



TERNA GROUP S.A.

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

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TERNA GROUP
BALANCE SHEET
30TH OF JUNE 2007

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

	Note	GROUP		COMPANY	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
ASSETS					
Long-term assets					
Intangible fixed assets	7	6,995	6,290	5,456	5,566
Tangible fixed assets	7	214,422	198,537	56,621	50,698
Investment Property	8	8,671	7,840	7,748	6,917
Participations in subsidiaries	5	0	0	21,897	19,237
Participations in associates	5	28,673	12	22,718	0
Participations in joint-ventures	5	72	1	12,048	12,028
Investments available for sale		2,284	3,182	1,687	2,812
Other long-term assets		14,079	11,488	1,324	4,337
Deferred income tax asset		2,692	4,476	1,974	1,203
Total long-term assets		277,888	231,826	131,473	102,798
Current assets:					
Inventories		16,345	12,905	7,689	4,280
Trade receivables		182,504	167,443	106,928	118,436
Prepayments and other claims		57,804	44,446	45,728	33,280
Income tax receivables		7,987	6,100	5,827	4,620
Other financial assets		4,213	7,204	1,168	1,168
Cash and cash equivalents		56,039	74,517	19,178	24,020
Total current assets		324,892	312,615	186,518	185,804
Non current assets available for sale	16	0	29,594	0	10,033
TOTAL ASSETS		602,780	574,035	317,991	298,635
EQUITY & LIABILITIES					
Equity attributable to the shareholders of the parent					
Share capital	9	53,319	53,319	53,319	53,319
Share premium account	9	35,922	35,922	35,922	35,922
Reserves		29,763	27,962	21,049	19,666
Profit carried forward		50,179	49,855	14,586	23,555
Total		169,183	167,058	124,876	132,462
Minority interest		23,633	19,467	0	0
Total equity		192,816	186,525	124,876	132,462

Long term liabilities:					
Long-term loans	11	101,872	84,355	46,500	26,500
Loans from finance leases	11	20,436	15,710	16,390	10,129
Other long-term liabilities		597	31	1	31
Other provisions	12	1,719	1,713	668	668
Provisions for staff indemnities	12	1,285	971	1,047	771
Grants	13	39,368	33,820	0	0
Deferred tax liabilities		3,999	3,397	0	0
Total long term liabilities		169,276	139,997	64,606	38,099
Short term liabilities:					
Suppliers		67,246	70,972	41,346	50,535
Short term loans	11	54,977	50,598	10,549	9,502
Long term loans payable during the next financial year	11	14,677	14,436	6,045	5,955
Accrued and other short term liabilities		99,353	93,238	70,433	62,082
Income tax payable		4,435	3,715	136	0
Total short term liabilities		240,688	232,959	128,508	128,074
Liabilities directly related to non-current assets available for sale	16	0	14,554	0	0
TOTAL LIABILITIES & EQUITY		602,780	574,035	317,991	298,635

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

TERNA GROUP
INCOME STATEMENT
30TH OF JUNE 2007

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

		GROUP				COMPANY			
		1/1 - 30/6	1/4 - 30/6	1/1 - 30/6	1/4 - 30/6	1/1 - 30/6	1/4 - 30/6	1/1 - 30/6	1/4 - 30/6
		2007	2007	2006	2006	2007	2007	2006	2006
INCOME:									
Net sales	6	171,202	87,722	124,117	72,644	81,018	46,602	80,254	49,701
Cost of sales		(145,896)	(75,903)	(95,209)	(55,337)	(77,315)	(43,472)	(60,682)	(36,100)
Gross Profit		25,306	11,819	28,908	17,307	3,703	3,130	19,572	13,601
Administration and Distribution expenses		(14,201)	(8,045)	(9,457)	(5,317)	(11,045)	(6,374)	(8,083)	(5,017)
Research and Development expenses		(792)	(464)	(391)	(205)	0	0	0	0
Other income / (expenses)	14	11,718	6,332	1,501	(81)	10,698	270	3,995	1,201
Net financial income/(expense)		(3,592)	(1,814)	(3,928)	(2,660)	(1,807)	(998)	(1,043)	(762)
EARNINGS BEFORE TAX		18,439	7,828	16,633	9,044	1,549	(3,972)	14,441	9,023
Income tax		(4,182)	(712)	(3,308)	(886)	635	2,165	(2,156)	(806)
NET EARNINGS		14,257	7,116	13,325	8,158	2,184	(1,807)	12,285	8,217
Attributable to:									
Shareholders of the parent company		11,907	6,478	12,292	7,809	0	0	0	0
Minority interest		2,350	638	1,033	349	0	0	0	0
		14,257	7,116	13,325	8,158	0	0	0	0
Earnings per share (in euro)									
Basic		0.26	0.14	0.27	0.17	0.05	(0.04)	0.27	0.18
Weighted average number of shares									
Basic		45,964,500	45,964,500	45,964,500	45,964,500	45,964,500	45,964,500	45,964,500	45,964,500

TERNA GROUP
CASH FLOW STATEMENT
30TH OF JUNE 2007

	Note	GROUP		COMPANY	
		1/1 - 30/6	1/1 - 30/6	1/1 - 30/6	1/1 - 30/6
		2007	2006	2007	2006
Cash flow from operating activities					
Profit before tax		18,439	16,633	1,549	14,441
<i>Adjustments for the agreement of the net flows from the operating activities</i>					
Depreciation		8,178	5,936	3,530	2,597
Provisions	12	(465)	(72)	(505)	(321)
Interest and related revenue		(687)	(459)	(156)	(267)
Interest and other financial expenses		5,022	4,298	2,030	1,293
Results from participations and securities		(9,114)	(3,008)	(9,430)	(2,998)
Results from intangible and tangible asset and real estate		(774)	(25)	(815)	0
Amortization of grants	13	(821)	(646)	0	0
Other adjustments		(200)	26	(36)	0
Operating profit before changes in working capital		19,578	22,683	(3,833)	14,745
(Increase)/Decrease in:					
Inventories		(3,440)	(6,503)	(3,409)	(4,764)
Trade receivables		(15,061)	(10,028)	15,821	(15,279)
Prepayments and other short term receivables		(5,786)	(23,595)	(954)	(17,732)
Increase/(Decrease) in:					
Suppliers		(3,726)	22,827	(9,189)	25,763
Accruals and other short term liabilities		6,115	(9,864)	(5,511)	(5,962)
Collection of grants		822	4,241	0	0
(Increase)/Decrease of other long term claims and liabilities		(2,025)	(621)	2,983	(466)
Tax payments		(6,055)	(2,806)	(3,008)	0
Cash flows from operating activities of discontinued operations		0	(53)	0	0
Cash inflow from operating activities		(9,578)	(3,719)	(7,100)	(3,695)
Cash flows from investment activities					
Purchases of intangible and tangible assets	8	(11,444)	(30,916)	(2,424)	(2,389)
Sale of tangible fixed assets	8	844	173	591	71
Interest and related income received		662	464	156	267
Purchases/sales of participations and securities		(16,883)	(35)	(16,883)	(1,601)
Other participations - collections of profit		0	0	2,989	
Share capital increase in participating company/new consolidated companies, opening cash		0	0		0
Investment property		124	0	124	0
Cash outflows for investment activities		(26,697)	(30,314)	(15,447)	(3,652)

Cash flows from financial activities

Net change of short term loans	11	4,379	11,618	998	5,990
Withdrawal / (payment) of long term loans	11	18,371	15,238	19,804	0
Loan payments for finance leases	11	(3,537)	(3,011)	(1,389)	(807)
Dividends paid		(359)		(13)	0
Interest paid		(4,875)	(5,067)	(1,695)	(1,276)
Change of other financial receivables		3,818	2,547		(7)
Cash outflows for financial activities		17,797	21,325	17,705	3,900
Net increase of cash		(18,478)	(12,708)	(4,842)	(3,447)
Cash at the beginning of the period		74,517	49,067	24,020	12,818
Cash at the end of the period		56,039	36,359	19,178	9,371

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

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

	Share Capital	Share Premium Account	Reserves	Profit carried forward	Total
1st January 2006	53,319	35,922	15,669	33,879	138,789
Net profit for the year	0	0	0	7,732	7,732
Distribution of reserves	0	0	300	(300)	0
Dividends	0	0	0	(10,112)	(10,112)
30th of June 2007	53,319	35,922	15,969	31,199	136,409
1st January 2007	53,319	35,922	19,666	23,555	132,462
Accounting policy changes and error correction	0	0	0	0	0
1st of January 2007 revised	53,319	35,922	19,666	23,555	132,462
Profit/(loss) from valuation registered directly in equity			(9)		(9)
Net profit for the year				2,184	2,184
Foreign exchange differences from consolidating foreign activities	0	0	289	5	294
Creation of reserves			1,103	(1,101)	2
Transfers				55	55
Dividends				(10,112)	(10,112)
30th of June 2007	53,319	35,922	21,049	14,586	124,876

TERNA GROUP
STATEMENT OF CHANGES IN EQUITY
30TH OF JUNE 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	12,292	12,292	1,033	13,325
Dividends		0	0	0	(10,112)	(10,112)	(345)	(10,457)
Increase of percentage of consolidated subsidiary		0	0	0	1,031	1,031	(1,031)	0
Profit/(loss) from valuation registered directly in equity		0	0	0	3	3	0	3
Foreign exchange differences from consolidating foreign activities		0	0	234	0	234	0	234
Transfers-Other movements		0	0	(34)	19	(15)	0	(15)
30th of June 2006		53,319	35,922	17,003	55,347	161,591	16,174	177,765
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 consolidating foreign activities		0	0	353		353	0	353
Net earnings for the year		0	0	0	11,907	11,907	2,350	14,257
Profit/(loss) from valuation registered directly in equity		0	0	(14)	(9)	(23)	0	(23)
Dividends		0	0	0	(10,112)	(10,112)	(345)	(10,457)
Sale of subsidiary		0	0	0	0	0	(865)	(865)
Acquisition of subsidiary		0	0	0	0	0	3,026	3,026
Transfers-Other movements		0	0	1,462	(1,462)	0	0	0
30th of June 2007		53,319	35,922	29,763	50,179	169,183	23,633	192,816

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 Mesogeion Str. and has a 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 66MW respectively on June 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 ground works.

The summary interim financial statements of the company and the Group were approved by the Board of Directors of the Company on August 29th 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 (Note 2.2).

2.1. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS

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. The estimation of the Group’s and Company’s Management regarding the effect from the future application of these new standards and interpretations is presented below:

- (i) **IFRS 7, Financial assets: Disclosures and supplementary adjustment to IAS 1, Presentation of Financial Statements – Capital 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.

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(Amounts in thousand Euro, unless otherwise stated)

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.

In the accompanying interim financial statements the information of IAS & according to IAS 34 are not presented. The Group and company will disclose the additional information required by IFRS 7 during the preparation of the annual Financial Statements of December 31st 2007.

- (ii) **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 reconciliations 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..
- (iii) **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.
- (iv) **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.
- (v) **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, which is expected to be adopted by the European Union in the near future, is not expected to affect the existing financial statements of the Group.

- (vi) **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 mandatory for periods beginning on or after July 1st 2008. The application does not affect the Group's financial statements.
- (vii) **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 expected to be adopted by the European Union in the near future. 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.

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

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.
- (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 is 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 during March 31st 2007 and June 30th 2007, some balances of closing accounts of December 31st 2006 and the comparative period December 31st 2007, have been 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.

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 he 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.

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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 thous 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 group of the subsidiary TERNA ENERGY ABETE of 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 performed 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 actuaries on 19 March 2007, in the fiscal years 2000 till 2006.

vii) The classification into expenses of the interest for the construction period of the group of subsidiary TERNA ENERGY ABETE 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 income of the group of subsidiary TERNA ENERGY ABETE.

ix) In the fiscal year 2004, the Group 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

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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 thousand 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 of TERNA ENERGY 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:

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	

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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 the first half and first quarter of 2006 are as follows:

TERNA GROUP 30.06.2006	Amounts for the period 1/1 -30/06/06 as previously published in the consolidated financial statements of 30.06.06	Correction of errors	Reclassification of items	Restated amounts for the period 1/1 – 30/06/06
Net sales	123,489	628		124,117
Cost of sales	-95,133	-76		-95,209
Gross Profit	28,356	552	0	28,908
Administration and Distribution expenses	-9,508	-340	391	-9,457
Research and Development expenses	0	0	-391	-391
Other income / (expenses)	1,082	419	0	1,501
Net financial income/(expense)	-3,667	-261	0	-3,928
Earnings/ (Losses) before taxes	16,263	370	0	16,633
Income tax	-4,820	1,512	0	-3,308
Net earnings / (losses) for the period	11,443	1,882	0	13,325
Attributable to:				
Shareholders of the parent company	11,088	1,204	0	12,292
Minority interest	355	678	0	1,033
	11,443	1,882	0	13,325
Earnings/(losses) after taxes per share (in Euro)				
Basic from ongoing activities attributable to shareholders of the parent company	0.24	0.03	0.00	0.27

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TERNA GROUP 30.06.2006	Amounts for the period 1/4 -30/06/06 as previously published in the consolidated financial statements of 30.06.06	Correction of errors	Reclassification of items	Restated amounts for the period 1/4 – 30/06/06
Net sales	72,016	628	0	72,644
Cost of sales	-55,261	-76	0	-55,337
Gross Profit	16,755	552	0	17,307
Administration and Distribution expenses	-5,182	-340	205	-5,317
Research and Development expenses	0	0	-205	-205
Other income / (expenses)	-500	419	0	-81
Net financial income/(expense)	-2,399	-261	0	-2,660
Earnings/ (Losses) before taxes	8,674	370	0	9,044
Income tax	-2,398	1,512	0	-886
Net earnings / (losses) for the period	6,276	1,882	0	8,158
Attributable to:				
Shareholders of the parent company	6,605	1,204	0	7,809
Minority interest	-329	678	0	349
	6,276	1,882	0	8,158
Earnings/(losses) after taxes per share (in Euro)				
Basic from ongoing activities attributable to shareholders of the parent company	0.14	0.03	0.00	0.17

5. CONSOLIDATED COMPANIES

The data of consolidated companies in the Group on 30/06/2007, 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 TERNA Group and TERNA ENERGY that are consolidated are reported below:

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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	5
2. TERNA ENERGY ABETE	Greece	63.19	63.19	Full	2
3. STROTIRES AEBE	Greece	51.00	51.00	Full	4
4. LITHOS SA	Greece	51.00	-	Full	1
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	99.99	Full	1
9. TERNA QATAR LLC*	Qatar	35.00	35.00	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

Name	Country of domicile	Participation percentage	Tax unaudited years
		2007 and 2006 %	
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 30/06/2007

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%	5
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

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No.	Name	Participation percentage 2007 and 2006	Tax unaudited years
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 THESSALONICA	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
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

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No.	Name	Participation percentage 2007 and 2006	Tax unaudited years
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 TERNA-KARAYIANNIS-ATTALOS-ILIOCHORA	50.00%	1
76.	J/V TERNA - AKTOR	50.00%	1

D) Taxed joint ventures of TERNA SA that were not consolidated on 30/06/2007

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 ATHENS-PANTECHNIKI-TERNA (KOUKONTONI TUNNEL)	33.30%
4	J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
5	J/V CAR PARK "PARKING WHEEL SA"	12.16
6	J/V MARITIME MIDSHIPMEN -GNOMON ATE-GEK SA-GENER SA	33.00%
7	J/V IMPREGILO S.p.a – TERNA SA-ALTE SA (EXECUTIONS)-in clearance	33.33%
8	J/V ARCHIRODON HELLAS ATE-TERNA SA	30.00%
9	J/V EVINOUS-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%

The aforementioned joint ventures for technical projects construction in which the company participates have already completed their 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.

E) Subsidiaries of TERNA ENERGY SA

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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	4
2.TERNA ENERGY ABETE&Co ENERGIKI SERVOUNIO SA	Greece	100.00	100.00	Full	5
3.TERNA ENERGY EVROS SA	Greece	100.00	100.00	Full	5
4. GP ENERGY	Bulgaria	100.00	100.00	Full	1
5. PPC RENEWABLE- TERNA ENERGY SA	Greece	51.00	51.00	Full	4

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

Name	Participation percentage 2007 and 2006	Tax unaudited years
	%	
1. J/V TRAM POLITICAL ENGINEERING WORKS	36%	4
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%	4
6. J/V K. MANIOTIS - TERNA - TERNA ENERGY	37.50%	4
7. J/V/ EMBEDOS - PANTECHNIKI - TERNA ENERGY	50.10%	4
8. J/V THEMELI-TERNA ENERGY ABETE-J/V TERNA SA	40%	3
9. J/V EKTER - TERNA - ATHONIKI	31%	2
10. J/V/ KL. ROUSIS - TERNA ENERGY ABETE	50%	3
11. TERNA ENERGY ABETE & Co	70%	5
12. TERNA ENERGY - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA SYBAR G.P.	50%	5
13. TERNA ENERGY SA & SIA ENERGIKI XIROVOUNIOU G.P.	70%	5

G) 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.

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

H) 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 30/06/2007 and 30/06/2006, in accordance with its main activities as follows:

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Period 1/1 – 30/06/2007	SECTOR OF ACTIVITY							
	Construction	Electricity from renewable sources	Electricity from Thermal sources	Real Estate	Industry	Non-allocated	Deletions on Consolidation	Total
Turnover of the sector	150,250	10,075	8,849	155	6,497	0	0	176,683
Less: intra-sectoral turnover	4,122	0	0	0	503	0	(4,625)	0
Sales to external customers	146,128	10,075	8,849	155	5,994	0	0	171,201
Earnings before interest, tax, and depreciation (EBIDTA)	8,024	7,709	3,359	2,994	1,331		0	23,417
Earnings before interest and tax (EBIT)	4,132	4,730	2,297	2,994	1,086		0	15,239
Period 1/1 – 30/06/2006	SECTOR OF ACTIVITY							
	Construction	Electricity from renewable sources	Electricity from Thermal sources	Real Estate	Industry	Non-allocated	Deletions on Consolidation	Total
Turnover of the sector	107,727	6,848	8,114	2,456	4,305	0	0	129,450
Less: intra-sectoral turnover	1,362	0	0	0	3,969	0	(5,331)	0
Sales to external customers	106,365	6,848	8,114	2,456	336	0	0	124,119
Earnings before interest, tax, and depreciation (EBIDTA)	16,256	5,118	3,359	686	1,249	(171)		26,497
Earnings before interest and tax (EBIT)	13,445	3,264	3,109	680	235	(171)		20,562

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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	198,048	160,496	56,264	46,932
Corrections and reclassifications	6,779	667	0	0
Restated net book value on 1 January	204,827	161,163	56,264	46,932
Additions for the period	25,612	29,358	9,934	2,414
Sales for the period	(844)	(849)	(591)	(13)
Depreciations and other changes for the period	(8,178)	(5,936)	(3,530)	(2,597)
Net book value 30 June	221,417	183,736	62,077	46,736

On the fixed assets of some subsidiaries there are some charges and prenotations on 30/06/2007 of € 1,507.

8. INVESTMENT PROPERTY

The investment property on June 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		0	0
Sales for the period	(180)	0	(180)	0
Depreciations at fair value	1,011	26	1,011	0
Balance 30 June	8,671	26,605	7,748	7,935

In the current period ending on 30/06/2007 the investment property of the company were valued at fair value and goodwill of euro 1,011 emerged and recorded in the income statement of the period, and specifically on Other income/expenses (see also note 14).

9. SHARE CAPITAL

In the period 1/1-30/06/2007, as well as in the period 1/1-30/06/2006, the number of shares and their nominal value as well as the share premium did not change.

10. PARTICIPATIONS IN ASSOCIATES

The Terna Group acquired, during May and June of 2007, 17,475,047 shares or a percentage of 21.4% in the listed company "ATTIKAT SA". The market value of this company (for 100%) on 30/06/2007 was 92,258 € .

The financial data of the associate company are as follows (100%):

GROUP and COMPANY 30.06.2007	Assets	Liabilities	Equity	Income	Earnings/Losses before taxes
ATTIKAT SA	400,771	266,843	133,928	76,913	884

The company recognized the acquisition of its participation in ATTIKAT at its acquisition cost. On June 30th 2007 the Group made a readjustment according to the percentage of its participation in the Equity of the affiliate. From this readjustment, a positive difference emerged, which was registered in the results of the current period in the account "Other income/expenses" (Note 14).

From the total 17,475,047 shares owned by the Terna Group, 2,046,050 shares are blocked by a financial institution for the withdrawal of financings.

11. LOANS

The summary of short-term and long-term loans of the group and the company on 30/06/2007 and 30/06/2006, 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 on 1 January	165,099	147,140	52,086	29,401
New loans	53,421	26,856	37,748	5,990
Loans repayment	(26,558)	(3,666)	(10,350)	(719)
Balance 30 June	191,962	170,330	79,484	34,672

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In the current year the company issued a 6 years corporate bond loan of 20,000 euro paid in 10 equal installments. This loan was issued in order to replace part of the short-term loan of the company.

12. PROVISIONS

The summary changes of the provisions of the group and the company on 30/06/2007 and on 30/06/2006, were as follows:

	Group		Company	
	2007	2006	2007	2006
Balance 1 January	3,575	3,369	1,439	1,942
Corrections and reclassifications	(891)	125	0	0
Restated balance on 1 January	2,684	3,494	1,439	1,942
Additional provision recognized in the income statement	565	72	496	321
Additional provision recognized in assets	0	0	0	0
Non-used provisions transferred in the income statement		0		0
	(46)		0	
Non-used provisions transferred in assets	0	0	0	0
Used provisions	(199)	(1,002)	(220)	(693)
Balance 30 June	3,004	2,564	1,715	1,570

13. SUBSIDIES

The summary change of subsidies for the group and the company on 30/06/2007 and on 30/06/2006, 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	822	15,640	0	0
Transfer of proportion in income statement	(820)	(646)	0	0
Approved and non-collected	5,546	0	0	0
Balance 30 June	39,368	29,379	0	0

14. OTHER INCOME/EXPENSES

The analysis of other income/expenses on 30 June 2007, which are non-recurring, are reported in the following table:

	GROUP	COMPANY
Profit from the sale of DIKEVE	2,328	6,469
Goodwill from the valuation of investment property at fair value	1,011	1,011
Profits from the participations in joint ventures	0	2,991
Negative goodwill from acquisition of consolidated companies	7,391	0
Other income	988	227
Total	11,718	10,698

15. 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 on 30/06/2007 was 22.68% (16.84% on 30/06/2006).

16. 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	25,914

17. MERGING OF COMPANIES

On 16/01/07, the group acquired the 51% of the shares and voting rights of **LITHOS SA** paid in cash and amounting to 2,000 euro. 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	2,000
Direct expenses	100
Total	2,100
Fair value of net recognizable assets	2,944.60
Goodwill defined during the acquisition	844.60

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

	Book value	Fair Value Readjustment	Fair value during acquisition
Intangible assets	187	0	187
Tangible assets	305	7,456	7,761
Deferred tax receivables	28	0	28
Receivables	80	0	80
Provisions	(114)	0	(114)
Liabilities	(305)	(1,864)	(2,169)
Net assets	181	5,592	5,773
51% proportion of the Group on acquired net assets (a)			2,944.60
Proportion of minority interest on net assets			2,100
Acquisition price of 51% by the Terna Group (b)			2,100
Goodwill difference from acquisition of 51% of LITHOS SA (a) - (b)			844.60

The difference that emerged from the acquisition of the percentage in LITHOS SA is due to the fact that the price paid was less than the fair value of the company's assets that were acquired and specifically the fair value of the quarry exploited by the latter.

It is noted that on July 12th 2007 the Group acquired the remaining 49% of the company for € 733 (see Note 22 Significant events after the Balance Sheet date). The owed amount during August 29th 2007 from both transactions amounts to €214 and will be paid during the current year.

18. 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 30/06/2007.

19. TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties during the period 01/01-30/06/2007, as well as the balances of receivables and liabilities that are emerged by these transactions on 30/06/2007, are as follows:

Period 1/1-30/6/2007	GROUP				COMPANY			
	Related party	Sales	Purchases	Debit balances	Credit balances	Sales	Purchases	Debit balances
Subsidiaries	-	-	-	-	5,208	806	2,695	1,793
Joint ventures	-	-	-	-	824	542	37,145	6,564
Parent GEK SA	3,513	251	250	2,645	3,513	251	250	848
Other related parties	4,652	808	3,353	2,027	4,652	808	2,972	2,027
Basic management staff	-	125	-	1,095	-	-	-	620
Total	8,165	1,184	3,603	5,767	14,197	2,407	43,062	11,852

20. IMPORTANT EVENTS OF THE PERIOD

In construction sector, during the first half 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 1.5 billion Euro.

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The construction backlog of the Group on 30/06/2007 amounted to approximately 1.7 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 61 MW of wind parks as well as 15 MW of small hydroelectric projects would be constructed in the coming period.

21. 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 force majeure. This has as a result the gross profits to change in the fiscal year as well as in longer term periods.

22. IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

During July 2007 the Group acquired the remaining 49% of the company LITHOS SA, and thus since then owns 100% of its shares.

23. 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 29th of August 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

NIKOLAOS KAMPAS

GEORGE PERISTERIS

THE CHIEF FINANCIAL OFFICER

THE HEAD OF ACCOUNTING DEPARTMENT

PANAGIOTIS POTHOS

NIKOLAOS ATHANASIOU

Review Report on Interim Financial Information

To the Shareholders of TERNA AE

Introduction

We have reviewed the accompanying condensed balance sheet of TERNA AE (the “Company”) as at 30 June 2007, and the related condensed statements of income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and apply to interim financial information (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, to which the Greek Auditing Standards refer.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

Conclusion

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

Without qualifying our review conclusion, we draw attention to the fact that the tax return for the year 2006, has not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

Athens, 30 August 2007

GEORGIOS E. LAGAS
Certified Public Accountant Auditor
SOEL Reg. No. 13711
SOL S.A. – Certified Public Accountants Auditors
3, Fok. Negri Street - Athens, Greece

Review Report on Interim Financial Information

To the Shareholders of TERNA AE

Introduction

We have reviewed the accompanying consolidated balance sheet of TERNA AE (the "Company") as at 30 June 2007, and the related condensed statements of income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and apply to interim financial information ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

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

Accordingly, we do not express an audit opinion.

Conclusion

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

Without qualifying our opinion, we draw attention to:

a) Note 5 in the Notes on the condensed consolidated financial statements, where reference is made to the fact that the tax returns of the parent company for the year 2006, and those of the consolidated subsidiaries and Joint ventures referred to in the above note, have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

b) The fact that in the trade receivables are included and receivables overdue totalling approximately € 23.000 thousands that concern proportion of respective receivables of two Joint Ventures in which participates the Company with object the execution of a technical project. In respect of these receivables that concern the additional over contractual object of the project, no provision has been made because Management deems that, at the suggestion of the committee for temporary delivery, for the estimation of the total projects executed, the Joint Ventures will arrive at an amicable arrangement with the project leader and the afore-mentioned receivables will be collected to their total, following the completion of the procedure for the control and approval of accounts and protocols of change in the source of revenue for the economic operator, by the Technical Manager.

Athens, 30 August 2007

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