TERNA ENERGY SA

Societe Anonyme Commercial Technical Company
85 Mesogeion Ave., 115 26 Athens
Reg.No. 318/06/B/86/28

CONDENSED INTERM FINANCIAL STATEMENTS COMPANY AND CONSOLIDATED FOR MARCH 31st 2010

(January 1st to March 31st 2010)

According to the International Financial Reporting Standards (IFRS)

According to the International Accounting Standard 34

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TERNA ENERGY GROUP
STATEMENT OF FINANCIAL POSITION
31st MARCH 2010

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

		GROUP		COMPANY	
	Note	31 March 2010	31 December 2009	31 March 2010	31 December 2009
ASSETS					
Non-current assets					
Intangible assets	6	5,175	1,774	1,065	989
Tangible assets	6	366,480	340,820	118,744	110,552
Investment property		923	923	923	923
Participation in subsidiaries		-	-	80,179	71,051
Participations in associates		51	51	-	-
Participation in joint-ventures		-	-	374	374
Other long-term receivables		290	219	234	183
Other investments		1	1	1	1
Deferred tax assets		516	1,233	185	819
Total non-current assets		**373,436**	**345,021**	**201,705**	**184,892**
Current assets					
Inventories		423	536	130	244
Trade receivables		14,014	22,394	12,532	19,225
Receivables according to IAS 11		4,716	2,269	13,536	10,466
Prepayments and other receivables		24,910	24,880	9,323	7,749
Income tax receivables		557	518	557	518
Cash and equivalents		227,811	244,837	215,187	233,561
Total current assets		**272,431**	**295,434**	**251,265**	**271,763**
TOTAL ASSETS		**645,867**	**640,455**	**452,970**	**456,655**
EQUITY AND LIABILITIES					
Equity attributed to the shareholders of the parent					
Share capital	8	32,800	32,800	32,800	32,800
Share premium		281,923	281,930	282,006	282,006
Reserves		15,385	17,269	12,653	14,708
Profit carried forward		43,834	39,812	40,082	37,102
Total		**373,942**	**371,811**	**367,541**	**366,616**
Minority interest		1,541	1,405	-	-
Total equity		**375,483**	**373,216**	**367,541**	**366,616**

Long-term liabilities					
Long-term loans	9	65,751	67,646	36,707	36,707
Other provisions	10	1,136	1,136	597	597
Provision for staff indemnities	10	172	181	172	181
Grants	11	50,195	50,796	19,512	19,777
Deferred tax liabilities	14	914	838	-	-
Total long-term liabilities		**118,168**	**120,597**	**56,988**	**57,262**
Short-term liabilities					
Suppliers		13,404	14,071	12,148	12,660
Short-term loans	9	121,445	111,503	7,145	7,145
Long-term liabilities falling due in the next period	9	11,078	10,929	6,324	5,917
Liabilities according to IAS 11		1,942	3,368	1,942	3,368
Accrued and other short-term liabilities		3,164	6,214	698	3,687
Income tax payable		1,183	557	184	-
Total short-term liabilities		**152,216**	**146,642**	**28,441**	**32,777**
Total liabilities		**270,384**	**267,239**	**85,429**	**90,039**
TOTAL LIABILITIES AND EQUITY		**645,867**	**640,455**	**452,970**	**456,655**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP
STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		1/1 - 31/3 2010	**1/1 - 31/3 2009**	**1/1 - 31/3 2010**	**1/1 - 31/3 2009**
Continued activities					
Turnover	5	16,112	14,510	12,873	13,241
Cost of sales		(9,684)	(7,983)	(8,585)	(8,946)
Gross profit		**6,428**	**6,527**	**4,288**	**4,295**
Administrative & distribution expenses		(1,514)	(950)	(1,199)	(808)
Research & development expenses		(467)	(644)	(446)	(644)
Other income/(expenses)	12	840	1,037	292	547
Operating results		**5,287**	**5,970**	**2,935**	**3,390**
Net financial income/(expenses)	5	452	2,270	864	2,888
EARNINGS BEFORE TAX	5	**5,739**	**8,240**	**3,799**	**6,278**
Income tax expense	5, 14	(1,281)	(2,055)	(680)	(1,464)
Net Earnings from continued activities	5	**4,458**	**6,185**	**3,119**	**4,814**
NET EARNINGS FOR THE PERIOD		**4,458**	**6,185**	**3,119**	**4,814**
Other income recognized directly in Equity from:					
Foreign exchange differences from incorporation of foreign units		9	(17)	-	-
Expenses of capital increase		(7)	-	-	-
Income tax recognized directly in Equity		(138)	(140)	(139)	(140)
Other income/expenses for the period net of income tax		**(136)**	**(157)**	**(139)**	**(140)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**4,322**	**6,028**	**2,980**	**4,674**
Net results attributed to:					
Shareholders of the parent from continued activities		4,322	5,894		
Minority interest from continued activities		136	291		
		4,458	**6,185**		

Total income attributed to:		
Shareholders of the parent from continued activities	4,187	6,028
Minority interest from continued activities	135	-
	4,322	**6,028**
Earnings per share (in Euro)		
From continued activities attributed to shareholders of the parent	0.0398	0.0541
Average weighted number of shares		
Basic	108,411,413	108,858,676

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP

CASH FLOW STATEMENT

31st MARCH 2010

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

	GROUP		COMPANY	
	1/1 - 31/3 2010	**1/1 - 31/3 2009**	**1/1 - 31/3 2010**	**1/1 - 31/3 2009**
Cash flow from operating activities				
Earnings for the period before tax	5,739	8,240	3,799	6,278
Adjustments for the agreement of net flows from operating activities				
Depreciation	2,239	2,215	1,141	1,131
Provisions	14	(382)	14	10
Interest and related income	(1,577)	(3,794)	(1,552)	(3,780)
Interest and other financial expenses	1,125	1,524	688	892
Amortization of grants	(600)	(596)	(265)	(261)
Other adjustments	(181)	(17)	-	-
Operating profit before working capital changes	**6,759**	**7,190**	**3,825**	**4,270**
(Increase)/Decrease in:				
Inventories	113	73	114	73
Trade receivables	5,623	3,879	3,623	(1,212)
Prepayments and other short term receivables	713	(15,506)	(1,174)	(1,497)
Increase/(Decrease) in:				
Suppliers	(667)	6,819	(511)	6,674
Accruals and other short term liabilities	(4,476)	(2,975)	(4,439)	(1,702)
(Increase)/Decrease of other long term receivables and liabilities	(71)	18,484	(51)	7,976
Income tax payment	(39)	(110)	(39)	(109)
Net cash inflow from operating activities	**7,955**	**17,854**	**1,348**	**14,473**
Cash flow from investment activities:				
Purchases/Sales of tangible and intangible assets	(30,961)	(11,559)	(9,409)	(12,547)
Interest and related income received	1,204	4,165	1,151	4,152
(Purchases)/sales of participations and securities	-	-	(9,128)	(500)
Cash outflows for investment activities	**(29,757)**	**(7,394)**	**(17,386)**	**(8,895)**

Cash flows from financial activities				
Purchase of Treasury Shares	(2,055)	(465)	(2,055)	(465)
Net change of long term loans	(1,922)	(1,895)	-	-
Net change of short term loans	9,797	(525)	-	-
Interest paid	(1,054)	(1,578)	(281)	(743)
Cash outflows for financial activities	**4,766**	**(4,463)**	**(2,336)**	**(1,208)**
Effect of exchange rate changes on cash & cash equivalents	**10**	**-**	**-**	**-**
Net increase/(decrease) in cash	**(17,026)**	**5,997**	**(18,374)**	**4,370**
Cash & cash equivalents at the beginning of the period	244,837	290,886	233,561	283,139
Cash & cash equivalents at the end of the period	**227,811**	**296,883**	**215,187**	**287,509**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY SA

STATEMENT OF CHANGES IN EQUITY

31st MARCH 2010

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

	Share Capital	Share Premium	Reserves	Profit Carried forward	Total
1 January 2009	**32,800**	**282,006**	**13,551**	**33,789**	**362,146**
Total comprehensive income for the period				4,674	**4,674**
Purchase of Treasury Shares	-	-	(463)	-	**(463)**
31 March 2009		**282,006**	**13,088**	**38,463**	**366,357**
1 January 2010	**32,800**	**282,006**	**14,708**	**37,102**	**366,616**
Total comprehensive income for the period	-	-	-	2,980	**2,980**
Purchase of Treasury Shares			(2,055)	-	**(2,055)**
31 March 2010	**32,800**	**282,006**	**12,653**	**40,082**	**367,541**

TERNA ENERGY GROUP

STATEMENT OF CHANGES IN EQUITY

31st MARCH 2010

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

	Share Capital	Share Premium	Reserves	Profit Carried forward	Sub-total	Minority Interest	Total
1 January 2010	**32,800**	**281,930**	**17,269**	**39,812**	**371,811**	**1,405**	**373,216**
Total comprehensive income/(losses) for the period	-	(7)	9	4,185	**4,187**	135	**4,322**
Purchase of Treasury Shares	-	-	(2,055)	-	**(2,055)**	-	**(2,055)**
Transfers other movements	-	-	162	(163)	**(1)**	1	**-**
31 March 2010	**32,800**	**281,923**	**15,385**	**43,834**	**373,942**	**1,541**	**375,483**

TERNA ENERGY GROUP
STATEMENT OF CHANGES IN EQUITY

31st MARCH 2010

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

	Share Capital	Share Premium	Reserves	Profit Carried forward	Sub-total	Minority Interest	Total
1 January 2009	**32,800**	**281,961**	**15,316**	**34,798**	**364,875**	**934**	**365,809**
Total comprehensive income/(losses) for the period	-	-	(17)	5,754	**5,737**	291	**6,028**
Purchase of Treasury Shares	-	-	(463)	-	**(463)**	-	**(463)**
Transfers other movements	-	-	164	(164)	**-**	-	**-**
31 March 2009	**32,800**	**281,961**	**15,000**	**40,388**	**370,149**	**1,225**	**371,374**

1 ESTABLISHMENT & ACTIVITY OF THE COMPANY

The TERNA ENERGY SA Group of companies (hereinafter the «Group» or «TERNA ENERGY») is a Greek group of companies mainly engaged in the energy and construction sector. The Group's activity in the energy sector is related to the construction and exploitation of renewable sources of Wind energy. The Company is also engaged in the research for the operation and construction of projects related to other renewable energy sources (RES).

TERNA ENERGY has a class 6 contractor certificate and its activity in the construction sector relates to the construction of private and public projects as a main contractor or subcontractor or through joint ventures. Based on the Greek legislation in effect, companies who hold a class 6 certificate, undertake public works with an initial contracting price from € 5.25 to €44.00 million or up to €60.00 million through joint ventures and private or self-financed independently budgeted, either as main contractors or as sub-contractors or through joint ventures.

TERNA ENERGY is the continuation of the Technical Constructions Company (ETKA SA), which was established in 1949 (Gov. Gaz. 166/21.06.1949), and which during 1999 absorbed TERNA ENERGY SA. The latter had been established in 1997 (Gov.Gaz.6524/11.09.1997), and is based in Athens, 85 Mesogeion Ave.

The Company is listed on Athens Exchange. GEK TERNA SA is the parent company of TERNA ENERGY also listed on Athens Exchange.

2 BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements

The condensed interim financial statements, which consist of the individual and consolidated financial statements of the Parent Company and its Group, have been prepared according to IFRS, as such have been adopted by the European Union and specifically according to the provisions of IAS 34 "Interim Financial Statements". The condensed interim financial statements should be read in conjunction with the annual financial statements of 31 December 2009.

b) Statutory Financial Statements

Until the 31st of December 2004 TERNA ENERGY SA and its Greek subsidiaries kept their accounting books and prepared financial statements according to the provisions of L. 2190/1920 and the tax legislation in effect. From January 1st, 2005 they are obliged, according to the legislation in effect, to prepare their Statutory Financial Statements according to the IFRS that have been adopted by the European Union. The Company and the Greek companies of the Group continue to keep their accounting books in accordance with the provisions of the tax laws, as they have the right to do so. Off balance sheet adjustments are then made in order to prepare the accompanying financial statements in accordance with the IFRS.

c) New Standards, Interpretations and Amendments

The accounting principles applied for the preparation of the interim financial statements are the same with those applied for the preparation of the annual financial statements of the Company and the Group as of 31 December 2009, apart from the adoption of new accounting standards. The Group has fully adopted all IFRS and interpretations which up to the preparation date of the interim financial statements had been adopted by the European Union. The application of those standards according to the International Accounting Standards Board (IASB) was compulsory for the period ended on 31 March 2010. Therefore, from 1 January 2010, the Group and the Company adopted certain new standards and amendments of standards as follows:

- IFRS 9 "Financial Instruments". The IASB intends to fully replace IAS 39 "Financial instruments recognition and valuation" with IFRS 9, which will be effective for annual financial periods beginning on January 1st 2013. IFRS 9 in its current form is the first part of phase one of the Board's overall project to replace IAS 39 and refers to the classification and valuation of financial assets. IFRS 9 in its full form that is expected at the end of 2010, will include guidance on the valuation of financial liabilities, the methodology on impairment, hedge accounting and the disruption of recognition. IFRS 9 aims at reducing the complexity in the accounting treatment of financial instruments providing less categories of financial assets and a principle based approach for their classification. According to the new standard, the entity classifies financial assets either at amortised cost or fair value based on a) the entity's business model for managing the financial assets, and b) the contractual cash flow characteristics of the financial asset (if the entity has not chosen to define the financial assets at fair value through the results). IFRS 9 has not yet been adopted by the EU. The largest part of the group's financial assets concern trade and other receivables valued at cost and thus the application of IFRS 9 is not expected to have a substantial effect on the Group's financial statements.

- *Amendments to IFRS 2 "Share-based payments"*. This revision concerns the vesting conditions and cancellation of such. The amendments to IFRS 2 are applied by companies for annual periods beginning on or after 01/01/2010. The application of the amendment is not expected to affect the Group's financial statements.

- *Amendment to IFRS 1 "First-time adoption of IFRS" – Additional Exemptions for Companies applying IFRS for the First Time*. The amendment provides exemption from the retrospective application of IFRS on the measurement of assets in the oil, natural gas and leasing lectors. The amendment is applied for annual accounting periods beginning on or after January 1st 2010. The amendment does not apply to the Group's activities.

- *Amendment to IFRS 1 "First-time adoption of IFRS" – Limited Exemptions from the Comparative Information for the Disclosures of IFRS 7 for Companies applying IFRS for the First Time*. The amendment provides exemption to companies that apply IFRS for the first time, from the obligation to provide comparative information as regards to disclosures required by IFRS 7 "Financial Instruments: Disclosures". The amendment is applied for annual accounting periods beginning on or after January 1st 2010. The amendment does not apply to the Group's activities.

- *IAS 24 "Related Party Disclosures" (revision).* The present amendment clarifies the definition of related parties and attempts to relax disclosures of transactions between government related entities. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. This amendment, which has not yet been adopted by the European Union, is mandatory from January 1st 2011. The application of the revised standard is not expected to have a substantial effect on the financial statements.

- *IFRIC 14 (Amendment) – "Prepayments of minimum funding requirements".* The amendment was applied to revoke the limitation previously applied to an entity to recognize an assets that emerged from voluntary prepayments made towards a benefit plan in order to cover its minimum funding requirements. The amendment is applied for annual accounting periods beginning on or after July 1st 2011. The interpretation does not apply to the Group.

- *IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments*". IFRIC 19 examines the issue of the accounting treatment of cases where the terms of a financial liability are subject to re-negotiations and as a result the entity issues equity instruments to the creditor in order to repay total or part of the financial liability. Such transactions are referred to some times as "debt for equity swaps" or equity swaps, and their frequency increases during the financial crisis. Prior to the release of IFRS 19, there was a significant variety in the accounting treatment of such transactions. The new Interpretation is applied for accounting periods beginning on or after July 1st 2010 and prior adoption is permitted. Interpretation 19 concerns only the accounting of the debtor in such transactions. It does not apply when creditors who are also the direct or indirect shareholders that act under such a capacity, or when creditors and the entity are controlled by the same party or parties before and after the transaction and the matter of the transaction includes the distribution of capital from or to the entity. Financial liabilities that are repaid through an issue of equity according to the initial terms of the financial liability are also outside the application scope of the Interpretation. IFRIC 19 requires from the debtor to apply an accounting treatment to the financial liabilities paid by equity instruments as follows:

• the issue of equity instruments to the debtor for the repayment of a financial liability or part of a financial liability is the exchange paid according to paragraph 41 of IAS39 the entity measures the equity instruments issued at fair value, unless such cannot be estimated reliably

• if the fair value of equity instruments cannot be estimated reliably, then the fair value of the financial liability repaid is used

• the difference between the book value of the financial liability repaid and the exchange paid is recognized in the results.

The amendment is applied for annual accounting periods beginning on or after July 1st 2010.

- *2009 Annual Improvements.* During 2009 the IASB proceeded with issuing the annual Improvements to IFRS for 2009 – namely a series of adjustments to 12 Standards – that constitute part of the program for annual improvements to the Standards. The annual improvements program of the IASB aims at realizing both the necessary and the non-urgent adjustments to IFRS that will not be part of a larger revision program. The most adjustments are effective for annual periods beginning on or after January 1st 2010 while earlier application is permitted.

- *Interpretation 17 Allocation of non cash asset items to Owners* (applied for financial years beginning at or after 1 July 2009). When a company announces an allocation and is obliged to allocate asset items to owners, then it should also records a liability regarding the payable dividends. The objective of Interpretation 17 is to provide guidance about the time a company recognizes dividends payable, the calculation method, and the accounting treatment between the book value of allocated asset items and the book value of the dividends payable, when the company pays in full the dividends. The Amendment 17 "*Allocation of non cash asset items to Owners"* is applied by the companies for financial years beginning at or from July 1st, 2009. Earlier application of the above Interpretation is acceptable provided that the company discloses such in the Explanatory Notes on the Financial Statements and at the same time applies IFRS 3 (as amended in 2008), IFRS 27 (as amended in May 2008) and IFRS 5 (as amended from the current Interpretation). Retrospective application of the Interpretation is not accepted. It is noted that the European Union has not yet adopted this Interpretation.

- *Interpretation 18 Transfer of asset items from customers* (it qualifies for years starting from or at 1 July 2009). This interpretation is applied mainly in utility companies or organizations. The objective of the Interpretation 18 is to clarify the requirements of IFRS with regard to agreements based on which a company receives from one of its customers parts of tangible assets (land, building facilities or equipment) that the company should utilize in order for the customer to become part of a network or to access the provision of goods and services (such as the provision of electricity or water). In some cases, the company receives cash from its customers in order to acquire or construct a facility in order for the customer to connect with a network or to continuously access a network of goods and services (or even both cases). The interpretation clarifies cases in which the definition of tangible asset and the recognition and calculation of initial cost are already fulfilled. Furthermore it determines the manner with which the verification of a liability regarding the provision of the above services can be made in exchange with the tangible asset, as well as the recognition of income and the accounting treatment of cash received from customers.

- *IFRS 3, Business Combinations – Amended in 2007 and consequent amendments in IAS 27, 28 and 31 (effective from July 1st 2009):* The amended standard inserts new important amendments in the purchase method in order to reflect business combinations. Among the amendments in the standard is the option to present rights of third parties that have no control (minority interest), in their fair value. Also, the amended standards state that the acquisition of additional percentages in a subsidiary or the sale of part of the shares of a subsidiary must be accounted as transactions with the shareholders of the company and any difference should be recognized in equity.

The amended IFRS 3 is effective for the acquisition of companies that will be realized after July 1st 2009, while there is no requirement for business combinations that have taken place before the adoption of the amended standard. Therefore, this amendment will not affect the present financial position of the Company.

d) Approval of Financial Statements

The accompanying interim consolidated financial statements were approved by the Board of Directors of the Parent Company on May 27th 2010.

e) Use of Estimates

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

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

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

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

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

d) Valuation of inventories: For the valuation of inventories, the Group estimates according to statistical data and market conditions, the expected sale prices and the finalization and distribution cost of such per category of inventories.

e) Impairment of assets and recovery: The Group performs evaluation of the technological, institutional and financial developments by examining indications of impairment of all assets (fixed, trade and other receivables, financial assets etc.) as well as their recovery.

f) Provision for staff indemnities: The Group, according to IAS 19, performs estimations of assumptions based on which the actuarial provision for staff indemnities is calculated.

g) Depreciation of fixed assets: For the calculation of depreciations, the Group reviews the useful economic life and residual value of tangible and intangible fixed assets based on the technological, institutional and financial developments, as well as the experience from their use.

h) Readjustment of investment property: The Group, in order to measure the value of its investment property, defines their fair value based on valuation reports prepared on its behalf by independent evaluators. For the interim financial statements, fair value results from independent appraiser reports only in cases where there are indications for significant changes in fair value and according to the financial significance.

3 SUMMARY OF KEY ACCOUNTING PRINCIPLES

The main accounting principles adopted during the preparation of the accompanying interim consolidated and individual financial statements are the following:

a) Consolidation Basis

The attached condensed interim consolidated financial statements comprise the condensed interim financial statements of TERNA ENERGY and its subsidiaries. The subsidiary companies in which the Group holds directly or indirectly more than half of the voting rights or has the right to exercise control over their operation have been consolidated. Subsidiaries are consolidated from the date that the Group acquires control over them and cease to be consolidated from the date it no longer has control.

The Group’s interests in Joint Ventures, in the cases where they are subject to common control, are consolidated in the consolidated financial statements using the equity consolidation method whereby the Group’s share of each of the assets, liabilities, income and expenses of a jointly controlled entity is included in the Group’s financial statements.

Intra-group transactions and balances have been cancelled-out in the attached consolidated financial statements. Whenever required the accounting principles of the subsidiaries have been amended in order to ensure consistency with the accounting principles adopted by the Group.

b) Investments in Associates

Includes companies in which the Group exercises significant influence however they are not subsidiaries or joint ventures. The Group's participating interests are recorded using the equity method. According to this method the participating interest in the associate company is carried at acquisition cost plus any change in the percentage of its equity held by the Group, less any provisions for impairment. The consolidated income statement shows the Group's share in the associate's results, while the amounts recorded by the associates directly in their equity, are recognized directly in Group's equity.

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

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

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

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

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

(i) Investments available for sale

Financial assets (non-derivative) that cannot be classified in any of the above categories are designated and classified as investment available for sale. After the initial recognition, available for sale investments are registered directly in a specific equity account. 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 Group (and which fall outside the usual credit limits) are valued at net amortized cost using the effective interest rate method. Gains or losses are recorded in the profit or loss when the relevant amounts are written-off or suffer impairment as well as through the amortization process.

(iii) Financial assets at fair value through the profit and 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 amortized cost using the effective interest rate method. Gains or losses are recorded in the profit or loss when the relevant amounts are written-off or suffer impairment as well as through the amortization process.

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

d) Financial Instruments and Risk Management

Non-derivative financial assets and liabilities in the balance sheet include cash balances, receivables, participations bank loans and other short and long-term liabilities. The Company does not use derivative financial 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 minimize possible negative effects and specifically:

- ***Interest rate risk and exchange rate risk***

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

- ***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 variable interest rates.

- ***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. Regarding receivables from the private sector, the Company 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 with respect to receivables from the private sector is limited compared to the total amount of trade receivables due to the great dispersion of the balances.

- ***Market Risk***

The Group 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 and its Greek subsidiaries. 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 the end-of-year valuation of monetary items in foreign currencies are reflected in the attached consolidated income statement. The profits or losses resulting from transactions are also reflected in the consolidated income statement.

The currency of operation of the foreign subsidiaries of the Group is the official currency of the country each subsidiary operates in. Accordingly, at each balance sheet date all the balance sheet accounts of the subsidiaries are converted into euros using the exchange rate in effect at the balance sheet date. Income and expenses are converted using the weighted average rate in effect during the year. The resulting exchange differences from the valuation of foreign subsidiaries as described above are booked directly to equity. Upon sale or disposal of a foreign subsidiary the cumulated exchange differences described above are recorded in the profit and loss account.

f) Intangible Assets

Intangible assets consist of rights for use of forestry land, where Wind Parks are installed, and software acquisition costs. The right of use of forestry land, where Wind Parks are installed, includes the related acquisition costs less accumulated amortization and possible impairment. The value of software includes the acquisition cost and all expenses incurred to develop the software in order to bring it to operating condition less accumulated amortization and possible impairment. Significant subsequent expenses are capitalized when such increase the software's capacity after initial specifications.

Amortization on the rights of use for land where Wind Parks are installed is accounted for, using the straight-line method over the duration of the contractual right for the production of energy (approximately 20 years), beginning from the period when each Wind Park starts operating. Amortization of software is accounted for based on the straight-line method over 3 years. The amortization of all the aforementioned items is included in the income statement.

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

Construction subsidiaries and joint-ventures recognize income from construction contracts in their 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 recognized in the year during which the loss-making events become probable.

Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced. 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 Group 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) Rent Revenue

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

(v) Dividends

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

(vi) Interest

Interest income is recognized on an accruals basis.

h) Tangible Fixed Assets

As previously mentioned, the Group has valued certain land, buildings, machinery and vehicles 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 reflect their 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 lives of the respective assets. The useful economic lives per fixed asset category are as follows:

Asset Category	Years
Buildings and technical installations	8-30
Machinery and Technical Installations	3-20
Vehicles	5-12
Fixtures and Other Equipment	3-12

j) Impairment of the Value of Fixed Assets

The book values of long-term asset items 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 registered 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 rent income or capital gain and are valued at their fair value that is based on market value, that is to say the amount the property is likely to be sold at the date of a transaction. The assessment, when necessary, is made by external professional evaluators. 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 capitalized when they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost. Investment properties are eliminated from the accounts upon sale. All gains or losses resulting from the sale of a property are included in the income statement of the year during which it was sold. Investment property under construction are recorded at cost value as tangible assets till their completion and then are transferred to investment property account.

l) Inventories

Inventories comprise machinery parts and raw and auxiliary materials of Wind Parks. Inventories are valued at the lower of cost and net realizable value. The cost of raw materials, semi-finished and finished products is defined based on the weighted average method.

The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, labor costs, general industrial expenses and other costs that directly relate to the purchase of materials. The net realizable value of finished products is their estimated selling price during the Group's normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale.

The net realizable value of raw materials is their estimated replacement cost during the normal course of business. A provision for impairment is made if it is deemed necessary.

m) Receivables Accounts

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

n) Cash and Cash Equivalents

The Group considers time deposits and other highly liquid investments with a 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, while time deposits that mature in more than three months are excluded.

o) Long-term loan liabilities

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

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 Group, applying the exemptions provided for by IFRS 1 for the first-time application of the IFRS, recognized the total actuarial losses that had accumulated as of the 1st of January 2004.

During the compilation of subsequent financial statements TERNA, applying the general provisions of IAS 19, followed the “margin” method for the recognition of accumulated actuarial losses/profits. Actuarial profits and losses are registered as income or expenses when the accumulated actuarial profit or losses for each program separately exceed 10% of the largest value between the liability of the defined benefit and the actual value of the program’s assets. These profits or losses are systematically recorded during the expected average remaining working life of employees participating in the plans.

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 Group. At the time of retirement, the pension fund is responsible for the payment of retirement benefits to the employees. Consequently, the Group 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 financial statements, according to the tax regulation effective in Greece or other tax frameworks under which the foreign subsidiaries operate. Income tax is calculated based on the earnings of each company as such are reformed on the companies’ tax reports, on additional income taxes emerging from the Tax Authorities’ tax audits and on deferred income taxes 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 receivables are recognized for all the exempt temporary differences and transferable tax losses, to the extent that it is likely that there will be available taxable earnings, which will be set against the exempt temporary differences and the transferable unused tax losses.

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

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

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

s) Finance and Operating Leases

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

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

t) Government Grants

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

u) Provisions, Contingent Liabilities and Contingent Receivables

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each balance sheet date and are adjusted in order to reflect the present value of expenses that are deemed necessary 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 consolidated financial statements but are disclosed, unless the probability of an outflow of economic benefits is small. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of financial benefits is likely.

v) Provision for wind park dismantlement and rehabilitation of environment

The Group forms provisions for the dismantlement of power generators from wind parks and the rehabilitations of environment. These provisions reflect the present value, at balance sheet date, of the estimated cost, reduced by the estimated residual value of recoverable materials. The provisions are re-examined on each balance sheet date in order to reflect the present value of the expense that is expected to be cashed for the settlement of liability for dismantlement and rehabilitation.

(Amounts in thousand Euro, unless stated otherwise)

The relevant provision is recorded increasingly of the cost value of wind power generators and is depreciated based on the straight line during a 20-year period in which the contract for the production of energy lasts. The depreciation-expense of the capitalized expenses for dismantlement and rehabilitation is included in the income statements together with the depreciations of wind parks. Any changes of estimations regarding the estimated cost or the discount rate are added or deducted respectively from the cost of the asset. The discounting effect of estimated cost is recorded in income statements as interest expense.

w) 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 Group as treasury-shares.

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

4 GROUP STRUCTURE

The participations in subsidiaries, associates and joint ventures on 31.03.2010 are as follows:

A) Subsidiaries of TERNA ENERGY SA

i) Subsidiaries, with the legal form of a Societe Anonyme or Limited Liability Company:

The parent company TERNA ENERGY SA has been audited by the tax authorities until the fiscal year 2008 included. During the preparation date of the accompanying interim financial statements, the tax un-audited fiscal years of the Group's companies are as follows:

		Participation Percentage			
Company Name	**Establishment**	**31/3/2010**	**31/12/2009**	**Activity**	**Tax Un-audited Years**
1. IWECO CHONOS LASITHIOU CRETE AE	11.04.2000	100%	100%	Production of El. Energy from Renewable energy sources (RES)	2
2. ENERGIAKI SERVOUNIOU SA	01.02.2001	100%	100%	Production of El. Energy from RES	3
3. TERNA ENERGY EVROU SA	01.02.2001	100%	100%	Production of El. Energy from RES	3
4. PPC RENEWABLES – TERNA ENERGY S.A.	20.06.2000	51%	51%	Production of El. Energy from RES	4

(Amounts in thousand Euro, unless stated otherwise)

5. AIOLIKI PANORAMATOS S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
6. AIOLIKI RACHOULAS DERVENOCHORION S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
7. ENERGEIAKI DERVENOHORION S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
8. AIOLIKI MALEA LAKONIAS S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
9. ENERGEIAKI FERRON EVROU S.A	01.02.2001	100%	100%	Production of El. Energy from RES	3
10. AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
11. ENERGEIAKI PELOPONNISOU S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
12. ENERGEIAKI NEAPOLEOS LAKONIAS S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
13. GP ENERGY LTD	26.09.2005	100%	100%	Trade of El. Energy	5
14. EOL TECHNICS CONSULT SRL	03.04.2008	100%	100%	Production of El. Energy from RES	2
15.TERNA ENERGY OVERSEAS LTD	4.1.2008	100%	100%	Production of El. Energy from RES	2
16. EOLOS POLSKA SPZO	30.6.2008	100%	100%	Production of El. Energy from RES	2
17. EOLOS NOWOGRODZEC SPZOO	12.12.2008	61%	61%	Production of El. Energy from RES	2
18. TERNA ENERGY NETHERLANDS BV	29.5.2009	100%	100%	Production of El. Energy from RES	1
19. HAOS INVEST 1 EAD	30.3.2010	100%	-	Production of El. Energy from RES	1
20. VALUE PLUS LTD	4.1.2010	100%	-	Trade of El. Energy Equipment	1

On 4.1.2010 the company VALUE PLUS LTD, which is based in Cyprus, was established. The objective of the company is the trade of electric energy equipment and support of foreign investments.
On 30.3.2010 the total shares of the company HAOS INVEST 1 EAD, which is based in Bulgaria, were acquired. The basic activity of the latter company is the construction and management of renewable energy sources (See also note 7).

(Amounts in thousand Euro, unless stated otherwise)

ii) Subsidiaries with the form of a General Partnership (G.P.)

		Participation Percentage			
Company Name	**Establishment**	**31/3/2010**	**31/12/2009**	**Activity**	**Tax Un-audited Years**
1. TERNA ENERGY SA & SIA AIOLIKI POLYKASTROU GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
2. TERNA ENERGY SA & SIA ENERGEIAKI VELANIDION LAKONIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
3. TERNA ENERGY SA & SIA ENERGEIAKI DYSTION EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
4. TERNA ENERGY SA & SIA AIOLIKI PASTRA ATTICA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
5. TERNA ENERGY SA & SIA AIOLIKI KARYSTIAS EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
6. TERNA ENERGY SA & SIA ENERGEIAKI ARI SAPPON GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
7. TERNA ENERGY SA & SIA AIOLIKI EASTERN GREECE GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
8. TERNA ENERGY SA & SIA AIOLIKI MARMARIOU EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
9. TERNA ENERGY SA & SIA ENERGEIAKI PETRION EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
10. TERNA ENERGY SA & SIA AIOLIKI ROKANI DERVENOCHORION GP	01.02.2001	99%	99%	Production of El. Energy from RES	3
11. TERNA ENERGY SA & SIA ENERGEIAKI STYRON EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
12. TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
13. TERNA ENERGY SA & SIA AIOLIKI PROVATA TRAIANOUPOLEOS	01.02.2001	100%	100%	Production of El. Energy from RES	3

(Amounts in thousand Euro, unless stated otherwise)

B) Joint ventures of TERNA ENERGY SA consolidated with the proportionate method

ι) Joint ventures

	Company Name	Participation Percentage 2010 and 2009 %	Tax un-audited fiscal years
1	J/V TRAM POLITICAL ENGINEERING WORKS	36.00	3
2	J/V ENVAGELISMOU, PROJECT C'	50.00	7
3	J/V TERNA ENERGY – TSAMPR. DRAMAS HOSPITAL	40.00	7
4	J/V EPL DRAMAS	24.00	7
5	J/V K. MANIOTIS - TERNA - TERNA ENERGY	37.50	7
6	J/V/ EMBEDOS – PANTECHNIKI - TERNA ENERGY	50.10	3
7	J/V THEMELI - TERNA ENERGY - TERNA SA IMPREGILO SPA	40.00	3
8	J/V EKTER - TERNA - ATHONIKI SA	31.00	3
9	J/V/ KL. ROUTSIS - TERNA ENERGY ABETE	50.00	3

ii) General Partnerships (GP) and Limited Partnerships (LP)

		Participation Percentage			
Company Name	**Establishment**	**31/3/2010**	**31/12/2009**	**Activity**	**Tax Un-audited Years**
TERNA ENERGY SA - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA CO-PRODUCTION GP	12.02.2001	50%	50%	Construction/ Operation of co-production unit of electricity for serving of needs of MEL	3
TERNA ENERGY SA & SIA LP	24.05.2000	70%	70%	Completion of construction works of section Kakavia – Kalpaki	3
TERNA ENERGY SA & SIA ENERGIAKI XIROVOUNIOU GP	14.02.2001	100%	100%	Production of El. Energy from RES	3

The above companies No. 1 and No. 3 are currently inactive. The company No. 2 had essentially completed the aforementioned project from 2003.

All aforementioned companies and joint ventures have been established in Greece, except for GP ENERGY LTD and HAOS INVEST 1EAD which had been established in Bulgaria, EOL TECHICHS CONSULT SRL established on Romania, TERNA ENERGY OVERSEAS LTD and VALUE PLUS LTD established in Cyprus, EOLOS POLSKA SPZO and EOLOS NOWOGRODZEC SPZOO, which were established in Poland and TERNA ENERGY NETHERLANDS, which was established in Holland.

C) Associates of TERNA ENERGY SA

Company Name	Domicile	Participation Percentage%		Consolidation Method	Tax un-audited fiscal years
		2010	2009		
Renewable Energy Center RES Cyclades SA *	Greece	45	45	Equity	4

* Participation through IWECO CHONOS LASITHIOU CRETE S.A.

5 OPERATING SEGMENTS

An operating sector is a component of an economic entity: a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses that concern transactions with other components of the same economic entity) and, b) whose operating results are regularly reviewed by the chief operating decision maker of the entity to make decisions about resources to be allocated to the segment and assess of its performance. The term “chief operating decision maker” defines the function of the Group that is responsible for the allocation of resources and the assessment of the economic entity’s operating segments. For the application of IFRS 8, this function is assigned to the Managing Director (Chief Executive Officer).

The economic entity presents separately the information on each operating segment that fulfils certain criteria of characteristics and exceeds certain quantitative limits.

The amount of each element of the segment is that which is presented to the chief operating decision maker with regard to the allocation of resources to the segment and the evaluation of its performance.

The above information is presented in the attached consolidated statements of financial position and total comprehensive income according to the IFRS, whereas previously recorded operating segments –as presented in the financial statements of the previous period- require no modifications. The Group recognizes the following operating segments that must be reported, whereas no other segments exist that could be incorporated in the “other segments” category.

Construction: Refers , almost exclusively, to contracts for the construction of technical projects.

Electricity from renewable sources of energy: Refers, mainly, to the electricity production from wind generators (wind parks) and secondly from hydroelectric plants.

In line with the application of the revised standard, the Group allocates –whenever such allocation is not possible to be made directly- all assets and liabilities per segment as well as the corresponding income and expenses for the period, such as financial results and income tax.

Apart from the income tax receivables that can be allocated directly to the corresponding segment, the allocation of the income tax expense, liabilities and other receivables is based on the financial results of each segment for the period.

(Amounts in thousand Euro, unless stated otherwise)

Period 1/1 – 31/03/2010	OPERATING SEGMENT			
	Construction	Electricity from renewable energy sources	Consolidation Write-offs	Total Segments
Income from external customers				
Sales of products	-	10,066	-	10,066
Income from construction services	6,046	-	-	6,046
Total income from external customers	6,046	10,066		
Inter-segment income	1,036	-	(1,036)	-
Total income	7,082	10,066		16,112
Net Financial Results	(79)	531		452
Income tax	(110)	(1,171)		(1,281)
Net earnings for the period from continued activities	171	4,287		4,458
Depreciations of continued activities	(37)	(2,202)		(2,239)
Amortization of grants	-	600		600
Exchange differences	-	213		213
Earnings before interest, depreciation and taxes (EBIDTA)	397	6,316		6,713
Earnings before interest and taxes (EBIT)	360	4,714		5,074

(Amounts in thousand Euro, unless stated otherwise)

Period 1/1 – 31/03/2009	**OPERATING SEGMENT**			
	Construction	**Electricity from renewable energy sources**	**Consolidation Write-offs**	**Total Segments**
Income from external customers				
Sales of products	-	9,215	-	9,215
Income from construction services	5,295	-	-	5,295
Total income from external customers	5,295	9,215		14,510
Inter-segment income	3,062	-	(3,062)	-
Total income	8,357	9,215		14,510
Net Financial Results	-	2,270		2,270
Income tax	(492)	(1,563)		(2,055)
Net earnings for the period from continued activities	595	5,590		6,185
Depreciations of continued activities	(33)	(2,182)		(2,215)
Amortization of grants	-	596		596
Earnings before interest, depreciation and taxes (EBIDTA)	1,120	6,468		7,588
Earnings before interest and taxes (EBIT)	1,087	4,883		5,970

(Amounts in thousand Euro, unless stated otherwise)

6 FIXED ASSETS (intangible and tangible)

The summary movement of intangible and tangible fixed assets, is as follows:

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
Net book value January 1st	**342,594**	**240,392**	**111,541**	**88,294**
Additions for the period	31,300	12,557	9,409	12,547
Sales for the period	-	(31)	-	(31)
Depreciation and other movements for the period	(2,239)	(2,317)	(1,141)	(1,100)
Net book value March 31st	**371,655**	**250,601**	**119,809**	**99,710**

From the total value of the Group's fixed assets on 31/3/2010, an amount of € 225,963 refers to Assets under Construction and Prepayments for Acquisition of Fixed Assets.

7 ACQUISITIONS OF COMPANIES

On March 30th 2010, 100% of the shares of HAOS INVEST 1 EAD , which is based in Bulgaria, was acquired. The business objective of the acquired company is the construction and management of renewable energy sources. The acquisition cost amounted to euro 3,500 thousand and was paid in cash.

Information on the net assets acquired and goodwill is presented as follows:

Agreed price	3,500
Corresponding fair value of net recognizable assets	3,500
Goodwill	0

The temporary fair value of assets and liabilities acquired, are presented in the following table:

	Fair value during acquisition
Fixed assets	3,480
Receivables	16
Cash & cash equivalents	4
Liabilities	-
Net assets	3,500

(Amounts in thousand Euro, unless stated otherwise)

8 CAPITAL

During the period 1/1-31/03/2010, as during the period 1/1-31/03/2009, the number of shares and their nominal value remained unchanged. The total number of shares on 31/3/10 amounts to 109,333,400 from which 1,125,917 are owned by the Company (treasury shares).
The share capital is fully paid up.

9 LOANS

The summary movement of the group's and company's short-term and long-term debt on 31/03/2010 and 31/03/2009, was as follows:

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
Balance January 1st	**190,078**	**155,245**	**49,769**	**58,998**
New debt	11,428	9,640	477	6,661
Repayment of loans	(3,232)	(12,146)	(70)	(6,512)
Balance March 31st	**198,274**	**152,739**	**50,176**	**59,147**

The total loans refer to the group's energy sector and are related to financing the wind park installations.

10 PROVISIONS

The movement of the group's and company's provisions on 31/03/2010 and 31/03/2009 is summarized as follows:

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
Balance January 1st	**1,317**	**1,193**	**778**	**658**
Additional provisions charged in the results of the period	14	11	14	10
Used provisions	(23)	(84)	(23)	(84)
Balance March 31st	**1,308**	**1,120**	**769**	**584**

11 GRANTS

The movement of the group's and company's grants on 31/03/2010 and 31/03/2009, is summarized as follows:

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
Balance January 1st	**50,796**	**48,614**	**19,777**	**18,824**
Transfer of the period's proportion to the results	(601)	(597)	(265)	(261)
Balance March 31st	**50,195**	**48,017**	**19,512**	**18,563**

(Amounts in thousand Euro, unless stated otherwise)

12 OTHER INCOME/EXPENSES

The analysis of other income/expenses on 31 March 2010, which are of extraordinary nature, is presented in the following table:

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
Amortization of grants	601	597	265	261
Income from leasing of machinery	4	8	4	7
Income from lease of property	18	18	18	18
Other income	217	436	5	261
Other expenses	-	(22)	-	-
Total	**840**	**1,037**	**292**	**547**

13 PERSONELL

The average number of the Group's full time employees during the first quarter of 2010 settled at 142 (versus 126 employees in the first quarter of 2009).

14 INCOME TAX

The expense for income tax is recorded based on the best estimation of the management regarding the weighted average tax rate for the year. This rate on 31/03/2010 was 22.32% for the group and 17.89% for the company.

15 TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the period 01/01-31/03/2010 and 01/01-31/03/2009 as well as the balances of receivables and liabilities that have emerged from those transactions at 31/03/2010 and 31/03/2009 are as follows:

Period 1/1-31/3/2010	GROUP				COMPANY			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	636	-	891	555
Joint Ventures	-	-	-	-	-	-	793	360
Parent	-	-	-	-	-	27	-	-
Other related parties	453	6,193	690	5,845	453	5,164	690	4,162
Basic senior executives	-	94	-	25	-	85	-	25

(Amounts in thousand Euro, unless stated otherwise)

Period 1/1-31/3/2009	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	222	120	630	120
Joint Ventures	-	-	-	-	-	-	993	374
Parent	-	18	-	18	-	18	-	18
Other related parties	448	449	1,534	506	448	439	1,484	368
Basic senior executives	-	72	-	4	-	72	-	4

16 SIGNIFICANT EVENTS DURING THE PERIOD

- On 5/3/2010, the license was issued for the installation of a 30 MW Wind Park at the Viotia Prefecture.
- In March 2010, construction began for a Wind Park in Poland, with a capacity of 20 MW, and for a Wind Park in Bulgaria with a capacity of 18MW.
- The total backlog of construction projects towards third parties on 31/03/2010 amounts to €60 million.

17 SIGNIFICANT EVENTS AFTER THE PREPARATION DATE OF THE STATEMENT OF FINANCIAL POSITION

- In April 2010, the license was issued for the installation of an 18 MW Wind Park at the Argolida Prefecture.

18 CONTINGENT LIABILITIES

During the execution of projects, the Group may face contingent legal claims by third parties. According to the Management, as well as the legal counselor of the Group there are no cases under litigation or arbitration except from the following:

Several claims made at the Council of State for cancellation of the planned installation of the Wind Park by the subsidiary “AIOLIKI PANORAMATOS DERVENOCHORION SA”, are pending. The court session took place in November 2009 and the Council of State has ordered, until it issues its decision, a pause on the building works for 17 out of 40 wind generators.

C E R T I F I C A T I O N

It is ascertained that the accompanying interim financial statements are those approved by the Board of Directors of the Company on May 27th 2010 and have been published by being posted on the internet at the website www.terna-energy.gr. It is noted that the published in the press condensed financial information aim at providing the reader with specific general financial data, but do not provide a full picture of the financial position and the results of the Group, in accordance with the International Financial Reporting Standards (IFRS). The published in the press condensed data included compressed accounts.

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN, & MANAGING DIRECTOR
PERDIKARIS GEORGIOS	MARAGOUDAKIS EMMANUEL
THE CHIEF FINANCIAL OFFICER	THE HEAD ACCOUNTANT
DIMOPOULOS KONSTANTINOS	MANAVERIS NIKOLAOS

19 DATA & INFORMATION FOR THE PERIOD 1.1-31.3. 2010

TERNA ENERGY SA

TERNA ENERGY SA

S.A. Reg. No. 318/06/B/86/28
85 Mesogeion Ave., 11526 Athens Greece
DATA AND INFORMATION FOR THE PERIOD FROM 1/1/2010 TO 31/3/2010
According to Decision No. 4/507/28.4.2009 issued by the Board of Directors of the Hellenic Capital Market Commission

The following data and information that have been derived from the financial statements, aim at providing general information on the financial position and results of TERNA ENERGY SA and its Group. Therefore, before proceeding with any kind of investment choice or other transaction with the company or group, readers should refer to the company's website where the financial statements are posted as well as the review report by the Certified Auditor, when required.

COMPANY INFORMATION

Appropriate Prefecture:	Ministry of Development, General Secretariat of Commerce, General Division of domestic Commerce, S.A. and Credit Department, Division A.
Board of Directors Composition:	Chairman: Georgios Perdikaris Vice-Chairman & Managing Director: Emmanuel Maragoudakis, Members: Panagiotis Pothos, Michael Gourzis, Georgios Spyrou, Theodoros Tagas, Grigoris Charalambopoulos (non-executive member), Aristeidis Dasis, Nikolaos Kalamaras (independent non-executive members)
Approval date of the Financial Statements (from which the condensed data were derived):	27 May 2010
Company website:	www.terna-energy.gr

STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro

	GROUP		COMPANY	
	31/3/2010	**31/12/2009**	**31/3/2010**	**31/12/2009**
ASSETS				
Self used tangible fixed assets	366.480	340.820	118.744	110.552
Investment property	923	923	923	923
Other non-current assets	858	1.504	80.973	72.428
Intangible assets	5.175	1.774	1.065	989
Inventories	423	536	130	244
Trade receivables	18.730	24.663	26.068	29.691
Cash & cash equivalents	227.811	244.837	215.187	233.561
Other current assets	25.467	25.398	9.880	8.267
TOTAL ASSETS	**645.867**	**640.455**	**452.970**	**456.655**
EQUITY & LIABILITIES				
Share capital	32.800	32.800	32.800	32.800
Other items of Shareholders' Equity	341.142	339.011	334.741	333.816
Total Shareholders' Equity (a)	**373.942**	**371.811**	**367.541**	**366.616**
Minority interest	1.541	1.405	0	0
Total Equity	**375.483**	**373.216**	**367.541**	**366.616**
Long-term bank liabilities	65.751	67.646	36.707	36.707
Provisions/Other-long-term liabilities	52.417	52.951	20.281	20.555
Short-term bank liabilities	132.523	122.432	13.469	13.062
Other-short-term liabilities	19.693	24.210	14.972	19.715
Total liabilities	**270.384**	**267.239**	**85.429**	**90.039**
TOTAL EQUITY & LIABILITIES	**645.867**	**640.455**	**452.970**	**456.655**

TOTAL COMPREHENSIVE INCOME STATEMENT

Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/3/2010	**1/1-31/3/2009**	**1/1-31/3/2010**	**1/1-31/3/2009**
Turnover	16.112	14.510	12.873	13.241
Gross profit / (losses)	6.428	6.527	4.288	4.295
Earnings/(Loss) before interest and tax (EBIT)	**5.287**	**5.970**	**2.935**	**3.390**
Earnings/(Loss) before tax	5.739	8.240	3.799	6.278
Earnings/(Loss) after tax (A)	4.458	6.185	3.119	4.814
Allocated to:				
Company Shareholders	4.322	5.894	-	-
Minority Shareholders	136	291	-	-
	4.458	6.185	-	-
Other comprehensive income after taxes (B)	(136)	(157)	(139)	(140)
Total comprehensive income after taxes (A+B)	4.322	6.028	2.980	4.674
Allocated to:				
Company Shareholders	4.187	6.028	-	-
Minority Shareholders	135	0	-	-
	4.322	6.028	-	-
Earnings/(Losses) after tax per share - basic (in €)	0,0398	0,0541	0,0288	0,0442
Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA)	**6.926**	**7.589**	**3.811**	**4.260**

STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro

	GROUP		COMPANY	
	31/3/2010	**31/3/2009**	**31/3/2010**	**31/3/2009**
Total equity at beginning of period (1/1/2010 and 1/1/2009)	373.216	365.809	366.616	362.146
Total comprehensive income after taxes (continued activities)	4.322	6.028	2.980	4.674
Purchases / (sales) of treasury shares	(2.055)	(463)	(2.055)	(463)
Transfers - other movements	0	0	0	0
Total equity at end of period	**375.483**	**371.374**	**367.541**	**366.357**

CASH FLOW STATEMENT (indirect method)

Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/3/2010	**1/1-31/3/2009**	**1/1-31/3/2010**	**1/1-31/3/2009**
Operating activities				
Profit before tax	5.739	8.240	3.799	6.278
Plus/less adjustments for:				
Depreciation	2.239	2.215	1.141	1.131
Provisions	14	(382)	14	10
Interest income and related income	(1.577)	(3.794)	(1.552)	(3.780)
Interest expenses and related expenses	1.125	1.524	688	892
Amortization of grants	(600)	(596)	(265)	(261)
Other adjustments	(181)	(17)	0	0
Operating profit before changes in working capital	**6.759**	**7.190**	**3.825**	**4.270**
Plus/Less adjustments for working capital account movements or movements related to operating activities:				
Decrease / (increase) in inventories	113	73	114	73
Decrease / (increase) in receivables	6.336	(11.627)	2.449	(2.709)
(Decrease) / increase in liabilities (other than to banks)	(5.214)	22.328	(5.001)	12.948
(Less):				
Taxes paid	(39)	(110)	(39)	(109)
Total inflows / (outflows) from operating activities (a)	7.955	17.854	1.348	14.473
Investing activities				
Purchases of tangible & intangible assets	(30.961)	(11.559)	(9.409)	(12.547)
Collection of grants	0	0	0	0
Interest received	1.204	4.165	1.151	4.152
(Purchases)/sales of participations and securities	0	0	(9.128)	(500)
Total inflows / (outflows) from investing activities (b)	(29.757)	(7.394)	(17.386)	(8.895)
Financing activities				
Purchases of treasury shares	(2.055)	(465)	(2.055)	(465)
Net change in long-term loans	(1.922)	(1.895)	0	0
Net change in short-term loans	9.797	(525)	0	0
Interest paid	(1.054)	(1.578)	(281)	(743)
Total inflows / (outflows) from financing activities (c)	4.766	(4.463)	(2.336)	(1.208)
Effect from foreign exchange on cash & cash equivalents	10	0	0	0
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**(17.026)**	**5.997**	**(18.374)**	**4.370**
Cash and cash equivalents at the beginning of the period	**244.837**	**290.886**	**233.561**	**283.139**
Cash and cash equivalents at the end of the period	**227.811**	**296.883**	**215.187**	**287.509**

ADDITIONAL DATA AND INFORMATION

1. There was no change in the accounting policies and estimations.
2. The Basic Accounting Principles of the financial statements as of 31/12/09 have been followed.
3. The company during the present period employed 142 individuals. For the respective period of 2009, the company employed 126 individuals.
4. The Company has been audited by the tax authorities up to fiscal year 2008 included. Note No 4 of the financial statements refer to the tax un-audited fiscal years of the consolidated entities.

5.Claims to cancel the planned installation of the Wind Park of the subsidiary "AIOLIKI PANORAMATOS DERVENOCHORION SA" are pending before the Council of State. The hearing of the case took place in November 2009, and until it issues its decision, the Council of State has ordered the postponement of construction activities for the 17 of the 40 wind generators under construction. Note No 37 of the financial statements present a relevant report on the issue.

6. Earnings per share were calculated based on the weighted average number of shares.
7. The financial statements of the group are included in the consolidated financial statements of GEK TERNA SA, consolidated with the full consolidation method. The aforementioned parent company is registered in Greece and on 31/3/2010 owned 48.11% of the company's share capital.
8.The amounts of sales and purchases (goods and services) cumulatively from the beginning of the financial period, as well as the balances of receivables and liabilities of the company at the end of the present period, that have emerged from its transactions with its related parties, as such are defined by IAS 24, are as follows:

	GROUP	COMPANY
a) Sales of goods and services	453	1.089
b) Purchases of goods and services	6.193	5.191
c) Receivables	690	2.374
d) Liabilities	5.845	5.077
e) Transactions & remuneration of BoD and executives	94	85
f) Receivables from BoD members and executives	0	0
g) Liabilities to BoD members and executives	25	25

9. The provisions of the company and group are analyzed as follows:

	GROUP	COMPANY
Provision for unaudited tax years	91	80
Other provisions	1.499	960

10. During March 31st 2010, the following companies were incorporated with the full consolidation method in the consolidated financial statements, compared to the previous period: the company VALUE PLUS LTD (establishment 4.1.2010) and the company HAOS INVEST 1 EAD (acquisition on 30.3.2010). Reference is made also in notes No 4 & No 7 of the financial statements.
11. The number of treasury shares owned by the company on March 31st 2010 corresponded to 1,125,917 shares with a total acquisition cost of 5,101,555.76 €.
12. The amounts and nature of other comprehensive income/(expenses) after taxes, area analyzed as follows:

	GROUP	COMPANY
Income tax recognized directly in equity	(138)	(139)
Expenses for share capital increase	(7)	0
Foreign exchange differences from conversion of incorporated foreign operations	9	0
	(136)	(139)

Athens, 27/5/2010

THE CHAIRMAN OF THE BOARD	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE HEAD ACCOUNTANT
GEORGIOS PERDIKARIS ID No.: X 516918	EMMANUEL MARAGOUDAKIS ID No:AB 986527	KONSTANTINOS DIMOPOULOS ID No:AI 028273	NIKOLAOS MANAVERIS ID No.:AE 567798 License Reg. No. A' CLASS 9674