



TERNA GROUP SA

INTERIM FINANCIAL STATEMENTS OF THE
PARENT COMPANY AND ITS GROUP
AS AT THE 30th OF JUNE 2006
IN ACCORDANCE WITH THE INTERNATIONAL
FINANCIAL REPORTING STANDARDS (IFRS)

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TERNA SA**BALANCE SHEET OF 30/6/2006**

(all amounts are in thousand euros unless otherwise stated)

	<u>30/6/2006</u>	<u>31/12/2005</u>
ASSETS		
Non-current assets		
Intangible fixed assets	5.672	5.821
Tangible fixed assets	41.064	41.111
Real estate	7.935	7.935
Participation in affiliated companies and joint ventures	38.739	37.111
Participation in related companies	0	0
Other long-term receivables	439	146
Other long-term financial assets	0	0
Deferred tax receivables	2.182	6.446
Total non-current assets	96.031	98.570
Current Assets		
Inventories	9.088	4.324
Trade receivables	108.005	92.726
Prepayments and other receivables	34.829	15.006
Other financial assets	4.585	4.578
Cash and cash equivalents	9.371	12.818
Total current assets	165.878	129.452
TOTAL ASSETS	261.909	228.022
TOTAL EQUITY AND LIABILITIES		
Share capital	53.319	53.319
Share premium	35.922	35.922
Reserves	16.290	15.969
Profit/losses carried forward	30.535	28.362
Total Equity	136.066	133.572
Long-term liabilities		
Long-term loans	0	0
Loans from finance leases	2.590	3.372
Provision for staff indemnities	831	996
Other provisions	739	946
Subsidies	0	0
Other long-term liabilities	31	31
Total long-term liabilities	4.191	5.345
Short-term liabilities:		
Suppliers	63.280	37.517
Short-term loans	32.019	26.029
Long-term liabilities falling due	63	0
Accrued and other short-term liabilities	26.290	25.367
Income tax payable	0	192
Total short-term liabilities	121.652	89.105
TOTAL LIABILITIES AND EQUITY	261.909	228.022

The accompanying notes form an inextricable part of the financial statements

TERNA SA
INCOME STATEMENT
FOR THE PERIOD ENDING ON 30.06.2006
(All amounts are expressed in thousand euro, except for the shares)

	<u>1/1 - 30/06/06</u>	<u>1/1 - 30/06/05</u>	<u>2nd Quarter 2006</u>	<u>2nd Quarter 2005</u>
Continuing operations				
Net turnover	80.254	81.705	49.701	42.415
Cost of sales	<u>(60.682)</u>	<u>(67.139)</u>	<u>(36.100)</u>	<u>(37.566)</u>
Gross profit	19.572	14.566	13.601	4.849
Administrative and distribution expenses	(8.083)	(5.410)	(5.017)	(2.694)
Other income(expenses)	3.995	465	1.201	24
Net financial income(expenses)	(1.043)	(1.536)	(762)	(36)
Profits/(Losses) before tax	14.441	8.085	9.023	2.143
Income tax	<u>(2.156)</u>	<u>1.282</u>	<u>(806)</u>	<u>1.701</u>
Net earnings/(losses) from continuing operations	<u>12.285</u>	<u>9.367</u>	<u>8.217</u>	<u>3.844</u>
Profit/(Losses) after tax per share (in Euros)				
Basic	0,27	0,20	0,18	0,08
Weighted average number of shares	45964500	45964500	45.964.500	45.964.500

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TERNA SA
CASH FLOW STATEMENT (indirect method)
FOR THE PERIOD ENDING ON 30 JUNE 2006
(all amounts are in thousand euros unless otherwise stated)

	<u>1/1 - 30/06/06</u>	<u>1/1 - 30/06/05</u>
Cash flow from operating activities		
Earnings before tax	14.441	8.085
Adjustments for the agreement of net flows from operating activities:		
Depreciations	2.597	2.266
Provisions	(321)	122
Interest and related income	(267)	(18)
Interest and other financial expenses	1.293	1.458
(Profit)/Loss from the sale of tangible assets and investment property	0	(30)
(Profit)/loss from the sale and valuation of participations	(2.998)	0
Depreciation of grants	0	0
Other adjustments	0	0
Operating profit before the changes in working capital	<u>14.745</u>	<u>11.883</u>
(Increase)/decrease in		
Inventory	(4.764)	2.616
Trade receivable	(15.279)	1.519
Prepayments and other short-term receivables	(17.732)	5.457
Increase(decrease) in:		
Suppliers	25.763	(6.864)
Accrued and other short-term liabilities	(5.962)	(4.337)
Subsidies receivals	0	0
(Increase)/Decrease of other long-term receivables	(466)	(2)
Income tax payments	0	0
Cash inflows from operating activities	<u>(3.695)</u>	<u>10.272</u>
Cash flows from investing activities		
Purchases of tangible and intangible assets	(2.389)	(1.693)
Sales of tangible and intangible assets	71	33
Interest and related income received	267	16
(Purchases) / Sales of participations and securities	(1.601)	465
(Share capital increase) / New consolidated companies - Cash at the beginning of the absorption of companies	0	(3.021)
Reasl estate	0	0
Cash flows from investing activities	<u>(3.652)</u>	<u>(4.200)</u>
Cash flows from financing activities		
Share capital changes	0	0
Net change in short-term loans	5.990	(3.988)
Withdraws/(Payments) from long-term loans	0	0
(Loan payments from financing leases)	(807)	(815)
Dividends paid	0	0
Interest paid	(1.276)	(1.460)
Change of other financial receivables	(7)	2.371
Cash outflows for financing activities	<u>3.900</u>	<u>(3.892)</u>
Foreign exchange effect on cash and cash equivalents	0	0
Net increase in cash and cash equivalents	<u>(3.447)</u>	<u>2.180</u>
Cash and equivalents at the beginning of the period	12.818	3.918
Cash and equivalents at the end of the period	<u>9.371</u>	<u>6.098</u>

TERNA SA

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDING ON 30 JUNE 2006

(All amounts are expressed in thousand euro unless otherwise stated)

	Share Capital	Share Premium Account	Reserves	Profit carried forward	Total equity
Balance at 31/12/04	53.319	35.922	15.669	33.879	138.789
Changes in equity for the period 1/1 - 30/06/05					
Profits/(losses) after tax	0	0	0	9.367	9.367
Total net recognised profits and losses of the period	0	0	0	9.367	9.367
Dividends	0	0	0	(10.113)	(10.113)
Transfers-other movements	0	0	0	(10)	(10)
Balance 30/06/05	53.319	35.922	15.669	33.123	138.033
Balance at 31/12/05	53.319	35.922	15.969	28.362	133.572
Changes in equity for 2006					
Foreign exchange differences for the consolidation of foreign operations	0	0	321	0	321
Total net earnings recorded directly in equity	0	0	321	0	321
Net earnings for the period	0	0	0	12.285	12.285
Total net recognised profits and losses of the period	0	0	321	12.285	12.606
Dividends	0	0	0	(10.112)	(10.112)
Balance 30/06/06	53.319	35.922	16.290	30.535	136.066

The accompanying notes form an inextricable part of the financial statements

TERNA GROUP SA**BALANCE SHEET OF 30/6/2006**

(all amounts are in thousand euros unless otherwise stated)

	<u>30/6/2006</u>	<u>31/12/2005</u>
ASSETS		
Non-current assets		
Intangible fixed assets	5.703	5.859
Tangible fixed assets	177.617	154.637
Real estate	26.305	26.305
Other long-term receivables	503	256
Deferred tax receivables	4.161	7.092
Total non-current assets	214.289	194.149
Current Assets		
Inventories	17.295	14.260
Trade receivables	183.019	163.511
Prepayments and other receivables	38.116	38.030
Other financial assets	6.547	9.069
Cash and cash equivalents	36.555	49.067
Total current assets	281.532	273.937
TOTAL ASSETS	495.821	468.086
TOTAL EQUITY AND LIABILITIES		
Share capital	53.319	53.319
Share premium	35.922	35.922
Reserves	22.017	21.783
Profit/losses carried forward	52.055	50.500
Total shareholders Equity	163.313	161.524
Minority interest	18.032	18.601
Total equity	181.345	180.125
Long-term liabilities		
Long-term loans	55.403	53.994
Loans from finance leases	14.368	17.353
Provision for staff indemnities	956	1.277
Other provisions	1.885	2.092
Subsidies	19.178	14.296
Other long-term liabilities	264	31
Deferred income tax	3.254	3.778
Total long-term liabilities	95.308	92.821
Short-term liabilities:		
Suppliers	95.407	87.054
Short-term loans	99.709	75.267
Long-term liabilities falling due	850	527
Accrued and other short-term liabilities	20.625	32.116
Income tax payable	2.577	176
Total short-term liabilities	219.168	195.140
TOTAL LIABILITIES AND EQUITY	495.821	468.086

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TERNA GROUP SA
INCOME STATEMENT
FOR THE PERIOD ENDING ON 30.06.2006

(All amounts are expressed in thousand euro, except for the shares)

	<u>1/1 - 30/06/06</u>	<u>1/1 - 30/06/05</u>	<u>2nd Quarter 2006</u>	<u>2nd Quarter 2005</u>
Continuing operations				
Net turnover	123.489	98.486	72.016	37.523
Cost of sales	<u>(95.133)</u>	<u>(72.926)</u>	<u>(55.261)</u>	<u>(27.168)</u>
Gross profit	28.356	25.560	16.755	10.356
Administrative and distribution expenses	(9.508)	(8.257)	(5.182)	(4.675)
Other income(expenses)	1.082	1.158	(500)	2.861
Net financial income(expenses)	(3.667)	(2.641)	(2.399)	(2.968)
Profits/(Losses) before tax	16.263	15.820	8.674	5.573
Income tax	<u>(4.820)</u>	<u>1.664</u>	<u>(2.398)</u>	<u>2.328</u>
Net earnings/(losses) from continuing operations	<u>11.443</u>	<u>17.484</u>	<u>6.276</u>	<u>7.901</u>
<i>Attributed to :</i>				
Shareholders of the parent	11.088	16.426	6.605	7.689
Minority interest	<u>355</u>	<u>1.058</u>	<u>(329)</u>	<u>212</u>
	<u>11.443</u>	<u>17.484</u>	<u>6.276</u>	<u>7.901</u>
Profit/(Losses) after tax per share (in Euros)				
Basic from continuing operations attributed to the shareholders of the parent	0,24	0,36	0,14	0,17
Weighted average number of shares	45.964.500	45.964.500	45.964.500	45.964.500

The accompanying notes form an inextricable part of the consolidated financial statements

TERNA GROUP SA
CASH FLOW STATEMENT (indirect method)
FOR THE PERIOD ENDING ON 30 JUNE 2006
(all amounts are in thousand euros unless otherwise stated)

	<u>1/1 - 30/06/06</u>	<u>1/1 - 30/06/05</u>
Cash flow from operating activities		
Earnings before tax	16.263	15.820
Adjustments for the agreement of net flows from operating activities:		
Depreciations	6.810	4.906
Provisions	(477)	142
Interest and related income	(415)	(198)
Interest and other financial expenses	1.276	4.204
(Profit)/Loss from the sale of tangible assets and investment property	(43)	0
(Profit)/loss from the sale and valuation of participations	0	0
Depreciation of grants	(633)	(578)
Other adjustments	(171)	0
Operating profit before the changes in working capital	<u>22.610</u>	<u>24.296</u>
(Increase)/decrease in		
Inventory	(3.035)	(579)
Trade receivable	(19.508)	44.686
Prepayments and other short-term receivables	126	8.897
Increase(decrease) in:		
Suppliers	8.353	(68.653)
Accrued and other short-term liabilities	(19.224)	9.102
Subsidies receivals	4.241	2.719
(Increase)/Decrease of other long-term receivables	1.087	55
Income tax payments	(2.725)	0
Cash inflows from operating activities	<u>(8.075)</u>	<u>20.523</u>
Cash flows from investing activities		
Purchases of tangible and intangible assets	(29.358)	(2.090)
Sales of tangible and intangible assets	216	(64)
Interest and related income received	411	198
(Purchases) / Sales of participations and securities	0	0
(Share capital increase) / New consolidated companies - Cash at the beginning of the absorption of companies	0	(621)
Reasl estate	0	0
Cash flows from investing activities	<u>(28.731)</u>	<u>(2.577)</u>
Cash flows from financing activities		
Share capital changes	0	0
Net change in short-term loans	24.442	(24.075)
Withdraws/(Payments) from long-term loans	1.409	10.915
(Loan payments from financing leases)	(3.010)	(3.668)
Dividends paid	0	0
Interest paid	(1.276)	(4.550)
Change of other financial receivables	2.729	(1.619)
Cash outflows for financing activities	<u>24.294</u>	<u>(22.997)</u>
Foreign exchange effect on cash and cash equivalents	0	0
Net increase in cash and cash equivalents	<u>(12.512)</u>	<u>(5.051)</u>
Cash and equivalents at the beginning of the period	49.067	37.013
Cash and equivalents at the end of the period	<u>36.555</u>	<u>31.962</u>

TERNA GROUP SA
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDING ON 30 JUNE 2006

	Attributed to the shareholders of the parent				Minority interest	Total equity	
	Share Capital	Share Premium Account	Reserves	Profit carried forward			Total
Balance at 31/12/04	53.319	35.922	21.483	47.053	157.777	17.947	175.724
Changes in equity for the period 1/1 - 30/06/05							
Profits/(losses) after tax	0	0	0	16.426	16.426	1.058	17.484
Total net recognised profits and losses of the period	0	0	0	16.426	16.426	1.058	17.484
Dividends				(10.113)	(10.113)	(656)	(10.769)
Transfers-other movements	0	0	0	0	0	(222)	(222)
Balance 30/06/05	53.319	35.922	21.483	53.366	164.090	18.127	182.217
Balance at 31/12/05	53.319	35.922	21.783	50.500	161.524	18.601	180.125
Changes in equity for 2006							
Change of participation percentage	0	0	0	579	579	(579)	0
Foreign exchange differences for the consolidation of foreign operations	0	0	234	0	234	0	234
Total net earnings recorded directly in equity	0	0	234	579	813	(579)	234
Net earnings for the period	0	0	0	11.088	11.088	355	11.443
Total net recognised profits and losses of the period	0	0	234	11.667	11.901	(224)	11.677
Dividends	0	0	0	(10.112)	(10.112)	(345)	(10.457)
Balance 30/06/06	53.319	35.922	22.017	52.055	163.313	18.032	181.345

The accompanying notes form an inextricable part of the consolidated financial statements

TERNA GROUP
NOTES ON THE INTERIM PARENT & CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2006

(Amounts in thousand euros, unless otherwise stated)

1. ACTIVITIES OF THE GROUP

Terna SA (hereinafter the Company 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 04.07.2022.

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 only 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 «TERNA ENERGY ABETE» the Group is active in the energy sector through thermoelectric installations and wind parks with a total installed capacity of 148 MW and 109 MW. 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) 54.63% of its share capital.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The attached financial statements that form the parent and consolidated financial statements of the Parent and the Group are compiled in accordance with IFRS as these are adopted by the European Union and specifically in accordance with the provisions of IAS 34 «Interim Financial Statements». There are not any standards that have been applied prior to their adoption date. Also, the financial statements have been prepared according to the historic cost principle, except from investment property which is valued at fair value. Some own-used tangible fixed assets on the date of transition to the International Financial Reporting Standards (IFRS) (01/01/2004) were measured at fair value and these values were used as deemed cost.

3. SUMMARY OF KEY ACCOUNTING POLICIES

The main accounting policies adopted during the compilation of the attached financial statements are consistent to those followed for the compilation of the annual financial statements for the period ending on 31/12/2005. Also, the International Accounting Standards Board and the Interpretations Committee have issued a series of new Accounting Standards and interpretations as reported below:

Effect of newly issued Accounting Standards (IFRS or IAS) and Interpretations (SIC): The new IFRS and IFRIC are mandatory for the accounting periods beginning from January 1st 2006. The assessment of the Management regarding the impact of the new standards and interpretations is as follows:

- **IAS 19 (amendment): Employee Benefits** (in effect from January 1st 2006). This amendment provides companies with the option of an alternative method for the recognition of actuarial gains or losses. This amendment is not applicable for the Group.
- **IAS 39 (amendment): Cash Flow Hedge Accounting for Forecast Intragroup Transactions** (in effect from January 1st 2006). This amendment allows for the currency risk arising from an intragroup transaction having a high probability of occurrence, to be classified as subject to hedging in the consolidated financial statements if: (a) the transaction is made in a currency other than the operating

TERNA GROUP**NOTES ON THE INTERIM PARENT & CONSOLIDATED FINANCIAL STATEMENTS**

30 JUNE 2006

(Amounts in thousand euros, unless otherwise stated)

currency of the company that participates in the transaction and (b) the currency risk will affect the consolidated income statement. This amendment is not relevant to the operations of the Group, as the Group does not carry out any intragroup transactions that could be classified as subject to hedging.

- **IAS 39 (amendment): Fair Value Option** (in effect from January 1st 2006). This amendment changes the definition of the financial instruments that have been classified at fair value through profit and loss and limits the possibility of classifying financial instruments in this category. The Group considers that this particular amendment will not have a significant impact on the classification of its financial instruments since the Group has not classified any financial instruments at fair value through profit and loss other than the instruments that are held for trading purposes.
- **IAS 39 and IFRS 4 (Amendment): Financial Guarantee Contracts** (in effect from January 1st 2006). This amendment requires that financial guarantees issued, other than those that the Group has proved that they are insurance contracts, to be initially recognized at fair value and to be subsequently valued at the greatest of (a) the unamortized balance of the relevant fees that have been collected and deferred and (b) the outflow required to settle the commitment at the balance sheet date. The Management has come to the conclusion that this amendment does not apply to the Group.
- **IFRS 6: Exploration for and evaluation of mineral resources.** It is applied to financial statements that starting from January 1st 2006 onwards and it has not affected the financial statements of the Company and the Group.
- **IFRIC 4. Determining Whether an Arrangement Contains a Lease:** IFRIC 4 is applied to annual periods starting from January 1st 2006 onwards. The implementation of IFRIC 4 did not change the accounting treatment of any of the Group's current contracts.
- **IFRIC 5. Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds.** It is applied to financial statements starting from January 1st 2006 onwards and did not affect the financial statements of the company or the Group.

4. INFORMATION ON CONSOLIDATED ENTITIES

The data of the consolidated entities of the Group as of the 30th of March 2006 are as follows:

Regarding the non-audited tax years, the Company for the years 2002-2004 as well as its subsidiary TERNA ENERGY ABETE which for the year 2004 are currently under a tax audit procedure. The non-audited tax years for the companies of the TERNA Group SA that are consolidated are as follows:

A) COMPANIES FULLY CONSOLIDATED**A.1) Direct subsidiaries**

A/A	COMPANY NAME	COUNTRY OF DOMICILE	PARTICIPATION PERCENTAGE	NON-AUDITED TAX YEARS
1.	TERNA ENERGY ABETE	GREECE	63.19%	1
2.	BIOMEK ABETE	GREECE	66.50%	4
3.	STROTIRES AEBE	GREECE	51%	3
4.	DIKEVE SA	GREECE	100%	3
5.	ILIOCHORA SA	GREECE	100%	1

TERNA GROUP
NOTES ON THE INTERIM PARENT & CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2006

(Amounts in thousand euros, unless otherwise stated)

A.3) Subsidiaries of TERNA ENERGY ABETE:

A/A	COMPANY NAME	COUNTRY OF DOMICILE	PARTICIPATION PERCENTAGE	NON-AUDITED TAX YEARS
1.	IWECO CHONOS LASITHI CRETE SA	GREECE	100%	3
2.	ENERGIAKI SERVOUNIO SA	GREECE	100%	4
3.	TERNA ENERGY EVROS SA	GREECE	100%	4
4.	PPC RENEWABLE- TERNA ENERGY SA	GREECE	51%	3

B. COMPANIES CONSOLIDATED PROPORTIONALLY

B.1) Direct consolidated companies

A/A	COMPANY NAME	COUNTRY OF DOMICILE	PARTICIPATION PERCENTAGE	NON-AUDITED TAX YEARS
1.	HERON THERMOELEKTRIKI SA	GREECE	50%	4

B.2) JOINT VENTURES OF TERNA SA

A/A	COMPANY NAME	PARTICIPATION PERCENTAGE	NON-AUDITED TAX YEARS
1.	J/V MAIN IRRIGATION CANAL D 1	75.00%	6
2.	J/V TERNA SA – IMPEGILO SPA (TRAM)	55.00%	5
3.	J/V HERACLION UNIVERSITY CITY	50.00%	2
4.	J/V DEVIATION ANCIENT OLYMPIA	50.00%	4
5.	J/V AKTOR, AEGEK, EKTER, TERNA, SPATA AIRPORT	20.00%	6
6.	J/V TERNA SA/AKTOR SA GOULANDRI MUSEUM	50.00%	3
7.	J/V DEPA PROJECT	10.00%	3
8.	J/V UNDERGROUND CAR PARK THESSALONICA	50.00%	3
9.	J/V ARTA DEVIATION - PHILIPPIADAS	98.00%	4
10.	J/V ATHENS OPERA HOUSE	45.00%	4
11.	J/V ATHENIAN CAR PARKS	20.00%	3
12.	J/V PERISTERI METRO	50.00%	4
13.	J/V TERNA SA – ATHINA ATE PROJECT ARACHTHOU PERIST.	62.50%	4
14.	J/V TERNA SA – KARAGIANNIS PROJECT TEFAA KOMOTINIS	24.00%	3
15.	J/V THALES ATM SA-TERNA UPGRADE CAR PARK TACAN	22.25%	5
16.	J/V ETETH-TERNA-AVAX PANTHECHNIKI HORSE RIDING CENTER	35.00%	3
17.	J/V AVAX-BIOTER (CONSTRUCTION OF OLYMPIC VILLAGE)	37.50%	3
18.	J/V TERNA S.A. PANTECHNIKI S.A.	83.50%	3
19.	J/V TERNA S.A. AKTOR A.T.E.. J&P AVAX	33.00%	4
20.	J/V TERNA SA J&P AVAX – PANTHECHNIKI MAINTENANCE OF	35.00%	3

TERNA GROUP
NOTES ON THE INTERIM PARENT & CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2006

(Amounts in thousand euros, unless otherwise stated)

HORSE RIDING CENTER			
21.	J/V TERNA SA-ATHINA ATE	62.50%	2
22.	J/V ARCHIRODON HELLAS ATE-TERNA SA	30.00%	4
23.	J/V EVINOOU – AEFEK-METON SA-TERNA SA-EYKLEIDIS ATE J/V TERNA SA – TH. KARAGIANNIS SA PROJECT YPEXODE	33.33%	3
24.	CONSTRUCTION	50.00%	5
25.	J/V SALONICA PARK	50.00%	1
26.	J/V SIEMENS-AKTOR-TERNA SA	37.50%	1
27.	J/V TERNA SA- MICHANIKI SA DEVIATION OF AGRINIO	65.00%	1
28.	J/V TERNA SA/BIOTER SA - CONSTRUCTION OF NAT BUILDING	50.00%	6
29.	J/V TERNA SA-THALES SA	50.00%	3
30.	J/V TOMI ABETE-ILIOCHORA SA	30.00%	} Running 1 st year of operation
31.	J/V AVAX-BIOTER ILIOCHORA SA	37.50%	
32.	J/V AKTOR ATE-DOMOTECHNIKI SA-THEMELIODOMI SA-TERNA SA- ETETH SA	25.00%	
33.	J/V BUILDING CONSTRUCTION OSE ILIOCHORA SA	13.00%	

B.3) Joint Ventures of TERNA ENERGY ABETE

	J/V NAME	PARTICIPATION PERCENTAGE	NON-AUDITED TAX YEARS
1.	J/V TRAM POLITICAL ENGINEERING WORKS, Greece	36%	3
2.	J/V ENVAGELISMOU, PROJECT C', Greece	50%	3*
3.	J/V TERNA ENERGY - TSAMPR. DRAMAS HOSPITAL, Greece	40%	3*
4.	J/V EPL DRAMAS, Greece	24%	3*
5.	J/V TERNA ENERGY - OLYMPIOS ATE, Greece	50%	3
6.	J/V K. MANIOTIS - TERNA - TERNA ENERGY, Greece	37.50%	3
7.	J/V/ EMBEDOS - PANTECHNIKI - TERNA ENERGY, Greece	50.10%	3
8.	J/V THEMELI - TERNA ENERGY - TERNA SA IMPREGILO SPA, Greece	40%	2
9.	J/V EKTER - TERNA - ATHONIKI, Greece	31%	1
10.	J/V/ KL. ROUTSIS - TERNA ENERGY ABETE, Greece	50%	2

* Without any tax interest because the project of the J/V is completed and during these years no income was generated. These J/Vs are soon expected to cease existing.

TERNA GROUP**NOTES ON THE INTERIM PARENT & CONSOLIDATED FINANCIAL STATEMENTS**

30 JUNE 2006

(Amounts in thousand euros, unless otherwise stated)

B.4) Partnership and Limited Partnership companies of the subgroup TERNA ENERGY ABETE*

* They are established in order to receive the license for the construction of facilities for the production of electrical energy using renewable resources, and if this project goes through the companies would be absorbed by TERNA ENERGY ABETE. They have no activity till today and therefore no tax interest.

	NAME	PARTICIPATION	NON-AUDITED TAX YEARS
1.	TERNA ENERGY ABETE - M.E.L. MAKEDONIKI ETAIRIA HARTOU & Co, J/V, Greece	50%	4
2.	TERNA ENERGY A.B.E.T.E. & SIA AIOLIKI RAHOULAS DERVENOHORION, Greece	100%	4
3.	TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU, Greece	100%	4
4.	TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRAIANOUPOLEOS, Greece	100%	4
5.	TERNA ENERGY ABETE & SIA ENERGIAKI DERVENOHORION, Greece	100%	4
6.	TERNA ENERGY ABETE & SIA ENERGIAKI VELANIDION LAKONIAS, Greece	100%	4
7.	TERNA ENERGY ABETE & SIA ENERGIAKI DISTION EVIAS, Greece	100%	4
8.	TERNA ENERGY ABETE & SIA AIOLIKI PASTRA ATTIKIS, Greece	100%	4
9.	TERNA ENERGY ABETE & SIA AIOLIKI MALEA LAKONIAS, Greece	100%	4
10.	TERNA ENERGY ABETE & SIA ENERGIAKI FERRON EVROU, Greece	100%	4
11.	TERNA ENERGY ABETE & SIA AIOLIKI DERVENI TRAIANOUPOLEOS, Greece	100%	4
12.	TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS, Greece	100%	4
13.	TERNA ENERGY ABETE & SIA ENERGIAKI ARI SAPPON, Greece	100%	4
14.	TERNA ENERGY ABETE & SIA ENERGIAKI PELOPONNISOU, Greece	100%	4
15.	TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS ELLADOS, Greece	100%	4
16.	TERNA ENERGY ABETE & SIA AIOLIKI MARMARIOU EVIAS, Greece	100%	4
17.	TERNA ENERGY ABETE & SIA ENERGIAKI PETRION EVIAS, Greece	100%	4
18.	TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENOHORION, Greece	100%	4
19.	TERNA ENERGY ABETE & SIA ENERGIAKI STIRON EVIAS, Greece	100%	4
20.	TERNA ENERGY ABETE & SIA ENERGIAKI NEAPOLEOS LAKONIAS, Greece	100%	4
21.	TERNA ENERGY ABETE & SIA ENERGIAKI XSIROVOUNIOU, Greece	70%	4
22.	TERNA ENERGY ABETE & SIA AIOLIKI PANORAMATOS DERVENOHORION, Greece	100%	4
23.	TERNA ENERGY ABETE & SIA ENERGIAKI KAFIREOS EVIAS, Greece	100%	4
24.	TERNA ENERGY ABETE & Co EE	70%	3

TERNA GROUP
NOTES ON THE INTERIM PARENT & CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2006

(Amounts in thousand euros, unless otherwise stated)

5. INFORMATION BY SECTOR OF ACTIVITY

The table below reports the analysis of the results of the Group arising from its main activities for the 6-month period ending on 30/06/2006 and 30/06/2005 by sector.

TERNA GROUP

(1/1-30/06/2005)

	Construction Sector	Energy Sector	Real Estate Sector	Industrial Sector	Other Sectors	Total of Sectors
INCOME STATEMENT						
Turnover (Sales)	97,062	11,814	368	12,054	117	121,410
Less: inter-company sales	(22,928)	0	0	0	0	(22,928)
Sales of the sector	<u>74,133</u>	<u>11,814</u>	<u>368</u>	<u>12,054</u>	<u>117</u>	98,486
Earnings before interest, tax depreciation and amortization (EBITDA)						
Earnings before tax	12,131	4,206	30	963	(1,510)	15,820

TERNA GROUP

(1/1-30/06/2006)

	Construction Sector	Energy Sector	Real Estate Sector	Industrial Sector	Other Sectors	Total of Sectors
INCOME STATEMENT						
Turnover (Sales)	111,894	14,717	2,456	4,182	0	133,249
Less: inter-company sales	(5,913)	0	0	(3,846)	0	(9,760)
Sales of the sector	<u>105,980</u>	<u>14,717</u>	<u>2,456</u>	<u>336</u>	<u>0</u>	123,489
Earnings before interest, tax depreciation and amortization (EBITDA)						
Earnings pre tax	13,452	5,982	680	76	-3,926	16,263

TERNA GROUP
NOTES ON THE INTERIM PARENT & CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2006

(Amounts in thousand euros, unless otherwise stated)

6. FIXED ASSETS

During the period 01/01/-30/06/2006 the investments of the Group in fixed assets amounted to 29,358. euro while those of the company to 2,389 euro.

There are mortgage prenotations on some subsidiaries of the Group amounting to €17,107. Specifically,

BIOMEK ABETE	1,507.
DIKEBE SA	<u>15,600</u>
Total	17,107

7. DIFFERENCES UNDER LITIGATION OR ARBITRATION

During the course of conducting its business, the Company may face legal claims from third parties. According to both the Management and the Company's Legal Counsel, any such claims are not expected to have a material impact on the Company's operation and financial position as of the 30th of June 2006.

8. TRANSACTIONS WITH RELATED PARTIES

The transactions of the Group with related parties for the period 01/01-30/06/2006 and the balances of receivables and liabilities that have emerged from these transactions at 30/06/2006 are as follows:

<u>Related party</u>	<u>Sales</u>	<u>Purchases</u>	<u>Balances</u>	
			<u>Debit</u>	<u>Credit</u>
GEK SA parent company	6,119	-	1,149	72
Subsidiaries	533	245	2,473	2,062
Joint Ventures	2,069	-	44,845	3,377
Other related parties	1,624	918	1,362	1,176

9. POST BALANCE SHEET DATE EVENTS

The companies of TERNA SA group of companies and TERNA ENERGY ABETE together with their joint ventures signed contracts participating in projects totalling €117mil.

The consortium «HELLENIC AUTOPISTAS» in which the Company participates by 33.33% is declared as a temporary bidder for the «Construction, Exploitation and Operation of the Ionian Road», having a construction cost of €1.1mil. Based on the signed contract for the construction of the project, TERNA SA, would participate in the construction part of the project with a participation percentage of 33.33%.

TERNA GROUP
NOTES ON THE INTERIM PARENT & CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2006

(Amounts in thousand euros, unless otherwise stated)

10. CONTINGENT LIABILITIES

The Management of the Group estimates that there are no changes in contingent liabilities of the Group compared to the ones as of 31/12/2005.

CERTIFICATE

It is certified that the attached Financial Statements are those approved by the Board of Directors of the Company on August, 28 2006 and have been published with their posting on the internet, at the web page www.terna.gr. It is noted that the published in the press brief financial data, aim at providing general financial information but do not provide a complete depiction of the Company's and Group's economic status and financial results, according to the International Financial Reporting Standards.

CHAIRMAN OF BoD

VICE-CHAIRMAN OF BoD &
MANAGING DIRECTOR

Nikolaos Kambas

George Peristeris

CHIEF FINANCIAL OFFICER

HEAD OF ACCOUNTING DEPARTMENT

Panayiotis Pothos

Nikolaos Athanasiou

CERTIFIED AUDITOR'S - ACCOUNTANT'S REVIEW REPORT
To the Shareholders of the Societe Anonyme "TERNA-TOURIST
CONSTRUCTIONS AND MARINE SOCIETE ANONYME COMPANY"

We have reviewed the attached interim financial statements of the Societe Anonyme "TERNA-TOURIST CONSTRUCTIONS AND MARINE SOCIETE ANONYME COMPANY" for the six-month period ending on June 30th 2006. The Management of the Company is responsible for the compilation of the financial statements.

Our review was conducted based on the International Accepted Reviewing Procedures in accordance with the Greek Auditing Standards. The critical review of the information and data presented in the interim financial statements and the reassurance of adequate explanations on the issues raised regarding the financial and accounting statements of the company constitute the main issue of our job. The extent of our job is significantly less compared to the one performed during an audit report where the aim is the formation and formulation of an overall opinion of the financial statements. Therefore, the current review does not constitute an audit statement.

Based on our review, we certify that there is no information to our knowledge that would require material changes in the interim financial statements in order for them to comply with the International Financial Reporting Standards, which have been adopted by the European Union.

Without expressing a reservation regarding the conclusions of the review we call to attention to Note 4 of the financial statements in which it is mentioned that the tax statements for the years 2002 till 2005 are not audited by the Tax Authorities and therefore there is possibility of additional tax and surcharges imposed at the time these statements are audited and finalised. The outcome of the tax audit can not be forecasted at the present stage and therefore no provision is made in the financial statements regarding this issue.

Athens, 30 August 2006

THE CERTIFIED ACCOUNTANT AUDITOR

GEORGE H. LAGGAS
S.O.E.L. No. 13711
S.O.L. S.A.

CERTIFIED AUDITOR'S-ACCOUNTANT'S REVIEW REPORT
To the Shareholders of the Societe Anonyme "TERNA-TOURIST
CONSTRUCTIONS AND MARINE SOCIETE ANONYME COMPANY"

We have reviewed the attached interim financial statements of the Societe Anonyme "TERNA-TOURIST CONSTRUCTIONS AND MARINE SOCIETE ANONYME COMPANY" for the six-month period ending on June 30th 2006. The Management of the Company is responsible for the compilation of the financial statements.

Our review was conducted based on the International Accepted Reviewing Procedures in accordance with the Greek Auditing Standards. The critical review of the information and data presented in the interim financial statements and the reassurance of adequate explanations on the issues raised regarding the financial and accounting statements of the company constitute the main issue of our job. The extent of our job is significantly less compared to the one performed during an audit report where the aim is the formation and formulation of an overall opinion of the financial statements. Therefore, the current review does not constitute an audit statement.

Based on our review, we certify that there is no information to our knowledge that would require material changes in the interim financial statements in order for them to comply with the International Financial Reporting Standards, which have been adopted by the European Union.

Without expressing a reservation regarding the conclusions of the review we call to attention:

a) to Note 4 of the financial statements in which it is mentioned that the tax statements «TERNA S.A.» for the years 2002 till 2005, as well as the tax statements of the consolidated subsidiaries and joint ventures which un-audited tax years are mentioned in the notes underneath the Balance Sheet, are not audited by the Tax Authorities and therefore there is the possibility that additional tax and surcharges would be imposed at the time these statements would be audited and finalised. The outcome of the tax audit can not be forecasted at the present stage and therefore there is no provision made in the financial statements regarding this issue.

b) to the fact that the receivables include delayed receivables amounted to approximately 24,000 thous. that refer to the proportion of receivables of two joint ventures in which the Parent company participates in for the execution of a technical project. For these receivables no provision was made, however, based on a lawyer's letter that deals with the issue, there will not be any unfavorable developments in case an attempt to receive these receivables, following a litigation procedure, takes place although the lawyer is not in a position to make any estimation regarding a potential loss. Also, in the letter, it is mentioned that for the receivables of the two joint ventures that refer to the additional part in excess of the contract no legal action is undertaken because the attempt to reach a consent agreement is not yet finalised.

Athens, 30 August 2006

THE CERTIFIED ACCOUNTANT AUDITOR

GEORGE H. LAGGAS

S.O.E.L. No. 13711

S.O.L. S.A.