TERNA ENERGY SA

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

SEMI-ANNUAL FINANCIAL REPORT

for the period from

January 1st to June 30th 2009

According to article 5 of L. 3556/2007

CONTENTS

I. STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS
(according to article 5 par. 2 of L. 3556/2007)

We

1. George Perdikaris, Chairman of the BoD
2. Emmanuel Maragoudakis, Vice-President of the BoD and Managing Director
3. Panayiotis Pothos, Executive Member of the BoD

STATE THAT

To the best of our knowledge:

a. The semi-annual company and consolidated financial statements of TERNA ENERGY ABETE for the period from January 1st 2008 till June 30th 2009, which were prepared in accordance with the current International Financial Reporting Standards (IFRS), give a true picture of the assets and liabilities, the shareholders' equity and the results for the period of the Company, as well as of the companies included in the consolidation and considered aggregately as a whole, in accordance with the provisions laid down in paragraphs 3 to 5 of article 5 of Law No. 3556/2007 by the authorization of the decisions made by the Hellenic Capital Markets Commission.

b. The Semi-Annual Report prepared by the Board of Directors includes a true presentation of the information required in accordance with the provisions laid down in paragraph 6 of article 5 of Law No. 3556/2007.

Athens, 25 August 2009

Georgios Perdikaris	Emmanuel Maragoudakis	Panagiotis Pothos
Chairman of the Board	Vice-Chairman of the Board & Managing Director	Executive Board Members

II. REVIEW REPORT OF INTERIM FINANCIAL INFORMATION

Towards the shareholders of TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY S.A.

Introduction

We have reviewed the accompanying (individual and consolidated) condensed statement of financial position of TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY S.A., (the Company) for June 30th 2009, the relevant (individual and consolidated) condensed total comprehensive income statements, statements of changes in equity and cash flow statements for the six-month period ending on the aforementioned date, as well as the selected explanatory notes that comprise the interim condensed financial information, which is an inseparable part of the semi-annual financial report of L. 3556/2007.

The Management of the Company is responsible for the preparation and presentation of the interim condensed financial information, according to the International Financial Reporting Standards, as such have been adopted by the European Union and are applied in Interim Financial Reporting (International Accounting Standard "IAS" 34). Our responsibility is the expression of a conclusion on this interim condensed financial information based on our review.

Scope of the review

We have conducted our review according to International Standard on Review Engagements 2410 "Review of Interim Financial Information, performed by the Independent Auditor of the Entity". The review of the interim financial information consists of performing procedures for the collection of information, mainly from individuals that are responsible for financial and accounting issues, and the application of critical analysis and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Report on other Legal Issues

From the conducted review, we have verified that the contents of the semi-annual financial report, prepared according to article 5 of L. 3556/20007, is consisted with the accompanying interim condensed financial information.

Athens, 26 August 2009
The Certified Auditor Accountant
Ioannis G. Leos
SOEL Reg. No. 24881

GrantThornton

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III. SEMI-ANNUAL REPORT BY THE BOARD OF DIRECTORS

Of Societe Anonyme "TERNA ENERGY ABETE"
For the period 1/1 – 30/6/2009

The current Report of the board of directors concerns the period 1 January – 30 June 2009. It is compiled according to the provisions of article 5 of Law 3556/2007 as well as the related executive decisions of the Board of directors of the Capital Markets Committee.

A. Financial Performance in the Period under Consideration

During the first half of 2009, the international economy faced even larger obstacles in its course as the largest recession over the last decades continued unabated. The crisis was due to a shrinking liquidity observed in the financial sector, a phenomenon that gradually expanded into all other economic sectors. Falling demand from consumers and industrial production in combination with rising unemployment rates are factors that prolong worries over the real duration and effect of the crisis on various economies across the globe. Actions taken by political and economic authorities are yet to be judged as efficient ones, a fact that extends uncertainty about the future of the business world.

In the context of the international economic uncertainty, the renewable energy sources (RES) related production continues to expand dynamically posting strong growth rates. Governments understand the importance of this economic activity and boost efforts in order to support investments in this sector. TERNA ENERGY as one of the most dynamic companies in the sector with leading position in the Greek market continues to grow dynamically by constantly increasing the installed capacity of its energy portfolio. The Company along with its subsidiaries operates 9 wind energy parks and one small scale hydroelectric unit with an aggregate production capacity of 149 MW, and at the same time has initiated the construction of 4 additional wind parks, 1 hydroelectric unit and one small scale photovoltaic plant with a total capacity of 83.7 MW. By activating in especially competitive environment, the Company continues to enjoy strong liquidity, with its net cash position (cash and cash equivalents minus bank debt) at EUR 135.5 million as of the end of the first half 2009.

With regard to the consolidated financial results during the first half 2009, consolidated turnover under IFRS reached EUR 28.8 million falling by 19.6% y-o-y due to lower construction activities for third parties. Operating profit (EBITDA) settled at EUR 12.4 million, rising by 5.5% y-o-y, due to the Group's higher installed capacity compared to the first half of 2008. Earnings before taxes settled at EUR 12.6 million, falling by 12.3% as result of the lower construction activities for third parties, whereas net profit after taxes and minorities fell by 14% to EUR 9.1 million.

During the first half 2009, the energy sector posted strong growth: sales from generated energy settled at EUR 15 million, higher by 46.5% y-o-y, with operating profit (EBITDA) reaching EUR 9.3 million (+47.8%). Currently the Company operates 9 wind energy parks and one small scale hydroelectric unit with an aggregate capacity of 149 MW as compared to 118 MW in the same period of 2008.
At the same time, the Company is constructing 4 additional wind parks with of total capacity 74.2 MW, 1 hydroelectric unit of 8.5 MW and 1 photovoltaic unit of 1.05 MW. The new projects are expected to complete within the following quarters.

Furthermore, the Company continues to expand in the international markets, placing top priority its activities in South East Europe, where it currently performs wind related quantitative studies in selected spots. The Company also contemplates scenarios of joint ventures or co-operation with local partners. Apart from the above region, the Company is searching for opportunities in other geographic markets as well.

The construction sector of TERNA ENERGY and specifically the construction of projects for third parties contracted during the first half 2009: Turnover fell by 46% to EUR 13.8 million, whereas operating profit (EBIT) settled at EUR 3.1 million, posting a drop of 43%. Backlog of the company's unexecuted projects for third parties at the end of the first half settled at EUR 79 million.
It is reminded that TERNA ENERGY also constructs its own energy projects, thus attaining a vertical integration in operation in the energy sector. This allows the Company to control the cost, quality and delivery time in a more efficient manner.

B. Important Events during the First Half of the Financial Year

During the period, in the energy sector, the Company initiated the construction of 2 new wind parks in the county of Voiotia, with a total capacity 42.8 MW and 1 photovoltaic unit of 1.05 MW. Furthermore, production licenses have been issued for 8 new wind parks in South Evia , with total capacity 177 MW. At the same time, the license phase of the first photovoltaic unit of the company brought to completion in the area of Nafpaktos with total capacity 1,05MW. In addition, the Company entered in agreement for the acquisition of a company which possesses a wind energy park of 18 MW under development (license phase). The above agreement is in effect under certain conditions and terms and is expected to be completed in the following 12-month period. The total cost for the construction of the wind energy park, including the cost of the license, is projected at EUR 23.5 million. In the context of the Group's international expansion, TERNA ENERGY founded a fully owned subsidiary in Holland.

In the construction sector, on 1 April 2009, TERNA ENERGY AVETE signed an agreement with the Public Organization for the Erection of Hospital Units S.A. (DEPANOM S.A.) for the construction of the project "Expansion – Restructuring of GH – KY Filiaton". The project has a contractual cost of EUR 9,153,529 and is expected to complete be completed by 1 April 2012. On 14 April 2009, TERNA ENERGY AVETE signed an agreement with OSE (Hellenic Railways) WORKS SA for the construction of the project «Construction of alternant railway Thessalonica - Eidomeni from K.P. 53 until K.P. 73, Polykastro Rail Station, electrical mobility works in the new alternant railway and fencing works». The project has a contractual cost of 13,916,980 million and is expected to be completed by 15 April 2011.

In view of the above projects, the Company's backlog of construction projects on 30/06/2009 amounts to €79 million.

C. Prospects, Risks and Uncertainties for the Second Half of the Financial Year.

The prospects of TERNA ENERGY Group during the second half of the year remain positive since several energy projects are in the final phase of licensing. In addition, the Company has strongly benefited from the capital raised during its listing on the Athens Exchange and is currently anticipates the initiation of additional energy projects which if combined with the existing ones will boost the Group's installed capacity in the following years.

The company remains exposed to short-term fluctuations of wind and hydrologic data, a fact however that does not affect the long-term efficiency of its projects, as prior to the implementation of the investments extensive studies take place as regards to the long-term behavior of such factors. Moreover, the construction sector of TERNA ENERGY is subject to significant fluctuations, both as regards to turnover and as regards to the profitability of each construction project, because the construction activity, particularly of specialized companies such as ours, entails increased volatility that is mainly related to the ongoing renewal of the backlog of construction agreements for third parties.

During the period from the end of the first half of 2009 and until today there has been no significant loss nor has any possibility emerged for such a loss.

D. Transactions with affiliated parties

Affiliated parties according to I.A.S. 24 are considered subsidiaries, companies with joint ownership and/or Management with the company, associate companies as well as the parent company and the subsidiaries of the parent company, and also members of the Board of Directors and the company's senior executives. The Company procures goods and services from its affiliated companies, while it also supplies goods and services to such.

Transactions and balances for the period ended on 30.06.2009 are as follows:

	Terna Energy ABETE			
SUBSIDIARIES	**Sales**	**Purchases**	**Receivable**	**Liability**
Aioliki Panoramatos Dervenochorion S.A.	-	-	3,963	-
Energiaki Servouniou S.A.	180,000	-	491,620	-
Terna Energy Evrou S.A.	220,000	-	130,900	-
Iweco – Chonos S.A.	45,000	-	26,775	-
GP Energy Ltd	-	-	156,217	-
Terna Energy Overseas Ltd	-	899,362	-	659,274
Joint-Ventures	-	-	1,079,966	360,185
General & Special Partnerships	-	-	162,408	-

PARENT		-	-	-
Gek Terna S.A.	-	-	-	-
OTHER AFFILIATED PARTIES				
Terna S.A.		63,194	769,280	86,462
Viomek S.A.	-	828,715	-	223,058
Joint Ventures in which TERNA S.A. participates	859,385	-	84,419	28,352

Regarding the above transactions, the following clarifications are provided:

a) Sales of TERNA ENERGY ABETE:

- to “Energiaki Servouniou S.A.” amounting to 180,000 euro for RES maintenance services
- to “Terna Energy Evrou S.A.” amounting to 220,000 euro for RES maintenance services
- to “Iweco-Chonos S.A.” amounting to 45,000 euro for RES maintenance services.

b) Purchases of TERNA ENERGY ABETE:

- from “Terna S.A.” amounting to 63,194 euro, concerning construction services
- from “Viomek S.A.” amounting to 828,715 euro from which 743,206 euro concerns industrial constructions and 85,509 concerns other services
- from “Terna Energy Overseas Ltd” amounting to 899,362 euro, concerning advisory services.

- Transactions with members of the Board of Directors
  from Board members amounting to 524,218 euro from which the amount of 360,000.00 euro concerns BoD remuneration while 164,218 euro concerns the provision of services.

E. Treasury Shares

The company during the period 01/01/2009 – 30/06/2009 purchased 205,125 treasury shares with a purchase value of 850 thousand €.

The total number of treasury shares owned by the company on 30/06/2009 amounted to 638,759 shares, namely 0.00584%, with a total acquisition cost of € 2,461 thousand.

Athens, 25 August 2009
The Chairman of the Board of Directors

TERNA ENERGY SA

IV. INTERIM CONDENSED FINANCIAL STATEMENTS INDIVIDUAL AND CONSOLIDATED OF 30 JUNE 2009

(1 JANUARY – 30 JUNE 2009)

ACCORDING TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Financial Statements were approved by the Board of Directors of Terna Energy SA on 25/8/2009 and have been published by being posted on the internet at the website www.terna-energy.gr in which they remain at the disposal of the investment community for at least 5 years since their publication. It is noted that the published in the press Data and Information aim at providing the reader general informing on the financial position and results of the company and Group, but do not provide a full picture of the financial position and the results of the Group, in accordance with the International Financial Reporting Standards (IFRS).

TERNA ENERGY GROUP

STATEMENT OF FINANCIAL POSITION
30 JUNE 2009
(All amounts are expressed in thousand Euro, unless stated otherwise)

		GROUP		COMPANY	
	Note	30 June 2009	31 December 2008	30 June 2009	31 December 2008
ASSETS					
Non-current assets					
Intangible assets	6	1,693	1,463	932	696
Tangible assets	6	254,457	238,929	104,106	87,598
Investment property		923	923	923	923
Participation in subsidiaries		-	-	50,790	48,682
Participations in associates		51	51	-	-
Participation in joint-ventures		-	-	459	489
Other long-term receivables		209	18,537	181	8,007
Other investments		1	1	1	1
Deferred income tax		1,402	2,444	1,015	1,968
Total non-current assets		**258,736**	**262,348**	**158,407**	**148,364**
Current assets					
Inventories		813	886	69	142
Trade receivables		9,582	15,142	7,634	11,767
Receivables according to IAS 11		3,047	1,177	8,217	2,156
Prepayments and other receivables		29,143	18,990	12,965	11,308
Income tax receivables		5	337	-	-
Cash and equivalents		277,140	290,886	266,685	283,139
Total current assets		**319,730**	**327,418**	**295,570**	**308,512**
TOTAL ASSETS		**578,466**	**589,766**	**453,977**	**456,876**
EQUITY AND LIABILITIES					
Equity attributed to the shareholders of the parent					
Share capital	7	32,800	32,800	32,800	32,800
Share premium		281,956	281,961	282,006	282,006
Reserves		17,520	15,316	15,293	13,551
Profit carried forward		33,380	34,798	32,594	33,789
Total		**365,656**	**364,875**	**362,693**	**362,146**
Minority interest		1,326	934	-	-
Total equity		**366,982**	**365,809**	**362,693**	**362,146**

	Note				
Long-term liabilities					
Long-term loans	8	44,789	48,913	21,056	23,286
Other provisions	10	1,151	1,052	517	517
Provision for staff indemnities	10	120	141	120	141
Grants	11	51,395	48,614	20,290	18,824
Deferred income tax	14	695	536	-	-
Other long-term liabilities		102	102	-	-
Total long-term liabilities		**98,252**	**99,358**	**41,983**	**42,768**
Short-term liabilities					
Suppliers		7,293	8,079	6,914	7,734
Short-term loans	8	87,899	97,381	30,929	31,263
Long-term liabilities falling due in the next period	8	8,901	8,951	4,481	4,449
Liabilities according to IAS 11		2,097	4,006	2,097	3,247
Accrued and other short-term liabilities		2,877	1,159	1,401	1,226
Income tax payable		4,165	5,023	3,479	4,043
Total short-term liabilities		**113,232**	**124,599**	**49,301**	**51,962**
Total liabilities		**211,484**	**223,957**	**91,284**	**94,730**
TOTAL LIABILITIES AND EQUITY		**578,466**	**589,766**	**453,977**	**456,876**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP
TOTAL COMPREHENSIVE INCOME STATEMENT
30 JUNE 2009

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

		GROUP				COMPANY			
		1/1 - 30/6 2009	**1/4 - 30/6 2009**	**1/1 - 30/6 2008**	**1/4 - 30/6 2008**	**1/1 - 30/6 2009**	**1/4 - 30/6 2009**	**1/1 - 30/6 2008**	**1/4 - 30/6 2008**
Continued activities									
Net sales		28,890	14,380	35,961	19,689	25,570	12,329	32,234	18,274
Cost of sales		(17,416)	(9,433)	(24,408)	(14,300)	(17,347)	(8,401)	(22,556)	(13,252)
Gross profit		**11,474**	**4,947**	**11,553**	**5,389**	**8,223**	**3,928**	**9,678**	**5,022**
							0		
Administrative & distribution expenses		(2,921)	(1,971)	(2,226)	(1,535)	(2,275)	(1,467)	(1,695)	(1,085)
Research & development expenses		(1,243)	(599)	(1,037)	(646)	(1,603)	(959)	(1,037)	(646)
Other income/(expenses)	12	1,922	885	1,292	644	2,465	1,918	1,255	864
Operating results		**9,232**	**3,262**	**9,582**	**3,852**	**6,810**	**3,420**	**8,201**	**4,155**
Net financial income/(expenses)		3,402	1,132	4,818	2,654	4,519	1,631	5,698	3,118
EARNINGS BEFORE TAX		**12,634**	**4,394**	**14,400**	**6,506**	**11,329**	**5,051**	**13,899**	**7,273**
Income tax expense	14	(3,121)	(1,066)	(3,805)	(1,828)	(2,461)	(997)	(3,419)	(1,762)
Net Earnings from continued activities		**9,513**	**3,328**	**10,595**	**4,678**	**8,868**	**4,054**	**10,480**	**5,511**
NET EARNINGS FOR THE PERIOD		**9,513**	**3,328**	**10,595**	**4,678**	**8,868**	**4,054**	**10,480**	**5,511**

Other income recognized directly in Equity from:								
Foreign exchange differences from incorporation of foreign units	(12)	5	-	-	-	-	-	-
Expenses of subsidiary's capital increase	(5)	-	-	-	-	-	-	-
Income tax recognized directly in Equity	(140)	-	-	-	(138)	-	-	-
Other income/expenses for the period net of income tax	**(157)**	**5**	**0**	**0**	**(138)**	**0**	**0**	**0**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**9,356**	**3,333**	**10,595**	**4,678**	**8,730**	**4,054**	**10,480**	**5,511**
Net results attributed to:								
Shareholders of the parent from continued activities	9,121	3,227	10,607	4,686				
Minority interest from continued activities	392	101	(12)	(8)				
	9,513	**3,328**	**10,595**	**4,678**				
Total income attributed to:								
Shareholders of the parent from continued activities	8,965	3,232	10,607	4,686				
Minority interest from continued activities	391	101	(12)	(8)				
	9,356	**3,333**	**10,595**	**4,678**				
Earnings per share (in Euro)								
From continued activities attributed to shareholders of the parent	0.0838	0.0297	0.097	0.043				
Average weighted number of shares								
Basic	108,814,380	108,770,944	109,333,400	109,333,400				

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP

CASH FLOW STATEMENT
30 JUNE 2009

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

	GROUP		COMPANY	
	1/1 - 30/6 2009	1/1 - 30/6 2008	1/1 - 30/6 2009	1/1 - 30/6 2008
Cash flow from operating activities				
Earnings for the period before tax	12,634	14,400	11,329	13,899
Adjustments for the agreement of net flows from operating activities				
Depreciation	4,459	3,126	2,289	1,397
Provisions	(372)	9	19	6
Interest and related income	(6,196)	(7,426)	(6,129)	(7,323)
Interest and other financial expenses	2,794	2,608	1,610	1,624
Results from participations and securities	-	-	(1,280)	-
Amortization of grants	(1,215)	(883)	(543)	(332)
Other adjustments	(14)	-	-	-
Operating profit before working capital changes	**12,090**	**11,834**	**7,295**	**9,271**
(Increase)/Decrease in:				
Inventories	73	(153)	73	(149)
Trade receivables	3,690	(2,551)	(1,929)	(1,005)
Prepayments and other short term receivables	(10,153)	(4,331)	(1,604)	136
Increase/(Decrease) in:				
Suppliers	(772)	2,255	(820)	1,675
Accruals and other short term liabilities	(5,700)	512	(2,088)	1,291
(Increase)/Decrease of other long term receivables and liabilities	18,328	3	7,826	(7)
Income tax payment	(2,488)	(1,504)	(2,209)	(1,152)
Net cash inflow from operating activities	**15,068**	**6,065**	**6,544**	**10,060**
Cash flow from investment activities:				
Purchases/Sales of tangible and intangible assets	(19,671)	(19,787)	(19,033)	(7,672)
Receipt of grants	7,809	3,562	1,481	-
Interest and related income received	7,518	7,140	7,456	7,038
(Purchases)/sales of participations and securities	-	-	(1,310)	(304)
Cash outflows for investment activities	**(4,344)**	**(9,085)**	**(11,406)**	**(938)**

Cash flows from financial activities				
Purchase of Treasury Shares	(850)	-	(850)	-
Net change of long term loans	(4,090)	(1,980)	(2,195)	(1,835)
Net change of short term loans	(9,257)	10,596	(19)	(700)
Dividends paid	(6,600)	-	(6,600)	-
Interest paid	(3,673)	(2,567)	(1,928)	(1,589)
Cash outflows for financial activities	**(24,470)**	**6,049**	**(11,592)**	**(4,124)**
Net increase/(decrease) in cash	**(13,746)**	**3,029**	**(16,454)**	**4,998**
Cash & cash equivalents at the beginning of the period	290,886	295,176	283,139	287,418
Cash & cash equivalents at the end of the period	**277,140**	**298,205**	**266,685**	**292,416**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY SA

STATEMENT OF CHANGES IN EQUITY
30 JUNE 2009

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

	Share Capital	Share Premium	Reserves	Profit Carried forward	Total
1 January 2008	**32,800**	**282,006**	**14,248**	**18,828**	**347,882**
Total income for the period	-	-	-	10,480	**10,480**
Dividends	-	-	-	(6,014)	**(6,014)**
Transfers other movements	-	-	915	(915)	**-**
30 June 2008	**32,800**	**282,006**	**15,163**	**22,379**	**352,348**
1 January 2009	**32,800**	**282,006**	**13,551**	**33,789**	**362,146**
Total income for the period	-	-	-	8,730	**8,730**
Dividends	-	-	-	(7,333)	**(7,333)**
Purchase of Treasury Shares	-	-	(850)	-	**(850)**
Transfers other movements	-	-	2,592	(2,592)	**-**
30 June 2009	**32,800**	**282,006**	**15,293**	**32,594**	**362,693**

TERNA ENERGY GROUP
STATEMENT OF CHANGES IN EQUITY
30 JUNE 2009
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Profit Carried forward	Sub-Total	Minority Interest	Total
1 January 2009	**32,800**	**281,961**	**15,316**	**34,798**	**364,875**	**934**	**365,809**
Total income/(losses) for the period	-	(5)	(12)	8,981	**8,964**	392	**9,356**
Purchase of Treasury Shares	-	-	(850)	-	**(850)**	-	**(850)**
Dividends	-	-	-	(7,333)	**(7,333)**	-	**(7,333)**
Transfers other movements	-	-	3,066	(3,066)	**-**	-	**-**
30 June 2009	**32,800**	**281,956**	**17,520**	**33,380**	**365,656**	**1,326**	**366,982**

TERNA ENERGY GROUP
STATEMENT OF CHANGES IN EQUITY
30 JUNE 2009
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Profit Carried forward	Sub-Total	Minority Interest	Total
1 January 2008	**32,800**	**281,996**	**15,333**	**18,536**	**348,665**	**496**	**349,161**
Total income/(losses) for the period	-	-	-	10,607	**10,607**	(12)	**10,595**
Dividends	-	-	-	(6,014)	**(6,014)**	-	**(6,014)**
Transfers other movements	-	(6)	1,291	(1,294)	**(9)**	-	**(9)**
30 June 2008	**32,800**	**281,990**	**16,624**	**21,835**	**353,249**	**484**	**353,733**

1 ESTABLISHMENT AND 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 and hydroelectric 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 the Athens Exchange. The parent company of TERNA ENERGY is GEK TERNA SA and is also listed on the Athens Exchange and in 30/6/2009 owned 47.61% of the share capital of the company.

2 BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements

The condensed interim financial statements, which consist of the individual and consolidated financial statements of the Parent and its Group, have been prepared in accordance with IFRS, as such have been adopted by the European Union and, specifically according to the provisions of IAS 34 "Interim Financial Reporting". The condensed interim financial statements should be read in conjunction with the annual financial statements of 31 December 2008.

b) Statutory Financial Statements

Until the 31st of December 2004 TERNA ENERGY SA and its Greek subsidiaries kept their accounting books and compiled 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 compile 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. Out-of-books adjustments are then made in order to compile the attached financial statements in accordance with the IFRS.

c) New standards, interpretations and amendments

The accounting principles applied for the preparation of the financial statements are the same as those adopted for preparation of the Group's and company's financial statements the period ending on December, 31 2008, except for the adoption of new standards whose application became mandatory for periods beginning on January, 1 2009. Therefore, from January, 1 2009 the Group and the company adopted new standards and amendments as follows:

- *IFRS 8, Operating Sectors.* IFRS 8 replaces IAS 14 Financial Information by Segment and adopts an administrative approach as regards to financial information provided by segment. The information provided will be that used by management internally for the evaluation of the return by operating sectors and the allocation of resources to such sectors.

- *IAS 1, Presentation of Financial Statements.* The revisions include changes in the titles of some of the financial statements to reflect their function more clearly (for example, the balance sheet is renamed a statement of financial position). The most important changes are:
- in the cases where an accounting policy is applied retrospective or a revision or a reclassifications of accounts in the financial statements, for comparability reasons it is necessary to report also the Statements of Financial Position for the previous periods.
- all income and expenses data (including those recorded directly in Equity) must be reported in <u>one</u> statement (Total Results Statement), or in <u>two</u> statements (a Statement for the current year Results and a Statement of Total Results).
- it is not allowed the specific presentation of results that are directly recorded in equity (e.g. profit/loss of fair value). Such changes that do not arise from the shareholders must be presented in the Total Results Statement, the total of which must be transferred to the Statement of changes in Equity.
- the presentation of shareholders transactions when they are acting as owners is not allowed to be presented in the notes. The Statement of changes in Equity must be presented as a separate financial statement.
- new requirements are introduced regarding an analytical presentation of results that are directly recorded in equity.

- *IFRS 2, Share-based payment – 2008 Revision: vesting conditions and cancellations.* The revision of the standard clarifies the that vesting conditions are service conditions and performance conditions only, while other features of a share-based payment that are not vesting conditions should be included in the grant date fair value of the share-based payment at the concession date.

- *IAS 32, Financial Instruments: Presentations and IAS 1 Presentation of Financial Statements – 2008 Revision: Puttable instruments and obligations arising on liquidation.* This amendment sets the classification of puttable financial instruments as well as the terms of some instruments that oblige the issuer to proportionally pay the net assets of the instrument during settlement.

- *IFRIC 15, Agreements for the Construction of Real Estate.* IFRIC 15 offers guidelines regarding whether an agreement for the construction of a real estate is included in the framework of IAS 11 "Construction Contracts" or IAS 18 "Revenue" and when the revenue from construction should be recognized.

- *IFRIC 16, Hedges of a Net Investment in a Foreign Operation.* IFRIC 16 clarifies three major issued, in particular: a) The presentation currency of the Financial Statements does not create risk exposure in a situation that the company is in a position to hedge the risk. Therefore, the parent company may define as risk for hedging only the foreign exchange differences that arise between operating and presentation currency for the foreign operations. b) Any company belonging in the Group may hold hedging instruments, c) Despite that IAS 39 «Financial Instruments: Recognition. and Measurement» is applied to define the amount that must be transferred in Income Statement from the foreign exchange differences reserve, the IAS 21 «The effect of changes in Foreign Exchange» is applied in reference to the hedging instrument.

- *Amendments to IAS 1, Presentation of Financial Statements.* This amendment clarifies that assets and liabilities classified as held for trading purposes, according to IAS 39, Financial instruments: Recognition and calculation, are not classified automatically as short-term items in the Statement of Financial Position.

- *Amendments to IAS 8, Accounting policies, changes in accounting estimations and errors.* The amendment clarifies that only the application guidance, which is considered an integral part of a IFRS, is mandatory during the selection of accounting policies.

- *Amendments to IAS 10, Events after the Balance Sheet Date.* The amendment clarifies that dividends approved after the balance sheet date are not considered as liabilities.

- *Amendments to IAS 16 Tangible assets.* It replaces the term Net sale price with the term Fair value minus sale price as regards to the recoverable amount, in order to be consistent with IFRS 5 and IAS 36. Tangible assets held for lease and during the ordinary course of activities intended for sale after the end of the lease period, are transferred to the Inventories account during the end of this period and are classified in assets held for sale. Proceeds from the subsequent sale are presented as income. At the same time, IAS 7 Cash flow statements, is also amended, where it is required that cash payments, for the construction or acquisition of relevant fixed assets, be classified in the category of Operating Activities. Moreover, cash proceeds from rents and subsequent sales of relevant fixed assets are presented in Operating Activities.

- *Amendments to IAS 18, Income.* This amendment replaces the term Direct costs with the term Transaction cost, as defined in IAS 39.

- *Amendments to IAS 19, Employee benefits.* The amendment revises the term of Service cost in order to include benefit reductions related to the service of the employee in previous periods (negative service cost) and to exclude benefit reduction in relation to the service of the employee in future periods that arise from amendments to the benefit plan. Amendments to benefit plans that lead to the reduction of benefits in relation to the service rendered in future periods, are considered as cut-backs. It revises the definition of Return on assets of the plan, excluding management costs of the plan if such have been included in the actuarial assumptions based on which the committed defined benefits were calculated. It revises the definition of short-term and other long-term benefits to employees in order to focus on the point where the liability will be settled. It repeals the reference to contingent liabilities in order to conform to IAS 37, "Provisions, contingent liabilities and contingent assets". IAS 37 does not allow the recognition of contingent liabilities.

- *Amendments to IAS 20, Accounting for Government Grants and Disclosure of Government Assistance.* Loans that are granted with zero or very low interest rates compared to the market, will not be excluded by the requirement to present the implied rate. The implied rate of granted loans will be lower than the market rate, and thus it will conform to IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant.

- *Amendments to IAS 23, Borrowing Cost.* The amendment revises the definition of borrowing cost in order to unite all the borrowing cost items in one item. The interest expenses is calculated based on the real interest rate method, as described in IAS 39.

- *Amendments to IAS 27, Consolidated and separate financial statements.* In case where a parent company values a subsidiary at fair value according to IAS 39 in its separate financial statements, this accounting treatment holds also in the case where subsequently the subsidiary is classified as held for sale.

- *Amendments to IAS 28, Investments in associate companies.* In case where an associated company is valued at fair value, according to IAS 39 (given that it has been exempt from the requirements of IAS 28), only the requirements of IAS 28 regarding the disclosure of the nature and extent of significant limitations to the ability of the associate company to transfer capital to the Company in the form of cash equivalents or repayment of debt, are applied. For the purposes of an impairment audit, the investment in an associate is considered a unique asset – including any reversal of impairment loss. Therefore, in case of impairment, a separate allocation of the impairment to the goodwill included in the investment's balance, is not needed. The impairment loss is reversed in the case where the recoverable value of the investment in the associate increases.

- *Amendments to IAS 29, Presentation of financial assets in hyperinflationary economies.* This amendment revises the limiting list of exemptions as regards to asset and liability items calculated at history cost, i.e. tangible fixed assets. No special transition requirements are mentioned due to the fact that the amendment is mostly a clarification and not a change.

- *Amendments to IAS 31, Participations in joint ventures.* This amendment clarifies the fact that if a joint venture is valued at fair value, according to IAS 39 (given that is has been exempted from the requirements of IAS 31), then only the requirements of IAS 31 regarding the disclosure of obligations of the member of the joint venture and the joint venture, as well as regarding the summary of financial information for the balance sheet and results items, apply.

- *Amendments to IAS 34, Interim financial reporting.* This amendment clarifies that earnings per share are disclosed in the interim financial reports in the case where the company is subject to the application scope of IAS 33.

Amendments to IFRS 5, Non Current Assets held for Sale and Discontinued Operations, applied for financial years beginning at or after 1 July 2009. The amendment clarifies the fact that all asset and liability items of a subsidiary are still classified as "held for sale" according to IFRS 5, even in the case the company, after a sale, does not control the particular subsidiary. The amendment is applicable from the date of the first application of IFRS 5. Therefore participations in subsidiaries classified as "held for sale" from the use of IFRS 5, should be examined and revaluated. Application of the amendment in advance is also acceptable. In this case, the company should also apply the amendments of IAS 27 (as it was amended in January 2008) at the application date of IFRS 5 amendments.

Until the date of financial statements' approval, there are new IFRS, interpretations and amendments of existing standards, which will be applied on mandatory manner for the years beginning after July 1st, 2009. The Management's view regarding the effect of the above application is presented below:

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

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

- IFRS 3, Business Combinations – Amended in 2007 and consequent amendments in IAS 27, 28 and 31 (effective from July 1st 2009): The amended standard inserts new important amendments in the purchase method in order to reflect business combinations. Among the amendments in the standard is the option to present rights of third parties that have no control (minority interest), in their fair value. Also, the amended standards state that the acquisition of additional percentages in a subsidiary or the sale of part of the shares of a subsidiary must be accounted as transactions with the shareholders of the company and any difference should be recognized in equity. The amended IFRS 3 is effective for the acquisition of companies that will be realized after July 1st 2009, while there is no requirement for business combinations that have taken place before the adoption of the amended standard. Therefore, this amendment will not affect the present financial position of the Company.

d) Approval of Financial Statements

The accompanying interim consolidated financial statements were approved by the Board of Directors of the Parent Company on 25 August 2009.

e) Use of estimates

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

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

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

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

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

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

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

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

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

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

3 SUMMARY OF KEY ACCOUNTING PRINCIPLES

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

a) Consolidation Basis

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

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

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

b) Investments in Associates:

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

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

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

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

Initially they are recognized at acquisition cost, which represents the fair value plus, in some cases, the direct transaction and acquisition expenses.
The classification of the above financial assets is made upon their initial recognition and wherever permitted it is reviewed and reassessed on a periodic basis.

(i) Investments available for sale

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

(ii) Receivables and loans

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

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

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

(iv) Investments held to maturity

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

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

d) Financial Instruments and Risk Management

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

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

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

- ***Fair Value***

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

- ***Credit Risk Concentration***

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

- ***Market Risk***

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

(e) Operation and Presentation Currency and Foreign Exchange Conversion:

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

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

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

f) Intangible Assets

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

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

g) Income recognition

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

(i) Income from construction activities

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

According to the percentage-of-completion method the construction costs incurred up to the Balance Sheet date are compared to the total estimated cost of the project in order to determine the percentage of the project that has been completed. This percentage is applied to the total revised contract price in order to determine the cumulated income from the project, based on which the invoiced income to date is revised. The cumulated effect of the revisions of the total estimated construction cost and the total contract price are accounted for during the accounting periods in which they arise. In the cases of contracts where it is forecast that the total estimated cost will exceed the total contract price, the entire loss is recognized in the year during which the loss-making events become probable.

Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced. Non-accrued income comprises amounts invoiced up to the balance sheet date over and above the income calculated using the percentage-of-completion method.

Project execution down-payments represent amounts received by the Group upon signing the relevant contracts and are proportionally netted-off with the partial invoicing. The remaining amount appears as a liability in the attached financial statements.

(ii) Sale of goods

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

(iii) Revenue from the sale of Electric Energy

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

(iv) Rent Revenue

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

(v) Dividends

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

(vi) Interest

Interest income is recognized on an accruals basis.

h)Tangible Fixed Assets

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

Repairs and maintenance are booked as expenses during the year in which they are incurred. Significant improvements are capitalized in the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.

Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the financial year in which the fixed asset in question is eliminated.

Fixed assets under construction include fixed assets that are work in progress and reflect their cost. Fixed assets under construction are not depreciated until the asset is completed and put into operation.

i) Depreciation

Depreciation is calculated according to the straight-line method using rates that approximate the relevant useful economic lives of the respective assets. The useful economic lives per fixed asset category are as follows:

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

j)Impairment of the Value of Fixed Assets

The book values of long-term asset items are reviewed for impairment purposes when facts or changes in circumstances imply that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is registered in the income statement. The recoverable amount is defined as the largest value between the net estimated sales price and the acquisition value. The net sales value is the plausible income from the sale of an asset in the context of an arm's-length transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct sales cost for the asset. The acquisition cost consists of the net present value of future estimated cash flows expected to occur from the continuous use of the asset and from the income expected to arise from its sale at the end of its estimated useful economic life. In order to determine the impairment, the asset items are grouped at the lowest level for which cash flows can be recognized separately.

A reversal of an impairment loss for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such an impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income.

The Management assesses that there is no case of impairment of the Group's fixed assets and thus a calculation of the assets' recoverable amounts has not been made.

k) Investment property

Investments in property are those held for rent income or capital gain and are valued at their fair value that is based on market value, that is to say the amount the property is likely to be sold at the date of a transaction. The assessment, when necessary, is made by external professional evaluators. Profits or losses that arise from changes in the real value of investments in property are included in the income statement of the period during which they arise. Repairs and maintenance are recorded as expenses in the year in which they are incurred. Material subsequent expenses are capitalized when they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost. Investment properties are eliminated from the accounts upon sale. All gains or losses resulting from the sale of a property are included in the income statement of the year during which it was sold. Investment property under construction are recorded at cost value as tangible assets till their completion and then are transferred to investment property account.

l) Inventories

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

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

m) Receivables Accounts

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

n) Cash and Cash Equivalents

The Group considers time deposits and other highly liquid investments with a maturity less than three months, as cash and cash equivalents.

For the compilation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above, while time deposits that mature in more than three months are excluded.

o)Long-term loan liabilities

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

p)Provisions for Staff Retirement Indemnities

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

q) Government Pension Plans

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

r) Income Tax (Current and Deferred)

Current and deferred taxes are calculated based on the financial statements of each of the companies included in the consolidated financial statements, according to the tax regulation effective in Greece or other tax frameworks under which the foreign subsidiaries operate. Income tax is calculated based on the earnings of each company as such are reformed on the companies' tax reports, on additional income taxes emerging from the Tax Authorities' tax audits and on deferred income taxes based on the enacted tax rates.

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

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

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

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

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

s) Finance and Operating Leases

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

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

t) Government Grants

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

u) Provisions, Contingent Liabilities and Contingent Receivables

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

(Amounts in thousand Euro, unless stated otherwise)

v) Provision for wind park dismantlement and rehabilitation of environment

The Group forms provisions for the dismantlement of power generators from wind parks and the rehabilitations of environment. These provisions reflect the present value, at balance sheet date, of the estimated cost, reduced by the estimated residual value of recoverable materials. The provisions are re-examined at the date of compilation of each balance sheet 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 own-shares.

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

4 GROUP STRUCTURE

The participations in subsidiaries, associates and joint ventures on 30.6.2009 are as follows:

A) Subsidiaries of TERNA ENERGY SA

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

The parent company TERNA ENERGY SA has been audited by the tax authorities until the fiscal year 2007 included. During the preparation date of the attached interim financial statements, the tax un-audited fiscal years (including 2009) of the Group's companies, are as follows:

		Participation Percentage			
Company Name	**Establishment**	**30/6/2009**	**31/12/2008**	**Activity**	**Tax un-audited fiscal years**
1. IWECO CHONOS LASITHIOU CRETE AEBEAE	11.04.2000	100%	100%	Production of El. Energy from Renewable energy	3

(Amounts in thousand Euro, unless stated otherwise)

				sources (RES)	
2. ENERGIAKI SERVOUNIOU SA	01.02.2001	100%	100%	Production of El. Energy from RES	3
3. TEPNA ENERGY EVROU SA	01.02.2001	100%	100%	Production of El. Energy from RES	3
4. PPC RENEWABLES – TERNA ENERGY S.A.	20.06.2000	51%	51%	Production of El. Energy from RES	4
5. GP ENERGY LTD	26.09.2005	100%	100%	Trading of Electric Energy	5
6. AIOLIKI PANORAMATOS S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
7. EOL TECHNICS CONSULT SRL	03.04.2008	60%	60%	Production of El. Energy from RES	2
8.TERNA ENERGY OVERSEAS LTD	4.1.2008	100%	100%	Production of El. Energy from RES	2
9. EOLOS POLSKA SPZO	30.6.2008	100%	100%	Production of El. Energy from RES	2
10. EOLOS NOWOGRODZEC SPZOO	12.12.2008	61%	61%	Production of El. Energy from RES	2
11. TERNA ENERGY NETHERLANDS BV	29.5.2009	100%	-	Production of El. Energy from RES	1

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

		Participation Percentage			
Company Name	**Establishment**	**30/6/2009**	**31/12/2008**	**Activity**	**Tax un-audited fiscal years**
1. Terna Energy Sa & Sia Aioliki Rachoulas Dervenochorion Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
2. Terna Energy Sa & Sia Aioliki Polykastrou Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
3. Terna Energy Sa & Sia Energeiaki Dervenochorion Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
4. Terna Energy Sa & Sia Energeiaki Velanidion Lakonia Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
5. Terna Energy Sa & Sia Energeiaki Dystion Evia Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
6. Terna Energy Sa & Sia Aioliki Pastra Attica Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3

(Amounts in thousand Euro, unless stated otherwise)

		Participation Percentage			
Company Name	**Establishment**	**30/6/2009**	**31/12/2008**	**Activity**	**Tax un-audited fiscal years**
7. Terna Energy Sa & Sia Aioliki Malea Lakonia Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
8. Terna Energy Sa & Sia Energeiaki Ferron Evrou Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
9. Terna Energy Sa & Sia Aioliki Derveni Traianoupoli Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
10. Terna Energy Sa & Sia Aioliki Karystias Evia Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
11. Terna Energy Sa & Sia Energeiaki Ari Sappon Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
12. Terna Energy Sa & Sia Energeiaki Peloponnesus Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
13. Terna Energy Sa & Sia Aioliki Eastern Greece Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
14. Terna Energy Sa & Sia Aioliki Marmariou Evia Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
15. Terna Energy Sa & Sia Energeiaki Petrion Evia Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
16. Terna Energy Sa & Sia Aioliki Rokani Dervenochorion Gp	01.02.2001	99%	99%	Production of El. Energy from RES	3
17. Terna Energy Sa & Sia Energeiaki Styron Evia Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
18. Terna Energy Sa & Sia Energeiaki Neapoleos Lakonias Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
19. Terna Energy Sa & Sia Energeiaki Kafireos Evia Gp	01.02.2001	100%	100%	Production of El. Energy from RES	3
20. Terna Energy Sa & Sia Aioliki Provata Traianoupoleos	01.02.2001	100%	100%	Production of El. Energy from RES	3

(Amounts in thousand Euro, unless stated otherwise)

B) Joint ventures of TERNA ENERGY ΤΕΡΝΑ ΕΝΕΡΓΕΙΑΚΗ ΑΒΕΤΕ consolidated with the proportionate method

ι) Joint ventures

	Company Name	Participation Percentage 2009 and 2008 %	Tax un-audited fiscal years
1	J/V TRAM POLITICAL ENGINEERING WORKS	36.00	3
2	J/V ENVAGELISMOU, PROJECT C'	50.00	7
3	J/V TERNA ENERGY – TSAMPR. DRAMAS HOSPITAL	40.00	7
4	J/V EPL DRAMAS	24.00	7
5	J/V TERNA ENERGY - OLYMPIOS ATE	50.00	3
6	J/V K. MANIOTIS - TERNA - TERNA ENERGY	37.50	7
7	J/V/ EMBEDOS – PANTECHNIKI - TERNA ENERGY	50.10	3
8	J/V THEMELI - TERNA ENERGY - TERNA SA IMPREGILO SPA	40.00	3
9	J/V EKTER - TERNA - ATHONIKI SA	31.00	3
10	J/V/ KL. ROUTSIS - TERNA ENERGY ABETE	50.00	3

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

		Participation Percentage			
Company Name	**Establishment**	**30/6/2009**	**31/12/2008**	**Activity**	**Tax un-audited fiscal 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	3
2. Terna Energy Sa & Sia Lp	24.05.2000	70%	70%	Completion of construction works of section Kakavia – Kalpaki	3
3. Terna Energy Sa & Sia Energiaki Xirovouniou Gp	14.02.2001	70%	70%	Production of El. Energy from RES	3

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

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

C) Associates of TERNA ENERGY ABETE

Company Name	Domicile	Participation Percentage% 2009	2008	Consolidation Method	Tax un-audited fiscal years
Renewable Energy Center RES Cyclades SA *	Greece	45	45	Equity	4

* Participation through IWECO CHONOS LASITHIOU CRETE S.A.

5 OPERATING SEGMENT REPORTING

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

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

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

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

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

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

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

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

(Amounts in thousand Euro, unless stated otherwise)

Period 1/1 – 30/06/2009	**OPERATING SEGMENT**			
	Constructions	**Electricity from renewable energy sources**	**Consolidation write-offs**	**Total of segment**
Income from external customers				
Sales of products	-	15,021	-	15,021
Income from construction services	13,869	-	-	13,869
Total income from external customers	13,869	15,021		28,890
Inter-sectoral income	3,432	-	(3,432)	-
Total income	17,301	15,021		28,890
Net financial results	(69)	3,471	-	3,402
Income tax	(209)	(2,912)	-	(3,121)
Net Results for the period from continued activities	**2,859**	**6,654**	**-**	**9,513**
Depreciation for the period of continued activities	(66)	(4,393)	-	(4,459)
			-	
Earnings before interest depreciation tax and amortization (EBITDA)	**3,203**	**9,273**	**-**	**12,476**
Earnings before interest and tax (EBIT)	**3,138**	**6,094**	**-**	**9,232**

(Amounts in thousand Euro, unless stated otherwise)

Period 1/1 – 30/06/2008	**OPERATING SEGMENT**			
	Constructions	**Electricity from renewable energy sources**	**Consolidation write-offs**	**Total of segment**
Income from external customers				
Sales of products	-	10,251		10,251
Income from construction services	25,710	-		25,710
Total income from external customers	25,710	10,251		35,961
Inter-sectoral income	912	-	(912)	-
Total income	26,622	10,251		35,961
Net financial results	-	4,818		4,818
Income tax	(1,583)	(2,222)		(3,805)
Net Results for the period from continued activities	**3,928**	**6,667**		**10,595**
Depreciation for the period of continued activities	(38)	(3,088)		(3,126)
Earnings before interest depreciation tax and amortization (EBITDA)	**5,549**	**6,276**		**11,825**
Earnings before interest and tax (EBIT)	**5,516**	**4,071**		**9,587**

(Amounts in thousand Euro, unless stated otherwise)

6 FIXED ASSETS (intangible and tangible)

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

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
Net book value, January 1st	**240,392**	**180,196**	**88,294**	**88,956**
Corrections and reclassifications	-	(16,784)	-	(16,784)
Revised net book value, January 1st	**240,392**	**163,412**	**88,294**	**72,172**
Additions for the period	20,217	19,788	19,033	7,672
Sales for the period	-	(250)	-	(250)
Depreciations and other movements for the period	(4,459)	(3,126)	(2,289)	(1,397)
Net book value, June 30th	**256,150**	**179,824**	**105,038**	**78,197**

7 CAPITAL

During the period 1/1-30/06/2009, as during the period 1/1-30/06/2008, the number of shares and their nominal value remained unchanged. The share premium decreased by € 5, an amount that concerns expenses for the share capital increase of a subsidiary, which was concluded during the period 1.1-30.6.2009. The total number of shares on 30/6/09 amounts to 109,333,400 from which 638,759 are owned by the Company (treasury shares).
The share capital is fully paid up.

8 LOANS

The summary movement of the group's and company's short-term and long-term debt on 30/06/2009 and 30/06/2008, was as follows:

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
Balance, January 1st	**155,245**	**108,158**	**58,998**	**58,165**
New debt	2,400	28,918	-	3,345
Repayment of loans	(16,056)	(20,265)	(2,532)	(5,845)
Balance, June 30th	**141,589**	**116,811**	**56,466**	**55,665**

The total loans refer to the group's energy sector and are related to financing the wind park installations. Such loans will be settled with the receipt of the approved grants.

(Amounts in thousand Euro, unless stated otherwise)

9 DIVIDENDS

The Annual Ordinary Shareholders' Meeting of the Company on 2 April 2009 approved the payment of dividend amounting to € 7,333 from the earnings of 2008, which paid in full within the first semester of 2009.

10 PROVISIONS

The movement of the group's and company's provisions on 30/06/2009 and 30/06/2008 is summarized as follows:

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
Balance, January 1st	**1,193**	**650**	**658**	**121**
Additional provisions charged in the results of the period	21	29	19	26
Used provisions	(40)	(20)	(40)	(20)
Transfers	97	-	-	-
Balance, June 30th	**1,271**	**659**	**637**	**127**

The companies of the group's energy sector are obliged to proceed to environmental rehabilitation where they install production units for electricity, after the completion of the license period that lasts for 20 years according to the licenses granting by state. On 30/6/2009 from the amount of € 1,271 , the amount of € 720 concerns a provision for the de-installation of Wind Parks, the amount of € 120 concerns a provision for staff indemnities and the amount of € 431 concerns other provisions.

11 GRANTS

The movement of the group's and company's grants on 30/06/2009 and 30/06/2008, is summarized as follows:

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
Balance, January 1st	**48,614**	**42,630**	**18,824**	**11,654**
Approval of grants	3,996	7,931	2,009	7,929
Transfer of the period's proportion to the results	(1,215)	(883)	(543)	(332)
Balance, June 30th	**51,395**	**49,678**	**20,290**	**19,251**

12 OTHER INCOME/EXPENSES

The analysis of other income/expenses on 30 June 2009, which are of extraordinary nature, is presented in the following table:

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
Amortization of grants	1,215	883	543	332
Income from leasing of machinery	34	22	34	22
Income from lease of property	56	35	56	35
Income from Dividends	-	-	1,519	622
Other income	637	357	318	249

(Amounts in thousand Euro, unless stated otherwise)

Other expenses	(18)	(5)	(5)	(5)
Total	**1,922**	**1,292**	**2,465**	**1,255**

13 PERSONELL

The average number of the Group's full time employees during the first half of 2009 settled at 124 (versus 184 employees in the first half of 2008).

14 INCOME TAX

The expense for income tax is recorded based on the best estimation of the management regarding the weighted average tax rate for the year. This rate on 30/06/2009 was 24.7% for the group and 21.71% for the company.

15 TRANSACTIONS WITH AFFILIATED PARTIES

The transactions of the Company and the Group with affiliated parties for the period 01/01-30/06/2009 and 01/01-30/06/2008 as well as the balances of receivables and liabilities that have emerged from those transactions at 30/06/2009 and 30/06/2008 are as follows:

Period 1/1-30/6/2009	**GROUP**				**COMPANY**			
Affiliated party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	445	899	971	659
Joint Ventures	-	-	-	-	-	-	1,080	360
Parent	-	-	-	-	-	-	-	-
Other affiliates	859	910	903	1,220	859	891	853	337
Management	-	846	-	23	-	524	-	23

Period 1/1-30/6/2008	**GROUP**				**COMPANY**			
Affiliated party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	1,357	-	2,830	-
Joint Ventures	-	-	-	-	-	-	1,341	278
Parent	-	-	-	-	-	-	-	-
Other affiliates	-	10,360	3,001	4,876	1,823	3,785	2,639	2,533
Management	-	651	-	513	-	431	-	293

16 SIGNIFICANT EVENTS DURING THE PERIOD

- During the period, construction activities began for two wind parks in the county of S.Voiotia, with a total capacity of 42.8MW and for one photovoltaic unit with a capacity of 1,05 MW.
- Within March 2009, the Company received the wind generators for the wind park at "Skopia" location of the county of Aitoloakarnanias, with a total capacity of 20 MW.
- On June 15th 2009, the license for the installation of a photovoltaic park with a capacity of 1.05MW at the county of Aitoloakarnanias was approved by the relevant authorities.
- During June 2009 the production licenses were approved by the relevant authorities for six wind parks in the area of South Evia, with a capacity of 135MW.
- On April 1st, 2009, TERNA ENERGY ABETE and Public Organization for the Erection of Hospital Units S.A. (DEPANOM S.A.) signed an agreement for the construction of the project "Expansion-Restructuring of GH – KY Filiaton", with a contractual value of EUR 9,153,529. The project is scheduled to be completed by April 1st, 2012.
- On April 14th, 2009, TERNA ENERGY ABETE and HELLENIC RAILWAYS WORKS S.A. signed an agreement for the construction of the project «Construction of an alternate line Thessalonica-Eidomeni from K..P. 53 to K.P. 73, Railway Station of Polykastro, electrical and fencing works in the new line», with a contractual value of EUR 13,916,980. The project is scheduled to be completed by April 15th, 2011.
- During the period, an initial agreement was made for the acquisition of a company that owns a wind park under development (licensing stage) with a capacity of 18 MW. The agreement is subject to the fulfillment of a series of conditions and is expected to be completed within 12 months. The total cost of the investment for the completion of the wind park, including the acquisition price of the license, is expected to reach 23.5 million euro.
- In view of the above projects, the Company's backlog of construction projects on 30/06/2009 amounts to €79 million.

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

- On August 13th 2009, the relevant authorities approved the final licensing of a Wind Park in the Evros county, with a capacity of 11.7MW and thus the construction activities are expected to commence in the short future.
- Regarding the wind park in the area of Nafpaktos, the operation license has been issued and the inspection from the Ministry of Development was successfully completed. The wind park was subsidized from the state and the balance of the subsidy paid in full. The total amount of the subsidy was 7,824,752.02€.
- Relevant authorities valuated positively 5 applications for photovoltaic units with a total capacity of 13 MW.

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. Until the next court session in November 2009 the Council of State has ordered a pause on the building works for 17 out of 40 wind generators.

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

V. DATA AND INFORMATION FOR THE PERIOD 1.1-30.6. 2009

ΤΕΡΝΑ ΕΝΕΡΓΕΙΑΚΗ ΑΒΕΤΕ

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 01/01/2009 TO 30/06/2009
According to the decision No. 4/507/28.4.2009 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 ABETE and its Group. Therefore, before proceeding with any kind of investment choice or other transaction with the issuer, readers should refer to the issuer's website where the financial statements are posted as well as the review report of the certified auditor when necessary.

COMPANY DATA

Appropriate Prefecture:	Ministry of Development, General Secretariat of Commerce, General Division of domestic Commerce, S.A. and Credit Department, Division A.	Company website:	www.terna-energy.gr
Board of Directors Composition:	Chairman: Georgios Perdikaris, Vice-Chairman & Managing Director: Emmanuel Maragoudakis, Members: Panagiotis Pothos, Michael Gourzis, Georgios Spyrou, Theodoros Tagas, Grigoris Charalambopoulos (non-executive member), Aristeidis Dasis, Nikolaos Kalamaras (independent non-executive members)	Approval Date of the Financial Statements by the Board of Directors:	25 August 2009
		Certified Auditor:	Ioannis Leos (SOEL Reg. No.: 24881)
		Auditing Firm:	GRANT THORNTON SA
		Type of Review Report:	In accordance

STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro

(Consolidated & non-consolidated data)	GROUP 30.6.2009	GROUP 31.12.2008	COMPANY 30.6.2009	COMPANY 31.12.2008
ASSETS				
Self used tangible fixed assets	254.457	238.929	104.106	87.598
Investment property	923	923	923	923
Intangible assets	1.693	1.463	932	696
Other non-current assets	1.663	21.033	52.446	59.147
Inventories	813	886	69	142
Trade receivables	12.629	16.319	15.851	13.923
Other current assets	306.288	310.213	279.650	294.447
TOTAL ASSETS	**578.466**	**589.766**	**453.977**	**456.876**
EQUITY & LIABILITIES				
Share capital	32.800	32.800	32.800	32.800
Other items of Shareholders' Equity	332.856	332.075	329.893	329.346
Total Net Position of company shareholders (a)	**365.656**	**364.875**	**362.693**	**362.146**
Minority interest (b)	1.326	934	0	0
Total Net Position (c) = (a) + (b)	**366.982**	**365.809**	**362.693**	**362.146**
Long-term liabilities	44.789	48.913	21.056	23.286
Provisions/Other-long-term liabilities	53.463	50.445	20.927	19.482
Short-term bank liabilities	96.800	106.332	35.410	35.712
Other-short-term liabilities	16.432	18.267	13.891	16.250
Total liabilities (d)	**211.484**	**223.957**	**91.284**	**94.730**
TOTAL LIABILITIES AND EQUITY (c) + (d)	**578.466**	**589.766**	**453.977**	**456.876**

TOTAL COMPREHENSIVE INCOME STATEMENT

Amounts in thousand euro

(Consolidated & non-consolidated data)	GROUP 1.1-30.6.2009	GROUP 1.4-30.6.2009	GROUP 1.1-30.6.2008	GROUP 1.4-30.6.2008	COMPANY 1.1-30.6.2009	COMPANY 1.4-30.6.2009	COMPANY 1.1-30.6.2008	COMPANY 1.4-30.6.2008
Turnover	28.890	14.380	35.961	19.689	25.570	12.329	32.234	18.274
Gross profit / (losses)	11.474	4.947	11.553	5.389	8.223	3.928	9.678	5.022
Earnings/(Loss) before interest and tax (EBIT)	9.232	3.262	9.582	3.852	6.010	3.420	8.201	4.155
Earnings/(Loss) before tax	12.634	4.394	14.400	6.606	11.329	5.061	13.899	7.273
Earnings/(Loss) after tax (A)	9.513	3.328	10.595	4.678	8.868	4.054	10.480	5.511
Allocated to:								
Owners of the parent	9.121	3.227	10.607	4.686				
Minority interest	392	101	(12)	(8)				
	9.513	3.328	10.595	4.678				
Other comprehensive income after taxes (B)	(157)	5	0	0	(138)	0	0	0
Total comprehensive income after taxes (A+B)	9.356	3.333	10.595	4.678	8.730	4.054	10.480	5.511
Allocated to:								
Owners of the parent	9.355	3.333	10.595	4.678				
Minority interest	1	0	0	0				
	9.356	3.333	10.595	4.678				
Earnings/(Losses) after tax per share - basic (in €)	0,0838	0,0297	0,0970	0,0430	0,0810	0,0372	0,0958	0,0504
Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA)	**12.476**	**4.887**	**11.825**	**4.954**	**8.556**	**4.296**	**9.266**	**4.699**

STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro

(Consolidated & non-consolidated data)	GROUP 30.6.2009	GROUP 30.6.2008	COMPANY 30.6.2009	COMPANY 30.6.2008
Total Equity at the beginning of the period (01/01/09 and 01/01/08)	365.809	349.181	362.146	347.882
Total comprehensive income after tax	9.356	10.595	8.730	10.480
Purchases/(sales) of treasury shares	(850)	0	(850)	0
Dividends	(7.333)	(6.014)	(7.333)	(6.014)
Transfers - other movements	0	(9)	0	0
Total Equity at the end of the period (30/6/09 and 30/6/08)	**366.982**	**353.753**	**362.693**	**352.348**

CASH FLOW STATEMENT (indirect method)

Amounts in thousand euro

(Consolidated & non-consolidated data)	GROUP 1.1-30.6.2009	GROUP 1.1-30.6.2008	COMPANY 1.1-30.6.2009	COMPANY 1.1-30.6.2008
Operating activities				
Profit before tax	12.634	14.400	11.329	13.899
Plus less adjustments for:				
Depreciation	4.459	3.126	2.289	1.397
Provisions	(372)	9	19	6
Interest income and related income	(6.196)	(7.426)	(6.129)	(7.323)
Interest expenses and related expenses	2.794	2.608	1.610	1.624
Results from participations and securities	0	0	(1.280)	0
Amortization of grants	(1.215)	(883)	(543)	(332)
Other adjustments	(14)	0	0	0
Operating profit before changes in working capital	**12.090**	**11.834**	**7.295**	**9.271**
Plus/Less adjustments for working capital account movements or movements related to operating activities:				
Decrease / (increase) in inventories	73	(153)	73	(149)
Decrease / (increase) in receivables	(6.463)	(6.882)	(3.533)	(869)
(Decrease) / increase in liabilities (other than to banks)	11.856	2.770	4.918	2.959
(Less):				
Taxes paid	(2.488)	(1.504)	(2.209)	(1.152)
Total inflows / (outflows) from operating activities (a)	15.068	6.065	6.544	10.060
Investing activities				
Purchases of tangible & intangible assets	(19.671)	(19.767)	(19.033)	(7.672)
Collection of grants	7.809	3.562	1.481	0
Interest received	7.518	7.140	7.456	7.038
(Purchases)/sales of participations and securities	0	0	(1.310)	(304)
Total inflows / (outflows) from investing activities (b)	(4.344)	(9.065)	(11.406)	(938)
Financing activities				
Purchases of treasury shares	(850)	0	(850)	0
Net change in long-term loans	(4.090)	(1.980)	(2.195)	(1.835)
Net change in short-term loans	(9.257)	10.596	(19)	(700)
Dividends paid	(6.600)	0	(6.600)	0
Interest paid	(3.673)	(2.567)	(1.928)	(1.589)
Total inflows / (outflows) from financing activities (c)	(24.470)	6.049	(11.592)	(4.124)
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**(13.746)**	3.029	**(16.454)**	4.998
Cash and cash equivalents at the beginning of the period	**290.886**	**295.176**	**283.139**	**287.418**
Cash and cash equivalents at the end of the period	**277.140**	**298.205**	**266.685**	**292.416**

ADDITIONAL DATA & INFORMATION

1. There was no change in the accounting policies and estimations. There has been no correction of errors or reclassifications of accounts in the financial statements during the present period.
2. The Basic Accounting Principles of the financial statements as of 31/12/08 have been followed.
3. The group during the present period employed 124 individuals. For the respective period of 2008, it employed 104 individuals.
4. The Company has been audited by the tax authorities up to fiscal year 2007 included. Note 4 of the semi-annual financial report presents 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.
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
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 affiliated parties, as such are defined by IAS 24, are as follows:

	GROUP	COMPANY
a) Sales of goods and services	859	1.304
b) Purchases of goods and services	910	1.790
c) Receivables	903	2.904
d) Liabilities	1.229	1.356
e) Transactions & remuneration of BoD and executives	846	524
f) Receivables from BoD members and executives	0	0
g) Liabilities to BoD members and executives	23	23

9. The provisions of the company and group are presented in detail in note 10 of the semi-annual financial report, and are analyzed as follows:

	GROUP	COMPANY
Provision for unaudited tax years	96	60
Other provisions	1.446	909

10. The names, domiciles, participation percentages and consolidation method of companies and joint ventures that were consolidated in the financial statements of 30/6/2009 are mentioned in detail in Note 4 of the semi-annual financial report. During the 2nd quarter of 2009 the company TERNA ENERGY NETHERLANDS BV was incorporated for the first time in the consolidated financial statements compared to the previous period, with the full consolidation method (100% participation).
11. The number of treasury shares owned by the company on 30 June 2009 amounted to 638,759 shares with a total acquisition cost of 2,481,568.50 €. No shares of the parent are owned by the Group's other companies.
12. The amounts and nature of total income/(expenses) after taxes, are analyzed as follows:

	GROUP	COMPANY
Income tax recognized directly in equity	(140)	(138)
Foreign exchange differences from conversion of incorporated foreign operations	(12)	0
Expenses for share capital increase of subsidiary	(5)	0
	(157)	(138)

Athens, 25/8/2009

THE CHAIRMAN OF THE BOARD	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE HEAD ACCOUNTANT
GEORGIOS PERDIKARIS ID No.: X 516918	EMMANUEL MARAGOUDAKIS ID No.: AB 986527	KONSTANTINOS DIMOPOULOS ID No.: Ξ 101797	NIKOLAOS MANAVERIS ID No.: AE 567798 License Reg. No. A' CLASS 9674

VI. REPORT OF USE OF RAISED CAPITAL FROM THE SHARE CAPITAL INCREASE BY CASH FOR THE PERIOD 8/11/07 – 30/06/2009

It is notified that in accordance with article 3 of the decision 7/448/11.10.2007 of the Hellenic Capital Markets Commission BoD and the decision 25/17.7.2008 of the BoD of Athens Exchange, from the share capital increase of TERNA ENERGY ABETE paid in cash that was decided by the Extraordinary General Shareholders Meeting on 20.07.2007, the net amount of € 300,572 thous was raised, (including issue expenses of € 13,908 thous.).

The period for the Public Offering was 31/10/07-2/11/07. For the share capital increase 27,333,400 new common registered shares were issued.

All shares of the company (109,333,400) were listed for trading on the Athens Exchange on 14/11/2007 in the large capitalization market segment.

The certification for the deposit of the share capital increase by the BoD of the Company was made on 8/11/07 and recorded on Societe Anonyme Registry on 9/11/07 with the announcement No 36439.

The ordinary General Meeting on 2/4/2009 decided on the restructuring of the time schedule and use of the outstanding balance, by extending the completion time of the distribution by one year, namely until 31/12/2011, due to observed delays in the licensing procedures in the RES sector. Additionally, the extraordinary General Meeting on 29/6/2009 extended the use of one account.

The total raised capital of € 300,572, according to the aforementioned amended time schedule, presented the following movement until 30/6/2009:

APPROPRIATION TABLE OF RAISED CAPITAL (AMENDMENT ACCORDING TO THE EXTRAORDINARY GENERAL MEETING DATED 29.06.2009)

TIME PLAN OF RAISED CAPITAL	Appropriation of raised capital								TOTAL DISTRIBUTED CAPITAL 08/11/07 to 30/06/09	UNDISTRIBUTED CAPITAL 30/06/2009
	08/11/07-31/12/07	01/01/08-31/12/08	01/01/09-31/12/09			01/01/10-31/12/10	01/01/11-31/12/11	Total		
In thousand €			*Distributed 1st half*	*To be distributed 2nd half*	Total 2009					
Total investments in wind parks	4,084	10,494	*20,172*	*28,028*	48,200	99,472	15,200	177,450	34,750	142,700
Total investments in hydroelectric stations	2,661	2,853	*719*	*581*	1,300	6,700	6,700	20,214	6,233	13,981
Photovoltaic stations	0	0		*1,500*	1,500	4,000	6,000	11,500	0	11,500
Production of electricity from biomass	0	0		*0*	0	5,000	10,000	15,000	0	15,000
Wind parks abroad	0	2,500	*1,300*	*3,700*	5,000	15,000	20,000	42,500	3,800	38,700
Acquisitions of RES companies-licenses directly from the company and/or through its subsidiaries – Share capital increase of its subsidiaries for acquisition of RES companies-licenses	0	0		*6,000*	6,000	7,000	7,000	20,000	0	20,000
Total investments from raised capital	6,745	15,847	*22,191*	*39,809*	62,000	137,172	64,900	286,664	44,783	241,881
Issue expenses	13,380	528			0			13,908	13,908	0
Total	**20,125**	**16,375**	***22,191***	***39,809***	**62,000**	**137,172**	**64,900**	**300,572**	**58,691**	**241,881**

Notes

1. The Company's Ordinary General Shareholders' Meeting on 02/04/2009 approved the decision by the Board of Directors dated 24/3/2009, which proposed the restructuring of the time plan and use of the outstanding balance, which during 31/12/2008 amounted to 264,072 thousand €, by extending the completion time of the distribution by one year, namely until 31/12/2011. The deviation from the implementation time plan is due exclusively to the observed delays in the licensing procedures in the RES sector.

   Also, the Meeting decided on the internal reclassification of the accounts to be distributed, both between the investment categories and between the years 2009 to 2011, given that such is in line with the current licensing progress of the investments to be realized. Specifically, the total capital to be distributed is increased, for investments in Wind Parks due to the accumulation of many projects to be implemented, by 26.6 mn €, in Biomass by 0.2 mn €, while the category of acquisition of RES companies is added, amounting to 20 mn €. Correspondingly, the total account, until 2011, for the distribution of investments in Hydroelectric, Photovoltaic stations and Wind Parks abroad, is decreased.

   Moreover, according to the decision dated 29/06/2009 by the Company's Extraordinary General Shareholders' Meeting, the decision dated 25/6/2009 by the BoD was approved, according to which the use of the 20 mn € account was extended to enable the acquisition of RES companies or licenses not only directly by the company but also through its subsidiaries.

   The initial appropriation table of raised capital according to the Prospectus of 19/10/2007, was as follows:

TIME-PLAN OF RAISED CAPITAL	INITIAL TIME-PLAN (2007) OF RAISED CAPITAL				
	08/11/07-31/12/07	01/01/08-31/12/08	01/01/09-31/12/09	01/01/09-31/12/10	Total
in thousand €					
Total investments in wind parks	20,588	11,931	61,120	57,248	150,887
Total investments in hydroelectric stations	2,741	12,323	11,886	27,096	54,046
Photovoltaic stations	0	5,000	7,000	7,000	19,000
Production of electricity from biomass	0	5,563	4,188	5,000	14,751
Wind parks abroad	0	0	20,200	27,780	47,980
Total investments from raised capital	**23,329**	**34,817**	**104,394**	**124,124**	**286,664**
Issue expenses	13,908	0	0	0	13,908
Total	**37,237**	**34,817**	**104,394**	**124,124**	**300,572**

2. As evidenced in the appropriation table of raised capital, from the capital of € 300,572 thousand raised by the company, an amount of € 58,691 thousand had been distributed until 30/6/2009. From its listing on the Athens Stock Exchange and until 30/6/2009, apart from the issue expenses that amounted to € 13,908 thousand, an amount of € 13,638 thousand has been used to cover the company's participation through share capital increases of subsidiaries of TERNA ENERGY SA and an amount of € 31,145 thousand has been used for projects whose installation license is owned by TERNA ENERGY SA itself.

3. The remaining outstanding amount of € 241,881 thousand has been placed in short-term time deposits, which in the financial statements are included in the account "cash & cash equivalents".

The Chairman of the Board	The Vice-Chairman & Managing Director	The Chief Financial Officer
Georgios Perdikaris	Emman. Maragoudakis	Konstantinos Dimopoulos
ID No.X 516918	ID No. AB 986527	ID No. AI 028273

Agreed Upon Procedures Report to the Use of Proceeds Report

To the Board of Directors of the company "TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY SA"

According to the mandate we received from the Board of Directors of "TERNA ENERGY ABETE" (the "Company") we have performed prescribed and enumerated below in accordance with the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Commission with respect to the Report on the Use of raised capital of the Company which relates to the share capital increase paid in cash, that took place on 8 November 2007. The preparation of the report is the responsibility of the Company's management. Our engagement was undertaken in accordance with the International Standard on Related Services "ISRS 4400" which applies to the conduct of agreed upon procedures engagements. Our responsibility is solely for performing the procedures described below and to report to you on our findings.

Procedures:

1. We compared the amounts referred to as disbursements in the accompanied "Report on Usage of Raised Capital from the Share Capital Increase Paid in Cash" with the relevant amounts recorded in the Company's books and records in the respective timeframe.
2. We examined the completeness of the Report and the consistency of its content with what is referred to in the relevant Prospectus issued by the company for this purpose and the relevant Company's decisions and announcements, including the decisions by the General Shareholders' Meetings that amend the time plan and use of the raised capital.

Findings

1. The amounts which appear, per usage or investment type, as disbursements in the accompanied "Report on Usage of Raised Capital from the Share Capital Increase Paid in Cash" are derived from the Company's books and records in the respective timeframe.
2. The content of the Report includes the information which is at minimum required for this purpose from the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee and is consistent with what is referred to in the respective Prospectus and the relevant Company's decisions and announcements, including the decisions by the General Shareholders' Meetings that amend the time plan and use of the raised capital.

Because that the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the report beyond what we have referred to above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you, in addition to the ones reported above.

The present report is addressed exclusively to the Board of Directors of the Company, so that the latter can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. Therefore this Report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the interim financial information prepared by the Company for the financial the period from 01/01/2009 to 30/06/2009, for which we have issued a separate Review Report dated 26 August 2009.

Athens, 26 August 2009

The Certified Auditor Accountant

Ioannis G. Leos

S.O.E.L. Reg. No.24881

Grant Thornton

Ορκωτοί Ελεγκτές Σύμβουλοι Επιχειρήσεων

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