



Tourist Technical and Maritime S.A
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Reg. No. 1998/06/B/86/10

**CONDENSED INTERIM FINANCIAL STATEMENTS OF THE PARENT
AND THE GROUP AS AT SEPTEMBER 30th 2008**

(January 1st to September 30th 2008)

According to the International Financial Reporting Standards (IFRS)

TABLE OF CONTENTS

CERTIFICATE OF THE BoD	3
BALANCE SHEET.....	4
INCOME STATEMENT.....	6
CASH FLOW STATEMENT.....	7
STATEMENT OF CHANGES IN COMPANY EQUITY.....	9
STATEMENT OF CHANGES IN GROUP EQUITY.....	10

CONDENSED INTERIM FINANCIAL STATEMENTS OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

1 ESTABLISHMENT AND ACTIVITY OF THE COMPANY	12
2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS.....	12
3 SUMMARY OF KEY ACCOUNTING PRINCIPLES	15
4 GROUP STRUCTURE	22
5 INFORMATION BY SECTOR OF ACTIVITY	27
6 FIXED ASSETS.....	29
7 INVESTMENT PROPERTY	29
8 SHARE CAPITAL.....	29
9 LOANS	29
10 PROVISIONS	30
11 GRANTS.....	30
12 ACCRUED AND OTHER SHORT-TERM LIABILITIES.....	30
13 OTHER INCOME/EXPENSES.....	30
14 INCOME TAX.....	31
15 differences under litigation or arbitration.....	31
16 TRANSACTIONS WITH RELATED PARTIES.....	31
17 IMPORTANT EVENTS FOR THE PERIOD	32
18 CYCLICALITY-SEASONALITY	32
19 POST BALANCE SHEET EVENTS.....	32
20 CONTINGENT LIABILITIES	32

CERTIFICATE
OF THE BOD ON THE
INTERIM CONDENSED FINANCIAL STATEMENTS OF THE PARENT AND GROUP
FOR 30TH OF SEPTEMBER 2008

(1 JANUARY - 30 SEPTEMBER 2008)

ACCORDING TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IAS 34)

The Financial Statements were approved by the Board of Terna SA on the 27th of November, 2008 and have been published by being posted on the internet at the website www.terna.gr in which they remain at the disposal of the investment community for at least 5 years since their publication. It is noted that the summary financial figures that have been published in the press aim at providing the reader with certain general financial information but do not provide a full picture of the financial position and the results of the Group, in accordance with the International Financial Reporting Standards (IFRS).

THE CHAIRMAN OF THE BoD

THE VICE PRESIDENT OF THE BoD &
MANAGING DIRECTOR

NIKOLAOS KAMPAS

GEORGIOS PERISTERIS

CHIEF FINANCIAL OFFICER

HEAD OF ACCOUNTING

PANAYIOTIS POTHOS

AIKATERINI CHALKOROKA-
ATHANASOPOULOU

TERNA GROUP
BALANCE SHEET
30th of SEPTEMBER 2008

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

	Note	GROUP		COMPANY	
		30	31 December	30	31 December
		September	2007	September	2007
		2008		2008	
ASSETS					
Non current assets					
Intangible fixed assets	6	6,855	6,925	5,151	5,327
Tangible fixed assets	6	319,676	257,058	78,944	62,451
Investment property	7	2,519	8,671	1,596	7,748
Participations in subsidiaries	4	0	0	22,364	22,830
Participations in associates	4	42,754	37,885	23,133	22,815
Participations in joint ventures	4	0	0	12,679	12,066
Other investments		1,856	2,418	1,087	1,687
Other long-term assets		22,618	24,840	1,571	1,484
Deferred tax assets		13,634	16,808	3,412	5,588
Total non current assets		409,912	354,605	149,937	141,996
Current assets					
Inventories		11,922	14,450	2,068	4,820
Trade receivables		223,895	198,743	132,491	109,807
Prepayments and other receivables		89,295	96,410	66,407	71,860
Income tax receivables		7,799	10,211	4,902	7,770
Other financial assets		759	1,343	759	1,343
Cash and cash equivalents		461,031	383,210	39,660	32,115
Total current assets		794,701	704,367	246,287	227,715
TOTAL ASSETS		1,204,613	1,058,972	396,224	369,711
EQUITY & LIABILITIES					
Equity attributable to the shareholders of the parent					
Share capital	8	53,319	53,319	53,319	53,319
Share premium account		168,894	168,894	35,922	35,922
Reserves		30,926	26,439	23,238	19,938
Profit carried forward		55,710	56,669	17,775	19,027
Total		308,849	305,321	130,254	128,206
Minority interest		191,750	186,559	0	0
Total equity		500,599	491,880	130,254	128,206

Long term liabilities

Long-term loans	9	91,136	103,042	30,000	36,500
Loans from finance leases	9	29,871	19,684	29,871	17,889
Other long-term liabilities		0	1	0	1
Other Provisions	10	1,595	1,735	533	2,658
Provisions for staff indemnities	10	2,381	1,515	1,634	1,124
Grants	11	49,201	42,641	0	0
Deferred tax liabilities		11,571	10,957	0	0
Total long term liabilities		185,755	179,575	62,038	58,172

Short term liabilities

Suppliers		94,669	82,547	62,465	44,723
Short term loans	9	158,765	108,395	39,101	23,486
Long term loans payable during the next financial year	9	31,087	24,544	17,090	12,876
Accrued and other short term liabilities	12	227,440	165,081	84,782	99,844
Income tax payable		6,298	6,950	494	2,404
Total short term liabilities		518,259	387,517	203,932	183,333

TOTAL LIABILITIES & EQUITY

1,204,613	1,058,972	396,224	369,711
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The accompanying notes are an integral part of the consolidated financial statements

TERNA GROUP
INCOME STATEMENT
30th SEPTEMBER 2008

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

		GROUP				COMPANY			
		1/1 - 30/9	1/7 - 30/9	1/1 - 30/9	1/7 - 30/9	1/1 - 30/9	1/7 - 30/9	1/1 - 30/9	1/7 - 30/9
		2008	2008	2007	2007	2008	2008	2007	2007
Revenue	5	465,279	200,595	266,693	95,491	296,382	148,524	129,348	48,330
Cost of sales		(410,885)	(181,458)	(227,920)	(82,024)	(269,491)	(134,564)	(122,952)	(45,637)
Gross profit		54,394	19,137	38,773	13,467	26,891	13,960	6,396	2,693
Administration and Distribution expenses		(23,375)	(5,013)	(21,911)	(7,710)	(17,757)	(4,434)	(17,139)	(6,094)
Research and Development expenses		(1,479)	(474)	(1,261)	(469)	0	0	0	0
Other income / (expenses)	13	2,860	58	14,178	2,460	9,668	585	12,476	1,778
Profit / (loss) from the valuation of associates under the equity method		(848)	(564)	42	42		0		0
Net financial income/(expense)		1,476	1,208	(6,641)	(3,049)	(5,416)	(1,882)	(3,458)	(1,651)
PROFIT BEFORE TAX		33,028	14,352	23,180	4,741	13,386	8,229	(1,725)	(3,274)
Income tax	14	(12,833)	(5,336)	(5,977)	(1,795)	(3,871)	(2,592)	1,774	1,139
NET PROFIT		20,195	9,016	17,203	2,946	9,515	5,637	49	(2,135)
Attributed to:									
Shareholders of the parent company		11,403	6,063	13,544	1,637				
Minority interest		8,792	2,953	3,659	1,309				
		20,195	9,016	17,203	2,946				
Earnings per share (in euro)									
Basic		0.2481	0.1881	0.2947	0.0356				
Weighted average number of shares									
Basic		45,959,609	45,959,609	45,963,957	45,964,500				

TERNA GROUP
CASH FLOW STATEMENT
30th SEPTEMBER 2008

	Note	GROUP		COMPANY	
		1/1 – 30/9	1/1 – 30/9	1/1 – 30/9	1/1 – 30/9
		2008	2007	2008	2007
Cash flow from operating activities					
Profit before tax		33,028	23,180	13,386	(1,725)
<i>Adjustments for the agreement of the net flows from the operating activities</i>					
Depreciation	6	16,643	12,985	8,462	5,640
Provisions		(843)	(933)	(1,323)	(920)
Interest and related revenue		(14,137)	(1,147)	(712)	(315)
Interest and other financial expenses		12,661	7,788	6,128	3,773
Results from participations		620	(11,274)	(9,177)	(10,766)
Results from fixed assets and investment property		(77)	(1,402)	(77)	(1,285)
Amortization of grants	11	(1,329)	(1,200)	0	0
Other adjustments		1,257	(294)	890	(168)
Operating profit before changes in working capital		47,823	27,703	17,577	(5,766)
(Increase)/Decrease in:					
Inventories		2,534	(665)	2,716	(136)
Trade receivables		(16,711)	(14,465)	(18,351)	16,779
Prepayments and other short term receivables		14,522	(18,967)	7,872	(23,431)
Increase/(Decrease) in:					
Suppliers		16,366	(1,135)	17,266	(9,823)
Accruals and other short term liabilities		39,900	5,311	(25,947)	(1,556)
Collection of grants		3,562	1,065	0	0
Increase/Decrease in other long-term receivables and liabilities		(213)	2,385	(82)	2,845
Income Tax payments		(7,311)	(8,549)	(745)	(3,768)
Cash inflow from operating activities		100,471	(7,317)	306	(24,856)
Cash flows from investment activities					
Purchases of fixed assets	6	(60,022)	(45,150)	(7,277)	(5,748)
Sale of fixed assets		63	1,505	24	1,062
Interest and related income received		14,124	1,038	711	315
(Purchases) / Sales of participations and securities		(5,149)	(25,162)	135	(8,533)
Income from participations		62	18	7,288	4,537
Sales/(purchases) of investment property	7	6,250	124	6,250	124
Cash flows from investment activities		(44,672)	(67,627)	7,131	(8,243)

Cash flows from financial activities

Change in share capital (treasury shares)	(147)	0	0	0
Net change of short term loans	50,370	55,953	15,693	30,926
Withdrawals/(Payments) from long-term loans	(1,539)	36,709	0	20,007
Payments under finance leases	9	(6,493)	(5,303)	(3,099)
Dividends paid	(10,072)	(10,440)	(6,805)	(10,094)
Interest paid	(11,714)	(6,640)	(5,961)	(2,932)
Change of other financial assets	0	5,680	0	(61)
Cash flows for financial activities	20,405	79,959	(172)	35,769
Effect from foreign exchange differences in cash	1,617	0	280	0
Net increase of cash	77,821	1,015	7,545	2,670
Cash at the beginning of the period	383,210	74,517	32,115	24,020
Cash at the end of the period	461,031	75,532	39,660	26,690

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

TERNA S.A.
STATEMENT OF CHANGES IN EQUITY
30th SEPTEMBER 2008
(amounts in euro)

	Share Capital	Share Premium	Reserves	Profit carried forward	Total
1st January 2008	53,319	35,922	19,938	19,027	128,206
Foreign exchange differences from incorporation of foreign company	0	0	11		11
Profit/(loss) from valuation registered directly in equity	0	0	(584)	0	(584)
Net profit for the year	0	0	0	9,515	9,515
Comprehensive profit(loss) for the period	0	0	(573)	9,515	8,942
Creation of reserves	0	0	5,817	(5,817)	0
Transfers			(1,944)	1,944	
Dividends	0	0	0	(6,894)	(6,894)
30th of September 2008	53,319	35,922	23,238	17,775	130,254

	Share Capital	Share Premium	Reserves	Profit carried forward	Total
1st January 2007	53,319	35,922	19,666	23,555	132,462
Foreign exchange differences from incorporation of foreign company	0	0	164	5	169
Profit/(loss) from valuation registered directly in equity	0	0	(9)	0	(9)
Net profit for the year	0	0	0	49	49
Comprehensive profit(loss) for the period	0	0	280	2,189	2,469
Purchase of treasury shares			(61)	0	(61)
Creation of reserves	0	0	1,089	1,089	0
Dividends	0	0	0	(10,112)	(10,112)
30th of September 2007	53,319	35,922	20,530	13,103	122,169

TERNA GROUP
STATEMENT OF CHANGES IN EQUITY
30th SEPTEMBER 2008

(All amounts are in thousand euros unless otherwise stated)

	Share Capital	Share Premium	Reserves	Profit carried forward	Sub-total	Minority Interest	Total
1st January 2008	53,319	168,894	26,439	56,669	305,321	186,559	491,880
Foreign exchange difference from the consolidation of foreign companies	0	0	(232)	0	(232)	(25)	(257)
Net profit for the year	0	0	0	11,403	11,403	8,792	20,195
Loss from valuation at fair value of assets available for sale	0	0	(573)	(26)	(599)	(24)	(623)
Comprehensive profit(loss) for the period	0	0	(805)	11,377	10,571	8,743	19,315
Dividends	0	0	0	(6,895)	(6,895)	(3,420)	(10,315)
Discontinued consolidated entity	0	0	0	(39)	(39)	0	(39)
Purchase of treasury shares	0	0	(70)	0	(70)	(77)	(147)
Acquisition of a subsidiary	0	0	0	(40)	(40)	(55)	(95)
Distribution of reserves	0	0	5,362	(5,362)	0	0	0
30th of September 2008	53,319	168,894	30,926	55,710	308,849	191,750	500,599

	Share Capital	Share Premium	Reserves	Profit carried forward	Sub-total	Minority Interest	Total
1st January 2007	53,319	35,922	27,962	49,855	167,058	19,467	186,525
Foreign exchange difference from the consolidation of foreign companies	0	0	(188)	0	(188)	0	(188)
Net profit for the year	0	0	0	13,544	13,544	3,659	17,203
Loss from valuation at fair value of assets available for sale	0	0	(37)	0	(37)	0	(37)
Comprehensive profit(loss) for the period	0	0	(225)	13,544	13,319	3,659	16,978
Sale of subsidiary	0	0	0	0	0	(865)	(865)
Dividends	0	0	0	(10,112)	(10,112)	(345)	(10,457)
Purchase of treasury shares	0	0	0	(61)	(61)	0	(61)
Distribution of reserves	0	0	1,462	(1,462)	0	0	0
Transfers - other movements	0	0	(7)	(272)	(279)	(111)	(390)
Purchase of subsidiary	0	0	0	0	0	508	508
30th of September 2007	53,319	35,922	29,192	51,492	169,925	22,313	192,238

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008
(Amounts in thousand Euros, unless otherwise stated)

1 ESTABLISHMENT AND ACTIVITY OF THE COMPANY

TERNA SA (hereinafter the “Group” or “TERNA”) was founded in 1972 (Govt. Gazette 1338/04.07.72), is domiciled in Athens, 85 Mesogeion Str. and has a duration of 50 years, until 4.7.2022.

The basic sector in which the Group is active is constructions. TERNA S.A. holds a 7th grade construction certificate and its main activity is to undertake and carry out public and private construction projects of any kind. According to the legislation in effect, companies that hold a 7th grade construction certificate may undertake public projects of over 35 mil. euros. There is no upper limit to the budget of the projects that the Group may independently undertake. Furthermore, TERNA owns and operates a quarry and trades in inert materials.

At the Group level, TERNA is active in the industrial sector with its subsidiary companies BIOMEK, which undertakes metal constructions and STROTIREs AEBE, which produces and distributes skids from armed concrete. Also, through HERON THERMOELEKTRIKI SA and its subgroup TERNA ENERGY ABETE the Group is active in the production of electricity from thermal and renewable energy sources having a total installed capacity of 147 and 142 MW respectively.

The consolidated financial statements of TERNA are included in the consolidated financial statements of its parent company GEK SA, which on the balance sheet date held (directly and indirectly) 56.38% of its share capital.

2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

a) Basis for the preparation of the financial statements

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

b) Statutory Financial Statements

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

c) New standards, interpretations and amendments

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

- IAS 23 Borrowing Cost (amendment). The revised IAS 23 is at its final stages of adoption by the European Union. During the preparation of the current interim financial information the Group has applied the provisions of the amended standard as this is adopted from the 1st of January 2008 onwards. In accordance with IAS 34 par. 28, the interim financial information is compiled based on the same accounting principles and policies that are applied on the annual financial statements except from the changes in accounting standards and policies which will be reflected in the coming financial statements. Based on current indications, the amended standard will be adopted by the European Union till the compilation date of the coming annual financial statements and will be applicable on them. Therefore, and in order for the interim financial information to be consistent to the requirements of IAS 34, the Group adopted the amended standard at the compilation of the financial statements ended on September, 30 2008.

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

Therefore, the loan interest that refers to fixed assets and inventories, whose construction requires a significant period of time, increase the value of the relevant assets from 1.1.2008 and onwards, according to the revised IAS 23. The capitalization of interest will cease when the asset is ready for the use it is intended for.

- *IFRIC 12, Service Concession Arrangements.* IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession arrangement. Based on the Interpretation, concession managers must not recognize the relevant infrastructure as tangible fixed assets, but must recognize a financial or an intangible asset.

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

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

Upon the date of approval of the financial statements, there are new IFRS interpretations and amendments of existing standards that will be mandatory for the years starting on 1st of January 2009 onwards. The assessment of the management of the Group regarding the effect of these new standards is offered below:

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

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

- at the cases in which an accounting policy is applied retrospective or a revision or a reclassifications of accounts in the financial statements, for comparability reasons it is necessary to report also the Statements of Financial Position for the previous periods.

- all income and expenses data (including those recorded directly in Equity) must be reported in one statement (Total Results Statement), or in two statements (a Statement for the current year Results and a Statement of Total Results).

- it is not allowed the specific presentation of results that are directly recorded in equity (e.g. profit/loss of fair value). Such changes that do not arise from the shareholders must be presented in the Total Results Statement, the total of which must be transferred to the Statement of changes in Equity.

- the presentation of shareholders transactions when they are acting as owners is not allowed to be presented in the notes. The Statement of changes in Equity must be presented as a separate financial statement.

TERNA GROUP

CONDENSED INTERIM FINANCIAL STATEMENTS

OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

- new requirements are introduced regarding an analytical presentation of results that are directly recorded in equity

- *IFRS 2, Share based payments (Amendment) vesting conditions and cancellations* (effective for periods beginning on or after January 1st 2009). The revision of IFRS 2 clarifies that vesting conditions are considered only the conditions of prior service and performance conditions, while any other features should be taken into account during the estimation of the fair value of relevant benefits during the grant date. This standard is currently not applicable to the Company's activities.

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

- *IAS 32 Financial Instruments: Presentations and IAS 1 Presentation of Financial Statements – 2008 Amendment*: Puttable instruments and obligations arising on liquidation (effective from 1st of January 2009): This amendment sets the classification of puttable financial instruments as well as the terms of some instruments that oblige the issuer to proportionally pay the net assets of the instrument during settlement. The amendment is not currently applied in the Company.

- *IAS 39 and IFRS 7 Financial Instruments: Recognition & Measurement and Disclosures: Reclassification of Financial Instruments (amendment October 2008)*. The amendment allows an entity to reclassify non-derivative financial assets (except those that have been recognized at fair value through the results), only under certain circumstances. Moreover, it allows the reclassification of a financial asset, classified as available for sale, which would satisfy the definition of loans and receivables (if not characterized as available for sale), from the category of available for sale to the category of loans and receivables, if the company has the intension to maintain the financial assets for the immediate future or until maturity. The amended version of IAS 39 and IFRS 7 is effective from July 1st 2008.

- *IFRS Improvement in International Financial Reporting Standards 2008* (applicable for fiscal years starting on or after January, 1 2009). It refers to the first standard related to annual improvements and is separated in two parts. In the first part amendments in accounting methods for the recognition and presentation are analyzed, and in the second part the amendments are related to definitions that bring minimum changes in accounting treatment.

- *IFRIC 15, Agreements for the Construction of Real Estate*: (issued on July, 3 2008 and is applicable for the fiscal years starting on or after January, 1 2009). IFRIC 15 offers guidelines regarding whether an agreement for the construction of a real estate is included in the framework of IAS 11 "Construction Contracts" or IAS 18 "Revenue" and when the revenue from construction should be recognized. This interpretation will not affect the financial statements of the Group.

- *IFRIC 16, Hedges of a Net Investment in a Foreign Operation*: (issued on July, 3 2008 and is valid for the fiscal years starting on or after October, 1 2008 and may have future or retroactive application). IFRIC 16 clarifies three major issued, in particular: a) The presentation currency of the Financial Statements does not create risk exposure in a situation that the company is in a position to hedge the risk. Therefore, the parent company may define as risk for hedging only the foreign exchange differences that arise between operating and presentation currency for the foreign operations. b) Any company belonging in the Group may hold hedging instruments, c) Despite that IAS 39 «Financial Instruments: Recognition. and Measurement» is applied to define the amount that must be transferred in Income Statement from the foreign exchange differences reserve, the IAS 21 «The effect of changes in Foreign Exchange» is applied in reference to the hedging instrument. This interpretation will not affect the Financial Statements of the Group. This interpretation is not yet adopted by the European Union.

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

d) *Approval of the Financial Statements*

The attached condensed interim financial statements for the parent and group were approved by the Board of Directors of the Parent Company on 27 November 2008.

e) *Use of Estimates*

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

The main assumptions and judgments that may affect the financial statements in the next 12 months are as follows:

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

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

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

3 SUMMARY OF KEY ACCOUNTING PRINCIPLES

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

a) *Basis of consolidation*

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

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

Intragroup 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.

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008
(Amounts in thousand Euros, unless otherwise stated)

b) Participation in Associates

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

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

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

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

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

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

- (i) Investments available for sale

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

- (ii) Receivables and loans

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

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

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

- (iv) Investments held to maturity

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

The fair value of such investments that are traded in an organized 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 balance sheet include cash balances, receivables, participations bank loans and other short and long-term liabilities. The Company does not use derivative financial tools. 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:

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

(i) Interest rate risk and exchange rate risk

The Company's bank loans are denominated in euros and are subject to variable and fix interest rates. The Group does not use swap contracts in euro in order to reduce its exposure to interest rate risk. The Management of the Group follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

(ii) Fair Value

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

(iii) Credit Risk Concentration

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

(iv) Market Risk

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

e) Operation and Presentation Currency and Foreign Exchange Conversion

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

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

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

f) Intangible assets

Intangible assets mainly consist of royalties related to quarries, software acquisition costs and all expenses incurred to develop the software in order to bring it to operating condition. Amortization on royalties are based on straight line method during the normal period for the use of quarries (30 years) and the one on software is accounted for based on the straight line method for a period of three years. Furthermore intangible assets include the fair value of rights under service concession agreements with the state and more specifically those providing for building, operating, transferring (BOT). Fair value is construction costs plus a reasonable construction profit. Depreciation starts after the infrastructure is commissioned and stretches throughout the concession period.

g) Revenue recognition

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

(i) Revenue from construction activities

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

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

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

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

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

(ii) Revenues from tolls

Revenue from tolls come from concessions for the operation of motorways. Toll revenue equals to the amounts received from road users.

(iii) Sale of goods

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

(iv) Revenue from the sale of Electric Energy

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

(v) Revenue from the construction and sale of buildings

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

(vi) Rent Revenue

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

(vii) Dividends

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

(viii) Interest

Interest income is recognized on an accruals basis.

h) Tangible Fixed Assets

As previously mentioned, the Company has valued certain land and buildings at fair value on January 1st, 2004 and these fair values have been used as 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.

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

i) Depreciation

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

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

j) 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 income statement. The recoverable amount is defined as the largest between the net estimated sale price and the value in use. The net sale value is the plausible income from the sale of an asset in the context of an arm's-length transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct sales cost for the asset. The 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 loss for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such an impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income.

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

k) Investment property

Investments in property are those held for the purpose to receive rent or 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 income statement of the period during which they arise. Repairs and maintenance are recorded as expenses in the year in which they are incurred. Material subsequent expenses are capitalized when they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost. The acquisition cost of an investment property is eliminated from the accounts upon sale. All gains or losses resulting from the sale of an investment property are included in the income statement of the year during which it was sold. Investment property being build or developed are recorded at book value in tangible assets till their completion, and then they are transferred to investment property.

l) Inventories

Inventories include excavated from the quarry material, construction material, spare parts and raw material. Inventories are valued at the lower of cost and net realizable value. The cost of raw materials, semi-finished and finished products is defined based on the weighted average method.

The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, 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.

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008
(Amounts in thousand Euros, unless otherwise stated)

m) Receivables Accounts

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

n) Cash and Cash Equivalents

The Group considers time deposits and other highly liquid investments with an initial maturity less than three months, as cash and cash equivalents.

For the compilation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above.

o) Long-term loan liabilities

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

It is noted that loan interest that concerns the construction of fixed assets and inventories, whose construction requires a significant time period, will charge the value of the relevant assets from 1.1.2008 and onwards, based on revised 23. The capitalization of interest will cease when the asset is ready for the use it is intended for.

p) Provisions for Staff Retirement Indemnities

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

q) Government Pension Plans

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

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

r) Income Tax (Current and Deferred)

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

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

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

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

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

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

s) Finance and Operating Leases

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

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

t) Government Grants

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

u) Provisions, Contingent Liabilities and Contingent Receivables

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

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

v) Earnings per Share

Basic earnings per share (EPS) are calculated by dividing net earnings with the average weighted number of common shares that are outstanding during each year, with the exception of the average common shares acquired by the Company as own-shares.

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

w) Information per sector of activity

Sector of activity is a recognizable part of the Group that produces products or services (business sector) or offers products or services in a specific geographic environment (geographic sector) which differs in risk and benefits compared to other sectors. The primary type of information is reported for business sector while the secondary one is reported for geographic sector.

The sectors of activity refer to activities in construction, sale of electricity, property management, industrial production, concessions as well as remaining activities. Geographical sectors refer to construction activities taken place in Greece, Cyprus, Balkans and Middle East. Regarding revenues and assets of geographic sectors these are recorded in accordance to on where the customer and the assets are based.

The basic assumption for the presentation of assets and liabilities as well as revenues and expenses for each sector, which are not included directly in a specific sector, is their allocation to sectors according to criteria that are applied consistently. Cross-sectoral income is calculated based on real and allocated expenses of each sector plus a margin on its employed capital.

Transactions between business units take place in market terms as occurs in the case for transactions with third parties.

4 GROUP STRUCTURE

Participations in subsidiaries, associates and joint ventures on 30.9.2008 are as follows:

4.1 Subsidiaries of TERNA SA

4.1

Company Name	Country of Domicile	Participation Percentage % 30.9.2008 and 31.12.2007	Consolidation Method	Tax Un-audited years
1. BIOMEK ABETE	Greece	66.50	Full	6
2. TERNA ENERGY ABETE	Greece	47.407	Full	2
3. STROTIRES AEBE	Greece	51.00	Full	6
4. LITHOS SA	Greece	100.00	Full	3
5. ILIOCHORA SA	Greece	100.00	Full	3
6. SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA SRL	Romania	100.00	Full	3
7. TERNA OVERSEAS LTD	Cyprus	100.00	Full	2
8. TERNA BAHRAIN HOLDING WLL*	Bahrain	99.99	Full	2
9. TERNA QATAR LLC*	Qatar	35.00	Full **	2
10. PCC TERNA WLL*	Bahrain	80.00	Full	1
11. TERNA CONTRACTING CO WLL*	Bahrain	100.00	Full	1 st financial year

* Participation through TERNA OVERSEAS LTD.

** The company TERNA QATAR LLC fully consolidates in accordance with MED 12 «Consolidation-Special purpose companies», because the Group, based on contract controls the management.

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008
(Amounts in thousand Euros, unless otherwise stated)

4.2 TERNA S.A. participations that are consolidated under the proportionate method

	Company Name	Country of Domicile	Participation Percentage 30.9.2008 and 31.12.2007 %	Tax Un-audited years
1.	IRON THERMOELECTRIKI SA	Greece	50.00	4
2.	JV QBC S.A. – TERNA S.A.	Qatar	40.00	1 st financial year

4.3 Tax Joint Ventures of TERNA S.A. that are consolidated under the proportionate method

No.	Company Name	Participation Percentage 30.9.2008 and 31.12.2007 %	Tax Un-audited years
1.	J/V MAIN ARROGATION CANAL D 1	75.00	6
2.	J/V TRAM CIVIL ENGINEERING PROJECTS (IMPREGILO)	55.00	1
3.	J/V IRAKLEION CAMPUS	50.00	2
4.	J/V ANCIENT OLYMPIA BY-PASS	50.00	4
5.	J/V AKTOR, AECEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20.00	1
6.	J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00	4
7.	J/V DEPA PROJECT	10.00	4
8.	J/V UNDERGROUND CARS THESSALONIKI	50.00	4
9.	J/V ARTA-FILIPPIADA BY-PASS	98.00	4
10.	J/V ATHENS CONCERT HALL	49.50	5
11.	J/V ATHENS CAR PARKS	20.00	4
12.	J/V PERISTERI METRO	50.00	4
13.	J/V TERNA S.A. - ATHINA ATE ARAHTHOS PERIST. PROJECTS	62.50	1
14.	J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	24.00	2
15.	J/V THALES ATM SA-TERNA UPGRADE OF TACAN STATIONS	22.25	6
16.	J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE	35.00	3
17.	JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	37.50	3
18.	J/V TERNA S.A. PANTECHNIKI S.A.	83.50	3
19.	J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	49.50	5
20.	J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE		
21.	MAINTENANCE	35.00	2
22.	J/V TERNA SA - ATHINA ATE	62.50	3
23.	J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	50.00	6
24.	J/V SALONIKA PARK	50.00	2
25.	J/V SIEMENS-AKTOR ATE-TERNA SA	37.50	2
26.	J/V TERNA-MICHANIKI AGRINIO BY-PASS	65.00	2
27.	TERNA SA BIOTER SA NAT BUILDING	50.00	7
28.	J/V TERNA S.A.-THALES S.A.	50.00	4
29.	J/V TOMI ABETE-ILIOHORA SA	30.00	2
30.	J/V AVAX-BIOTER-ILIOHORA SA	37.50	2
31.	J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	25.00	1
32.	J/V BUILDING CONSTRUCTION OSE ILIOHORA SA	13.30	1
33.	J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	49.00	1
34.	J/V UNDERGROUND CHAIDARI-PART A	50.00	1
35.	J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	60.00	1
36.	J/V TERNA-TERNA ENERGY-TSMPRAS AETE	40.00	4
37.	J/V TERNA SA - TERNA ENERGY SA	50.00	4
38.	J/V BIOTER SA-TERNA SA	50.00	4
39.	J/V TERNA SA - IONIOS SA	90.00	4
40.	J/V TERNA ENERGY SA - TERNA SA- MANIOTIS	37.50	4
41.	J/V TERNA-TERNA ENERGY-TSMPRAS (EPL)	56.00	4
42.	J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	39.20	3

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008
(Amounts in thousand Euros, unless otherwise stated)

No.	Company Name	Participation Percentage 30.9.2008 and 31.12.2007 %	Tax Un-audited years
42.	J/V BIOTER SA-TERNA SA	50.00	4
43.	J/V TERNA-MOCHLOS ATE	70.00	7
44.	J/V TERNA-VIOTER SA	50.00	4
45.	J/V TERNA-ERGODOMI-KTISTOR ATE	50.00	4
46.	J/V EDRASI-PSALLIDAS-TERNA-EDRACO	51.00	4
47.	J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J&P AVAX-IMEC GmbH	24.00	5
48.	J/V TERNA-VERMION ATE-ANAPLASEON	50.00	3
49.	J/V TERNA-KARAGIANNIS	50.00	3
50.	J/V EUROPEAN TECHNICAL-HOMER-TERNA	50.00	10
51.	J/V TERNA-THEMELIODOMI	60.00	4
52.	J/V TERNA-AKTOR GOULANDRI MUSEUM	50.00	6
53.	J/V FRAGMATOS PRAMORITSA	33.33	4
54.	J/V TERNA-EDRASI-STROTIREs	41.00	5
55.	J/V UNIVERSITY OF CRETE-RETHYMNON	25.00	2
56.	J/V EKTER-TERNA (THETIKON)	50.00	4
57.	TERNA SA & Co	99.00	4
58.	J/V AKTOR-TERNA SA	50.00	4
59.	J/V AKTOR-TERNA SA IASO BUILDING	50.00	4
60.	TERNA SA - PANTECHNIKI S.A. (OAKA)	50.00	3
61.	J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	31.50	1
62.	J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	35.00	1
63.	J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	33.33	1
64.	J/V AKTOR-TERNA-J&P AVAX KALLIDROMO TUNNEL	33.33	1
65.	J/V THEMELIODOMI-TERNA-DIEKAT-KTIRIODOMI SA	25.00	5
66.	J/V MINISTRY OF TRANSPORTATION	33.00	4
67.	J/V AEGEK TERNA	44.78	4
68.	J&P AVAX SA-TERNA SA-EYKLEIDIS	35.00	4
69.	ALTE ATE - TERNA SA	50.00	4
70.	J/V EURO IONIA	33.33	1
71.	J/V AKTOR ATE – J&P AVAX - TERNA SA	12.00	1
72.	J/V AKTOR ATE – J&P AVAX - TERNA SA	12.00	1
73.	J/V TERNA-KARAYIANNIS-ATTALOS-ILIOCHORA	50.00	1
74.	J/V TERNA - AKTOR	50.00	1
75.	J/V TERNA-THALES RAIL SIGNALING*	50.00	1
76.	J/V CENTRAL GREECE MOTORWAY E-65	33.00	1 st financial year
77.	J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS –TREIS GEFYRES	33.00	1 st financial year
78.	J/V TERNA SA- AKTOR ATE DOMOKOS	50.00	1 st financial year

* The joint venture was not included in the consolidation as it had not begun its activity on 30.9.2008.

4.4 Tax Joint Ventures of TERNA S.A. that were not consolidated on 30.9.2008

No.	Company Name	Participation Percentage 30.9.2008 and 31.12.2007
1	J/V BIOTER SA-TERNA SA- REVIEW	50.00%
2	J/V BIOTER SA-TERNA SA-FENCING (APOLLONIA SPA)	50.00%
3	J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
4	J/V CAR PARK “PARKING OYIL SA”	12.16%
5	J/V MARITIME MIDSHIPMEN –GNOMON ATE-GEK SA-GENER SA	33.00%
6	J/V IMPREGILO S.p.a – TERNA SA-ALTE SA (EXECUTIONS)-in clearance	33.33%
7	J/V ARCHIRODON HELLAS ATE-TERNA SA	30.00%
8	J/V ATHINA ATE-PANTECHNIKI SA –TERNA SA	33.33%
9	J/V EVINOUs-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

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

4.5 Subsidiaries of TERNA ENERGY SA

	Company Name	Country of Domicile	Participation Percentage	Consolidation Method	Tax-unaudited years
			% 30.9.2008 and 31.12.2007		
1	IWECO CHONOS LASITHI CRETE SA	Greece	100.00	Full	2
2	TERNA ENERGY ABETE & SIA ENERGIKI SERVOUNIOU SA	Greece	100.00	Full	2
3	TERNA ENERGY EVROS SA	Greece	100.00	Full	1
4	GP ENERGY	Bulgaria	100.00	Full	1
5	PPC RENEWABLE- TERNA ENERGY SA	Greece	51.00	Full	2
6	TERNA ENERGY ABETE & SIA AIOLIKI RACHOLAS DERVENOCHORION G.P.	Greece	100.00	Full	1
7	TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU G.P.	Greece	100.00	Full	1
8	TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRAIANOUPOLEOS G.P.	Greece	100.00	Full	1
9	TERNA ENERGY ABETE & SIA ENERGIKI DERVENOCHORION G.P.	Greece	100.00	Full	1
10	TERNA ENERGY ABETE & SIA ENERGIKI VELANIDION LAKONIAS G.P.	Greece	100.00	Full	1
11	TERNA ENERGY ABETE & SIA ENERGIKI DISTION EVIAS G.P.	Greece	100.00	Full	1
12	TERNA ENERGY ABETE & SIA AIOLIKI PASTRA ATTIKIS G.P.	Greece	100.00	Full	1
13	TERNA ENERGY ABETE & SIA AIOLIKI MALEA LAKONIAS G.P.	Greece	100.00	Full	1
14	TERNA ENERGY ABETE & SIA ENERGIKI FERRON EVROU G.P.	Greece	100.00	Full	1
15	TERNA ENERGY ABETE & SIA AIOLIKI DERVENI TRAIANOUPOLEOS G.P.	Greece	100.00	Full	1
16	TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS G.P.	Greece	100.00	Full	1
17	TERNA ENERGY ABETE & SIA ENERGIKI ARI SAPPON G.P.	Greece	100.00	Full	1
18	TERNA ENERGY ABETE & SIA ENERGIKI PELOPONNISOU G.P.	Greece	100.00	Full	1
19	TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS ELLADOS G.P.	Greece	100.00	Full	1
20	TERNA ENERGY ABETE & SIA AIOLIKI MARMARIOU EVIAS G.P.	Greece	100.00	Full	1
21	TERNA ENERGY ABETE & SIA ENERGIKI PETRION EVIAS G.P.	Greece	100.00	Full	1
22	TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENOCHORION G.P.	Greece	100.00	Full	1
23	TERNA ENERGY ABETE & SIA ENERGIKI STIRON EVIAS G.P.	Greece	100.00	Full	1
24	TERNA ENERGY ABETE & SIA ENERGIKI NEAPOLEOS LAKONIAS G.P.	Greece	100.00	Full	1
25	AIOLIKI PANORAMATOS SA	Greece	100.00	Full	1
26	TERNA ENERGY ABETE & SIA ENERGIKI KAFIREOS EVIAS G.P.	Greece	100.00	Full	1
27	EOL TECHNICS SRL	Romania	100.00	Full	1

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

	Company Name	Country of Domicile	Participation Percentage % 30.9.2008 and 31.12.2007	Consolidation Method	Tax-unaudited years
28	TERNA ENERGY OVERSEAS LTD	Cyprus	100.00	Full	1 st financial year
29	EOLOS POLSKA SP ZOO	Poland	100.00	Full	1 st financial year

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

4.6 Joint Ventures of TERNA ENERGY ABETE proportionately consolidated

	Company Name	Participation Percentage 30.9.2008 %	Tax un-audited years
1.	J/V TRAM POLITICAL ENGINEERING WORKS	36	1
2.	J/V ENVAGELISMOU, PROJECT C'	50	5
3.	J/V TERNA ENERGY - TSAMPR. DRAMAS HOSPITAL	40	5
4.	J/V EPL DRAMAS	24	5
5.	J/V TERNA ENERGY - OLYMPIOS ATE	50	2
6.	J/V K. MANIOTIS - TERNA - TERNA ENERGY	37.50	5
7.	J/V/ EMBEDOS - PANTECHNIKI - TERNA ENERGY	50.10	1
8.	J/V THEMELI-TERNA ENERGY ABETE-J/V TERNA SA IMPREGILO SPA	40	2
9.	J/V EKTER - TERNA - ATHONIKI	31	1
10.	J/V/ KL. ROUTSIS - TERNA ENERGY ABETE	50	1
11.	TERNA ENERGY ABETE & Co	70	5
12.	TERNA ENERGY - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA SYBAR G.P.	50	1
13.	TERNA ENERGY SA & SIA ENERGIAKI XIROVOUNIOU G.P.	70	1

4.7 Associates of TERNA SA

Company Name	Country of Domicile	Participation Percentage % 30.9.2008 and 31.12.2007	Consolidation Method	Tax-unaudited years
ATTIKAT ATE	Greece	22.14	Equity	5
HAMRIYAH CEMENT COMPANY FZC*	U.A.E.	40.00	Equity	1

* Participation through TERNA BAHRAIN HOLDING WLL

4.8 Associates of TERNA ENERGY ABETE

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

Company Name	Country of Domicile	Participation Percentage % 30.9.2008 and 31.12.2007	Consolidation Method	Tax un-audited years
Energy Center RES Cyclades SA *	Greece	45.00	Equity	2

* Participation through IWECO CHONOS LASITHI CRETE S.A.

5 INFORMATION BY SECTOR OF ACTIVITY

The table below presents the analysis of the Group's results for the periods ended on 30.9.2008 and 30.9.2007, according to its main activities:

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

Period 1.1 – 30.09.2008

	SECTOR OF ACTIVITY							Consolidated totals
	Construction	Electricity from renewable sources	Electricity from Thermal sources	Real Estate	Industry	Other	Eliminations on consolidation	
Revenue of the sector	443,323	16,561	21,914	0	15,181	0	(31,700)	465,279
Less: Intrasector sales	(25,268)	0	0	0	(6,432)	0	31,700	0
Sales to external customers	418,055	16,561	21,914	0	8,749	0	0	465,279
Earnings before interest and tax (EBIT)	21,720	7,747	2,317	381	1,363	0		33,528
Earnings before tax, interest and depreciation (EBIDTA)	31,366	11,265	3,913	381	1,917	0		48,842

Period 1.1 – 30.09.2007

	SECTOR OF ACTIVITY							Consolidated totals
	Construction	Electricity from renewable sources	Electricity from Thermal sources	Real Estate	Industry	Other	Eliminations on consolidation	
Revenue of the sector	241,141	15,581	14,863	248	8,443	0	(13,583)	266,693
Less: Intrasector sales	(11,308)	0	0	0	(2,275)	0	13,583	0
Sales to external customers	229,833	15,581	14,863	248	6,168	0	0	266,693
Earnings before interest and tax (EBIT)	7,605	7,426	2,835	3,383	-300	0	0	20,949
Earnings before tax, interest and depreciation (EBIDTA)	13,978	10,735	4,428	3,383	210	0	0	32,734

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

6 FIXED ASSETS

The movement of the fixed assets (tangible and intangible) reported in the attached financial statements for the period 1.1-30.9.2008 is analyzed as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
Net book value, 1st January	263,983	204,827	67,778	56,264
Additions for the period	62,166	55,813	7,388	16,284
Acquisition of fixed assets through finance lease	17,471	7,838	17,471	0
Sales for the period	(446)	(1,071)	(80)	(732)
Depreciation and other changes for the period	(16,643)	(12,985)	(8,462)	(5,640)
Net book value 30th of September	326,531	254,422	84,095	66,176

On the fixed assets of some subsidiaries of the Group there are prenotations of 1,507 euro.

7 INVESTMENT PROPERTY

The summary movement in investment property for the period 1.1-30.9.2008, is as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
Balance January 1st	8,671	7,840	7,748	6,917
Reductions	(6,152)	(180)	(6,152)	(180)
Adjustments to fair value	0	1,011	0	1,011
Balance 30 June	2,519	8,671	1,596	7,748

At the current period the parent sold it's 50% interest in an investment property to an associate for an amount of 6,250 euros.

8 SHARE CAPITAL

During the period 1.1-30.09.2008, as well as during the period 1.1-30.06.2007, the number of shares and their nominal value remained unchanged, as well as the share premium.

9 LOANS

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

Within the present period the company undertook new financial lease contracts for machinery amounting to 17,471 euro, while for the payment of current contracts the amount of 3,099 by the company and 6,493 by the Group was paid. The remaining capital of the financial lease contracts at 30.9.2008 amounts to 35,960 for the company and 38,141 euro for the group.

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

10 PROVISIONS

The summary movement in provisions for the group and the company at 30.9.2008 and 30.9.2007 is as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
Balance at 1st of January	3,250	2,684	3,782	1,439
Additional provisions charged in the income statement	1,050	648	564	580
Additional provisions charged in assets	32	108		
Losses from J/Vs transferred in short-term liabilities	0	0	(1,948)	0
Unused provisions transferred in income statement	0	0	0	0
Used provisions	(356)	(322)	(231)	(256)
Balance 30th of September	3,976	3,118	2,167	1,763

11 GRANTS

The summary movement in grants at 30.9.2008 and 30.9.2007 are analyzed as follows:

	GROUP	
	2008	2007
Balance at 1st of January	42,641	33,820
Receipt of grants	0	820
Transfer of a proportion in income statement	(1,329)	(1,200)
Grants approved but not received	7,889	9,751
Balance at 30th of September	49,201	43,191

12 ACCRUED AND OTHER SHORT-TERM LIABILITIES

The large increase in short-term liabilities is mainly due to the fact that in the current period the Group has accumulated prepayments from customers for the execution of technical projects.

13 OTHER INCOME/EXPENSES

The analysis of other income/expenses at 30th of September 2008, which are of ordinary nature, are analyzed in the following table:

	GROUP		COMPANY	
	2008	2007	2008	2007
Profit from the sale of DIKEVE	0	2,328	0	6,484
Surplus from the valuation of investment property at fair value	0	1,011	0	1,011
Negative goodwill from the acquisition of consolidated companies	0	8,883	0	0
Profit/losses from participation in joint ventures	(16)	0	4,926	4,299
Profit/losses from participations	(333)	0	62	0
Sales of inert material	130	0	136	0
Dividends	0	0	3,471	0

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

Foreign exchange differences	(1,231)	0	(883)	0
Property tax	(53)	0	(43)	0
Rent income from machinery/buildings	179	0	96	0
Proportionate to the year grants for fixed assets	1,376	1,200	0	0
Other income/expenses	1,516	0	1,115	0
Income from services rendering	1,292	756	788	682
Total	2,860	14,178	9,668	12,476

14 INCOME TAX

The expense for income tax is recognized based on the best estimation of the management regarding the weighted average tax rate for the full year. This rate for the Group at 30.09.2008 was 38.8% (25.8% at 30.9.2007). The difference of the estimated annual average tax rate for 2008 from the current tax rate of 25% is due to the fact that in light of TERNA SA's transformation, its tax losses cannot be brought forward for offsetting and also due to the resulting, during the period, differences from tax audits.

During the present period a tax audit was conducted on the parent company TERNA SA for financial year 2007. The audit's results will be finalized after 30.9.2008 and the resulting charges, amounting to about 806 thousand, have been accounted for with the creation of a relevant provision in the period's results.

15 DIFFERENCES UNDER LITIGATION OR ARBITRATION

During the execution of their projects the Group may face contingent legal claims by third parties. According to the Management, as well as the legal counselor of the Group there are no cases under litigation or arbitration that may affect the operating or financial position of the Company at 30.09.2008.

16 TRANSACTIONS WITH RELATED PARTIES

The transactions and balances of the Company and the Group for the period 1.1-30.9.2008 as well as the balances of receivables and liabilities emerged from these transactions at 30.9.2008, and the relevant amounts for 30.9.2007, are as follows:

Period 1/1-30/9/2008	GROUP				COMPANY			
Related party	Sales	Purchases	Debit balance	Credit balance	Sales	Purchases	Debit balance	Credit balance
Subsidiaries	0	0	0	0	7,784	13,512	6,302	6,653
Joint ventures	0	0	0	0	3,536	0	28,088	5,836
Associates	294	0	247	15	247	0	294	0
Parent GEK SA	2,839	0	350	1,976	2,839	0	350	3
Other related parties	87,538	856	6,702	55,452	79,533	428	6,625	1,399

Period 1/1-30/9/2007	GROUP				COMPANY			
Related party	Sales	Purchases	Debit balance	Credit balance	Sales	Purchases	Debit balance	Credit balance
Subsidiaries	0	0	0	0	11,500	1,410	6,683	1,720
Joint ventures	0	0	0	0	1,600	542	33,392	6,407
Parent GEK SA	4,322	252	11	2,488	4,104	252	11	685
Other related parties	8,684	1,066	176	1,988	6,027	966	70	1,931

TERNA GROUP
CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE PARENT AND THE GROUP, AS AT 30th SEPTEMBER 2008

(Amounts in thousand Euros, unless otherwise stated)

Remuneration of BoD members and executives: The remuneration for the BoD members and the executive management of the Group and the Company at 30.9.2008 are as follows:

	GROUP	COMPANY
Remuneration for BoD meetings	1,155	560
Remuneration of executives included in the executive members of the BoD	1,136	651
	2,291	1,211
Relevant Liabilities	1,368	716

17 IMPORTANT EVENTS FOR THE PERIOD

As a consequence of the continuous growth also during the present period, of the construction sector of the Group in Greece and abroad, the construction backlog at 30.9.2008 amounts to approximately 2,130 mil. euro compared to 1,900 mil. euros at the end of 2007. The backlog for the parent company TERN SA amounted at 30.9.2008 to 1,890 mil. euros.

18 CYCLICALITY-SEASONALITY

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

19 POST BALANCE SHEET EVENTS

The General Meetings of TERN SA and GEK SA decided, subject to approval by the Authorities, on the former company's separation through absorption of its other activities by the parent GEK SA and the construction sector by its 100% subsidiary LITHOS SA. The process of the above transformation is underway and expected to be finalized within 2008.

After 30.9.2008 the construction companies of the Group have undertaken construction projects of 80 mil. euro, the largest part of which refers to projects taking place in Greece.

20 CONTINGENT LIABILITIES

Contingent liabilities

Out of the total shares of the associate ATTIKAT SA, shares amounting to 3.3 million euro are pledged to secure third party liabilities to banks.

There are outstanding applications at the Council of State regarding the cancellation of the installation of a wind park planned by the subsidiary «AIOLIKI PANORAMATOS DERVENOCHORION SA», and till the court hearing at February 2009 the Council of State has ordered the pause of any construction activities for the 17 out of 40 wind mills.

Commitments

The Group in the framework of developing and operating Wind Parks as well as installing Renewable Energy Sources that are expected to be completed within 2008 and 2009 has entered into an agreement framework with foreign companies in order to secure the purchase of wind power generators for the value of approximately €206 mil.