	0	100	Full
GEK SERVICES SA	Greece	51	0	51	Full
ICON EOOD	Bulgaria	80.96	19.04	100	Full
ICON BOROVEC EOOD	Bulgaria	18.69	81.31	100	Full
DOMUS DEVELOPMENT EOOD	Bulgaria	0	100	100	Full
I&B REAL ESTATE EAD	Bulgaria	0	100	100	Full
SC GEK ROM SRL	Romania	100	0	100	Full
HERMES DEVELOPMENT SRL	Romania	0	100	100	Full
HIGHLIGHT SRL	Romania	0	100	100	Full
MANTOUDI BUSINESS PARK S.A.	Greece	0	100	100	Full
REAL ESTATE SEGMENT - JOINT VENTURES AND ASSOCIATES					
KEKROPS S.A.	Greece	28.74	0	28.74	Equity
GEKA S.A.	Greece	0	33.34	33.34	Equity
GAIA INVESTMENT SA	Greece	35.78	0	35.78	Equity
GLS EOOD	Bulgaria	50	0	50	Equity
CONCESSIONS SEGMENT - SUBSIDIARIES					
IOLKOS S.A.	Greece	100	0	100	Full
HIRON CAR PARK S.A.	Greece	99.47	0.53	100	Full
KIFISIA PLATANOU SQ. CAR PARK SA	Greece	83.33	16.67	100	Full
PARKING STATION SAROKOU SQUARE CORFU S.A	Greece	83.67	16.33	100	Full

(Amounts in thousand Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
HELLAS SMARTICKET S.A.	Greece	0	41.24	41.24	Full
WASTE CYCLO S.A.	Greece	0	41.24	41.24	Full
PERIVALLONTIKI PELOPONNISOU MAE	Greece	0	41.24	41.24	Full
AEIFORIKI IPEIROU S.A.	Greece	0	41.24	41.24	Full
CONCESSIONS SEGMENT - JOINT VENTURES					
NEA ODOS SA ***	Greece	57.19	0	57.19	Equity
CENTRAL GREECE MOTORWAY S.A.	Greece	33.33	0	33.33	Equity
PARKING OUIL SA	Greece	50	0	50	Equity
ATHENS CAR PARK S.A.	Greece	22.14	0	22.14	Equity
THESSALONIKI CAR PARK S.A.	Greece	24.7	0	24.7	Equity
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Greece	32.42	0	32.42	Equity
POLIS PARK SA	Greece	28.76	0	28.76	Equity
SMYRNI PARK S.A.	Greece	20	0	20	Equity
HELLINIKON ENTERTAINMENT AND ATHLETIC PARKS S.A.	Greece	31.63	0	31.63	Equity
METROPOLITAN ATHENS PARK SA	Greece	22.91	0	22.91	Equity
INDUSTRIAL-MINES SEGMENT - SUBSIDIARIES					
VIOMEK ABETE	Greece	67.52	29.07	96.59	Full
STROTIRES AEBE	Greece	51	0	51	Full
TERNA MAG SA	Greece	51.02	48.98	100	Full
EUROPEAN AGENCIES OF METALS SA	Greece	0	100	100	Full
VRONDIS QUARRY PRODUCTS SA	Greece	0	100	100	Full
CEMENT PRODUCTION AND EXPORT FZC	Libya	0	75	75	Full
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0	75	75	Full
SEGMENT OF HOLDINGS – SUBSIDIARIES					
QE ENERGY EUROPE LTD	Cyprus	0	100	100	Full
TERNA ENERGY USA HOLDING CORPORATION	U.S.A.	0	41.24	41.24	Full
TERNA ENERGY TRANSATLANTIC sp.z.o.o.	Poland	0	41.24	41.24	Full
TERNA ENERGY UK PLC	United Kingdom	0	41.24	41.24	Full
TERNA ENERGY TRADING LTD	Cyprus	0	41.24	41.24	Full
TERNA ENERGY FINANCING S.P.S.A.	Greece	0	41.24	41.24	Full

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

* TERNA ENERGY SA is a subsidiary and it is fully consolidated in the GEK TERNA Group because its control is exercised. The control is the result of the following conditions:

1. Parent Company has authority over the investee because it has the ability to direct related activities (operational and financial). This is achieved through the appointment of the majority of the members of Board of Directors and executive managers of the subsidiary, by the parent's management.

(Amounts in thousand Euro, unless stated otherwise)

2. The parent Company holds rights with variable returns from the participation in the subsidiary. Specifically, GEK TERNA holds the largest equity stake among shareholders. The other non-controlled participations present great dispersion and therefore they cannot materially influence the decision-making.
3. The Parent Company has the ability to use the authority over the subsidiary in order to influence the level of its performance. This is the result of the Parent Company's ability to take decisions on the subsidiary's matters through the control of the decision-making bodies (BoD and executive managers).

** The company TERNA QATAR LLC is fully consolidated according to IFRS 10 "Consolidated Financial Statements" since based on contractual agreement the Group controls the management and the results of the company.

*** The company NEA ODOS is consolidated with the Equity method since an increased majority is required among shareholders for the approval of the management's decisions, implying conditions of joint control.

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

COMPANY NAME	TOTAL PARTICIPATION % (Indirect)
J/V IMPREGILO Spa – TERNA SA-ALTE SA (EXECUTIONS)	33.33%
J/V EVINOU-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%
J/V MAIN ARROGATION CANAL D 1	75.00%
J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20.00%
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%
J/V DEPA PROJECT	10.00%
J/V ARTA-FILIPPIADA BY-PASS	98.00%
J/V FRAGMATOS PRAMORITSA	33.33%
J/V ATHINA – PANTECHNIKI – TERNA – J/V PLATAMONAS PROJECT	39.20%
J/V VIOTER SA – TERNA SA	50.00%
J/V TERNA SA – MOCHLOS SA	70.00%
J/V TERNA SA – VIOTER SA (KOROMILIA)	50.00%
J/V TERNA SA – AKTOR SA – EBEDOS SA – J&P AVAX SA - IMEC GmbH	24.00%
J/V EUROPEAN TECHNICAL-HOMER-TERNA	50.00%
J/V J&P AVAX SA – TERNA SA - EFKLEIDIS	35.00%
J/V EVANGELISMOS PROJECT C'	100.00%
J/V EBEDOS – PANTEXNIKI ENERGY	50.00%
J/V J&P AVAX-VIOTER-TERNA (OLYMPIC VILLAGE CONSTRUCTION)	37.50%
J/V TERNA-MOCHLOS-AKTOR TUNNEL KIATO-AIGIO	35.00%
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	33.33%
J/V J&P AVAX-VIOTER-TERNA (CANOE KAYAK)	33.33%
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (PARAD. TSAKONA RING ROAD)	49.00%
J/V AKTOR TERNA (BANQUET HALL)	50.00%

COMPANY NAME	TOTAL PARTICIPATION % (Indirect)
J/V TERNA SA-NEON STAR SA-RAMA SA (OPAP Project)	51.00%
J/V TERNA SA-NEON STAR SA-RAMA (OPAP 1)	51.00%
J/V AEGEK-TERNA (SIATISTA – KRYSTALLOPIGI CONNECTION)	45.00%

During the first half of 2017, the following joint companies were liquidated:

COMPANY NAME	TOTAL PARTICIPATION %
J/V ATHENS CAR PARK	20.00%

Within the first half of 2017, the following companies were established:

- OPTIMUS ENERGY SA, subsidiary or the subsidiary company TERNA ENERGY SA, activating in the Trading of Electricity
- AEIFORIKI IPEIROU SA, subsidiary or the subsidiary company TERNA ENERGY SA, activating in the area of Waste Management

5. OPERATING SEGMENTS

An operating segment is a component of an economic entity: a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses that concern transactions with other components of the same economic entity) and, b) whose operating results are regularly reviewed by the chief operating decision maker of the entity to make decisions about resources to be allocated to the segment and assess of its performance.
The term “chief operating decision maker” defines the Board of Directors that is responsible for the allocation of resources and the assessment of the operating segments.
The Group presents separately the information on each operating segment that fulfils certain criteria of characteristics and exceeds certain quantitative limits.
The amount of each element of the segment is that which is presented to the “Chief operating decision maker” with regard to the allocation of resources to the segment and the evaluation of its performance.
The above information is presented in the attached statements of financial position and total comprehensive income according to the IFRS, whereas previously recorded operating segments –as presented in the financial statements of the previous year- require no modifications.
Specifically, the Group recognizes the following operating segments that must be reported, whereas no other segments exist that could be incorporated in the “other segments” category.

Construction: refers, almost exclusively, to contracts for the construction of technical projects.

Electricity from renewable sources of energy: refers to the electricity production from wind generators (wind parks), from hydroelectric projects and other renewable energy sources.

Electricity from thermal energy sources and trading of electric energy: refers to the electricity production using natural gas as fuel, and to the trading of electric energy.

Real estate development: refers to the purchase, development and management of real estate as well as to investments for value added from an increase of their price.

Industry: refers to the production of quarry products and the exploitation of magnesite quarries.

(Amounts in thousand Euro, unless stated otherwise)

<u>*Concessions:*</u> refers to the construction and operation of infrastructure (i.e. roads) and other facilities (i.e. car parks etc.) as well as the operation of a unified automatic ticket collection system, whch are of public interest with the exchange of their long-term exploitation from provision of services to the public.

<u>*Holdings*</u>*:* refers to the supporting operation of all of the segments of the Group and the trial operation of new operating segments.

The tables that follow present an analysis on the data of the Group's operating segments for the period ended on 30.06.2017.

Calculation of disclosed data on Operating segments

Following, we present the calculation of disclosed data that do not result directly from the accompanying financial statements:
The item *"Net debt / (Surplus)"* is an index used by Management to judge the cash flow of an operating segment at every point in time. It is defined as the total liabilities from loans and financial leases minus Cash and cash equivalents.
The item *"Operating results (EBIT)",* is an index used by Management to judge the operating performance of an activity. It is defined as Gross profit, minus Administrative and distribution expenses, minus Research and development expenses, plus/minus Other income/(expenses) except of the payment and valuation related Foreign exchange differences, the Impairments of fixed assets, the Impairments of inventories, the Other impairments and provisions, and the Impairments / write-offs of trade receivables, as presented in the accompanying financial statements.
The item *"EBITDA"* is defined as the *Operating results (EBIT),* plus depreciations of fixed assets, minus the grants amortization, as presented in the attached financial statements.
The item "*adjusted EBITDA"* is defined as the EBITDA, increased by any non-cash items included therein.

The table below depicts a reconciliation of EBIT and EBITDA based on the accounts of the Financial Statements:

	GROUP	
	1.1-30.06.2017	**1.1-30.06.2016**
Gross Profit	**133,895**	**98,564**
Administrative and distribution expenses	(19,018)	(18,319)
Research and development expenses	(854)	(995)
Other income / (expenses) determinants of the EBIT (note 25)	8,294	7,691
EBIT	**122,317**	**86,941**
Net depreciation and amortization	36,759	33,961
EBITDA	**159,076**	**120,902**
Non cash adjustments	1,806	1,794
Adjusted EBITDA	**160,882**	**122,696**

The Non-cash adjustments in the above analysis refer to Provisions for staff indemnities of 946 (1,056 in the first half of 2016) and impairment of investment property of 860 (738 in the first half of 2016).

(Amounts in thousand Euro, unless stated otherwise)

Business segments 30.06.2017	Constructions	Electricity from RES	Electricity from thermal energy and trading	Real Estate	Mining / Industry	Concessions	Holdings	Eliminations on consolidation	Consolidated Total
Revenue from external customers	**479,350**	**78,780**	**5,146**	**920**	**4,701**	**35,661**	**70**		**604,628**
Inter-segmental turnover	12,010	0	0	293	4	0	48	(12,355)	**0**
Revenue	**491,360**	**78,780**	**5,146**	**1213**	**4,705**	**35,661**	**118**	**(12,355)**	**604,628**
Operating results from continuing activity (EBIT)	**92,379**	**32,017**	**349**	**(1,104)**	**(1,819)**	**1,093**	**(598)**		**122,317**
Interest income	1,537	606	0	1	1	617	2,393		**5,155**
Interest and related expenses	(1,970)	(22,984)	(11)	(806)	(1,084)	(681)	(5,741)		**(33,277)**
Foreign exchange differences and other non-operating results	(10,529)	(2,614)	(13)	(12)	(791)	(970)	1,730		**(13,199)**
Results from associates and Joint Ventures	0	0	(398)	(1,002)	0	904	0		**(496)**
Results from participations and securities	0	0	0	0	0	0	24		**24**
Results before tax	**81,417**	**7,025**	**(73)**	**(2,923)**	**(3,694)**	**963**	**(2,192)**		**80,524**
Income tax	(33,082)	(4,582)	(19)	(1,061)	971	(681)	85		**(38,369)**
Net Results	**48,335**	**2,443**	**(92)**	**(3,984)**	**(2,723)**	**282**	**(2,107)**		**42,155**
Net depreciation	10,822	24,612	12	450	685	173	5		**36,759**
EBITDA from continued activities	**103,201**	**56,629**	**361**	**(654)**	**(1,134)**	**1,266**	**(593)**		**159,076**
Provisions and other non cash results	908	21	0	860	11	4	2		1,806
Adjusted EBITDA from continued activities	**104,109**	**56,650**	**361**	**206**	**(1,123)**	**1,270**	**(591)**		**160,882**
Assets	1,081,150	1,355,867	2,605	153,183	89,554	183,766	38,875		**2,905,000**

(Amounts in thousand Euro, unless stated otherwise)

Business segments 30.06.2017	Constructions	Electricity from RES	Electricity from thermal energy and trading	Real Estate	Mining / Industry	Concessions	Holdings	Eliminations on consolidation	Consolidated Total
Investments in associates 30.06.2017	0	3,881	0	599	0	0	0		**4,480**
Investments in joint ventures 30.06.2017	0	0	43,147	1,085	0	95,744	0		**139,976**
Total Assets	**1,081,150**	**1,359,748**	**45,752**	**154,867**	**89,554**	**279,510**	**38,875**		**3,049,456**
Liabilities	**969,238**	**1,036,906**	**730**	**114,693**	**64,005**	**199,797**	**28,234**		**2,413,603**
Loans	81,537	699,617	78	108,525	37,114	146,492	19,321		**1,092,684**
Cash and Cash Equivalents	457,418	162,044	799	3,831	362	802	4,004		**629,260**
Net debt / (surplus)	**(375,881)**	**537,573**	**(721)**	**104,694**	**36,752**	**145,690**	**15,317**		**463,424**
Capital expenditure for the period 1.1-30.06.2017	**2,583**	**63,644**	**0**	**7,727**	**1,492**	**130**	**0**		**75,576**
Investments in joint venture of concessions (capital increases and secondary loans) for capital expenditures 1.1-30.06.2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**		**0**

(Amounts in thousand Euro, unless stated otherwise)

Business segments 30.06.2016 and 31.12.2016	**Constructions**	**Electricity from RES**	**Electricity from thermal energy and trading**	**Real Estate**	**Mining / Industry**	**Concessions**	**Holdings**	**Eliminations on consolidation**	**Consolidated Total**
Revenue from external customers	**491,902**	**66,468**	**16,447**	**2,604**	**1,742**	**1,665**	**47**		**580,875**
Inter-segmental turnover	23,654	1,458	4,579	359	3	0	48	(30,101)	**0**
Revenue	**515,556**	**67,926**	**21,026**	**2,963**	**1,745**	**1,665**	**95**	**(30,101)**	**580,875**
Operating results from continuing activity (EBIT)	**63,033**	**27,685**	**281**	**(735)**	**(2,124)**	**(583)**	**(616)**		**86,941**
Interest income	861	561	0	1	0	106	1,611		**3,140**
Interest and related expenses	(4,513)	(17,334)	(22)	(1,201)	(813)	(430)	(3,300)		**(27,613)**
Foreign exchange differences and other non-operating results	(1,356)	(1,388)	(7)	(46)	(146)	0	732		**(2,211)**
Results from associates and Joint Ventures	0	0	67	(165)	0	1,045	0		**947**
Results from participations and securities	0	717	0	0	0	0	(17,292)		**(16,575)**
Results before tax	**58,025**	**10,241**	**319**	**(2,146)**	**(3,083)**	**138**	**(18,865)**		**44,629**
Income tax	(18,055)	(3,494)	(37)	(323)	268	75	4,258		**(17,308)**
Net Results before extraordinary levy	**39,970**	**6,747**	**282**	**(2,469)**	**(2,815)**	**213**	**(14,607)**		**27,321**
Net depreciation	12,964	19,561	13	440	745	232	6		**33,961**
EBITDA	**75,997**	**47,246**	**294**	**(295)**	**(1,379)**	**(351)**	**(610)**		**120,902**
Provisions and other non cash expenses / (income) (included in EBITDA	1,028	17	0	744	(1)	0	6		1,794
Adjusted EBITDA	**77,025**	**47,263**	**294**	**449**	**(1,380)**	**(351)**	**(604)**		**122,696**

(Amounts in thousand Euro, unless stated otherwise)

Business segments 30.06.2016 and 31.12.2016	**Constructions**	**Electricity from RES**	**Electricity from thermal energy and trading**	**Real Estate**	**Mining / Industry**	**Concessions**	**Holdings**	**Eliminations on consolidation**	**Consolidated Total**
Assets 31.12.2016	1,183,018	1,349,930	4,409	151,541	91,914	141,298	18,692	0	**2,940,802**
Investments in associates 31.12.2016	0	3,881	0	1,445	0	0	0	0	**5,326**
Investments in joint ventures 31.12.2016	0	0	43,544	1,241	0	93,580	0	0	**138,365**
Total Assets	**1,183,018**	**1,353,811**	**47,953**	**154,227**	**91,914**	**234,878**	**18,692**	**0**	**3,084,493**
Liabilities	**1,105,851**	**1,019,803**	**2,000**	**110,900**	**64,789**	**156,733**	**25,912**	0	**2,485,988**
Loans	73,594	641,543	78	100,095	38,544	150,603	19,791	0	**1,024,248**
Cash and Cash Equivalents	453,904	156,177	50	6,433	338	2,065	2,036	0	**621,003**
Net debt / (surplus)	**(380,310)**	**485,366**	**28**	**93,662**	**38,206**	**148,538**	**17,755**	**0**	**403,245**
Capital expenditure for the period 1.1-30.06.2016	**7,947**	**69,897**	**0**	**15**	**1,676**	**0**	**0**		**79,535**
Investments in joint venture of concessions (capital increases and secondary loans) for capital expenditures 1.1-30.06.2016	**0**	**0**	**0**	**0**	**0**	**68,808**	**0**		**68,808**

(Amounts in thousand Euro, unless stated otherwise)

6. IMPAIRMENT OF GOODWILL

In a previous year, the Group acquired the remaining 66.7% of the construction joint ventures EUROIONIA and E-65, and as a result it recognized goodwill of 9,759. On 30th of June 2017, due to the significant progress of the works of the EUROIONIA and the E-65, there is evidence of impairment of goodwill. The management of the Group proceeded to an estimate of the recoverable amount, which was calculated based on the fair value less disposal costs. The determination of the fair value was based on the completion rate of the projects and the impairment loss of 6,576 was recognized in the "Other income / (expenses)" of the income statement for the period (note 25).

7. FIXED ASSETS

The summary movement of tangible and intangible fixed assets for the present period is as follows:

A. Tangible fixed assets

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
Net book value 1 January	**1,087,192**	**976,171**	**9,820**	**10,220**
Additions during the period	67,322	79,345	61	0
Foreign exchange differences	(17,372)	(7,861)	0	0
Sales/ Write-offs	(820)	(379)	0	0
Depreciation for the period	(35,348)	(34,468)	(202)	(200)
Transfers from / to intangible and investment assets	(18)	(129)	0	0
Net book value 30 June	**1,100,956**	**1,012,679**	**9,679**	**10,020**

From the net book value of the Group’s tangible fixed assets on 30.6.2017, an amount of 128,880 (96,921 on 31.12.16) concerns investments under construction, out of which 122,895 (92,338 on 31.12.16) concerns the sector of electricity production from renewable energy sources.

The item "Sales / Deletions" includes an impairment loss of 383 resulting from a complete deletion in a quarry due to the completion of its exploitation. The loss has been recognized in “other income / (expenses)” of the income statement for the period (note 25).

Mortgage prenotations have been written on property owned by some companies of the Group, amounting to 42,000, which cover bond loan liabilities.

In addition, the amount of 800,342 has been pledged to Banks for securing long-term loans. The above amount refers to "Technological and mechanical equipment", which includes wind turbines of the wind parks.

(Amounts in thousand Euro, unless stated otherwise)

B. Intangible fixed assets

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
Net book value 1 January	**81,069**	**98,105**	**33**	**42**
Additions during the period	579	189	0	0
Sales/ Write-offs	(975)	(1,177)	0	0
Foreign exchange differences	(567)	(139)	0	0
Transfers from tangible assets	18	129	0	0
Amortization for the period	(7,070)	(5,366)	(3)	(5)
Net book value 30 June	**73,054**	**91,741**	**30**	**37**

The net book value of the Group's intangible fixed assets includes car park stations' concession rights of an amount of 9,269 (10,439 on 31.12.16),, wind parks' license rights of an amount of 26,114 (26,969 on 31.12.16), rights from acquired construction contracts of an amount of 5,767 (11,928 on 31.12.16) and exploitation licenses' rights for quarries and mines of an amount of 27,977 (28,004 on 31.12.16).

The item "Sales / Eliminations" includes an impairment loss of 970 that arose after impairment testing on the intangible concession right for the parking station of the Company's subsidiary "SQ. PLATANOU KIFISIAS PARKING STATION". The recoverable value of 6,167 was derived from an independent valuer's study using the expected cash flow discount method, with a weighted average cost of capital ranging between 8.6% and 11%. The impairment loss has been recognized in 'Other income / (expenses)' of the income statement for the period (note 25).

8. INVESTMENT PROPERTY

Investment property on 30 June 2017 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
Balance 1 January	**88,230**	**56,215**	**13,540**	**14,529**
Additions for the period	7,675	62	0	0
Fair value adjustments (Note 25)	(860)	(738)	(550)	(20)
Foreign exchange differences	1	0	0	0
Transfer from/to inventories and fixed assets	0	0	0	0
Balance 30 June	**95,046**	**55,539**	**12,990**	**14,509**

Mortgage liens amounting to a total of 85,774 have been written on the investment properties of the Group's companies for security against bond loans.

(Amounts in thousand Euro, unless stated otherwise)

9. PARTICIPATION IN ASSOCIATES

The movement of participation in associates during the present period is as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
Balance 1 January	**5,326**	**5,628**	**2,688**	**9,195**
Additions	0	0	0	0
Loss from sales	0	0	0	0
Valuation loss	0	0	0	0
Transfer of value of former subsidiary	0	0	0	0
Withdrawal of associate	0	0	0	0
Results from associates consolidated under the equity method	(846)	(103)	0	0
Balance 30 June	**4,480**	**5,525**	**2,688**	**9,195**

10. INTERESTS IN JOINT VENTURES

The Company and the Group holds interests in joint ventures which are consolidated with the Equity method. The movement of participations in joint ventures for the present period is as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
Balance 1 January	**138,365**	**91,923**	**99,454**	**58,044**
Additions	182	41,884	182	41,884
Loss from sales	0	0	0	0
Earnings/(losses) from valuation	0	0	(3,004)	0
Reclassification of non-consolidated entities	0	0	0	0
Capital return	(180)	0	(180)	0
Transfer of value of former subsidiary	0	0	0	0
Elimination of intra-group results / distributions	1	(21)	0	0
Elimination of joint venture	0	0	0	0
Results from the application of the equity method	1,608	769	0	0
Balance 30 June	**139,976**	**134,555**	**96,452**	**99,928**

(Amounts in thousand Euro, unless stated otherwise)

Within the first half of 2016 and in execution of contractual commitment emanating from the concession contract, within the period under consideration, the Group's participation in the joint venture NEA ODOS SA increased by 41,801. The participation percentage increased from 33.33% to 57.19%, without however implying the assumption of any management control of the joint venture.

The major items in the financial statements of these entities are presented in synopsis below (at a percentage of 100%):

	30.06.2017		31.12.2016	
	J/V with Credit Equity	J/V with Debit Equity	J/V with Credit Equity	J/V with Debit Equity
Non-current assets	744,993	500,475	761,582	443,540
Current assets	340,308	62,990	319,240	121,185
Long-term liabilities	(475,744)	(533,386)	(363,429)	(558,122)
Short-term liabilities	(276,847)	(47,242)	(387,200)	(41,040)
Net Assets	**332,710**	**(17,163)**	**330,193**	**(34,437)**

	1.1 - 30.06.2017		1.1 - 30.06.2016	
	J/V with Credit Equity	J/V with Debit Equity	J/V with Credit Equity	J/V with Debit Equity
Income	321,236	74,195	171,238	11,672
Expenses	(321,118)	(68,931)	(168,263)	(20,403)
Net Earnings	**118**	**5,264**	**2,975**	**(8,731)**
Other comprehensive income	1,971	12,010	(1,971)	(26,249)
Total Results	**2,089**	**17,274**	**1,004**	**(34,980)**

11. FINANCIAL ASSETS - CONCESSIONS

On 29/12/2014, a partnership agreement (PPP) was signed with Athens Transportation Services (ATS) and the subsidiary company HTS SA for the study, financing, installation, operation support, maintenance and technical management of a Unified Automatic Fair Collection System for the companies of the ATS (OASA) Group. The total duration of the contract is 12 years and 6 months. The construction will be completed within the second half of 2017, while within the first half of 2017 the operation was initiated, which is expected to last 10 years and 4 months. There is an overlap of construction and operation periods for 6 months.

The construction, installation and commissioning of all the equipment of the electronic Ticket, including the gateways to the stations within the boundaries of Attica, is completed in stages. Specifically, during the first half of 2017, the operation was initiated for Buses, Trolleybuses, TRAM and Metro Line 1, 2 and 3, while in the second half of 2017 the Suburban Railway will be operational.

At the expiration of this PPP, there is an obligation to transfer all the equipment to ATS for zero amount. The Partnership Agreement has no terms of extension, only terms of termination. In addition, there is an obligation of Scheduled Lifecycle Replacement of the equipment during the Management period, if necessary.

(Amounts in thousand Euro, unless stated otherwise)

In accordance with the provisions of Interpretation IFRIC 12, the Group has recognized a financial asset for the aforementioned concession contract by the Greek State.
On June 30th, 2017, the unamortized balance of the financial asset is € 21,577, compared to € 10,055 at 31st of December 2016. The increase is due to the realization of a significant part of the construction during the first half of 2017.

12. TRADE RECEIVABLES

The trade receivables on 30.06.2017 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Invoiced receivables	267,007	281,255	4,569	2,992
Accrued income	0	2,197	0	0
Customers – Doubtful and litigious	5,522	5,528	309	309
Notes / Checks Receivable overdue	868	868	0	0
Checks Receivable	11,353	16,506	9	0
Minus: Provisions for doubtful trade receivables	(23,046)	(26,568)	(380)	(380)
Total	**261,704**	**279,786**	**4,507**	**2,921**

The movement of provisions for doubtful trade receivables for six month period ended 30.06.2017 is due to reversal of provision because of receipt of 7.5 mln Euros approximately, new provisions for 5 mln Euros approximately for new doubtful receivables, and 1 mln Euros approximately which refer to movements and utilization of provisions.

The maturity of the balances is depicted as follows:

	GROUP		COMPANY	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Not in delay	144,934	147,586	2,317	1,032
In delay for 0-6 months	40,416	80,344	515	19
In delay for 6-12 months	50,837	5,152	38	3
In delay for 12-24 months	24,035	15,542	232	486
In delay for over 24 months	24,528	57,730	1,785	1,761
Less: Impairments of receivables	(23,046)	(26,568)	(380)	(380)
Total	**261,704**	**279,786**	**4,507**	**2,921**

In the amounts that are not overdue it is included an amount of € 33.7 mln (€ 29.6 mln on 31/12/16), which relates to good execution withholding (retained guarantees).
The receivables for which an impairment provision was formed concern almost all receivables with a delay of more than 12 months. In total, the delayed receivables after provisions for impairment include:

(Amounts in thousand Euro, unless stated otherwise)

(a) receivables from Greek government entities (including OEM)and foreign government entities of € 48.2 mln (€ 30.8 mln on 31/12/16),
b) receivables from PPC, IPTO and HEDNO of € 11.6 mln (€ 8.7 million on 31/12/16)
c) receivables from joint ventures of motorway concessions in which the Group participates in their equity and which are consolidated under the equity method of € 24.2 mln (€ 37.8 mln on 31/12/16) and receivables from other affiliated companies of € 7.2 mln (€ 19.6 mn on 31/12/16), which, taken as a whole, are considered to be of safe collection.
The remaining balances, after impairments, refer to customers of amount €34.3 mln (€35.1 mln on 31/12/16) which, according to the Management's estimate, are considered as safe and secure collection.
Within the framework of the Group's activity, the necessary measures are taken on a case-by-case basis to ensure the recoverability of the receivables.
Lastly, important guarantees for the collection of balances are also the advances received for construction contracts, which at 30/06/2017 amounted to € 420.2 mln (€ 461.2 mln on 31/12/2016).

13. CONSTRUCTION CONTRACTS

The technical works, undertaken by the Group and the Company, that were under construction on 30.06.2017 are analyzed as follows:

	GROUP		COMPANY	
Cumulatively from the beginning of the projects	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Cumulative costs	5,136,252	4,774,915	15,648	15,141
Cumulative profit	764,054	637,435	6,287	6,104
Cumulative loss	(195,235)	(180,844)	0	0
Invoices	(5,774,973)	(5,377,417)	(21,298)	(20,868)
	(69,902)	**(145,910)**	**637**	**377**
Customer Receivables from construction contracts	118,469	118,251	637	377
Liabilities to construction contracts (short-term)	(188,371)	(264,161)	0	0
Net receivables from construction contracts	**(69,902)**	**(145,910)**	**637**	**377**
Customers' prepayments	420,247	461,219	554	2,077
Withheld amounts from customers of projects	43,789	38,807	0	0

Withheld amounts from customers of projects are presented as 33.656 under "Trade receivables" and amount 10.133 under "Other long term Assets".

(Amounts in thousand Euro, unless stated otherwise)

14. INVESTMENTS HELD FOR TRADING PURPOSES

The balance of the account "investments held for trading purposes" on 30 June 2017 is analyzed as follows:

	GROUP		COMPANY	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Shares held for trading	4,830	4,807	4,830	4,807
Balance 30.06	**4,830**	**4,807**	**4,830**	**4,807**

The investments available for trading purposes refer to shares of a banking institution. The financial assets are valued at fair at the reporting date of the statement of financial position.

15. INVESTMENTS AVAILABLE FOR SALE

Investments available for sale on 30th June 2017, in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Participating interests in companies	26,760	26,760	26,756	26,756
Securities	7,139	1,741	7,139	1,741
Other titles	15	15	0	0
Mutual Funds	180	143	180	143
	34,094	**28,659**	**34,075**	**28,640**
Non-current	**26,775**	**26,775**	**26,756**	**26,756**
Current	**7,319**	**1,884**	**7,319**	**1,884**

The participations in companies refer to interests in non-listed companies with participation percentage less than 20%.
The shares in the Group and the Company concern shares of banking institutions with a total acquisition value of 2,642. On 30.06.2017, the shares and the mutual funds they have been valued at market prices.

16. CASH AND CASH EQUIVALENTS

The cash and cash equivalents on 30th June 2017 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Cash in hand	205	168	30	29
Sight Deposits	546,167	536,812	4,604	4,742
Term Deposits	82,887	84,023	0	0
Total	**629,260**	**621,003**	**4,634**	**4,771**

The Group's cash and cash equivalents include amounts for repayment of 87,051 (87,051 on 31.12.16) relating to subsidies received due to the cancellation of the construction or the expiry of the time limits of the inclusion decisions of certain wind parks.
In addition, the Group maintains blocked deposits amounting to 42,058 (39,511 on 31.12.16), which are held in specific bank accounts for the servicing of its financial liabilities and special short-term operating needs. These blocked deposits are classified under the account "Advances and other receivables".

17. LOANS

A. Long-term Loans

The long-term loans mainly finance the Group's investment needs of the construction, the energy and the concession segments.

During the reported period, 71 million euro were received by the Group from new financing, whereas an amount of 31.6 million was paid by the Group for the repayment of capital of existing long-term loans. More specifically, the Group's new borrowing for the first half of 2017 relates mainly to the issue of a bond loan by the subsidiary for a total amount of 60,000 (coverage: 50,000 from the European Restructuring Development Bank and 10,000 from Piraeus Bank); for the development, construction and operation of wind farms of the Group's subsidiaries. The loan amounting to 59,402 (issue of 60,000 minus issuance costs of 598) was disbursed at the beginning of the first half of 2017. Also, 11,596 was disbursed within the context of an investment property's development in the Balkans.

Within the next 12 month period, the payable capital and the accrued interest amount to 107,266, of which 94,707 concern the RES segment, 802 the constructions segment, 7,765 the real estate segment, 3,192 the concessions segment and 800 the holdings segment.

The Group has the obligation to maintain specific financial ratios relating to its bond loans. In the Group, under the agreement for the signing of a syndicated loan of 197.8 mln for the refinancing of a part of the existing loans and the financing of investments in concession companies, was granted by the banks a waiver from the preservation of the financial ratios for 30/06/2017 and until the final signing and implementation of the syndicated loan or at 31/07/2018.
On 31st of December 2016, the Group fully complied with the required limits of these ratios, excluding bond loans, of unamortized amount of 43,073 for the RES sector. These loans were reclassified to Short-term Liabilities, and specifically to the item "Long-term liabilities payable in the next fiscal year", given that on 31/12/2016 the financial ratios of the relevant loan contracts were not met.
On 30th of June 2017, the aforementioned loans were reclassified to "Long-term loans" as they fulfilled the terms of the loan agreements.
Finally, on June 30, 2017, the Group fully complied with the required limits of the financial ratios, in accordance with the requirements of its loan contracts, excluding bond loans, of unamortized amount of 20,951 for the RES sector and 25,000 for the construction sector. These loans were reclassified into Short-term Liabilities, given that on 30/06/2017 the financial ratios of the relevant loan contracts were not met.

(Amounts in thousand Euro, unless stated otherwise)

B. Financial Leasing contracts

During the present period the Group paid the amount of 2.4 million for lease payments on existing financial leasing agreements.

The remaining balance of the financial leasing contracts, after accrued interest, as of 30.06.2017 amounted to 18.8 million (amount of 18 million concerns the construction segment and 0.8 million the industrial one). From the above balance, 4.7 million are due within the following 12 months (4.4 million for the construction segment and 0.3 million for the industrial one).

C. Short-term Loans

The Group's short-term loans mainly cover the needs for working capital of the construction (16.4% of total), RES (36.1% of total), industrial (18.0% of total) and real estate and holdings (29.5% of total) segments.

It is noted that short-term loans of the energy segment, after the conclusion of the construction of relevant fixed assets, are converted either to long-term loans or are repaid fully with the collection of the grant.

D. Guarantees against loans and liabilities

For the guarantee of certain Group's and other affiliated companies' loans:

- Wind parks' generators have been pledged for an amount of 800,342,
- Insurance contracts and receivables from the sale of electric energy to LAGIE or DEDDIE as well as from construction services have been forfeited to lending banks,
- Lien mortgages of various series have been written on the real estate of some of the Group's companies amounting to 127,774 (99,069 at the end of the previous year), and
- Shares of subsidiary and affiliated companies with a nominal value of 131,785 (75,602 at the end of the previous year) have been provided by the parent company as collateral.

18. PROVISION FOR STAFF INDEMNITIES

The movement of the provision for staff indemnities during the present period is analyzed as follows:

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
Balance 1.1	**8,392**	**8,085**	**77**	**72**
Provision recognized in Net earnings	969	1,057	4	6
Transfers to other provisions/liabilities	(390)	0	0	0
Provision recognized in the inventories	63	15	0	0
Used provisions	(1,163)	(957)	0	0
Foreign exchange translation differences	(429)	(91)	0	0
Balance 30.06	**7,442**	**8,109**	**81**	**78**

(Amounts in thousand Euro, unless stated otherwise)

There was no change in the assumptions compared to the comparative period and the assumptions are those reported in the annual financial statements of 31.12.2016.

19. OTHER PROVISIONS

The movement of other provisions during the present period is as follows:

	GROUP	
	2017	**2016**
Balance 1 January	**42,868**	**21,712**
Additional provisions charged against net earnings	2,068	2,213
Additional provisions charged against assets	385	129
Used provisions	(34)	(6,380)
Transfer from / (to) other account	(584)	313
Foreign exchange differences	(30)	(121)
Balance 30 June	**44,673**	**17,866**

20. GRANTS

The movement of the Group's grants in the Statement of financial position is as follows:

	GROUP	
	2017	**2016**
Balance 1.1	**180,324**	**257,660**
Receipt of grants	0	0
Approved but not yet received grants	0	0
Approved and received grants to be returned	0	0
De-recognition of not collected grants	0	0
Return of grants	(1,070)	0
Foreign exchange differences	(4,288)	(1,278)
Amortization of grants of fixed assets on the Statement of Results (Note 25)	(5,580)	(5,534)
Amortization of grants of fixed assets on inventories	(11)	(79)
Balance 30.06	**169,375**	**250,769**

Grants refer to those provided by the State for the development of wind parks, car park stations and the investment in magnesite quarries. The grants are amortized in accordance to the granted assets' depreciation rate.
During the first half of 2017, following a relevant audit by the Ministry of Development and Competitiveness, from the collected grants concerning two wind parks of the Group, an amount of 1,070 was rebated.
The above grants are amortized in the income only for the part which corresponds to fully completed and operational projects.

(Amounts in thousand Euro, unless stated otherwise)

21. ASSETS AND LIABILITIES FROM DERIVATIVES

Liabilities from derivative financial instruments as of 30.06.2017 & 31.12.2016 are analyzed as follows:

	GROUP			
For hedging purposes	**Nominal Value**		**Fair Value of Liability**	**Fair Value of Liability**
	30.6.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Interest rate swaps:	€ 7,537	€ 7,537	338	426
Interest rate swaps:	€ 9,000	€ 9,000	470	330
Interest rate swaps:	€ 5,772	€ 5,772	205	256
Interest rate swaps:	€ 17,000	€ 17,000	1,467	1,755
Interest rate swaps:	€ 9,000	€ 9,000	-	574
Interest rate swaps:	€ 15,400	€ 15,400	904	1,069
Interest rate swaps:	€ 11,160	€ 11,160	33	164
Interest rate swaps:	€103,650	€103,650	496	1,114
Interest rate swaps:	€ 6,563	€ 6,563	433	506
Interest rate swaps:	€ 30,000	0	341	0
Interest rate swaps:	€ 20,000	0	167	0
Liabilities from Derivatives			**4,854**	**6,194**
For trading purposes				
Options (collar)	0	0	0	95
			4,854	**6,289**

The receivables from derivative financial instruments of 30.06.2017 & 31.12.2016 are analyzed as follows:

ASSET			GROUP	
	Nominal Value		**Asset Fair Value**	**Asset Fair Value**
	30.6.2017	**31.12.2016**	**30.6.2017**	**31.12.016**
For hedging purposes				
Interest rate swaps:	$25,000	$25,000	134	307
Options (collar)			908	-
Options (swaption)			867	-
			1,909	**307**
For trading purposes				
Options (swaption)			-	1,219
			1,909	**1,526**

The Group's policy is to minimize its exposure to cash flow related interest rate risk regarding its long-term financing, for which it applies hedge accounting, while the valuation result is recognized in the item "Valuation of contracts for cash flow risk hedging" in the statement of total comprehensive income.

In September 2016, the Group entered into two derivatives, one collar derivative on the trading date of 23.09.2016 and one swaption derivative. For the collar derivative the effective date of the transaction will be on 1/1/2018 whereas for the swaption the effective date will be on 31/12/2022.

The Group entered into these derivatives with the ultimate purpose of using them to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Park in the USA, through its subsidiary. This particular subsidiary constructs and will operate a wind park of 150 MW capacity in West Texas of the United States.

The Group examined all the elements and requirements of IAS 39 in order to use the cash flow hedging accounting. The requirements of the standard were met within the first quarter of 2017 and as a result cash flow hedging accounting will be used from that date and onwards. Therefore during the first half of 2017, the result from the valuation at fair of the above derivatives, amounting to € 317 (profit) was recognized in the results of the period, in the item "Earnings / (losses) from financial instruments measured at fair value", whereas an amount of € 463 (income) was recognized in the item "Income / (expenses) from hedging of cash flow risk" in the statement of other comprehensive income. On 31/12/2016, the change of € 1,069 in the fair value of derivatives was recorded in the results for the year.

22. LIABILITIES FROM FINANCIAL INSTRUMENTS

In USA, TERNA ENERGY sub-group, in order to take advantage of the tax benefits provided by local law as much as possible, entered a transaction during the financial year of 2012 where the counterparty company paid the amount of €49,693 in order to receive the right to receive, mainly, cash and tax losses (tax equity investment). The control is based on a contractual agreement with the company MetLife, which contributed capital as Tax Equity Investor (TEI) and the subsidiary is fully consolidated. According to the agreement between the two parties, TEI contributed capital in exchange for 50% of the corporate shares (membership interests), the contractual rights of which define that the TEI will receive 99% of the tax losses, as well as a certain percentage of the net cash flows until the return on the invested capital (as it was defined in the relevant agreement) is achieved.

The relevant membership interests have been recognized as financial liability according to IAS 32. There are no contractual obligations of the sub-group TERNA ENERGY and of its subsidiaries for the provision of any form of financial support in case of economic difficulty or inability for the repayment of obligations by Terna Energy USA Holding Corporation, including the contractual liability to the TEI.

The basic characteristics of the transaction are as follows:
- Regardless of the participation stake in the share capital held by the counterparty company, TERNA ENERGY sub-group maintains control of management of the wind parks and therefore such are fully consolidated in the group's financial statements of the Group.
- The counterparty company receives a significant portion of the earnings and tax losses created from such wind parks until such achieve a predefined (during the initial investment) rate of return.

(Amounts in thousand Euro, unless stated otherwise)

- The counterparty company remains a shareholder of the wind parks until the predefined rate of return on their investment is achieved.
- When the return on the investment of the counterparty company reaches the predefined level, the Group has the option to acquire the rights of the counterparty company at the amount of return of the investment.
- The return of the investment of the minority shareholders, depends exclusively on the performance of the wind parks. Even though TERNA ENERGY sub-group commits to operate such parks in the best possible manner and takes all possible measures to ensure their smooth operation, it is not obliged to pay cash to the counterparty company over the amount required to achieve the predefined return on their investment.

The Group, based on the objective of such transactions, classifies the investment of the counterparty company as a “Financial liability” in the consolidated statement of financial position. Subsequently, the financial liability is measured at unamortized cost.

23. SHARE CAPITAL – EARNINGS PER SHARE

On 30.06.2017 the Group held directly through the parent company 4,522,351 and indirectly through its subsidiaries 1,200,184, or a total of 5,722,535 treasury shares, with a total acquisition cost of 16,228. Within the current period, the number of own shares of the parent Company increased via the purchase of 511,001 shares.

The weighted average number of shares, for the calculation of the earnings per share, settled at 97,806,380 shares (99,648,629 on 30.06.2016).

On 30.06.2017, the earnings per share amounted to 0.3638 euro (earnings per share of 0.2415 euro on 30.06.2016) and were calculated based on the earnings corresponding to the owners of the parent company for the amount of 35,582 (earnings of 24,061 on 30.06.2016).

24. INCOME TAX

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

	GROUP	
	30.06.2017	**30.06.2016**
Current tax	10,692	8,322
Tax adjustments of previous fiscal years	0	(47)
Provision for tax audit differences	1,604	0
	12,296	**8,275**
Deferred tax expense	26,073	9,033
Total expense/(income)	**38,369**	**17,308**

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

(Amounts in thousand Euro, unless stated otherwise)

	GROUP	
	30.06.2017	**30.06.2016**
Earnings/(loss) before income tax	**80,524**	**44,629**
Nominal tax rate	29%	29%
Expense / (Income) of income tax based on the nominal tax rate	**23,352**	**12,942**
Adjustments for:		
Permanent tax differences (results not included in the calculation of tax)	8,798	11,912
Deferred tax differences of previous years	1,537	1,175
Effect due to the difference of the tax rate		0
Income tax differences of previous years	(559)	(47)
Effect of temporary taxable differences of the current period for which no deferred tax is recognized	(1,544)	0
Provision for tax audit differences	1,604	0
Difference in taxation of foreign companies	(28)	(468)
Write-off/(Offsetting) of tax losses	5,065	(7,530)
Effect due to participation in the net results of associates and joint ventures	144	(676)
Taxation of reserves		0
Real Tax expense	**38,369**	**17,308**

The analysis of income / (expense) of deferred tax recognized in the Other comprehensive results per category is the following:

	GROUP	
	30.06.2017	**30.06.2016**
Income / (Losses) from valuation of financial assets available for sale	(2,196)	(74)
Income / (Losses) from cash flow risk hedging	(352)	180
Other comprehensive income	0	0
Income / (expense) of deferred tax in Other comprehensive results	**(2,548)**	**106**

The change of the deferred tax asset / (liability) is depicted as following:

	GROUP	
	30.06.2017	**30.06.2016**
Deferred tax receivable	31,774	46,816
(Deferred tax liability)	(810)	(17,370)
Net deferred tax receivable / (liability)	**30,964**	**29,446**

(Amounts in thousand Euro, unless stated otherwise)

	GROUP	
	30.06.2017	**30.06.2016**
Opening balance 1.1	**59,587**	**38,373**
Effect from termination of consolidation / Change in the consolidation percentage of joint entities	0	0
(Expense) / Income recognized in net profit	(26,073)	(9,033)
(Expense) / Income recognized in Other comprehensive income	(2,548)	106
Foreign exchange translation differences	(2)	0
Balance 30.06	**30,964**	**29,446**

25. OTHER INCOME/(EXPENSES)

The analysis of the other income/(expenses) as of 30.06.2017 is presented in the following table:

	GROUP		COMPANY	
	1.1-30.06.2017	**1.1-30.06.2016**	**1.1-30.06.2017**	**1.1-30.06.2016**
<u>Results determinants of EBIT:</u>				
Amortization of grants on fixed assets	5,580	5,534	0	0
Income from rents	1,316	81	0	0
Other income	696	398	0	4
Charges of expenses	735	1,189	38	38
Overdue interest	(32)	301	0	0
Sales of fixed assets and inventories	887	(79)	0	0
Other provision of services	11	1,706	0	0
Grants on expenses	14	0	0	0
Income from judicial indemnities	60	32	0	0
Income from insurance indemnities	521	515	0	0
Earnings from elimination of liabilities	32	0	0	0
Fall of guarantees with regard to criminal clauses	444	0	0	0
Valuation of Investment Properties	(860)	(738)	(550)	(20)
Non operating expenses (idleness)	(887)	(179)	0	0
Taxes – duties	(117)	(935)	0	(10)
Depreciation not included in the cost	(106)	(134)	0	0
	8,294	**7,691**	**(512)**	**12**

(Amounts in thousand Euro, unless stated otherwise)

Results non-determinants of EBIT:				
Foreign exchange differences on payment	1,153	1,715	0	0
Foreign exchange differences on valuation	(6,526)	(2,555)	0	0
Impairments of fixed assets	(1,353)	0	0	0
Impairment of goodwill	(6,576)	0	0	0
Recovery of impairments / Inventory impairments	(937)	0	0	0
Other impairments and provisions	0	(1,620)	0	0
Recovery of impairments (Impairments / Eliminations) of receivables	(690)	(434)	0	0
	(14,929)	**(2,894)**	**0**	**0**
Total other income / (expenses)	**(6,635)**	**4,797**	**(512)**	**12**

26. TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and Group with related parties for the period that ended on 30.06.2017 and 30.06.2016, as well as the balances of receivables and liabilities that resulted from such transactions during 30.06.2017 and 31.12.2016 are as follows:

Period 30.06.2017	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	0	0	0	0	7,048	2,780	19,807	85,010
Joint Ventures	190,207	1,438	101,359	2,317	4,531	68	58,065	899
Associates	21	0	811	7	21	0	811	2

Period 30.06.2016/ 31.12.2016	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	0	0	0	0	14,945	1,740	11,027	79,833
Joint Ventures	211,304	1,392	106,455	19,769	2,965	94	55,824	930
Associates	26	0	790	7	26	0	790	2

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

(Amounts in thousand Euro, unless stated otherwise)

During the period the Company paid 790, 167 for the share capital increase of subsidiaries and joint ventures respectively, and received 5,500 from a subsidiary's share capital decrease. Following the above transactions, the Company has a receivable of 10,404 from subsidiaries' share capital reductions and a liability of 803 for share capital increases of subsidiaries. It also received loans of 1,500 from subsidiaries and granted loans of 100 to a subsidiary. The amounts are not included in the above tables.

Transactions and remuneration of the Board of Directors members and senior executives: The remuneration of the Board of Directors members and senior executives of the Group and Company, recognized for the period ended on 30.06.2017 and 30.06.2016, as well as the balances of receivables and liabilities that have emerged from such transactions on 30.06.2017 and 31.12.2016 are as follows:

	GROUP		**COMPANY**	
	1.1-30.06.2017	**1.1-30.06.2016**	**1.1-30.06.2017**	**1.1-30.06.2016**
Remuneration to freelancers	1,012	967	65	64
Remuneration to full time employees	185	40	16	20
Remuneration for participation in Board meetings	0	718	0	0
	1,197	**1,725**	**81**	**84**
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Liabilities	948	731	16	12
Receivables	74	58	0	0

27. PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

The financial assets as well as the financial liabilities during the date of the financial statements may be categorized as follows:

	30.06.2017	**31.12.2016**
Non-current assets		
Other Long-term Assets - Loans and receivables	123,865	120,595
Financial assets in fair value - Investments available for sale	26,775	26,775
Financial assets in fair value – Receivables from derivatives	1,909	1,526
Total	**152,549**	**148,896**
Current assets		
Financial assets in fair value - Investments available for sale	7,319	1,884
Financial assets in fair value – Investments held for trading purposes	4,830	4,807
Trade receivables – Loans and receivables	261,704	279,786
Loans and receivables - Trade receivables from construction contracts	118,469	118,251
Loans and receivables - Prepayments and other receivables	94,751	101,501
Cash and cash equivalents	629,260	621,003
Total	**1,116,333**	**1,127,232**

(Amounts in thousand Euro, unless stated otherwise)

	30.06.2017	31.12.2016
Non-current liabilities		
Loans - Financial liabilities at amortized cost	867,994	844,001
Derivatives - Financial liabilities at fair value	4,854	6,289
Liabilities from financial instruments - Financial liabilities at amortized cost	41,130	44,567
Trade liabilities - Financial liabilities at amortized cost	21,975	47,569
Total	**935,953**	**942,426**
Current liabilities		
Loans - Financial liabilities at amortized cost	224,690	180,247
Suppliers - Financial liabilities at amortized cost	236,059	238,288
Liabilities from financial instruments – financial liabilities at amortized cost	3,384	3,987
Accrued and other liabilities - Financial liabilities at amortized cost	49,038	130,458
Total	**513,171**	**552,980**

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

The hierarchy of financial assets and liabilities measured at fair value is as follows:

- Level 1: Market prices in an active market
- Level 2: Prices from valuation models which are based on observable data of the market
- Level 3: Prices from valuation models which are not based on observable data of the market

The financial items that are valued at fair value on 30.06.2016 to the above mentioned levels of hierarchy are as follows:

Financial instrument	Hierarchy Level	Fair value of the financial asset/(liability)	Change in net earnings/(losses)	Changes in Other comprehensive Income/(expenses)
Unlisted shares (investments available for sale)	3	26,775	0	0
Listed shares (investments available for sale)	1	7,146	0	5,404
Listed shares (investments held for trading purposes)	1	4,830	23	0
Mutual Funds (investments available for sale)	2	173	0	30
Cash flow hedging derivatives	2	(2,945)	0	1,646

(Amounts in thousand Euro, unless stated otherwise)

The respective amounts on 31.12.2016 were as follows:

Financial instrument	Hierarchy Level	Fair value of the financial asset/(liability)	Change in net earnings/(losses)	Changes in Other comprehensive Income/(expenses)
Unlisted shares (investments available for sale)	3	26,760	0	(901)
Listed shares (investments available for sale)	1	1,741	(14,119)	(901)
Listed shares (investments held for trading purposes)	1	4,807	(2,165)	0
Mutual Funds (investments available for sale)	2	143	0	(7)
Cash flow hedging derivatives	2	(4,763)	0	(873)

The financial derivatives are included in level 2, as the measurement of their fair value is performed with reference to the market yield curves.

28. CONTINGENT LIABILITIES

The Group in the context of construction projects, has issued Letters of Guarantee of good execution etc. amounting to euro 1,480 million (1,538 million during the end of the previous year).

There are judicial cases against the Group concerning labor accidents that occurred during the execution of construction projects from companies or joint ventures which the Group participated in. Due to the fact that the Group is insured against labor accidents, no significant effect is expected from any unfavorable outcome with regard to the verdict of the above cases. Other legal or under arbitration differences as well as pending decisions of judicial or arbitration institutions are not expected to have material effect on the financial position or the operation of the Group or the Company, whereas relevant provisions have been made for certain cases.

The Group may face potential legal claims from third parties. According to both the management and the Legal Counselor, any claims of such nature are not expected to significantly affect the operations and the financial position of the Company as of June 30th, 2017.

Tax Compliance Report
For the fiscal years 2011-2012-2013, the parent company and its Greek subsidiaries are subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 82 par. 5 of L. 2238/1994 (Min. Dec. 1159/26/7/2011), whereas for the years 2014 and 2015 they are subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 65A, par. 1, Law 4174/2014 (Min. Dec. 1124/22/6/2015). The finalization of the tax audit from the Ministry of Finance is pending for all the above fiscal years.

For the fiscal year 2016, the parent company and its Greek subsidiaries which fulfill the conditions of article 1 of Min. Dec. 1124/22/6/2015 are subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 65A, par. 1, Law 4174/2013 (Min. Dec. 1124/22/6/2015). This audit is underway and the relevant tax certificate is expected to be issued following the publication of the first half 2017 financial statements. The Group's Management considers that during the tax audit, no addition tax liabilities will arise that will have a significant effect, apart from those registered and presented in the financial statements.

Furthermore, on February 6th, 2017, the Company received an order with regard to a partial tax audit performed within its premises of the year 2012. Until the date of approval of the attached interim financial statements, the above audit had not commenced.

The taxes which may potentially arise following an audit from the tax authorities will not have any material effect on the financial statements, since the Company has already formed adequate provisions.

29. SIGNIFICANT EVENTS DURING THE PERIOD

During the first half of 2017 the following significant events took place:

- Commencement of operation of wind parks, with total installed capacity of 48.6 MW, in Tanagra Municipality, Periphery of Central Greece.
- Establishment of the company "AEIFORIKI IPEIROU SA", which is fully owned (100%) by the Group. The new company will undertake the implementation and operation of the waste management unit of the Periphery of Epirus. The relevant agreement with the Periphery of Epirus was signed on 21st July 2017 and the construction works commenced.
- On 24th May 2017, the company "TERNA ENERGY FINANCING SINGLE PERSON SOCIETE ANONYME", fully owned (100%) subsidiary of the Group, submitted a prospectus to the Hellenic Capital Market Commission with regard to a bond issue amounting to € 60,000,000 that will finance the Company's investment plan in Greece and USA.

The total construction backlog of signed construction contracts of the Group on 30.06.2017 amounts to € 1,950 million.

30. CYCLICALITY-SEASONALITY

The Group's activities and specifically those of the construction and real estate segments are affected by economic circumstances and the total performance of the economy in the mid to long-term horizon.

Also, several construction activities are affected by abrupt weather conditions or delays due to majeure. This results in a fluctuation of gross profit both during the period and through time.

The Group's activities in the segment of electricity production from renewable sources present fluctuations during the year due to the prevailing wind and hydrological conditions.

31. EVENTS AFTER THE BALANCE SHEET DATE

On 03/08/2017 the Company and its subsidiaries TERNA and TERNA ENERGY were notified about no.642/2017 decision of HCC based on which a. it is concluded that there are no legal evidences about any violations of art.1 of Law 3959/2011 for the Company and its subsidiary TERNA ENERGY and no fine or penalty is imposed and b. it is imposed on subsidiary TERNA a fine amounting at 18.612 for violation of art.1 of Law 3959/2011 and Article 101 of the Treaty on the Functioning of the European Union (for the period from 11.05.2016 till 04.01.2007 and from 04.06.2011 till 26.11.2012). The settlement procedure has then been finalized and the amount of the fine totaled 18.612. It should be noted that for above mentioned imposed fine company TERNA and GEK TERNA GROUP has already accounted for a relevant provision amounting at 19.000 (see financial statements of 31/12/16 note 25).

(Amounts in thousand Euro, unless stated otherwise)

On 19.07.2017 the Public Offering concerning the issuance of an Ordinary Bond Loan of the subsidiary company "TERNA ENERGY FINANCING SINGLE PERSON SOCIETE ANONYME" was completed, whereas the new bond securities were listed on the category of Fixed Income Securities at the Organized Market of the Athens Exchange, Greece. In total, 60,000 common non-registered bonds were issued with a nominal value of € 1,000 (one thousand Euros) each resulting into the raising of capital proceeds amounting to 60,000. The final yield of the Bonds was set at 3.85% and the Bonds' offer price at €1,000 (one thousand Euros) each. Bonds were allocated as follows, based on the demand that was expressed for the yield of 3.85%:

A) 42,000 Bonds were allocated to Private Investors
B) 18,000 Bonds were placed to Special Investors

The Group, in the context of its growth strategy to increase alternative sources of income, is in preliminary agreements with the shareholders of motorway concession companies in order to acquire the following equity stakes:

1) For the company E-65 a percentage of 33.33%, and
2) For Nea Odos a percentage rate of 21.4%

THE CHAIRMAN OF THE BOARD	MANAGING DIRECTOR
NIKOLAOS KAMPAS	GEORGIOS PERISTERIS
THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
CHRISTOS ZARIMBAS	NIKOLAOS VALMAS

V. DATA AND INFORMATION FOR THE PERIOD 1.1.2017-30.06.2017

GEK TERNA GROUP OF COMPANIES

GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS

S.A. Reg. No. 6044/06/B/86/142, General Commercial Registry No. 253001000
85 Mesogeion Ave., 115 26, Athens Greece
DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

The data and information presented below, that are derived from the financial statements, aim at providing summary information on the financial position and results of GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS. Therefore, before proceeding with any kind of investment choice or other transaction with the company, readers should refer to the company's website where the financial statements, as well as the auditor's report are published.

Company website: www.gekterna.com
Date of approval of the financial statements by the Board of Directors: 27/09/2017
Legal Auditor: Pavlos Stellakis (SOEL: 24941)
Auditing Company's firm: Grant Thornton SA (SOEL: 127)
Type of the audit report: Unqualified conclusion

ELEMENTS OF THE STATEMENT OF THE FINANCIAL POSITION

Amounts in thousand euro

	GROUP		COMPANY	
	30/6/17	31/12/16	30/6/17	31/12/16
ASSETS				
Self used tangible fixed assets	1.100.956	1.087.192	9.679	9.820
Investment property	95.046	88.230	12.990	13.540
Intangible assets	76.237	90.828	30	33
Other non-current assets	351.458	381.536	417.975	442.271
Inventories	55.528	56.606	5.892	5.813
Trade receivables	261.704	279.786	4.507	2.921
Other current assets	1.108.527	1.100.315	52.659	23.562
TOTAL ASSETS	**3.049.456**	**3.084.493**	**503.732**	**497.960**
EQUITY & LIABILITIES				
Share capital	58.951	58.951	58.951	58.951
Other equity	364.990	324.898	232.835	229.751
Total equity of the owners of the parent (a)	423.941	383.849	291.786	288.702
Non-controlling interests (b)	211.912	214.656	-	-
Total Equity (c) = (a) + (b)	**635.853**	**598.505**	**291.786**	**288.702**
Long-term loans	867.994	844.001	199.348	197.415
Provisions/Other-long-term liabilities	584.231	627.188	191	185
Short-term bank liabilities	224.690	180.247	799	1.176
Other short-term liabilities	736.688	834.552	11.608	10.482
Total liabilities (d)	**2.413.603**	**2.485.988**	**211.946**	**209.258**
TOTAL EQUITY & LIABILITIES (c) + (d)	**3.049.456**	**3.084.493**	**503.732**	**497.960**

ELEMENTS OF THE STATEMENT OF CASH FLOWS (indirect method)

Amounts in thousand euro

	GROUP		COMPANY	
	1/1/17 - 30/6/17	1/1/16 - 30/6/16	1/1/17 - 30/6/17	1/1/16 - 30/6/16
Cash flows from operating activities				
Earnings before income tax	**80.524**	**44.629**	**524**	**13.707**
Adjustments for the agreement of net flows from operating activities				
Depreciation and amortization of fixed assets	42.339	39.495	206	205
Amortization of grants on fixed assets	-5.580	-5.534	0	0
Provisions	1.107	-3.326	4	6
Impairments	9.557	12.957	4.411	0
Interest and related revenues	-5.155	-3.140	-2.596	-1.818
Interest and other financial expenses	33.688	27.613	5.926	3.425
Results from Derivatives	-317	0	0	0
Results from Associates and Joint Ventures	496	-947	0	0
Results from sale of shares and securities	-1.756	3.598	-8.249	-15.571
Results from the sale of fixed assets	-226	0	0	0
Results from the sale of investment property	860	739	550	20
Foreign exchange differences	6.417	2.528	0	0
Other adjustments	-14	0	0	0
Operating profit before changes in working capital	**161.940**	**118.612**	**776**	**-26**
(Increase)/Decrease in:				
Inventories	-47	-3.180	-79	-196
Investment property as a core business	-7.675	0		
Trade receivables	17.193	48.260	-2.387	1.716
Prepayments and other short term receivables	-2.764	-34.149	-5.766	10.021
(Increase)/Decrease in:				
Suppliers	-3.629	18.516	-166	-663
Accruals and other short term liabilities	-85.716	-18.278	-885	-656
Collection of grants	-1.070	0	0	0
Other long-term receivables and liabilities	-15.190	-91.528	0	-5
Income tax payments	-12.484	-26.006	-137	-94
Operating flows from discontinued operations	0	0	0	0
Net cash flows from operating activities (a)	**50.558**	**12.247**	**-8.644**	**10.097**
Cash flows from investing activities				
(Purchases) / Sales of fixed assets	-73.547	-76.599	-61	0
(Purchases) / Sales of investment property	0	-62	0	0
Interest and related income received	1.353	866	1	23
(Purchases) / sales of participations and securities	-179	-27.650	4.578	-89.431
Initial cash and cash equivalents of entities which has been taken over or their proportional percent of consolidation decreased	0	0	0	0
Dividents Paid	947	0	7.165	11.478
Loans returned/(given)	0	-27.008	0	-27.008
Net cash flows from investing activities (b)	**-71.426**	**-130.453**	**11.683**	**-104.938**
Cash flows from financing activities				
Payments/Collections from increases/decreases of subsidiaries share capital	-3.013	1.125	0	0
Purchases of treasury shares	-1.169	-3.207	-1.169	-3.207
Net change of short-term loans	38.069	74.007	0	20.000
Net change of long-term loans	39.424	40.245	2.000	78.800
Payments of loans from financial leases	-2.388	-2.870	0	0
Dividents paid	-5.709	-3.576	0	0
Interest and other financial expenses paid	-31.814	-22.337	-4.007	-1.957
Payments for financial instruments	-894	-85	0	0
Financial cash flows from discontinued activities	0	0	0	0
Net cash flows from financing activities (c)	**32.506**	**83.302**	**-3.176**	**93.636**
Effect from foreing exchange changes in cash and cash equivalents (d)	-3.381	-594	0	0
Net increase /(decrease) of cash & cash equivalents (a+b+c+d)	**8.257**	**-35.498**	**-137**	**-1.205**
Cash & cash equivalents at the beginning of the period	621.003	365.637	4.771	2.476
Cash & cash equivalents at the end of the period	**629.260**	**330.139**	**4.634**	**1.271**

ELEMENTS OF THE STATEMENT OF COMPREHENSIVE INCOME (amounts in thousan euro)

	GROUP		COMPANY	
	1/1/17 - 30/6/17	1/1/16 - 30/6/16	1/1/17 - 30/6/17	1/1/16 - 30/6/16
	Continued activities	Continued activities	Continued activities	Continued activities
Revenue	604.628	580.875	5.341	2.447
Gross Profit	133.895	98.564	1.324	531
Earnings/(Losses) before interest and tax (EBIT)	122.317	86.942	8.243	15.315
Earnings/(Losses) before tax	80.524	44.629	524	13.707
Earnings/(Losses) after tax (A)	42.155	27.321	395	14.230
-Owners of the Parent	35.582	24.061	-	-
-Non-controlling interests	6.573	3.260	-	-
Other comprehensive income after taxes (B)	6.320	-1.696	3.858	-22
Total comprehensive income after taxes (A) + (B)	48.475	25.625	4.253	14.208
-Owners of the Parent	41.218	23.724	-	-
-Non-controlling interests	7.257	1.901	-	-
Earnings/(Losses) after taxes per share - basic (in Euro)	0,36380	0,24146	-	-
Earnings/losses after taxes per share - diluted (in Euro)	0,36380	0,24146	-	-
Earnings/(Losses) before interest, tax, depreciation & amortization (EBITDA)	159.076	120.903	8.449	15.520

ELEMENTS OF THE STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro

	GROUP		COMPANY	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Total Equity at the beginning of the period (1.1.17 and 1.1.16 respectively)	598.505	562.365	288.702	311.260
Total comprehensive income after taxes	48.475	25.625	4.253	14.208
Increase/(Decrease) of share capital	0	29	0	29
Dividents paid	-6.359	-6.178	0	0
Purchases / sales of treasury shares	-1.169	-3.207	-1.169	-3.207
Other movements	-3.599	-1.075	0	0
Total equity at end of the period (30.6.17 and 30.6.16 respectively)	**635.853**	**577.559**	**291.786**	**322.290**

ADDITIONAL DATA AND INFORMATION

1. The Companies and Joint Ventures of the Group with the respective participation percentages consolidated in the Group, as well as the tax joint ventures not consolidated due to the fact that their activities have been concluded, are reported in detail in Note 4 of the condensed interim financial statements of 30/06/2017. Due to completion of liquidation the following company had not been included in the Financial Statements of 30/06/2017: 1) J/V ATHINAIKON STATHMON AFTOKINITON.
The participations of GEK TERNA HOLDINGS REAL ESTATE CONSTRUCTIONS that were consolidated in the Financial Statements of 30/06/2017 that had not been consolidated in the Financial Statements of 31/12/2016, as such were established, commenced activities or were acquired during the present period are the following: a) OPTIMUS ENERGY SA and b) IFORIKI IPIROU MAEES.
The participations of GEK TERNA HOLDINGS REAL ESTATE CONSTRUCTIONS that were consolidated in the financial statements of the current period and had not been consolidated in the respective consolidated financial statements of 30/6/2016, due to the fact that they were established, or their activities commenced or they were acquired later, are the above mentioned J/V plus the following ones: a) J/V RENCO TERNA b) J/V J&P AVAX SA-TERNA SA-AKTOR ATE-INTRAKAT c) JV TERNA-CGCE(AMAS 2) d) TERNA ENERGY FINANCING SA e) FLUVANNA HOLDINGS LLC, f) FLUVANNA INVESTMENTS LLC, g) TERNA DEN LLC h) TERNA RENEWABLE ENERGY PROJECTS LLC και i) MOHAVE VALLEY ENERGY LLC .
2. For the fiscal years 2011-2012-2013, the parent company and its Greek subsidiaries are subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 82 par. 5 of L. 2238/1994 (Min. Dec. 1159/26/7/2011), whereas for the years 2014 and 2015 they are subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 65A, par. 1, Law 4174/2014 (Min. Dec. 1124/22/6/2015). The finalization of the tax audit from the Ministry of Finance is pending for all the above fiscal years.
For the fiscal year 2016, the parent company and its Greek subsidiaries which fulfill the conditions of article 1 of Min. Dec. 1124/22/6/2015 are subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 65A, par. 1, Law 4174/2013 (Min. Dec. 1124/22/6/2015). This audit is underway and the relevant tax certificate is expected to be issued following the publication of the first half 2017 financial statements. The Group's Management considers that during the tax audit, no addition tax liabilities will arise that will have a significant effect, apart from those registered and presented in the financial statements. The tax un-audited fiscal years of the other consolidated companies and joint ventures are referred to in Note 33 of the annual Financial Statements of 31/12/2015.
3. There are no pending litigations or cases under arbitration by courts or arbitration authorities that may have a significant impact on the Company's or Group's financial position. The provision for litigations or cases under arbitration and provisions for doubtful debts as at 30/6/2017 amounts for the Group to 33.777th. € and 1.380 th.€ for the Company. The other provisions which have been formed up until 30/6/2017 amount to 46.353 th. € for the Group and 80 th. € for the Company. The amount provisioned for the tax un-audited fiscal years which has been formed up until 30/06/2017 amounts to 4.449 th. € for the Group.
4. The Other comprehensive income after income tax relates to: a) Profit from the evaluation of financial assets available for sale amounting to 5.434th. € for the Group and profit 5.434 th. € for the Company, b) Profit from proportion of total comprehensive income of Joint Venrtures , amount 1.258th. € for the Group, c), Profit from evaluation of cash flow hedging contracts amounting to 1.867 th. € for the Group, d) Profit from Foreign exchange differences from foreign operations amounting to 550th. € for the Group, e) Expenses for share capital Increase amount 241th. € for the Group, f) Income Tax that corresponds to the above amounts amounting to 2.548th. € expense for the Group and 1.576th. € for the Company.
5. At the end of the closing period the Company employed 15 individuals and the Group 1.604 (excluding Joint Ventures and Foreign Companies). Respectively, at the end of the previous fiscal year 1/1 - 31/12/16 the Company employed 14 and the Group 1.782 individuals (excluding Joint Ventures and Foreign Companies)
6. The transactions of the company and of the Group with related parties for the closing period 1/1 – 30/06/17 as well as the balances at 30/06/17, are analyzed as follows (in thousand €):

	Group	Company
Inflows– Revenues	190.228	11.600
Outflows– Expenses	1.438	2.848
Receivables	102.170	78.683
Liabilities	2.324	85.911
Transactions & remuneration of BoD members and executives	1.515	81
Receivables from BoD members and executives	74	0
Liabilities towards BoD members and executives	948	16

7. The Group holds 5.722.535 treasury shares, directly through the parent GEK TERNA SA and indirectly through subsidiaries, with an acquisition cost of 16.228 thousand Euro.

Athens, 27 September 2017

THE CHAIRMAN OF THE BOARD	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
NIKOLAOS KAMPAS ID No. : X 679387	GEORGIOS PERISTERIS ID No. : AB 560298	CHRISTOS ZARIMBAS G.E.C. No. 0013058	NIKOLAOS VALMAS G.E.C. No. 0086235 - A' CLASS