



**GEK TERNA SOCIETE ANONYME  
HOLDINGS REAL ESTATE CONSTRUCTIONS**

**85 Mesogeion Ave., 115 26 Athens Greece  
S.A. Reg. No. 6044/06/B/86/142**

**INTERIM CONDENSED FINANCIAL STATEMENTS SEPARATE  
AND CONSOLIDATED OF 31<sup>st</sup> March 2012**

**(January 1<sup>st</sup> to 31<sup>st</sup> of March 2012)**

**In accordance with International Accounting Standard 34**

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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**CONTENTS**

<b>I. INTERIM CONDENSED FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 31<sup>ST</sup> OF MARCH 2012 .....</b>	<b>3</b>
<b>STATEMENT OF CASH FLOWS .....</b>	<b>8</b>
<b>NOTES ON THE FINANCIAL STATEMENTS .....</b>	<b>12</b>
1. ESTABLISHMENT AND ACTIVITY OF THE COMPANY .....	12
2. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS.....	13
3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES.....	18
4. GROUP STRUCTURE .....	27
5. OPERATING SEGMENTS .....	35
6. FIXED ASSETS.....	41
7. INVESTMENT PROPERTY .....	42
8. PARTICIPATIONS IN ASSOCIATES .....	42
9. LOANS .....	43
10. PROVISION FOR STAFF INDEMNITIES .....	44
11. OTHER PROVISIONS .....	45
12. GRANTS.....	45
13. LIABILITIES FROM DERIVATIVES.....	46
14. OTHER INCOME / (EXPENSES) .....	46
15. INCOME TAX.....	47
16. SHARE CAPITAL -EARNINGS PER SHARE .....	47
17. TRANSACTIONS WITH RELATED PARTIES .....	48
18. RIGHTS ON JOINTLY CONTROLLED ENTITIES .....	49
19. SIGNIFICANT EVENTS OF THE PERIOD.....	50
20. CYCLICALITY-SEASONALITY.....	50
21. SIGNIFICANT EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS.....	51
22. DIFFERENCES UNDER DISPUTE OR ARBITRATION .....	51
23. CONTINGENT LIABILITIES .....	51
<b>II. DATA AND INFORMATION FOR THE PERIOD 1.1.2012-31.3.2012.....</b>	<b>52</b>

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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**I. INTERIM CONDENSED FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 31<sup>ST</sup> OF MARCH 2012**

It is ascertained that the accompanying financial statements for the period 1.1.2012-31.03.2012 are those approved by the Board of Directors of “GEK TERNA Societe Anonyme Holdings Real Estate Constructions” (GEK TERNA SA), during its meeting on 29<sup>th</sup> of May 2012. The present financial statements for the period 1.1.2012-31.03.2012 are posted on the internet at the website [www.gekterna.com](http://www.gekterna.com) and will remain available for investors for a period of at least five (5) years from their preparation and release. It is noted that the published in the press 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 the Group according to the IFRS.

THE CHAIRMAN OF THE BOARD

THE MANAGING DIRECTOR

NIKOLAOS KAMPAS

GEORGIOS PERISTERIS

THE CHIEF FINANCIAL OFFICER

THE CHIEF ACCOUNTANT

CHRISTOS ZARIMBAS

KONSTANTINOS KONSTANTINIDIS

**GEK TERNA GROUP**

Interim condensed Financial Report for the period from 1 January 2012 to 31 March 2012

(Amounts in Thousand Euro, unless stated otherwise)

	Note	GROUP		COMPANY	
		31 March 2012	31 December 2011	31 March 2012	31 December 2011
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible fixed assets	6	318,110	320,270	45	54
Tangible fixed assets	6	898,463	845,557	11,614	11,633
Goodwill		8,912	8,912	0	0
Investment property	7	98,887	101,180	17,031	17,031
Participations in subsidiaries	4	0	0	194,695	194,695
Participations in associates	4, 8, 14	11,206	19,500	11,908	11,908
Participations in joint ventures	4, 18	873	873	64,432	64,432
Investments available for sale		17,690	17,690	17,503	17,503
Other long-term assets		11,641	11,353	30,612	30,144
Deferred tax assets		52,265	49,339	0	0
<b>Total non-current assets</b>		<b>1,418,047</b>	<b>1,374,674</b>	<b>347,840</b>	<b>347,400</b>
<b>Current assets</b>					
Inventories		127,158	127,419	12,374	12,351
Trade receivables		288,308	348,625	6,241	7,082
Receivables from construction contracts		170,320	165,111	0	0
Prepayments and other receivables		220,710	211,851	8,411	6,821
Income tax receivables		20,751	29,388	2,541	2,493
Investments available for sale		1,103	1,055	864	816
Cash and cash equivalents	5	338,307	327,414	246	514
<b>Total current assets</b>		<b>1,166,657</b>	<b>1,210,863</b>	<b>30,677</b>	<b>30,077</b>
Non-current assets held for sale		0	0	0	0
<b>TOTAL ASSETS</b>		<b>2,584,704</b>	<b>2,585,537</b>	<b>378,517</b>	<b>377,477</b>
<b>EQUITY AND LIABILITIES</b>					
<i>Equity attributable to the owners of the parent</i>					
Share Capital	16	48,953	48,953	48,953	48,953
Share premium account		356,865	356,865	170,410	170,410
Reserves		17,183	19,272	65,777	65,728
Profit carried forward		43,120	44,760	(10,181)	(11,104)
<b>Total</b>		<b>466,121</b>	<b>469,850</b>	<b>274,959</b>	<b>273,987</b>
<i>Non-controlling interests</i>		197,304	195,769	0	0
<b>Total equity</b>		<b>663,425</b>	<b>665,619</b>	<b>274,959</b>	<b>273,987</b>

**GEK TERNA GROUP**

Interim condensed Financial Report for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>Long term liabilities</b>					
Long-term loans	9	518,082	429,055	52,690	47,390
Loans from finance leases	9	22,062	24,761	0	0
Other long-term liabilities		31,787	38,030	101	102
Other provisions	11	53,670	49,970	0	0
Provisions for staff leaving indemnities	10	5,200	5,183	113	108
Grants	12	248,504	249,515	0	0
Liabilities from derivatives	13	119,094	114,855	0	0
Deferred tax liabilities		33,789	34,162	1,929	1,916
<b>Total long term liabilities</b>		<b>1,032,188</b>	<b>945,531</b>	<b>54,833</b>	<b>49,516</b>
<b>Short term liabilities</b>					
Suppliers		193,980	245,853	1,279	1,481
Short term loans	9	275,200	298,634	28,390	33,456
Long term liabilities payable during the next 12 months	9	160,595	184,228	17,366	17,217
Liabilities from derivatives	13	18,464	18,464	0	0
Liabilities from construction contracts		77,919	30,114	0	0
Accrued and other short term liabilities		159,076	183,841	1,690	1,820
Income tax payable		3,857	13,253	0	0
<b>Total short term liabilities</b>		<b>889,091</b>	<b>974,387</b>	<b>48,725</b>	<b>53,974</b>
Liabilities directly connected to non-current assets held for sale		0	0	0	0
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,584,704</b>	<b>2,585,537</b>	<b>378,517</b>	<b>377,477</b>

The accompanying notes constitute an integral part of the financial statements

**GEK TERNA GROUP**

Interim condensed Financial Report for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

STATEMENT OF COMPREHENSIVE INCOME	Note	GROUP		COMPANY	
		1.1 – 31.3 2012	1.1 – 31.3 2011	1.1 – 31.3 2012	1.1 – 31.3 2011
<b>Continued operations</b>					
Revenue	5	159,748	171,613	1,693	1,023
Cost of sales		(138,479)	(150,665)	(936)	(321)
<b>Gross profit</b>		<b>21,269</b>	<b>20,948</b>	<b>757</b>	<b>702</b>
Administrative and distribution expenses		(9,003)	(7,987)	(274)	(330)
Research and development expenses		(861)	(801)	0	0
Other income/(expenses)	14	4,364	1,810	1	0
Net Financial income/(expenses)	5	(13,674)	(7,288)	(1,123)	(848)
Participations income	14	384	60	1,575	345
Gains/(Losses) from the valuation of participations		0	(4,500)	0	(4,500)
Gains/(Losses) from the valuation of associates under the equity method	8	(27)	(1)	0	0
<b>Earnings before tax</b>		<b>2,452</b>	<b>2,241</b>	<b>936</b>	<b>(4,631)</b>
Income tax expense	15	(624)	342	(13)	(19)
<b>Net earnings/(loss) from continued operations</b>		<b>1,828</b>	<b>2,583</b>	<b>923</b>	<b>(4,650)</b>
<b>Discontinued operations</b>					
Profits from discontinued operations after tax		0	0	0	0
<b>NET EARNINGS / (LOSS)</b>		<b>1,828</b>	<b>2,583</b>	<b>923</b>	<b>(4,650)</b>
<b>Other comprehensive income /(loss)</b>					
Valuation of investments available for sale		49	95	49	95
Valuation of cash flow hedges	13	(4,326)	19,625	0	0
Translation differences from incorporation of foreign entities		(534)	(2,186)	0	0
Other income/(loss) for the year		(5)	(4)	0	0
Tax corresponding to the above income		1,195	(3,925)	0	0
<b>Other comprehensive income/(expenses) for the period after tax</b>		<b>(3,621)</b>	<b>13,605</b>	<b>49</b>	<b>95</b>
<b>TOTAL COMPREHENSIVE INCOME /(LOSS)</b>		<b>(1,793)</b>	<b>16,188</b>	<b>972</b>	<b>(4,555)</b>

**GEK TERNA GROUP**

Interim condensed Financial Report for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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<b>Net earnings/(loss) for the period attributed to</b>			
Owners of the parent from continued operations	16	302	1,048
Owners of the parent from discontinued operations		0	0
Non-controlling interests from continued operations		1,526	1,535
		<b>1,828</b>	<b>2,583</b>
<b>Total comprehensive income/ (loss) attributed to</b>			
Owners of the parent from continued operations		(4,168)	14,798
Owners of the parent from discontinued operations		0	0
Non-controlling interests from continued operations		2,375	1,390
		<b>(1,793)</b>	<b>16,188</b>
<b>Earnings/(loss) per share (in Euro)</b>			
From continued operations attributed to the owners of the parent	16	0.00358	0.01246
From discontinued operations attributed to owners of the parent		0.00000	0.00000
<b>Weighted average number of shares</b>			
Basic	16	84,408,190	84,096,233

**GEK TERNA GROUP**

Interim condensed Financial Report for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>STATEMENT OF CASH FLOWS</b>	<b>GROUP</b>		<b>COMPANY</b>		
	<b>Note</b>	<b>1.1 – 31.3 2012</b>	<b>1.1 – 31.3 2011</b>	<b>1.1 – 31.3 2012</b>	<b>1.1 – 31.3 2011</b>
<b>Cash flows from operating activities</b>					
Earnings before tax for the period		<b>2,452</b>	<b>2,241</b>	<b>936</b>	<b>(4,631)</b>
<i>Adjustments for the agreement of the net flows from operating activities</i>					
Depreciation of fixed assets	5, 6	15,525	10,989	118	117
Amortization of grants on fixed assets	5, 12, 14	(954)	(631)	0	0
Provisions		4,757	2,874	5	4
Impairments		1,375	4,500	0	4,500
Interest and related income	5	(1,803)	(2,051)	(505)	(471)
Interest and other financial expenses	5	15,478	9,339	1,628	1,319
Result from withdrawal of associate	8, 14	(10,229)	0	0	0
Results from participations		(357)	(59)	0	0
Results from the valuation of investment property	7, 14	2,318	0	0	0
Results from the sale of fixed assets		506	0	0	0
Foreign exchange differences	14	140	(481)	0	0
<b>Operating profit before changes in working capital</b>		<b>29,208</b>	<b>26,721</b>	<b>2,182</b>	<b>838</b>
<b>(Increase)/Decrease in:</b>					
Inventories		261	481	(23)	(460)
Trade receivables		41,745	(12,656)	841	(18)
Prepayments and other short term receivables		8,497	(194)	(1,181)	1,322
<b>Increase/(Decrease) in:</b>					
Suppliers		(15,224)	22,955	(496)	(366)
Accruals and other short term liabilities		226	(25,560)	(130)	(1,052)
Collection of grants		0	0	0	0
Other long-term receivables and liabilities		(148)	(323)	(1)	5
Income Tax payments		(3,738)	(517)	0	240
Operating flows from discontinued operations		0	0	0	0
<b>Cash flows from operating activities</b>		<b>60,827</b>	<b>10,907</b>	<b>1,192</b>	<b>509</b>
<b>Cash flows from investing activities</b>					
(Purchases) / Sales of fixed assets		(72,013)	(61,340)	(90)	0
(Purchases) / Sales of investment property		(25)	0	0	0
Interest and related income received		1,092	1,932	0	0
(Purchases) / sales of participations and securities		0	(2,731)	0	(540)
Cash from consolidated company		0	0	0	0
Repayments/(Grants) of loans		0	0	(125)	(3,467)
Investing flows from discontinued operations		0	0	0	0
Proceeds from investments		0	0	0	0
<b>Cash flows for investing activities</b>		<b>(70,946)</b>	<b>(62,139)</b>	<b>(215)</b>	<b>(4,007)</b>



**GEK TERNA GROUP**

Interim condensed Financial Report for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>Cash flows from financing activities</b>				
Proceeds from share capital increase of subsidiaries	162	0	0	0
Purchase of treasury shares	(556)	(2,072)	0	0
Net change of short-term loans	(23,580)	9,068	(1,020)	0
Net change of long-term loans	65,920	(22,814)	1,300	10,250
Payments of liabilities from finance leases	9	(3,254)	(2,974)	0
Dividends paid	0	0	0	0
Interest and other financial expenses paid	(17,412)	(8,861)	(1,525)	(1,259)
Change of other financial assets	0	(11,250)	0	(11,250)
Financing flows from discontinued operations	0	0	0	0
<b>Cash flows from financing activities</b>	<b>21,280</b>	<b>(38,904)</b>	<b>(1,245)</b>	<b>(2,259)</b>
Effect of foreign exchange differences in cash and cash equivalents	(268)	(2,780)	0	0
<b>Net increase / (decrease) of cash and cash equivalents</b>	<b>10,893</b>	<b>(92,916)</b>	<b>(268)</b>	<b>(5,757)</b>
Cash and cash equivalents at the beginning of the period	327,414	393,443	514	6,199
<b>Cash and cash equivalents at the end of the period</b>	<b>338,307</b>	<b>300,528</b>	<b>246</b>	<b>442</b>

The accompanying notes constitute an integral part of the financial statements

**GEK TERNA GROUP**

Interim condensed Financial Report for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>STATEMENT OF CHANGES IN EQUITY OF THE COMPANY</b>	<b>Share Capital</b>	<b>Share Premium</b>	<b>Reserves</b>	<b>Profit Carried Forward</b>	<b>Total</b>
<b>1 January 2012</b>	<b>48,953</b>	<b>170,410</b>	<b>65,728</b>	<b>(11,104)</b>	<b>273,987</b>
Total comprehensive income for the period	0	0	49	923	<b>972</b>
Dividends	0	0	0	0	<b>0</b>
Purchase of treasury shares	0	0	0	0	<b>0</b>
Formation of reserves/Transfers	0	0	0	0	<b>0</b>
<b>31<sup>st</sup> of March 2012</b>	<b>48,953</b>	<b>170,410</b>	<b>65,777</b>	<b>(10,181)</b>	<b>274,959</b>
<b>1 January 2011</b>	<b>48,953</b>	<b>170,410</b>	<b>51,091</b>	<b>21,870</b>	<b>292,324</b>
Total comprehensive income for the period	0	0	95	(4,650)	<b>(4,555)</b>
Dividends	0	0	0	0	<b>0</b>
Purchase of treasury shares	0	0	0	0	<b>0</b>
Formation of reserves/Transfers	0	0	0	0	<b>0</b>
<b>31<sup>st</sup> of March 2011</b>	<b>48,953</b>	<b>170,410</b>	<b>51,186</b>	<b>17,220</b>	<b>287,769</b>

**GEK TERNA GROUP**

Interim condensed Financial Report for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>STATEMENT OF CHANGES IN EQUITY OF THE GROUP</b>	<b>Share Capital</b>	<b>Share Premium</b>	<b>Reserves</b>	<b>Profit Carried Forward</b>	<b>Sub-total</b>	<b>Minority Interest</b>	<b>Total</b>
<b>1 January 2012</b>	<b>48,953</b>	<b>356,865</b>	<b>19,272</b>	<b>44,760</b>	<b>469,850</b>	<b>195,769</b>	<b>665,619</b>
Total comprehensive income for the period	0	0	(4,470)	302	<b>(4,168)</b>	2,375	<b>(1,793)</b>
Dividends	0	0	0	0	<b>0</b>	0	<b>0</b>
Purchase of Treasury Shares	0	0	(278)	0	<b>(278)</b>	(278)	<b>(556)</b>
Establishment of subsidiary	0	0	0	0	<b>0</b>	162	<b>162</b>
Change in the percentage of a consolidated company	0	0	0	717	<b>717</b>	(724)	<b>(7)</b>
Formation of reserves / Transfers	0	0	2,659	(2,659)	<b>0</b>	0	<b>0</b>
<b>31<sup>st</sup> of March 2012</b>	<b>48,953</b>	<b>356,865</b>	<b>17,183</b>	<b>43,120</b>	<b>466,121</b>	<b>197,304</b>	<b>663,425</b>
<b>1 January 2011</b>	<b>48,953</b>	<b>356,865</b>	<b>50,876</b>	<b>64,106</b>	<b>520,800</b>	<b>198,198</b>	<b>718,998</b>
Total comprehensive income for the period	0	0	13,754	1,044	<b>14,798</b>	1,390	<b>16,188</b>
Dividends	0	0	0	0	<b>0</b>	0	<b>0</b>
Purchase of Treasury Shares	0	0	0	(1,025)	<b>(1,025)</b>	(1,047)	<b>(2,072)</b>
Change in the percentage of a consolidated company	0	0	0	1,026	<b>1,026</b>	(1,026)	<b>0</b>
Formation of reserves / Transfers	0	0	(438)	438	<b>0</b>	0	<b>0</b>
<b>31<sup>st</sup> of March 2011</b>	<b>48,953</b>	<b>356,865</b>	<b>64,192</b>	<b>65,589</b>	<b>535,599</b>	<b>197,515</b>	<b>733,114</b>

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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### **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 Societe Anonyme Registry of the Ministry of Development with Registration number 6044/06/B/86/142. The duration of the company has been set to thirty (30) years, while according to the decision of the Extraordinary General Shareholders’ Meeting on 26.03.1990 the duration of the company is extended up to the 31st of December 2030.

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

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

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.

The main activity of the Company 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 management of energy projects, as well as its participation in companies having similar activities.

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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

The Group is also active in quarry exploitation through its subsidiary TERNA SA, in the industrial sector through the subsidiaries VIOMEK ABETE, which undertakes metal constructions.

The activities of the Group mainly take place in Greece while at the same time it has significant presence in the Balkans, Middle East, East 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, derivatives and investments available for sale that are valued at fair value. Also, several self-used tangible fixed assets on the transition date (1 January 2004) to the International Financial Reporting Standards (IFRS) were valued at fair value, which were used as deemed cost, according to the provisions of IFRS 1 “First 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 under the provisions of IAS 34 “Interim Financial Statements”. The interim condensed financial statements should be read in conjunction with the annual financial statements of 31 December 2011.

### ***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 period ended on December, 31 2011, except for the adoption of new standards and interpretations, whose application is mandatory for periods beginning on 1 January 2012.

Therefore, from January, 1 2012 the Group and the company adopted new standards, amendments of standards and interpretations as follows:

### **Standards and Interpretations mandatory for 2012**

#### **- IAS 12 (Amendment) «Income tax»**

The amendment of IAS 12 provides a main practical method for the measurement of the deferred tax liabilities and deferred tax assets when the investment property is valued according to the fair value method based on IAS 40 “Investment in property”. The amendment has not been adopted yet by the E.U.

#### **- IFRS 7 (Amendment) “Financial instruments: Disclosures”– transfer of financial assets**

The current amendment provides disclosures for transferred financial assets which have not been yet totally de-recognized but for which the Group has continued involvement. Provides in addition, guidance for the implementation of the required disclosures.

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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### **Standards and Interpretations mandatory for the financial statements which commence after 1<sup>st</sup> of January 2012**

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

#### **-IAS 1 Presentation of the Financial Statements (Amendment) –Presentation of the other comprehensive income**

The amendment is applied on the annual accounting periods which commence on or after the 1<sup>st</sup> of July 2012. The amendments of IAS 1 change the grouping of figures which are presented at Other Comprehensive Income. Figures which could re-classified (or “recycled”) in the results in the future (for example under the de-recognition or clearing) will be presented separately from the figures which will never be re-classified. The amendment affects the presentation only and it does not have any effect on the financial position or the performance of the Company or the Group. The amendment has not been adopted yet from the E.U. The Group is under the procedure of examining the effect of this amendment on the financial statements.

#### **-IAS 19 Provision for staff indemnities**

The amendment is implemented on the annual accounting periods which commence on or after 1 January 2013. The amended IAS 19 suggests significant changes at the accounting treatment of provision for staff indemnities, including the option’s elimination for deferred recognition of the assets and liabilities change in pension schemes (known as “margin method”). The result of the above will be the higher volatility on the companies’ balance sheet which implement until today the margin method. In addition, with these alterations, the changes in the net asset will be eliminated (or liability) of the pension scheme which are recognized at the financial results in net income (expense) interest and in the cost of the current employment. The expected performance from the schemes’ assets will be replaced from a credit at the income which will be based on the performance of the corporate bond. Moreover, the amended standard requires immediate recognition of the previous work experience cost as a result of the changes in the scheme (at the financial results) and entails that the provision for staff indemnities will only be recognized when the offer becomes legally binding and it cannot be withdrawn. The earlier implementation is allowed. The European Union has not adopted this amendment yet. The Group is currently examining the effect of this amendment on the financial statements.

#### **-IFRS 7 “Financial instruments: Disclosures” (Amendment) – Offsetting of the Financial Assets and Liabilities**

The amendment is implemented in annual accounting periods which commence on or after the 1<sup>st</sup> of January 2013. The amendment introduces common requirements for disclosures. These disclosures will provide to the readers information which is useful for the evaluation of the impact or the potential impact of the offsetting agreements on the financial position of an entity. The amendments of the IFRS 7 are applied retrospectively. The E.U. has not adopted yet this amendment. The Group is under the procedure of examining the effect of the amendment on its financial statements.

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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### **– IFRS 9 “Financial Instruments” (applied to the annual accounting periods starting from or after the 1<sup>st</sup> of January 2013)**

The IFRS 9 constitutes the first part of the first phase of the project of the IASB (International Accounting Standards Board) for the replacement of IAS 39. The IASB aims at extending the IFRS 9 during 2010, so that new requirements are added for the classification and measurement of the financial obligations, the de-recognition of the financial instruments, the impairment of the value and the accounting hedging. The IFRS 9 defines that all the financial assets are initially measured at their fair value plus, in case of a financial asset which is not at fair value through the results, certain trade costs. The posterior assessment of the financial assets is performed either at the depreciated cost or the fair value and depends on the business model of the financial entity with regards to the management of the financial assets and the conventional cash flows of this financial asset. The IFRS 9 forbids the reclassifications, apart from the rare cases where the business model of the financial entity changes and in that case the financial entity is required to reclassify in the future the affected financial assets. According to the principles of the IFRS 9, all the investments equities have to be assessed at fair value. Nevertheless, the Management has the option of presenting among the other total income, the realized and unrealized gains and losses of fair value of equities which are not held for commercial purposes. This determination is executed during the initial recognition of each financial asset separately and cannot be changed. The gains and losses of fair value are not carried forward to the results, while the income stemming from the dividends will continue being recognized at the results. The IFRS 9 abolishes the exception of valuation at cost for the non-listed shares and the derivatives on non-listed shares, but provides guidance as to when the cost can be a representative assessment of the fair value.

The Group is in the process of assessing the effect of the IFRS 9 on its financial statements. The standard has not yet been adopted by the E.U.

### **- IFRS 13 “Fair value measurement” (applied for annual accounting periods beginning on or after the 1<sup>st</sup> January 2013)**

The new standard is applied to the annual fiscal periods which commence on or after 1 January 2013. The main reason for the issuance of IFRS 13 is to reduce the complexity and improve the consistency on the implementation during the measurement of the fair value. There is no change as to when an entity is required to make use of the fair value but it provides guidance regarding the way of fair value measurement according to IFRS, when the fair value is required or allowed from the IFRS. IFRS 13 consolidates and clarifies the guidelines for the fair value measurement and in addition enhances the convergence with the American Accounting Standards which have been amended from the Board of the American Accounting Standards. The standard has future application while in advance implementation is allowed. The European Union has not yet adopted the specific standard. The Group is examining currently the effect of the standard on the financial statements.

### **- Group of standards regarding consolidation and joint arrangements (applied on annual accounting periods beginning on or after 1<sup>st</sup> of January 2013)**

The IASB published five new standards regarding consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (Amendment), IAS 28 (Amendment). These standards are applied on annual accounting periods beginning on or after 1st of January 2013. Their early implementation is allowed only in case all of the five standards are applied simultaneously. The standards have not been adopted yet by the E.U.

The basic terms of the standards are the following:

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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### **IFRS 10 ‘Consolidated Financial Statements’**

The IFRS 10 replaces all the guidelines regarding the control and the consolidation which are provided in IAS 27 and in SIC 12. The new standard alters the definition of the control as a determinant factor as to whether an economic entity will be consolidated or not. The standard provides extensive clarifications which dictate the different ways according to which an economic entity (investor) can control another economic entity (investment). The revised definition of the control focuses on the need of simultaneous existence of the right (the possibility to direct the activities which significantly affect the performances) and the variable performances (positive, negative or both) in order for control to exist. The new standard provides as well clarifications regarding the equity rights and protective rights, as well as with respect to the relations between brokerage/entity being in brokerage.

### **IFRS 11 «Joint Arrangements»**

The IFRS 11 provides a more realistic approach to the joint arrangements focusing on the rights and liabilities rather than on their legal form. The types of the arrangements are constrained into two: jointly controlled activities and joint ventures. The method of the proportional consolidation is no longer allowed. The participants in joint ventures implement compulsory the equity consolidation method. The economic entities which participate in jointly controlled activities implement a similar accounting treatment to the one implemented currently by the participants in jointly controlled assets or jointly controlled activities.

The standard provides additionally clarifications regarding the participants in joint arrangements, without joint control existing.

### **IFRS 12 ‘Disclosure of interests in other entities’**

The IFRS 12 refers to the necessary disclosures of an economic entity, including important judgments and assumptions, which allow to the readers of the financial statements to evaluate the nature, the risks and the financial implications which are related to the participation of the economic entity in subsidiaries, associates, or joint arrangements and non-consolidated economic entities (structured entities).

An economic entity has the possibility to make some or all of the aforementioned disclosures without being obliged to implement IFRS 12 complete, or the IFRS 10 or 11 or the amended IFRS 27 or 28.

### **IAS 27 (Amendment) ‘Separate financial statements’**

The standard was published at the same time with IFRS 10 and in combination, these two standards replace IAS 27 ‘Consolidated and separate financial statements’. The amended IAS 27 defined the accounting treatment and the necessary disclosures regarding the participations in subsidiaries, joint ventures and associates when an economic entity prepares separate financial statements. Simultaneously, the IASB has transferred the IAS 27 terms of IAS 28 ‘Investments in associates’ and of IAS 31 “Participations in joint ventures” which refer to separate financial statements.

### **IAS 28 (Amendment) ‘Investments in associates and joint ventures’**

The IAS 28 ‘*Investments in associates and joint ventures*’ replaces the IAS 28 ‘Investments in associates’. The aim of the standard is to define the accounting treatment regarding the investments in associates and to display the requirements for the implementation of the equity consolidation method according to the accounting of the investments in associates and joint ventures, as it stems from the publication of IFRS 11.

### **-IFRIC 20 “Disclosure Expenses during the Production Phase of Surface Mining” (applied on annual accounting periods beginning on or after 1<sup>st</sup> of January 2013)**

The purpose of interpretation is to prescribe the accounting treatment of the two benefits associated with the process of uncovering surface mining, which involves cleaning and removal of mine waste.



## GEK TERNA GROUP

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

(Amounts in Thousand Euro, unless stated otherwise)

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The two benefits are the useful ore for further processing and exploitation, which are recognized as stock and the improved access to additional quantities of materials for future mining, which is recognized as an addition or improvement of mine. This interpretation has not yet 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 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. The provision for current income tax is calculated by (i) estimating taxable profit of the present period, (ii) deriving the estimated real current tax rate and (iii) applying the rate on the taxable profit of the interim period. It also includes a provision for additional taxes that may arise from tax audits. The final settlement of income tax may differ from the respective amounts registered in the interim and annual financial statements.

*viii) Provision for environmental rehabilitation:* The Group creates a provision against its relevant liabilities for 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.

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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*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.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

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

#### ***a) Basis of consolidation***

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

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

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

#### ***b) Investments in Associates***

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

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

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

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

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

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

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

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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(i) Investments available for sale

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

(ii) Receivables and loans

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

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

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

(iv) Investments held to maturity

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

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

### ***d) Financial Instruments and Risk Management***

Non-derivative financial assets and liabilities in the Statement of financial position include cash balances, receivables, participations bank loans and other short and long-term liabilities. The 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 risk from several of its significant bank debt. The Management of the Group follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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### *(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. Company'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.

### ***e) Operation and Presentation Currency and Foreign Exchange Conversion***

The euro is the currency of operation and presentation of the Group and its Greek subsidiaries. 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.

### ***f) 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 service concession arrangements for motorways is based in usage, starting on commencement of operation and throughout the concession period, whereas amortization of concessions for car parks is based on the duration of the concession.

## GEK TERNA GROUP

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

(Amounts in Thousand Euro, unless stated otherwise)

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### **g) Tangible Fixed Assets**

As previously mentioned, the Company has valued certain land and buildings at fair value on January 1<sup>st</sup>, 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.

### **h) 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:

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

### **i) 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 net 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.

The Management estimates that there is no case of impairment of the Group's fixed assets and thus a calculation of the assets' recoverable amounts has not been made.

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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### ***j) Investment property***

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

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

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

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

### ***k) Inventories***

Inventories include under construction or real estate for development which are intended to be sold, excavated from the quarry material, 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.

### ***l) 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.

### ***m) 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.

### ***n) 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.

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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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.

### ***o) Provisions for Staff Retirement Indemnities***

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

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

### ***p) 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 Group. At the time of retirement, the pension fund is responsible for the payment of retirement benefits to the employees. Consequently, the Group has no legal or constructive obligation for the payment of future benefits according to this plan.

### ***q) 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 line method during the useful life of the asset.

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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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.

### ***r) 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.

### ***s) 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 probability of an outflow of economic resources that include economic benefits is small. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of financial benefits is possible.

### ***t) Financial Derivatives and Hedging Instruments***

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

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

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

The full hedged part of the profit/loss of a measurement of derivatives that meet the conditions for hedge accounting is registered in other comprehensive income, if such refers to cash flow hedges, while the non-effective part is registered in net earnings.

If such refers to a fair value hedge, the relevant profit or loss is recognized in net earnings, where the fair value change if the hedged instrument is registered respectively.

When the estimated hedged future transactions or liabilities lead to the recognition of a receivable or liability, the profit or losses previously registered in the statement of comprehensive income (cash flow hedges) are incorporated in the initial valuation of the cost of such receivables or liabilities. Otherwise, the amounts presented in equity are transferred to the statement of comprehensive income and are characterized as an income or expense during the period in which the estimated hedged transactions affect the statement of comprehensive income.



## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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### ***u) 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 tolls and car parks*

Revenues from tolls come from concessions for the operation of motorways and car parks. 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 DESMHE or any other buyer that have not yet been invoiced is recognized as accrued non-invoiced income in the financial statements.

#### *(v) Revenue from the construction and sale of buildings*

Buildings owned by the Company that are under construction, appear as inventories. 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.

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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### *(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.

### **v) Income Tax (Current and Deferred)**

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

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

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

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

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

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

### **w) Earnings per Share**

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

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

### **x) 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.

## GEK TERNA GROUP

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

(Amounts in Thousand Euro, unless stated otherwise)

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.

#### 4. GROUP STRUCTURE

In the following table there are presented the direct and indirect participations of GEK TERNA SA, in economic entities on 31.03.2012 and which have been included in the consolidation:

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
TERNA SA	Greece	100.00	0.00	100.00	Full
TERNA ENERGY SA	Greece	50.08	0.00	50.08	Full
GEKE A.E.B.E.	Greece	100.00	0.00	100.00	Full
IOANNINON ENTERTAINMENT DEVELOPMENT S.A.	Greece	64.59	0.00	64.59	Full
MONASTIRIOU TECHNICAL DEVELOPMENT S.A.	Greece	100.00	0.00	100.00	Full
VIPA THESSALONIKI S.A.	Greece	100.00	0.00	100.00	Full
IOLKOS S.A.	Greece	100.00	0.00	100.00	Full
CHIRON CAR PARK S.A.	Greece	99.47	0.53	100.00	Full
IRON HOLDINGS S.A.	Greece	100.00	0.00	100.00	Full

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
IRON III THERMOELECTRIC STATION S.A.	Greece	0.00	100.00	100.00	Full
IRON IV THERMOELECTRIC STATION S.A.	Greece	0.00	100.00	100.00	Full
IRON V THERMOELECTRIC STATION S.A.	Greece	0.00	100.00	100.00	Full
STEROPIS THERMOELECTRIC S.A.	Greece	0.00	100.00	100.00	Full
VIOMEK ABETE	Greece	66.50	0.00	66.50	Full
STROTIRES AEBE	Greece	51.00	0.00	51.00	Full
ILIOCHORA SA	Greece	100.00	0.00	100.00	Full
VIPATHE MANAGEMENT SA	Greece	0.00	53.50	53.50	Full
GEK SERVICES SA	Greece	51.00	0.00	51.00	Full
KIFISIA PLATANOU SQ. CAR PARK SA	Greece	83.33	16.67	100.00	Full
PARKING STATION SAROKOU SQUARE CORFU S.A	Greece	49.00	51.00	100.00	Full
VIOMAGN S.A.	Greece	29.84	65.16	95.00	Full
GEK TERNA SA & CO. Limited	Greece	99.00	0.00	99.00	Full
ENERGEIAKI TECHNIKI ANAPTYXIAKI OF WESTERN GREECE S.A.	Greece	0.00	100.00	100.00	Full
EUROPEAN AGENCIES OF METALS SA	Greece	0.00	100.00	100.00	Full
VRONDIS QUARRY PRODUCTS SA	Greece	0.00	100.00	100.00	Full
IWECO CHONOS LASITHIOU CRETE SA	Greece	0.00	50.08	50.08	Full
ENERGIAKI SERVOUNIOU SA	Greece	0.00	50.08	50.08	Full
TERNA ENERGY EVROU	Greece	0.00	50.08	50.08	Full
PPC RENEWABLES - TERNA ENERGY SA	Greece	0.00	50.08	50.08	Full
AIOLIKI RACHOULAS DERVENOCHORION S.A.	Greece	0.00	50.08	50.08	Full
AIOLIKI ILIOKASTROU S.A	Greece	0.00	50.08	50.08	Full
ENERGEIAKI XIROVOUNIOU S.A.	Greece	0.00	50.08	50.08	Full
AIOLIKI MALEA LAKONIAS S.A.	Greece	0.00	50.08	50.08	Full
ENERGIAKI FERRON EVROU S.A.	Greece	0.00	50.08	50.08	Full
AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	Greece	0.00	50.08	50.08	Full
ENERGIAKI PELOPONNISOU S.A.	Greece	0.00	50.08	50.08	Full
ENERGIAKI DERVENOCHORION S.A.	Greece	0.00	50.08	50.08	Full
ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Greece	0.00	50.08	50.08	Full
AIOLIKI PANORAMATOS S.A.	Greece	0.00	50.08	50.08	Full
EUROWIND S.A.	Greece	0.00	50.08	50.08	Full
DELTA AXIOU ENERGEIAKI S.A	Greece	0.00	50.08	50.08	Full
VATHICHORI ONE PHOTOVOLTAIC S.A.	Greece	0.00	50.08	50.08	Full
VATHICHORI TWO SA	Greece	0.00	50.08	50.08	Full
VATHICHORI ENVIRONMENTAL S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI SEA WIND PARKS S.A.	Greece	0.00	50.08	50.08	Full

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>ECONOMIC ENTITY</b>	<b>DOMICILE</b>	<b>DIRECT PARTICIPATION %</b>	<b>INDIRECT PARTICIPATION %</b>	<b>TOTAL PARTICIPATION %</b>	<b>CONSOLIDATION METHOD</b>
TERNA ENERGEIAKI WIND PARKS XIROKAMPOS AKRATAS S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI WIND PARKS PIRGAKI MAKRIRAHY KALLIEON S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI WIND PARKS SOTIRA – ANALIPSI– DRAGONERA XYLOKASTROU S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI WIND PARKS PROFITIS ILIAS –POULAGEZA SOLIGEIAS S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI WIND PARKS TSOUAMANOLAKKA-PYRGOS KALLIEON & IPATIS S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI WIND PARKS DENTROULI MUNICIPALITY OF DOMNITSAS S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI WIND PARKS OROPEDIO EUROSTINIS– M.EUROSTINIS S.KORINTHOS S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI WIND PARKS KALIAKOUDAS – M. POTAMIAS EVRITANIAS S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI WIND PARKS CHELIDONAS – M. POTAMIAS EVRITANIAS S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI HYDROELECTRIC M. SARANTAPOROU S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI HYDROELECTRIC M. LEPTOKARIAS S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI HYDROELECTRIC M. ARKOUDOREMA S.A.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI SA & Co AIOLIKI POLYKASTROU G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGEIAKI SA & Co AIOLIKI PROVATA TRAIANOUPOLEOS G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA & CO ENERGEIAKI VELANIDION LAKONIAS G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA & CO ENERGEIAKI DYSTION EVIAS G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA & CO AIOLIKI PASTRA ATTIKIS G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA & CO AIOLIKI KARYSTIAS EVIAS G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA & CO ENERGEIAKI ARI SAPPON G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA & CO AIOLIKI EASTERN GREECE G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA & CO AIOLIKI MARMARIOU EVIAS G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA & CO ENERGEIAKI PETRION EVIAS G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA & CO AIOLIKI ROKANI DERVENOCHORION G.P.	Greece	0.00	50.08	50.08	Full

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>ECONOMIC ENTITY</b>	<b>DOMICILE</b>	<b>DIRECT PARTICIPATION %</b>	<b>INDIRECT PARTICIPATION %</b>	<b>TOTAL PARTICIPATION %</b>	<b>CONSOLIDATION METHOD</b>
TERNA ENERGY SA & CO ENERGIAKI STYRON EVIAS G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA & CO ENERGIAKI KAFIREOS EVIAS G.P.	Greece	0.00	50.08	50.08	Full
TERNA ENERGY SA VECTOR WIND PARKS GREECE-WIND PARK TROULOS G.P.	Greece	0.00	50.08	50.08	Full
CHRISOUPOLI ENERGY Ltd	Greece	0.00	50.08	50.08	Full
LAGADAS ENERGY SA	Greece	0.00	50.08	50.08	Full
DOMOKOS ENERGY SA	Greece	0.00	50.08	50.08	Full
DIRFIS ENERGY SA	Greece	0.00	50.08	50.08	Full
FILOTAS ENERGY SA	Greece	0.00	50.08	50.08	Full
MALESINA ENERGY SA	Greece	0.00	50.08	50.08	Full
ORCHOMENOS ENERGY Ltd	Greece	0.00	50.08	50.08	Full
ALISTRATI ENERGY Ltd	Greece	0.00	50.08	50.08	Full
TERNA ENERGY AI-GIORGIS SA	Greece	0.00	50.08	50.08	Full
TERNA ENERGY AMARINTHOU SA	Greece	0.00	50.08	50.08	Full
TERNA ENERGY AITOLOAKARNANIAS SA	Greece	0.00	50.08	50.08	Full
TERNA ILIAKI VIOTIAS SA	Greece	0.00	50.08	50.08	Full
TERNA AIOLIKI XEROVOUNIOU SA	Greece	0.00	50.08	50.08	Full
TERNA ILIAKI ILIOKASTROU SA	Greece	0.00	50.08	50.08	Full
TEPNA ILIAKI PANORAMATOS SA.	Greece	0.00	50.08	50.08	Full
GEOtherMIKI ENERGY ANAPTYXIAKI SA	Greece	0.00	50.08	50.08	Full
GEK CYPRUS LTD	Cyprus	100.00	0.00	100.00	Full
TERNA OVERSEAS LTD	Cyprus	0.00	100.00	100.00	Full
QE ENERGY EUROPE LTD	Cyprus	0.00	100.00	100.00	Full
TERNA ENERGY OVERSEAS LTD	Cyprus	0.00	50.08	50.08	Full
VALUE PLUS LTD	Cyprus	0.00	50.08	50.08	Full
GALLETE LTD	Cyprus	0.00	50.08	50.08	Full
AEOLUS LUX SARL	Luxemburg	0.00	50.08	50.08	Full
TERNA QATAR LLC **	Qatar	0.00	40.00	40.00	Full
TERNA BAHRAIN HOLDING WLL	Bahrain	0.00	99.99	99.99	Full
PCC TERNA WLL	Bahrain	0.00	100.00	100.00	Full
TERNA CONTRACTING CO WLL	Bahrain	0.00	100.00	100.00	Full
TERNA ELECTRICAL MECHANICAL WLL	Bahrain	0.00	70.00	70.00	Full
TERNA VENTURES WLL	Bahrain	0.00	100.00	100.00	Full
TERNA SAUDI ARABIA LTD	Saudi Arabia	0.00	60.00	60.00	Full
EOLOS POLSKA SPZOO	Poland	0.00	50.08	50.08	Full

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>ECONOMIC ENTITY</b>	<b>DOMICILE</b>	<b>DIRECT PARTICIPATION %</b>	<b>INDIRECT PARTICIPATION %</b>	<b>TOTAL PARTICIPATION %</b>	<b>CONSOLIDATION METHOD</b>
EOLOS NOWOGRODZEC SPZO	Poland	0.00	50.08	50.08	Full
TERNA ENERGY TRANSATLANTIC SPZOO	Poland	0.00	50.08	50.08	Full
EOLOS NORTH SPZOO	Poland	0.00	50.08	50.08	Full
TERNA ENERGY NETHERLANDS BV	Netherlands	0.00	50.08	50.08	Full
SC GEK ROM SRL	Romania	100.00	0.00	100.00	Full
HERMES DEVELOPMENT SRL	Romania	0.00	100.00	100.00	Full
ERGON CITY DEVELOPMENT SRL	Romania	0.00	100.00	100.00	Full
HIGHLIGHT SRL	Romania	0.00	100.00	100.00	Full
SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	Romania	100.00	0.00	100.00	Full
EOL TECHNICS SRL	Romania	0.00	50.08	50.08	Full
CEMENT PRODUCTION AND EXPORT FZC	Libya	0.00	75.00	75.00	Full
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0.00	75.00	75.00	Full
ICON EOOD	Bulgaria	100.00	0.00	100.00	Full
ICON BOROVEC EOOD	Bulgaria	0.00	100.00	100.00	Full
DOMUS DEVELOPMENT EOOD	Bulgaria	0.00	100.00	100.00	Full
GP ENERGY	Bulgaria	0.00	50.08	50.08	Full
HAOS INVEST 1 EAD	Bulgaria	0.00	50.08	50.08	Full
ECOENERGY DOBRECH 2 EOOD	Bulgaria	0.00	50.08	50.08	Full
ECOENERGY DOBRECH 3 EOOD	Bulgaria	0.00	50.08	50.08	Full
ECOENERGY DOBRECH 4 EOOD	Bulgaria	0.00	50.08	50.08	Full
COLD SPRINGS WINDFARM LLC	U.S.A.	0.00	50.08	50.08	Full
DESERT MEADOW WINDFARM LLC	U.S.A.	0.00	50.08	50.08	Full
HAMMETTHILL WINDFARM LLC	U.S.A.	0.00	50.08	50.08	Full
MAINLINE WINDFARM LLC	U.S.A.	0.00	50.08	50.08	Full
RYEGRASS WINDFARM, LLC	U.S.A.	0.00	50.08	50.08	Full
TWO PONDS WINDFARM, LLC	U.S.A.	0.00	50.08	50.08	Full
MOUNTAIN AIR WIND, LLC	U.S.A.	0.00	50.08	50.08	Full
TERNA ENERGY USA HOLDING CORPORATION	U.S.A.	0.00	50.08	50.08	Full
PARKING WHEEL SA	Greece	50.00	0.00	50.00	Proportionate
HERON THERMOELECTRIC S.A.	Greece	50.00	0.00	50.00	Proportionate
HERON II THERMOELECTRIC STATION VIOTIA S.A.	Greece	0.00	50.00	50.00	Proportionate
ATHENS CAR PARK S.A.	Greece	20.00	0.00	20.00	Proportionate
THESSALONIKI CAR PARK S.A.	Greece	24.39	0.00	24.39	Proportionate
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Greece	30.00	0.00	30.00	Proportionate
POLIS PARK SA	Greece	20.00	0.00	20.00	Proportionate
NEA ODOS SA	Greece	33.33	0.00	33.33	Proportionate

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
SMYRNI PARK S.A.	Greece	20.00	0.00	20.00	Proportionate
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Greece	29.62	0.00	29.62	Proportionate
CENTRAL GREECE MOTORWAY S.A.	Greece	33.33	0.00	33.33	Proportionate
METROPOLITAN ATHENS PARK SA	Greece	22.91	0.00	22.91	Proportionate
MANAGEMENT COMPANY OF ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Greece	25.00	0.00	25.00	Proportionate
J/V HELLAS TOLLS	Greece	33.33	0.00	33.33	Proportionate
J/V TERNA SA - IMPEGILO SPA (TRAM)	Greece	0.00	55.00	55.00	Proportionate
J/V ANCIENT OLYMPIA BY-PASS	Greece	0.00	50.00	50.00	Proportionate
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	Greece	0.00	50.00	50.00	Proportionate
J/V UNDERGROUND CARS THESSALONIKI	Greece	0.00	50.00	50.00	Proportionate
J/V ATHENS CONCERT HALL	Greece	0.00	69.00	69.00	Proportionate
J/V PERISTERI METRO	Greece	0.00	50.00	50.00	Proportionate
J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	Greece	0.00	24.00	24.00	Proportionate
J/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	Greece	0.00	50.00	50.00	Proportionate
J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE	Greece	0.00	35.00	35.00	Proportionate
J/V AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	Greece	0.00	37.50	37.50	Proportionate
J/V TERNA S.A. PANTECHNIKI S.A.	Greece	0.00	83.50	83.50	Proportionate
J/V TERNA S.A.-ATHENA ATE ARACHTHOU-PERISTERIOU	Greece	0.00	62.50	62.50	Proportionate
J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	Greece	0.00	69.00	69.00	Proportionate
J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	Greece	0.00	35.00	35.00	Proportionate
J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	Greece	0.00	50.00	50.00	Proportionate
J/V SALONIKA PARK	Greece	0.00	50.00	50.00	Proportionate
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	0.00	65.00	65.00	Proportionate
J/V GEK TERNA SA/ VIOTER SA G.P. - NAT BUILDING	Greece	50.00	0.00	50.00	Proportionate
J/V TOMI ABETE-ILIOHORA SA	Greece	0.00	30.00	30.00	Proportionate
J/V AVAX SA-VIOTER SA-ILIOHORA SA	Greece	0.00	37.50	37.50	Proportionate
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	Greece	0.00	25.00	25.00	Proportionate
J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	Greece	0.00	49.00	49.00	Proportionate



**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>ECONOMIC ENTITY</b>	<b>DOMICILE</b>	<b>DIRECT PARTICIPATION %</b>	<b>INDIRECT PARTICIPATION %</b>	<b>TOTAL PARTICIPATION %</b>	<b>CONSOLIDATION METHOD</b>
J/V UNDERGROUND CHAIDARI-PART A	Greece	0.00	50.00	50.00	Proportionate
J/V FOUNDATION OF THE HELLENIC WORLD-COMplete CONSTRUCTION	Greece	0.00	60.00	60.00	Proportionate
J/V VIOTER SA-TERNA SA	Greece	0.00	50.00	50.00	Proportionate
J/V TERNA SA - IONIOS SA	Greece	0.00	90.00	90.00	Proportionate
J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	Greece	0.00	39.20	39.20	Proportionate
J/V VIOTER SA-TERNA SA	Greece	0.00	50.00	50.00	Proportionate
J/V TERNA-MOCHLOS ATE	Greece	0.00	70.00	70.00	Proportionate
J/V TERNA-VIOTER SA	Greece	0.00	50.00	50.00	Proportionate
J/V EDRASI-PSALLIDAS-TERNA-EDRACO	Greece	0.00	51.00	51.00	Proportionate
J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J&P AVAX-IMEC GmbH	Greece	0.00	24.00	24.00	Proportionate
J/V EUROPEAN TECHNICAL-HOMER-TERNA	Greece	0.00	50.00	50.00	Proportionate
J/V TERNA-THEMELIODOMI	Greece	0.00	60.00	60.00	Proportionate
J/V TERNA-EDRASI-STROTIREs – WP	Greece	0.00	41.00	41.00	Proportionate
J/V UNIVERSITY OF CRETE-RETHYMNON	Greece	0.00	25.00	25.00	Proportionate
J/V EKTER-TERNA (THETIKON)	Greece	0.00	50.00	50.00	Proportionate
J/V AKTOR-TERNA SA	Greece	0.00	50.00	50.00	Proportionate
J/V AKTOR-TERNA SA IASO BUILDING	Greece	0.00	50.00	50.00	Proportionate
TERNA SA – PANTECHNIKI SA (O.A.K.A.) G.P.	Greece	0.00	50.00	50.00	Proportionate
J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	Greece	0.00	31.50	31.50	Proportionate
J/V TERNA-MOCHLOS-AKTOR TUNNEL KIATO-AIGIO	Greece	0.00	35.00	35.00	Proportionate
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	Greece	0.00	33.33	33.33	Proportionate
J/V PROJECT MINISTRY OF TRANSPORTATION & COMMUNICATION	Greece	0.00	33.33	33.33	Proportionate
J/V AEGEK – TERNA	Greece	0.00	45.00	45.00	Proportionate
J&P AVAX SA-TERNA SA-EYKLEIDIS	Greece	0.00	35.00	35.00	Proportionate
ALTE ATE - TERNA SA G.P.	Greece	50.00	0.00	50.00	Proportionate
J/V EURO IONIA	Greece	0.00	33.33	33.33	Proportionate
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	0.00	12.00	12.00	Proportionate
J/V AKTOR ATE – J&P AVAX - TERNA SA	Greece	0.00	12.00	12.00	Proportionate
J/V TERNA-KARAYIANNIS-ATTALOS-ILIOCHORA	Greece	0.00	50.00	50.00	Proportionate
J/V TERNA – AKTOR	Greece	0.00	50.00	50.00	Proportionate
J/V CENTRAL GREECE MOTORWAY E-65	Greece	0.00	33.33	33.33	Proportionate
J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS –	Greece	0.00	33.33	33.33	Proportionate

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
TREIS GEFYRES					
J/V TERNA SA- AKTOR ATE DOMOKOS	Greece	0.00	50.00	50.00	Proportionate
J/V TERNA SA- THALES AUSTRIA	Greece	0.00	37.40	37.40	Proportionate
J/V J&P AVAX SA-VIOTER SA-TERNA SA	Greece	0.00	33.33	33.33	Proportionate
J/V ALPINE BAU-TERNA SA	Greece	0.00	49.00	49.00	Proportionate
J/V AKTOR-TERNA	Greece	0.00	50.00	50.00	Proportionate
J/V TRAM CIVIL ENGINEERING WORKS	Greece	0.00	36.00	36.00	Proportionate
J/V EVAGGELISMOS PROJECT C	Greece	0.00	100.00	100.00	Proportionate
J/V EPL DRAMAS	Greece	0.00	80.00	80.00	Proportionate
J/V K. MANIOTIS - TERNA –ENERGIAKI	Greece	0.00	75.00	75.00	Proportionate
J/V TERNA-TERNA ENERGY-TSAMBRAS (DRAMA HOSPITAL)	Greece	0.00	80.00	80.00	Proportionate
TERNA ENERGY SA - M.E.L. MACEDONIAN PAPER COMPANY SA & CO CO-PRODUCTION G.P.	Greece	0.00	50.00	50.00	Proportionate
J/V METKA-ETADE	Greece	0.00	90.00	90.00	Proportionate
J/V EMBEDOS-PANTECHNIKI-ENERG.	Greece	0.00	50.00	50.00	Proportionate
J/V THEMELI SA -TERNA ENERGY SA -J/V TERNA SA IMPREGILO SPA	Greece	0.00	40.00	40.00	Proportionate
J/V KL. ROYTSIS SA-TERNA ENERGY SA	Greece	0.00	50.00	50.00	Proportionate
J/V TERNA SA-SICES CONSTRUCTIONS S.p.A	Greece	0.00	50.00	50.00	Proportionate
J/V APION KLEOS	Greece	0.00	17.00	17.00	Proportionate
J/V TERNA SA-NEON SA-RAMA SA	Greece	0.00	51.00	51.00	Proportionate
TERNA ENERGY SA & CO LTD	Greece	0.00	70.00	70.00	Proportionate
PRIMPROPERTY MANAGEMENT LTD	Cyprus	50.00	0.00	50.00	Proportionate
GLS FOOD	Bulgaria	50.00	0.00	50.00	Proportionate
JV QBC S.A. – TERNA SA	Qatar	0.00	40.00	40.00	Proportionate
KEKROPS S.A.	Greece	23.97	0.00	23.97	Equity
GEKA S.A.	Greece	33.34	0.00	33.34	Equity
ATTIKAT ATE	Greece	22.15	0.00	22.15	Equity
GAIA INVESTMENT SA	Greece	35.78	0.00	35.78	Equity
PRIME REALTY INVESTMENTS LTD	Cyprus	25.00	0.00	25.00	Equity
CYCLADES RES ENERGY CENTER SA	Greece	0.00	45.00	45.00	Equity
EN.ER.MEL S.A.	Greece	0.00	48.00	48.00	Equity
HAMRIYAH CEMENT COMPANY FZC	U.A.E.	0.00	40.00	40.00	Equity

\*\* The company TERNA QATAR LLC has been consolidated on full basis according to SIC 12 «Consolidation-Special purpose vehicles», as the Group, based on the agreement, holds the control of the management.

## GEK TERNA GROUP

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

The following table presents the joint ventures for the construction of technical projects, in which the Group participates. These joint ventures that 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 VIOTER SA-TERNA SA- REVIEW	50.00%
J/V VIOTER SA-TERNA SA-FENCING (APOLLONIA SPA)	50.00%
J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
J/V NAVY ACADEMY –GNOMON ATE-GEK SA-GENER SA	33.00%
J/V IMPREGILO Spa – TERNA SA-ALTE SA (EXECUTIONS)-in clearance	33.33%
J/V ARCHIRODON HELLAS ATE-TERNA SA	30.00%
J/V ATHINA ATE-PANTECHNIKI SA –TERNA SA	33.33%
J/V EVINOUE-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%
J/V MAIN ARROGATION CANAL D 1	75.00%
J/V IRAKLEION CAMPUS	50.00%
J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20.00%
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%
J/V DEPA PROJECT	10.00%
J/V ARTA-FILIPPIADA BY-PASS	98.00%
J/V ATHENS CAR PARKS	20.00%
J/V FRAGMATOS PRAMORITSA	33.33%
J/V TERNA S - TH. KARAGIANNIS SA	50.00%

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

During the examined period, the Group proceeded to the sale of the companies HIGH PLATEAU WIND FARM LLC, MULE HOLLOW WIND FARM LLC, PINE CITY WIND FARM LLC, LOWER RIDGE WIND FARM LLC based in the U.S.A., which held under development (licensing stage) Wind Parks 38MW. (see. note 6)

Finally, within the closing period there were established the subsidiary company by 60% TERNA SAUDI ARABIA LTD based in Saudi Arabia and the subsidiary by 100% TERNA VENTURES WLL based in Bahrain which are included in the construction sector.

## 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.

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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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) and secondly from hydroelectric plants.

Electricity from thermal energy sources: refers to the electricity production from natural gas.

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 construction of fixed assets are part of such (metal wind generator pylons, wood constructions etc) and the production of material (rollers, cement and other inert quarry materials etc).

Concessions: refers to the construction and operation of infrastructure (i.e. roads) and other facilities (i.e. car parks etc.) of public interest with the exchange of their long-term exploitation from provision of services to the public.

Holding: refers to the supporting operation of all of the segments of the Group.

The tables that follow present an analysis on the data of the Group’s operating segments for the period ended on 31.03.2012.

### **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 Other income/(expenses) except for the Foreign exchange differences, as presented in the attached financial statements.

The item “*EBITDA from continued operations*” is defined as the Operating results (EBIT), plus depreciations of fixed assets, minus the grants amortization, as presented in the attached financial statements.

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

(Amounts in Thousand Euro, unless stated otherwise)

Business segments 31.03.2012	Constructions	Electricity from RES	Electricity from thermal energy	Real Estate	Industry	Concessions	Holding	Eliminations on consolidation	Consolidated Total
Revenue from external customers	92,963	18,691	41,253	640	188	5,314	699		159,748
Inter-segmental revenue	3,141	0	31	128	775	0	23	(4,098)	0
<b>Revenue</b>	<b>96,104</b>	<b>18,691</b>	<b>41,284</b>	<b>768</b>	<b>963</b>	<b>5,314</b>	<b>722</b>	<b>(4,098)</b>	<b>159,748</b>
<b>Operating results (EBIT)</b>	<b>(726)</b>	<b>8,314</b>	<b>5,983</b>	<b>(2,383)</b>	<b>(817)</b>	<b>290</b>	<b>5,247</b>		<b>15,908</b>
Interest income	436	1,166	15	24	5	157	0		1,803
Interest and related expenses	(5,443)	(3,642)	(1,813)	(1,405)	(407)	(1,259)	(1,508)		(15,477)
Foreign exchange differences and other non-operating results	(201)	(6)	(1)	(17)	0	0	442		217
<b>Results before tax</b>	<b>(5,934)</b>	<b>5,832</b>	<b>4,183</b>	<b>(3,781)</b>	<b>(1,218)</b>	<b>(812)</b>	<b>4,181</b>		<b>2,452</b>
Income tax	944	(1,534)	(936)	572	145	199	(13)		(624)
<b>Net results</b>	<b>(4,990)</b>	<b>4,298</b>	<b>3,248</b>	<b>(3,209)</b>	<b>(1,073)</b>	<b>(614)</b>	<b>4,168</b>		<b>1,828</b>
Net depreciation for the period	5,845	4,650	2,318	239	425	1,083	11		14,571
<b>EBITDA</b>	<b>5,119</b>	<b>12,964</b>	<b>8,301</b>	<b>(2,144)</b>	<b>(392)</b>	<b>1,373</b>	<b>5,258</b>		<b>30,479</b>
<b>Provisions and other non-cash expenses/(income) (included in EBITDA)</b>	<b>700</b>	<b>0</b>	<b>9</b>	<b>2,345</b>	<b>0</b>	<b>1,079</b>	<b>(6,036)</b>		<b>(1,903)</b>
Assets	738,469	962,230	204,466	254,411	71,451	309,768	32,703		2,573,498
Investments in associates	1,915	3,899	0	5,392	0	0	0		11,206
<b>Total Assets</b>	<b>740,384</b>	<b>966,129</b>	<b>204,466</b>	<b>259,803</b>	<b>71,451</b>	<b>309,768</b>	<b>32,703</b>		<b>2,584,704</b>

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>Business segments 31.03.2012</b>	<b>Constructions</b>	<b>Electricity from RES</b>	<b>Electricity from thermal energy</b>	<b>Real Estate</b>	<b>Industry</b>	<b>Concessions</b>	<b>Holding</b>	<b>Eliminations on consolidation</b>	<b>Consolidated Total</b>
<b>Liabilities</b>	<b>650,803</b>	<b>603,728</b>	<b>124,000</b>	<b>85,424</b>	<b>38,958</b>	<b>368,120</b>	<b>50,247</b>		<b>1,921,279</b>
Loans	250,373	387,246	80,431	70,679	24,750	117,501	44,959		975,939
Cash and Cash Equivalents	141,561	164,605	10,741	3,221	1,340	16,585	255		338,307
Net debt / (surplus)	<b>108,812</b>	<b>222,641</b>	<b>69,690</b>	<b>67,458</b>	<b>23,410</b>	<b>100,916</b>	<b>44,704</b>		<b>637,632</b>
<b>Capital expenditure for the period 1.1-31.3.2012</b>	<b>727</b>	<b>65,200</b>	<b>127</b>	<b>98</b>	<b>9</b>	<b>4,656</b>	<b>0</b>		<b>70,817</b>

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>Business segments 31.03.2011 and 31.12.2011</b>	<b>Constructions</b>	<b>Electricity from RES</b>	<b>Electricity from thermal energy</b>	<b>Real Estate</b>	<b>Industry</b>	<b>Concessions</b>	<b>Holding</b>	<b>Eliminations on consolidation</b>	<b>Consolidated Total</b>
<b>Revenue from external customers</b>	<b>128,082</b>	<b>9,500</b>	<b>24,322</b>	<b>1,024</b>	<b>1,418</b>	<b>7,258</b>	<b>9</b>		<b>171,613</b>
Inter-segmental revenue	21,158	0	23	122	900	0	23	(22,226)	0
<b>Revenue</b>	<b>149,240</b>	<b>9,500</b>	<b>24,345</b>	<b>1,146</b>	<b>2,318</b>	<b>7,258</b>	<b>32</b>	<b>(22,226)</b>	<b>171,613</b>
<b>Operating results (EBIT)</b>	<b>2,373</b>	<b>3,738</b>	<b>3,640</b>	<b>317</b>	<b>(772)</b>	<b>1,231</b>	<b>(1,538)</b>		<b>8,989</b>
Interest income	408	1,431	17	32	18	145	0		2,051
Interest and related expenses	(3,169)	(967)	(1,634)	(778)	(130)	(1,354)	(1,309)		(9,339)
Foreign exchange differences and other non-operating results	698	(386)	(1)	229	0	0	0		540
<b>Results before tax</b>	<b>310</b>	<b>3,816</b>	<b>2,023</b>	<b>(200)</b>	<b>(884)</b>	<b>22</b>	<b>(2,846)</b>		<b>2,241</b>
Income tax	901	(744)	(97)	226	78	(3)	(19)		342
<b>Net results</b>	<b>1,210</b>	<b>3,072</b>	<b>1,926</b>	<b>26</b>	<b>(805)</b>	<b>19</b>	<b>(2,865)</b>		<b>2,583</b>
Net depreciation for the period	4,161	1,918	2,750	137	476	904	12		10,358
<b>EBITDA</b>	<b>6,534</b>	<b>5,656</b>	<b>6,390</b>	<b>454</b>	<b>(296)</b>	<b>2,135</b>	<b>(1,526)</b>		<b>19,347</b>
<b>Provisions and other non-cash expenses/(income) (included in EBITDA)</b>	<b>5,024</b>	<b>8</b>	<b>1</b>	<b>3</b>	<b>16</b>	<b>2,352</b>	<b>4</b>		<b>7,408</b>
Assets 31.12.2011	829,327	887,253	190,562	259,660	79,288	310,312	9,636		2,566,037
Investments in associates 31.12.2011	1,915	3,899	0	5,519	8,268	0	0		19,500
<b>Total Assets 31.12.2011</b>	<b>831,241</b>	<b>891,151</b>	<b>190,562</b>	<b>265,079</b>	<b>87,555</b>	<b>310,312</b>	<b>9,636</b>		<b>2,585,537</b>

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

<b>Business segments 31.03.2011 and 31.12.2011</b>	<b>Constructions</b>	<b>Electricity from RES</b>	<b>Electricity from thermal energy</b>	<b>Real Estate</b>	<b>Industry</b>	<b>Concessions</b>	<b>Holding</b>	<b>Eliminations on consolidation</b>	<b>Consolidated Total</b>
<b>Liabilities 31.12.2011</b>	<b>734,125</b>	<b>524,584</b>	<b>113,945</b>	<b>88,094</b>	<b>40,153</b>	<b>360,269</b>	<b>58,746</b>		<b>1,919,918</b>
Liabilities 31.12.2011	279,203	305,073	83,931	72,981	24,853	117,294	53,344		936,678
Cash and Cash Equivalents 31.12.2011	135,708	162,911	3,092	5,850	1,893	17,448	514		327,414
<b>Net debt / (surplus) 31.12.2011</b>	<b>143,495</b>	<b>142,162</b>	<b>80,839</b>	<b>67,132</b>	<b>22,960</b>	<b>99,846</b>	<b>52,830</b>		<b>609,264</b>
<b>Capital expenditure for the period 1.1-31.3.2011</b>	<b>2,667</b>	<b>45,075</b>	<b>6,260</b>	<b>31</b>	<b>125</b>	<b>7,483</b>	<b>0</b>		<b>61,641</b>



**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)***6. FIXED ASSETS**

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

**A. Tangible fixed assets**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.1- 31.3.2012</b>	<b>1.1- 31.3.2011</b>	<b>1.1- 31.3.2012</b>	<b>1.1- 31.3.2011</b>
<b>Net book value 1 January</b>	<b>845,557</b>	<b>688,411</b>	<b>11,633</b>	<b>12,066</b>
Additions for the period	64,657	38,198	90	0
Acquisitions of fixed assets through finance leases	0	67	0	0
Foreign exchange differences	2,099	(1,137)	0	0
Transfers	(415)	0	0	0
Sales/ Write-offs	(1,649)	(164)	0	0
Depreciation for the period	(11,786)	(8,997)	(109)	(108)
<b>Net book value 31 March</b>	<b>898,463</b>	<b>716,378</b>	<b>11,614</b>	<b>11,958</b>

From the net book value of the Group's tangible fixed assets on 31.03.2012, an amount of 265,759 refers to investment under construction, out of which an amount of 261,645 relates to the segment of electricity production from renewable energy sources.

Mortgage prenotations have been written on property owned by some companies of the Group, amounting to a total of euro 8,707, which cover loan liabilities.

**B. Intangible fixed assets**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.1- 31.3.2012</b>	<b>1.1- 31.3.2011</b>	<b>1.1- 31.3.2012</b>	<b>1.1- 31.3.2011</b>
<b>Net book value 1 January</b>	<b>320,270</b>	<b>315,080</b>	<b>54</b>	<b>90</b>
Additions for the period	4,918	7,955	0	0
Additions due to acquisitions	0	14,470	0	0
Sales of licenses	(2,999)	0	0	0
Other transfers	0	0	0	0
Foreign exchange differences	(282)	(318)	0	0
State financial contribution for concession projects accrued to the period	(58)	(1,105)	0	0
Depreciation for the period	(3,739)	(1,990)	(9)	(9)
<b>Net book value 31 March</b>	<b>318,110</b>	<b>334,092</b>	<b>45</b>	<b>81</b>

## GEK TERNA GROUP

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

In the net book value of the Group's intangible fixed assets, are included motorway and car park stations concessions rights of 234,745, wind parks licenses' rights of 29,122, rights from acquired construction agreement 21,173 and exploitation licenses' rights for quarries and mines of 32,105.

The Group, during the first quarter of 2012, came to an agreement for the transfer of four companies based in the U.S.A., which hold wind park licenses in the U.S.A. power of 40 MW, for total consideration of 4,482, which is equal to their accounting value. From the above transfer, did not arise any result.

The operating segment in which additions of tangible and intangible assets are included for the period is analyzed in the chapter regarding operating segments (note 5).

### 7. INVESTMENT PROPERTY

The investment property on March 30, 2012 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	1.1- 31.3.2012	1.1- 31.3.2011	1.1- 31.3.2012	1.1- 31.3.2011
<b>Balance 1 January</b>	<b>101,180</b>	<b>102,265</b>	<b>17,031</b>	<b>15,609</b>
Additions for the period	25	0	0	0
Additions due to acquisitions	0	0	0	0
Sales of the period	0	0	0	0
Fair value adjustments	(2,318)	0	0	0
Transfers from/to inventories and fixed assets	0	(4)	0	0
Foreign exchange differences	0	0	0	0
<b>Balance 31 March</b>	<b>98,887</b>	<b>102,261</b>	<b>17,031</b>	<b>15,609</b>

In the closing period a revaluation was conducted in the fair value of investment property of the Group, where a loss of 2,318 occurred (note 14).

### 8. PARTICIPATIONS IN ASSOCIATES

The movement in the participations in associates for the closing period is as follows:

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.1- 31.3.2012</b>	<b>1.1- 31.3.2011</b>	<b>1.1- 31.3.2012</b>	<b>1.1- 31.3.2011</b>
<b>Balance 1 January</b>	<b>19,500</b>	<b>30,643</b>	<b>11,908</b>	<b>27,373</b>
Additions	0	1,022	0	150
Foreign exchange differences	0	(391)	0	0
Impairment loss	0	(4,500)	0	(4,500)
Associate's withdrawal	(8,267)	0	0	0
Results stemming from the implementation of the equity method	(27)	(1)	0	0
<b>Balance 31 March</b>	<b>11,206</b>	<b>26,773</b>	<b>11,908</b>	<b>23,023</b>

According to the final decision of the International Chamber of Commerce (ICC) it was ordered the payment of 24,104 to the Group, for its 40% participation in a company included in the industrial segment based in United Arab Emirates.

**9. LOANS****A. Long-term debt**

The long-term debt covers mainly the investment financing needs of the Group's construction, energy as well as concessions segments.

Within the examined period, there have been signed by the Group new long term loans of 75 million euro approximately which finance the construction activities of the Group (17 million euro) as well as the investments in the segment of renewable energy sources in the U.S.A. (43 million euro).

With respect to the investments in the segment of renewable energy sources in the U.S.A. it has been secured a long-term financing of total amount USD 196,000,000, out of which it has been received amount of USD 57 million.

During the examined period, there were paid by the Group amounts of 25,425 for debt repayment of the current long-term loans, while within the following 12-month period there are due debt repayments of approximately 148,700, out of which 37 million euro of the RES segment, 78 million euro of the construction segment and 6 million euro of the thermo-electric energy production.

During the examined period, there were paid by the Company amounts of 6,840 for debt repayment of the current long-term loans, while within the following 12-month period there are due debt repayments of approximately 17,300

**B. Finance lease contracts**

During the closing period an amount of 3,498 was paid for principal and interest on existing contracts of financial leasing.

## GEK TERNA GROUP

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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The remaining total capital of finance lease contracts, after accrued interest on 31.12.2012, amounts to 33,932, out of which amount of 11,869 is payable within the next 12 months.

### **C. Short-term debt**

Short-term loans mainly cover the working capital needs of the construction (34%) and energy (46%) segment.

It is noted that short-term debt of the energy segment, with the completion of the relevant fixed assets, is either converted to long-term debt or it is paid by the collection of grants.

### **D. Loans security**

In order to secure certain loans the Group:

- has pledged generators of Wind Parks,
- has conveyed to the lending banks insurance contracts, receivables from electricity sale to HTSO or PPC, as well as from construction services,
- has provided cash collateral (time deposits) of 89,000,
- has written mortgage prenotations on some of its real estate of an amount of 8,707 and,
- has been provided, by the parent company, as a collateral subsidiaries' shares of a face value of 17,855.

## **10. PROVISION FOR STAFF INDEMNITIES**

The movement of the provision for staff indemnities for the closing period is as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.1- 31.3.2012</b>	<b>1.1- 31.3.2011</b>	<b>1.1- 31.3.2012</b>	<b>1.1- 31.3.2011</b>
<b>Balance 1 January</b>	<b>5,183</b>	<b>4,746</b>	<b>108</b>	<b>96</b>
Additional provisions charged on net earnings	369	556	5	4
Foreign exchange differences	(81)	(143)	0	0
Used provisions	(271)	(498)	0	0
Additions due to acquisitions	0	0	0	0
<b>Balance 31 March</b>	<b>5,200</b>	<b>4,661</b>	<b>113</b>	<b>100</b>

There were no changes in the assumptions in relation to the comparative period, while the assumptions are those presented in the annual financial statements of 31.12.2011.

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)***11. OTHER PROVISIONS**

The movement of the other provisions for the closing period is as follows:

	<b>GROUP</b>	
	<b>1.1- 31.3.2012</b>	<b>1.1- 31.3.2011</b>
<b>Balance 1 January</b>	<b>49,970</b>	<b>42,958</b>
Additional provisions charged on net profits	3,700	2,673
Used provisions	0	(596)
Foreign exchange differences	0	7
Transfers	0	0
<b>Balance 31 March</b>	<b>53,670</b>	<b>45,042</b>

From the additional provisions for the period, an amount of 1,079 is related to the road construction and operation concession companies. Such provisions are created due to the existing contractual obligation that a percentage of the already received tolls of the constructed motorways will be returned to the State as well as to future maintenance expenses.

Moreover, in the additional provisions for the period, there is included an amount of 2,613 which refers to the assumption of obligation for the provision of construction services to a client, in the context of arbitral decision.

**12. GRANTS**

The movement of the Group's grants for the closing period is as follows:

	<b>1.1- 31.3.2012</b>	<b>1.1- 31.3.2011</b>
<b>Balance 1 January</b>	<b>249,515</b>	<b>123,988</b>
Receipt of grants	0	0
Approved but not received grants	0	0
Grant of acquired company	0	0
State financial contribution for concession projects accrued to the period	(58)	(1,105)
Amortization of fixed assets grants	(954)	(631)
<b>Balance 31 March</b>	<b>248,504</b>	<b>122,251</b>

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)***13. LIABILITIES FROM DERIVATIVES**

The Group has signed interest rate swap agreements which aim at the hedging of future cash outflows which are expected to stem from the loans' interest expenses that have been signed under the context of the activities mainly for the segments of motorway concessions in Greece and electricity production from RES in U.S.A. Judging by the aim of these derivatives, namely the hedging of cash flows, hedging accounting has been used in order to value their fair value.

Information regarding these derivatives is displayed below:

	Beginning	Expiration	Fixed rate part	Floating rate part	Fair value 31.3.2012-liability	Fair value 31.12.2011-liability	Recognition at other income	Attributable tax-income
Motorway concessions segment	-	2012-2036	4.40-4.70%	euribor	135.508	129.565	5.943	1.189
Car park concessions segment	-	2016-2018	3.52-4.33%	euribor	271	244	27	5
RES energy production segment	2012 and 2022	2022-2029	2.46-3.59%	libor	1.779	3.510	(1.731)	0
					<b>137.558</b>	<b>133.319</b>	<b>4.239</b>	<b>1.194</b>

The current temporary suspension of projects' execution which have been undertaken in the context of motorway concessions agreements, due to the non-resolution of the financing issues with the Banks and the Greek State, had as result the delay in the disbursement of the hedged loans. For these reasons, the interest rate swap agreements are under negotiation with counterparty banks as to their re-scheduling, under the context of the overall arrangement of the concession agreements.

**14. OTHER INCOME / (EXPENSES)**

The analysis of other income / (expenses) on 31.3.2012 is presented in the following table:

	GROUP	
	1.1-31.3.2012	1.1-31.3.2011
Foreign exchange differences	(140)	481
Amortization of grants on fixed assets	39	60
Proportional grants on fixed assets for the period	954	631
Property tax /Other taxes	(264)	118
Impairment of investment property	(2,318)	0
Result of ICC final decision (note 8)	10,229	0
Impairments and provisions for receivables	(4,893)	0
Income from other services	42	183
Other sundry income/expenses	715	337
<b>Total</b>	<b>4,364</b>	<b>1,810</b>

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)***15. INCOME TAX**

The expense / (income) for income tax of the Group for the period is analyzed as follows:

	<b>31.3.2012</b>	<b>31.3.2011</b>
Current tax	2,408	1,066
Differences from tax of previous years	326	(439)
Deferred tax	(2,111)	(969)
<b>Total</b>	<b>624</b>	<b>(342)</b>

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

	<b>31.3.2012</b>	<b>31.3.2011</b>
<b>Profit before tax</b>	<b>2.452</b>	<b>2.241</b>
Nominal tax rate	<b>20%</b>	<b>20%</b>
<b>Income tax based on the current nominal tax rate</b>	<b>490</b>	<b>448</b>
Deemed taxation method	(1)	(26)
Property income tax	1	2
Expenses not included in the calculation of tax	139	708
Effect of differences in tax rate	175	(4)
Tax differences from previous years	327	(439)
Difference in taxation of foreign companies	(1.303)	(351)
Write-off/(Offsetting) of tax losses	995	(418)
Tax-exempt results	(199)	(262)
<b>Tax expense</b>	<b>624</b>	<b>(342)</b>

The parent Company GEK TERNA S.A. has gone through a tax audit up to the fiscal year of 2009 included. For the fiscal year of 2011 the parent company and its subsidiaries have been placed under the tax audit of the Certified Auditors according to the clauses of article 82 p. 5 L.2238/1994.

As regards to the tax unaudited fiscal years of the other consolidated companies and joint ventures, we note that there hasn't been any significant change in the unaudited fiscal years which are displayed in the relevant table in Note 27 of the annual financial statement of 31.12.2011, apart from the fact that year 2012 is now added to the unaudited fiscal years.

**16. SHARE CAPITAL -EARNINGS PER SHARE**

The company's share capital and number of shares did not change in relation to 31.12.2011.

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

The General Meeting of the Company's shareholders on 23<sup>rd</sup> June 2011 approved the distribution of dividend from the profit of the fiscal year 2010 of a total amount of 405 which has already been paid.

On 31.3.2012, the Group held, directly through the parent company and indirectly through subsidiaries, 1,540,498 treasury shares, of a total acquisition value of 8,860.

The weighted average number of outstanding shares, for the purpose of earnings per share, amounted to 84,408,190 shares (84,096,233 on 31.03.2011).

Earnings per share amounted on 31.3.2012 in euro at 0.00358 (euro 0.01246 euro on 31.3.2011) and they were calculated based on earnings from continued operations attributed to shareholders of the parent of 302 (1,048 on 31.03.2011).

**17. TRANSACTIONS WITH RELATED PARTIES**

The transactions of the Company and Group with related parties for the period ended on 30.03.2012 and 31.03.2011, as well as the balances of receivables and liabilities that have resulted from such transactions on 30.03.2012 and 31.03.2011 are as follows:

<b>Period 31.3.2012</b>	<b>GROUP</b>				<b>COMPANY</b>			
<b>Related party</b>	<b>Sales</b>	<b>Purchases</b>	<b>Debit Balances</b>	<b>Credit Balances</b>	<b>Sales</b>	<b>Purchases</b>	<b>Debit Balances</b>	<b>Credit Balances</b>
Subsidiaries	0	0	0	0	710	352	671	24,040
Joint Ventures	0	0	0	0	491	25	27,218	821
Associates	163	125	6,816	10,725	153	14	1,392	9

<b>Period 31.3.2011 / 31.12.2011</b>	<b>GROUP</b>				<b>COMPANY</b>			
<b>Related party</b>	<b>Sales</b>	<b>Purchases</b>	<b>Debit Balances</b>	<b>Credit Balances</b>	<b>Sales</b>	<b>Purchases</b>	<b>Debit Balances</b>	<b>Credit Balances</b>
Subsidiaries	0	0	0	0	342	195	810	16,398
Joint Ventures	0	0	0	0	610	33	25,621	754
Associates	150	309	12,689	10,761	0	14	1,239	20

The transactions between the related parties are conducted under the same conditions which are applied to the transactions with third parties.

The Company has income from jointly controlled companies equal to the amount of 1,575.



**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

**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 31.3.2012 and 31.3.2011, as well as the balances of receivables and liabilities that have emerged from such transactions on 31.3.2012 and 31.3.2011 are as follows:

	GROUP		COMPANY	
	1.1- 31.3.2012	1.1- 31.3.2011	1.1- 31.3.2012	1.1- 31.3.2011
Sales to executives who are included in the executive Board members	0	0	0	0
Remuneration of executives included in the executive Board members	437	387	71	31
Remuneration for participation in Board meetings	0	0	0	0
	<b>437</b>	<b>387</b>	<b>71</b>	<b>31</b>
	<b>31.3.2012</b>	<b>31.12.2011</b>	<b>31.3.2012</b>	<b>31.12.2011</b>
Liabilities	429	476	184	214
Receivables	519	585	0	0

**18. RIGHTS ON JOINTLY CONTROLLED ENTITIES**

The Group owns rights in jointly controlled entities. The financial statements of the Group present the Group's rights on the assets, liabilities, income and expenses of jointly controlled entities, as follows:

	31.3.2012	31.12.2011
Non-current assets	404,155	401,884
Current assets	510,444	502,239
Long-term liabilities	(378,815)	(374,869)
Short-term liabilities	(472,876)	(471,140)
<b>Net assets</b>	<b>62,908</b>	<b>58,113</b>
	<b>1.1 - 31.3.2012</b>	<b>1.1 - 31.3.2011</b>
Income	60,889	59,879
Expenses	(56,296)	(52,929)
<b>Net earnings</b>	<b>4,593</b>	<b>6,950</b>

## **GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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### **19. SIGNIFICANT EVENTS OF THE PERIOD**

During the closing period:

- New construction contracts were signed total amount of 320 million euro mainly in S.E. Europe.
- The construction of 2 wind parks was completed in Poland total power of 24 MW and 2 wind parks on Bulgaria total power of 30 MW,
- There were issued production licenses for 2 small Hydroelectric projects with total power of 8.8 MW.
- There were transferred the licenses of four wind parks in the U.S.A. (Oregon) with total power of 40 MW,
- There was acquired a wind park license in Poland with total power of 8 MW.
- It was obtained the operation license of a wind park in Greece 30 MW

The Group remains at temporary suspension of operations with respect to the projects of Ionian road, Central Greece E-65 and Elefsina-Patra-Pyrgos-Tsakona, pending the resolution of the financing issues by the lenders and the Greek state.

The episodes in Libya have halted the initiation of the undertaken projects in the region, of a total budget 87 mn euro.

The backlog of the Group's signed construction contracts amount on 31.03.2012, to 1,760 million euro.

Finally it should be noted that the Group has been declared as preferred bidder for projects of total budget 1,400 million euro.

### **20. 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 to 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.

**GEK TERNA GROUP**

Interim condensed Financial Statements for the period from 1 January 2012 to 31 March 2012

*(Amounts in Thousand Euro, unless stated otherwise)*

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**21. SIGNIFICANT EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS**

After the date of the financial statements, there were signed new construction contracts total budget of 110 million euro, raising the backlog of the signed construction contracts of the Group, today to 1,870 million euro.

Also in April 2012 the Group obtained operation licenses of a wind park in Greece 30 MW and of a photovoltaic station 6 MW both in Greece.

**22. DIFFERENCES UNDER DISPUTE OR ARBITRATION**

Under the framework of its operations' execution, the Company may face probable legal claims from third parties. According to the Company's management and legal consultant this type of claims are not expected to have a significant impact on the operations and financial situation of the Company as of the 31.03.2012.

**23. CONTINGENT LIABILITIES**

The Group's Management considers that there are no changes in contingent liabilities in relation to those mentioned in the annual financial statements of 31.12.2011.

