GEK GROUP SA

ANNUAL FINANCIAL STATEMENTS OF THE PARENT COMPANY AND ITS GROUP AS AT THE 31ST OF DECEMBER 2006 IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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CONSOLIDATED MANAGEMENT REPORT
OF THE BOARD OF DIRECTORS
of the Company
GEK HOLDINGS REAL ESTATE AND CONSTRUCTIONS
For the period 1/1 - 31/12/2006

Dear Ladies and Gentlemen Shareholders,

2006 was an important year for the Group as the business deals in all sectors of our activity had particularly positive results. The Group, having achieved a particular successful positioning in all sectors it has involved in, expanded its activities securing its long-term presence in sectors presenting positive dynamic such as the construction and exploitation of road concessions.
The construction activity recovered following its coincidental decline in the post-Olympic games period, while the investments in energy of the Group continued at satisfactory pace. The Real Estate sector reported particularly positive results in Greece and abroad, while the investments the Group performs in the sector set the base for the important strengthen of the real estate portfolio.
The liquidity remains strong based on increased investments and the efficient materialisation of our strategic choices.

Consolidated results for 2006 in accordance with the International Financial Reporting Standards are as follows:

Turnover amounted to approximately 337.3 million euros compared to 274.1 million euros in 2005, increased by 23%, mainly due to increased volume of construction activities.

Operating earnings (EBITDA) amounted to 74.9 million euros increased by 17.7% compared to 2005.

Earnings after tax and minority interest amounted to 20.3 million euros increased by 10.6% compared to last year.

Net cash position of the parent company GEK SA on 31/12/2006 amounted to approximately 51 million euros, reflecting the ability of the Company to efficiently exploit the arising investment opportunities.

The capital base of the Group was strengthened as equity amounted to 399.9 million euros compared to 361.2 million euros in the previous year.

The Board of Directors of GEK, taking into account the investment plan of the Group, suggests proposes the distribution of 0.12 euro per share dividend, the same as last year.

Dear Ladies and Gentlemen Shareholders,

The GEK group maintains a strong presence in 4 sectors: construction of state and private projects, Real estate and Energy, as well as Concessions.

A brief presentation of these sectors follows:

Construction sector

TERNA SA consolidates the construction activities of the Group, is one of the most significant Greek construction companies presenting a continuous expansion abroad, in Balkans and Middle East.
The turnover from construction activity amounted to 288.3 million euros, while the backlog of undertaken projects at the end of 2006 exceeded 1 billion euros compared to 400 million euros at the end of 2005, of which 17% refers to projects undertaken abroad.
It worth mentioning that the Group has 330 million euros Ionian Road project. At the same time, the Group is declared as a temporary bidder for the construction and exploitation of Central Greece Motorway (a 400 million euros project).
The estimations for the Greek construction market are particularly positive for the coming years, since in the framework of the 3rd and 4rth Community Support Framework many projects of significant budget are expected to be announced, having the forms of either strictly state related or state and private joint ventures.
Also, in 2006 we undertook a project in Qatar, having a budget of 24 million euros (participation of TERNA) while the total backlog of projects in Middle East amounts to 375 million euros.
TERNA gains a significant presence in this area, allowing the optimism for further presence in that area, as the Middle East market is currently under strong growth phase and our Group is successfully placed in it and is expected to gain significant benefits in the coming years.
The construction market of Balkans remains our priority, since the entrance of Balkan countries in European Union strengthens the already significant infrastructure investments in these countries. The Group executes 3 projects in this area (Bulgaria, Romania, Skopje) for a total budget of 175 million euros.
In total, the Construction sector of the Group is expected to form one of the most dynamic in the coming years.

Real Estate

The results from our activities in Real Estate in 2006 were significantly improved compared to 2005, resulting to their increased contribution to Group's profitability. Specifically, Earnings before Tax amounted to 18.3.million euros compared to 12.4 million euros in 2005.

Further to the weights shown in sales of complete development, significant was the progress in new investments in 2006, specifically to the following developments:

- **Development in Metaxourgio**

Following an architectural competition, we are in process of developing a series of 41 houses and 3 stores on a land of our ownership at Millerou Street in Metaxourgio, a prototype complex for the area. There is a strong interest from potential buyers, while the development is expected to be completed by the end of 2008.

- **DIKEVE S.A.**

In 2006, a purchase of 2 land of total size of 68,500 square meters in Sindos Industrial area was completed, and as a result the Company holds a land for exploitation of 197,000 square meters and 26,000 square meters of roof-covered warehouses.
In January 2007 TERNA SA, the sole shareholder of the company, transferred the 100% of its shares to the well known international chain of stores, Aldi.

- **VIPA Thessaloniki SA**

Following the acquisition of the 100% of VIPA SA at the end of 2005, and given the successful development and sales of DIKEVE SA infrastructures, we focused our efforts to the development of the 1st Private Industrial Park of 774,000 square meters at the area of Agios Athanasios (Kato Gefira) in Thessaloniki, expecting similar benefits. The building works in the park are expecting to be completed in the first half of 2008.

Further to the aforementioned developments, in 2006 we restructured the portfolio of our participations with the sale of shares our company held in KRITIKES DIAKOPES and KRITIKOS ILIOS as well as our participation in 3 companies in Cyprus. We note that the aforementioned decision increased the profitability of the Company.

Also, our attempts focused on the structure optimisation of the remaining participation in our portfolio, specifically the leases in Entertaining Centre Palaia and in Cultural Centre Tsalapata in Volos.

On 24/11/2006 the association of companies «Recreation and Sports Park of Ellinico», in which our Company participates by 25%, submitted a bid to the company OLYMPIC ESTATE SA for the competition «Concession for the long-term lease of Olympic infrastructure Canoe-Kayak at Elliniko». On 29/12/2006 the bid submitted by the consortium in which our company participated was accepted. The post-Olympic games use of the 290,000 square meters area included in the Canoe-Kayak Slalom area, refers to the creation of a prototype sports centre for amateur athletes and entertaining activities, together with the creation and operation of a modern hydro park/thematic park in accordance with the latest international specifications and know how.

International Real Estate activities

2006 was a landmark year for our Group regarding its international Real Estate activities.
We started the necessary building work for the development of two housing complexes in Sofia and at the same time we strengthened our real estate portfolio with the acquisition of new lands.
Specifically, we developed, at fast pace, a complex of 112 houses, offices, shops, all having parking spaces, in an area of approximately 25,000 square meters on Bulgaria Avenue while at the same time we developed a complex of 11 luxury houses in Boyana area. The buying interest is high and the completion of the building works is expected sometime in 2008.
At the same time with the above, in 2007 we expect to acquire all the licences and by the end of the year to begin the building work on a land the Company owns in a central point of Sofia, by Macedonia square.
The aforementioned developments, combined with the inventory we have in land in Bulgaria are expected to have a significant contribution in the Group's profitability in Real Estate sector for the coming years.

Our activities were also increased in Romania in 2006. Specifically, we purchased land in Bucharest that is appropriate for housing development, and soon we plan to enrich our portfolio in this country.
Finally, the newly established company GEK RUS started its operations monitoring significant projects in the Russian market.

Energy sector

Our Group, operating for about ten years in the energy sector, plays a leading role among the independent private producers. The installed energy capacity of the Group from renewable and thermal sources amounts to 256 MW, while planned energy investments are expected to make the Group leader in the Greek energy market in coming years.

The energy sector of the Group consists of two main subsidiaries **TERNA ENERGY ABETE** and **HERON THERMOELECTRIC SA,** companies develop their activities in the sectors of renewable energy sources and thermoelectric plans respectively.

TERNA ENERGY has already built and operates 8 wind parks in Evia Thrace and Crete, of total power 109 MW while it builds 4 more wind parks of total power of 71 MW. The Company holds production licences for 18 more wind parks of a total capacity of 521 MW. At the same time, there are applications submitted for the acquisition of production licences for 33 more wind parks for a total capacity of 896 MW.

Revenues from the exploitation of operating wind parks amounted to approximately 17.5 million euros in 2006, while in the coming years is expect a significant increase of power capacity and revenues respectively.
Also, 2 small hydroelectric projects of 12 MW are constructed, while the additional licences for the production of hydroelectric projects refer to nominal capacity of 106 MW.
In addition, the Group plans to enter into the construction and operation of photovoltaic systems as in units producing energy by biomass.

Having constructed and operating the first thermoelectric plant, the Group holds a leading position in this sector. The plant has a nominal power capacity of 147 MW operating with natural gas, while the revenues from this activity amounted to 33 million euros. At the same time the Group starts the construction, in the same area, of a larger thermoelectric plant of 400MW power capacity, operating with natural gas. The construction will last till 2009, while total investment will reach 240 million euros.

<u>Concessions – Self / Co- funded projects</u>

2006 was a milestone year for the Group's activities in concessions sector. Further to car parks in which we have a long presence, last year we included in our portfolio (through our 33.33% participation) in Hellenic Autopistas in which the Spanish companies CINTRA and ACS also participate with similar percentages) the first road-work concession, Ioania Road. The project refers to the construction and exploitation of the motorway linking Antirio and Ioannina (159 km), as well as the maintenance and exploitation of the current motorway from Metamofrosi of Attica till Skarfeia, and also the road from Schimatari to Chalkida that is now under construction. The total length of concession is 379 km and the length of contract is for 30 years.

At the same time, the Group is declared temporary bidder for the construction of Central Greece motorway (E 65), of total cost of 1.5 billion euro. The project includes the construction and exploitation of the new road from Skarfeia to Panagia (Grevena area) with the relevant contract lasting for 30 years.

Significant was the strengthening of our portfolio in car parks in 2006 with the operation of three new parks. Specifically, in July the car park «Chiron SA», having 165 parking spaces, started its operation in Volos. In February the car park «OYIL», having 360 parking spaces, started its operation in the centre of Larisa.
Both car parks reported profitability from the first year of operation, a promising fact for coming years. Also, in December, the car park «Ippokrateio» of SALONIKA PARK started operating in Thessaloniki, on experimental basis, having 510 parking spaces opposite the relevant hospital.
Our Company participates by 100% in CHIRON SA Company and with 50% in Companies OYIL & SALONIKA PARK SA.
Our Group participates in 10 car parks, including the aforementioned ones, having a total of approximately 5,200 parking spaces, holding a leading position in the sector.

Dear Ladies and Gentlemen,

2006 was a year in which the strategic plan of the Group achieved its targets, setting the base fro significant development in the future.
The Group's dynamic is increased, while our human resources continues to from the most significant factor for our development.
On behalf of the B.o.D. we would like to express our thanks to our Employees and Partners for their important contribution.
Also, we thank our Customers, our Suppliers and the co-operating Banks and you, the Shareholders for your trust.

Athens, 28 March 2007
The Board of Directors

EXPLANATORY REPORT
TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF
PURSUANT TO ARTICLE 11a para. 1 of Law. 3371/2005

This explanatory report of the Board of Directors, addressed to the Ordinary General Meeting of shareholders of the Company, contains detailed information regarding the items of paragraph 1 of article 11a of Law 3371/2005.

I. Structure of the Company's share capital

The company's share capital amounts to twenty three million five hundred sixty six thousand eight hundred and nine euros and sixty cents (€23.566.809,60), divided into sixty five million four hundred sixty three thousand three hundred and sixty (65.463.360) common registered shares with voting rights, of a par value of thirty six cents (0.36 €) each.
The Company's shares are listed for trading at the Securities Market of the Stock Exchange of Athens (under "Large Cap" classification).
Each share confers all rights provided by the law and its articles, and especially:
• the right to receive dividends from the profits of the Company amounting to at least 6% of the paid-up share capital after the deduction for the ordinary reserve, which is distributed to the shareholders out of the profits of each fiscal year as a first dividend, while the distribution of additional dividends is resolved by the General Meeting. Every shareholder listed in the register of shareholders kept by the Company as aof the date of distribution, is entitled to receive dividends. The dividend of each share is paid to the shareholder within two (2) months from the date of the Ordinary General Meeting that approved the annual financial statements. The manner and place of payment is published at the Daily Official List, as well as at the webpage of the Stock Exchange and the Company. The claim regarding the collection of the dividends is prescribed and the respective amount is transferred to the State upon 5 years from the end of the year, in which said dividends were decided to be distributed by the General Meeting,
• the right to receive the contribution during the liquidation or, respectively, to amortize the capital pertaining to the share, if decided by the General Meeting,
• a first refusal right at each share capital increase of the Company involving payment in cash and the issuance of new shares,
• the right to obtain a copy of the financial statements and the reports of the auditors and the Board of Directors of the Company,
• the right to participate at the General Meeting, wherein each share confers the right to one vote.
The General Meeting of shareholders of the Company retains all its rights throughout the liquidation procedure (pursuant to para. 4 of article 33 of its Articles).
The shareholders are liable only up to the par value of the shares they hold.

II. Restrictions on the transfer of the Company's shares

The transfer of the Company's shares is effected in accordance with the Law and there are no restrictions on their transfer pursuant to the Company's Articles of Incorporation, considering that they are intangible shares listed at the Stock Exchange of Athens.

III. Significant direct or indirect participations in the sense of presidential decree 51/1992
The shareholders who directly held on 31/12/2006 a percentage of 5% or more of the share capital are listed in the following table:

NAME OF SHAREHOLDER	SHARES	PERCENTAGE
George Peristeris	11.501.386	17,569%
Nikolaos Kambas	8.321.614	12,712%
Maria Kamba	3.841.365	5,868%

IV. Shares conferring special control rights
According to the Articles of Association there are no shares which award special rights of control.

V. Restrictions on voting rights
No restrictions on the voting rights deriving from the Company's shares are provided in its Articles of Incorporation.

VI. Shareholders' agreements in the Company
The Company is not aware of any agreements among its shareholders which might result in restrictions on the transfer of the Company's shares or on the exercise of the voting rights conferred by its shares.

VII. Rules of appointment and replacement of Board members and amendment of Articles
The rules provided in the Company's articles regarding the appointment and replacement of its Board members as well as the amendment of its Articles do not deviate from those provided for in codified law 2190/1920.

VIII. Competency of the Board to issue new shares or purchase owned shares
1a) According to the provisions of article 13 para. 1 (b) and (c) of codified law 2190/1920 and article 5 para. 8 of the Articles of Incorporation, within the first five years from the establishment of the company the Board of Directors of the Company is entitled to increase the share capital of the Company through the issuance of new shares, by virtue of a decision adopted by a majority of at least two thirds (2/3) of the total number of its members. In such case, the share capital may be increased only up to the amount of the capital which is paid-up on the date of adoption of the decision by the General Meeting. The aforementioned power of the Board of Directors may be renewed by the General Meeting for a period which cannot exceed five years for each renewal, and it shall enter into effect upon the expiration of each five-year period.
1b) According to the provisions of article 13 para. 9 of codified law 2190/1920, by virtue of a decision of the General Meeting a stock option plan may be implemented in favor of members of the Board and the personnel of the Company and its affiliates, in the form of the granting of a call option pursuant to the specific terms of such decision, a summary of which is subject to the publication requirements of article 7b of codified law 2190/1920. The decision of the General Meeting shall especially determine the maximum number of shares that may be issued, which according to the law cannot exceed 1/10 of the existing shares if the beneficiaries exercise their call option, as well as the price and the terms of distribution of the shares to the beneficiaries.
The Board of Directors shall adopt such decisions as to regulate any other relevant detail which is not otherwise determined by the General Meeting, it shall issue the call option certificates and, in December of each year, it shall issue shares to the beneficiaries who exercised their option, respectively increasing the share capital and confirming the payment of the relevant amount.

2) According to the provisions of paragraphs 5-13 of article 16 of codified law 2190/1920, companies listed at the Stock Exchange of Athens may acquire owned shares through the Stock Exchange of Athens upon decision of the General Meeting of their shareholders, up to 10% of the entirety of their shares, for the purpose of supporting their trading value, pursuant to the specific terms and procedures of the aforementioned paragraphs of article 16 of codified law 2190/1920.

IX. Important agreements which will enter into effect, will be amended or will expire in case of change of control following a public offer

There are no agreements which will come into effect, will be amended or will expire in case of change of control following a public offer.

X. Agreements with members of the Board or personnel of the Company

There are no agreements of the Company with members of its Board of Directors or its personnel, which provide for the payment of compensation especially in case of resignation or release without substantiated reason or in case of termination of their term or employment due to a public offer.

Athens, 28 March 2007

The Board of Directors

GEK GROUP

BALANCE SHEET

31st of December 2006
(All amounts are expressed in thousand of euros unless otherwise stated)

		GROUP		COMPANY	
		31 December 2006	31 December 2006	31 December 2006	31 December 2005
ASSETS					
Long-term assets					
Intangible fixed assets	**6**	6,209	5,861	0	0
Tangible fixed assets	**7**	250,644	204,615	19	35
Real estate investment	**8**	68,946	77,227	24,937	24,466
Participations in associates	**5**	0	0	130,235	128,860
Participations in affiliated companies	**9**	9,261	9,205	14,919	14,919
Participations in joint ventures	**5**	0	0	5,473	3,298
Other investments		14,920	21,442	12,463	10,497
Other long-term assets		5,246	285	1,709	5
Deferred tax receivables	**22**	5,282	7,385	0	0
Total long-term assets		**360,508**	**326,020**	**189,755**	**182,080**
Current assets:					
Inventories	**10**	55,351	59,569	16,746	22,375
Trade receivables	**11**	185,144	154,587	12,296	2,600
Prepayments and other claims	**11**	66,534	50,185	2,398	3,423
Income tax receivables	**22**	9,943	0	3,215	33
Other financial assets	**13**	40,040	1,905	32,835	1,905
Cash and cash equivalents	**14**	109,040	104,179	23,258	51,779
Total current assets		**466,052**	**370,425**	**90,748**	**82,115**
Non-current assets held for sale	**33**	29,594	0	0	0
TOTAL ASSETS		**856,154**	**696,445**	**280,503**	**264,195**
EQUITY & LIABILITIES					
Equity attributable to the shareholders of the parent					
Share capital	**21**	23,567	23,567	23,567	23,567
Share premium account		170,410	170,410	170,410	170,410
Reserves		46,944	56,245	38,913	47,176
Profit carried forward		49,064	13,286	44,725	16,214
Total		**289,985**	**263,508**	**277,615**	**257,367**
Minority interest		109,955	97,723	0	0
Total equity		**399,940**	**361,231**	**277,615**	**257,367**

Long term liabilities:					
Long-term loans	**15**	106,892	68,957	0	0
Loans from finance leases	**15**	21,231	30,860	0	0
Other long-term liabilities		1,550	737	261	247
Provisions	**17**	2,661	2,406	0	315
Provisions for staff indemnities	**16**	1,114	1,495	121	132
Grants	**18**	36,517	16,087	0	0
Deferred tax liabilities	**22**	5,655	5,065	254	79
Total long term liabilities		**175,620**	**125,607**	**636**	**773**
Short term liabilities:					
Suppliers	19	73,260	40,309	787	3,475
Short term loans	20	64,867	82,129	0	0
Long term loans payable during the next financial year	15	24,700	3,669	0	0
Accrued and other short term liabilities	19	98,911	82,891	1,465	2,267
Income tax payable	22	4,302	609	0	313
Total short term liabilities		**266,040**	**209,607**	**2,252**	**6,055**
Liabilities related non-current assets held for sale	33	14,554	0	0	0
TOTAL LIABILITIES & EQUITY		**856,154**	**696,445**	**280,503**	**264,195**

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

GEK GROUP
INCOME STATEMENT
31st of December 2006

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

		GROUP		COMPANY	
		1/1 - 31/12	**1/1 - 31/12**	**1/1 - 31/12**	**1/1 - 31/12**
		2006	**2005**	**2006**	**2005**
Net sales	**23**	336,458	274,188	23,202	18,403
Cost of sales	**24**	(276,015)	(213,293)	(17,584)	(12,247)
Gross profit		**60,443**	**60,895**	**5,618**	**6,156**
Administration and Distribution expenses	**24**	(29,691)	(25,232)	(2,136)	(2,035)
Research and Development expenses		(1,097)	(872)	0	0
Other income / (expenses)	**25**	19,062	15,379	22,314	21,472
Net financial income/(expense)	**26**	(9,429)	(10,204)	1,243	446
Profit / (loss) from associates valued with the equity method		(1,658)	(1,365)	0	0
PROFIT BEFORE TAX		**37,630**	**38,601**	**27,039**	**26,039**
Income tax	**22**	(11,351)	(12,303)	(2,035)	(3,077)
Net profit/(Loss) from continued operations		**26,279**	**26,298**	**25,004**	**22,962**
Discontinued operations					
Profit/(Loss) from discontinued operations after tax		5,095	0	0	0
NET PROFIT		**31,374**	**26,298**	**25,004**	**22,962**
Attributable to:					
Shareholders of the parent company from continued operations		17,336	18,771	0	0
Shareholders of the parent company from discontinued operations		2,979	0	0	0
Minority interest – KAX from continued operations		8,943	7,527	0	0
Minority interest – KAX from discontinued operations		2,116	0	**0**	**0**
Earnings per share (in euro					
Basic/diluted from continued operations attributable to shareholders of the parent		0,26	0,29	0,38	0,35
Basic/diluted from discontinued operations attributable to shareholders of the parent		0,05	0	0,38	0,35

Weighted average number of shares , Basic	65,463,360	65,463,360	65,463,360	65,463,360

The turnover, cost of sales and gross profit items of 31.12.2006, which published in the statement 'Data and Information for the period 1 January 2006 till 31 December 2006' include the relevant data for the subsidiary DIKEVE SA which in the aforementioned Income Statement are recorded in the result from discontinued operations and are as follows:

Turnover (sales)	842
Cost of sales	(222)
Gross profit	620

GEK GROUP
CASH FLOW STATEMENT
31st of December 2006
(All amounts are expressed in thousand of euros unless otherwise stated)

	GROUP		COMPANY	
	1/1 - 31/12 2006	**1/1 - 31/12 2005**	**1/1 - 31/12 2006**	**1/1 - 31/12 2005**
Cash flow from operating activities				
Profit before tax	43,812	38,600	27,039	26,039
Adjustments for the agreement of the net flows from the operating activities				
Depreciation	19,587	14,836	16	126
Provisions	(371)	(853)	(11)	12
Interest and related revenue	(2,949)	(1,351)	(1,291)	(788)
Interest and other financial expenses	11,688	11,555	49	342
Results from participations and securities	14	(5,053)	0	0
Results from intangible and tangible asset and real estate	(14,208)	0	(230)	0
Amortisation of grants	(1,555)	(1,154)	0	0
Other adjustments	(366)	0	(86)	0
(Profit)/Loss from valuation of securities (in K.A.X.)	0	0	(21,881)	(15,633)
Operating profit before changes in working capital	**55,652**	**56,580**	**3,605**	**10,098**
(Increase)/Decrease in:				
Inventories	(4,009)	3,238	5,629	6,001
Trade receivables	(16,462)	78,665	(9,696)	8,247
Prepayments and other short term receivables	(15,540)	7,754	920	3,867
Increase/(Decrease) in:				
Suppliers	41,915	(42,169)	(2,688)	1,787
Accruals and other short term liabilities	23,729	(5,070)	(1,151)	(437)
Collection of grants	16,865	4,419	0	0
(Increase)/Decrease of other long term claims and liabilities	(4,509)	62	(2,005)	6
Tax payments	(13,446)	(12,602)	(5,245)	(3,776)
Cash inflow from operating activities	**84,195**	**90,877**	**(10,631)**	**25,793**
Cash flows from investment activities				
Net additions of tangible assets	(54,320)	(19,825)	0	0
Sale of tangible fixed assets	1,665	(84)	0	9
Interest and related income received	2,948	1,351	1,291	788
(Purchases) / Income from the sale of participations and securities	108	33,711	18,598	30,363
Increase in Share capital of participations	0	0	0	(28,743)
Cash&other flows of absorbed company	0	1,006	0	0
Real estate investments	(6,366)	(17,488)	(241)	(6,730)
Cash outflows for investment activities	**(55,965)**	**(1,329)**	**19,648**	**(4,313)**

Cash flows from financial activities				
Net change of long term loans	46,357	15,172	0	0
Net change of short term loans	(5,779)	(47,391)	0	(5,000)
Loan payments for finance leases	(13,166)	(9,417)	0	0
Dividends paid	(7,870)	(13,021)	(7,870)	(7,856)
Interest paid	(11,347)	(11,555)	(49)	(342)
Change of other financial receivables	(31,564)	(2,943)	(29,619)	(1,092)
Cash outflows for financial activities	**(23,369)**	**(69,155)**	**(37,538)**	**(14,290)**
Net increase of cash	**4,861**	**20,393**	**(28,521)**	**7,190**
Cash at the beginning of the period	104,179	83,786	51,779	44,589
Cash at the end of the period	**109,040**	**104,179**	**23,258**	**51,779**

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

GEK SA
STATEMENT OF CHANGES IN EQUITY
31ST OF December 2006
(amounts in euro unless otherwise stated)

	Share capital	Share premium account	Reserves	Profit carried forward	Total
January 1st 2005 – Opening balance	**23,567**	**170,410**	**32,372**	**17,365**	**243,714**
Net profit for the year	0	0	0	22,961	22,961
Dividends	0	0	0	(7,856)	(7,856)
Distribution of reserves	0	0	16,257	(16,257)	0
Transfers-other movements	0	0	(1,453)	0	(1,453)
31st of December 2005	**23,567**	**170,410**	**47,176**	**16,214**	**257,366**
January 1st 2006 – Opening balance	**23,567**	**170,410**	**47,176**	**16,214**	**257,366**
Net profit for the year	0	0	0	25,004	25,004
Profit/(Loss) of valuation recorded in equity	0	0	3,236	0	3,236
Tax on items recorded directly or transferred to equity	0	0	342	0	342
Dividends	0	0	0	(7,856)	(7,856)
Distribution of reserves	0	0	(11,841)	11,682	(159)
BoD remuneration	0	0	0	(319)	(319)
31st of December 2006	**23,567**	**170,410**	**38,913**	**44,725**	**277,615**

GEK GROUP
STATEMENT OF CHANGES IN EQUITY
31st of December 2006
(All amounts are expressed in thousand of euros unless otherwise stated)

	Share capital	Share premium account	Reserves	Profit carried forward	Sub-Total	Minority Interest	Total
January 1st 2005	23,567	170,410	41,418	8,761	244,156	82,300	326,456
Correction of mistakes	0	0	0	(1,663)	(1,663)	(2,402)	(4,065)
Restated balance January 1st 2005	23,567	170,410	41,418	**7,098**	**242,493**	**79,898**	**322,391**
Net profit for the year	0	0	0	18,770	18,770	7,527	26,297
Reduction in the participation percentage of a consolidated subsidiary	0	0	0	11,858	11,858	14,089	25,947
Dividends	0	0	0	(7,856)	(7,856)	(5,165)	(13,021)
Companies consolidated for the 1st time	0	0	23	(327)	(304)	0	(304)
Share capital increase of subsidiary (Heron Ioanninon)	0	0	0	0	0	1,374	1,374
Distribution of reserves	0	0	16,257	(16,257)	0	0	0
Transfers-Other movements charged directly in equity	0	0	(1,453)	0	(1,453)	0	(1,453)
31st of December 2005	23,567	170,410	56,245	13,286	263,508	97,723	361,231

January 1st 2006 – Opening balance	23,567	170,410	56,245	13,286	263,508	97,723	361,231
Foreign exchange differences from the consolidation of foreign operations	0	0	284	0	284	0	284
Net result from the valuation of investments held for sale	0	0	4,185	0	4,185	0	4,185
Net profit for the year	0	0	0	20,315	20,315	11,059	31,374
Dividends	0	0	0	(6,211)	(6,211)	(4,894)	(11,105)
Sale of subsidiary	0	0	0	0	0	(1,299)	(1,299)
Reduction in the participation percentage of a consolidated subsidiary	0	0	0	12,289	12,289	8,202	20,491
Increase in the participation percentage of a consolidated subsidiary	0	0	0	(1,636)	(1,636)	(962)	(2,598)
Absorption of companies	0	0	0	0	0	126	126
Transfers other movements	0	0	(11,004)	10,539	(465)	0	(465)
BoD remuneration	0	0	0	(319)	(319)	0	(319)
Distribution of reserves	0	0	(2,766)	801	(1,965)	0	(1,965)
31st of December 2006	**23,567**	**170,410**	**46,944**	**49,064**	**289,985**	**109,955**	**399,940**

1 ESTABLISHMENT AND ACTIVITY OF THE COMPANY

"**GEK Holdings, Real Estate, Construction S.A**.", (the "Company" or "GEK") as renamed from ERMIS REAL ESTATE S.A. according to the decision of the Extraordinary General Shareholders' Meeting on 15.10.2004 and approved by the No. K2-13956/3-10-04 decision of the Ministry of Development published in the Government Gazette with No. 14334/3-12-04, is registered in the Societe Anonyme Registry of the Ministry of Development with Registration number 6044/06/B/86/142. The duration of the company has been set to thirty (30) years, while according to the decision of the Extraordinary General Shareholders' Meeting on 26.03.1990 the duration of the company is extended up to the 31st of December 2030.
The company is based in the municipality of Athens and its head offices are located in 85 Mesogeion Avenue, Postal Code 11526, Athens (tel: 210-6968200), following the decision of its Board of Directors on the 14th of March 2003.

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

2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

a) Basis for the preparation of the financial statements
The attached financial statements of the Company and the Group have been prepared according to the historic cost principle, except investment property which is valued at fair value. Moreover some own-used intangible fixed assets on the date of transition (1st of January 2004) to the International Financial Reporting Standards (IFRS) were fairly valued, and these values were used as implied cost in accordance with the clauses of IFRS 1 "First-Time adoption of International Financial Reporting Standards".

The attached Company and Group financial statements have been prepared in accordance with the IFRS, as these have been adopted by the European Union. IFRS 1 "First-Time adoption of International Financial Reporting Standards" has been applied for the preparation of the financial statements, with transition date the 1st of January 2004. No standards have been applied before their effective date.

b) Statutory Financial Statements

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

c) ***Effect of newly issued Accounting Standards and interpretations***

The International Accounting Standards Board and the Interpretations Committee have issued a series of new Accounting Standards and interpretations. The new IFRS and IFRIC are mandatory for the accounting periods beginning from January 1st 2006. The assessment of the Management regarding the impact of the new standards and interpretations is set out below:

- **IFRS 7: Financial Instruments: Disclosures**. (effective from 1 January 2007). IFRS 7 introduces additional disclosures aiming to improve the information provided on financial instruments. It requires the disclosure of quantitative and qualitative information regarding the exposure to risk stemming from financial instruments. More specifically, it sets out minimum required disclosures regarding credit risk, liquidity risk and market risk (it imposes the carrying-out of sensitivity analyses regarding market risk). IFRS 7 replaces IAS 30 (Disclosures In Financial Statements of Banks And Similar Financial Institutions) and the disclosure requirements of IAS 32 (Financial Instruments: Disclosure And Presentation). It applies to all companies preparing financial statements according to the IFRS. The Group will apply IFRS 7 and the IAS 1 amendment from January 1st, 2007 onwards and is not expected to materially affect the financial statements of the Group, with the exception of some additional disclosures (e.g. sensitivity analysis).

- **Amendment of IAS 1, Capital disclosures** (in effect from January 1st 2007). The amendment of IAS 1 introduces disclosures related to the capital of a company and its management. The Group estimated the effect of the amendment and concluded that some disclosures are needed to be made regarding its capital. The Group will apply the amendment of IAS1 on January 1st 2007.

- **IFRS 8 Operating sectors of activity** (in effect from January 1st 2009). The standard demands that the provided information related with the operating sectors to be the one management is aware about in order to distribute the resources and to estimate the return. The application if the standard would not affect the way sectors of activity are reported based on IAS 14.

- **Amendment of IFRIC 4 Insurance contracts** (in effect from January 1st 2007). Does not apply to the Group and will not affect its financial statements.

- **IFRIC 7. Applying the Restatement Approach under IAS 29 - Financial Reporting in Hyperinflationary Economies** (in effect from March 1st 2006). Does not apply to the Group and will not affect its financial statements.

- **IFRIC 8. Scope of IFRS 2.** (in effect from May 1st 2006) Does not apply to the Group and will not affect its financial statements

- **IFRIC 9, Revaluation of embedded derivatives** (in effect from June 1st 2006). Does not apply to the Group and will not affect its financial statements.

- **IFRIC 10 Interim financial reporting and impairment** (in effect from November 1st 2006). In accordance with the interpretation a loss impairment recognised in interim financial statements for goodwill or investments should not be reversed in future financial statements of the same year. The interpretation would be applied from 2007 onwards.

- **IFRIC 11 Group and treasury shares transactions** (In effect from March 1st 2007). Does not apply to the Group and will not affect its financial statements.
- **IFRIC 12 Agreement for service concession** (In effect from January 1st 2008). Does not apply to the Group and will not affect its financial statements.

d) Approval of the Financial Statements
The attached annual financial statements were approved by the Board of Directors of the Company on March, 27 2007 and are subject to approval at the Shareholders' Annual General Meeting.

e) Use of estimates
The compilation of financial statements of the Group based on the IFRS requires that the management proceed in making estimations and assumptions on the figures for the assets and liabilities. These estimations are based on the historical experience and other relevant factors. The actual results may differ from these estimates. These estimations, assumptions and judgements are constantly evaluated and any restated accounting estimations are recognised on the period in which the estimation refers to.

3 SUMMARY OF KEY ACCOUNTING PRINCIPLES

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

a) Basis of consolidation
The attached consolidated financial statements include those of GEK and its subsidiaries. The subsidiaries in which the Group ahs a direct or indirect participation of more than 50% of the voting rights has the right to control the consolidated operations. The subsidiaries are consolidated from the date the Group acquires the control and stop being consolidated at the date this control cease to exist.

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

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

b) Participation in related companies
The participations of the Group in other companies in which GEK has an important influence are consolidated with the net equity method. Based on this method, the participation in related company is recorded at book cost plus the change of the Group's participation in their equity, less any provisions for impairments. The consolidated statement reflects the proportion of the Group in the results of the related company.

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

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

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

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

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

(i) Investments available for sale

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

(ii) Receivables and loans

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

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

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

(iv) Investments held to maturity

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

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

d) Financial Instruments and Risk Management

Non-derivative financial assets and liabilities in the balance sheet include cash balances, receivables, participations bank loans and other short and long-term liabilities. The Group does not use derivative financial products. The accounting principles for the recognition and measurement of these items are mentioned in the respective accounting principles, which are presented in this Note. Financial instruments are disclosed as receivables, liabilities or equity based on the substance and the contents of the relevant contracts from which they stem. Interest, dividends, gains and losses resulting from the financial instruments that are classified as receivables or liabilities are accounted for as expenses or income respectively. The distribution of dividends to shareholders is accounted for directly through equity. Financial instruments are netted-off when the Company, according to the law, has this legal right and intends to set them off (against each other) on a net basis or to recover the asset and net the liability off at the same time. Financial risk management aims to reduce possible negative consequences. More specifically:

(i) Interest rate risk and exchange rate risk

The Company's bank loans are denominated in euros and are subject to variable interest rates. The Group use swap contracts in euro in order to reduce its exposure to interest rate risk. The Management of the Group follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

(ii) Fair Value

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

(iii) Credit Risk Concentration

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

(iv) Market Risk

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

e) Operation and Presentation Currency and Foreign Exchange Conversion

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

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

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

f) Intangible assets

Intangible assets consist of software acquisition costs and all expenses incurred to develop the software in order to bring it to operating condition. Amortisation on software is accounted for based on the straight line method for a period of three years.

g) Income recognition

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

(i) **Income from construction activities**

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

According to the percentage-of-completion method the construction costs incurred up to the Balance Sheet date are compared to the total estimated cost of the project in order to determine the percentage of the project that has been completed. This percentage is applied to the total revised contract price in order to determine the cumulated income from the project, based on which the invoiced income to date is revised. The cumulated effect of the revisions of the total estimated construction cost and the total contract price are accounted for during the accounting periods in which they arise. In the cases of contracts where it is forecast that the total estimated cost will exceed the total contract price, the entire loss is recognised in the year during which the loss-making events become probable.
Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced, while non-accrued income comprises amounts invoiced up to the balance sheet date over and above the income calculated using the percentage-of-completion method.
Project execution down-payments represent amounts received by the Company upon signing the relevant contracts and are proportionally netted-off with the partial invoicing. The remaining amount appears as a liability in the attached financial statements.

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

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

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

(v) Rent Revenue

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

(vi) **Dividends**

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

(vii) **Interest**

Interest income is recognized on an accruals basis.

h)Tangible Fixed Assets
As previously mentioned, the Company has valued certain land and buildings at fair value on January 1st , 2004 and these fair values have been used as implied cost at the date of transition to IFRS. The resulting surplus was credited to the profits carried forward account. The remaining land, buildings, machinery and vehicles are measured at purchase cost less accumulated depreciation and any provisions for impairment.

Repairs and maintenance are booked as expenses during the year in which they are incurred. Significant improvements are capitalized in the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.
Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the financial year in which the fixed asset in question is eliminated.
Fixed assets under construction include fixed assets that are work in progress and are recorded at cost. Fixed assets under construction are not depreciated until the asset is completed and put into operation.

i) Depreciation

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

	YEARS
Buildings and Construction projects	8-30
Machinery and Technical Installations	3-12
Vehicles	5-12
Fixtures and Other Equipment	3-12

j)Impairment of the Value of Fixed Assets

The book values of long-term asset, other than goodwill and tangible fixed assets with an infinite life, are reviewed for impairment purposes when facts or changes in circumstances imply that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is recorded in the income statement. The recoverable amount is defined as the largest value between the net estimated sales price and the acquisition value. The net sales value is the plausible income from the sale of an asset in the context of an arm's-length transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct sales cost for the asset. The acquisition cost consists of the net present value of future estimated cash flows expected to occur from the continuous use of the asset and from the income expected to arise from its sale at the end of its estimated useful economic life. In order to determine the impairment, the asset items are grouped at the lowest level for which cash flows can be recognized separately.
A reversal of an impairment loss for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such an impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income. The Management assesses that there is no case of impairment of the Group's fixed assets and thus a calculation of the assets' recoverable amounts has not been made.

k) Investment property

Investments in property are those held for the purpose to receive rent or goodwill and are valued at their real value which is based on market value, that is to say at the estimated value of which the property may be sold, at the day of the estimation, in a normal transaction. The estimation is contacted when necessary by external professionals estimators who have the knowledge on the property market. Profits or losses that arise from changes in the real value of investments in property are included in the income statement of the period during which they arise. Repairs and maintenance are recorded as expenses in the year in which they are incurred. Material subsequent expenses are capitalised when they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost. The acquisition cost and the accumulated depreciation of an investment property are eliminated from the accounts upon sale. All gains or losses resulting from the sale of a property, after the fair value deduction are included in the income statement of the year during which it was sold. Investment property being build or developed are recorded at book value in tangible assets till their completion, and then they are transferred to investment property.

l) Inventories

Inventories include excavated from the quarry material, construction material, spare parts and raw material. Inventories are valued at the lower of cost and net realisable value. The cost of raw materials, semi-finished and finished products is defined based on the weighted average method.
The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, labor costs, general industrial expenses and other costs that directly relate to the purchase of materials. The net realisable value of finished products is their estimated selling price during the Company's normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale. The net realisable value of raw materials is their estimated replacement cost during the normal course of business. A provision for impairment is made if it is deemed necessary.

m) Receivables Accounts

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

n) Cash and Cash Equivalents

The Group considers time deposits and other highly liquid investments with an initial maturity less than three months, as cash and cash equivalents.
For the compilation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above.

o)Long-term loan liabilities

All long-term loan liabilities are initially booked at cost, which is the actual value of the received payment less the issuance expenses related to the loan. After the initial recording, interest-bearing loans are valued at the net book value using the effective interest rate method. The net book value is calculated after taking into account the issuance expenses and the differences between the initial amount and the amount at maturity. Profits and losses are registered in the net profit or loss when the liabilities are written off or impaired and through the amortisation procedure. Interest expenses are recognized on an accruals basis, with the exclusion of the interest charged on loans taken for fixed assets and inventories which construction requires significant time, and when this interest adds to the value of the relevant assets. The capitalisation of interest is interrupted when the asset is ready to be used.

p)Provisions for Staff Retirement Indemnities

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

q) Government Pension Plans

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

r) Income Tax (Current and Deferred)

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

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

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

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

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

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

s) Finance and Operating Leases

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

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

t) Government Grants

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

u) Provisions, Contingent Liabilities and Contingent Receivables

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

v)Earnings per Share

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

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

w) Information per sector of activity

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

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

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

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

(Amounts in thousands of euros, unless otherwise stated)

x) Restatement of previously published accounting figures

The Group discovered a mistake in current year related to the calculation of revenues from construction activities, income tax, inventories and profit carried forward for the 2005 year and proceeded with the appropriate corrections.
The effect of aforementioned corrections in the relevant item of 2005 is as follows:

	Trade receivables 1.1.2005	**Profit carried forward 1.1.2005**	**Prepayments and other receivables 1.1.2005**	**Minority interest 1.1.2005**
Balances as previously published	240,015	8,761	2,750	82,300
Restatement:				
Revenues from construction activities	(2,403)	(983)	0	(1,420)
Income tax		(680)	1,662	(982)
Restatement figures	237,612	7,098	4,412	79,898

The Company and the Group have decided to proceed in correcting certain figures that relate to the comparative financial statements as at the 31st of December 2005, which had been published with the interim financial statements of 2006. This restatement was effected through a retroactive correction of the figures in the financial year they relate to.

As a result, the Balance Sheet as at the 31st of December 2005, as well as the information per Sector of Activity are adjusted compared to those included in the interim financial statements that were published for the quarters of 2006.

The Company and the Group discovered an error of 10,730 euros in real estate during the current financial year resulting from a subsidiary in Bulgaria in which this figures was reported under tangible assets in its financial statements.

y) Reclassifications of accounting items

Some accounting items from the Balance Sheet and the Income statements of previous year, 2005, reclassified for presentational purposes in order to become homogenous and comparative with those of the previous year.

BALANCE SHEET OF GEK GROUP	**PUBLISHED 2006 31/12/2005**	**PUBLISHED 2005 31/12/2005**	**Reclassification of Items**
Participation in related companies	9,205	9,059	146
Other investments	21,442	0	21,442
Commercial receivables	154,587	162,924	(8,337)
Prepayments and other receivables	50,185	45,913	4,272
Other short-term financial assets	1,905	23,493	(21,588)
Suppliers	40,309	90,642	(50,333)
Accrued and other short-term liabilities	82,889	32,558	50,333

(Amounts in thousands of euros, unless otherwise stated)

INCOME STATEMENT OF GEK GROUP	PUBLISHED 2006 1/1 - 31/12/05	PUBLISHED 2005 1/1 - 31/12/05	Reclassification of Items
Cost of sales	213,293	213,533	240
Administration and distribution expenses	25,232	25,864	632
Research and development expenses	872	0	(872)
Other income/(expenses)	15,379	6,047	9,332
Profit/(Loss) from the sale and valuation of participations and other investment	0	6,418	(6,418)
Income from participations and other investments	0	2,913	(2,913)

BALANCE SHEET GEK SA	PUBLISHED 2006 31/12/2005	PUBLISHED 2005 31/12/2005	Reclassification of Items
Participation in subsidiaries	128,860	129,969	(1,109)
Participation in related companies	14,919	14,772	147
Participations in joint ventures	3,298	0	3,298
Other investments	10,497	0	10,497
Commercial receivables	2,600	2,720	(120)
Prepayments and other receivables	3,423	3,337	86
Income tax receivables	33	0	33
Other short-term finance assets	1,905	14,737	(12,832)
Suppliers	3,475	4,358	(883)
Accrued and other short-term liabilities	2,267	1,384	883

INCOME STATEMENT GEK SA	PUBLISHED 2006 1/1 - 31/12/05	PUBLISHED 2005 1/1 - 31/12/05	Reclassification of Items
Cost of sales	12,247	12,487	240
Administration and distribution expenses	2,035	1,795	240
Other income/(expenses)	21,472	(20)	21,492
Net financial income/(expenses)	446	624	(178)
Profit/(Loss) from the sale and valuation of other investments	0	15,633	(15,633)
Income from Participations and other investments	0	5,681	(5,681)

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

(Amounts in thousands of euros, 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:

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.

5 GROUP STRUCTURE

Participations in subsidiaries, related and joint ventures on 31.12.2006 are as follows:

A) Subsidiaries of GEK SA

Company name	Country of Domicile	Participation percentage		Consolidation method	Un-audited tax years
		2006	2005		
TERNA SA*	Greece	54.63	57.79	Full	1
GEKE AEBE	Greece	99.99	99.99	Full	2
HERON THERMOELEKTRIKI SA**	Greece	77.32	77.32	Full	4
IOANNINA ENTERTAINMENT DEVELOPMENT SA	Greece	64.59	65.00	Full	4
MONASTHRI TECHNICAL DEVELOPMENT SA	Greece	50.00	50.00	Full	4
ICON LTD	Bulgaria	100.00	100.00	Full	3
BIPA THESSALONIKI***	Greece	100.00	100.00	Full	6
IOLKOS SA	Greece	100.00	100.00	Full	4
CHIRON PARKING SA	Greece	99.47	-	Full	1
GEK ROMANIA	Romania	100.00	100.00	Full	1st financial year
GEK BALCAN DOOEL	F.Y.R.O.M.	100.00	100.00	Full	1st financial year

* Includes the direct participation of GEKE A.E.B.E.
** Includes the direct participation of TERNA SA
*** There are prenotations on shares of book value of € 6,.680 thousand for the securing ob bank loans.

(Amounts in thousands of euros, unless otherwise stated)

B) Related to GEK SA

Company name	Country of Domicile	Participation percentage		Consolidation method	Un-audited tax years
		2006	2005		
KEKROPS SA	Greece	23.91	23.91	Equity	3
GEKA SA	Greece	26.67	26.67	Equity	3

The Group participates in company GEKA SA (formerly known as PIRAEUS PRODEFIN HOLDING SA) by 33.34%,and in KEKROPS SA by 23.91%.

C) Joint ventures of GEK SA

Company name	Country of Domicile	Participation percentage		Consolidation method	Un-audited tax years
		2006	2005		
OYIL CAR PARK	Greece	50	50	Proportionate	5
ATHENIAN CAR PARK SA	Greece	20	20	Proportionate	2
THESSALONIKI CAR PARK SA	Greece	50	50	Proportionate	2
OLP CAR PARK SA	Greece	33.26	33.26	Proportionate	3
POLIS PARK SA	Greece	20	20	Proportionate	3
NEA IONIA ROAD SA	Greece	33.33	-	Proportionate	1st financial year
GLS OOD SOFIA BULGARIA	Bulgaria	50	-	Proportionate	1st financial year

D) Subsidiaries of TERNA SA

Company name	Country of Domicile	Participation percentage		Consolidation method	Un-audited tax years
		2006	2005		
1.BIOMEK ABETE	Greece	66.50	66.50	Full	5
2.TERNA ENERGY ABETE	Greece	63.19	61.75	Full	2
3.STROTIRES AEBE	Greece	51.00	51.00	Full	4
4.DIKEVE SA	Greece	95.01	100.00	Full	1
5.ILIOCHORA SA	Greece	100.00	100.00	Full	2
6. SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	Romania	100.00	-	Full	3
7. TERNA OVERSEAS LTD	Cyprus	100.00	-	Full	1st financial year
8. TERNA BAHRAIN HOLDING WLL*	Bahrein	99.99	-	Full	1st financial year
9. TERNA QATAR LLC*	Qatar	35.00	-	Full**	1st

(Amounts in thousands of euros, unless otherwise stated)

Company name	Country of Domicile	Participation percentage 2006	2005	Consolidation method	Un-audited tax years
					financial year

* Participation through TERNA OVERSEAS LTD.
** The company TERNA QATAR LLC fully consolidates in accordance with P.C.I. 12 (Permanent Committee of Interpreters) 12 «Consolidation-Special purpose companies», because the Group, based on contract controls the management.

E) Subsidiaries of TERNA SA consolidated using the proportionate method:

No	Name	Country of domicile	Participation percentage 2005 and 2006 %	Un-audited tax years
1.	HERON THERMOELECTRIKI SA	Greece	50%	4

F) Taxed joint-ventures pf TERNA SA consolidated on 31/12/2006

No	Name	Percentage of participation	Participation percentage 2005 and 2006 %
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(ALPINE MAYREDER BAU GMBH)	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%	5
14.	J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	31.34%	2
15.	J/V THALES ATM SA-TERNA UPGRADE OF TACAN STATIONS	22.25%	6
16.	JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	35.00%	3
17.	J/V AVAX-BIOTER (OLYMPIC VILLAGE)	37.50%	3
18.	J/V TERNA S.A. PANTECHNIKI S.A.	83.50%	3
19.	J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	33.00%	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

(Amounts in thousands of euros, unless otherwise stated)

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%	1st financial year
31.	J/V BUILDING CONSTRUCTION OSE ILIOHORA SA	13.30%	1st financial year
32.	J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	49.00%	1st financial year
33.	J/V UNDERGROUND CHAIDARI-PART A	50.00%	1st financial year
34.	J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	60.00%	1st financial year
35.	J/V TERNA-TERNA ENERGY-TSMPRAS (EPL)	50.00%	4
36.	J/V TERNA SA-TERNA ENERGY ABETE	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-TERNA-MANIOTIS	37.50%	4
40.	J/V TERNA-TERNA-TERNA ENERGY-TSAMPRA	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 ABAΞ-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	33.33%	10
52.	J/V TERNA-THEMELIODOMI	60.00%	4
53.	J/V TERNA-AKTOR GOULANDRI MUSEUM	50.00%	5
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 IMPREGILO -ALTE-TERNA	5.00%	clearance
59.	J/V UNIVERSITY OF CRETE	25.00%	2
60.	J/V PROJECT FOR COMPLETION OF WASTEWATER TREATMENT (BIOLOGICAL)	50.00%	4
61.	J/V EKTER-TERNA	50.00%	4
62.	TERNA SA & Co	99.00%	4
63.	J/V AKTOR-TERNA SA	50.00%	4
64.	J/V AKTOR-TERNA SA IASO BUILDING	50.00%	
65.	J/V ALPINE MAYREDER-TERNA-PANTECHNIKI	50.00%	3
66.	J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	31.50%	1st financial year
67.	J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	35.00%	1st financial year
68.	J/V J&P AVAX-TERNA PLATANOS TUNNEL	33.33%	1st financial year

(Amounts in thousands of euros, unless otherwise stated)

69.	J/V AKTOR-TERNA-J&P AVAX KALLIDROMO TUNNEL	33.33%	1st financial year
70.	J/V THEMELIODOMI-TERNA-DIEKAT-THEMELIODOMI	25.00%	5
71.	J/V MINISTRY OF TRANSPORTATION	33.00%	4
72.	J/V AEGEK TERNA	44.78%	4
73.	J&P AVAX SA-TERNA SA-EYKLEIDIS	35.00%	4
74.	ALTE ATE - TEPNA SA	50.00%	4

G) Taxed joint ventures of TERNA SA that did not consolidated on 31/12/2006

No	Name	Percentage of participation
1	J/V BIOTER SA-TERNA SA- COST PLUS	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 THIRDS PARTY)	50.00%
5	J/V CAR PARK “PARKING OYIL 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 EVINOU-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.

H) Subsidiaries of TERNA ENERGY SA

Company name	Country of Domicile	Participation percentage		Consolidation method	Un-audited tax years
		2006	2005		
1.IWECO CHONOS LASITHI CRETE SA	Greece	100.00	100.00	Full	4
2.TERNA ENERGY ABETE&Co ENERGIAKI 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

I) Joint ventures of TERNA ENERGY ABETE

	Name	Participation percentage 2005 and 2006 %	Un-audited tax 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*

(Amounts in thousands of euros, unless otherwise stated)

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. ROUTSIS - TERNA ENERGY ABETE	50%	3
11	TERNA ENERGY ABETE & Co	70%	5

J) Ordinary and limited partnerships of TERNA ENERGY ABETE

These companies are established having as a sole purpose the acquisition of licences 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 2005 and 2006 %	Un-audited tax years
1.	TERNA ENERGY ABETE - M.E.L. MAKEDONIKI ETAIRIA HARTOU & SIA, J/V, Greece	50	4
2.	TERNA ENERGY A.B.E.T.E. & SIA AIOLIKI RAHOULAS DERVENOHORION, Greece	100	4
3.	TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU, Greece	100	4
4.	TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRAIANOUPOLEOS, Greece	100	4
5.	TERNA ENERGY ABETE & SIA ENERGIAKI DERVENOHORION, Greece	100	4
6.	TERNA ENERGY ABETE & SIA ENERGIAKI VELANIDION LAKONIAS, Greece	100	4
7.	TERNA ENERGY ABETE & SIA ENERGIAKI DISTION EVIAS, Greece	100	4
8.	TERNA ENERGY ABETE & SIA AIOLIKI PASTRA ATTIKIS, Greece	100	4
9.	TERNA ENERGY ABETE & SIA AIOLIKI MALEA LAKONIAS, Greece	100	4
10.	TERNA ENERGY ABETE & SIA ENERGIAKI FERRON EVROU, Greece	100	4
11.	TERNA ENERGY ABETE & SIA AIOLIKI DERVENI TRAIANOUPOLEOS, Greece	100	4
12.	TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS, Greece	100	4
13.	TERNA ENERGY ABETE & SIA ENERGIAKI ARI SAPPON, Greece	100	4
14.	TERNA ENERGY ABETE & SIA ENERGIAKI PELOPONNISOU, Greece	100	4
15.	TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS ELLADOS, Greece	100	4
16.	TERNA ENERGY ABETE & SIA AIOLIKI MARMARIOU EVIAS, Greece	100	4
17.	TERNA ENERGY ABETE & SIA ENERGIAKI PETRION EVIAS, Greece	100	4
18.	TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENOHORION, Greece	100	4
19.	TERNA ENERGY ABETE & SIA ENERGIAKI STIRON EVIAS, Greece	100	4
20.	TERNA ENERGY ABETE & SIA ENERGIAKI NEAPOLEOS LAKONIAS, Greece	100	4
21.	TERNA ENERGY ABETE & SIA ENERGIAKI XSIROVOUNIOU, Greece	70	4
22.	TERNA ENERGY ABETE & SIA AIOLIKI PANORAMATOS DERVENOHORION, Greece	100	4
23.	TERNA ENERGY ABETE & SIA ENERGIAKI KAFIREOS EVIAS, Greece	100	4

(Amounts in thousands of euros, unless otherwise stated)

6 INTANGIBLE ASSETS

The intangible fixed assets figure reported in the attached financial statements as of the 31st of December 2006, is analysed as follows:

	GROUP			COMPANY		
	Concessions and Royalties	Software	Total	Concessions and Royalties	Software	Total
Net Book Value 1.1.2005	5,934	239	6,173	0	4	4
Additions	0	22	22	0	0	0
(depreciation for the year)	(252)	(82)	(334)	0	(4)	(4)
Balance 31.12.2005	**5,682**	**179**	**5,861**	**0**	**0**	**0**
Cost 01.01.2005	6,605	682	7,287	0	133	133
Accumulated depreciation	(671)	(443)	(1,114)	0	(129)	(129)
Net Book Value 01.01.2005	**5,934**	**239**	**6,173**	**0**	**4**	**4**
Cost 31.12.2005	6,605	704	7,309	0	133	133
Accumulated depreciation	(923)	(525)	(1,448)	0	(133)	(133)
Net Book Value 31.12.2005	**5,682**	**179**	**5,861**	**0**	**0**	**0**

	GROUP			COMPANY		
	Concessions and Royalties	Software	Total	Concessions and Royalties	Software	Total
Net Book Value 1.1.2006	5,682	179	5,861	0	0	0
Additions	603	60	663	0	0	0
(depreciation for the year)	(193)	(122)	(315)	0	0	0
Balance 31.12.2006	**6,092**	**117**	**6,209**	**0**	**0**	**0**
				0	0	
Cost 01.01.2006	6,605	704	7,309	0	133	133
Accumulated depreciation	(923)	(525)	(1,448)	0	(133)	(133)
Net Book Value 01.01.2006	**5,714**	**147**	**5,861**	**0**	**0**	**0**
				0		
Cost 31.12.2006	7,208	764	7,972	0	133	133
Accumulated depreciation	(1,116)	(647)	(1,763)	0	(133)	(133)
Net Book Value 31.12.2006	**6,092**	**117**	**6,209**	**0**	**0**	**0**

The depreciation for 2006 is 315 (0 in 2005) and is recorded in Income Statement at cost of sales and at Administration and Distribution Expenses.

In the concession and rights account there are recorded purchased rights for the exploitation of quarries, of net book value of 5,492 thousand (euro 5,712 in 2005), with initially agreed period of 20-30 years. Also, in the account are recorded the paid rights for the installation of wind parks, for a net book value of 598 (euro 0 in 2005).

7 TANGIBLE FIXED ASSETS

The tangible fixed assets account reported in the attached financial statements as of the 31st of December 2006, is analysed as follows:

(Amounts in thousands of euros, unless otherwise stated)

GROUP	Quarries/ Land Plots	Buildings	Machinery	Vehicles	Other	Fix. Assets under construction	Total
Net Book Value 1.1.2006	**6,660**	**44,451**	**119,591**	**4,332**	**1,860**	**27,721**	**204,615**
Additions	701	22,554	21,552	1,874	1,667	18,154	66,502
(Disposals – Write-offs)	0	(52)	(1,017)	(45)	(87)	0	(1,201)
New companies in the consolidation	0	0	0	0	0	0	0
Transfers	0	4,867	30,562	2,017	55	(37,501)	0
(Depreciation for the year)	0	(3,731)	(12,929)	(1,360)	(1,252)	0	(19,272)
Balance as at 31.12.2006	**7,361**	**68,089**	**157,759**	**6,818**	**2,243**	**8,374**	**250,644**
Cost 01.01.2006	6,660	49,019	153,849	8,377	7,284	27,721	252,910
Accumulated Depreciation	0	(4,568)	(34,258)	(4,045)	(5,424)	0	(48,295)
Net Book Value 01.01.2006	**6,660**	**44,451**	**119,591**	**4,332**	**1,860**	**27,721**	**204,615**
Cost 31.12.2006	7,361	76,388	204,946	12,223	8,919	8,374	318,211
Accumulated Depreciation	0	(8,299)	(47,187)	(5,405)	(6,676)	0	(67,567)
Net Book Value 31.12.2006	**7,361**	**68,089**	**157,759**	**6,818**	**2,243**	**8,374**	**250,644**

(Amounts in thousands of euros, unless otherwise stated)

COMPANY	Quarries/ Land Plots	Buildings	Machinery	Vehicles	Other	Fix. Assets under construction	Total
Net Book Value 1.1.2005	**0**	**0**	**2**	**1**	**32**	**0**	**35**
Additions	0	0	0	0	0	0	0
(Disposals – Write-offs)	0	0	0	(1)	0	0	(1)
New companies in the consolidation	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
(Depreciation for the year)	0	0	0	0	(15)	0	(15)
Balance as at 31.12.2005	**0**	**0**	**2**	**0**	**17**	**0**	**19**
Cost 01.01.2005	0	0	4	62	1,223	0	1,289
Accumulated Depreciation	0	0	(2)	(61)	(1,191)	0	(1,254)
Net Book Value 01.01.2005	**0**	**0**	**2**	**1**	**32**	**0**	**35**
Cost 31.12.2005	0	0	4	61	1,223	0	1,288
Accumulated Depreciation	0	0	(2)	(61)	(1,206)	0	(1,269)
Net Book Value 31.12.2005	**0**	**0**	**2**	**0**	**17**	**0**	**19**

(Amounts in thousands of euros, unless otherwise stated)

GROUP	Quarries/ Land Plots	Buildings	Machinery	Vehicles	Other	Fix. Assets under construction	Total
Net Book Value 1.1.2005	**7,060**	**20,955**	**121,328**	**5,668**	**2,125**	**42,156**	**199,292**
Additions	4,447	18,804	9,375	220	414	25,674	59,934
(Disposals – Write-offs)	(4,847)	(635)	(1,042)	(332)	(107)	(631)	(7,595)
New companies in the consolidation	0	6,633	93	165	73	0	6,964
Transfers	0	0	0	0	0	(39,478)	(39,478)
(Depreciation for the year)	0	(2,305)	(10,351)	(1,201)	(645)	0	(14,502)
Balance as at 31.12.2005	**6,660**	**44,451**	**119,403**	**4,520**	**1,860**	**27,721**	**204,615**
Cost 01.01.2005	7,060	24,218	146,406	8,324	6,904	42,156	235,068
Accumulated Depreciation	0	(3,263)	(24,890)	(2,844)	(4,779)	0	(35,776)
Net Book Value 01.01.2005	**7,060**	**20,955**	**121,516**	**5,480**	**2,125**	**42,156**	**199,292**
Cost 31.12.2005	6,660	49,019	154,832	8,377	7,284	27,721	253,893
Accumulated Depreciation	0	(5,568)	(35,241)	(4,045)	(5,424)	0	(50,278)
Net Book Value 31.12.2005	**6,660**	**44,451**	**119,591**	**4,332**	**1,860**	**27,721**	**204,615**

(Amounts in thousands of euros, unless otherwise stated)

COMPANY	Quarries/ Land Plots	Buildings	Machinery	Vehicles	Other	Fix. Assets under construction	Total
Net Book Value 1.1.2005	**0**	**0**	**3**	**3**	**51**	**2,885**	**2,941**
Additions	0	0	0	0	0	7,316	7,316
(Disposals – Write-offs)	0	0	0	(2)	(2)	0	(4)
New companies in the consolidation	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	(10,201)	(10,201)
(Depreciation for the year)	0	0	(1)	0	(17)	0	(18)
Balance as at 31.12.2005	**0**	**0**	**2**	**1**	**32**	**0**	**35**
Cost 01.01.2005	0	0	4	64	1,225	2,885	4,178
Accumulated Depreciation	0	0	(1)	(61)	(1,174)	0	(1,236)
Net Book Value 01.01.2005	**0**	**0**	**3**	**3**	**51**	**2,885**	**2,942**
Cost 31.12.2005	0	0	4	62	1,223	0	1,289
Accumulated Depreciation	0	0	(2)	(61)	(1,191)	0	(1,254)
Net Book Value 31.12.2005	**0**	**0**	**2**	**1**	**32**	**0**	**35**

(Amounts in thousands of euros, unless otherwise stated)

Total depreciation of Intangible and Tangible assets for 2006 is 19,587 eurp (14,836 in 2005) and are recorded in Income Statement at cost of sales (euro 18,557) and at Administration and distribution expenses (1,030).

Of the tangible fixed assets analyzed above, the following have been acquired through finance leases:

	GROUP		
	Machinery	Vehicles	Total
Cost 31.12.2006	**57,433**	**2,028**	**59,461**
Less: Accumulated Depreciation	6,896	79	**6,975**
Net Book Value 31.12.2006	**50,537**	**1,949**	**52,486**

On real estate of the Group recorded on book value of 55,534 euro on 31.12.2006 there are prenotations of 26,907 for securing banking loans.

The Group has made a provision for the restoration the land on which it has installed the wind parks for the production of electric energy, amounting to € 1,485. This amount has been recorded as a tangible fixed asset and as a provision in liabilities. The tangible fixed asset is depreciated through the income statement for a period equal to the useful life of the wind park.

8 INVESTMENT PROPERTY

The investment property account reported in the attached financial statements as of the 31st of December 2006, is analysed as follows.

	GROUP		COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Balance 1/1	77,226	59,739	24,466	14,848
Buildings	17,560	21,684	642	10,702
Reductions in the year	(5,967)	(4,197)	(401)	(1,084)
Buildings	9,285	0	229	0
Transfer held for sale	(29,158)	0	0	0
Balance 31/12	**68,946**	**77,226**	**24,937**	24,466

Investment property transferred in category of non-current assets held for sale refer to the sold in 2007 company DIKEVE SA. More are mentioned below in paragraph 34.

(Amounts in thousands of euros, unless otherwise stated)

9 PARTICIPATIONS IN ASSOCIATES

The Company has a 33.34% participation in GEKA SA and a 23.91% participation in KEKROPS SA. The fair value of KEKROPS SA that is listed in Athens Exchange was 9,343 euro on 31.12.2006 (8,207 euro on 31.12.2005).

The financial data of related companies are as follows (the 100%):

GROUP and COMPANY 31.12.2006	Assets	Liabilities	Equity	Revenues	Profit/Loss after tax
GEKA SA	46,770	26,350	20,420	1,899	4,874
KEKROPS SA	12,760	2,822	8,228	316	(574)

GROUP and COMPANY 31.12.2006	Assets	Liabilities	Equity	Revenues	Profit/Loss after tax
GEKA SA	52,984	35,058	17,926	1,062	(129)
KEKROPS SA	13,177	2,256	8,802	3,514	140

10 STOCK AND WORK IN PROGRESS

The stock and work in progress figure reported in the attached financial statements as of the 31st of December 2006, is analysed as follows:

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Property for sale	17,977	26,056	8,256	5,951
Raw and auxiliary materials	11,349	6,722	6,467	0
Buildings under construction	17,547	12,475	2,023	8,652
Land	0	14,298	0	7,772
Land	8,478	18	0	0
Total	**55,351**	**59,569**	**16,746**	**22,375**

Raw and auxiliary materials refer to materials that would be used in technical projects undertaken by the Company.
Finished products refer to inactive materials. On 31st of December 2005 and 2006 there were no provisions for impaired or slowly moved inventories.

11 TRADE RECEIVABLES AND PREPAYMENTS AND OTHER RECEIVABLES

The trade receivables figure reported in the attached financial statements as of the 31st of December 2006, are analysed as follows:

(Amounts in thousands of euros, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Trade receivables	127,115	117,407	7,608	2,559
Contracts for road construction under development	54,358	39,583	245	0
Customers - Doubtful and in Litigation	5,689	5,618	0	0
Overdue Notes/Cheques Receivable	89	1,959	0	0
Checks receivable	7,208	4,884	4,443	41
Less: Provisions for doubtful debt	(9,315)	(14,864)	0	0
	185,144	**154,587**	**12,296**	**2,600**

An amount of € 25 million is included in trade receivables figure, € 20 million of which stems from previous financial years and relates to the proportion of respective receivables of two Joint Ventures in which the Group participates and which have undertaken the construction of a specific technical project.
The delay is due to the complexity, both from the legal and the technical perspective, of the approval procedure for the certificate needed for the project since the contractual as well as the additional technical part of the project is financed mainly by EU funding.

The project is carried out according to the specific technical plans by the person responsible for the technical aspects of the project –competent officer of the main project- that include both the contractual as well as the additional technical part of the project. For the resolution of the dispute relating to the additional part of the plan beyond the contract, no appeal has been made to the arbitration process provided for by the contract sine the joint-ventures consider that there is still room for consensus to be reached. The Management of the Company, following a suggestion by the Receive Committee regarding the total of executed projects, on 21.12.2006 and based on the the assessment of the legal representative of the Group, who is handling the matter as well as the responsible for the project people, taking also into account the credibility of the employer estimates that the aforementioned receivable would be collected in full and therefore there is no need for any relevant provision to be made.

The prepayments and other receivables figure reported in the attached financial statements as of the 31st of December 2006, are analysed as follows:

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Prepayments to suppliers	15,134	7,982	992	2,384
Prepayments and Credits Control Accounts	5,716	4,404	0	0
Prepaid expenses – Accrued Income	5,601	3,206	27	46
Other receivables by Group's joint ventures	4,770	5,934	121	120
Other receivables-Sundry debtors	36,617	32,349	1,258	873
Less: provisions for doubtful receivables	(1,304)	(3,690)	0	0
	66,534	**50,185**	**2,398**	**3,423**

(Amounts in thousands of euros, unless otherwise stated)

The movements in provisions for receivables from customers in the period is analysed as follows:

	GROUP	COMPANY
Balance 31.12.2005	**18,554**	**0**
Provisions for the year	(7,935)	0
Balance 31.12.2006	**10,619**	**0**

The reversal in formed provisions is due to the amount of 5.2 million euro related to write-offs of relevant receivables and the accounting adjustments after the audit and the finalisation by tax authorities of all the un-audited tax years, and due to the amount of 2.8 million euro that reflects part of the provision for receivables which according to current developments are not expected to be verified and the outstanding matter will be solved.

12 CONTRACTS FOR THE CONSTRUCTION OF TECHNICAL PROJECTS

The technical projects under construction that have been undertaken by the Group as at the date of compilation of the attached financial statements are analyzed as follows:

	GROUP		COMPANY	
Cumulative figures from the start of the projects	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Cumulative cost	1,030,707	901,030	12,514	0
Cumulative profits	183,771	190,779	1,906	0
Cumulative losses	26	0	0	0
Received prepayments	31,441	40,663	0	0
Withheld amounts from project customers	2,732	2,303	0	0
Receivables invoiced	1,171,872	1,066,703	14,177	0
Receivables form customers	54,358	39,583	244	0
Liabilities to customers	(11,778)	(14,477)	0	0
Net receivables from customers	42,580	25,136	244	0

13 OTHER FINANCIAL ASSETS

The other financial assets figure reported in the attached financial statements as of the 31st of December 2006, include shares of Societe Anonyme and Mutual Funds and are analysed as follows:

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Securities available for sale	4,238	1,840	2,975	1,840
Securities held till maturity	35,546	0	29,650	0
	256	65	210	65
	40,040	**1,905**	**32,835**	**1,905**

On 31.12.2006 the securities available for sale were valued at fair value and a profit of 3,055 was realised that was recorded in equity. The relevant amount for the company amounted to 3,236 euro.

(Amounts in thousands of euros, unless otherwise stated)

14 CASH AND CASH EQUIVALENTS

The cash and cash equivalents figure reported in the attached financial statements as of the 31st of December 2006, are analysed as follows:

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Cash in hand	496	499	3	5
Sight deposits	108,544	103,680	23,255	51,774
Total	**109,040**	**104,179**	**23,258**	**51,779**

15 LONG-TERM LOANS AND FINANCE LEASES

The long-term loans figure reported in the attached financial statements as of the 31st of December 2006, are analysed as follows:

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Liabilities from finance leases	32,247	30,860	0	0
Less: Short-term part	(11,016)	0	0	0
Long-term debt	120,576	72,626	0	0
Less : Short-term part	(13,684)	(3,669)	0	0
	128,123	**99,817**	**0**	**0**

The repayment period of the aforementioned loans is analysed as follows:

GROUP	**31.12.2006**	**31.12.2005**
Till 1 year	13,684	3,669
Between 2 & 5 years	52,267	35,620
Over 5 years	54,625	33,337

Liabilities from finance lease refer to companies of the Group and the repayment periods are reported in the following table:

GROUP	**31.12.2006**	**31.12.2005**
Till 1 year	11,016	0
Between 2 & 5 years	18,883	26,869
Over 5 years	2,348	3,991

Finance leases are for the most part used to cover the financing requirements of the installation and operation of a factory producing electric power, as well as the lease of mechanical and factory equipment.

(Amounts in thousands of euros, unless otherwise stated)

Long-term loans are for the most part used to cover the financing requirements of the development of wind parks of the energy sector of the Group. Also, part of the long term loans cover the financing requirements of building investment property. The weighted average interest on the above loans is calculated as Euribor plus a spread of 3%.

16 PROVISIONS FOR STAFF RETIREMENT INDEMNITIES

According to Greek labor law, each employee is entitled to a lump-sum indemnity in case of dismissal or retirement. The amount of the indemnity depends on the length of service with the company and the employee's wages the day he/she is dismissed or retires. Employees that resign or are justifiably dismissed are not entitled to such an indemnity. The indemnity payable in case of retirement in Greece is equal to 40% of the indemnity calculated in case of dismissal. According to the practices in the countries where the subsidiaries of the Group are operating in, staff indemnity programmes are usually not funded.

The liabilities for staff indemnity liabilities Were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions recorded in the results for the financial year ended on the 31st of December 31, 2006 and the movement of the relevant provision accounts for staff indemnities presented in the attached consolidated Balance Sheet for the year ended on December 31st 2006.

The provision for staff indemnities recognized in the consolidated Income Statement for the financial year is as follows:

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Present value of liabilities	1,585	1,934	170	154
Non recorded actuarial losses	(471)	(439)	(49)	(22)
Recognised liability	**1,114**	**1,495**	**121**	**132**

The expense for staff indemnities recognised in income statements is as follows:

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Current service cost	185	173	12	2
Finance cost	63	58	6	2
Recognision of actuarial gains/losses	103	0	0	0
Additional payments	0	82	0	8
	0	472	0	8
	351	**785**	**18**	**12**

The aforementioned expense is recorded in Income statement in cost of ales account.

The movement of the relevant provision account in the consolidated Balance Sheet is as follows:

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Opening balance of the liability	**1,495**	**1,380**	**121**	**120**
Provision recognized in the income statement	351	785	18	12
Indemnities paid	(732)	(670)	(18)	0
Closing balance	**1,114**	**1,495**	**121**	**132**

(Amounts in thousands of euros, unless otherwise stated)

The main assumptions for financial years 2006 and 2005 are as follows:

Discount rate	3,03%
Future wage increases	2,30%
Average remaining work life (years)	4,81

17 OTHER PROVISIONS

The movement of relevant provision in the Balance Sheet is as follows:

	GROUP		COMPANY	
	Provisions for restoration of nature	**Other provisions**	**Provisions for restoration of nature**	**Other provisions**
Balance 1.1.2006	**0**	**2,406**	**0**	**315**
Provision recognised in the income statement	1,485	0	0	0
Used provisions	0	(1,230)	0	(315)
Balance 31.12.2006	**1,485**	**1,176**	**0**	**0**

Companies of the energy sector are obliged to restore nature in places they install units for the production of electricity when the installation finishes and the licences granted by the state last for twenty years. The aforementioned provision of 1,485 euro reflects the necessary expenses for un-installation and area restoration with the use of current technology and material.

18 GRANTS

The grants figure reported in the attached financial statements as of the 31st of December 2006, are analysed as follows:

	GROUP	COMPANY
Net value 1.1.2006	**16,087**	**0**
Transfers to the Profit and Loss	(2,524)	0
Collection of Grants	16,685	0
Approved grants	8,629	0
Transfer to short-term liabilities	(2,360)	0
Net value 01.01.2006	**36,517**	**0**

Grants relate to government grants for the development of wind parks and car parks and other infrastructure and are amortized during the useful life of the assets financed by grants.

19 SUPPLIERS AND OTHER LIABILITIES

The suppliers figure reported in the attached financial statements as of the 31st of December 2006, is analysed as follows:

(Amounts in thousands of euros, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Suppliers- Subcontractors	7,087	13,948	439	1,344
Suppliers-other	50,848	18,376	348	0
Cheques payable	15,325	7,985	0	2,131
	73,260	**40,309**	**787**	**3,475**

The accrued and other short term liabilities reported in the attached financial statements as of the 31st of December 2006, are analysed as follows:

	GROUP		COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Taxes and Duties payable	12,863	8,767	183	128
Social insurance payable	2,324	2,159	40	43
Dividend payable	260	200	185	200
Liabilities to associates	4,796	8,473	0	241
BoD remuneration	1,490	806	500	0
Customer prepayments	39,779	27,383	383	883
Accrued expenses and prepaid income	4,523	2,963	131	135
Liabilities according to IAS 11	11,778	14,477	0	0
Various creditors	21,098	17,663	43	637
	98,911	**82,891**	**1,465**	**2,267**

20 SHORT TERM LOANS

The total amount of the Group's short-term loans refers to bank overdrafts that are used for working capital purposes to cover the Company's operating needs. The amounts withdrawn are mainly used to cover the short term liabilities of the construction sector that emerge from the timing difference between the realization of the construction cost and the certification of the work completed, as well as from the large delays in the collection of receivables from the State. The weighted average interest rate for the short-term loans is close to 4%.

21 SHARE CAPITAL

The share capital of GEK SA amounts to € 23,567 and is totally paid and divided into 65,463,360 shares having a nominal value of € 0.36 each.
The shareholders are entitled to receive dividends, as these are proposed on an annual basis, while each share represents one vote in the General Shareholders meeting.
The average weighted number of shares for the years ended on 31 December 2006 and 2005 is as follows:

	31.12.2006	31.12.2005
Number of shares	65,463,360	65,463,360

The Board of Directors proposed the dividend distribution of 7,856 euro (7,856 euro in 2005), that is to say 0.12 euro per share (0.12 euro in 2005). The dividends total comes from taxed earnings.

(Amounts in thousands of euros, unless otherwise stated)

Earnings per share from continued operations amounted to 0.26 euro (0.29 euro in 2005) and were estimated based on earnings attributable to the shareholders of the parent of 17,336 euro (18,771 euro in 2005) and on average weighted number of shares for the year 2006.

22 INCOME TAX

According to Greek tax legislation the Company is taxed with a tax rate of 29% for 2006 and 25% for 2007 and onwards.

The income tax figure recorded in the income statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Current tax expense				
Current tax	6,046	10,306	1,056	3,383
Deferred Tax of previous years	2,605	255	462	0
	8,651	10,561	1,518	3,383
Deferred tax expense	3,787	1,742	517	(306)
Total	**12,438**	**12,303**	**2,035**	**3,077**

The income tax statement is submitted on an annual basis but the profits or losses declared remain provisional until the tax authorities audit the tax payer's books and records and issue a final audit report. Currently, addition taxes that may be charged during the tax audit of un-audited tax years is difficult to be calculated and therefore no relevant provision are made in the attached financial statements. The un-audited tax years for the Group's companies are shown below.

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

	GROUP		COMPANY	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Earnings before tax	43,810	38,600	27,039	26,038
Tax (29% and 32%)	**12,705**	12,352	7,841	8,332
Loss of consolidated companies	268	0	268	
Implied tax	115	(1,155)	0	0
Non-exempt tax expenses	578	1,621	133	
Effect from tax rate difference	(1,709)	0	(299)	0
Difference between accounting and taxed earnings	592	1,855	0	0
Tax audit differences	2,605	255	462	0
Tax on dividends	0	0	(1,562)	
Tax differences	99	356	0	0
Tax-exempt reserves	(2,841)		(4,808)	(4,831)
Other	26		0	151
	12,438	**12,303**	**2,035**	**3,077**

(Amounts in thousands of euros, unless otherwise stated)

Deferred income tax is calculated on all the temporary tax differences between the book value and the tax value of the assets and liabilities. The deferred income tax is calculated using the expected tax rate of the Company at the time in which the tax receivable/liability matures. The deferred tax receivables and liabilities for the years 2006 and 2005 are analyzed as follows:

GROUP	Balance sheet		Profit and loss account (Debit)/Credit	Net position (Debit)/Credit
	31.12.2006	**31.12.2005**	**1.1 – 31.12.2006**	**1.1 – 31.12.2006**
Deferred income tax asset				
Expensed intangible assets	1,266	2,193	(927)	0
Recognition of construction project income according to IAS 11	4,330	2,854	1,476	0
Provision for staff indemnity	276	339	(63)	0
Valuation of investments	1,094	0	0	1,094
Tax recognized losses	301	0	301	0
Other	162	0	162	0
Provisions for doubtful receivables	2,507	3,007	(500)	0
Totals	**9,936**	**8,393**	**449**	**1,094**
Deferred income tax liability				
Investment property valuation	(3,200)	(451)	(2,749)	0
Recognition of finance leases, revaluation of fixed assets and depreciation of fixed assets based on their useful life	(5,081)	(4,035)	(1,046)	0
Valuation of participations	0	(291)	291	0
Recognition of construction project income according to IAS 11	(2,028)	0	(2,028)	0
Other	0	(1,296)	1,296	0
Totals	**(10,309)**	**(6,073)**	**(4,236)**	**0**
Deferred income tax income/(expense)				

COMPANY	Balance sheet		Profit and loss account (Debit)/Credit	Net position (Debit)/Credit
	31.12.2006	31.12.2005	1.1 – 31.12.2006	1.1 – 31.12.2006
Deferred income tax asset				
Expensed intangible asset	50	108	(58)	0
Valuation of investments	342	0	0	342
Provision for staff indemnity	30	0	30	0
Other	150	369	(219)	0
Total	**572**	**477**	**(247)**	**342**
Deferred income tax liabilities				
Investment property valuation	(230)	(266)	36	0
Valuation of participations	0	(290)	290	0
Recognition of finance leases, revaluation of fixed assets and depreciation of fixed assets based on their useful life	(212)	0	(212)	0
Recognition of construction project income according to IAS 11	(384)	0	(384)	0
Total	**(826)**	**(556)**	**(270)**	**0**
Deferred income tax income/(expense)	**0**	**0**	**(516)**	**0**
Net deferred income tax receivables/(liabilities)	**(254)**	**(79)**	0	0

The Group maintains tax exempt reserves of € 26,282 which will be taxed using the current tax rate in the event that they are distributed or capitalized. In the foreseeable future the Company does not intend to distribute or capitalize these reserves.

GEK SA is tax audited for fiscal years 2003 to 2004, TERNA SA for fiscal years 2002 to 2005 while its subsidiary TERNA ENERGY ABETE is also undergoing a regular tax audit.

The un-audited tax years of the companies in the GEK, TERNA and TERNA ENERGY Groups that are consolidated using the method of full and proportionate consolidation are analyses in paragraph 5.

23 REVENUES

Sales reported in the attached financial statements as at the 31st of December 2006 are analysed as follows:

	GROUP		COMPANY	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Income from technical projects	223,881	188,044	8,335	2,932
Electrical Energy Sales	65,656	41,772	0	0
Industrial products – Construction Materials Sales	24,170	7,149	0	0
Rents	3,477	0	1,377	0
Sales of Properties	14,915	25,954	13,490	14,483
Provision of Services	4,359	11,269	0	988
	336,458	**274,188**	**23,202**	**18,403**

(Amounts in thousands of euros, unless otherwise stated)

24 COST OF SALES AND ADMINISTRATION AND DISTRIBUTION EXPENSES

The figures for cost of sales and administration and distribution expenses reported in the attached financial statements as of the 31st of December 2006, are analysed as follows:

Cost of sales	**GROUP**		**COMPANY**	
	1.1-31.12.2006	**1.1-31.12.2005**	**1.1-31.12.2006**	**1.1-31.12.2005**
Consumption of material and finished work	86,355	65,583	5,952	9,008
Staff wages	23,281	23,392	345	77
Subcontractors	100,175	58,495	10,747	2,433
Other third party fees	19,046	21,083	0	392
Other third party benefits	18,671	21,279	62	37
Tax – duties	1,510	1,373	0	58
Depreciation	18,557	13,947	0	26
Other	8,420	8,141	478	216
	276,015	**213,293**	**17,584**	**12,247**

Administrative and distribution expenses	**GROUP**		**COMPANY**	
	1.1-31.12.2006	**1.1-31.12.2005**	**1.1-31.12.2006**	**1.1-31.12.2005**
Consumption of material and finished work	0	5	0	0
Staff wages	4,013	3,860	805	899
Subcontractors	627	133	0	0
Other third party fees	12,412	8,358	695	504
Other third party benefits	3,950	2,460	101	86
Tax – duties	0	718	0	78
Depreciation	1,030	889	16	3
Other	7,659	8,809	519	465
	29,691	**25,232**	**2,136**	**2,035**

25 OTHER OPERATING INCOME/(EXPENSES)

The figures for other operating income/(expenses) reported in the attached financial statements as of the 31st of December 2006, is analysed as follows:

(Amounts in thousands of euros, unless otherwise stated)

	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Dividends from participations and subsidiaries	0	0	5,375	5,681
Dividends of other investments	207	2,913	14	178
Profit/Loss from the valuation of other investments	0	0	120	0
Profit from the sale of other investments	3,673	2,782	109	0
Profit from the sale if subsidiaries	0	0	16,643	15,633
Provision of services	10,907	9,847	71	562
Other operating income	0	(44)	0	0
Investment property valuation	4,795	608	229	(444)
Other extraordinary income/(expenses)	(140)	(112)	0	(11)
Other tax	(380)	(615)	(247)	(127)
Total	**19,062**	**15,379**	**22,314**	**21,472**

26 FINANCIAL INCOME/(EXPENSES)

Financial income/(expenses) on December, 31 2006, in the attached financial statements are as follows:

	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Interest received from deposits	2,950	1,351	1,292	788
Other		0	(49)	(342)
Loan interest	(12,379)	(11,555)	0	0
Total	**(9,429)**	**(10,204)**	**1,243**	**446**

27 PAYROLL COST

Staff wages and the average number of employees as of December 31st 2006 are analysed as follows:

	GROUP		COMPANY	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Wages and ensuant benefits of wage earners	4,381	5,989	55	84
Salaries and ensuant benefits of employees	15,440	14,343	862	689
Insurance and pension fund contributions	6,957	6,135	215	191
Provision for employee indemnities	351	785	18	12
Other	165	0	0	0
Total expenses	**27,294**	**27,252**	**1,150**	**976**

(Amounts in thousands of euros, unless otherwise stated)

Average number of employees				
Workers	310	317	14	33
Clerks	532	531	26	29

28 EXISTING CHARGES ON PROPERTY

Mortgage prenotations to the amount of € 49.65 million have been registered on the property of some subsidiaries included in the consolidation, as security for bank loans.

29 RIGHTS IN JOINT-VENTURES

The Group holds rights in joint ventures for the execution of technical projects. The financial statements of the Group reflect its rights on fixed assets, liabilities, revenues and expenses of joint ventures as follows:

	31.12.2006	**31.12.2005**
Non-current assets	46,363	46,928
Current assets	117,709	128,903
Long-term liabilities	(24,670)	(24,776)
Short-term liabilities	(123,270)	(121,942)
Net assets/liabilities	**16,132**	**29,113**
Revenues	95,040	65,850
Expenses	90,987	54,784

30 TRANSACTIONS WITH RELATED PARTIES

The transactions and the balances of GEK with the related parties for the years 2006 and 2005 are analysed as follows:

2006	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit balance**	**Credit balance**	**Sales**	**Purchases**	**Debit balance**	**Credit balance**
Subsidiaries	0	0	0	0	303	9.105	331	691
Relates	324	0	0	0	0	0	0	0
Joint Ventures	384	0	10	0	120	0	0	0

31 CONTINGENT LIABILITIES

During the course of conducting its business, the Company may face legal claims from third parties. According to both the Management and the Company's Legal Counsel, any such claims are not expected to have a significant impact on the Company's operation and financial position as of the 31st of December 2006.

(Amounts in thousands of euros, unless otherwise stated)

Guarantees have been provided for finance leases relating to the equipment of a subsidiary, amounting to 38,000 euros. Moreover guarantees have been provided as security for bank loans obtained by companies in which the Group has a participating interest, amounting to 55,783 euros.

32 POST-BALANCE SHEET DATE EVENTS

In the first quarter of 2007, the Greek Parliament approved the construction of Ionian Road, an important development for the Company since the construction process will begin. Also, the Group announced its expansion in Middle East as 4 important projects are already undertaken in that area of 375 million euro (Qatar, Abu Dhabi, Bahrain).
In energy sector, the Group announced that considers the listing of TERNA ENERGY shares (the Company consolidates all the activities in Renewable Energy Sources) in Athens Exchange. Also, at the same time, the construction of a plant producing electricity of 400 MW capacity started in Viotia that is expected to be entered into the system by 2009. Total construction cost is estimated at 240 million euro and TERNA SA would be the EPC contractor. At the same time in the framework of dynamic expansion of the Group in the creation of energy from thermal sources, the Group submitted on 20/03/2007 an application for the acquisition of licence for the construction of an energy plant of 460 MW capacity in Evia, operating with coal.

33 NON CURRENT ASSETS AVAILABLE FOR SALE AND DISCONTINUED OPERATIONS

On January, 18 2007 the company DIKEVE SA that belonged to the sector of Real Estate was sold. The decision for the sale was taken on October, 11 2006 within the Group’s strategic framework. The price for the sale amounted to 27,377euro and the pre-tax profit to 6,469 euro. The profit was taxed at 5% rate while if its distribution to shareholders is decided, additional tax will be applied due to increased tax rate.

For 2006 the sold company had cash flows from operating activities of 11,192euro (699euro in 2005), from investing activities -2,898 euros (1euro in 2005) and from financing activities 14,197 euros (-844Euro in 2005).
The assets and liabilities of the sold company ov 31.12.2006 αre analysed as follows

	31.12.2006
Investment property	29,158
Other receivable	296
Cash	140
Loans	10,801
Suppliers	2,191
Other liabilities	1,562
Net assets/liabilities	15,040

The income statement analysis of the aforementioned discontinued operation is as follows:

	2006	**2005**
Revenues	7,008	792
Expenses	(826)	(534)
Earnings before tax from discontinued operations	6,182	258
Tax	1,087	(285)
Earnings after tax from discontinued operations	5,095	(27)

Also, in 2006 the following companies were sold:

(Amounts in thousands of euros, unless otherwise stated)

Company	Price	Acquisition cost	Profit
CRETAN HOLIDAYS SA	4,900	3,051	1,849
MESPICIOUS L.T.D	628	560	68
CARLIA L.T.D	235	127	108
CRASMIRA L.T.D	235	127	108
Total	**5,998**	**3,865**	**2,133**

The aforementioned companies in 2006 did not present significant activity or cash flows.

34 INFORMATION BY SECTOR OF ACTIVITY

The table below presents the analysis of the results of the Group as of the 31st of December 2006 and the 31st of December 2005 according to its main activities:

(Amounts in thousands of euros, unless otherwise stated)

Sectors of activity	Construction	Energy	Real Estate	Industry	Exploitation of Concessions	Other	Deletions/ Consolidations	Consolidated totals
Revenues from external clients								
Sales of products	292	51,036	0	2,651	0	0	0	**53,979**
Sales of services	116	434	18,349	0	1,720	2,193	(434)	**22,378**
Revenues from construction activities	268,186	0	0	0	0	0	(8,084)	**260,102**
Total revenues from external clients	**268,594**	**51,470**	**18,349**	**2,651**	**1,720**	**2,193**	**(8,518)**	336,459
Intragroup revenues	19,767	0	0	7,886	0	0	(27,653)	**0**
Total revenues	**288,361**	**51,470**	**18,349**	**10,537**	**1,720**	**2,193**	**(36,171)**	336,459
Results per sector	**11,785**	**19,385**	**12,095**	**4,196**	**47**	**1,728**	**0**	49,236
Profit from the sale of discontinued operations before tax	0	0	6,182	0	0	0		**6,182**
Undistributed expenses								**(2,177)**
Operating results	11,785	19,385	18,277	4,196	47	1,728		**53,241**
Net financial results								**(9,429)**
Earnings from related enterprises								
Income tax								**12,438**
Net results								**31,374**
Assets per sector	240,866	198,931	161,029	35,180	24,468	11		**660,485**
Investments in related companies	0	12	0	0	0	0		**12**
Unclassified assets								**195,656**
Total assets	240,866	198,943	161,029	35,180	24,468	11		**856,154**
Liabilities per sector	148,627	37,575	21,003	5,718	3,663	24		**216,610**
Unclassified liabilities								**239,604**
Total liabilities	148,627	37,575	21,003	5,718	3,663	24		**456,214**
Capital expenditures	17,848	37,937	17,817	112	10,348	0		**84,062**
Depreciation	6,820	10,970	159	1,189	449	0		**19,587**

The tables below presents the analysis of the results of the Group as of the 31st of December 2006 and the 31st of December

(Amounts in thousands of euros, unless otherwise stated)

Geographical sectors

	Greece	Balkans	Middle East	Other areas	Unclassified
Revenues from external clients	277,186	56,940	2,190	143	336,459
Assets	555,902	102,712	1,883	195,656	856,153
Capital expenditure	73,926	10,121	15	0	69,363

CERTIFICATE

It is ascertained that the attached financial statements are those approved by the Board of Directors of the Company on March, 28 2007 and have been published by being posted on the internet at the website www.gek.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 Board	The Vice-chairman of the Board & CEO
George Peristeris	Nikolaos Kambas
The Finance Director	Head of Accounting
Merkourios Moschovis	Louiza Kana

CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GEK HOLDING REAL ESTATE CONSTRUCTION AE

Report on the Financial Statements

We have audited the accompanying financial statements of GEK HOLDING REAL ESTATE CONSTRUCTION AE (the "Company"), which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Without qualifying our opinion, we draw attention to:
Note 22 in the Notes on the financial statements, where reference is made to the fact that the tax returns of the company for the years 2005 to 2006, 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.

Report on Other Legal and Regulatory Requirements

The content of the Report of the Board of Directors is consistent with the aforementioned financial statements.

Athens, 29 March 2007

VASILIOS PAPAGEORGAKOPOULOS
Certified Public Accountant Auditor
SOEL Reg. No. 11681
SOL S.A. – Certified Public Accountants Auditors
3, Fok. Negri Street - Athens, Greece

SOL s.a.
CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GEK HOLDING REAL ESTATE CONSTRUCTION AE

Report on the Financial Statements

We have audited the accompanying financial statements of the Group of companies of GEK HOLDING REAL ESTATE CONSTRUCTION AE (the "Company"), which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Without qualifying our opinion, we draw attention to:
a) Note 22 in the Notes on the consolidated financial statements, where reference is made to the fact that the tax returns of the parent company for the years 2005 to 2006 as well as those of the consolidated subsidiaries and Joint-Ventures cited in the above-mentioned 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) Note 11 in the Notes on the financial statements, where reference is made to the fact that in the trade receivables are included and receivables overdue totalling approximately € 20.000 thousands that concern proportion of respective receivables of two Joint Ventures in which participates a subsidiary company of the Group 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 as of 21.12.2006 and the opinion of all the persons in charge of the project, the Joint Ventures will arrive at an amicable arrangement with the project leader and the above-mentioned receivables will be collected to their total.
c) Restatement and accounting settlement has been made of the income statement accounts for the year 2004 of a subsidiary company of the group and, as a consequence, were decreased respectively the Shareholders Equity by € 1.664 thousands and the minority interest by € 2.402 thousands.

Report on Other Legal and Regulatory Requirements

The content of the Report of the Board of Directors is consistent with the aforementioned financial statements.

Athens, 29 March 2007

VASILIOS PAPAGEORGAKOPOULOS
Certified Public Accountant Auditor
SOEL Reg. No. 11681
SOL S.A. – Certified Public Accountants Auditors
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