



TERNA GROUP

SUMMARY INTERIM FINANCIAL STATEMENTS OF
THE PARENT COMPANY AND ITS GROUP
AS AT THE 30TH OF SEPTEMBER 2007
IN ACCORDANCE WITH THE INTERNATIONAL
FINANCIAL REPORTING STANDARDS (IFRS)

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TERNA GROUP

BALANCE SHEET

30TH OF SEPTEMBER 2007

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

	Note	GROUP		COMPANY	
		30	31 December	30	31 December
		September	2006	September	2006
ASSETS					
Long-term assets					
Intangible fixed assets	7	6,914	6,290	5,390	5,566
Tangible fixed assets	7	247,508	198,537	60,786	50,698
Investment Property	8	8,671	7,840	7,748	6,917
Participations in subsidiaries	5,16	0	0	22,630	19,237
Participations in associates	5,10,16	37,133	12	22,718	0
Participations in joint-ventures	5	74	1	12,074	12,028
Investments available for sale		2,284	3,182	1,687	2,812
Other long-term assets		14,889	11,488	1,462	4,337
Deferred income tax asset		4,648	4,476	3,479	1,203
Total long-term assets		322,121	231,826	137,974	102,798
Current assets:					
Inventories		13,570	12,905	4,416	4,280
Trade receivables		181,908	167,443	103,157	118,436
Prepayments and other receivables		67,373	44,446	56,473	33,280
Income tax receivables		9,694	6,100	6,532	4,620
Other financial assets		1,694	7,204	1,168	1,168
Cash and cash equivalents		75,532	74,517	26,690	24,020
Total current assets		349,771	312,615	198,436	185,804
Non current assets available for sale	15	0	29,594	0	10,033
TOTAL ASSETS		671,892	574,035	336,410	298,635
EQUITY & LIABILITIES					
Equity attributable to the shareholders of the parent					
Share capital		53,319	53,319	53,319	53,319
Share premium account		35,922	35,922	35,217	35,922
Reserves		29,192	27,962	20,530	19,666
Profit carried forward		51,492	49,855	13,103	23,555
Total		169,925	167,058	122,169	132,462
Minority interest		22,313	19,467	0	0
Total equity		192,238	186,525	122,169	132,462

Long term liabilities:

Long-term loans	11	114,598	84,355	46,500	26,500
Loans from finance leases	11	22,120	15,710	19,034	10,129
Other long-term liabilities		281	31	1	31
Other provisions		1,731	1,713	668	668
Provisions for staff indemnities		1,387	971	1,095	771
Grants	12	43,191	33,820	0	0
Deferred tax liabilities		5,453	3,397	365	0
Total long term liabilities		188,761	139,997	67,663	38,099

Short term liabilities:

Suppliers		69,837	70,972	40,712	50,535
Short term loans	11	106,551	50,598	40,656	9,502
Long term liabilities falling due	11	15,599	14,436	6,129	5,955
Accrued and other short term liabilities		92,674	93,238	58,994	62,082
Income tax payable		6,232	3,715	87	0
Total short term liabilities		290,893	232,959	146,578	128,074
Liabilities directly related to non-current assets available for sale	15	0	14,554	0	0
TOTAL LIABILITIES & EQUITY		671,892	574,035	336,410	298,635

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

TERNA GROUP
INCOME STATEMENT
30TH OF SEPTEMBER 2007

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

	Note	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
		2007	2007	2006	2006	2007	2007	2006	2006
INCOME:									
Net sales	6	266,693	95,491	206,688	82,571	129,348	48,330	129,875	49,621
Cost of sales		(227,920)	(82,024)	(161,234)	(66,025)	(122,952)	(45,637)	(102,598)	(41,916)
Gross Profit		38,773	13,467	45,454	16,546	6,396	2,693	27,277	7,705
Administration and Distribution expenses		(21,911)	(7,710)	(15,006)	(5,549)	(17,139)	(6,094)	(13,419)	(5,336)
Research and Development expenses		(1,261)	(469)	(729)	(338)	0	0	0	0
Other income / (expenses) Profit/(Loss) from valuation of associates under the net equity method	13	14,178	2,460	650	(851)	12,476	1,778	3,132	(863)
		42	42	0	0	0	0	0	0
Net financial income/(expenses)		(6,641)	(3,049)	(6,235)	(2,307)	(3,458)	(1,651)	(2,161)	(1,118)
EARNINGS BEFORE TAX		23,180	4,741	24,134	7,501	(1,725)	(3,274)	14,829	388
Income tax	14	(5,977)	(1,795)	(5,314)	(2,006)	1,774	1,139	(2,150)	6
NET EARNINGS		17,203	2,946	18,820	5,495	49	(2,135)	12,679	394
Attributable to:									
Shareholders of the parent company		13,544	1,637	16,606	4,314				
Minority interest		3,659	1,309	2,214	1,181				
		17,203	2,946	18,820	5,495				
Earnings per share (in euro)									
Basic		0.29	0.04	0.36	0.09				
Weighted average number of shares									
Basic	9	65,459,027	65,450,360	65,463,360	65,463,360				

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

TERNA GROUP
CASH FLOW STATEMENT
30TH OF SEPTEMBER 2007

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

	Note	GROUP		COMPANY	
		1/1 - 30/9 2007	1/1 - 30/9 2006	1/1 - 30/9 2007	1/1 - 30/9 2006
Cash flow from operating activities					
Earnings before tax		23,180	24,134	(1,725)	14,829
<i>Adjustments for the agreement of the net flows from the operating activities</i>					0
Depreciation		12,985	9,407	5,640	3,883
Provisions		(933)	(66)	(920)	(357)
Interest and related revenue		(1,147)	(667)	(315)	(305)
Interest and other financial expenses		7,788	6,900	3,773	2,498
Income from participations		(11,274)	(596)	(10,766)	(2,241)
Results from intangible and tangible asset and real estate		(1,402)	(44)	(1,285)	0
Amortization of grants	12	(1,200)	(676)	0	0
Other adjustments		(294)	16	(168)	0
Operating profit before working capital changes		27,703	38,408	(5,766)	18,307
(Increase)/Decrease in:					
Inventories		(665)	(2,562)	(136)	(4,882)
Trade receivables		(14,465)	(57,335)	16,779	(28,897)
Prepayments and other short term receivables		(18,967)	(2,995)	(23,431)	(20,437)
Increase/(Decrease) in:					
Suppliers		(1,135)	29,532	(9,823)	45,326
Accruals and other short term liabilities		5,311	(5,373)	(1,556)	(10,049)
Collection of grants		1,065	4,241	0	0
(Increase)/Decrease of other long term claims and liabilities		2,385	(1,068)	2,845	(1,101)
Tax payments		(8,549)	(1,558)	(3,768)	0
Cash inflow from operating activities		(7,317)	1,290	(24,856)	(1,733)
Cash flows from investment activities					
Purchases of intangible and tangible assets		(45,150)	(36,413)	(5,748)	(3,736)
Sale of tangible fixed assets		1,505	60	1,062	0
Interest and related income received		1,038	596	315	305
(Purchases)/sales of participations and securities		(25,162)	(2,213)	(3,996)	(2,188)
Income from participations		18	37	0	0
Investment property		124	(3,693)	124	0
Cash outflows for investment activities		(67,627)	(41,626)	(8,243)	(5,619)

Cash flows from financial activities

Net change of short term loans	55,953	2,501	30,926	3,984
Withdrawal / (payment) of long term loans	36,709	42,099	20,007	14,000
Loan payments for finance leases	(5,303)	(5,182)	(2,077)	(1,342)
Dividends paid	(10,440)	(10,826)	(10,094)	(10,123)
Interest paid	(6,640)	(5,475)	(2,932)	(2,498)
Change of other financial receivables	5,680	2,275	(61)	(1,000)
Cash outflows for financial activities	75,959	25,392	35,769	3,021
Net increase of cash	1,015	(14,944)	2,670	(4,331)
Cash at the beginning of the period	74,517	49,131	24,020	12,818
Cash at the end of the period	75,532	34,187	26,690	8,487

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

TERNA S.A.
STATEMENT OF CHANGES IN EQUITY
30TH OF SEPTEMBER 2007
(amounts in euro)

	Share Capital	Share Premium Account	Reserves	Profit carried forward	Total
1st January 2006	53,319	35,922	15,969	28,362	133,572
Net profit for the period	0	0	0	12,679	12,679
Foreign exchange differences from the consolidation of foreign subsidiaries	0	0	255	0	255
Distribution of reserves	0	0	(296)	368	72
Dividends	0	0	0	(10,112)	(10,112)
30th of September 2007	53,319	35,922	15,928	31,297	136,466
1st January 2007	53,319	35,217	19,666	24,260	132,462
1st January 2007 restated	53,319	35,217	19,666	24,260	132,462
Net profit for the period	0	0	0	49	49
Foreign exchange differences from the consolidation of foreign subsidiaries	0	0	(164)	(5)	(169)
Creation of Reserves	0	0	1,089	(1,089)	0
Purchase of own shares	0	0	(61)	0	(61)
Dividends	0	0	0	(10,112)	(10,112)
30th of September 2007	53,319	35,217	20,530	13,103	122,169

TERNA GROUP
STATEMENT OF CHANGES IN EQUITY
30TH OF SEPTEMBER 2007

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

	Note	Share Capital	Share Premium Account	Reserves	Profit carried forward	Sub-Total	Minority Interest	Total
1st of January 2006		53,319	35,922	21,783	47,989	159,013	17,046	176,059
Accounting policy changes and error correction	4	0	0	(4,980)	4,125	(855)	(529)	(1,384)
Restated balances 1, January 2006		53,319	35,922	16,803	52,114	158,158	16,517	174,675
Net earnings for the year		0	0	0	16,606	16,606	2,214	18,820
Dividends		0	0	0	(10,112)	(10,112)	(345)	(10,457)
Profit/(Loss) from valuation recorded directly in equity		0	0	0	506	506	(506)	0
Percentage Increase of a consolidated subsidiary		0	0	0	0	0	0	0
Foreign exchange differences from foreign subsidiaries		0	0	234	0	234	0	234
Transfers-Other movements		0	(45)	99	(55)	(1)	0	(1)
30th of September 2006		53,319	35,877	17,136	59,059	165,391	17,880	183,271
1st of January 2007		53,319	35,922	22,066	56,311	167,618	19,871	187,489
Accounting policy changes and error correction	4	0	0	5,896	(6,456)	(560)	(404)	(964)
Restated balances 1, January 2007		53,319	35,922	27,962	49,855	167,058	19,467	186,525
Foreign exchange differences from the consolidation of foreign subsidiaries		0	0	(188)	0	(188)	0	(188)
Net earnings for the year		0	0	0	13,544	13,544	3,659	17,203
Profit/(Loss) from valuation recorded directly in equity		0	0	(37)	0	(37)	0	(37)
Dividends		0	0	0	(10,112)	(10,112)	(345)	(10,457)
Distribution of reserves		0	0	1,462	(1,462)	0		
Sale of a subsidiary – Discontinue of consolidation		0	0	0	0	0	(865)	(865)
Purchase of a subsidiary		0	0	0	0	0	508	508
Purchase of own shares		0	0	0	(61)	(61)	0	(61)
Transfers-other movements		0	0	(7)	(272)	(279)	(111)	(390)
30th of September 2007		53,319	35,922	29,192	51,492	169,925	22,313	192,238

1. THE GROUP AND ITS ACTIVITIES

Terna SA (hereinafter the “Group” or “Company”) was founded in 1972 (Govt. Gazette 1338/04.07.72), is domiciled in Athens, 85 Messogeion Str. and has duration of 50 years, until 04.07.2022. The shares of the company are traded on the Athens Exchange since 1994.

The basic sector in which the Group is active is the construction one. 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 thermoelectric and Aeolian energy sector with a total installed capacity of 147MW and 116MW respectively on September 30th 2007.

The activities of the Group mainly take place in Greece and in smaller extend in Balkans and Middle East.

In the first half of 2007 the company DIKEVE SA was sold, which is active in real estate for storing goods. Also, in the same period the Group took the control of LITHOS SA, a company that is active in quarry works and specifically in the production of cobble.

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) 54.64% of its share capital.

During June, the company acquired 21.4% of the listed on the Athens Exchange company “ATTIKAT SA”, which is active in technical works with specialization in field activities.

The summary interim financial statements of the company and the Group were approved by the Board of Directors of the Company on November 27th 2007.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

- a. Basis for the preparation of the financial statements:** The accompanying summary interim consolidated financial statements (hereinafter “financial statements”) have been prepared in accordance with the IFRS, as these have been adopted by the European Union and specifically in accordance with the provisions of IAS 34 «Interim Financial Statements».

These interim summary financial statements do not include all the information and notes required for the annual financial statements and thus should be read in conjunction with the annual consolidated financial statements of 31st December 2006.

- b.** The accounting principles applied for the preparation of the interim financial statements are the same with those followed during the preparation of the annual financial statements of the Group for the period that ended on December 31st 2006 apart from the adoption of new standards, the application of which is mandatory for periods following January 1st 2007. Such standards are mentioned below .

2.1. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS

From the 1st of January 2007 the Group adopted amended standards and interpretations and their effect is as follows:

- (i) **IFRS 7, Financial assets: Disclosures** (applied for annual financial periods beginning on or after January 1st 2007). IFRS 7 inserts further disclosures of financial assets aiming to improve the offered information from financial assets. It demands the disclosure of quantitative and qualitative information regarding the exposure to risk arising from financial assets. Specifically, it predefines minimum required disclosures regarding credit risk, liquidity risk and market risk (it imposes sensitivity analysis regarding market risk). IFRS 7 replaces IAS 30 (Disclosures in Financial Statements of Banks and Financial Institutions) and the disclosure requirements of IAS 32 (Financial Instruments: Disclosures and Presentation). It is applied for all companies that compile financial statements according to IFRS.
- (ii) Supplementary adjustment to IAS 1, Reporting of Financial Statements, Capital Disclosure (applied for annual financial periods beginning on or after January 1st 2007). The relevant adjustment of IAS 1 regards disclosures relating to the amount of a company’s capital as well as the way such capital is managed. The expected effect from the aforementioned changes is limited to disclosure issues.

TERNA GROUP
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(Amounts in thousand Euro, unless otherwise stated)

The Group will disclose the additional information required during the preparation of the annual Financial Statements of December 31st 2007.

Until the approval date of the financial statements, new IFRS, interpretations and amendments of existing standards have been issued and which are mandatory for financial periods beginning from July 1st 2007 or after. From the 1st of January 2007 the Group adopted amended standards and interpretations and their effect is as follows:

- (i) **IFRS 8, Operating Sectors:** (applied for annual periods starting on or after January, 1 2009). IFRS 8 replaces IAS 14 Financial Information by segment and adopts a managing approach regarding the information by activity sectors. The given information must be the one the management uses internally to evaluate the performance of operating sectors and the distribution of resources in these sectors. This information may differ from that presented in the balance sheet and the income statement and the companies must provide explanatory notes and reconciliation regarding such differences. IFRS 8 is expected to be adopted by the EU in the near future. The Group is in the process of estimating the effect of this standard on its financial statements..
- (ii) **IAS 23 (amendment) (valid from 1 January 2009).** Withdrawal of the ability to expense the loan cost related to purchase, construction or production of a specific asset. The amendment of Standards 23 is expected to be adopted by the EU in the near future.
- (iii) **IFRIC 11, IFRS 2 – Transactions with Own Shares and between companies of the same Group:** (applied for annual accounting periods beginning on or after March 1st 2007). The Interpretation requires that transactions which provide to an employee rights on participating titles to be treated for accounting purposes as fees that are defined by the value of the share and settled with participating titles, even in the case where the company chooses or has the obligation to purchase such titles by third parties or if the company's shareholders provide the participating titles. The Interpretation is also extended to the way subsidiaries treat, in their individual financial statements, plans where their employees receive rights on participating titles of the parent company.

TERNA GROUP
NOTES ON THE INTERIM FINANCIAL STATEMENTS
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(Amounts in thousand Euro, unless otherwise stated)

- (iv) **IFRIC 12, Concession Agreements:** (applied for annual accounting periods beginning on or after January 1st 2008). IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. Based on the Interpretation, concession managers must not recognize the relevant infrastructure as tangible fixed assets, but must recognized a financial asset against or an intangible asset. IFRIC 12 is not yet adopted by the European Union and is not expected to affect the existing financial statements of the Group.
- (v) **IFRIC 13, Customer loyalty programs:** (applied for annual accounting periods beginning on or after January 1st 2008). 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. The application of IFRIC 13 is not yet adopted by EU and its application is not expected to affect the Group's financial statements.
- (vi) **IFRIC 14, The limit on a Defined Benefit Asset, minimum funding requirements and their interaction:** (applied for annual accounting periods beginning on or after January 1st 2008). IFRIC 14 addresses three issues, specifically a) when capital refunds or reductions in future contributions should be presented as "available" in the context of paragraph 58 of IAS 19, Employee Benefits, b) how a minimum funding requirement may affect the availability of the reductions in future contributions, and c) when a minimum funding requirement creates an obligation. Furthermore, given that there is a minimum-funding requirement, the Interpretation distinguishes between contributions that are necessary to cover an inadequacy for a past service on the base of the minimum contribution and, the future recognition of benefits. IFRIC 14 is not yet adopted by the European Union. The company estimates that the application of IFRIC 14 is not expected to affect the financial statements of the Group.

3. IMPORTANT ACCOUNTING JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The Group makes estimates, assumptions and exercises judgment either in order to select the appropriate accounting principles or regarding the future development of events and transactions. These estimates, assumptions and judgments are reviewed periodically so as to ensure that they correspond to current facts and they reflect the current risks and are based on the previous experience of the Management regarding the level/volume of relevant transactions or events.

The main estimates and judgments that relate to data the evolution of which could affect the figures in the financial statements during 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 of income tax based in IAS 12 is estimated using the tax paid in tax authorities and includes the current income tax for every period and provisions for additional tax that may emerge in tax audits. The final settlement of income tax may diverge from the relevant amounts that are recorded in financial statements.
- c) Provision for the restoration of environment: The Group forms a provision against related liabilities for the dismantling of technical equipment of wind parks and restoration of the environment in accordance with current laws or Groups' practices. The provision for environmental restoration reflects the present value (using an appropriate discount rate), at the balance sheet date, of the liability for restoration less the estimated recoverable value of materials that are expected to be dismantled and sold.

The financial risk management aims to reduce potential negative implications and specifically:

- (i) Interest rate risk and exchange rate risk: The Company's bank loans are denominated in euros and are subject to variable and fixed interest rates. The Group does not use derivatives in order to reduce its interest rate risk exposure. The Management of the Group follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

TERNA GROUP

NOTES ON THE INTERIM FINANCIAL STATEMENTS

OF THE PARENT COMPANY AND ITS GROUP, OF SEPTEMBER 30TH 2007

(Amounts in thousand Euro, unless otherwise stated)

- (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 real values due to their short-term nature. The fair value of short-term bank loans does not differ from their accounting value.
- (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) Liquidity risk: The Group manages liquidity risk by monitoring its cash flows. Relating to the above, the Management ensures the existence of cash and credit limits for the coverage of Groups' financial needs.
- (v) 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. However, due to the nature of the business, market risk is limited.

4. ERROR CORRECTIONS OF PREVIOUS PUBLICATIONS

During the preparation of the financial statements of March 31st 2007, certain errors and omissions were identified that related to the financial statements for December 31st 2006 and 2005 resulting from the group of the subsidiary TERNA ENERGY ABETE which was in the process of listing its shares on the Athens Exchange. The management decided to go forward with a retrospective amendment of these errors in the respective period and thus to restate the financial statements of December 31st 2006 and 2005 according to the provisions of IAS 8 "Accounting Principles, Changes in Accounting Estimations and Errors". Therefore, in the financial statements of the Group at 31 March 2007 and 30 September 2007 some balances of the accounts for the 31st of December 2006 and its comparative period of 2005 are restated. The adjustments that took place are presented in detail in the following tables. The main adjustments concern the following cases:

- i) Provision for the dismantlement of technical equipment of Wind Parks and reinstatement of the surrounding area. In 2006 the group of the subsidiary TERNA ENERGY ABETE, in accordance with its policy, periodically reviews the provision procedures and calculations and reclassified the relevant amounts in accordance with a new study that took place taking into account the liabilities arising from the dismantlement of technical equipment of Wind Parks and reinstatement of the surrounding area and based on new estimations regarding the salvage value. Therefore, the reduced net book value of technical equipment of Wind parks would be depreciated in accordance with the useful life of the relevant assets.

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- ii) In year 2006 the Group of the subsidiary TERNA ENERGY ABETE in accordance with its policy to periodically review its main accounting principles and estimations that applies for the compilation of its financial statements, and because of the change in legal framework that set the operating duration of wind parks to a minimum of 20 years, amended the depreciation period of Wind Parks and the relevant grants (Substations/Connection networks, Techniques for the installation of Wind Parks) from 14 or 15 years (depreciation period arising from the current legal framework and the depreciation factor of P.D. 299/2003) to 20 years. This re-estimation of the useful life for the technical equipment of wind parks took place in 2006 and will be valid from 2006 onwards based in IAS 16. Therefore, the grants for the construction of Wind Parks would be depreciated in accordance with the useful life of the relevant assets.

- iii) During the estimation of the completion percentage of construction projects and the procedure for the compilation of financial statements of 31/12/06 of the group of subsidiary TERNA ENERGY ABETE some deviation were observed in the estimation of the cost budget of the projects and in some cases in the contractual amount, affecting the income or the construction cost (income statement) and the relevant non invoiced accrued income and income of coming years (balance sheet accounts).
In the consolidated financial statements of 31.12.2006 there is a correction (reduction) of trade receivables and respectively the profits carried forward of 2,403 thousand euro referring to 2004, and resulting from the joint-ventures of technical projects execution of TERNA ENERGY ABETE.

- iv) Reintroduction in the balance sheet of the subsidiary TERNA ENERGY ABETE urban planning and expenses for first installation that in the original financial statements of year 2006 were recorded in income statement.

- v) The group of the subsidiary TERNA ENERGY ABETE did not initially perform provisions for additional (new and not super addition) income tax that finally emerged in 2007 referring to the fiscal year of 2006.

- vi) In previous years the subsidiary TERNA ENERGY ABETE did not value and record in the income statement the change in fair value of investment property in accordance with the accounting principle chosen. During the preparation of the accompanying restated financial statements the Company portioned the change in fair value of investment property that arose following the valuation taken place by independent actuarial on 19 March 2007, in the fiscal years 2000 till 2006.

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- vii) The classification into expenses of the interest for the construction period that were initially recorded in the cost for the construction of tangible assets.
- viii) Reverse-accounting of the difference resulted from the discount into present value of receivables from grants as well as the relevant non accrued of the subsidiary TERNA ENERGY ABETE.
- ix) In the fiscal year 2004, the Group of the subsidiary TERNA ENERGY ABETE recorded a tax-exempt reserve based on L.2601/98 amounting to € 5,000 approximately, interpreting the relevant provisions of the Law as regards to the time period for creating the relevant reserve. The tax audit conducted in 2006 did not recognize the ability to create the aforementioned tax-exempt reserve for 2004 and an additional tax was imposed amounting to € 1,750 for the latter period, while the recognition of the relevant tax-exempt reserve was recognized for tax purposes and registered by the Company in fiscal year 2005. Therefore, the imposed tax amount of € 1,750, which was imposed with the tax audit of 2006, was considered as a correction of the income tax for 2004. Of this amount, 1,663 thous euro is already corrected in the financial statements of 31.12.2006 for the years 2005 and 2006.
- x) Consolidation in fiscal year 2005 of the foreign subsidiary GP ENERGY S.A., part of the group of subsidiary TERNA ENERGY ABETE
- xi) The deferred taxes for the years 2004 - 2006 were corrected following the procedures analyzed in the aforementioned paragraphs (i) - (iii) and (vii-x).
- xii) In the balance sheet and income statement accounts for fiscal year 2006, specific reclassifications took place for better presentation of the results. Such reclassifications had no effect on the periods' results.

The effect of the relevant corrections and reclassifications in the balances of 31.12.2005 and 31.12.2006 is as follows:

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TERNA GROUP 31.12.2005	Balances of 31.12.2005 as previously published in consolidated financial statement of 31.12.2006	Correction of errors	Reclassification of items	Restated balances 31.12.2005
Tangible fixed assets	154.637	-237	904	155.304
Investment property	26.305	58	216	26.579
Deferred tax receivables	7.092	158	17	7.267
Inventories	14.260	0	20	14.280
Trade receivables	155.294	-718	-504	154.072
Prepayments and other receivables	42.182	1.126	-1.523	41.785
Other short-term financial assets	4.935	-150	35	4.820
Cash and equivalents	49.067	64	0	49.131
CORRECTIONS FOR TOTAL ASSETS		301	-835	
Profit / (loss) carried forward	47.989	-957	5.082	52.114
Reserves	21.783	38	-5.018	16.803
Minority interest	17.046	-529	0	16.517
Long term loans	53.994	0	-12.001	41.993
Other provisions	2.092	138	0	2.230
Provision for the employee benefits	1.277	-13	0	1.264
Grants	14.296	-4	93	14.385
Suppliers	38.252	284	-403	38.133
Short-term loans	75.267	0	10.170	85.437
Long-term liabilities paid in coming year	527	0	1.830	2.357
Accrued and other short-term liabilities	80.919	-276	1.181	81.824
Income tax payable	176	1.620	-1.769	27
CORRECTIONS FOR TOTAL LIABILITIES		301	-835	

TERNA GROUP 31.12.2006	Balances of 31.12.2006 as previously published in consolidated financial statement of 31.12.2006	Correction of errors	Reclassification of items	Restated balances 31.12.2006
Intangible assets	6.207	81	2	6.290
Tangible fixed assets	191.841	7.001	-305	198.537
Other long-term receivables	4.420	7.068	0	11.488
Deferred tax receivables	4.705	-227	-2	4.476
Trade receivables	170.153	-2.710	0	167.443
Prepayments and other receivables	55.997	-11.551	0	44.446
Income tax receivables	6.181	-100	19	6.100
Reserves	22.066	-108	6.004	27.962
Profit / (loss) carried forward	56.311	-454	-6.002	49.855
Minority interest	19.871	-404	0	19.467
Provision for the employee benefits	914	58	-1	971
Other provisions	2.661	-642	-306	1.713
Grants	30.354	1.163	2.303	33.820
Deferred income tax liabilities	3.389	11	-3	3.397
Accrued and other short-term liabilities	95.718	-180	-2.300	93.238
Income tax payable	3.575	121	19	3.715

The effect of the corrections and restatements on the comparative results of 2006 are as follows:

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TERNA GROUP 30.09.2006	Amounts for the period 1/1 -30/09/06 as previously published in the consolidated financial statements of 30.09.06	Correction of errors	Reclassification of items	Restated amounts for the period 1/1 – 30/09/06
Net sales	203.781	2.907		206.688
Cost of sales	-160.223	-1.111		-161.234
Gross Profit	43.558	1.896	0	45.454
Administration and Distribution expenses	-15.608	-127	729	-15.006
Research and Development expenses	0	0	-729	-729
Other income / (expenses)	75	575	0	650
Net financial income/(expense)	-6.231	-4	0	-6.235
Earnings/ (Losses) before taxes	21.794	2.340	0	24.134
Income tax	-6.455	1.141	0	-5.314
Net profit/ (losses) for the period from ongoing activities	15.339	3.481	0	18.820
Attributable to:				
Shareholders of the parent company	14.407	2.199	0	16.606
Minority interest	932	1.282	0	2.214
	15.339	3.481	0	18.820
Earnings/(losses) after taxes per share (in Euro)				
Basic from ongoing activities attributable to shareholders of the parent company	0,31	0,05	0,00	0,36

TERNA GROUP 30.09.2006	Amounts for the period 1/7 -30/09/06 as previously published in the consolidated financial statements of 30.09.06	Correction of errors	Reclassification of items	Restated amounts for the period 1/7 – 30/09/06
Net sales	80.292	2.279	0	82.571
Cost of sales	-65.090	-935	0	-66.025
Gross Profit	15.202	1.344	0	16.546
Administration and Distribution expenses	-6.100	213	338	-5.549
Research and Development expenses	0	0	-338	-338
Other income / (expenses)	-1.007	156	0	-851
Net financial income/(expense)	-2.564	257	0	-2.307
Earnings/ (Losses) before taxes	5.531	1.970	0	7.501
Income tax	-1.635	-371	0	-2.006
Net profit/ (losses) for the period from ongoing activities	3.896	1.599	0	5.495
Attributable to:				
Shareholders of the parent company	3.319	995	0	4.314
Minority interest	-577	604	0	1.181
	3.896	1.599	0	5.495
Earnings/(losses) after taxes per share (in Euro)				
Basic from ongoing activities attributable to shareholders of the parent company	0,07	0,02	0,00	0,09

5. CONSOLIDATED COMPANIES

The data of consolidated companies in the Group on 30/09/2007, are given below. Referring to tax-
 unaudited fiscal years, TERNA SA is audited till 2005 included, while its subsidiary TERNA ENERGY
 SA is audited till 2005 included. In more detail, the tax unaudited years of the companies of the GEK,
 TERNA, TERNA ENERGY Group that are consolidated are reported below:

A) Subsidiaries of TERNA SA

Company name	Country of Domicile	Participation percentage %		Consolidation method	Tax unaudited years
		2007	2006		
1. BIOMEK ABETE	Greece	66.50	66.50	Full	6
2. TERNA ENERGY ABETE	Greece	63.19	63.19	Full	2
3. STROTIRES AEBE	Greece	51.00	51.00	Full	5
4. LITHOS SA	Greece	51.00	-	Full	2
5. ILIOCHORA SA	Greece	100.00	100.00	Full	2
6. SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	Romania	100.00	100.00	Full	2
7. TERNA OVERSEAS LTD	Cyprus	100.00	100.00	Full	1
8. TERNA BAHRAIN HOLDING WLL*	Bahrain	99.99	100.00	Full	1
9. TERNA QATAR LLC*	Qatar	35.00	100.00	Full**	1
10. PCC TERNA WLL*	Bahrain	80.00	-	Full	1

* Participations through TERNA OVERSEAS LTD.

** The company TERNA QATAR LLC is consolidated with the full consolidation method in accordance with MED 12 «Consolidation-Special purpose companies», because the group based on a contract has the control of the management.

B) Companies in which TERNA SA participates and are consolidated under the proportionate method:

Company Name	Country of domicile	Participation percentage 2007 and 2006 %	Tax unaudited years
1. HERON THERMOELEKTRIKI SA	Greece	50%	4
2. QBC S.A. – TERNA SA	Qatar	40%	1 st year

C) Taxed Joint Ventures of TERNA SA that were consolidated under the proportionate method on 30/09/2007

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No.	Name	Participation percentage 2007 and 2006	Tax unaudited years
1.	J/V MAIN ARROGATION CANAL D 1	75.00%	6
2.	J/V TRAM CIVIL ENGINEERING PROJECTS (IMPREGILO)	55.00%	1
3.	J/V IRAKLEION CAMPUS	50.00%	2
4.	J/V ANCIENT OLYMPIA BY-PASS	50.00%	4
5.	J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20.00%	1
6.	J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%	4
7.	J/V DEPA PROJECT	10.00%	4
8.	J/V UNDERGROUND CARS THESSALONIKI	50.00%	4
9.	J/V ARTA-FILIPPIADA BY-PASS	98.00%	4
10.	J/V ATHENS CONCERT HALL	45.00%	5
11.	J/V ATHENS CAR PARKS	20.00%	4
12.	J/V PERISTERI METRO	50.00%	4
13.	J/V TERNA S.A. - ATHINA ATE ARAHTHOS PERIST. PROJECTS	62.50%	1
14.	J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	24.00%	2
15.	J/V THALES ATM SA-TERNA UPGRADE OF TACAN STATIONS	22.25%	6
16.	J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE	35.00%	3
17.	JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	37.50%	3
18.	J/V TERNA S.A. PANTECHNIKI S.A.	83.50%	3
19.	J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	33.00%	5
20.	J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	35.00%	2
21.	J/V TERNA SA - ATHINA ATE	62.50%	3
22.	J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	50.00%	6
23.	J/V SALONIKA PARK	50.00%	2
24.	J/V SIEMENS-AKTOR ATE-TERNA SA	37.50%	2
25.	J/V TERNA-MICHANIKI AGRINIO BY-PASS	65.00%	2
26.	TERNA SA BIOTER SA NAT BUILDING	50.00%	7
27.	J/V TERNA S.A.-THALES S.A.	50.00%	4
28.	J/V TOMI ABETE-ILIOHORA SA	30.00%	2
29.	J/V AVAX-BIOTER-ILIOHORA SA	37.50%	2
30.	J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	25.00%	1
31.	J/V BUILDING CONSTRUCTION OSE ILIOHORA SA	13.30%	1
32.	J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	49.00%	1
33.	J/V UNDERGROUND CHAIDARI-PART A	50.00%	1
34.	J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	60.00%	1
35.	J/V TERNA-TERNA ENERGY-TSMPRAS AETE	40.00%	4
36.	J/V TERNA SA - TERNA ENERGY SA	50.00%	4
37.	J/V BIOTER SA-TERNA SA	50.00%	4
38.	J/V TERNA SA - IONIOS SA	90.00%	4
39.	J/V TERNA ENERGY SA - TERNA SA- MANIOTIS	37.50%	4
40.	J/V TERNA-TERNA ENERGY-TSMPRAS (EPL)	56.00%	4
41.	J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	39.20%	3
42.	J/V BIOTER SA-TERNA SA	50.00%	4
43.	J/V TERNA-MOCHLOS ATE	70.00%	7
44.	J/V TERNA-VIOTER SA	50.00%	4
45.	J/V TERNA-ERGODOMI-KTISTOR ATE	50.00%	4
46.	J/V EDRASI-PSALLIDAS-TERNA-EDRACO	51.00%	4
47.	J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J%P ABAE-IMEC GmbH	24.00%	5
48.	J/V TERNA-ATERMON ATEE	50.00%	2
49.	J/V TERNA-VERMION ATE-ANAPLASEON	50.00%	3
50.	J/V TERNA-KARAGIANNIS	50.00%	3
51.	J/V EUROPEAN TECHNICAL-HOMER-TERNA	50.00%	10

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No.	Name	Participation percentage 2007 and 2006	Tax unaudited years
52.	J/V TERNA-THEMELIODOMI	60.00%	4
53.	J/V TERNA-AKTOR GOULANDRI MUSEUM	50.00%	6
54.	J/V TERNA-THEMELIODOMI	60.00%	6
55.	J/V TERNA-TEMA SA	36.50%	5
56.	J/V FRAGMATOS PRAMORITSA	33.33%	4
57.	J/V TERNA-EDRASI-STROTIRES	41.00%	5
58.	J/V UNIVERSITY OF CRETE-RETHYMNON	25.00%	2
59.	J/V PROJECT FOR COMPLETION OF WASTEWATER TREATMENT (BIOLOGICAL)	50.00%	4
60.	J/V EKTER-TERNA (THETIKON)	50.00%	4
61.	TERNA SA & Co	99.00%	4
62.	J/V AKTOR-TERNA SA	50.00%	4
63.	J/V AKTOR-TERNA SA IASO BUILDING	50.00%	4
64.	TERNA SA - PANTECHNIKI S.A. (OAKA)	50.00%	3
65.	J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	31.50%	1
66.	J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	35.00%	1
67.	J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	33.33%	1
68.	J/V AKTOR-TERNA-J&P AVAX KALLIDROMO TUNNEL	33.33%	1
69.	J/V THEMELIODOMI-TERNA-DIEKAT-KTIRIODOMI SA	25.00%	5
70.	J/V MINISTRY OF TRANSPORTATION	33.00%	4
71.	J/V AEGEK TERNA	44.78%	4
72.	J&P AVAX SA-TERNA SA-EYKLEIDIS	35.00%	4
73.	ALTE ATE - TEPNA SA	50.00%	4
74.	J/V EURO IONIA	33.33%	1
75.	J/V AKTOR ATE – J&P AVAX - TERNA SA	12,00	1
76.	J/V AKTOR ATE – J&P AVAX - TERNA SA	12,00	1
77.	J/V TERNA-KARAYIANNIS-ATTALOS-ILIOCHORA	50.00%	1
78.	J/V TERNA - AKTOR	50.00%	1

D) Taxed joint ventures of TERNA SA that were not consolidated on 30/09/2007

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

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

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E) Subsidiaries of TERNA ENERGY SA

Name	Country of domicile	Participation percentage		Consolidation method	Tax unaudited years
		2007	2006		
1.IWECO CHONOS LASITHI CRETE SA	Greece	100.00	100.00	Full	2
2.TERNA ENERGY ABETE&Co ENERGIKI SERVOUNIO SA	Greece	100.00	100.00	Full	2
3.TERNA ENERGY EVROS SA	Greece	100.00	100.00	Full	2
4. GP ENERGY	Bulgaria	100.00	100.00	Full	2
5. PPC RENEWABLE- TERNA ENERGY SA	Greece	51.00	51.00	Full	2

F) Subsidiaries General and limited partnerships of TERNA ENERGY ABETE fully consolidated

These companies have been 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 will be absorbed by TERNA ENERGY ABETE. Till today they have no activities and therefore no tax interest.

Name	Participation percentage 2007 and 2006 %	Tax unaudited years
1. TERNA ENERGY ABETE & SIA AIOLIKI RACHOLAS DERVENOCHORION G.P.	100	1
2. TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU G.P.	100	1
3. TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRAIANOUPOLEOS G.P.	100	1
4. TERNA ENERGY ABETE & SIA ENERGIKI DERVENOHORION G.P.	100	1
5. TERNA ENERGY ABETE & SIA ENERGIKI VELANIDION LAKONIAS G.P.	100	1
6. TERNA ENERGY ABETE & SIA ENERGIKI DISTION EVIAS G.P.	100	1
7. TERNA ENERGY ABETE & SIA AIOLIKI PASTRA ATTIKIS G.P.	100	1
8. TERNA ENERGY ABETE & SIA AIOLIKI MALEA LAKONIAS G.P.	100	1
9. TERNA ENERGY ABETE & SIA ENERGIKI FERRON EVROU G.P.	100	1
10. TERNA ENERGY ABETE & SIA AIOLIKI DERVENI TRAIANOUPOLEOS G.P.	100	1
11. TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS G.P.	100	1
12. TERNA ENERGY ABETE & SIA ENERGIKI ARI SAPPON G.P.	100	1
13. TERNA ENERGY ABETE & SIA ENERGIKI PELOPONNISOU G.P.	100	1
14. TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS ELLADOS G.P.	100	1
15. TERNA ENERGY ABETE & SIA AIOLIKI MARMARIOU EVIAS G.P.	100	1
16. TERNA ENERGY ABETE & SIA ENERGIKI PETRION EVIAS G.P.	100	1
17. TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENOHORION G.P.	100	1
18. TERNA ENERGY ABETE & SIA ENERGIKI STIRON EVIAS G.P.	100	1
19. TERNA ENERGY ABETE & SIA ENERGIKI NEAPOLEOS LAKONIAS G.P.	100	1
20. TERNA ENERGY ABETE & SIA AIOLIKI PANORAMATOS DERVENOHORION G.P.	100	1
21. TERNA ENERGY ABETE & SIA ENERGIKI KAFIREOS EVIAS G.P.	100	1

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G) Consolidated companies and J/V in TERNA ENERGY SA (Proportionate consolidation method)

Name	Participation percentage		Tax unaudited years
	2007	and 2006	
	%		
1. J/V TRAM POLITICAL ENGINEERING WORKS	36%		1
2. J/V ENVAGELISMOU, PROJECT C'	50%		4
3. J/V TERNA ENERGY - TSAMPR. DRAMAS HOSPITAL	40%		4
4. J/V EPL DRAMAS	24%		4
5. J/V TERNA ENERGY - OLYMPIOS ATE	50%		1
6. J/V K. MANIOTIS - TERNA - TERNA ENERGY	37.50%		4
7. J/V/ EMBEDOS - PANTECHNIKI - TERNA ENERGY	50.10%		1
8. J/V THEMELI-TERNA ENERGY ABETE-J/V TERNA SA	40%		1
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

H) Associates of TERNA SA

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

* Participation through TERNA BAHRAIN HOLDING WLL

I) Associates of TERNA ENERGY SA

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

* Participation through IWECO CHONOS LASITHIOU CRETE SA.

6. INFORMATION PER SECTOR OF ACTIVITY

The following table reports the breakdown of Groups' results for the periods ended on 30/09/2007 and 30/09/2006, in accordance with its main activities as follows:

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Period 1/1 – 30/09/2007

	SECTOR							Total
	Construction	Electricity from renewable sources	Electricity from Thermal sources	Real Estate	Industry	Non-allocated	Deletions on Consolidation	
Turnover of the sector	241,141	15,581	14,863	248	8,443	0	(13,583)	266,693
Less: intra-sectoral turnover	(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, tax, and depreciation (EBIDTA)	13,978	10,735	4,428	3,383	210	8,872	0	41,606
Earnings before interest and tax (EBIT)	7,605	7,426	2,835	3,383	(300)	8,872	0	29,821

Period 1/1 – 30/09/2006

	SECTOR							Total
	Construction	Electricity from renewable sources	Electricity from Thermal sources	Real Estate	Industry	Non-allocated	Deletions on Consolidation	
Turnover of the sector	178,984	12,768	12,147	865	8,566	0	(6,642)	206,688
Less: intra-sectoral turnover	(3,723)	0	0	0	(2,919)	0	6,642	0
Sales to external customers	175,261	12,768	12,147	865	5,647	0	0	206,688
Earnings before interest, tax, and depreciation (EBIDTA)	21,352	10,242	5,880	885	704	37		39,100
Earnings before interest and tax (EBIT)	17,198	7,563	4,350	885	336	37		30,369

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7. FIXED ASSETS (intangible and tangible)

The summary changes of tangible and intangible assets are as follows:

	GROUP		COMPANY	
	2007	2006	2007	2006
Net book value 1 January	204,827	160,496	56,264	46,932
Corrections and reclassifications	0	667	0	0
Restated net book value on 1 January	204,827	161,163	56,264	46,932
Additions for the period	55,813	36,858	16,284	3,834
Additions due to consolidation	7,838	0	0	0
Sales for the period	(1,071)	(60)	(732)	0
Depreciations and other changes for the period	(12,985)	(9,407)	(5,640)	(3,883)
Net book value 30 September	254,422	188,554	66,176	46,883

The additions due to consolidation refer to the fixed assets of the acquires LITHOS SA (see note 16).

Wind generators belonging to companies of the Group having a net book value of € 20,245 at 30 September 2007 that are included in 'Technological and Mechanical Equipment', are given to banks as guarantee for securing loans.

8. INVESTMENT PROPERTY

The investment property on September 30th 2007 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	2007	2006	2007	2006
Balance 1 January	7.840	26.305	6.917	7.935
Corrections and reclassifications	0	274	0	0
Restated balance on 1 January	7.840	26.579	6.917	7.935
Additions for the period	0	3.693	0	0
Reductions for the period	(180)	(986)	(180)	0
Adjustments on fair value	1.011	26	1.011	0
Balance 30 September	8.671	29.312	7.748	7.935

In the current period ending on 30/09/2007 the investment property of the company and the group were valued at fair value and goodwill of euro 1,011 was recorded in the period's results, and specifically on Other income/expenses (see also note 13).

9. SHARE CAPITAL

In the period 1/1-30/09/2007 the company acquired 4,891 own shares of a total value of 60,990.96 €. This resulted to the reduction of the weighted number of shares to 45,963,957 for the period 1/1-30/9/2007 and to 45,962,870 shares for the period 1/7-30/9/2007.

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10. PARTICIPATIONS IN ASSOCIATES

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

GROUP and COMPANY 30.09.2007	Assets	Liabilities	Equity	Income	Earnings/Losses before taxes
ATTIKAT ATE	418,497	284,372	134,125	124,455	2,096
HAMRIYAH CEMENT COMPANY FZC	8,039	8,147	(108)	0	(177)
Center of Renewable Energy Sources Kyklades S.A.	78	22	56	0	(4)

The Group acquired during May and June 2007, 17,475,047 shares or a percentage of 21.4% in the listed company "ATTIKAT SA" (see relevant note 17). The market value of this company (for 100%) on 30/09/2007 was 115,139 €. From the total of 17,475,047 shares that the Terna Group owns, 2,046,050 shares are blocked as guarantee by a credit institution for financing purposes.

Also, in July 2007 the Group acquired the 40% of the shares of the non-listed firm HAMRIYAH CEMENT COMPANY FZC based in U.A.N. (see relevant note 17).

11. LOANS

The summary of short-term and long-term loans of the group and the company on 30/09/2007 and 30/09/2006, was as follows:

	Group		Company	
	2007	2006	2007	2006
Balance 1 January	165,099	147,141	52,086	29,401
Corrections and Reclassifications	0	(1)	0	0
Restated Balance 1 January	165,099	147,140	52,086	29,401
New Loans	133,291	80,130	72,910	39,163
Loans repayment	(39,522)	(42,429)	(12,677)	(22,360)
Balance 30 September	258,868	184,841	112,319	46,204

The new loans include the amount of 10,535 euro that refers to fixed assets acquired through leasing, as well as five years long-term loans of a subsidiary in USD amounting to 10,579. Also, in this period the company issued a corporate loan of 20,000 euros paid in 10 equal installments. This loan was issued in order to replace part of short-term loans of the company. Finally, 3,985 euros refers to the cash received from the remaining amount of the corporate loan issued by a subsidiary being active in the energy sector.

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The remaining amount of 88,192 euros refers to short-term loans. Short-term loans mainly refer to bank liabilities having a duration between one and three months and are renewed depending on the needs.

12. SUBSIDIES

The summary change of subsidies for the group and the company on 30/09/2007 and on 30/09/2006, were as follows:

	Group		Company	
	2007	2006	2007	2006
Balance 1 January	33,820	14,296	0	0
Corrections and reclassifications	0	89	0	0
Restated balance on 1 January	33,820	14,385	0	0
Receipt of subsidies	820	4,241	0	0
Transfer of the proportion of the period in the results	(1,200)	(676)	0	0
Approved and received	9,751	11,106	0	0
Balance 30 September	43,191	29,056	0	0

The subsidies refer to state grant regarding the development of wind parks and are depreciated in the income statement in accordance with the depreciation rate of the fixed assets that are subsidized.

The amount of additions for the period January 1st – September 30th, € 10,563 includes subsidies that are not yet received of € 9,751, € 5,536 of which are included in «Other long-term receivables» and € 4,215 in «Prepayments and other receivables». These subsidies are recognized based on the certainty of the Management that the receivables of these subsidies will be collected normally upon the completion of the relevant investments. The aforementioned non-received subsidies are depreciated in the income statement only for the part that refers to fully completed and operating windmills.

13. OTHER INCOME/EXPENSES

The analysis of other income/expenses on 30 September 2007, are reported in the following table:

	GROUP	COMPANY
Profit from the sale of DIKEVE	2,328	6,484
Goodwill from the valuation of investment property at fair value	1,011	1,011
Income from participations	0	4,299
Negative goodwill from acquisition of subsidiaries	8,883	0
Depreciation of subsidies	1,200	0
Other income/(expenses)	756	682
Total	14,178	12,476

14. INCOME TAX

The expense for income tax is recorded directly based on the best assumption of the management regarding the average annual tax rate for a complete year. This rate for the group on 30/09/2007 was 25.8% (22.02% on 30/09/2006).

15. DISCONTINUED OPERATIONS

At the beginning of 2007 the company DIKEVE SA was sold (see note 14), which did not present significant results till its sale. This company on 31/12/2006 was reported as discontinued operation while before was recorded in the investment property sector. The agreed amount of sale amounted to euro 27,377.

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

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

16. MERGING OF COMPANIES

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

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

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

The amount of negative goodwill of 2,940 euros, is recorded in Other income/expenses of the consolidated results (see relevant note 13),

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

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

	Temporary fair value at valuation
Intangible assets	187
Tangible assets	7,761
Deferred tax receivables	28
Receivables	80
Provisions	(114)
Liabilities	<u>(2,169)</u>
Net assets	<u>5,773</u>

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

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

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

The amount of negative goodwill of 5,943 euros, is recorded in Other income/expenses of the consolidated results (see relevant note 13),

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

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

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

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

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

The goodwill amount of 4,702 euro increased the acquisition value of the associate and is recorded in the amount Participation in Associates. In addition, the amount of 4,376 euro that refers to cash injection of the Group to an associate, has a long-term horizon aiming to be capitalized and is recorded in the amount Participations in associates.

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

	Temporary fair value during the acquisition
Tangible assets	11
Receivables	226
Liabilities	<u>(1,890)</u>
Net assets	(1,653)
Proportion on net assets (40%)	<u>(661)</u>

17. LITIGATION OR UNDER ARBITRATION DIFFERENCES

During its activities, the Company may face possible legal claims from third parties. According to the Management and the Legal advisor of the Company, any claims are not expected to have a material impact on the financial position of the company on 30/09/2007.

18. TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties during the period 01/01-30/09/2007, as well as the balances of receivables and liabilities that are emerged by these transactions on 30/09/2007 and 31/12/2006, are as follows:

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Period 1/1-30/9/2007	GROUP				COMPANY			
Related party	Sales	Purchases	Debit balances	Credit balances	Sales	Purchases	Debit balances	Credit balances
Subsidiaries	-	-	-	-	11,500	1,410	6,683	1,720
Joint ventures	-	-	-	-	1,600	542	33,392	6,407
Parent GRK 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
Basic management staff	-	744	-	121	-	444	-	121
Total	13,006	2,062	187	4,597	23,231	3,614	40,156	10,864

Period 1/1-30/9/2006 (balances refer to 31/12/2006)	GROUP				COMPANY			
Related party	Sales	Purchases	Debit balances	Credit balances	Sales	Purchases	Debit balances	Credit balances
Subsidiaries	-	-	-	-	269	160	3,382	2,799
Joint ventures	-	-	-	-	2,543	47	35,302	4,647
Parent GRK SA	6,631	-	501	1,982	6,631	-	326	356
Other related parties	3,990	1,424	1,256	1,895	2,677	1,424	831	1,933
Basic management staff	232	-	52	-	232	-	-	-
Total	10,853	1,424	1,809	3,877	12,352	1,631	39,841	9,735

19. IMPORTANT EVENTS OF THE PERIOD

In construction sector, during the first nine months of 2007, TERNA continued its attempts to take more projects in Greece and abroad (Balkans, Middle East).

During May, a concession agreement was signed by the parent company of TERNA, GEK (and the Spanish companies CINTRA and ACS DRAGADOS) for the construction and exploitation of the Central Greece Highway (E65), while it was approved by the Greek Parliament during July. TERNA, consisting the construction arm of the Group, will undertake the construction of the Highway in cooperation with the two Spanish Groups. The project's budget is approximately 1.2 billion Euro.

The construction backlog of the Group on 30/09/2007 amounted to approximately 1.8 bil. Euro compared to 1 billion euro at the end of 2006.

In Real Estate TERNA group recorded a profit of 3 mil. € .

In the renewable energy sources sector, additional 10 MW were installed and are operational increasing the installed capacity of the Group to 116 MW. At the same time, a total of 46 MW of wind parks as well as 15 MW of small hydroelectric projects would be constructed in the coming period.

20. CYCLICALITY-SEASONALITY

The activities of the Group and especially the construction and investment properties sectors is affected by the economic juncture and the total outcome of the economy in the medium and long-term horizon. Also, some construction activities are affected by unexpected weather conditions or delays due to extreme events.

The activities of the Group in the energy sector refer to the alteration of wind to electric energy, The profitability of a wind park is depends on the wind conditions in the specific location, which are from their nation unpredictable and volatile. These condition may differ per year and per period. Therefore, these developments affects the activity and the financial situation of the Group and the Company.

21. IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

The shares of the subsidiary TERNA ENERGY ABETE listed and traded in Athens Exchange since 14 November 2007. Also, the Group during the period between 1/10/2007 and the date of compilation of the financial statements signed new construction agreements amounting to 163 million euro.

22. CONTINGENT LIABILITIES

The management of the Group estimates that there are no contingent liabilities of the Group and the company compared to those of 31/12/2006.

CERTIFICATE

It is ascertained that the accompanying financial statements are those approved by the Board of Directors of the Company on the 27 November 2007, and have been published by being posted on the internet at the website www.terna.gr. It is noted that the summary financial figures that have been published in the press aim at providing the reader with certain general financial information but do not provide a full picture of the financial position and the results of the Group, in accordance with the International Financial Reporting Standards (IFRS). In the summary information published in the press some figures have been abbreviated.

THE CHAIRMAN OF THE BoD

THE VICE CHAIRMAN OF THE BoD & MANAGING
DIRECTOR

GEORGE PERISTERIS

NIKOLAOS KAMPAS

THE CHIEF FINANCIAL OFFICER

MERKOURIOS MOSCHOVIS