TERNA ENERGY

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

CONDENSED INTERIM FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF MARCH 31st 2011

(January 1st to March 31st 2011)

According to the International Financial Reporting Standards (IFRS)

In accordance with International Accounting Standard 34

CONTENTS

SEPARATE AND CONSOLIDATED INFORMATION

NOTES ON THE CONDENSED INTERIM FINANCIAL STATEMENTS OF THE PARENT COMPANY AND ITS GROUP, FOR MARCH 31ST 2011

TERNA ENERGY GROUP
STATEMENT OF FINANCIAL POSITION
31st MARCH 2011

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

		GROUP		COMPANY	
	Note	31 March 2011	31 December 2010	31 March 2011	31 December 2010
ASSETS					
Non-current assets					
Intangible assets	6	32,425	17,930	1,541	1,508
Tangible assets	6	445,230	417,194	126,646	124,919
Investment property		923	923	923	923
Participation in subsidiaries		-	-	133,328	106,993
Participations in associates		4,483	3,499	4,432	3,448
Participation in joint-ventures		-	-	244	244
Other long-term receivables		7,785	286	7,730	230
Other investments		1	1	1	1
Deferred tax assets		316	303	-	-
Total non-current assets		**491,163**	**440,136**	**274,845**	**238,266**
Current assets					
Inventories		1,767	2,196	1,475	1,903
Trade receivables		17,832	14,870	27,369	26,404
Receivables according to IAS 11		3,118	3,096	9,950	5,066
Prepayments and other receivables		32,252	26,584	8,528	7,237
Income tax receivables		801	864	786	797
Cash and equivalents		159,147	192,873	131,940	174,794
Total current assets		**214,917**	**240,483**	**180,048**	**216,201**
TOTAL ASSETS		**706,080**	**680,619**	**454,893**	**454,467**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	8	32,800	32,800	32,800	32,800
Share premium		281,890	281,892	282,006	282,006
Reserves		9,303	11,330	5,710	7,782
Retained earnings		40,306	37,876	37,064	34,545
Total		**364,299**	**363,898**	**357,580**	**357,133**
Non-controlling interests		2,905	2,603	-	-
Total equity		**367,204**	**366,501**	**357,580**	**357,133**

Long-term liabilities					
Long-term loans	9	61,309	63,204	36,754	36,754
Other provisions	10	1,144	1,144	597	597
Provision for staff indemnities	10	193	178	193	178
Grants	11	58,538	59,130	18,466	18,722
Deferred tax liabilities	14	1,998	1,497	793	356
Other long-term liabilities		1,795	1,965	-	-
Total long-term liabilities		**124,977**	**127,118**	**56,803**	**56,607**
Short-term liabilities					
Suppliers		33,095	36,612	15,493	12,402
Short-term loans	9	155,726	126,848	12,145	12,176
Long-term liabilities falling due in the next period	9	12,667	12,505	7,850	7,484
Liabilities according to IAS 11		2,558	3,940	2,070	4,038
Accrued and other short-term liabilities		9,220	6,860	2,952	4,627
Income tax payable		633	235	-	-
Total short-term liabilities		**213,899**	**187,000**	**40,510**	**40,727**
Total liabilities		**338,876**	**314,118**	**97,313**	**97,334**
TOTAL LIABILITIES AND EQUITY		**706,080**	**680,619**	**454,893**	**454,467**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP
STATEMENT OF COMPREHENSIVE INCOME
31st MARCH 2011

	Note	GROUP 1/1 - 31/3 2011	GROUP 1/1 - 31/3 2010	COMPANY 1/1 - 31/3 2011	COMPANY 1/1 - 31/3 2010
Continued activities					
Turnover	5	13,197	16,112	14,518	12,873
Cost of sales		(7,938)	(9,684)	(11,106)	(8,585)
Gross profit		**5,259**	**6,428**	**3,412**	**4,288**
Administrative & distribution expenses		(1,796)	(1,514)	(1,072)	(1,199)
Research & development expenses		(649)	(467)	(614)	(446)
Other income/(expenses)	12	610	840	568	292
Operating results		**3,424**	**5,287**	**2,294**	**2,935**
Financial income/(expenses)	5	403	452	766	864
EARNINGS BEFORE TAX	5	**3,827**	**5,739**	**3,060**	**3,799**
Income tax expense	5, 14	(935)	(1,281)	(541)	(680)
Net Earnings from continued activities	5	**2,892**	**4,458**	**2,519**	**3,119**
NET EARNINGS FOR THE PERIOD		**2,892**	**4,458**	**2,519**	**3,119**
Other income recognized directly in Equity from:					
Foreign exchange differences from incorporation of foreign units		(118)	9	-	-
Expenses of capital increase		(2)	(7)	-	-
Income tax recognized directly in Equity		-	(138)	-	(139)
Other income/expenses for the period net of income tax		**(120)**	**(136)**	**-**	**(139)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,772**	**4,322**	**2,519**	**2,980**
Net earnings attributed to:					
Shareholders of the parent from continued activities		2,590	4,322		
Non-controlling interests from continued activities		302	136		
		2,892	**4,458**		

Total income attributed to:		
Shareholders of the parent from continued activities	2,470	4,187
Non-controlling interests from continued activities	302	135
	2,772	**4,322**
Earnings per share (in Euro)		
From continued activities attributed to shareholders of the parent	0.02454	0.0398
Average weighted number of shares		
Basic	105,542,952	108,411,413

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP

STATEMENT OF CASH FLOWS

31st MARCH 2011

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

	GROUP		COMPANY	
	1/1 - 31/3 2011	**1/1 - 31/3 2010**	**1/1 - 31/3 2011**	**1/1 - 31/3 2010**
Cash flow from operating activities				
Net earnings for the period before tax	3,827	5,739	3,060	3,799
Adjustments for the agreement of net flows from operating activities				
Depreciation	2,544	2,239	1,349	1,141
Provisions	(70)	14	15	14
Interest and related income	(1,505)	(1,577)	(1,400)	(1,552)
Interest and other financial expenses	1,102	1,125	634	688
Amortization of grants	(591)	(600)	(256)	(265)
Other adjustments	934	(181)	-	-
Operating profit before working capital changes	**6,241**	**6,759**	**3,402**	**3,825**
(Increase)/Decrease in:				
Inventories	429	113	428	114
Trade receivables	(2,984)	5,623	(5,849)	3,623
Prepayments and other short term receivables	(11,816)	713	(1,278)	(1,174)
Increase/(Decrease) in:				
Suppliers	3,767	(667)	3,091	(511)
Accruals and other short term liabilities	2,914	(4,476)	(3,643)	(4,439)
(Increase)/Decrease of other long term receivables and liabilities	(7,669)	(71)	(7,500)	(51)
Income tax payment	(98)	(39)	(94)	(39)
Net cash inflow from operating activities	**(9,216)**	**7,955**	**(11,443)**	**1,348**
Cash flow from investment activities:				
Purchases/Sales of tangible and intangible assets	(46,660)	(30,961)	(3,109)	(9,409)
Interest and related income received	1,481	1,204	1,388	1,151
(Purchases) / sales of participations and securities	(1,861)	-	(27,319)	(9,128)
Cash outflows for investment activities	**(47,040)**	**(29,757)**	**(29,040)**	**(17,386)**

Cash flows from financial activities				
Purchase of Treasury Shares	(2,072)	(2,055)	(2,072)	(2,055)
Net change of long term loans	(1,894)	(1,922)	-	-
Net change of short term loans	28,457	9,797	-	-
Interest paid	(1,010)	(1,054)	(299)	(281)
Cash outflows for financial activities	**23,481**	**4,766**	**(2,371)**	**(2,336)**
Effect of exchange rate changes on cash & cash equivalents	**(951)**	**10**	**-**	**-**
Net increase/(decrease) in cash	**(33,726)**	**(17,026)**	**(42,854)**	**(18,374)**
Cash & cash equivalents at the beginning of the period	192,873	244,837	174,794	233,561
Cash & cash equivalents at the end of the period	**159,147**	**227,811**	**131,940**	**215,187**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY SA

STATEMENT OF CHANGES IN EQUITY

31st MARCH 2011

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

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
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**
1 January 2011	**32,800**	**282,006**	**7,782**	**34,545**	**357,133**
Total comprehensive income for the period	-	-	-	2,519	**2,519**
Purchase of Treasury Shares	-	-	(2,072)	-	**(2,072)**
31 March 2011	**32,800**	**282,006**	**5,710**	**37,064**	**357,580**

TERNA ENERGY GROUP
STATEMENT OF CHANGES IN EQUITY
31st MARCH 2011
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Retained Earnings	Sub-total	Non-controlling interests	Total
1 January 2011	**32,800**	**281,892**	**11,330**	**37,876**	**363,898**	**2,603**	**366,501**
Total comprehensive income/(loss) for the period	-	(2)	(118)	2,590	**2,470**	302	**2,772**
Purchase of Treasury Shares	-	-	(2,072)	-	**(2,072)**	-	**(2,072)**
Transfers other movements	-	-	163	(160)	**3**	-	**3**
31 March 2011	**32,800**	**281,890**	**9,303**	**40,306**	**364,299**	**2,905**	**367,204**

TERNA ENERGY GROUP
STATEMENT OF CHANGES IN EQUITY
31st MARCH 2011
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Retained Earnings	Sub-total	Non-controlling interests	Total
1 January 2010	**32,800**	**281,930**	**17,269**	**39,812**	**371,811**	**1,405**	**373,216**
Total comprehensive income/(loss) 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	**-**
31March 2010	**32,800**	**281,923**	**15,385**	**43,834**	**373,942**	**1,541**	**375,483**

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. The parent company of TERNA ENERGY, which is also listed on Athens Exchange, is GEK TERNA SA.

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 separate and consolidated financial statements of the Parent Company and its Group, have been prepared according to the International Financial Reporting Standards (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 together with the annual financial statements of 31 December 2010.

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 2010, 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 financial period ended on 31 March 2011. Therefore, from 1 January 2011, the Group and the Company adopted certain new standards and amendments of standards as follows:

Standards and Interpretations mandatory for 2011

– **IAS 24 (Amendment) "Related party disclosures" (applied for annual accounting periods beginning on or after 1 January 2011)**

The present amendment attempts to relax the disclosures of transactions between government-related entities and to clarify the definition of a related party. Specifically, the obligation of government-related entities to disclose details of all transactions with the government and other government-related entities is repealed, the definition of a related party is clarified and simplified and the amendment also imposes the disclosure not only of the relationships, transactions and balances between related parties but also of the commitments both in the separate and in the consolidated financial statements. The amendment did not affect the Group's and Company's disclosures.

– **IAS 32 (Amendment) "Financial instruments: Presentation"**

Applied for annual accounting periods beginning on or after 1 February 2010.

The amendment to IAS 32 clarifies the accounting treatment of several options when the issued instruments are expressed in a currency other than the issuer's operational currency. If such instruments are distributed proportionately to existing shareholders of the issuer for a specific amount of cash, such must be classified as share capital, even if their exercise price is in a currency different than the issuer's operational currency. Specifically, the amendment concerns rights, pre-emptive rights, options for the purchase of a specific number of equity instruments of the economic entity.

The amendment did not affect the Financial Statements of the Group and Company.

– **IFRS 1 (Amendment) "First implementation of international financial reporting standards" – disclosure on financial instruments (applied for annual accounting periods beginning on or after 1 July 2010)**

The present amendment provides, for companies that apply IFRS for the first time, the same transition provisions that are included in the amendment of IFRS 7 as regards to the comparative information concerning disclosures of the new three-level hierarchy of fair value. The specific amendment has no effect on the Group's financial statements as the Group has already made the transition to IFRS.

– **IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (applied for annual accounting periods beginning on or after 1 January 2011)**

The amendments apply to limited cases: when the entity is subject to a minimum funding requirement and proceeds with an advance payment of contributions to cover such requirements. The amendments allow such an entity to face the benefit from such an advance payment as an asset. The interpretation does not apply to the Group.

– **IFRIC 19 "Extinguishing Financial Liabilities with equity instruments"**

Applied for annual accounting periods beginning on or after 1 July 2010.
IFRIC 19 refers to the accounting treatment applied by the entity that issues equity instruments to a creditor, in order to settle, in full or in part, a financial liability. The interpretation does not apply to the Group.

– **Amendments to standards that are part of the IASB (International Accounting Standards Board) annual improvement plan for 2010, were published in May 2010.**

The effective dates for the amendments vary, however most apply for annual accounting periods beginning on or after 1 January 2011. The standard has not yet been adopted by the E.U.
Such amendments were applied by the Group.

IFRS 1 "First implementation of international financial reporting standards"

The amendments concern: (a) additional disclosures if an entity changes its accounting policies or the application of the exemption of IFRS 1 if it has already published interim financial information according to IAS 34. (b) exemptions when the readjustment base is used as "deemed cost", and (c) exemptions for entities that are subject to a special standard to use the book values as "deemed cost" for tangible or intangible assets according to the previous accounting standards financial statements.

IFRS 3 "Business Combinations"

The amendments provide additional clarification as regards to: (a) contingent consideration agreements that result from business combinations with acquisition dates prior to the application of IFRS 3 (2008), (b) the calculation of the non-controlling interest, and (c) the accounting treatment of share-based payments that are part of a business combination, including awards based on shares and that were not replaces or indirectly replaced.

IFRS 7 "Financial Instruments: Disclosures"

The amendments include multiple clarifications regarding the disclosures of financial instruments.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies that entities may present the analysis of the individual items in total comprehensive income either in the statement of changes in equity or in the notes.

IAS 27 "Consolidated and Separate Financial Statements"

The amendment clarifies that the amendments of IAS 21, IAS 28 and IAS 31 that emanate from the revision of IAS 27 (2008) must be applied in the future.

IFRS 34 "Interim Financial Reporting"

The amendment put the largest emphasis on the disclosure principles that must be applied in relation to significant events and transactions, including the changes regarding fair value measurements, as well as the need to update the relevant information from the most recent annual report.

IFRS 13 "Customer Loyalty Programs"

The amendment clarifies the definition of the term "fair value", in the context of the measurement of customer loyalty programs.

Standards and Interpretations mandatory for financial statements beginning after 1 January 2011

Specific new standards, amendments of standards and interpretations that have been issued and are mandatory for accounting periods beginning during the present period or after. The Company's (and Group's) assessment regarding the effect from the application of the new standards, amendments and interpretations, is presented below.

– **IFRS 9 "Financial instruments" (applied for annual accounting periods beginning on or after 1 January 2013)**

IFRS 9 is the first part of the first phase in the plans of IASB (International Accounting Standards Board) to replace IAS 39. The IASB intends to extend IFRS 9 during 2010 in order to add new requirements for the classification and measurement of financial liabilities, the de-recognition of financial instruments, the impairment of value and hedge accounting. IFRS 9 defines that all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through the results, specific transaction costs. The subsequent measurement of financial assets takes place either at amortized cost or at fair value and depends on the business model of the economic entity regarding the management of financial assets and the contractual cash flows of the financial asset.

IFRS 9 does not permit reclassifications, except for rare occasions where the entity's business model changes, and in such a case the entity is required to reclassify the affected financial assets in the future. According to the principles of IFRS9, all investments in equity instruments must be measured at fair value. However, management has the option to present realized and unrealized profit and losses from fair value of equity instruments not held for commercial purposes in other comprehensive income. This definition is made during initial recognition for each financial instrument separately and cannot be changed. The fair value profit or losses are not subsequently transferred to the results, while income from dividends will continue to be recognized in the results. IFRS 9 repeals the exception of measurement at cost for non-listed shares and derivatives on non-listed shares, but it provides guidance for when the cost may be considered as a representative estimation of fair value. The Group is currently assessing the effect of IFRS 9 on its financial statements. The standard has not yet been adopted by the EU.

– **IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (applied for annual accounting periods beginning on or after 1 July 2011)**

The present amendment provides the disclosures for transferred financial assets that have not been fully de-recognized as well as for transferred financial assets that have been fully de-recognized but for which the Group has a continued involvement. It also provides guidance on the application of the required disclosures. The standard has not yet been adopted by the E.U.

– **IAS 12 (Amendment) "Income tax" (applied for annual accounting periods beginning on or after 1 January 2012)**

The amendment of IAS 12 provides a practical method for the measurement of deferred tax liabilities and deferred tax assets when investment property is measures with the fair value method according to IAS 40 "Investment property". This amendment has not yet been adopted by the European Union.

– **IFRS 13 "Fair Value Measurement" (applied for annual accounting periods beginning on or after 1 January 2013)**

IFRS 13 provides new guidance relating to the measurement of fair value and the necessary disclosures. The standard's requirements do not extend the use of fair value but provide clarifications for its application in case where the use of fair values is imposed by other standards. IFRS 13 provides an exact definition of fair value as well as guidance referring to the measurement of fair value and the necessary disclosures, regardless of the standard according to which fair values are applied. Moreover, the necessary disclosures have been extended and cover all assets and liabilities measured at fair value and not only financial assets and liabilities. The standards has not yet been adopted by the European Union.

- Group of standards regarding consolidation and joint arrangements (applied for annual accounting periods beginning on or after 1 January 2013)

The IASB published five new standards regarding consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (Amendment), IAS 28 (Amendment). These standards are applied in annual accounting periods beginning on or after 1 January 2013. Prior application is permitted only if all five standards are applied at the same time. The standards have not yet been adopted by the European Union.

The basic terms of the standards are the following:

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all guidance regarding the control and consolidation included in IAS 27 and SIC 12. The new standard changes the definition of control as a definitive factor in order to decide whether an entity should be consolidated or not. The standard provides extensive clarifications that dictate the different manners in which an entity (investor) may control another entity (investment). The revised definition of control focuses on the need for both the right (the ability to direct activities that significantly affect the returns) and the variable returns (positive, negative or both) to be present in order to establish control. The new standard also provides clarification regarding equity rights and protective rights, as well as regarding factoring relations.

IFRS 11 "Joint arrangements"

IFRS 11 provides a more realistic treatment of joint arrangements focusing on the rights and obligations, rather on their legal form. The types of arrangements are limited to two: jointly controlled activities and joint ventures. The method of proportionate consolidation is no longer permitted. Those participating in joint ventures are obliged to use the equity consolidation method. The entities that participate in jointly controlled activities apply an accounting treatment similar to that applied currently by those participating in jointly controlled assets or jointly controlled activities. The standard also provides clarifications regarding those participating in joint arrangements, without joint control.

IFRS 12 "Disclosure of interest in other entities"

IFRS 12 refers to the required disclosures of an entity, including significant judgments and assumptions, which allow readers of the financial statements to evaluate the nature, risks and financial effects related to the participation of the entity in subsidiaries, associates, joint arrangements and structured entities. An entity has the option to proceed with some or all of the above disclosures without the obligation to apply IFRS 12 overall, or IFRS 10 or 11 or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard was published together with IFRS 10 and both standards together replace IAS 27 "*Consolidated and Separate Financial Statements"*. The amended IAS 27 defines the accounting treatment and the required disclosures regarding participations in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. Also, the IASB transferred terms of IAS 28 "*Investments in Associates"* and IAS 31 "*Participations in Joint Ventures"* that concern separate financial statements, in IAS 27.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "*Investments in Associates and Joint Ventures"* replaces IAS 28 *"Investments in Associates"*. The purpose of this Standard is to define the accounting treatment regarding investments in associates and to present the requirements for the application of the equity method during the accounting of investments in associates and joint ventures, as results from the publication of IFRS 11.

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 2011.

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. Also, the installation licenses of wind parks that have not been set in operation are subject to an annual impairment review. The establishment of possible impairment requires, among others, estimation of the value in use, which is estimated using the discounted cash flow method. During the application of this method, the Group relies on a series of factors, which include future operating results as well as market data. The estimation of future operating results is based on efficiency estimations of the wind parks according to wind statistical data and historical data on comparable units.

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) Acquisition of companies: The Group consolidates all companies it acquires from the date when control on such is acquired. In case where the acquisition depends on the realization of a series of future events – conditions, the company examines whether according to the actual events it has acquired control on the relevant companies. In case of a company acquisition, it is examined whether the acquired company meets the definition of a business according to IFRS 3. A business company usually consists of inflows, procedures that are applied on such inflows and resulting outflows that are used or will be used for the generation of income. In case where a company acquired is assessed not to consist of a complete series of activities and assets with the form of a company, then the acquisition is accounted for as an acquisition of assets and not of a company.

i) Fair value of financial assets and liabilities: The Group applies estimation of the fair value of financial assets and liabilities.

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 in other comprehensive income. 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 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 euro 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 Statement of Financial Position 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. Furthermore, the total income from the energy sector is derived from two Public sector companies.

Regarding receivables from the private sector, the Group 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.

- ***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 euro 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 reporting period all the accounts of the Statement of Financial Position of subsidiaries are converted into euro 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 presented in the Statement of Comprehensive Income. 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, purchased Wind Park licenses 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 of licenses and 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 reporting 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

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 licenses of Wind Parks that are not yet in operation and of intangible assets with an indefinite life are reviewed for impairment purposes on an annual basis. Other long-term assets 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 value in use. 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 reporting period 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, as well as time deposits with a maturity over three months, which however include the right for early liquidation with no loss of capital.

For the preparation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above.

o) Loan liabilities

All long-term and short-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, except for loans classified as financial liabilities at fair value through the results, are valued at amortized cost using the effective interest rate method. The amortized cost 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, apart for loan interest that is allocated directly or indirectly to the acquisition or construction of selective tangible assets, which are capitalized during the period that is required to construct the assets and until such are ready for use. The Group classifies loans with embedded derivatives, whose financial characteristics are not linked closely with the loan agreement, as financial liabilities at fair value through the results during their initial recognition.

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 during each reporting period 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 during the reporting period.

Income tax that relates to items, which have been recognized in other comprehensive income, is directly recorded in other comprehensive income 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 during each reporting period 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, during the reporting period, of the estimated cost, reduced by the estimated residual value of recoverable materials. The provisions are re-examined on each reporting date of the statement of financial position and are adjusted 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.

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.

Earnings per share are calculated by dividing the net earnings attributed to shareholders by the weighted average number of shares outstanding during the year.

x) Acquisition of non-controlling interests

The Group records its transaction with non-controlling interests as transactions with owners. In case of a minority acquisition in subsidiaries, the possible difference between the acquisition cost and the book value of the non-controlling interest, is recognized in the statement of changes in equity.

4 GROUP STRUCTURE

The participations in subsidiaries, associates and joint ventures on 31.3.2011 are as follows:

A) Subsidiaries of TERNA ENERGY SA

i) Subsidiaries, with the legal form of a Société 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:

(All amounts in thousand Euro, unless stated otherwise)

Participation Percentage				
Company Name	**31/3/2011**	**31/12/2010**	**Activity**	**Tax Un-audited Years**
1. IWECO CHONOS LASITHIOU CRETE SA	100%	100%	Production of El. Energy from RES	1
2. ENERGIAKI SERVOUNIOU SA	100%	100%	Production of El. Energy from RES	1
3. TERNA ENERGY EVROU SA	100%	100%	Production of El. Energy from RES	1
4. PPC RENEWABLES – TERNA ENERGY S.A.	51%	51%	Production of El. Energy from RES	1
5. AIOLIKI PANORAMATOS S.A.	100%	100%	Production of El. Energy from RES	1
6. AIOLIKI RACHOULAS DERVENOCHORION S.A.	100%	100%	Production of El. Energy from RES	1
7. ENERGEIAKI DERVENOHORION S.A.	100%	100%	Production of El. Energy from RES	1
8. AIOLIKI MALEA LAKONIAS S.A.	100%	100%	Production of El. Energy from RES	1
9. ENERGEIAKI FERRON EVROU S.A	100%	100%	Production of El. Energy from RES	1
10. AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	100%	100%	Production of El. Energy from RES	1
11. ENERGEIAKI PELOPONNISOU S.A.	100%	100%	Production of El. Energy from RES	1
12. ENERGEIAKI NEAPOLEOS LAKONIAS S.A.	100%	100%	Production of El. Energy from RES	1
13. AIOLIKI ILIOKASTROU S.A.	100%	100%	Production of El. Energy from RES	1
14. EUROWIND S.A.	100%	100%	Production of El. Energy from RES	1
15. ENERGIAKI XIROVOUNIOU S.A.	100%	100%	Production of El. Energy from RES	1
16. DELTA AXIOU ENERGEIAKI S.A.	51%	51%	Production of El. Energy from RES	1
17. TERNA ENERGY THAASSIA WIND PARKS S.A.	77%	-	Production of El. Energy from RES	1
18. TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	77%	-	Production of El. Energy from RES	1
19. TERNA ENERGY WIND PARKS PYRGAKI MAKRYRACHI KALLIEON S.A.	77%	-	Production of El. Energy from RES	1

(All amounts in thousand Euro, unless stated otherwise)

	Participation Percentage			
Company Name	**31/3/2011**	**31/12/2010**	**Activity**	**Tax Un-audited Years**
20. TERNA ENERGY WIND PARKS SOTIRA - ANALIPSI - DRAGONERA XYLOKASTROU S.A.	77%	-	Production of El. Energy from RES	1
21. TERNA ENERGY WIND PARKS PROFITIS ILIAS - POULAGEZA SOLYGEIAS S.A.	77%	-	Production of El. Energy from RES	1
22. TERNA ENERGY WIND PARKS TSOUMANOLAKKA - PYRGOS KALLIOEN & YPATIS S.A.	77%	-	Production of El. Energy from RES	1
23. TERNA ENERGY WIND PARKS DENTROULI MUNICIPALITY DOMNISTAS S.A.	77%	-	Production of El. Energy from RES	1
24. TERNA ENERGY WIND PARKS OROPEDIO EYROSTINIS - D. EYROSTINIS CORINTH PREFECTURE S.A.	77%	-	Production of El. Energy from RES	1
25. TERNA ENERGY WIND PARKS KALIAKOUDAS - D. POTAMIAS EYRYTANIA S.A.	77%	-	Production of El. Energy from RES	1
26. TERNA ENERGY WIND PARKS CHELIDONAS - D. POTAMIAS EYRYTANIAS S.A.	77%	-	Production of El. Energy from RES	1
27. TERNA ENERGY HYDROELECTRIC MYIS SARANTAPOROU S.A.	77%	-	Production of El. Energy from RES	1
28. TERNA ENERGY HYDROELECTRIC MYIS LEPTOMAKARIAS S.A.	77%	-	Production of El. Energy from RES	1
29. TERNA ENERGY HYDROELECTRIC MYIS ARKOUDORREMA S.A.	77%	-	Production of El. Energy from RES	1
30. GP ENERGY LTD	100%	100%	Trade of Electric Energy	6
31. EOL TECHNICS CONSULT SRL	100%	100%	Production of El. Energy from RES	3
32.TERNA ENERGY OVERSEAS LTD	100%	100%	Production of El. Energy from RES	3
33. EOLOS POLSKA SPZO	100%	100%	Production of El. Energy from RES	3
34. EOLOS NOWOGRODZEC SPZOO	61%	61%	Production of El. Energy from RES	3
35. TERNA ENERGY NETHERLANDS BV	100%	100%	Production of El. Energy from RES	2
36. HAOS INVEST 1 EAD	100%	100%	Production of El. Energy from RES	2
37. VALUE PLUS LTD	100%	100%	Trade of Electric Energy equipment	2

(All amounts in thousand Euro, unless stated otherwise)

	Participation Percentage			
Company Name	**31/3/2011**	**31/12/2010**	**Activity**	**Tax Un-audited Years**
38. GALLETTE LTD	100%	100%	Holdings	3
39. AIOLOS LUX S.A.R.L	100%	100%	Holdings	3
40.ECO ENERGY DOBRICH 2 EOOD	100%	100%	Production of El. Energy from RES	2
41.ECO ENERGY DOBRICH 3 EOOD	100%	100%	Production of El. Energy from RES	2
42.ECO ENERGY DOBRICH 4 EOOD	100%	100%	Production of El. Energy from RES	2
43. COLD SPRINGS WINDFARM LLC	100%	-	Production of El. Energy from RES	1
44.DESERT MEADOW WINDFARM LLC	100%	-	Production of El. Energy from RES	1
45.HAMMETTHILL WINDFARM LLC	100%	-	Production of El. Energy from RES	1
46. MAINLINE WINDFARM LLC	100%	-	Production of El. Energy from RES	1
47. RYEGRASS WINDFARM. LLC	100%	-	Production of El. Energy from RES	1
48. TWO PONDS WINDFARM. LLC	100%	-	Production of El. Energy from RES	1
49. MOUNTAIN AIR WIND. LLC	100%	-	Production of El. Energy from RES	1
50. HIGH PLATEAU WINDFARM. LLC	100%	-	Production of El. Energy from RES	1
51. MULE HOLLOW WINDFARM. LLC	100%	-	Production of El. Energy from RES	1
52. PINE CITY WINDFARM. LLC	100%	-	Production of El. Energy from RES	1
53.LOWER RIDGE WINDFARM. LLC	100%	-	Production of El. Energy from RES	1
54. TERNA ENERGY USA HOLDING CORPORATION	100%	-	Holdings	1
55. TERNA ENERGY TRANSATLANTIC SPZOO	100%	-	Holdings	1

During the 1st quarter of 2011 the Group, in the context of its expansion in the global market, entered an agreement for the acquisition of the companies numbered 43 to 53 in the above table, which are based in the United States of America and owns Wind Parks under development (licensing stage) with a total capacity of 172 MW. The agreement is valid under a series of conditions and is expected to be completed within 12 months.

(All amounts in thousand Euro, unless stated otherwise)

Also, during the 1st quarter of 2011 the 100% subsidiary TERNA ENERGY USA HOLDING was established, which is based in the United States of America and whose basic activity is the participation in companies that construct and manage renewable energy sources, while during the same period the 100% subsidiary TERNA ENERGY TRANSATLANTIC was also established and is based in Poland with the basic activity of participating in companies that construct and manage renewable energy sources.
On 28.1.2011 the 77% of shares of companies numbered 17 to 29 in the above table was acquired. The latter companies are based in Greece and their basic activity is the construction and management of renewable energy sources.

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

	Participation Percentage			
Company Name	**31/3/2011**	**31/12/2010**	**Activity**	**Tax Un-audited Years**
1. TERNA ENERGY SA & SIA AIOLIKI POLYKASTROU GP	100%	100%	Production of El. Energy from RES	4
2. TERNA ENERGY SA & SIA ENERGEIAKI VELANIDION LAKONIA GP	100%	100%	Production of El. Energy from RES	4
3. TERNA ENERGY SA & SIA ENERGEIAKI DYSTION EVIA GP	100%	100%	Production of El. Energy from RES	4
4. TERNA ENERGY SA & SIA AIOLIKI PASTRA ATTICA GP	100%	100%	Production of El. Energy from RES	4
5. TERNA ENERGY SA & SIA AIOLIKI KARYSTIAS EVIA GP	100%	100%	Production of El. Energy from RES	4
6. TERNA ENERGY SA & SIA ENERGEIAKI ARI SAPPON GP	100%	100%	Production of El. Energy from RES	4
7. TERNA ENERGY SA & SIA AIOLIKI EASTERN GREECE GP	100%	100%	Production of El. Energy from RES	4
8. TERNA ENERGY SA & SIA AIOLIKI MARMARIOU EVIA GP	100%	100%	Production of El. Energy from RES	4
9. TERNA ENERGY SA & SIA ENERGEIAKI PETRION EVIA GP	100%	100%	Production of El. Energy from RES	4
10. TERNA ENERGY SA & SIA AIOLIKI ROKANI DERVENOCHORION GP	99%	99%	Production of El. Energy from RES	4

(All amounts in thousand Euro, unless stated otherwise)

Participation Percentage				
Company Name	**31/3/2011**	**31/12/2010**	**Activity**	**Tax Un-audited Years**
11. TERNA ENERGY SA & SIA ENERGEIAKI STYRON EVIA GP	100%	100%	Production of El. Energy from RES	4
12. TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIA GP	100%	100%	Production of El. Energy from RES	4
13. TERNA ENERGY SA & SIA AIOLIKI PROVATA TRAIANOUPOLEOS	100%	100%	Production of El. Energy from RES	4
14. TERNA ENERGY SA VECTOR WIND PARKS GREECE - WIND PARK TROULOS G.P.	90%	-	Production of El. Energy from RES	1

On 11.2.2011 the General Partnership TERNA ENERGY SA VECTOR WIND PARKS GREECE – WIND PARK TROULOS G.P. was established, whose basic activity is the construction and management of renewable energy sources.

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

ι) Joint Ventures

	Company Name	**Participation Percentage 2011 and 2010 %**	**Tax un-audited fiscal years**
1	J/V ENVAGELISMOU, PROJECT C'	50.00	8
2	J/V TERNA ENERGY – TSAMPR. DRAMAS HOSPITAL	40.00	8
3	J/V EPL DRAMAS	24.00	8
4	J/V K. MANIOTIS - TERNA - TERNA ENERGY	37.50	8
5	J/V/ EMBEDOS – PANTECHNIKI - TERNA ENERGY	50.10	4
6	J/V THEMELI - TERNA ENERGY - TERNA SA IMPREGILO SPA	40.00	4
7	J/V EKTER - TERNA - ATHONIKI SA	31.00	4
8	J/V/ KL. ROUTSIS - TERNA ENERGY ABETE	50.00	4

(All amounts in thousand Euro, unless stated otherwise)

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

		Participation Percentage			
Company Name	**Establishment**	**31/3/2011**	**31/12/2010**	**Activity**	**Tax Un-audited Years**
1. 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	5
2. TERNA ENERGY SA & SIA LP	24.05.2000	70%	70%	Completion of construction works of section Kakavia – Kalpaki	5

The above company No. 1 is 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, ECO ENERGY DOBRICH 2, ECO ENERGY DOBRICH 3 and ECO ENERGY DOBRICH 4 which have been established in Bulgaria, EOL TECHICHS CONSULT SRL established in Romania, TERNA ENERGY OVERSEAS LTD, VALUE PLUS LTD and GALLETTE LTD established in Cyprus, EOLOS POLSKA Spzoo, EOLOS NOWOGRODZEC Spzoo and TERNA ENERGY TRANSATLANTIC Spzoo, which were established in Poland, TERNA ENERGY NETHERLANDS, which was established in Holland, AIOLOS LUX S.A.R.L. that was established in Luxembourg and the companies COLD SPRINGS WINDFARM LLC, DESERT MEADOW WINDFARM LLC, HAMMETT HILL WINDFARM LLC, MAINLINE WINDFARM LLC, RYEGRASS WINDFARM LLC, TWO PONDS WINDFARM LLC, MOUNTAIN AIR WIND LLC, HIGH PLATEAU WINDFARM LLC, MULE HOLLOW WINDFARM LLC, PINE CITY WINDFARM LLC, LOWER RIDGE WINDFARM LLC, TERNA ENERGY USA HOLDING CORPORATION, which were established in the United States of America.

C) Associates of TERNA ENERGY SA

Company Name	**Domicile**	**Participation Percentage% 2011**	**2010**	**Consolidation Method**	**Tax un-audited fiscal years**
Renewable Energy Center RES Cyclades SA *	Greece	45	45	Equity	1
EN.ER.MEL. S.A.	Greece	48	-	Equity	1

*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 accompanying consolidated statement of financial position and statement of 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.

(All amounts in thousand Euro, unless stated otherwise)

Business segments 31.3.2011	**Construction**	**Electricity from renewable energy sources**	**Consolidation Write-offs**	**Total Consolidated**
Income from external customers				
Sales of products	-	9,499		**9,499**
Income from construction services	3,698	-		**3,698**
Total income from external customers	**3,698**	**9,499**		**13,197**
Inter-segment income	5,448	-	(5,448)	
Total income	**9,146**	**9,499**		**13,197**
Net Results per Segment	**(171)**	**3,063**		**2,892**
Depreciations	(36)	(2,508)		**(2,544)**
Amortization of grants	-	591		**591**
Net financial results	(61)	464		**403**
Foreign exchange differences	-	(385)		**(385)**
Income tax	(191)	(744)		**(935)**
Earnings before interest, taxes, depreciation & amortization (EBITDA)	**118**	**5,645**		**5,763**
Earnings before interest and taxes (EBIT)	**81**	**3,729**		**3,810**
Segment assets	22,995	678,602		**701,597**
Investments in associates	-	4,483		**4,483**
Total Assets	**22,995**	**683,085**		**706,080**
Segment liabilities	**12,804**	**201,095**		**213,899**
Capital expenditure	1	45,075		**45,076**

(All amounts in thousand Euro, unless stated otherwise)

Business segments 31.3.2010	**Construction**	**Electricity from renewable energy sources**	**Consolidation Write-offs**	**Total Consolidated**
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 Results per Segment	**171**	**4,287**		**4,458**
Depreciations	(37)	(2,202)		**(2,544)**
Amortization of grants	-	600		**591**
Net financial results	(79)	531		**403**
Foreign exchange differences	-	213		**(385)**
Income tax	(110)	(1,171)		**(935)**
Earnings before interest, taxes, depreciation & amortization (EBITDA)	**397**	**6,316**		**6,713**
Earnings before interest and taxes (EBIT)	**360**	**4,714**		**5,074**
Segment assets	23,992	621,824		**645,816**
Investments in associates	-	51		**51**
Total Assets	**23,992**	**621,875**		**645,867**
Segment liabilities	**7,601**	**262,783**		**270,384**
Capital expenditure	25	31,275		**31,300**

(All amounts in thousand Euro, unless stated otherwise)

6 FIXED ASSETS (intangible and tangible)

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

	GROUP		COMPANY	
	2011	2010	2011	2010
Net book value January 1st	**435,124**	**342,594**	**126,427**	**111,541**
Additions during the period	45,076	31,300	3,109	9,409
Depreciation/Amortization and other movements during the period	(2,545)	(2,239)	(1,349)	(1,141)
Net book value March 31st	**477,655**	**371,655**	**128,187**	**119,809**

From the total value of the Group's fixed assets on 31/3/2011, the amount of € 275,995 concerns Assets under Construction and Prepayments for Acquisition of Fixed Assets. Also, the additions of intangible fixed assets of the Group for the period 1.1-31.3.2011 amounting to 14,471 thousand euro concerns the cost of licenses as such was recognized during the acquisition of companies (see also Note 7).

7 ACQUISITION OF COMPANIES

As mentioned in detail in note 4 of the interim condensed consolidated financial statements of the Group for the period 1.1 – 31.3.2011, the following companies are consolidated for the first time:

TERNA ENERGY THAASSIA WIND PARKS S.A.	TERNA ENERGY HYDROELECTRIC MYIS ARKOUDORREMA S.A.
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	COLD SPRINGS WINDFARM LLC
TERNA ENERGY WIND PARKS PYRGAKI MAKRYRACHI KALLIEON S.A.	DESERT MEADOW WINDFARM LLC
TERNA ENERGY WIND PARKS SOTIRA - ANALIPSI - DRAGONERA XYLOKASTROU S.A.	HAMMETTHILL WINDFARM LLC
TERNA ENERGY WIND PARKS PROFITIS ILIAS - POULAGEZA SOLYGEIAS S.A.	MAINLINE WINDFARM LLC
TERNA ENERGY WIND PARKS TSOUMANOLAKKA - PYRGOS KALLIOEN & YPATIS S.A.	RYEGRASS WINDFARM, LLC
TERNA ENERGY WIND PARKS DENTROULI MUNICIPALITY DOMNISTAS S.A.	TWO PONDS WINDFARM, LLC
TERNA ENERGY WIND PARKS OROPEDIO EYROSTINIS - D. EYROSTINIS CORINTH PREFECTURE S.A.	MOUNTAIN AIR WIND, LLC
TERNA ENERGY WIND PARKS KALIAKOUDAS - D. POTAMIAS EYRYTANIA S.A.	HIGH PLATEAU WINDFARM, LLC
TERNA ENERGY WIND PARKS CHELIDONAS - D. POTAMIAS EYRYTANIAS S.A.	MULE HOLLOW WINDFARM, LLC
TERNA ENERGY HYDROELECTRIC MYIS SARANTAPOROU S.A.	PINE CITY WINDFARM, LLC
TERNA ENERGY HYDROELECTRIC MYIS LEPTOMAKARIAS S.A.	LOWER RIDGE WINDFARM, LLC

(All amounts in thousand Euro, unless stated otherwise)

The Group accounts for the aforementioned acquisitions as acquisition of assets according to paragraph 3 and B7-B12 of IFRS 3 "Business Combinations". Specifically, during the acquisition dates the basic asset of the above subsidiaries corresponded to the licenses such held, while no construction activity had commenced on the wind parks. The acquired assets do not constitute a "company" according to the definition of IFRS 3 as the subsidiaries did not include the facilities and procedures that would allow such to produce product – electric energy. The total consideration of the above acquisition amounting to 14,471 thousand euro, concerns acquisition of wind park licenses (note 6).

8 CAPITAL

During the period 1/1-31/03/2011, as during the period 1/1-31/03/2010, there was no change in the number of shares or their nominal value. The total number of shares outstanding during 31/3/11 amounts to 109,333,400 from which 4,050,581 are owned by the Company (treasury shares).
All the share capital is fully paid up.

9 LOANS

The summary movement of the short-term and long-term loans of the group and company during 31/03/2011 and 31/03/2010, is presented as follows:

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
Balance January 1st	**202,557**	**190,078**	**49,769**	**49,769**
New loans	45,077	11,428	613	477
Repayment of loans	(17,932)	(3,232)	(206)	(70)
Balance March 31st	**229,702**	**198,274**	**50,176**	**50,176**

The total loans concern the energy segment of the Group and are related to financing wind park installations.

10 PROVISIONS

The summary movement of the group's and company's provisions on 31/03/2011 and 31/03/2010 is presented as follows:

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
Balance January 1st	**1,322**	**1,317**	**775**	**778**
Additional provisions charged on the period's results	15	14	15	14
Used provisions	-	(23)	-	(23)
Balance March 31st	**1,337**	**1,308**	**790**	**769**

(All amounts in thousand Euro, unless stated otherwise)

11 GRANTS

The summary movement of the group's and company's grants on 31/03/2011 and 31/03/2010, is presented as follows:

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
Balance January 1st	**59,130**	**50,796**	**18,722**	**19,777**
Transfer of the period's proportion to the results	(592)	(601)	(256)	(265)
Balance March 31st	**58,538**	**50,195**	**18,466**	**19,512**

12 OTHER INCOME/EXPENSES

The analysis of the amount of other income/expenses for 31 March 2011, which are of irregular nature, is presented in the following table:

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
Amortization of grants	592	601	256	265
Income from lease of machinery	-	4	-	4
Income from lease of property	21	18	21	18
Other income	501	217	291	5
Other expenses	(504)	-	-	-
Total	**610**	**840**	**568**	**292**

13 NUMBER OF EMPLOYEES

The average number of employees under full-time employment at the group, during the first quarter of 2011 was 141 (142 employees during the first quarter of 2010).

14 INCOME TAX

The expense for income tax is registered based on the best possible estimation by management of the weighted average annual tax rate for a full year. This rate for 31/03/2011 was 24.43% for the group and 17.68% for the company.

15 TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the periods 01/01-31/03/2011 and 01/01-31/03/2010, as well as the balances of receivables and liabilities arisen from the above transactions as of 31/12/2010 and 31/12/2009 are as follows:

(All amounts in thousand Euro, unless stated otherwise)

Period 1/1-31/3/2011	GROUP				COMPANY			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	222	-	13,427	-
Joint Ventures	-	-	-	-	-	-	625	123
Parent	-	37	-	-	-	37	-	-
Other related parties	10	2,283	2,287	4,670	10	2,251	689	4,662
Basic senior executives	-	63	-	16	-	60	-	16

Period 1/1-31/3/2010 31/12/2010	GROUP				COMPANY			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	636	-	13,682	-
Joint Ventures	-	-	-	-	-	-	631	360
Parent	-	-	-	10	-	27	-	10
Other related parties	453	6,193	1,345	2,253	453	5,164	579	2,247
Basic senior executives	-	94	-	16	-	85	-	16

16 SIGNIFICANT EVENTS DURING THE PERIOD

In March 2011 production licenses were issued for 27 Wind Parks, with a total capacity of 954 MW in Crete, for two Wind Parks of 22MW and 26 MW each in the Aitoloakaranania Prefecture, one Wind Park of 40 MW in the Drama Prefecture, while the increase of capacity was approved for a Wind Park under construction in the Viotia Prefecture by 10 MW, namely from 30 MW to 40 MW, and the Group's first Wind Park abroad, in Poland with a capacity of 20 MW, was set in operation. Also, the installation license was issued for a Photovoltaic Park of 1.912MW, in the Argolida Prefecture.

Moreover, in the context of its development in the global market, the Group came to an agreement for the acquisition of companies in the United States of America, which own Wind Parks under development (licensing stage) with a total capacity of 172 MW. The agreement is subject to the fulfillment of a series of conditions and is expected to be completed within 12 months.

During the 1st Quarter of 2011 77% of the shares of 13 société anonyme companies were acquired (see details in Note 4), which are based in Greece and whose basic activity is the construction and management of renewable energy sources.

In the constructions sector, the Company was declared as the temporary lowest bidder and is expecting to sign an agreement on the following projects:

a. For the execution of the project "Anti-flooding protection projects for the Xiria watercourse", in the Magnisia Prefecture, with a contractual amount of 8,628,264.40 euro and

b. For the execution of the project "Construction of the overpass connection node of Paraglavkios arteries with the new Patra port and construction of the technical extrusion of the Diakoniari watercourse from K.M. 0-001.5 to 0-050.00" with a contractual amount of 23,872,184.80 euro.

The total construction backlog towards third parties on 31/3/2011 amounts to € 62 million.

17 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In May 2011 the second Wind Park of the Group in Poland of 12MW started its operation, and a domestic hydroelectric of 8,5MW also started its operations, a license for a new photovoltaic park of 6MW was bought, and 2 new Installation Licenses for Wind Parks were issued of total power 69 MW in the islet of St. George in Attiki region.

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 GP", are pending. The court session took place in November 2009 and the Council of State has ordered a pause on the building works for 17 out of 40 wind generators.

CERTIFICATE

It is ascertained that the accompanying interim financial statements are those approved by the Company's Board of Directors on May 27th 2011 and have been published 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 readers with some general financial data but do not provide a complete picture of the Group's financial position and results, according to the International Financial Reporting Standards (IFRS). The published in the press condensed financial statements include aggregations of accounts.

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

19 DATA AND INFORMATION FOR THE PERIOD 1.1-31.3.2011

TERNA ENERGY

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 01/01/2011 TO 31/3/2011

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 Audit Report by the Certified Auditor.

COMPANY INFORMATION

Relevant Authority:	Ministry of Finance Competitiveness and Shipping, Division of Société Anonyme Companies and Credit
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 Interim Financial Statements (from which the condensed data were derived) :	27 May 2011
Company Website:	www.terna-energy.gr

STATEMENT OF FINANCIAL POSITION (Consolidated and Non-Consolidated)

Amounts in thousand euro

	GROUP		COMPANY	
	31/3/2011	**31/12/2010**	**31/3/2011**	**31/12/2010**
ASSETS				
Self used tangible fixed assets	445.230	417.194	126.646	124.919
Investment property	923	923	923	923
Other non-current assets	12.585	4.089	145.735	110.916
Intangible assets	32.425	17.930	1.541	1.508
Inventories	1.767	2.196	1.475	1.903
Trade receivables	20.950	17.966	37.319	31.470
Cash & cash equivalents	159.147	192.873	131.940	174.794
Other current assets	33.053	27.448	9.314	8.034
TOTAL ASSETS	**706.080**	**680.619**	**454.893**	**454.467**
EQUITY & LIABILITIES				
Share capital	32.800	32.800	32.800	32.800
Other items of Shareholders' Equity	331.499	331.098	324.780	324.333
Total Shareholders' Equity (a)	**364.299**	**363.898**	**357.580**	**357.133**
Non-controlling interests	2.905	2.603	0	0
Total Equity (b)	**367.204**	**366.501**	**357.580**	**357.133**
Long-term bank liabilities	61.309	63.204	36.754	36.754
Provisions/Other-long-term liabilities	63.668	63.914	20.049	19.853
Short-term bank liabilities	168.393	139.353	19.995	19.660
Other-short-term liabilities	45.506	47.647	20.515	21.067
Total liabilities	**338.876**	**314.118**	**97.313**	**97.334**
TOTAL EQUITY & LIABILITIES	**706.080**	**680.619**	**454.893**	**454.467**

STATEMENT OF CHANGES IN EQUITY (Consolidated and Non-Consolidated)

Amounts in thousand euro

	GROUP		COMPANY	
	31/3/2011	**31/3/2010**	**31/3/2011**	**31/3/2010**
Total equity at beginning of period (01/01/2011 and 01/01/2010)	366.501	373.216	357.133	366.616
Profit/(Losses) for the period after taxes	2.772	4.322	2.519	2.980
	369.273	377.538	359.652	369.596
Purchases of treasury shares	(2.072)	(2.055)	(2.072)	(2.055)
Transfers other movements	3	0	0	0
Total equity at end of period (31/3/11 and 31/3/10)	367.204	375.483	357.580	367.541

STATEMENT OF COMPREHENSIVE INCOME (Consolidated and Non-Consolidated)

Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/3/2011	**1/1-31/3/2010**	**1/1-31/3/2011**	**1/1-31/3/2010**
Turnover	13.197	16.112	14.518	12.873
Gross profit / (losses)	5.259	6.428	3.412	4.288
Earnings/(Loss) before interest and tax (EBIT)	**3.424**	**5.287**	**2.294**	**2.935**
Earnings/(Loss) before tax	3.827	5.739	3.060	3.799
Earnings/(Loss) after tax (A)	2.892	4.458	2.519	3.119
Allocated to:				
Company Shareholders	2.590	4.322		
Minority Shareholders	302	136		
	2.892	4.458		
Other comprehensive income after taxes (B)	(120)	(136)	0	(139)
Total comprehensive income after taxes (A+B)	2.772	4.322	2.519	2.980
Allocated to:				
Company Shareholders	2.470	4.187		
Minority Shareholders	302	135		
	2.772	4.322		
Earnings/(Losses) after tax per share - basic (in €)	0,02454	0,03987	0,02387	0,02877
Proposed dividend per share (€)				
Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA)	**5.377**	**6.926**	**3.387**	**3.811**

STATEMENT OF CASH FLOWS (indirect method) (Consolidated and Non-Consolidated)

Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/3/2011	**1/1-31/3/2010**	**1/1-31/3/2011**	**1/1-31/3/2010**
Operating activities				
Profit before tax	3.827	5.739	3.060	3.799
Plus/less adjustments for:				
Depreciation	2.544	2.239	1.349	1.141
Provisions	(70)	14	15	14
Interest income and related income	(1.505)	(1.577)	(1.400)	(1.552)
Interest expenses and related expenses	1.102	1.125	634	688
Amortization of grants	(591)	(600)	(256)	(265)
Other adjustments	934	(181)	0	0
Operating profit before changes in working capital	**6.241**	**6.759**	**3.402**	**3.825**
Plus/Less adjustments for working capital account movements or movements related to operating activities:				
Decrease / (increase) in inventories	429	113	428	114
Decrease / (increase) in receivables	(14.800)	6.336	(7.127)	2.449
(Decrease) / increase in liabilities (other than to banks)	(988)	(5.214)	(8.052)	(5.001)
(Less):				
Taxes paid	(98)	(39)	(94)	(39)
Total inflows / (outflows) from operating activities (a)	(9.216)	7.955	(11.443)	1.348
Investing activities				
Purchases of tangible & intangible assets	(46.660)	(30.961)	(3.109)	(9.409)
Interest received	1.481	1.204	1.388	1.151
(Purchases)/sales of participations and securities	(1.861)	0	(27.319)	(9.128)
Total inflows / (outflows) from investing activities (b)	(47.040)	(29.757)	(29.040)	(17.386)
Financing activities				
Purchases of treasury shares	(2.072)	(2.055)	(2.072)	(2.055)
Net change in long-term loans	(1.894)	(1.922)	0	0
Net change in short-term loans	28.457	9.797	0	0
Interest and related expenses paid	(1.010)	(1.054)	(299)	(281)
Dividends paid	0	0	0	0
Total inflows / (outflows) from financing activities (c)	23.481	4.766	(2.371)	(2.336)
Effect of FX differences on cash equivalents	(951)	10	0	0
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**(33.726)**	**(17.026)**	**(42.854)**	**(18.374)**
Cash and cash equivalents at the beginning of the period	**192.873**	**244.837**	**174.794**	**233.561**
Cash and cash equivalents at the end of the period	**159.147**	**227.811**	**131.940**	**215.187**

ADDITIONAL DATA & INFORMATION

1. There was no change in the accounting policies and estimations, and there is no case for correction of accounting errors or reclassification of accounts in the financial statements.

2. The Basic Accounting Principles of the financial statements as of 31/12/10 have been followed.

3. The group during the present period employed 141 individuals. For the respective period of 2010 the group employed 142 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. Reference to such is also made in Note No 37 of the financial statements.

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 31/3/2011 owned 49.47% 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	10	232
b) Purchases of goods and services	2.320	2.288
c) Receivables	2.287	14.741
d) Liabilities	4.670	4.785
e) Transactions & remuneration of Board members and executives	63	60
f) Receivables from Board members and executives	0	0
g) Liabilities to Board members and executives	16	16

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

	GROUP	COMPANY
Provision for unaudited tax years	80	80
Other provisions	1.528	981

10. The names, domiciles, participation percentages and consolidation method of companies and joint ventures that were consolidated in the financial statements of 31/3/2011 are mentioned in detail in Note 4 of the financial statements.

11. During 31 March 2011 the following companies were incorporated with the full consolidation method in the consolidated financial statements compared to the respective period of the previous year:

Company Name	Percentage	Country	
TERNA ENERGY THAASSIA WIND PARKS S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY WIND PARKS PYRGAKI MAKRYRACHI KALLIEON S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY WIND PARKS SOTIRA - ANALIPSI - DRAGONERA XYLOKASTROU S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY WIND PARKS PROFITIS ILIAS - POULAGEZA SOLYGEIAS S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY WIND PARKS TSOUMANOLAKKA - PYRGOS KALLIOEN & YPATIS S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY WIND PARKS DENTROULI MUNICIPALITY DOMNISTAS S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY WIND PARKS OROPEDIO EYROSTINIS - D. EYROSTINIS CORINTH PREFECTURE S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY WIND PARKS KALIAKOUDAS - D. POTAMIAS EYRYTANIA S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY WIND PARKS CHELIDONAS - D. POTAMIAS EYRYTANIAS S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY HYDROELECTRIC MYIS SARANTAPOROU S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY HYDROELECTRIC MYIS LEPTOMAKARIAS S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
TERNA ENERGY HYDROELECTRIC MYIS ARKOUDORREMA S.A.	77%	Greece	Acquisition of 77% of Share Cap. on 28.1.2011
COLD SPRINGS WINDFARM LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
DESERT MEADOW WINDFARM LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
HAMMETTHILL WINDFARM LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
MAINLINE WINDFARM LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
RYEGRASS WINDFARM, LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
TWO PONDS WINDFARM, LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
MOUNTAIN AIR WIND, LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
HIGH PLATEAU WINDFARM, LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
MULE HOLLOW WINDFARM, LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
PINE CITY WINDFARM, LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
LOWER RIDGE WINDFARM, LLC	100%	U.S.A.	Acquisition of 100% during Q1 of 2011
TERNA ENERGY USA HOLDING CORPORATION	100%	U.S.A.	Establishment during Q1 of 2011
TERNA ENERGY TRANSATLANTIC SPZOO	100%	Poland	Establishment during Q1 of 2011
TERNA ENERGY SA VECTOR WIND PARKS GREECE - WIND PARK TROULOS G.P.	90%	Greece	Establishment on 11.2.2011

12. The amounts and nature of other comprehensive income/(expenses) after taxes, are analyzed as follows:

	GROUP 31/3/2011	COMPANY 31/3/2011
Foreign exchange differences from conversion of incorporated foreign operations	(118)	0
Expenses for share capital increase	(2)	0
Tax on items transferred directly to or from equity	0	0
	(120)	0

13. The number of treasury shares owned by the company on March 31st 2011 corresponded to 4,050,581 shares with a total acquisition cost of 14,837,497.93 €.

14. No sector or company has ceased operations.

Athens, 27/05/2011

THE CHAIRMAN OF THE BOARD	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE CHIEF 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