TERNA ENERGY

Société Anonyme Commercial Technical Company
85 Mesogeion Ave., 115 26 Athens
SA Reg. No. 318/06/B/86/28
General Trade Register No. 312701000

ANNUAL FINANCIAL REPORT

for the period

from January 1st to December 31st 2013

In accordance with article 4 of L. 3556/2007 and the relevant executive Decisions by the Board of the Hellenic Capital Market Commission

CONTENTS

I. STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

(according to article 4 par. 2 of Law 3556/2007)

We

1. George Peristeris, Chairman of the Board
2. Emmanuel Maragoudakis, Chief Executive Officer
3. George Spyrou, Executive Member of the Board

STATE THAT

To the best of our knowledge:

a. The annual company and consolidated financial statements of TERNA ENERGY ABETE for the period from January 1st 2013 to December 31st 2013, which were prepared in accordance with the accounting standards in effect, give a true picture of the assets and liabilities, the shareholders' equity and the results for the period of the Group and Company, as well as of the companies included in the consolidation and considered aggregately as a whole, and

b. The Board of Directors ' Report depicts in a true manner the performance, developments and position of the Company as well as of the companies included in the consolidation as a whole, along with the description of the major risks and uncertainties the Group faces.

Athens, 20 March 2014

Chairman of the Board	Chief Executive Officer	Board member
George Peristeris	Emmanuel Maragoudakis	George Spyrou

II. AUDIT REPORT BY INDEPENDENT CERTIFIED AUDITOR ACCOUNTANT

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

Report on the Parent and Consolidated Financial Statements

We have audited the accompanying parent and consolidated financial statements of the Company TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY S.A., which consist of the parent and consolidated statement of financial position as at December 31st 2013, the parent and consolidated statements of comprehensive income, changes in equity and cash flows for the period ending on the aforementioned date as well as the summary of significant accounting principles and other explanatory notes.

Management's Responsibility for the Parent and Consolidated Financial Statements

The Management of the Company is responsible for the preparation and fair presentation of the parent and consolidated Financial Statements according to the International Financial Reporting Standards, as such have been adopted by the European Union, as well as for such internal controls that management determines as necessary to enable the preparation of parent and consolidated financial statements that are free from material inaccuracies due to fraud or errors.

Auditor's Responsibility

Our responsibility is limited to the formation and expression of opinion on the parent and consolidated Financial Statements, based on the conducted audit. Our audit was conducted based on the International Auditing Standards. These Procedures demand our compliance with the ethics rules and the planning and implementation of the audit in a way that reassures with reasonable certainty that the financial statements do not include substantial inaccuracies or omissions.

The audit includes the conduct of procedures for the collection of audit data, regarding the amounts and disclosures included in the parent and consolidated financial statements. The procedures are selected according to the auditor's judgment and include the estimation of risk from substantial inaccuracies of the parent and consolidated financial statements due to fraud or error. For the estimation of this risk, the auditor takes into account the internal control system as regards to the preparation and fair presentation of parent and consolidated financial statements, and aims at planning auditing procedures that correspond to the circumstances, but not for the expression of an opinion on the effectiveness of the Company's internal control.

The audit also includes the evaluation of the accounting principles and methods applied, the Management's rationale of estimations and generally, the overall presentation of the parent and consolidated financial statements.

We believe that the audit data collected are adequate and appropriate for the formation of our opinion.

Opinion

In our opinion, the accompanying parent and consolidated financial statements, accurately present in every aspect, the financial position of the Company TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY S.A. and its subsidiaries as at December 31st 2013, as well as their financial performance and cash flows for the period ending on the aforementioned date, according to the International Financial Reporting Standards, as such have been adopted by the European Union.

Report on Other Legal and Regulative Issues

a) The Board of Directors' Management Report includes the corporate governance statements, which provides all the information required by paragraph 3d of article 43a of Codified Law 2190/1920.

b) We have verified that the contents of the Board of Directors' Management Report is consistent with the accompanying parent and consolidated Financial Statements, in the contexts of those stipulated by articles 43a, 108 and 37 of C.L. 2190/20.

Athens, 21 March 2014
The Certified Auditor Accountant

Georgios N. Deligiannis
SOEL Reg. No.15791

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III. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR FINANCIAL YEAR 2013

Dear Shareholders,

According to the provisions of C.L. 2190/1920 (article 43α par.3, article 107 par. 3 and article 136, par.2) as well as L. 3556/2007 article 4 par. 2(c), 6, 7 & 8 and the decision issued by the Hellenic Capital Market Commission under No. 7/448/11-10-2007 article 2 and the Company's Articles of Association, we hereby submit the annual management report by the board of directors for the present financial year from 01/01/2012 to 31/12/2012, which includes the audited company and consolidated financial statements, the notes on the financial statements and the audit report by the certified auditors – accountants.

A. Financial Developments & Performance for the Reporting Period

2013 was a year during which the European economy remained unstable, with its growth prospects deem even weaker. In this context, Greek economy after a long recession is now showing signs of stabilization.

The Renewable Energy Sources (RES) sector, where TERNA ENERGY operates, continues to develop on a global level.

TERNA ENERGY continued its investments, as the construction of many of its wind parks is still in progress. The Company's installed energy capacity at the beginning of 2014 amounted to 543MW (520MW in 25 wind parks, 15MW in 2 small hydroelectric and 8.5MW in 3 photovoltaic projects). In Greece, TERNA ENERGY has installed 302MW, while 138MW have been installed in the USA, 74MW in Poland and 30MW in Bulgaria.

In overall, TERNA ENERGY has a total of 838MW either installed, under construction or ready for construction. Moreover, the Company and its subsidiaries have Production Licenses corresponding to a total capacity of approximately 1,660MW for wind parks throughout Greece, whose licensing processes are at variable stages, while it also has production licenses for 783MW of hydroelectric projects.

The company's construction sector, apart from projects executed on behalf of third parties, covers the construction of the company's own projects or of its subsidiaries.

The company applies the International Financial Reporting Standards (IFRS). For 2013, the Group's consolidated sales according to IFRS amounted to 139.6 mil euro compared to 124 mil. in 2012, posting a 12.6 % increase, mainly due to increased income from the sale of energy. Operating profit (EBITDA) amount to 69.9 mil euro compared to 53 mil euro the previous year, thus improved by 31.9.5%, mainly as a result of the Group's increased operating energy capacity. Earnings before tax amounted to 9.9 mil euro, decreased by 49% compared to 2012, mainly as a consequence of the provisions made on the extraordinary impairment on the invoiced sales of the company's energy sector. Earnings after tax and minority interest amounted to 4.1 mil euro, decreased by 71.2%.

With regards to the results of the individual sectors: The energy sector realized sales of 105.7 mil euro, posting a 32.8% increase compared to 2012, while operating profit (EBITDA- adjusted for the extraordinary impairment results of the energy sector) amounted to 70.2 mil euro, posting an increase of 39.4% compared to 2012, due to the significant increase of its operating capacity during 2013.

TERNA ENERGY's construction activity towards third parties amounted to 33.9 mil euro, decreased by 23.8% compared to 2012. Operating loss (EBITDA) of the sector amounted to 0.3 mil euro compared to operating profit of 2.7. mil euro the previous year. The backlog of construction projects towards third parties in this sector amounted to 68.2 mil euro at the end of 2013.

The Group's financial position remains at satisfactory levels, as its cash & cash equivalents amounted to 124.6 mil euro, while bank debt amounted to 366.8 mil euro, resulting in a net debt position (cash minus bank debt) at the level of (242.1) mil euro.

The company is still at the stage of increased investments that increase the constant revenue flows and profitability in the long-term.

The Board of Directors of the Company, intends to propose to the Annual Ordinary General Meeting the non-distribution of dividends. Also, it intends to propose a return of capital to shareholders, amounting to 0.09 euro per share.

B. Significant events during financial year 2013

TERNA ENERGY Group, despite the adverse economic conditions that prevailed globally, continued to invest on RES projects during 2013, having approximately 140 MW in the final stages of construction at the end of 2013, of which 36 MW were put into operation in the beginning of 2014.

C. Significant Events after the end of financial year 2013

In the beginning of 2014, three wind parks were put into trial operation in Greece: an 18 MW project in Rhodes and 2 projects in Thrace, of total capacity of 18 MW.

D. Risks and Uncertainties

The Group's activities are subject to several risks and uncertainties, such as market risk (volatility in exchange rates, interest rates, market prices etc.), credit risk and liquidity risk, wind and weather conditions.

In order to handle such financial risks, the Group has a risk management program that aims at minimizing the negative effect on the financial results of the group that emerges from the inability to predict financial markets and the volatility of the cost and sales variables.

The financial instruments used by the Group mainly consist of bank deposits, trade debtors and creditors, other receivable and payable accounts, long-term and short-term loans, as well as derivatives.

Following is the effect of basic risks and uncertainties on the Group's activities presented.

Credit risk

The Group continuously controls its receivables, either separately or by group and it incorporates the resulting information in its credit control.

The total of receivables of the energy sector concerns the broader public sector, nationally (including LAGIE and HEDNO) and abroad, while the same applies for the majority of receivables of the construction sector

The Group, traditionally, by nature of its operations, is not exposed to significant credit risk from trade receivables, apart from possible overdue payments. However, the special RES account for LAGIE, through which the receivables of the Group in Greece are redeemed, presented in 2013 a significant deficit as a result of the unprecedented crisis faced by the Greek economy during the latest years. In this context, the Group's receivables from LAGIE and HEDNO are seriously delayed. In March 2014, was given to public consultation a draft law with regards to the sanitization of the RES Special Account of LAGIE, in order that it becomes viable. Specifically, according to the draft law, the retroactive reduction of selling prices for electricity by 10 % for wind parks and by 35% for photovoltaic is provided for. In case of finalization of the law, in accordance with the abovementioned provisions, the Group's loss of accrued receivables will amount to € 6.56 million, amount for which it has already made an equal provision in the financial statements for.

Credit risk for cash equivalents, as well as for other receivables is negligible, given that the relevant parties are reliable banks with high quality capital structure, the Greek state or companies of the broader public sector or powerful business groups.

The Group's management considers that all the above mentioned financial assets, for which the necessary impairments have taken place, are of high credit quality.

Foreign exchange risk

Apart from Greece, the Group operates in Eastern Europe and the United States of America and therefore it may be exposed to foreign exchange risk that may result from the exchange rate of the euro against other currencies. This type of risk may arise only from trade transactions in foreign currency, from financial investments in foreign currency, as well as from net investments in foreign entities. To manage foreign exchange risk, the group's financial management department ensures that the group's capital management is protected from risks from changes in exchange rates.

With regards to the company's transactions with foreign entities, such primarily take place with European groups where the settlement currency is the euro and therefore such transactions are not exposed to foreign exchange risk.

Interest rate risk

The Group's policy is to minimize its exposure to interest rate risk with regards to long-term financing. In the context of this policy, the long-term loans received by the Group are either under fixed interest rates or are hedged for interest rate risk for almost the whole of their duration. Therefore, 30% of the Group's long-term debt is under fixed interest rates, 30% refers to floating interest rate loans that have been hedged with derivatives through which future payments of fixed interest rate are exchanged with future floating interest rate receipts, while 40% is under floating interest rates either linked to euribor or wibor.

The Group's total short-term debt is in euro under floating interest rates linked to euribor. Short-term loans are primarily received for the purpose of financing the construction of the Group's wind parks.

The relevant loans are repaid either when the relevant government grants are received or through long-term loans during the completion of construction and commencement of operation of the wind parks. These loans are expected to be repaid within one year, while new short-term loans are expected to be received to finance the construction of new wind parks. Therefore the Group is exposed to interest rate risk arising from short-term debt and the part of long-term debt that is under floating interest rates.

Sensitivity analysis of interest rate risk

The Group's policy is to minimize its exposure to cash flow risk from interest rates with regards to its long-term financing. In the context of this policy, long-term loans are a) fixed rate, b) floating rate hedged through derivatives and c) floating rate linked to euribor and wibor. Among these, the fixed rate loans and floating rate loans hedged through derivatives are not exposed to interest rate risk, while floating rate loans are exposed to such risk.

The following table presents the sensitivity of the year's results against the Group's debt and deposits, to an interest rate change of +20% –20% (2012: +/-20% as well). The interest rate changes examined are considered to fluctuate on a reasonable basis given the recent market condition and, until today, appear stable in relation to the previous year.

Amounts in thousands €	2013 20%	2013 (20%)	2012 20%	2012 (20%)
Result after tax - Group	(96)	96	(602)	120
Result after tax – Company	(18)	18	(120)	602

The Group is not exposed to other interest rate risks.

Analysis of market risk

The Group is not exposed to market risk with regards to its financial assets, apart from a long-term liability amounting to 5,059 thousand euro, the future cash flows of which are linked to the Eurozone inflation rate excluding tobacco. According to the current market conditions, the risk of change in the fair value of the liability is considered limited.

Analysis of liquidity risk

The Group's liquidity is considered satisfactory, as apart from existing cash and cash equivalents, wind parks currently in operation create satisfactory cash flows. Net cash flows from operating activities amounted to 44.1 mil euro during 2013 compared to 31.3 mil euro in 2012. The Group manages its liquidity needs by carefully monitoring the balance of long-term financial liabilities as well as of payments that take place on a daily basis. The liquidity needs are monitored at different time zones, on a daily and weekly basis, as well as on the basis of a moving 30-day period. The liquidity needs for the next 6 months and the next year are defined monthly.

The company maintains cash and cash equivalents in banks, in order to cover its liquidity needs for periods up to 30 days. The capital for mid-term liquidity needs is released from the company's term deposits.

Other risks and uncertainties

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 with regards to the long-term behavior of such factors.

The construction sector of TERNA ENERGY is subject to significant fluctuations, both with regards to turnover and with 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 towards third parties, which are mainly Public entities.

E. Prospects & Outlook

2014 is expected to be yet another year that will yield positive results for the company, as many projects currently under construction are expected to be set in operation, thus significantly reinforcing the Group's installed capacity. The company continues to promote its scheduled investments within a demanding environment. The maturity of the licensing process for many projects allows the company to expect that, within this year, new investments will be implemented, allowing thus the company to continue its growth at a satisfactory pace for the next years.

F. Treasury Shares

During the period 01/01/2013 – 31/12/2013, the Company bought back 3,521,510 shares with a nominal value of 1,056,453 euro and value of 8,902,028 euro. The total number of treasury shares held by the Company as of 31/12/2013 had reached the number of 550,015 shares, i.e. 0.50% of the total share capital, with a total acquisition cost of 1,260,988 euro.

G. Transactions with Related Parties

According to I.A.S. 24, as related parties 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 related companies, while it also supplies goods and services to them.

Transactions and balances for 2013 are as follows:

TERNA ENERGY SA				
	SALES	**PURCHASES**	**RECEIVABLE**	**LIABILITY**
SUBSIDIARIES				
IWECO CHONOS LASITHI CRETE SA	90,000	118,922	-	2,673,038
TERNA ENERGY EVROU SA	440,000	73,870	-	1,310,677
ENERGIAKI SERVOUNIOU SA	476,050	30,696	1,492,342	573,863
AIOLIKI PANORAMATOS DERVENOCHORION S,A,	536,307	-	6,488,237	-
AIOLIKI ILIOKASTROU S,A,	236,300	-	7,394,633	-
AIOLIKI RACHOULAS DERVENOCHORION S,A,	216,000	-	6,664,697	-
ENERGIAKI DERVENOCHORION S,A,	340,338	-	1,173,402	-
ENERGIAKI FERRON EVROU SA	1,352,406	-	4,749,258	-
AIOLIKI DERVENI TRAIANOUPOLEOS SA	6,048,666	35,733	14,789,435	-
ENERGIAKI NEAPOLOEOS LAKONIAS SA	151,348	-	-	2,300,000
ENERGIAKI XIROVOUNIOU SA	1,788,440	2,550	3,557,628	-
EUROWIND SA	4,413,885	-	3,210,478	-
DELTA AXIOU ENERGEIAKI S,A,	-	-	33,688	-
TERNA ENERGY THAASSIA WIND PARKS S,A,	-	-	6,816	-
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S,A,	-	-	118,902	-
VATHYCHORI ENA PHOTOVOLTAIC SA	390,465	-	2,551,880	-
VATHYCHORI PERVALLONTIKI SA	-	-	29,405	-
ALISTRATI ENERGY	-	-	3,893	-
VATHYCHORI DYO ENERGEIAKI	204,842	-	3,240,363	-
AIOLIKI PASTRA ATTIKIS S,A,	1,252,621	-	4,120,690	-
TERNA ENERGY OVERSEAS LTD	-	-	12,274	-
Joint ventures				
General and Limited Partnerships	-	-	368,577	
PARENT				
GEK TERNA SA	103,202	172,220	280,079	-
OTHER RELATED PARTIES				
VIOMEK S,A,	-	107,670	-	37,001
TERNA SA	1,315,917	832,631	5,513,347	1,113,716
Joint ventures in which TERNA SA participates	1,459,933	-	2,687,598	889,721
VIPA THESSALONIKIS SA	14,700		-	
HERON THERMOELECTRIC S,A,	-	226,483		79,782

Regarding the above transactions, the following clarifications are provided:

Sales of TERNA ENERGY SA:

- to “ENERGIAKI SERVOUNIOU SA” of 476,050 euro, of which 360,00 euro concern RES maintenance services and 116,050 euro concern sales of inventories,
- to “TERNA ENERGY EVROU SA” of 440,000 euro for RES maintenance services,
- to “IWECO CHONOS SA” of 90,000 euro, which concern RES maintenance services,
- to “AIOLIKI PANORAMATOS DERVENOCHORION S.A.” of 536,307 euro, of which 250,200 euro concern RES maintenance services and 286,307 euro concern interest income,
- to “AIOLIKI ILIOKASTROU SA” of 236,300 euro which concern interest income,
- to “AIOLIKI RACHOULAS DERVENOCHORION S.A.” of 216,00 euro, which concern to RES maintenance services,
- to “ENERGIAKI DERVENOCHORION S.A.” of 340,388 euro, of which 235,000 euro concern RES maintenance services and 105,338 euro concern interest income,
- to “ENERGIAKI FERRON EVROU S.A.” of 1,352,406 euro, of which 1,139,000 euro concern RES maintenance services and 213,217 euro concern interest income,
- to “AIOLIKI DERVENI TRAIANOUPOLEOS S.A.” of 6,048,666 euro, of which 4,949,171 concern construction services and 1,099,495 euro concern interest income,
- to “ENERGEIAKI NEAPOLEOS LAKONIAS” of 151,348 euro for interest income,
- to “ENERGEIAKI XIROVOUNIOU” of 1,788,4400 euro, of which 1,604,612 euro concern construction services and 183,828 euro concern interest income,
- to “EUROWIND SA” of 4,413,885 euro, of which 4,414,648 euro concern construction services and 299,237 euro concern interest income,
- to “VATHYCHORI ENA PHOTOVOLTAIC S.A.” of 390,464 euro, of which 250,000 euro concern construction services and 145,465 euro concern interest income,
- to “VATHYCHORI DYO ENERGEIAKI S.A.” of 204,842 euro for construction services,
- to “AIOLIKI PASTRA ATTIKIS” of 1,252,621 euro, of which 1,170,128 euro concern construction services and 82,493 euro interest income.

Purchases of TERNA ENERGY SA:

- from “IWECO-CHONOS S.A.” of 118,922 euro for interest expenses,
- from “TERNA ENERGY EVROU S.A.” of 73,870 euro for interest expenses,
- from “ENERGEIAKI SERVOUNIOU S.A.” of 30,696 euro for interest expenses,
- from “AIOLIKI DERVENI TRAIANOUPOLEOS S.A.” of 35,733 euro for interest expenses,
- from “ENERGEIAKI XIROVOUNIOU S.A.” of 2,550 euro for interest expenses,

Sales of TERNA ENERGY SA:

- to “GEK TERNA S.A.” of 103,202 euro for interest income,
- to “TERNA SA” of 1,315,917 euro, of which 577,045 euro concern interest income, 11,065 euro concern leasing of machinery and 727,807 euro concern construction services,
- to Joint Ventures which TERNA SA participates in, of 1,459,933 euro for construction services,

– to “VIPA THESSALONIKI S.A.” of 14,700 euro for leasing services.

Purchases of TERNA ENERGY SA:

– from “GEK TERNA SA” of 172,220 euro for leasing of buildings,
– from “TERNA SA” of 832,631 euro, of which 494,100 euro concern construction services, 184,721 euro concern leasing of machinery and 153,810 euro concern purchase of idle materials,
– from “VIOMEK SA” of 107,670 euro, of which 49,734 euro concern purchase of idle materials, 14,220 euro concern leasing services and 43,716 euro concern repairing services,
– from “HERON THERMOELECTRIC SA” of 226,483 euro concern purchases of merchandise.

Transactions with Board members

The total remuneration to Board members amounted to 708,540 euro, of which 480,000 euro concern Board remuneration while 228,540 euro concern the provision of services.

CORPORATE GOVERNANCE STATEMENT

1. Corporate Governance Code

The company applies all the established rules of the legislative, regulatory and other authorities, without exceptions, on all of its activities and operations. Moreover, it has adopted internal rules and business practices that contribute to the adherence to transparency principles, professional ethics and prudent management of all company resources at all management levels, to the benefit of its shareholders and related parties. The overall above rules and practices are incorporated in the Corporate Governance Code (CGC), which was prepared by the company, in line with the provisions of Law 3873/2010. The Code has been posted on the company’s website www.terna-energy.com.

2. Corporate governance rules and practices

The CGC states, with clarity and accuracy, the following corporate governance rules and practices in detail:

Board of Directors

The role, along with its responsibilities and duties to set and apply the company’s strategy with the basic objective of protecting the interest of all Shareholders, are clearly defined. As the highest authority in the company’s management, the Board of Directors decides on all the corporate affairs, apart from those that fall under the responsibility of the General Meeting.

Specifically, the responsibilities of the Board of Directors include:

- the long-term strategic and mid-term business planning of the company
- decisions of strategic importance, such as acquisitions, mergers, liquidations, high budget investments
- the planning of the general, as well as the specific, basic policies for the company’s operation
- the approval, supervision and evaluation of the implementation of annual projects and budgets
- ensuring the reliability and completeness of the accounting – financial systems and data and the company financial statements derived from such

- ensuring the smooth and proper operation of the appropriate systems and mechanisms for the company's internal audit, adhering to the company's legal – operational framework, as well as assessing and managing the business risks it faces
- the continuous effort for the avoidance or prudent handling of a possible conflict of interest of the Board of Directors or its members or basic shareholders with the interests of the company, by adopting transparency and monitoring rules on its transactions
- the selection of the Managing Director and the remaining members of the Board, which are also evaluated on their overall activity
- defining the remuneration of Board members and proposing their approval by the General Meeting of Shareholders, as well as deciding on the remuneration of the company's senior executives
- deciding on the company's organizational structure, management systems and procedures, as well as the amendment of such, when deemed necessary by the company's internal and external operation conditions
- the establishment and effort to ensure the proper operation of committees specified by the Corporate Governance Principles (Audit Committee and Nomination and Remuneration Committee)
- the establishment of collective bodies when deemed necessary for the improvement of the company's efficiency and operation
- the definition and effort to lay out and apply basic company values and principles, including those of corporate governance, throughout its overall relationship with all related parties.

The Ordinary General Meeting of Shareholders of the 24th of May 2012 elected a new Board of Directors to manage the Company for a five-year period from the date of its election, term which is automatically extended until the Annual General Meeting to be convened no later than 30.06.2017.

The composition of the new Board of Directors is as follows:

1.	George Peristeris of Theodoros	Chairman
2.	George Perdikaris of Gerasimos	Vice-Chairman
3.	Emmanuel Maragoudakis of Vasilios	Chief Executive Officer
4.	George Spyrou of Symeon	Executive Director
5.	Michael Gourzis of Alexandros	Executive Member
6.	Panagiotis Pothos of George	Executive Member
7.	Theodoros Tagas of Christos	Non-Executive Member
8.	Aristeidis Ntasis of Konstantinos	Independent Non-Executive Member
9.	Nikolaos Kalamaras of Dionysios	Independent Non-Executive Member

The responsibility of Company Secretary was appointed to the Managing Director Mr. George Spyrou.

The CVs of the Board Members are posted on the company's website.

During the exercise of their duties and the Board meetings in 2013, the Board members exhibited "diligence of a prudent businessman", dedicated the sufficient time needed for the efficient management of the company, acted with integrity, accountability and proper judgment, avoiding actions that could endanger the company's competitiveness or conflict its interests. Also, they protected the confidentiality of information they had privileged access to and ensured the prompt and simultaneous provision of information to all shareholders and interest investors on issues that could affect their decision to realize any transaction on company shares.

During the Board meetings and its activities, the Board was supported by the Company Secretary Mr. George Spyrou, the responsibilities of which are described in the CGC.

Chairman of the Board of Directors

The Chairman represents the basic instrument for applying Corporate Governance Principles in the company, with responsibility, among others, for the efficient operation of the Board of Directors and the active participation of all its members in making and reviewing the application of business decisions, as well as for the smooth communication between the company and its shareholders.

The Chairman's responsibilities include convening and addressing the Board's activities on the issues of the daily agenda prepared by the Chairman himself according to the company's needs and the relevant requests by other Board members, the provision for the efficient coordination and smooth communication between all Board members, as well as between the company and its shareholders – investors, which is based on the prompt, clear and reliable provision of information towards Board members on the total activities and operation of the company, as well as ensuring the smooth incorporation of other members to the Board of Directors and their motivation in order to encourage their active and substantial participation in corporate affairs and the decision making process.

The Board of Directors is supported by Committees, which carry an advisory role, but which also carry a heavy weight in the decision making process of the Board. The Committees are as follows:

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three members and its role is to explore and propose the proper nominees for election in the company's Board of Directors, as well as to propose policies and systems that define remuneration for all company levels.

The Committee's responsibilities, in relation to proposing nominees, mainly include defining the company's requirements as regards to the size and composition of its Board of Directors, defining the role, responsibilities and skills of each position within the Board of Directors, the periodic review of the Board's size and composition and the submission of proposals for changes – improvements when deemed necessary.

In relation to its responsibilities on remuneration issues, the Nomination and Remuneration Committee convenes for such at least twice a year and whenever else deemed necessary. It processes and proposes the system that defines remuneration of employees, Board members and senior executives, it prepares and submits to the Board proposals for the corporate remuneration policy and assesses its application according to the relevant annual remuneration report and it prepares the proposals that must be submitted by the Board to the General Meeting of shareholders for approval.

The Committee, which is formed by the following members: Emmanuel Maragoudakis – CEO, executive member, Theodoros Tagas– non-executive member and Aristeidis Ntasis – independent non-executive member, convened once during the year, in order to examine remuneration issues of employees, the Board of Directors and the senior executive officials and proposed, to the BoD, taking correction measures with respect to the fees of certain officials, so as to be in line with the general remuneration policy of the company.

Investment Committee

The mid-long-term strategic planning for the company's development includes, amongst others, the following investment policy in order to achieve and maintain its business objectives through time.

The company's Board of Directors is the responsible body that sets and applies investment policy. In this context the Board bases its decisions on the appropriate proposals submitted by the Investment Committee with regards to acquisitions, mergers, strategic alliances, high budget investments, liquidation of assets and any other action of strategic importance that may affect the capital structure and future development of the company. The Investment Committee convenes once every quarter and at any other time deemed necessary for the Board to make investment decisions.

The Investment Committee (I.C.) consists of five members, while three (3) members from the company's and its parent's Boards participate in it together with two (2) senior executives or advisors of the company, according to the issue to be discussed. The Chairman and Managing Director of the parent company may be members of the Investment Committee. As is the case of other company committees, the I.C. has the character of providing proposals and not making decisions. Its basic responsibilities include preparing the investment policy and long-term investment plan of the company, evaluating and approving the implementation of the annual investment plan, as well as any new significant investment that is separately submitted, examining the company's capital adequacy to implement each investment proposal, evaluating the business risks associated with such and evidencing its objective and confirming that its implementation is included in the application measures of the company's approved business strategy.

The Committee, which is formed by the following Board members: Emmanuel Maragoudakis – CEO, Executive member, George Spyrou – Advisor on Mandate, Executive member and Michael Gourzis-Executive member, during its meetings, examined the implementation progress of the Company's planned investments.

Audit Committee

The Audit Committee supports the Board of Directors in fulfilling its responsibility to ensure compliance of the company's bodies and actions with the provisions of the legal – institutional – regulatory framework and the Corporate Governance Principles that govern its operation, the completeness and reliability or accounting, IT and administrative systems of the company and the derived by such published financial statements and other reports, as well as the smooth and effective operation of all the company's control mechanisms in order to promptly identify, apart from the above, business risks and handle such prudently and effectively.

The Audit Committee convenes at least four times a year and whenever else it deems necessary. It invites the ordinary auditor to its meeting at least twice a year to provide clarifications – explanations on its activity and its comments – conclusions on the financial statements and the general financial information of the company.

The Audit Committee has the following, by subject, basic responsibilities:

It oversees the production procedure of the company's financial statements and other financial reports, examines their reliability and provides for the smooth operation of the internal control's activities providing its support, and also periodically reviews the adequacy and reliability of internal control mechanisms and mechanisms for the management of business risks with the following criteria: the prompt identification of business risk and the quick response to handle such.

It investigates possible transactions of the company with any related party in detail and submits relevant reports to the Board of Directors in order to evaluate the possibility of present conflicts of interest with complete transparency and to prevent possible damage or loss for the company.

Also, the Audit Committee receives the reports of the Internal Audit Division, assesses their contents and proposes the head of the Division to the Board of Directors, evaluates the effectiveness and efficiency of such, and based on the above proposes the continuity or termination of his/her responsibilities.

The Audit Committee monitors the conduct of activities by the ordinary auditor and assesses whether such is in accordance with the relevant legal – regulatory framework, the international standards and best practices. It also examines and evaluates the adequacy of knowledge, professional consistency, independence and effectiveness of the ordinary auditor, and based on such proposes to the Board of Directors the continuance or termination of the relationship with the ordinary auditor.

The Audit Committee consists of at least three (3) non-executive Board members, of which one (1) is independent. At least one (1) of the three members must have adequate knowledge and experience in accounting and auditing issues. The CGC also states that the non-executive Chairman of the Board may be a member of the Audit Committee and the Chairman of such as well.
Its members are elected by the General Meeting of Shareholders according to article 37 of Law 3693/2008.
The Audit Committee members that were elected by the General Meeting of 24 May 2012 are the following:
Theodoros Tagas – non-Executive member
Aristeidis Ntasis – independent non-Executive member
Nikolaos Kalamaras - independent non-Executive member
The Audit Committee convened four (4) times during 2013, it exercised all of its responsibilities and tasks, it cooperated with the company's Internal Audit Department and provided the appropriate guidance for the continuation of the audit by subject and priority.
It discussed with the head of the company's internal audit about its findings and conclusions and confirmed the correctness of the preparation procedure for the financial statements.

3. Internal Control and Risk Management

The Board of Directors, at its meeting on April 24th 2013, taking into account the needs created by the continuous growth of the Company decided to upgrade its control mechanisms and strengthen its financial services.
In the context of the above decision, Mr. Konstantinos Dimopoulos assumed the position of Internal Auditor, which was previously held by Ms Sofia Dede.
The internal control system is defined as the sum of rules and measures applied by the company, which aim at the preventive and restrictive control of operations and procedures at all levels of the company's hierarchy and organizational structure, in order to ensure: the legality and security of management and transactions, the accuracy and reliability of published financial statements and any other financial information and announcement, as well as the effectiveness of the company's operational systems and activities.
The Board employs the internal control system so as to protect the company's assets, estimate the evident risks arising from all of its operations and provide accurate and complete information to shareholders with regards to the actual condition and prospects of the company, as well as the manner in which detected risks are handled.

To implement the above, the Board defines the operational context of the internal control, approves the conduct and evaluation procedures of its results and decides on its composition, adhering to the relevant legal and regulatory framework. It establishes a special internal audit division, which is independent, is not subject to any hierarchy in relation to any other organizational division and is supervised by the company's Audit Committee.
With the contribution of the Audit Committee, it evaluates the adequacy and effectiveness of the special internal audit division and the extent to which its reports are utilized by the Board for the continuous improvement of the company's operation at all levels ant the effective management of business risks. Moreover, the Audit Committee maintains direct and regular contact with the external auditors, in order to by systematically informed on the adequacy and reliability regarding the operation of the internal control and risk management systems, as well as the accuracy and reliability of the financial information.
The evaluation and management of risks during 2013 is described in the relevant paragraph of the company's Annual Financial Report.

4. Relations – Communication with Shareholders - Investors

The Board of Directors emphasizes greatly on protecting the rights of all company Shareholders, by facilitating the information they receive on the development of corporate affairs and by encouraging their participation in the General Meetings, where they have the opportunity to communicate directly with Management, submit questions they may have and contribute to the final positioning of the company's strategic directions.
The company has a special Investor Relations and Shareholders' Service Department, which ensures the direct, responsible and complete provision of information, as well as the facilitation of shareholders to exercise their rights.

In the same context, the Chairman of the Board and/or Managing Director may realize individual meetings with company shareholders that own a significant share of its capital, with the objective to provide more detailed information on corporate governance issues. They also collect the views stated by shareholders, transfer such to the remaining Board members and ensure that the principles and procedures of corporate governance and any other information useful for shareholders and investors are promptly available and easily accessible through up to date means.

5. General Meeting of Shareholders

The company adheres to the total relevant terms and provisions stipulated by the effective legal – regulatory framework as regards to the General Meeting of its Shareholders, with particular dedication on reinforcing their ability to smoothly exercise their rights, based on the completeness, accuracy and clarity of the information such receive promptly by the relevant company bodies, through all means available to the company.
Aiming at the largest possible presence of its shareholders (institutional and private) during the General Meeting, the company promptly announces, through any appropriate means, the daily agenda issues, the date and location where the General Meeting will convene. To facilitate their active participation in the General Meeting's activities, it provides complete information on the manner and deadline for exercising the right to list issues on the daily agenda, as well as to submit questions. Also, it informs shareholders about the number of shares and voting rights, the voting procedures and offers any other required supplementary document in order to conduct the General Meeting's activities most effectively.
Members of the Board of Directors, the company auditors and any other senior company executive, who are considered essential for the provision of detailed information and clarifications on shareholders' inquiries, are present at the General Meetings.

6. Disclosure of information required by items (c), (d), (f), (h) and (i) of par. 1 article 10 of the directive 2004/25/EC

The required information is already included in another section of the Management Report that refers to the additional information of article 4 par. 7 of Law 3556/2007.

7. Compliance with the provisions of the Code

The Board of Directors has complied with the provisions of the Corporate Governance Code during 2013.

Additionally, the Chairman of the BoD, Mr. George Peristeris, after reminding the Members of the obligation of the Company to prepare Explanatory Report pursuant to par. 7th Article 4 of N. 3556/2007, reads the report, the contents of which has as follows:

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
IN ACCORDANCE WITH ARTICLE 4 OF LAW 3556/2007

The present Explanatory Report of the Board of Directors is submitted towards the Ordinary General Shareholders' Meeting, according to paragraph 8 article 4 of L. 3556/2007 and has been prepared, according to those stipulated in paragraph 7 of article 4 of the same law.

a) Structure of Share Capital

The Company's share capital amounted to thirty-two million, seven hundred and ninety-five thousand, seven hundred and twenty-one euro (32,795,721€) divided into one hundred and nine million, three hundred and nineteen thousand and seventy (109,319,070) common registered voting shares with a nominal value of thirty cents (0.30€) each.

- The Ordinary General Meeting of Shareholders, on the 25th of April 2013, decided to increase the share capital of the Company by the amount of nine million, eight hundred and thirty-eight thousand, seven hundred and sixteen euro and thirty cents (9,838,716.30 €) through the capitalization of part of the special reserve of premium equity issuance, increasing thus the par value of each share from thirty cents (0.30 €) to thirty-nine cents (0.39 €) and simultaneously reducing the share capital of the Company by the amount of nine million, eight hundred thirty-eight thousand, seven hundred and sixteen euro and thirty cents (9,838,716.30 €) resulting to the reduction of the nominal value of each share from thirty-nine cents (0.39 €) to thirty cents (0.30 €) and the return of the amount of such reduction to its shareholders. Thereafter , the Company's share capital amounted to thirty-two million, seven hundred and ninety-five thousand, seven hundred and twenty-one euro (32,795,721 €) and was divided into one hundred and nine million, three hundred and nineteen thousand and seventy (109,319,070) common, registered, voting shares of nominal value of thirty cents (0.30 €) each.

- The Extraordinary General Meeting of shareholders, on the 25th of July 2013, decided the following:
  a) the reduction of the share capital of the Company by the amount of one million, two hundred and sixty-two thousand, seven hundred and twenty-one euro (1,262,721 €), by canceling 4,209,070 treasury shares. Thereafter, the Company's share capital amounts to thirty-one million, five hundred and thirty-three thousand euro (31,533,000 €), divided into one hundred and five million, one hundred and ten thousand (105,110,000) registered, voting shares with a nominal value of thirty cents (0.30 €) each.

b) the increase of the share capital by the amount of one million, two hundred and sixty -one thousand, three hundred and twenty euro (1,261,320 €) by capitalizing part of the special reserve formed by the issuance of premium shares through the issuance of four million, two hundred and four thousand, four hundred (4,204,400) new, ordinary, voting shares with a nominal value of thirty cents (0.30 €) each.

Thereafter, the Company's share capital totals to thirty two million, seven hundred and ninety four thousand, three hundred and twenty euro (32,794,320 €), divided into one hundred and nine million, three hundred and fourteen thousand and four hundred (109,314,400) ordinary, registered, voting shares with a nominal value of thirty cents (0.30 €) each.

The Company’s shares are listed and traded on the “Main Market” of the Athens Stock Exchange.

All the rights and obligations stated by Law and the Company’s Articles of Association emanate from each share.

b) Limitations to the transfer of Company shares

The transfer of Company shares takes place according to Law and there is no limitation to their transfer according to the Articles of Association.

c) Significant direct or indirect participation according to the definition of the provisions of L. 3556/2007

Shareholders which during 31/12/2013 held a percentage larger than 5%, based on the total issued shares, are presented in the following table:

NAME OF SHAREHOLDER	SHARES	PERCENTAGE
GEK TERNA SA	50,184,233	45.9082% (directly)
George Peristeris	26,944,812	24.6489%

d) Shares providing special control rights

According to the Company’s Articles of Association there are no shares that provide special control rights.

e) Limitations to voting rights

According to the Company’s Articles of Association there are no limitations of voting rights emanating from its shares.

f) Agreements between Company Shareholders

To the Company’s knowledge, there are no agreements between its Shareholders, which imply limitation to the transfer of its shares or to the exercise of voting rights emanating from its shares.

g) Rules for appointment and replacement of Board Members and amendments of the Articles of Association

The Company’s Articles of Association have been conformed to the provisions of L. N,3604/2007 and their provisions do not differ from those stipulated by C.L. 2190/20, as in effect, both with regards to the appointment and replacement of Board Members and with regards to the amendment of its articles.

h) Authority of the Board of Directors for the issuance of new shares or the purchase of treasury shares

According to those stipulated by par. 2 article 5 of the Articles of Association, the General Meeting may by means of its decision, assign authority to the Board of Directors to increase by means of its decision, the share capital according to those stipulated by C.L. 2190/20.

According to the provisions of article 13 par. 13 of C.L. 2190/20, as in effect, the Board of Directors may increase the share capital by issuing new shares in the context of implementing the approved by the General Meeting Stock Option Plan, for the acquisition of Company shares by the beneficiaries.

According to the provisions of article 16 of C.L. 2190/1920, as in effect, following approval of the General Meeting, the Company may with the responsibility of the Board of Directors, acquire through the Athens Stock Exchange, its own shares on condition that the nominal value of shares acquired, including shares previously acquired and maintained by the Company, does not exceed 10% of its paid up share capital.
The Company, by means of the resolution of the Annual General Meeting of Shareholders on 24/5/2012, renewed the share buyback program, up to the percentage of 10% of its share capital for a period of twenty four months, namely until 23/5/2014.

Following, the Extraordinary General Meeting of Shareholders dated 9/10/2012 unanimously decided on the expansion of the share buyback program, in accordance with article 16 par. 4 of C.L. 2190/1920, namely the buyback of 5,500,000 own shares, or a percentage of 5.03% of the Company's total shares, with an acquisition price equal to the closing price of the day prior to the relevant transaction date. The above buyback will take place by the related, according to the definition of article 42e of CL 2190/20, company GEK TERNA S.A., with the objective to decrease the share capital by the amount of one million six hundred and fifty thousand euro (1,650,000 €) through the cancellation of the said five million and five hundred thousand (5,500,000) shares with a nominal value of thirty cents of a euro (0.30€) each.

It is noted that, in application of par. 4 article 16 of C.L. 2190/20, the acquisition of the above percentage of 5.03% is not included in the percentage of the share buyback decided by the Annual General Meeting of 24 May 2012, namely up to 10% of the Company's Share Capital.

In this context, the General Meeting provided its approval, in accordance with those stipulated by article 23a of C.L. 2190/20, to the related company, according to the definition of article 42e of C.L. 2190/20, namely the company GEK TERNA SA.

The Company informed investors that, through the OTC buyback trade of its own shares, on 05/04/2013, it acquired 3,280,000 shares, i.e. 3.0004% for a total amount of 8,232,800,00 Euro, in partial execution of the above-described decision of the Extraordinary General Meeting of 09/10/2012. The abovementioned acquired shares have already been canceled, according to the July 25, 2013 decision of the Extraordinary General Meeting of Shareholders.

i) Important agreements put into effect, amended or terminated in case of change in control following a tender offer
There are no agreements which are put into effect, amended or terminated in case of change in the Company's control following a tender offer.

j) Agreements of Members of the Board of Directors or the Company's Employees
There are no agreements of the Company with members of its Board of Directors or its employees, which include the payment of indemnity, specifically in case of resignation or termination without reasonable cause or termination of term or employment due to a tender offer.

IV. ANNUAL FINANCIAL STATEMENTS PARENT AND CONSOLIDATED OF 31 DECEMBER 2013

(1 January – 31 December 2013)
According to the International Financial Reporting Standards

The accompanying Financial Statements were approved by the Board of Directors of TERNA ENERGY ABETE on 20/3/2014 and have been published by being posted on the internet at the website www.terna-energy.com, as well as the Athens Exchange website, 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 derived from the Financial Statements, aim at providing the reader with certain general financial information but do not provide a full picture of the financial position and the results of the Company and Group, in accordance with the International Financial Reporting Standards (IFRS).

TERNA ENERGY GROUP

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2013

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

		GROUP		COMPANY	
	Note	**31- Dec 2013**	**31- Dec 2012 – Revised**	**31- Dec 2013**	**31- Dec 2012 - Revised**
ASSETS					
Non-current assets					
Intangible assets	6	28,524	29,589	1,449	1,530
Tangible assets	7	770,109	769,424	123,132	130,263
Investment property	8	785	923	785	923
Participation in subsidiaries		-	-	199,098	212,794
Participations in associates	9	5,541	5,391	5,401	5,341
Participation in joint-ventures		-	-	279	285
Other long-term receivables	10	10,685	9,585	44,870	69,808
Receivables from derivatives	16	1,443	-	-	-
Other investments		1,882	131	1,882	131
Deferred tax assets	28	3,981	2,218	789	210
Total non-current assets		**822,950**	**817,261**	**377,685**	**421,285**
Current assets					
Inventories	11	4,027	3,303	3,575	2,959
Trade receivables	12	46,953	47,548	36,111	31,955
Receivables according to IAS 11	13	2,858	9,257	5,479	10,414
Prepayments and other receivables	12	86,392	176,792	19,932	27,669
Income tax receivables		660	114	515	33
Cash and equivalents	14	124,630	126,778	37,385	27,556
Total current assets		**265,520**	**363,792**	**102,997**	**100,586**
ΣΥΝΟΛΟ ΕΝΕΡΓΗΤΙΚΟΥ		**1,088,470**	**1,181,053**	**480,682**	**521,871**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	25	32,794	32,796	32,794	32,796
Share premium		238,407	261,067	238,726	261,204
Reserves		32,881	19,290	27,885	21,775
Retained earnings		44,262	47,495	34,359	35,739
Total		**348,344**	**360,648**	**333,764**	**351,514**
Non-controlling interests		2,634	2,329	-	-
Total equity		**350,978**	**362,977**	**333,764**	**351,514**

Long-term liabilities					
Long-term loans	15	295,163	292,582	51,333	61,934
Other financial liabilities	20	35,217	35,899	-	-
Liabilities from derivatives	16	2,320	3,418	378	539
Other provisions	18	4,511	3,979	899	856
Provision for staff indemnities	17	422	426	397	412
Grants	19	271,376	288,885	46,622	49,494
Deferred tax liabilities	28	3,790	2,554	-	-
Other long-term liabilities		-	1,964	-	-
Total long-term liabilities		**612,799**	**629,707**	**99,629**	**113,235**
Short-term liabilities					
Suppliers	21	25,352	27,596	17,760	21,101
Short-term loans	23	36,914	100,355	2,215	0
Long-term liabilities falling due in the next period	15	34,744	29,528	8,065	9,152
Long-term financial liabilities falling due in the next period	20	2,879	13,795	-	-
Liabilities according to IAS 11	13	3,060	3,324	5,131	5,251
Accrued and other short-term liabilities	22	19,498	12,387	14,118	21,618
Income tax payable		2,246	1,384	-	-
Total short-term liabilities		**124,693**	**188,369**	**47,289**	**57,122**
Total liabilities		**737,492**	**818,076**	**146,918**	**170,357**
TOTAL LIABILITIES AND EQUITY		**1,088,470**	**1,181,053**	**480,682**	**521,871**

The accompanying notes form an integral part of the financial statements

Note:
The items of the Statement of Comprehensive Income for the comparative period 01/01-31/12/2012 have been revised due to the amended IAS 19 “Employee Benefits” (see Note 17), which resulted in changes of the account “Other Income/(Expenses)” for the Group and the Company by an amount of € 4 thous. and € 3 thous. respectively, as well as in changes of the account “Actuarial income/losses from defined benefit plans” for the Group and the Company by an amount of € (81) thous. and € (80) thous. respectively.

TERNA ENERGY GROUP

STATEMENT OF COMPREHENSIVE INCOME

31 DECEMBER 2013

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

	Note	GROUP		COMPANY	
		1.1 – 31.12 2013	**1.1 – 31.12 2012 – Revised**	**1.1 – 31.12 2013**	**1.1 – 31.12 2012 - Revised**
Continued activities					
Turnover		139,595	124,020	75,479	76,503
Cost of sales	29	(91,175)	(75,153)	(60,876)	(58,305)
Gross profit		**48,420**	**48,867**	**14,603**	**18,198**
Administrative & distribution expenses	29	(12,831)	(13,741)	(7,211)	(7,029)
Research & development expenses	29	(2,489)	(2,459)	(2,413)	(2,246)
Other income/(expenses)	30	2,199	2,211	1,104	340
Operating results		**35,299**	**34,878**	**6,083**	**9,263**
Financial income/(expenses)	31	(25,404)	(15,484)	(4,451)	(2,633)
EARNINGS BEFORE TAX		**9,895**	**19,394**	**1,632**	**6,630**
Income tax expense	28	(5,540)	(4,963)	(1,288)	(1,650)
NET EARNINGS FOR THE PERIOD		**4,355**	**14,431**	**344**	**4,980**
Other income recognized directly in Equity from:					
Foreign exchange differences from incorporation of foreign units		(851)	(240)	-	-
Actuarial income/losses from defined benefit plans		34	(81)	32	(80)
Income/expenses from hedging of cash flows		2,956	(7,311)	160	(538)
Expenses of capital increase		(305)	(81)	(123)	(75)
Income tax recognized directly in Equity		48	670	119	123
Other income for the period net of income tax		**1,882**	**(7,043)**	**188**	**(570)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**6,237**	**7,388**	**532**	**4,410**

Net results attributed to:			
Shareholders of the parent from continued activities		4,101	14,220
Non-controlling interests from continued activities		254	211
		4,355	**14,431**
Total income attributed to:			
Shareholders of the parent from continued activities		5,983	7,177
Non-controlling interests from continued activities		254	211
		6,237	**7,388**
Earnings per share (in Euro)			
From continued activities attributed to shareholders of the parent	26	0.0376	0.1301
Average weighted number of shares			
Basic		108,991.933	109,314,400

The accompanying notes form an integral part of the financial statements

Note:
The items of the Statement of Comprehensive Income for the comparative period 01/01-31/12/2012 have been revised due to the amended IAS 19 “Employee Benefits” (see Note 17), which resulted in changes of the account “Other Income/(Expenses)” for the Group and the Company by an amount of € 4 thous. and € 3 thous. respectively, as well as in changes of the account “Actuarial income/losses from defined benefit plans” for the Group and the Company by an amount of € (81) thous. and € (80) thous. respectively.

TERNA ENERGY GROUP

STATEMENT OF CASH FLOWS

31 DECEMBER 2013

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

	GROUP		COMPANY	
	1.1 – 31.12 2013	**1.1 – 31.12 2012 – Revised**	**1.1 – 31.12 2013**	**1.1 – 31.12 2012 - Revised**
Cash flow from operating activities				
Earnings for the period before tax	9,895	19,394	1,632	6,630
Adjustments for the agreement of net flows from operating activities				
Depreciation	36,337	23,917	8,300	8,237
Provisions	6,700	192	2,462	124
Interest and related income	(3,180)	(4,384)	(4,020)	(4,906)
Interest and other financial expenses	28,584	19,868	8,471	7,539
Results from intangible and tangible assets and investment properties	138	-	138	-
Results from participations and securities	-	-	-	-
Amortization of grants	(8,726)	(4,840)	(2,722)	(1,309)
Foreign exchange differences	447	(941)	-	-
Operating profit before working capital changes	**70,195**	**53,206**	**14,261**	**16,315**
(Increase)/Decrease in:				
Inventories	(723)	(1,676)	(616)	(1,660)
Trade receivables	595	(26,621)	(1,578)	2,098
Prepayments and other short term receivables	(16,263)	31,792	(5,344)	360
Increase/(Decrease) in:				
Suppliers	(3,345)	(10,399)	(3,341)	(7,500)
Accruals and other short term liabilities	7,111	(10,473)	(7,787)	1,823
Other long-term receivables and liabilities	(7,768)	(376)	6	369
Income tax payments	(5,693)	(4,116)	(2,231)	(1,402)
Net cash inflow from operating activities	**44,109**	**31,337**	**(6,630)**	**10,403**
Cash flow from investment activities:				
Purchases/Sales of tangible and intangible assets	(35,959)	(220,248)	(1,088)	(4,602)
Collection of grants	91,067	30,458	14,305	10,435
Interest and related income received	2,579	4,803	2,646	3,703
Net change in provided loans	3,948	(880)	24,932	(54,230)
(Purchases) / sales of participations and securities	(1,901)	-	11,885	(36,274)
Increase of investments in associate company	-	-	-	-
Cash outflows for investment activities	**59,734**	**(185,867)**	**52,680**	**(80,968)**

Cash flows from financing activities				
Return of share capital	(9,375)	(4,763)	(9,375)	(4,763)
Decrease of share capital of subsidiary	-	-	-	-
Purchase of Treasury Shares	(8,902)	(2,130)	(8,902)	(2,130)
Net change of long term loans	5,549	102,360	(13,802)	(4,563)
Net change of short term loans	(57,361)	(3,164)	2,079	-
Dividends paid	-	(6,680)	-	(6,680)
Interest paid	(23,317)	(22,431)	(6,221)	(5,780)
Change in financial liabilities	(12,239)	50,588	-	-
Change of other financial assets	-	239	-	239
Cash outflows for financing activities	**(105,645)**	**114,019**	**(36,221)**	**(23,677)**
Effect of exchange rate changes on cash & cash equivalents	(346)	(503)	-	-
Net increase/(decrease) in cash	**(2,148)**	**(41,014)**	**9,829**	**(94,242)**
Cash & cash equivalents at the beginning of the period	126,778	167,792	27,556	121,798
Cash & cash equivalents at the end of the period	**124,630**	**126,778**	**37,385**	**27,556**

TERNA ENERGY S.A.
STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2013
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	**Share Premium**	**Reserves**	**Retained Earnings**	**Total**
1 January 2012	**32,800**	**282,006**	**4,048**	**42,267**	**361,121**
Total comprehensive income/(losses) for the period	-	(75)	(495)	4,980	**4,410**
Capitalization of Reserves	6,768	(6,768)	-	-	**-**
Return of Share Capital	(5,206)	-	-	-	**(5,206)**
Cancellation of Treasury Shares	(1,566)	(13,959)	15,525	-	**-**
Creation of reserves from retained earnings	-	-	5,465	(5,465)	**-**
Dividends	-	-	-	(6,680)	**(6,680)**
Purchase of Treasury Shares	-	-	(2,130)	-	**(2,130)**
Transfers – Other movements	-	-	(638)	637	**(1)**
31 December 2012 – Revised	**32,796**	**261,204**	**21,775**	**35,739**	**351,514**
1 January 2013	**32,796**	**261,204**	**21,775**	**35,739**	**351,514**
Total comprehensive income/(losses) for the period	-	(123)	311	344	**532**
Issue of share capital	11,100	(11,100)	-	-	**-**
Return of Share Capital	(9,839)	-	459	-	**(9,380)**
Cancellation of Treasury Shares	(1,263)	(11,255)	12,518	-	**-**
Creation of reserves from retained earnings	-	-	1,724	(1,724)	**-**
Purchase of Treasury Shares	-	-	(8,902)	-	**(8,902)**
Transfers – Other movements	-	-	-	-	**-**
31 December 2013	**32,794**	**238,726**	**27,885**	**34,359**	**333,764**

TERNA ENERGY S.A.

STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2013

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

	Share Capital	Share Premium	Reserves	Retained Earnings	Sub-total	Non-controlling interests	Total
1 January 2012	**32.800**	**281.874**	**6.001**	**46.815**	**367.490**	**2.119**	**369.609**
Total comprehensive income/(losses) for the period	-	(81)	(6,962)	14,220	**7,177**	211	**7,388**
Capitalization of Reserves	6,768	(6,768)	-	-	**-**	-	**-**
Return of Share Capital	(5,206)	-	-	-	**(5,206)**	-	**(5,206)**
Cancellation of Treasury Shares	(1,566)	(13,958)	15,524	-	**-**	-	**-**
Purchase of Treasury Shares	-	-	(2,130)	-	**(2,130)**	-	**(2,130)**
Dividends	-	-	-	(6,680)	**(6,680)**	-	**(6,680)**
Transfers – Other movements	-	-	6,857	(6,860)	**(3)**	(1)	**(4)**
31 December 2012 - Revised	**32,796**	**261,067**	**19,290**	**47,495**	**360,648**	**2,329**	**362,977**
1 January 2013	**32,796**	**261,067**	**19,290**	**47,495**	**360,648**	**2,329**	**362,977**
Total comprehensive income/(losses) for the period	-	(305)	2,187	4,101	**5,983**	254	**6,237**
Issue of share capital	11,100	(11,100)	-	-	**-**	52	**52**
Taxation of reserves	-	-	7,329	(7,329)	**-**	-	**-**
Return of Share Capital	(9,839)	-	459	-	**(9,380)**	-	**(9,380)**
Cancellation of Treasury Shares	(1,263)	(11,255)	12,518	-	-	-	**-**
Purchase of Treasury Shares	-	-	(8,902)	-	**(8,902)**	-	**(8,902)**
Transfers – Other movements	-	-	-	(5)	**(5)**	(1)	**(6)**
31 December 2013	**32,794**	**238,407**	**32,881**	**44,262**	**348,344**	**2,634**	**350,978**

1 ESTABLISHMENT & ACTIVITY OF THE COMPANY

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

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

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

The Company is listed on Athens Exchange. The parent company of TERNA ENERGY, which is also listed on Athens Exchange, is GEK TERNA SA and which on 31/12/2013 owned 45.9082% of the company's share capital.

2 BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements

The accompanying separate and consolidated financial statements have been prepared according to the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and the Interpretations issued by the Standard Interpretations Committee and which have been adopted by the European Union.

b) Statutory Financial Statements

Until the 31st of December 2004 TERNA ENERGY SA and its Greek subsidiaries kept their accounting books and prepared financial statements according to the provisions of L. 2190/1920 and the tax legislation in effect. From January 1st, 2005 they are obliged, according to the legislation in effect, to prepare their Statutory Financial Statements according to the IFRS that have been adopted by the European Union.

The Company and the Greek companies of the Group continue to keep their accounting books in accordance with the provisions of the tax laws, as they have the right to do so. Off balance sheet adjustments are then made in order to prepare the accompanying financial statements in accordance with the IFRS.

c) New Standards, Interpretations and Amendments

The accounting principles applied for the preparation of the financial statements are the same with those applied for the preparation of the annual financial statements of the Company and the Group as of 31 December 2012, apart from the adoption of new accounting standards. The Group has fully adopted all IFRS and interpretations which up to the preparation date of the financial statements had been endorsed by the European Union and whose application was mandatory, according to the International Accounting Standards Board (IASB), for the financial period that ended on 31 December 2013.

New Standards, Interpretations, Revisions and Amendments to existing Standards that are in effect and have been endorsed by the European Union

The following amendments and Interpretations of IFRS were issued by the International Accounting Standards Board (IASB) and their application is mandatory from 01.01.2013 or after. The most important Standards and Interpretations are described as follows:

– **Amendments to IAS 1 "Presentation of Financial Statements" – Presentation of items of other comprehensive income**

In June 2011, the IASB issued amendments to IAS 1 "Presentation of Financial Statements". These amendments refer to the manner in which items of other comprehensive income are presented. The amendments have no effect on the consolidated Financial Statements.

– **IFRS 13 "Fair Value Measurement"**

In May 2011 the IASB issued IFRS 13 "Fair Value Measurement". IFRS 13 provides the definition of fair value and presents in a single standard the context in relation to the definition of fair value and the disclosure requirements for the measurement of fair value. IFRS 13 is applied in the case where other IFRS require or allow the measurement of items at fair value. IFRS 13 does not introduce new requirements in relation to the definition of fair value of an asset or liability. Also, it does not change what other Standards define as regards to which items are measured at fair value and it does not refer to the presentation of fair value changes in the Financial Statements. The standard has no effect on the consolidated Financial Statements.

– **Revision of IAS 19 "Employee Benefits"**

In June 2011, the IASB issued the revised standard IAS 19 "Employee Benefits". This revision aims at improving issues relating to recognition and disclosure requirements on defined benefit plans. The revised standard eliminates the corridor approach and therefore the option to postpone the recognition of actuarial profit or losses while at the same time it requires that adjustments of the net liability (receivable) including actuarial profit and losses that resulted during the reporting period, are recognized in the statement of comprehensive income. Based on the revised standard, the Group/Company revised the comparative period according to the specified transitional provisions of IAS 19 and according to IAS 8 "Accounting policies, changes in accounting estimations and errors". The revision will affect the consolidated financial statements from the difference of recognition of the actuarial profits/(losses).

– **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"**

In October 2011, the IASB issued IFRIC 20. The Interpretation clarifies when the mining production must lead to the recognition of an asset and how the asset must be measured both during initial recognition and in subsequent periods. This Interpretation does not apply to the Group's activities.

– **Amendments to IFRS 7 "Disclosures" – Offsetting financial assets and financial liabilities**

In December 2011, the IASB published new requirements for disclosures that allow users of Financial Statements to perform better comparisons between financial statements that are published based on IFRS and those that are published based on the US GAAP. The amendments have no effect on the consolidated Financial Statements.

– **Amendment to IFRS 1 "First Implementation of International Financial Reporting Standards" – Government loans**

In March 2012, the IASB issued an amendment to IFRS 1 according to which those that adopt IFRS for the first time and have received government loans with a preferential interest rate, have the option not to retrospectively apply IFRS in the presentation of such loans during the transition. The amendment has no effect on the consolidated Financial Statements.

– **Annual Improvements of Standards Cycle 2009 - 2011**

In May 2012 the IASB proceeded with issuing the "Annual Improvements to the International Financial Reporting Standards Cycle 2009-2011", which includes a series of adjustments to 5 Standards and is part of the plan for the annual improvements to Standards. The amendments were implemented in the standards IFRS 1, IAS 1, IAS 16, IAS32 and IAS 34. The amendments are not particularly important and do not have a substantial effect on the Group's Financial Statements.

New Standards, Interpretations, Revisions and Amendments to existing Standards that are not in effect or have not been endorsed by the European Union

The following new Standards and Amendments of Standards, as well as the following Interpretations for existing Standards, have been published but neither are in effect nor have been endorsed by the European Union. Specifically:

– **IFRS 9 "Financial Instruments" (applied for annual periods beginning on or after 01/01/2015)**

On 12/11/2009 the IASB issued a new Standard, the revised IFRS 9 "Financial Instruments" which will gradually replace IAS 39 "Financial Instruments: Recognition and Measurement". It is noted that in October 2010 the IASB issued additions regarding the financial liabilities that the entity has selected to measure at fair value. According to IFRS 9, all financial assets are measured initially at fair value plus specific transaction costs.

Financial assets are subsequently measured either at amortized cost or fair value and depending on the company's business model in relation to the management of the financial assets and contractual cash flows of the relevant item. IFRS 9 does not allow reclassifications, apart from the cases where the company's business model changes and in such a case the entity must reclassify the affected financial instruments in the future. According to the principles of IFRS 9, all investments in equity instruments must be measured at fair value. However, Management has the option to present realized and unrealized profit and losses from fair value of equity instruments not held for trading purposes in other comprehensive income. In November 2013 the IASB proceeded to amendments of the Standard. A chapter was added that majorly reviews hedge accounting and implements a new model that improves the correlation of accounting with risk management, while there are introduced improvements in the disclosures regarding hedge accounting and risk management. Through this amendment, improvements with respect to disclosures relating to changes in the fair value of a company debt, as included in the standard, are readily available. Finally, the IASB decided to defer the implementation of the Standard (annual periods beginning on or after 01.01.2015), as the processes are not completed yet and no adequate time could be given to companies in order to prepare themselves. However, companies are allowed to decide on the immediate application of the Standard. The Group's Management intends on applying the requirements of IFRS 9 in advance, as soon as the Standard is approved by the European Union. The present Standard has not been endorsed by the European Union.

– **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (applied for annual periods beginning on or after 01/01/2014)**

In May 2011 the IASB issued three new Standards and specifically IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" includes a consolidation model that defines control as the basis for the consolidation of all types of entities. IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". IFRS 11 "Joint Arrangements" defines the principles regarding the financial information of members that participate in a joint arrangement. IFRS 11 replaces IAS 31 "Participations in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 "Disclosures of Interests in other Entities" combines, enhances and replaces the disclosure requirements for subsidiaries, jointly controlled companies, associates and non-consolidated entities. As a result of the above new Standards, the IASB also issued the amended IAS 27 under the title IAS 27 "Separate Financial Statements" and the amended IAS 28 under the title IAS 28 "Investments in Associates and Joint Ventures". The new Standards are effective for annual periods beginning on or after 1 January 2014, while prior application is permitted. The Group will assess the effect of the above on the consolidated Financial Statements. The above Standards were endorsed by the European Union in December 2012.

– **Transition Guidance: Consolidated Financial Statements, Joint Arrangements, Disclosures of Interests in other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) (applied for annual periods beginning on or after 01/01/2013)**

In June 2012, the IASB proceeded with issuing the above guidance which provides clarifications regarding the transition provisions of IFRS 10. The amendments also provide additional facilitations during the transition to IFRS 10, IFRS 11 and IFRS 12 by reducing the requirements for providing adjusted comparative information only during the previous comparative period. Also, as regards to the disclosures for non-consolidated companies, the amendments remove the requirement to present comparative information for periods prior to the first application of IFRS 12. The amendments are effective for annual periods beginning on or after 1 January 2013, but essentially will be applied from the introduction date of the relevant standards, meaning from 1 January 2014. The Group will assess the effect of the above on the consolidated Financial Statements. The present amendments have been endorsed by the European Union in April 2013.

– **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (applied for annual periods beginning on or after 01/01/2014)**

In October 2012, the IASB issued amendments to IFRS 10, IFRS 11 and IAS 27. The amendments apply to the category of “investment entities”. The IASB uses the term “Investment Entities” to refer to entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Investment entities must evaluate the performance of their investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. It is defined, as an exception to the requirements of IFRS 10 regarding consolidation, that investment entities will measure specific subsidiaries at fair value through profit and loss and will not consolidate such, by providing the necessary disclosures. The amendments apply for annual periods beginning on or after 01/01/2014, while prior application is permitted. The Group will assess the effect of the above on the consolidated Financial Statements. The present amendments have been endorsed by the European Union in November 2013.

- **Amendments to IAS 32 "Financial Instruments: Presentation" - Offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 01/01/2014).**

In December 2011, the IASB proceeded to the issuance of amendments to IAS 32 "Financial Instruments: Presentation" in order to provide clarifications on the requirements of the Standard with respect to offsetting cases. The amendments are effective for annual periods beginning on or after the 1st of January 2014, allowing for earlier application. The Group will examine the effect of the abovementioned on its consolidated Financial Statements. This amendment was adopted by the European Union in December 2012.

– **Amendments to IAS 36 " Impairment of Assets ' - Disclosures for the Recoverable Amount of Non-Financial Assets (effective for annual periods beginning on or after 01/01/2014)**

In May 2013, the IASB proceeded with the issuance of an amendment of limited scope of IAS 36 "Impairment of Assets". The present amendment specifies the disclosures that should be made regarding the recoverable amount of an asset that has been impaired, if this amount is based on fair value less the costs of selling. Earlier application is permitted, provided that the company has already applied IFRS 13 "Fair Value Measurement ". The amendment is effective for annual periods beginning on or after the 1st of January 2014, allowing for earlier application.

The Group will examine the effect of the above mentioned consolidated Financial Statements. This amendment was adopted by the European Union in December 2013.

– **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" - Replacing derivatives and inhibition of hedge accounting (effective for annual periods beginning on or after 01/01/2014)**

In June 2013, the IASB proceeded with the issuance of amendments of limited scope of IAS 39 "Financial Instruments: Recognition and Measurement". The objective of the proposed amendments is the introduction of an exemption of limited scope, with respect to the inhibition of hedge accounting in accordance with the principles of IAS 39. Specifically, if certain conditions are met, an exception is proposed if the counterparty of a derivative, which has been designated as a hedging instrument, is replaced by a prime contractor, as a result of changes in laws or regulations. Relevant exception will be included in IFRS 9 "Financial Instruments ". The amendments are effective for annual periods beginning on or after the 1st of January 2014, allowing for earlier application. The Group will examine the effect of the abovementioned on the consolidated Financial Statements. The present amendment was adopted by the European Union in December 2013.

– **IFRIC 21 "Levies" (effective for annual periods beginning on or after 01/01/2014)**

In May 2013, the IASB proceeded to the issuance of IFRIC 21. The interpretation clarifies when an entity should recognize the obligation to pay the levy imposed by the State, in its Financial Statements. IFRIC 21 is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets ". IAS 37 sets out the criteria for the recognition of a liability, one of which is the present obligation resulting from a past event, known as obligating event. The interpretation states that the obligating event that creates an obligation for the payment of the levy is the action described in the relevant legislation that results to the payment of the levy. This interpretation is effective for annual periods beginning on or after the 1st of January 2014, allowing for earlier application. The Group will examine the effect of the abovementioned consolidated Financial Statements. The present interpretation has not been adopted by the European Union.

– **Amendment to IAS 19 "Employee Benefits " - Defined Benefit Programme: Employee contributions (effective from 01/07/2014)**

In November 2013, the IASB proceeded to the issuance of an amendment of limited objective of IAS 19 "Employee Benefits". The present amendment applies to contributions made by employees or third parties with respect to defined benefit plans. The purpose of this amendment is to reduce the complexity of the accounting treatment of those contributions that are independent of the employee's years of service, such as the contributions calculated as a fixed percentage of payroll. The amendment is effective from the 1st of July 2014, allowing for earlier application. The Group will examine the effect of the abovementioned on the consolidated Financial Statements. This amendment has not been adopted by the European Union.

– **Annual Improvements (2010 - 2012 & 2011 - 2013 Cycles) (effective from 01/07/2014)**

In December 2013, the IASB proceeded with the issuance of «Annual Improvements to International Financial Reporting Standards (2010-2012 & 2011-2013 Cycles)". Circle 2010-2012 includes improvements to the standards IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38, while Circle 2011 to 2013 includes improvements relating to Standards IFRS 1, IFRS 3, IFRS 13 and IAS 40. Improvements of standards are effective from the 1st of July 2014, allowing for earlier application. The Group will examine the effect of the abovementioned on the consolidated Financial Statements. This amendment has not been adopted by the European Union.

– **IFRS 14 "Regulatory Deferral Accounts" (effective from 01.01.2016)**

In January 2014, the IASB proceeded to the issuance of the Standard «Regulatory Deferral Accounts". The purpose of this Standard is to achieve comparability of financial reporting between companies involved in a price determination status through a regulatory context (rate-regulated activities). The adjustable determination of prices can significantly affect the value and timing of recognition of company revenue. The application of this Standard is not permitted to companies that already apply IFRS. The Standard is effective from the 1st of January 2016, allowing for earlier application. This amendment has not been adopted by the European Union.

d) Approval of Financial Statements

The accompanying annual consolidated financial statements were approved by the Board of Directors of the Parent Company on March 20th 2014.

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 financial year and a provision for additional taxes that may occur from tax audits. The final settlement of income tax may differ from the relevant amounts recognized in the financial statements.

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

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

e) Impairment of assets and recovery: The Group performs evaluation of the technological, institutional and financial developments by examining indications of impairment of all assets (fixed, trade and other receivables, financial assets etc.) as well as their recovery. Also, the installation licenses of wind parks that have not been set in operation are subject to an annual impairment review. The establishment of possible impairment requires, among others, estimation of the value in use, which is estimated using the discounted cash flow method. During the application of this method, the Group relies on a series of factors, which include future operating results as well as market data. The estimation of future operating results is based on efficiency estimations of the wind parks according to wind statistical data and historical data on comparable units.

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

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

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

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

j) Financial Liabilities: The Group has issued financial securities, in the context of a tax equity investment program (note 19), the payments of which depend on the future returns on specific Group investments. This financial liability is measured at amortized cost with the effective interest rate method. The calculation of the effective interest rate is based on management's estimations regarding the future cash flows of the specific investments for the entire expected duration of such.

k) Reviewing of contracts incorporating lease elements: In the context of energy selling contracts, that the Group enters into, with an electricity supply company, it undertakes to sell all of the electricity produced by a particular installation. Pursuant to the requirements of IFRIC 4 "Determining whether a contract contains a lease", the Group reviews the electricity selling contracts in order to assess whether they contain elements of lease, so as to recognize the relevant receipts in accordance with IAS 17 "Leases". It is deemed that lease elements are included in a contract when the entire production of a particular wind park is sold to the provider and the contract price is neither constant nor represents the current market price at the time of production. The estimated lease revenue, which is recognized according to the direct method, depends on the future production of the park according to its capacity and the wind measurements.

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

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

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

b) Investments in Associates

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

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

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

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

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

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

(i) Investments available for sale

Financial assets (non-derivative) that cannot be classified in any of the above categories are designated and classified as investment available for sale. After the initial recognition, available for sale investments are registered in other comprehensive income. Upon sale or write-off or impairment of the investment the accumulated gains or losses are included in the profit or loss.

(ii) Receivables and loans

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

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

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

(iv) Investments held to maturity

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

The current value of such investments that are traded in an organized exchange is derived by the exchange value of the investment at the closing date. As regards investments that are not traded in an active market, their fair value is calculated on the basis of relevant valuation techniques.

These techniques are based on recent arm's-length investment transactions, with reference to the exchange value of another investment with characteristics similar to the investment valued, discounted cash-flow analysis and investment valuation models.

d) Financial Instruments and Risk Management

Non-derivative financial assets and liabilities in the balance sheet include cash balances, receivables, participations bank loans and other short and long-term liabilities. The 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 mainly denominated in euro and are subject to variable and fixed interest rates. As regards to interest rate risk, the Company uses derivative instruments in order to reduce its exposure to interest rate risk, while it uses natural hedging methods to hedge exchange rate risk in countries it operates in, by borrowing partly in local currency thus hedging the exchange rate risk of its receivables. The Management of the Company follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

- ***Fair Value***

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

- ***Credit Risk Concentration***

A substantial part of trade receivables in general relate to agencies and entities of the Public sector with which there is no significant credit risk, apart from contingent payment delays. Furthermore, the total income from the energy sector is derived from two Public sector companies.

The Group's policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within an amicable settlement context.

- ***Market Risk***

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

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

The euro is the currency of operation and presentation of the Group and its Greek subsidiaries. Transactions in other currencies are converted into euro using the exchange rates in effect at the date of the transaction. At the date of compilation of the financial statements the monetary asset and liability items that are denominated in other currencies are adjusted so as to reflect the current exchange rates.
The profits and losses resulting from the end-of-year valuation of monetary items in foreign currencies are reflected in the attached consolidated income statement. The profits or losses resulting from transactions are also reflected in the consolidated income statement.

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

f) Intangible Assets

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

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

g) Income recognition

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

(i) Income from construction activities

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

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

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

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

(ii) Sale of goods

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

(iii) Revenue from the sale of Electric Energy

Revenue from the sale of Electric Energy is accounted for in the year in which it accrues. Revenue from sales of electric energy to LAGIE or any other customer that have not yet been invoiced is recognized as accrued non-invoiced income in the financial statements. Furthermore, the expected receipts from energy production, in the context of energy selling contracts, which according to IFRIC 4 contain lease elements, are recognized as revenues, proportionately, over the term of the contract and to the extent that these receipts relate to the lease contract. An energy selling contract is deemed to involve lease elements when it concerns to the total of energy produced by a particular installation of the Group and the price per unit of energy is neither constant throughout the duration of the contract, nor represents the market price at the date of production.

(iv) Rent Revenue

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

(v) Dividends

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

(vi) Interest

Interest income is recognized on an accruals basis.

h) Tangible Fixed Assets

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

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

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

Fixed assets under construction include fixed assets that are work in progress and are recorded at their cost, as well as advances for asset acquisitions. Fixed assets under construction are not depreciated until the asset is completed and put into operation.

i) Depreciation

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

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

j) Impairment of the Value of Fixed Assets

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

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

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

k) Investment property

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

l) Inventories

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

The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, labor costs, general industrial expenses and other costs that directly relate to the purchase of materials.

The net realizable value of finished products is their estimated selling price during the Group's normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale. The net realizable value of raw materials is their estimated replacement cost during the normal course of business. A provision for impairment is made if it is deemed necessary.

m) Receivables Accounts

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

n) Cash and Cash Equivalents

The Group considers time deposits and other highly liquid investments with a maturity less than three months, as cash and cash equivalents, as well as time deposits with a maturity over three months, which however include the right for early liquidation with no loss of capital.

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

o) Loan liabilities

All long-term and short-term loan liabilities are initially booked at cost, which is the actual value of the received payment less the issuance expenses related to the loan. After the initial recording, interest-bearing loans, except for loans classified as financial liabilities at fair value through the results, are valued at amortized cost using the effective interest rate method. The amortized cost is calculated after taking into account the issuance expenses and the differences between the initial amount and the amount at maturity. Profits and losses are registered in the net profit or loss when the liabilities are written off or impaired and through the amortization procedure.

In case of a subsequent substantial amendment in the terms of an existing loan contract, the Group writes-off the existing liability, recognizes the new loan liability at fair value and the difference is registered in the results. In contrast, in case of a non-substantial amendment of the terms of the contract, the loan continues to be recognized at its amortized cost, until that time, and the Group re-defines the effective interest rate, in order for the amortized cost to equal the present value of the new amended cash flows of the loan. An amendment of loan terms is considered as non-substantial when the present value of cash flows of the new contract discounted with the initial effective interest rate, does not exceed 10% of the present value of the cash flows of the old loan contract.

The interest on loans is recognized as an expense in the period such arise according to the accrual principle, apart for loan interest that is allocated directly or indirectly to the acquisition or construction of selective tangible assets, which are capitalized during the period that is required to construct the assets and until such are ready for use.

The Group classifies loans with embedded derivatives, whose financial characteristics are not linked closely with the loan agreement, as financial liabilities at fair value through the results during their initial recognition.
The Group classifies financial titles it issues in liabilities or equity, depending on the objective of the agreement, regardless of the legal form (shares, preferential shares, bonds etc.). When the group does not have a contractual right to avoid payments to holders of such financial titles, then such titles are classified in liabilities.

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 (a) 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 and the cost of prior service (b) the statement of comprehensive income which includes 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 and until 31/12/2012, the Group, applying the general provisions of IAS 19, followed the “margin” method for the recognition of accumulated actuarial losses/profits.

Actuarial profits and losses were registered as income or expenses when the accumulated actuarial profit or losses for each program separately exceeded 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 were systematically recorded during the expected average remaining working life of employees participating in the plans.

Since the fiscal year 2013, the Group has adopted the revised IAS 19, according to which, the "margin" method is removed and the effect resulting from recalculations in the current year is required to be recognized as other comprehensive income. It also alters the measurement and presentation of specific cost elements of defined benefits. The net amount in the results is affected by subtracting the expected income on the plan’s assets and the cost of interest and their replacement with a net cost of interest based on the net asset or net liability of the defined benefit plan. It encourages disclosures, including more information regarding the characteristics of defined benefit plans and the risks involved.

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)

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

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

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

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

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

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

s) Finance and Operating Leases

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

t) Government Grants

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

u) Provisions, Contingent Liabilities and Contingent Receivables

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

v) Provision for wind park dismantlement and rehabilitation of environment

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

The relevant provision is recorded increasingly of the cost value of wind power generators and is depreciated based on the straight line during a 20-year period in which the contract for the production of energy lasts. The depreciation-expense of the capitalized expenses for dismantlement and rehabilitation is included in the income statements together with the depreciations of wind parks.

Any changes of estimations regarding the estimated cost or the discount rate are added or deducted respectively from the cost of the asset. The discounting effect of estimated cost is recorded in income statements as interest expense.

w) Earnings per Share

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

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

x) Acquisition of non-controlling interests

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

y) Derivative Financial Instruments and Hedge Accounting

The Group uses derivative financial instruments when applying the hedging policy for cash flow risk emanating from changes in interest rates.

For the purpose of hedge accounting, hedges are classified when:

(a) During the opening of the hedging, the hedging relation and the Group's objective in relation to its risk management and strategy to undertake the hedging can be evidenced.
(b) The hedging is expected to be fully effective as regards to offsetting changes in cash flows that are attributed to the hedged risk, according to the evidenced risk management strategy for the specific hedge.
(c) As regards to hedges of estimated cash flows, the expected transaction with is the underlying of the hedge is highly probably and presents exposure to cash flow risk that may affect the results.
(d) The effectiveness of the hedge is estimated reliably.
(e) The hedge is assessed as fully effective throughout the entire year.

Derivatives that constitute hedging instruments are valued at the end of each reporting period.

Derivatives that do not meet the criteria for hedge accounting, profit or losses that arise from changes in fair value of such are recognized in the period's profit or loss.

Cash Flow Hedge Accounting

For cash flow hedges that meet the criteria for hedge accounting, the proportion of profit or loss from the derivative that is defined as an active hedge, are registered directly in reserves and the proportion defined as inactive hedge is registered in profit and loss. Profit or losses that had been recognized in other comprehensive income and cumulatively in the reserves, are transferred to Profit and Loss in the same period during which the hedge transaction affected the results.
Hedge accounting is suspended when the hedging instrument matures or is sold, terminated or exercised or when the hedge no longer meets the criteria for hedge accounting. The cumulative amount of profit or losses that had been recognized directly in equity until then remains in the reserves until the hedged item affects Profit and Loss. In case where a hedge transaction is no longer expected to take place, the net cumulative profit or losses that had been registered in reserves are directly transferred to Profit or Loss.

(All amounts in thousand Euro, unless stated otherwise)

4 GROUP STRUCTURE

The participations in subsidiaries, associates and joint ventures on 31.12.2013 are as follows:

A) Subsidiaries of TERNA ENERGY SA

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

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

	Participation Percentage			
Company Name	**31/12/2013**	**31/12/2012**	**Business Activity**	**Un-audited financial years**
1. IWECO CHONOS LASITHIOU CRETE SA	100%	100%	Production of Electric Energy from RES	4
2. ENERGIAKI SERVOUNIOU SA	100%	100%	Production of Electric Energy from RES	4
3. TERNA ENERGY EVROU SA	100%	100%	Production of Electric Energy from RES	4
4. PPC RENEWABLES – TERNA ENERGY S.A.	51%	51%	Production of Electric Energy from RES	4
5. AIOLIKI PANORAMATOS S.A.	100%	100%	Production of Electric Energy from RES	4
6. AIOLIKI RACHOULAS DERVENOCHORION S.A.	100%	100%	Production of Electric Energy from RES	4
7. ENERGEIAKI DERVENOHORION S.A.	100%	100%	Production of Electric Energy from RES	4
8. AIOLIKI MALEA LAKONIAS S.A.	100%	100%	Production of Electric Energy from RES	4
9. ENERGEIAKI FERRON EVROU S.A	100%	100%	Production of Electric Energy from RES	3
10. AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	100%	100%	Production of Electric Energy from RES	3
11. ENERGEIAKI PELOPONNISOU S.A.	100%	100%	Production of Electric Energy from RES	4
12. ENERGEIAKI NEAPOLEOS LAKONIAS S.A.	100%	100%	Production of Electric Energy from RES	4
13. AIOLIKI ILIOKASTROU S.A.	100%	100%	Production of Electric Energy from RES	4
14. EUROWIND S.A.	100%	100%	Production of Electric Energy from RES	4
15. ENERGIAKI XIROVOUNIOU S.A.	100%	100%	Production of Electric Energy from RES	3
16. DELTA AXIOU ENERGEIAKI S.A.	51%	51%	Production of Electric Energy from RES	3
17. TERNA ENERGY THAASSIA WIND PARKS S.A.	77%	77%	Production of Electric Energy from RES	3

(All amounts in thousand Euro, unless stated otherwise)

18. TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	77%	77%	Production of Electric Energy from RES	4
19. TERNA ENERGY WIND PARKS PYRGAKI MAKRYRACHI KALLIEON S.A.	-	77%	Production of Electric Energy from RES	3
20. TERNA ENERGY WIND PARKS SOTIRA - ANALIPSI - DRAGONERA XYLOKASTROU S.A.	-	77%	Production of Electric Energy from RES	3
21. TERNA ENERGY WIND PARKS PROFITIS ILIAS - POULAGEZA SOLYGEIAS S.A.	-	77%	Production of Electric Energy from RES	3
22. TERNA ENERGY WIND PARKS TSOUMANOLAKKA - PYRGOS KALLIOEN & YPATIS S.A.	-	77%	Production of Electric Energy from RES	3
23. TERNA ENERGY WIND PARKS DENTROULI MUNICIPALITY DOMNISTAS S.A.	-	77%	Production of Electric Energy from RES	2
24. TERNA ENERGY WIND PARKS OROPEDIO EYROSTINIS - D. EYROSTINIS CORINTH PREFECTURE S.A.	-	77%	Production of Electric Energy from RES	2
25. TERNA ENERGY WIND PARKS KALIAKOUDAS - D. POTAMIAS EYRYTANIA S.A.	-	77%	Production of Electric Energy from RES	2
26. TERNA ENERGY WIND PARKS CHELIDONAS - D. POTAMIAS EYRYTANIAS S.A.	-	77%	Production of Electric Energy from RES	2
27. TERNA ENERGY HYDROELECTRIC MYIS SARANTAPOROU S.A.	-	77%	Production of Electric Energy from RES	3
28. TERNA ENERGY HYDROELECTRIC MYIS LEPTOMAKARIAS S.A.	-	77%	Production of Electric Energy from RES	2
29. TERNA ENERGY HYDROELECTRIC MYIS ARKOUDORREMA S.A.	-	77%	Production of Electric Energy from RES	2
30. VATHYCHORI PERIVALLONTIKI S.A.	100%	100%	Production of Electric Energy from RES	4
31. VATHYCHORI ENA PHOTOVOLTAIC S.A.	100%	100%	Production of Electric Energy from RES	3
32. CHRYSOUPOLI ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	3
33. LAGADAS ENERGEIAKI S.A.	80%	80%	Production of Electric Energy from RES	3
34. DOMOKOS ENERGEIAKI S.A.	80%	80%	Production of Electric Energy from RES	3
35. DIRFYS ENERGEIAKI S.A.	51%	51%	Production of Electric Energy from RES	2
36. FILOTAS ENERGEIAKI S.A.	90%	90%	Production of Electric Energy from RES	2
37. MALESINA ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	2
38. ORHOMENOS ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	2
39. ALISTRATI ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	2

(All amounts in thousand Euro, unless stated otherwise)

40. TERNA ENERGY AI-GIORIS S.A.	100%	100%	Production of Electric Energy from RES	2
41. TERNA AIOLIKI AMARYNTHOU S.A.	100%	100%	Production of Electric Energy from RES	2
42. TERNA AIOLIKI AITOLOAKARNANIAS S.A.	100%	100%	Production of Electric Energy from RES	2
43. TERNA ILIAKI VIOTIAS S.A.	100%	100%	Production of Electric Energy from RES	2
44. VATHYCHORI DYO ENERGIAKI S.A.	100%	100%	Production of Electric Energy from RES	2
45. TERNA AIOLIKI XIROVOUNIOU S.A.	100%	100%	Production of Electric Energy from RES	2
46. TERNA ILIAKI ILIOKASTROU S.A.	100%	100%	Production of Electric Energy from RES	2
47.TERNA ILIAKI PANORAMATOS S.A.	100%	100%	Production of Electric Energy from RES	2
48. AIOLIKI KARYSTIAS EVIAS S.A.	100%	100%	Production of Electric Energy from RES	7
49. GEOTHERMAL ENERGY DEVELOPMENT S.A.	100%	100%	Production of Electric Energy from RES	2
50. TERNA ILIAKI PELOPONNISOU S.A.	100%	100%	Production of Electric Energy from RES	2
51. GP ENERGY LTD	100%	100%	Trade of Electric Energy	9
52. EOL TECHNICS CONSULT SRL	-	100%	Production of Electric Energy from RES	5
53.TERNA ENERGY OVERSEAS LTD	100%	100%	Production of Electric Energy from RES	5
54. EOLOS POLSKA sp.z.o.o.	100%	100%	Production of Electric Energy from RES	3
55. EOLOS NOWOGRODZEC sp.z.o.o.	100%	100%	Production of Electric Energy from RES	3
56. TERNA ENERGY NETHERLANDS BV	100%	100%	Production of Electric Energy from RES	5
57. HAOS INVEST 1 EAD	100%	100%	Production of Electric Energy from RES	3
58. VALE PLUS LTD	100%	100%	Trade of Electric Energy equipment	4
59. GALLETTE LTD	100%	100%	Holdings	5
60.ECO ENERGY DOBRICH 2 EOOD	100%	100%	Production of Electric Energy from RES	3
61.ECO ENERGY DOBRICH 3 EOOD	100%	100%	Production of Electric Energy from RES	3
62.ECO ENERGY DOBRICH 4 EOOD	100%	100%	Production of Electric Energy from RES	3
63. COLD SPRINGS WINDFARM LLC	100%	100%	Production of Electric Energy from RES	3
64.DESERT MEADOW WINDFARM LLC	100%	100%	Production of Electric Energy from RES	3
65.HAMMETTHILL WINDFARM LLC	100%	100%	Production of Electric Energy from RES	3
66. MAINLINE WINDFARM LLC	100%	100%	Production of Electric Energy from RES	3
67. RYEGRASS WINDFARM, LLC	100%	100%	Production of Electric Energy from RES	3
68. TWO PONDS WINDFARM, LLC	100%	100%	Production of Electric Energy from RES	3
69. MOUNTAIN AIR WIND, LLC	100%	100%	Production of Electric Energy from RES	3

(All amounts in thousand Euro, unless stated otherwise)

70. TERNA ENERGY USA HOLDING CORPORATION	100%	100%	Holdings	3
71. TERNA ENERGY TRANSATLANTIC sp.z.o.o.	100%	100%	Holdings	3
72. EOLOS NORTH sp.z.o.o.	100%	100%	Production of Electric Energy from RES	2
73. EOLOS EAST sp.z.o.o.	100%	100%	Production of Electric Energy from RES	2
74. AIOLIKI PASTRA ATTIKIS SA	100%	100%	Production of Electric Energy from RES	7
75. AIOLOS LUX S.A.R.L	-	100%	Holdings	3

During the year 2103, the company TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A. proceeded into the absorption of the companies TERNA ENERGY WIND PARKS PYRGAKI MAKRYRACHI KALLIEON S.A., TERNA ENERGY WIND PARKS SOTIRA - ANALIPSI - DRAGONERA XYLOKASTROU S.A., TERNA ENERGY WIND PARKS PROFITIS ILIAS - POULAGEZA SOLYGEIAS S.A., TERNA ENERGY WIND PARKS TSOUMANOLAKKA - PYRGOS KALLIOEN & YPATIS S.A., TERNA ENERGY WIND PARKS DENTROULI MUNICIPALITY DOMNISTAS S.A., TERNA ENERGY WIND PARKS OROPEDIO EYROSTINIS - D. EYROSTINIS CORINTH PREFECTURE S.A., TERNA ENERGY WIND PARKS CHELIDONAS - D. POTAMIAS EYRYTANIAS S.A., TERNA ENERGY HYDROELECTRIC MYIS SARANTAPOROU S.A., TERNA ENERGY HYDROELECTRIC MYIS LEPTOMAKARIAS S.A., and TERNA ENERGY HYDROELECTRIC MYIS ARKOUDORREMA S.A.. In addition, during the year 2013, the companies EOL TECHNICS CONSULT SRL & AIOLOS LUX S.A.R.L. were resolved and liquidated.

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

Participation Percentage				
Company Name	**31/12/2013**	**31/12/2012**	**Activity**	**Un-audited Financial Years**
1. TERNA ENERGY SA & SIA AIOLIKI POLYKASTROU GP	100%	100%	Production of Electric Energy from RES	7
2. TERNA ENERGY SA & SIA ENERGEIAKI VELANIDION LAKONIA GP	100%	100%	Production of Electric Energy from RES	7
3. TERNA ENERGY SA & SIA ENERGEIAKI DYSTION EVIA GP	100%	100%	Production of Electric Energy from RES	7
4. TERNA ENERGY SA & SIA AIOLIKI PASTRA ATTICA GP	-	100%	Production of Electric Energy from RES	6
5. TERNA ENERGY SA & SIA ENERGEIAKI ARI SAPPON GP	100%	100%	Production of Electric Energy from RES	7
6. TERNA ENERGY SA & SIA AIOLIKI EASTERN GREECE GP	100%	100%	Production of Electric Energy from RES	7
7. TERNA ENERGY SA & SIA AIOLIKI MARMARIOU EVIA GP	100%	100%	Production of Electric Energy from RES	7
8. TERNA ENERGY SA & SIA ENERGEIAKI PETRION EVIA GP	100%	100%	Production of Electric Energy from RES	7

(All amounts in thousand Euro, unless stated otherwise)

9. TERNA ENERGY SA & SIA AIOLIKI ROKANI DERVENOCHORION GP	99%	99%	Production of Electric Energy from RES	7
10. TERNA ENERGY SA & SIA ENERGEIAKI STYRON EVIA GP	100%	100%	Production of Electric Energy from RES	7
11. TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIA GP	100%	100%	Production of Electric Energy from RES	7
12. TERNA ENERGY SA & SIA AIOLIKI PROVATA TRAIANOUPOLEOS	100%	100%	Production of Electric Energy from RES	7
13. TERNA ENERGY SA VECTOR WIND PARKS GREECE - WIND PARK TROULOS G.P.	90%	90%	Production of Electric Energy from RES	3

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

i) Joint Ventures

Company Name	Participation Percentage 2013 and 2012	Un-audited Financial Years
1. J/V ENVAGELISMOU, PROJECT C'	50%	9
2. J/V TERNA ENERGY – TSAMPR. DRAMAS HOSPITAL	40%	9
3. J/V EPL DRAMAS	24%	9
4. /V/ EMBEDOS – PANTECHNIKI - TERNA ENERGY	50.10%	5
5. J/V KL. ROUTSIS – TERNA ENERGY SA	40%	5

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

		Participation Percentage			
Company Name	Establishment	31/12/2013	31/12/2012	Activity	Un-audited Financial Years
1. TERNA ENERGY SA - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA CO-PRODUCTION GP	12/02/2001	50%	50%	Construction/ Operation of co-production unit of electricity for serving of needs of MEL	5
2. TERNA ENERGY SA & SIA LP	24/05/2000	70%	70%	Completion of construction works of section Kakavia – Kalpaki	5

The above company No. 1 is in liquidation phase. The company No. 2 had essentially completed the aforementioned project from 2003.

All aforementioned companies and joint ventures have been established in Greece, except for GP ENERGY LTD and HAOS INVEST 1EAD, ECO ENERGY DOBRICH 2, ECO ENERGY DOBRICH 3 and ECO ENERGY DOBRICH 4 which have been established in Bulgaria, TERNA ENERGY OVERSEAS LTD, VALUE PLUS LTD and GALLETTE LTD established in Cyprus, EOLOS POLSKA Spzoo, EOLOS NOWOGRODZEC Spzoo, TERNA ENERGY TRANSATLANTIC Spzoo and EOLOS EAST Spzoo, which were established in Poland, TERNA ENERGY NETHERLANDS, which was established in Holland, AIOLOS and the companies COLD SPRINGS WINDFARM LLC, DESERT MEADOW WINDFARM LLC, HAMMETT HILL WINDFARM LLC, MAINLINE WINDFARM LLC, RYEGRASS WINDFARM LLC, TWO PONDS WINDFARM LLC, MOUNTAIN AIR WIND LLC and TERNA ENERGY USA HOLDING CORPORATION, which were established in the United States of America.

C) Associates of TERNA ENERGY SA

Company Name	Domicile	Participation Percentage		Consolidation Method	Un-audited financial years
		2013	2012		
1. Renewable Energy Center RES Cyclades SA *	Greece	45%	45%	Equity	1
2. EN.ER.MEL. S.A.	Greece	48%	48%	Equity	1

* Participation through IWECO CHONOS LASITHIOU CRETE S.A.

5 INFORMATION REGARDING OPERATING SEGMENTS

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

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

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

The above information is presented in the accompanying consolidated statements of financial position, comprehensive income and cash flows according to the IFRS, whereas previously recorded operating segments –as presented in the financial statements of the previous financial 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), photovoltaic parks and hydroelectric plants.

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

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

(All amounts in thousand Euro, unless stated otherwise)

Business segments **31.12.2013**	**Construction**	**Electricity from renewable energy sources**	**Consolidation Write-offs**	**Total Consolidated**
Income from external customers				
Sales of products	-	105,741	-	**105,741**
Income from construction services	33,854	-	-	**33,854**
Total income from external customers	**33,854**	**105,741**	**-**	**139,595**
Inter-segment income	14,498	-	(14,498)	-
Total income	**48,352**	**105,741**	**(14,498)**	**139,595**
Net Results per Segment	**(1,516)**	**5,871**	**-**	**4,355**
Depreciations	(101)	(36,236)	-	**(36,337)**
Amortization of grants	-	8,726	-	**8,726**
Net financial results	(760)	(24,644)	-	**(25,404)**
Foreign exchange differences	-	(447)	-	**(447)**
Income tax	(403)	(5,137)	-	**(5,540)**
Earnings before interest and taxes (EBIT)	**(353)**	**36,099**	**-**	**35,746**
Earnings before interest, taxes, depreciation & amortization (EBITDA)	**(252)**	**63,609**	**-**	**63,357**
Provisions and other non cash expenses/(income) (included in EBITDA)	**-**	**6,559**	**-**	**6,559**
Adjusted EBITDA	**(252)**	**70,168**	**-**	**69,916**
Segment assets	29,828	1,053,101	-	**1,082,929**
Investments in associates	-	5,541	-	**5,541**
Total Assets	**29,828**	**1,058,642**	**-**	**1,088,470**
Segment liabilities	**28,114**	**709,378**	**-**	**737,492**
Bank liabilities	-	366,821		**366,821**
Cash	**(3,218)**	**(121,412)**		**(124,630)**
Net debt / (surplus)	**(3,218)**	**245,409**		**242,191**
Capital expenditures for the year	11	46,916	-	**46,927**

(All amounts in thousand Euro, unless stated otherwise)

Business segments 31.12.2012	**Construction**	**Electricity from renewable energy sources**	**Consolidation Write-offs**	**Total Consolidated**
Income from external customers				
Sales of products	-	79,604	-	**79,604**
Income from construction services	44,416	-	-	**44,416**
Total income from external customers	**44,416**	**79,604**	**-**	**124,020**
Inter-segment income	5,727	-	(5,727)	
Total income	**50,143**	**79,604**	**(5,727)**	**124,020**
Net Results per Segment	**1,276**	**13,155**	**-**	**14,431**
Depreciations	(151)	(23,766)	-	**(23,917)**
Amortization of grants	0	4,840	-	**4,840**
Net financial results	(491)	(14,993)	-	**(15,484)**
Foreign exchange differences	0	941	-	**941**
Income tax	(776)	(4,187)	-	**(4,963)**
Earnings before interest and taxes (EBIT)	**2,545**	**32,333**	**-**	**34,878**
Earnings before interest, taxes, depreciation & amortization (EBITDA)	**2,696**	**50,318**	**-**	**53,014**
Provisions and other non cash expenses/(income) (included in EBITDA)	-	-	-	**-**
Adjusted EBITDA	**2,696**	**50,318**	**-**	**53,014**
Segment assets	25,152	1,150,510	-	**1,175,662**
Investments in associates	-	5,391	-	**5,391**
Total Assets	**25,152**	**1,155,901**	**-**	**1,181,053**
Segment liabilities	**25,929**	**792,147**	**-**	**818,076**
Bank liabilities	-	422,465	-	**422,465**
Cash	(1,882)	(124,896)	**-**	**(126,778)**
Net debt / (surplus)	**(1,882)**	**297,569**	**-**	**295,687**
Capital expenditures for the year	43	216,594	-	**216,637**

(All amounts in thousand Euro, unless stated otherwise)

Geographic segments **31.12.2013**	**Greece**	**Eastern Europe**	**America**	**Total consolidated**
Turnover from external customers	99,567	20,950	19,078	**139,595**
Non-current assets	458,598	159,544	191,961	**810,103**
Capital expenditure	35,956	6,079	4,892	**46,927**

Geographic segments **31.12.2012**	**Ελλάδα**	**Ανατολική Ευρώπη**	**Αμερική**	**Ενοποιημένα σύνολα**
Turnover from external customers	107,615	14,474	1,931	**124,020**
Non-current assets	465,965	137,930	205,626	**809,521**
Capital expenditure	27,147	33,431	156,059	**216,637**

6 INTANGIBLE FIXED ASSETS

Intangible fixed assets and their movement for the periods from 1 January to 31 December 2013 and 2012, which are presented in the accompanying financial statements, are analyzed as follows:

GROUP			
	Software Programs	**Concessions and Rights**	**Total**
Acquisition Cost			
As at 1 January 2012	**176**	**32,467**	**32,643**
Additions	38	959	**997**
Reductions during the period	-	(3,131)	**(3,131)**
Foreign Exchange Differences	-	(127)	**(127)**
31 December 2012	**214**	**30,168**	**30,382**
As at 1 January 2013	**214**	**30,168**	**30,382**
Additions	1	185	**186**
Acquisitions	-	-	**-**
Reductions during the period	(1)	-	**(1)**
Foreign Exchange Differences	-	(293)	**(293)**
31 December 2013	**214**	**30,060**	**30,274**

(All amounts in thousand Euro, unless stated otherwise)

Accumulated Amortization			
As at 1 January 2012	**124**	**325**	**449**
Amortization for the period	38	306	**344**
Reductions during the period	-	-	**-**
31 December 2012	**162**	**631**	**793**
As at 1 January 2013	**162**	**631**	**793**
Amortization for the period	21	950	**971**
Reductions during the period	-	-	**-**
Foreign Exchange Differences	-	(14)	**(14)**
31 December 2013	**183**	**1,567**	**1,750**
Net Book Value			
31 December 2012	**52**	**29,537**	**29,589**
31 December 2013	**31**	**28,493**	**28,524**

COMPANY

	Software Programs	Concessions and Rights	Total
Acquisition Cost			
As at 1 January 2012	**175**	**1,708**	**1,883**
Additions	38	1	**39**
Reductions during the period	-	-	**-**
Foreign Exchange Differences	-	-	**-**
31 December 2012	**213**	**1,709**	**1,922**
As at 1 January 2013	**213**	**1,709**	**1,922**
Additions	-	1	**1**
Acquisitions	-	-	**-**
Reductions during the period	-	-	**-**
Foreign Exchange Differences	-	-	**-**
31 December 2013	**213**	**1,710**	**1,923**

(All amounts in thousand Euro, unless stated otherwise)

Accumulated Amortization			
As at 1 January 2012	**123**	**168**	**291**
Amortization for the period	38	63	**101**
Reductions during the period	-	-	**-**
31 December 2012	**161**	**231**	**392**
As at 1 January 2013	**161**	**231**	**392**
Amortization for the period	21	61	**82**
Reductions during the period	-	-	**-**
Foreign Exchange Differences	-	-	**-**
31 December 2013	**182**	**292**	**474**
Net Book Value			
31 December 2012	**52**	**1,478**	**1,530**
31 December 2013	**31**	**1,418**	**1,449**

Concessions and Rights include the acquisition cost of licenses for intervention and use rights of forest land, where Wind Parks are installed.

7 TANGIBLE FIXED ASSETS

Tangible fixed assets and their movement for the periods from 1 January to 31 December 2013 and 2012, in the accompanying financial statements, are analyzed as follows:

GROUP

	Land-Plots	Buildings and Installations	Technological and Mechanical equipment	Vehicles	Fixtures and other equipment	Assets under construction	Total
Acquisition Cost							
1 January 2012	**2,121**	**40,736**	**369,570**	**913**	**2,909**	**231,734**	**647,983**
Additions	73	543	5,314	430	337	205,024	**211,721**
Borrowing cost	-	-	3,052	-	-	3,286	**6,338**
Provisions for restoration	-	-	1,372	-	-	-	**1,372**
Reductions	-	-	(1,379)	(19)	(10)	(1,782)	**(3,190)**
Transfers from assets under construction	-	11,811	272,458	320	-	(284,589)	**-**
Foreign exchange differences	5	(328)	(924)	(1)	-	(2,416)	**(3,664)**
31 December 2012	**2,199**	**52,762**	**649,463**	**1,643**	**3,236**	**151,257**	**860,560**

(All amounts in thousand Euro, unless stated otherwise)

1 January 2013	**2,199**	**52,762**	**649,463**	**1,643**	**3,236**	**151,257**	**860,560**
Additions	71	38	5,876	94	347	38,267	**44,693**
Borrowing cost	-	-	-	-	-	2,048	**2,048**
Provisions for restoration	-	-	-	-	-	-	**-**
Reductions	-	-	(254)	(4)	(27)	(804)	**(1,089)**
Transfers from assets under construction	-	626	8,364	-	-	(8,990)	**-**
Foreign exchange differences	-	(460)	(9,122)	(3)	(2)	(401)	**(9,988)**
31 December 2013	**2,270**	**52,966**	**654,327**	**1,730**	**3,554**	**181,377**	**896,224**
Accumulated depreciations							
1 January 2012	**-**	**8,511**	**56,317**	**684**	**2,143**	**-**	**67,655**
Depreciations for the period	-	2,004	20,982	120	296	-	**23,402**
Reductions	-	-	(73)	(9)	(10)	-	**(92)**
Foreign exchange differences	-	(1)	172	-	-	-	**171**
31 December 2012	**-**	**10,514**	**77,398**	**795**	**2,429**	**-**	**91,136**
1 January 2013	**-**	**10,514**	**77,398**	**795**	**2,429**	**-**	**91,136**
Depreciations for the period	-	2,650	32,292	121	303	-	**35,366**
Reductions	-	-	(106)	-	(3)	-	**(109)**
Foreign exchange differences	-	(22)	(254)	(1)	(1)	-	**(278)**
31 December 2013	**-**	**13,142**	**109,330**	**915**	**2,728**	**-**	**126,115**
Net Book Value							
31 December 2012	**2,199**	**42,248**	**572,065**	**848**	**807**	**151,257**	**769,424**
31 December 2013	**2,270**	**39,824**	**544,997**	**815**	**826**	**181,377**	**770,109**

COMPANY

	Land-Plots	Buildings and Installations	Technological and Mechanical equipment	Vehicles	Fixtures and other equipmen t	Assets under constructi on	Total
Acquisition Cost							
1 January 2012	**891**	**10,846**	**151,107**	**863**	**2,831**	**10,076**	**176,614**
Additions	29	506	2,668	17	339	1,042	**4,601**
Borrowing cost	-	-	-	-	-	-	**-**
Provisions for restoration	-	-	-	-	-	-	**-**
Reductions	-	-	(27)	(20)	(10)	-	**(57)**
Transfers from assets under construction			4	320		(324)	
Foreign exchange differences	-	-	-	-	-	-	**-**
31 December 2012	**920**	**11,352**	**153,752**	**1,180**	**3,160**	**10,794**	**181,158**

(All amounts in thousand Euro, unless stated otherwise)

1 January 2013	**920**	**11,352**	**153,752**	**1,180**	**3,160**	**10,794**	**181,158**
Additions	5	-	22	25	327	732	**1,111**
Borrowing cost	-	-	-	-	-	-	-
Provisions for restoration	-	-	-	-	-	-	-
Reductions	-	-	(97)	-	(27)	-	**(124)**
Transfers from assets under construction	-	-	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	-	-
31 December 2013	**925**	**11,352**	**153,677**	**1,205**	**3,460**	**11,526**	**182,145**
Accumulated depreciations							
1 January 2012	**-**	**3,528**	**36,459**	**679**	**2,112**	**-**	**42,778**
Depreciations for the period	-	536	7,232	85	283	-	**8,136**
Reductions	-	-	-	(10)	(9)	-	**(19)**
Foreign exchange differences	-	-	-	-	-	-	-
31 December 2012	**-**	**4,064**	**43,691**	**754**	**2,386**	**-**	**50,895**
1 January 2013	**-**	**4,064**	**43,691**	**754**	**2,386**	**-**	**50,895**
Depreciations for the period	-	551	7,303	76	288	-	**8,218**
Reductions	-	-	(97)	-	(3)	-	**(100)**
Foreign exchange differences	-	-	-	-	-	-	-
31 December 2013	**-**	**4,615**	**50,897**	**830**	**2,671**	**-**	**59,013**
Net Book Value							
31 December 2012	**920**	**7,288**	**110,061**	**426**	**774**	**10,794**	**130,263**
31 December 2013	**925**	**6,737**	**102,780**	**375**	**789**	**11,526**	**123,132**

The account “Technological and mechanical equipment” includes Wind Park generators that have been collateralized at banks as security against long-term loans.

The categories “Land-Plots”, “Buildings and installations” and “Technological and mechanical equipment”, include fixed assets with a net book value of € 13,389 and € 13,887, during December 31st 2013 and 2012 respectively, which refer to Installations of Distribution Networks constructed by the Company, and as stipulated by the agreements with DEDDIE, such are transferred to DEDDIE, free of charge, during the commissioning of each Wind Park. However, and after their transfer, such installations will continue to serve the purpose for which they were constructed, namely the sale of produced electric energy to DEDDIE and LAGIE, remaining at the exclusive use of the Company and therefore, the net book cost during the transfer date, will continue to depreciate, as previously, until the 20-year depreciation period of the Wind Parks is fulfilled.

(All amounts in thousand Euro, unless stated otherwise)

8 INVESTMENT ASSETS

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Opening Balance	923	923	923	923
Additions/Reductions	-	-	-	-
Change in fair value of investment assets	(138)	-	(138)	-
Total	**785**	**923**	**785**	**923**

During the year 2013, the Company proceeded with a valuation of the fair value of its investment assets, which resulted into a revaluation loss of € 138 and was recognized in the results for the year.

9 PARTICIPATION IN ASSOCIATE COMPANIES

As of 31/12/2013, the Group owns 6,750 common shares with a nominal value of €10 each, which represent 45% of the share capital of the associate company Cyclades RES Energy Center SA. Also, the company owns 48% of the shares of the company EN.ER.MEL S.A.

The following table presents condensed financial data of the associate companies.

	31-Δεκ 2013	31-Δεκ 2012
Total Assets	8,826	8,734
Total Liabilities	14	89
Total Income	-	-
Total Expenses	(36)	(16)
Earnings (losses) after tax	**(36)**	**(16)**

(All amounts in thousand Euro, unless stated otherwise)

10 OTHER LONG-TERM RECEIVABLES

The account Other Long-term Receivables is analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Loans to subsidiaries	-	-	39,824	60,304
Loans to parent – other related companies	5,430	9,322	4,796	9,303
Several Provided Guarantees	310	263	250	201
Other Long-Term Receivables	4,945	-	-	-
Total	**10,685**	**9,585**	**44,870**	**69,808**

The Company participated in bond loan issues of subsidiaries, the parent company and other associated companies. The loans will be repaid either at their maturity date or through premature repayments and have an interest rate 6% - 7.75%.

11 INVENTORIES

Inventories on 31 December 2013 and 2012, in the accompanying consolidated financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Merchandise	33	205	33	205
Raw and Auxiliary Materials	2,707	2,466	2,707	2,466
Spare-parts of Fixed Assets	1,287	632	835	288
Total inventories	**4,027**	**3,303**	**3,575**	**2,959**

During 31 December 2013 and 2012 there was no need for provisions for impaired or low turnover inventories.

12 TRADE RECEIVABLES AND PREPAYMENTS AND OTHER RECEIVABLES

Trade receivables on 31 December 2013, in the accompanying financial statements, are analyzed as follows:

(All amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Customers of the construction sector	10,730	6,549	22,526	18,593
Customers of the energy sector (DEDDIE, LAGIE and others)	42,993	41,122	16,153	13,485
Construction project agreements underway	2,858	9,257	5,479	10,414
Customers – Litigious and Doubtful	-	88	-	88
Minus: Provision for doubtful receivables	(6,770)	(211)	(2,568)	(211)
Total	**49,811**	**56,805**	**41,590**	**42,369**

The above trade receivables also include receivables from Energy sector customers amounting to € 12,470 (€ 17,080 on 31 December 2012) which are pledged to banks as security for provided long-term and bond loans to finance the construction of Wind Parks.

On 31/12/2013, the Group had accumulated receivables from DEDDIE and LAGIE which had not been collected for a period up to 12 months. The Group deems that at the reporting date, there are subjective indications that these receivables have been impaired. For the creation of a corresponding provision for impairment, the Group has utilized all available information up to the reporting date of the financial statements. Specifically, in accordance with a draft of law which was released for further open discussion in March 2014, the retroactive refund of 10% and 35% of the electric energy sales from wind parks and photovoltaic parks respectively, is proposed. Although not finalized, this decrease was taken into account during the compilation of the financial statements and the Group recorded a provision for receivables impairment of € 6.56 million. The final amount of loss for the Group in 2013 depends on the finalization and passing of the relevant law.

The analysis of the provisions for doubtful receivables on 31 December 2013 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Balance at 1 January	211	211	211	211
Provision recognized in the income statement	6,559	-	2,357	-
Doubtful receivables write-off	-	-	-	-
Balance at 31 December	**6,770**	**211**	**2,568**	**211**

The prepayments and other receivables on 31 December 2013 in the accompanying financial statements, are analyzed as follows:

(All amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Prepayments to Suppliers	3,029	907	3,027	1,837
Accounts for Management of Prepayments and Credit	431	508	288	356
Deferred expenses	1,745	2,815	759	690
Accrued income	2,365	1,476	29	54
Other Receivables of the Group's Joint Ventures	158	157	365	341
Other receivables from subsidiaries	-	-	7,257	-
Other receivables from associated companies	-	-	1	-
Other receivables from affiliated companies	4,177	-	717	-
Receivables from VAT	14,981	18,006	-	-
Receivables from wind park subsidies	55,173	146,650	4,008	18,463
Receivables from insurance indemnities	1,296	1,723	1,237	1,723
Receivables from social security funds	1,229	852	1,229	852
Other Receivables - Sundry Debtors	1,868	3,758	1,075	3,413
Minus: Provisions for doubtful receivables	(60)	(60)	(60)	(60)
Total	**86,392**	**176,792**	**19,932**	**27,669**

The grants concern investments in Wind Parks and are expected to be received with the approval of completion of the relevant investment plans. During 2013, the Group received grants amounting to € 91,067.

13 AGREEMENTS FOR THE CONSTRUCTION OF TECHNICAL WORKS

The information related to the Group’s and company’s technical works in progress, are as follows:

	GROUP		COMPANY	
Cumulatively from the beginning of the projects	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Cumulative costs	237,945	208,636	324,276	277,577
Cumulative profit	46,108	46,304	55,661	53,937
Cumulative losses	-	(203)	-	(203)
Received prepayments	3,020	3,050	2,300	15,650
Amounts withheld from customers of projects	885	313	885	313
Receivables of projects, priced	284,255	248,804	379,589	326,148
Receivables from customers of projects	2,858	9,257	5,479	10,414
Liabilities towards customers of projects	(3,060)	(3,324)	(5,131)	(5,251)
Net receivable/(liability) from customers of projects	**(202)**	**5,933**	**348**	**5,163**

(All amounts in thousand Euro, unless stated otherwise)

14 CASH & CASH EQUIVALENTS

The cash & cash equivalents on December 31st 2013 and 2012, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Cash in Hand	22	26	2	2
Sight & Time Deposits	124,608	126,752	37,383	27,554
Total	**124,630**	**126,778**	**37,385**	**27,556**

Term deposits usually have a duration of 3-6 months and bear interest rates ranging between 2.5%-3% for 2013 and 2012 respectively.

15 LONG-TERM LOANS

Long-term loans in the accompanying consolidated financial statements mainly cover the development needs of Wind Parks of the Group's energy sector and are analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Long-term loans	329,907	322,110	59,398	71,086
Minus: Short-term portion	(34,744)	(29,528)	(8,065)	(9,152)
Long-term portion	**295,163**	**292,582**	**51,333**	**61,934**

The Group's total long-term debt has been contracted in Euro in Greece (50.2% of total), in the USA in USD (29.1% of total), in Poland in PLN (18% of total) and in Bulgaria in Euro (2.7% of total). Of the total loans at the end of the presented year, loans that have been granted with fixed interest rate represent 30%, loans with floating interest rate that have been hedged via derivatives, with which future payments of fixed interest rate are exchanged for receipts of floating interest rate, represent 30%, whereas the remaining 40% concerns loans of floating interest rate based on euribor or wibor.

The weighted average interest rate for the Group for financial years 2013 and 2012 corresponded to 6.58% and 6%, respectively.

The total interests on the above loans of the Group for financial years 2013 and 2012 amounted to € 17,612 and € 13,008 respectively. The Group considers that the fair value of the above loans does not differ substantially from their book value.

(All amounts in thousand Euro, unless stated otherwise)

To secure all Group loans, Wind Park wind generators are collateralized, as well as cash while insurance contracts and receivables from the sale of electric energy to LAGIE or DEDDIE are pledged to banks. In the context of this form of financing, the Group's companies maintain a series of blocked bank accounts, which serve the above liabilities.

16 FINANCIAL DERIVATIVES

Liabilities and assets from financial derivatives on 31.12.2013 & 31.12.2012 are analyzed as follows:

			GROUP		COMPANY	
	Nominal Value		Fair Value of Liability	Fair Value of Liability	Fair Value of Liability	Fair Value of Liability
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Interest Rate Swaps	-	$25,000	-	145	-	-
Interest Rate Swaps	€ 7,537	-	530	-	-	-
Interest Rate Swaps	€ 5,772	€ 5,772	222	385	-	-
Interest Rate Swaps	€ 17,000	€ 17,000	972	1,766	-	-
Interest Rate Swaps	€ 15,400	€ 15,400	218	583	-	-
Interest Rate Swaps	€ 6,563	€ 6,563	378	539	378	539
			2,320	**3,418**	**378**	**539**

			GROUP		COMPANY	
	Nominal Value		Fair Value of Receivable	Fair Value of Receivable	Fair Value of Receivable	Fair Value of Receivable
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Interest Rate Swaps :	$25,000	-	1,443	-	-	-
			1,443	**-**	**-**	**-**

The policy of the Group is to minimize its exposure to cash flow interest rate risk as regards to long-term financing for which the Group applies hedge accounting. The result from the valuation is recognized in the account "Income/expenses from cash flow hedges" in the statement of comprehensive income.

(All amounts in thousand Euro, unless stated otherwise)

During the current year and following the above policy, the Group entered into three interest rate swap agreements relating to long-term loans. The result from the valuation of these swaps amounted to an expense € 530, whereas the result from the valuation of the Group's total agreements for the year was an income of € 2,595. The above amounts have been recognized in the account "Income/expenses from cash flow hedges" in the statement of comprehensive income.

17 PROVISIONS FOR STAFF RETIREMENT INDEMNITIES

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

The estimations for staff indemnity liabilities were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions recorded in the consolidated results and comprehensive income for the financial year ended on the 31st of December 2013 and the movement of the relevant provision accounts for staff indemnities presented in the attached consolidated Statement of Financial Position for the year ended on December 31st 2013.

The expense for staff indemnity recognized in the Statement of Comprehensive Income, is analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Current cost of service	184	100	172	83
Financial cost	17	16	16	17
Effect of Reduction / Settlement / Final Benefits	-	72	-	75
Recognition of actuarial profit/losses	(34)	81	(32)	80
Total	**167**	**269**	**156**	**255**

The movement of the relevant provision in the Statement of Financial Position is as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Opening balance	426	282	412	282
Provision recognized in the income statement	201	188	188	175
Provision recognized in other total income	(34)	81	(32)	80
Indemnity payments	(171)	(125)	(171)	(125)
Total	**422**	**426**	**397**	**412**

(All amounts in thousand Euro, unless stated otherwise)

The main actuarial assumptions for financial year 2013 are as follows:

Discount rate	3.5%
Mortality: MT_EAE 2013P (Bank of Greece, Credit and Insurance Committee)	
Future wage increases	2.4%
Movement of salaried/day-waged workers (departure under their own will)	1%
Movement of salaried workers (laid-off)	8%

Below, a table is presented with regard to sensitivity analysis of the provision for staff indemnity.

	GROUP	COMPANY
Change in discount rate -0,5% Change in salaries 0%	433	409
Change in discount rate 0% Change in salaries 2%	413	388
Change in discount rate +0,5% Change in salaries 0%	413	388
Change in discount rate +0,5% Change in salaries 2%	404	379

18 OTHER PROVISIONS

The movement of the relevant provision in the Statement of Financial Position for financial years 2013 and 2012, is as follows:

	GROUP		COMPANY	
	Provisions for environmental rehabilitation	**Other provisions**	**Provisions for environmental rehabilitation**	**Other provisions**
Balance 1 January 2013	**3,564**	**415**	**576**	**280**
Provision recognized in the results	113	-	43	-
Provision recognized in fixed assets	439	-	-	-
Foreign exchange differences	(20)	-	-	-
Balance 31 December 2013	**4,096**	**415**	**619**	**280**

	GROUP	COMPANY

	Provisions for environmental rehabilitation	Other provisions	Provisions for environmental rehabilitation	Other provisions
Balance 1 January 2012	**2,021**	**415**	**502**	**280**
Provision recognized in the results	129	-	74	-
Provision recognized in fixed assets	1,414	-	-	-
Balance 31 December 2012	**3,564**	**415**	**576**	**280**

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 granted by the state. The aforementioned provision of € 4,096 (€ 3,564 at 31.12.2012) reflects the required expenses for the removal of equipment and formation of the area in which the equipment was installed, using the available technology and materials.

19 GRANTS

Grants on 31 December 2013 and 31 December 2012 in the accompanying financial statements, are analyzed as follows:

	GROUP 2013	**COMPANY 2013**
Balance 1 January 2013	**288,885**	**49,494**
Revision of opening balance of approved but not received due to change in estimate	(6,450)	(150)
Transfer of period's proportion to the results	(8,726)	(2,722)
Foreign exchange differences	(2,333)	-
Balance 31 December 2013	**271,376**	**46,622**

	ΟΜΙΛΟΣ 2012	**ΕΤΑΙΡΕΙΑ 2012**
Balance 1 January 2012	**184,067**	**36,134**
Approved and received grants	30,458	10,435
Approved and non-received grants	79,200	4,234
Transfer of period's proportion to the results	(4,840)	(1,309)
Foreign exchange differences	-	-
Balance 31 December 2012	**288,885**	**49,494**

(All amounts in thousand Euro, unless stated otherwise)

Grants relate to government grants for the development of Wind Parks and are amortized in the results of the period such refer to, according to the depreciation rate of fixed assets granted.

The total approved and non-received grants for Group is included in "Prepayments and other receivables". Such grants were recognized based on the Group Management's certainty that all the requirements to receive such are regularly met and eventually the amounts will be received with the completion of the relevant investments.

The aforementioned grants are amortized in income only by the portion that corresponds to fully completed and operating wind generators of wind parks.

20 FINANCIAL LIABILITIES

In the USA, TERNA ENERGY Group, in order to take advantage of the tax benefits provided by local law as much as possible, entered a transaction during the financial year of 2012 where the counterparty company paid the amount of €49,693 in order to receive the right to receive, mainly, cash and tax losses (tax equity investment).

The basic characteristics of the transaction are as follows:

- Regardless of the participation stake in the share capital held by the counterparty company, TERNA ENERGY group maintains control of management of the wind parks and therefore such are fully consolidated in the group's financial statements.
- The counterparty company receives a significant portion of the earnings and tax losses created from such wind parks until such achieve a predefined (during the initial investment) rate of return.
- The counterparty company remains a shareholder of the wind parks until the predefined rate of return on their investment is achieved.
- When the return on the investment of the counterparty company reaches the predefined level, the Group has the option to acquire the rights of the counterparty company in the return of the investment.
- The return of the investment of the counterparty company, depends exclusively on the performance of the wind parks. Even though TERNA ENERGY group commits to operate such parks in the best possible manner and takes all possible measures to ensure their smooth operations, it is not obliged to pay cash to the counterparty company over the amount required to achieve the predefined return on their investment.

The group, based on the objective of such transactions, classifies the initial investment of the counterparty company as a "Financial liability" in the consolidated statement of financial position. The financial liability is measured at net book cost.

21 SUPPLIERS

The suppliers as at 31 December 2013 and 2012, in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Suppliers	25,102	27,344	17,510	20,849
Checks payable post-dated	250	252	250	252
Total	**25,352**	**27,596**	**17,760**	**21,101**

(All amounts in thousand Euro, unless stated otherwise)

22 ACCRUED AND OTHER LIABILITIES

The accrued and other short-term liabilities as at 31 December 2013 and 31 December 2012, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Customer Prepayments	3,209	3,750	5,953	16,850
Deferred income of construction contracts	3,060	3,324	5,131	5,251
Social Security Funds	351	438	326	410
VAT Liabilities	4,899	2,734	4,210	1,892
Other withheld taxes	1,287	1,308	527	542
Employee fees	240	282	214	254
Third party fees	17	536	17	432
Short-term Liabilities to Other Affiliated and Other Parties	155	-	294	-
Sundry Creditors	3,836	2,522	930	1,238
Liabilities from Parent Company's Share Capital Decrease	1,647	-	1,647	-
Reversion of Subsidies	3,150	-	0	-
Deferred Income -accrued expenses	707	817	0	-
Total	**22,558**	**15,711**	**19,249**	**26,869**

23 SHORT-TERM LOANS

The Group's short-term loans refer to current bank accounts having a duration usually of three months and are renewed depending on the needs. The amounts withdrawn are mainly used to cover the liquidity needs during the construction period of Wind Parks of the Group's energy sector. The net decrease of the Group's short-term loans during 2013 amounted to €63,441 (€4,498 decrease during the previous year). The Group estimates that the fair value of the above loans does not differ substantially from their book value.

The weighted average interest rate for the aforementioned loans was 8.6% and 8.7% for 2013 and 2012 respectively.

The total interest on the aforementioned loans of the Group for the financial years ended on December 31st 2013 and December 31st 2012 is € 2,376 and € 2,890 respectively.

24 JOINT VENTURES AND JOINTLY CONTROLLED COMPANIES

The Group participates through its parent TERNA ENERGY in joint ventures with other construction companies aiming to undertake and execute private and public technical projects.

Also, the Group participates in jointly controlled companies which have activities related to construction or energy.

The joint ventures and jointly controlled companies are analyzed in Note 4.

The participation of the Group in Total Assets, Total Liabilities, Total Income and Total Expenses of the joint ventures that are consolidated in the accompanying financial statements is analyzed as follows:

(All amounts in thousand Euro, unless stated otherwise)

	31.12.2013	31.12.2012
Total Long-term Assets	-	-
Total Short-term Assets	275	385
Total Assets	**275**	**385**
Total Long-term Liabilities	-	-
Total Short-term Liabilities	94	154
Total Liabilities	**94**	**154**
Total Income	-	-
Total Expenses	-	-
Earnings after taxes	**-**	**-**

25 CAPITAL

The Annual General Meeting of Shareholders dated 25 April 2013, decided on the increase of the Company's share capital by the amount of euro 9,838,716 with capitalization of part of the share premium account with increase of the nominal value per share from euro 0.30 to euro 0.39 and at the same time the General Meeting decided on the decrease of the Company's share capital by the amount of 9,838,716 with decrease of the nominal value per share from euro 0.39 to 0.30 euro and the return of the respective amount to shareholders. Following the above, the Company's share capital amounted to euro 32,795,721 and divided into 109,319,070 common registered shares with a nominal value of euro 0.30 each. Subsequently, the Extraordinary General Meeting of Shareholders held on 25 July 2013 decided on the decrease of the Company's share capital by the amount of one million two hundred and sixty two thousand seven hundred and twenty one euro (1,262,721 €) through the cancellation of 4,209,070 treasury shares. Following the said decrease, the Company's share capital amounted to thirty one million five hundred and thirty three thousand euro (31,533,000 €), divided into one hundred and five million one hundred and ten thousand (105,110,000) common registered shares with a nominal value of thirty cents of a euro (0.30 €) each. Also, the General Meeting decided to increase the Company's share capital by the amount of one million two hundred and sixty one thousand three hundred and twenty euro (1,261,320 €) through capitalization of part of the share premium reserve with the issue of four million two hundred and four thousand and four hundred (4,204,400) new common registered shares with a nominal value of thirty cents of a euro (0.30 €) each. As a result of the above decisions, the Company's share capital will amount to a total of thirty two million seven hundred and ninety four thousand three hundred and twenty euro (32,794,320 €), divided into one hundred and nine million three hundred and fourteen thousand and four hundred (109,314,400) common registered shares with a nominal value of thirty cents of a euro (0.30 €) each.

During the period 01.01.2013 – 31.12.2013 the company bought back 3,521,510 shares with an acquisition value of 8,902 thousand €. The total number of treasury shares owned by the company on 31.12.2013 amounted to 550,015 shares, namely a percentage of 0.52% of the company's share capital, with a total acquisition cost of € 1,261 thousand.

(All amounts in thousand Euro, unless stated otherwise)

26 EARNINGS PER SHARE

The basic earnings per share were calculated by dividing the net earnings attributed to shareholders of the parent company with the average weighted number of shares outstanding as follows:

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Net earnings attributed to shareholders of the parent	4,101	14,220	344	4,980
Average weighted number of shares	108,991,933	109,314,400	108,991,933	109,314,400

27 DIVIDENDS

The Company's Annual Shareholders' Meeting on 25 April 2013 decided not to distribute any dividend from the profits of financial year 2012.

28 INCOME TAX

According to Greek tax legislation the tax rate corresponded to 20% for 2012, whereas for the year 2013 and the next financial years is set to 26%. The effective tax rate differs from the nominal. The calculation of the effective tax rate is affected by several factors, the most important of which are the non-exemption of specific expenses, differences from the use of depreciation rates that emerge between the fixed asset's useful life and the use of rates stipulated by L. 4110/2013, the capability of companies to create tax-exempt discounts and tax-exempt reserves, and the aforementioned increase of the tax rate through calculations of deferred income tax.

Income tax in the accompanying consolidated financial statements, is analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Current tax	6,022	5,199	1,749	1,818
Tax of previous years	-	-	-	-
Total Expense of current tax	**6,022**	**5,199**	**1,749**	**1,818**
Deferred tax expense	(482)	(236)	(461)	(168)
Total	**5,540**	**4,963**	**1,288**	**1,650**

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Earnings before taxes	**9,895**	**19,394**	**1,632**	**6,630**
Nominal tax rate	26%	20%	26%	20%
Income tax based on effective nominal tax rate	**2,573**	**3,879**	**424**	**1,326**

(All amounts in thousand Euro, unless stated otherwise)

Adjustments for:				
Other non-taxed income	-	(26)	-	-
Tax of previous periods & Additional taxes	484	2	1	2
Provisions for Additional income Tax	-	-	-	-
Difference of tax rate on foreign operations	(2,144)	70	-	-
Change of recoverable tax losses	1,114	505	-	-
Extraordinary contribution	-	-	-	-
Other permanent tax Differences - non-exempt expenses	3,505	533	481	322
Effect from change of Tax Rate	(605)	-	(146)	-
Reserves compulsorily taxed until 31/12/2014	613	-	528	-
Other	-	-	-	-
Real tax expense	**5,540**	**4,963**	**1,288**	**1,650**
Effective tax rate	55.98%	25.59%	78.94%	24.88%

The income tax statement is submitted on an annual basis but the profits or losses declared remain provisional until the tax authorities audit the taxpayer's books and records and issue a final audit report.

In this case it is possible that the tax authorities may impose additional taxes and surcharges.

The tax losses, to the extent that such are accepted by the tax authorities, may offset future profit for a period of five years from the year such emerged.

The parent company, TERNA ENERGY S.A. is tax-audited up to the fiscal year 2008 included. The taxes that may derive from the audit by the tax authorities will not have a significant effect in the financial statements. During the preparation date of the accompanying financial statements, the non-audited tax years (including fiscal year 2013) of the Group's companies are presented in Note 4.

For the financial year 2013, the company has been subject to the tax audit of Certified Auditors Accountants stipulated by the provisions of article 82 par. 5 of L. 2238/1994. This audit is underway and the relevant tax certificate is expected to be issued following the release of the 2013 financial statements. If until the completion of the tax audit additional tax liabilities arise, we estimate that such will not have a significant effect on the financial statements.

Deferred tax

Deferred income tax is calculated on all the temporary tax differences between the book value and the tax value of the assets and liabilities.

The Company and Group maintain tax-exempt reserves and reserves taxed with specific way amounting to € 13,118 and € 20,485 respectively, which in case of distribution or capitalization will be taxed under the current tax rate. In the immediate future the Group does not plan to distribute or capitalize this reserve, apart from an amount of €2,783 concerning tax free reserves of L.4172/2013, which will be taxed at the time of their compulsory, based on L.4172/2013, distribution or capitalization within the year 2014 with a tax rate of 19%. For this reason, the Group estimates deferred tax only for the amount € 2,783 of this reserve.

(All amounts in thousand Euro, unless stated otherwise)

The deferred income tax is calculated using the expected tax rate at the time in which the tax receivable/ liability matures:

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Receivables from deferred income tax	3,981	2,218	789	210
Liability from deferred income tax	(3,790)	(2,554)	-	0
Net deferred tax asset (liability)	**191**	**(336)**	**789**	**210**
Opening balance	**(336)**	**(1,236)**	**210**	**(81)**
Debit / (Credit) recognized in the results	481	236	460	168
Debit / (Credit) recognized in other comprehensive income	48	670	119	123
Other	(2)	(6)	-	-
Closing balance	**191**	**(336)**	**789**	**210**

The deferred tax assets and liabilities of 2013 and 2012 are analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Deferred Tax (Liability)				
Tangible assets	(10,416)	(6,064)	(3,388)	(1,921)
Intangible assets	(808)	(1,005)	(3,077)	(2,939)
Receivables of construction projects	(1,424)	(2,083)	(1,424)	(2,083)
Investment Property	(204)	(185)	(204)	(185)
Other	(614)	(192)	(529)	-
Total Deferred Tax (Liability)	**(13,466)**	**(9,529)**	**(8,622)**	**(7,128)**
Deferred Tax Asset				
Provision for staff indemnities	110	70	103	67
Liabilities of construction projects	1,338	1,054	1,334	1,050
Provision for doubtful receivables	1,802	54	684	54
Cost of construction projects	1,592	1,876	1,592	2,032
Other provisions	1,009	754	234	171
Tax loss	596	278	-	-
Expense for share capital increase	3,002	2,813	2,920	2,791
Grants	1,411	1,002	886	812
Hedging of cash flow risk	514	655	98	108
Loans	825	208	825	208
Other	1,458	429	735	45
Total Deferred Tax Asset	**13,657**	**9,193**	**9,411**	**7,338**
Net deferred tax asset (liability)	**191**	**(336)**	**789**	**210**

(All amounts in thousand Euro, unless stated otherwise)

The net charge in the results in the consolidated statement of comprehensive income of 2013 and 2012 regarding deferred tax is analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Effect on the income statement:				
Tangible Fixed Assets	4,352	1,229	1,467	347
Intangible Assets	(197)	(126)	138	21
Receivables of construction projects	(659)	660	(659)	660
Investment Property	19	-	19	-
Cost of construction projects	(284)	(1,205)	440	(1,205)
Grants	(409)	(72)	(74)	(94)
Provision for staff indemnities	(40)	(14)	(36)	(11)
Liabilities of construction projects	(284)	422	(284)	426
Provisions for doubtful customers	(1,706)	-	(613)	-
Other provisions ς	(255)	(294)	(63)	(15)
Other	(1,019)	(836)	(796)	(297)
Total	**(482)**	**(236)**	**(461)**	**(168)**
Effect on the statement of comprehensive income				
Hedging of cash flow risk	141	(655)	9	(108)
Expenses of share capital increase	(189)	(15)	(128)	(15)
Total	**(530)**	**(906)**	**(580)**	**(291)**

29 COST OF SALES, ADMINISTRATIVE AND RESEARCH & DEVELOPMENT EXPENSES

The cost of sales, administrative and research & development expenses at 31 December 2013 and 2012, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
COST OF SALES	**2013**	**2012**	**2013**	**2012**
Employee remuneration and expenses	4,171	5,699	4,111	5,555
Fees of consultants	1,085	1,695	679	1,511
Remuneration and expenses of third parties (engineers)	2,965	1,474	2,489	1,956
Fees and expenses of other third parties	85	38	1,249	736
Materials and expenses of constructions	16,554	17,580	21,281	19,436
Leases	1,149	1,364	873	1,341
Repairs, Maintenance	6,403	3,999	1,331	1,466
Sub-contractors	9,297	13,653	14,778	15,022
Depreciation	35,948	23,640	7,984	7,988
Third party benefits	1,221	1,186	1,033	952

(All amounts in thousand Euro, unless stated otherwise)

Contributions to local government authorities	2,184	2,125	751	715
Impairment of receivables	6,560	-	2,357	-
Transportation expenses	484	411	450	85
Insurance premiums	2,018	1,249	826	631
Other	1,051	1,040	684	911
Total	**91,175**	**75,153**	**60,876**	**58,305**

	GROUP		COMPANY	
ADMINISTRATIVE EXPENSES	**2013**	**2012**	**2013**	**2012**
Employee remuneration and expenses	2,093	2,076	1,575	1,680
Fees of consultants	1,999	3,637	330	867
Remuneration and expenses of third parties (engineers)	1,472	1,570	1,191	1,389
Fees and expenses of other third parties	1,952	148	1,046	922
Auditors’ fees – ordinary audits	217	163	111	93
Auditors’ fees – other services	18	9	18	-
Subscriptions	212	212	194	196
Leases	432	661	217	241
Depreciation	230	139	157	111
Travel and promotion expenses	313	550	185	72
Third party benefits	992	366	118	14
Board of Directors’ remuneration	480	1,000	480	400
Insurance premiums	95	546	67	55
Other	2,326	2,664	1,522	989
Total	**12,831**	**13,741**	**7,211**	**7,029**

	GROUP		COMPANY	
RESEARCH & DEVELOPMENT EXPENSES	**2013**	**2012**	**2013**	**2012**
Employee remuneration and expenses	65	73	65	73
Fees of consultants	979	608	959	448
Remuneration and expenses of third parties (engineers)	1,022	1,277	969	1,244
Scientific/Lab experiments	29	149	29	130
Third party benefits	24	23	24	23
Depreciation	159	138	159	138
Travel and promotion expenses	44	71	42	70
Other	167	120	166	120
Total	**2,489**	**2,459**	**2,413**	**2,246**

(All amounts in thousand Euro, unless stated otherwise)

30 OTHER INCOME/(EXPENSES)

The other income/(expenses) for the period, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Grant amortization	8,726	4,840	2,722	1,309
Change in the fair value of investment assets	(138)	-	(138)	-
Income from leasing of machinery	11	3	11	3
Income from leasing of property	42	115	42	82
Other services	2	23	0	21
Other income	1,090	257	649	306
Income from insurance indemnities	726	-	448	-
Other expenses	(425)	-	-	-
Profit from sales of fixed assets	128	29	-	-
Losses from sales of fixed assets	-	(230)	-	-
Foreign exchange differences	(487)	568	-	(170)
Windfall tax of L. 4093/2012	(7,476)	(3,394)	(2,630)	(1,211)
Total	**2,199**	**2,211**	**1,104**	**340**

31 FINANCIAL INCOME/(EXPENSES)

The financial income/(expenses) in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Interest of Long-term Loans	(17,612)	(13,008)	(3,065)	(4,189)
Interest of Short-term Loans	(2,376)	(2,890)	(489)	-
Losses from valuation of financial obligation	(2,130)	(632)	(2,129)	(632)
Interest charges of other financial obligations	(2,244)	-	-	-
Bank expenses and other expenses	(4,222)	(3,338)	(2,788)	(2,717)
Financial Expenses	**(28,584)**	**(19,868)**	**(8,471)**	**(7,538)**
Interest from sight deposits	505	58	22	43
Interest from term deposits	1,472	3,496	444	2,480
Other Financial income	1,203	830	3,554	2,382
Financial Income	**3,180**	**4,384**	**4,020**	**4,905**
Net Financial Results	**(25,404)**	**(15,484)**	**(4,451)**	**(2,633)**

(All amounts in thousand Euro, unless stated otherwise)

32 PAYROLL COST

Employee remuneration and the average employed staff, are analyzed as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Wages and Related benefits of day-wage workers	846	4,059	963	1,427
Wages and Related benefits of regular staff	3,903	1,714	3,232	3,920
Social Security Contributions	1,379	1,887	1,368	1,786
Provision for employee indemnities	201	188	188	175
Total	**6,329**	**7,848**	**5,751**	**7,308**
Average Number of Employees				
Day-wage workers	58	87	55	83
Regular staff	123	150	106	135

33 TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the period 01/01-31/12/2013 and 01/01-31/12/2012, as well as the balances of receivables and liabilities arisen from the above transactions as of 31/12/2013 and 31/12/2012 are as follows:

Period 1/1-31/12/2013	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	18,306	262	60,006	6,858
Joint Ventures	-	-	-	-	-	-	78	-
Parent	134	172	307	-	103	172	280	-
Other related parties	3,691	1,388	12,121	3,386	2,791	1,167	8,201	2,121
Basic senior executives	-	708	3	-	-	604	3	-

Period 1/1-31/12/2012	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	11,703	369	74,359	20,597
Joint Ventures	-	-	-	-	-	-	340	-
Parent	76	171	1,785	-	75	171	1,765	-
Other related parties	5,550	5,768	10,557	3,380	5,550	2,708	10,537	1,364
Basic senior executives	-	1,351	405	-	-	715	255	-

(All amounts in thousand Euro, unless stated otherwise)

Remuneration of Board of Directors members and senior executives of the Company: The remuneration of Board of Directors members and senior executives of the group and Company, recognized on 31 December 2013 and 2012 are as follows:

	GROUP		**COMPANY**	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Board of Directors remuneration	480	1,000	480	400
Remuneration of executives included in the executive Board members	228	351	124	315
	708	**1,351**	**604**	**715**

34 AIM AND POLICIES OF RISK MANAGEMENT

The group is exposed to many financial risks such as market risk (volatility in exchange rates, interest rates, market prices etc.), credit risk and liquidity risk. The risk management plan aims to eliminate the negative effect of these risks on financial results of the group as these effects are the results of the uncertainty in financial markets and the changes in costs and sales.

The risk management policy is undertaken by the treasury of the Group and the procedure is as follows:

- Evaluation of risks related to Group's activities and operations.
- Planning of the methodology and choice of the necessary financial products for the reduction of risk.
- Execution/application, in accordance with the approved procedure by the management, of the risk management plan.

The financial means of the Group are mainly deposits in banks, overdraft facility by banks, short-term financial products of high liquidity traded in the money market, trade debtors and creditors, loans to and from subsidiaries, related companies and joint ventures, equity investments, dividends payable and liabilities arising from leasing.

FOREIGN EXCHANGE RISK

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will be subject to fluctuation due to changes in exchange rates.

This kind of risk may arise for the Group from transactions performed in foreign currency, with countries outside the Eurozone, and with countries that do not have a currency pegged to the euro. Such transactions mainly concern purchases of fixed assets and inventories, trade sales, investments in financial assets, loans, as well as net investments in foreign units. The Group operates through its subsidiaries in Greece, Cyprus, Eastern Europe and North America, and thus it may be exposed to foreign exchange risk.

The Group's current foreign activities concern energy projects for the production of electric energy.

In relation to projects in countries such as Bulgaria, the contractual receivables and liabilities are either in euro or in local currency (which is pegged to the euro) and thus exposure to foreign exchange risk is limited.

However, the development of energy projects in other countries, such as Poland and the USA, where the local currency fluctuates against the euro, may lead to foreign exchange differences and to foreign exchange risk exposure from changes in the exchange rate of the US Dollar (USD) or Polish Zloty (PLN) against the euro.

(All amounts in thousand Euro, unless stated otherwise)

The Group uses natural hedging methods for foreign exchange risk in countries where it operates by borrowing partly in local currency, thus hedging foreign exchange risks from its receivables. At the same time, it is noted that during the year the Group used short-term forward foreign exchange contracts to hedge its foreign exchange risks from liabilities in USD.

	2013		2012	
Nominal amounts	**USD**	**PLN**	**USD**	**PLN**
Current Financial assets	8,373	50,428	101,868	40,289
Current Financial liabilities	(7,884)	(30,878)	(76,370)	(39,261)
Total	**489**	**19,550**	**25,498**	**1,028**
Non-Current Financial assets	6,828	-	20	-
Non-Current Financial liabilities	(175,865)	(222,721)	(170,648)	(239,537)
Total	**(169,037)**	**(222,721)**	**(170,628)**	**(239,537)**

The following table presents the sensitivity of the year's results and equity to exchange rate changes through their effect on the monetary assets and liabilities. For the above currencies we have examined the sensitivity to a 10% change.

	2013				2012			
	USD		PLN		USD		PLN	
Nominal amounts	**10%**	**(10%)**	**10%**	**(10%)**	**10%**	**(10%)**	**10%**	**(10%)**
Effect on Net earnings before tax	(504)	504	466	(466)	(126)	126	447	(447)
Effect on other comprehensive income	492	(492)	2,323	(2,323)	824	(824)	1,697	(1,697)

To manage this category of risk, the Group's Management and risk management department ensure that receivables (income) and liabilities (expenses) are as most as possible in euro or in currencies pegged to the euro, or in the same currency in order to offset the foreign exchange risk.

SENSITIVITY ANALYSIS OF INTEREST RATE RISK

The Group's policy is to minimize its exposure to interest rate risk as regards to long-term financing. In the context of this policy, the long-term loans received by the Group are either under fixed interest rates or are hedged for interest rate risk for almost their total duration. Therefore, 30% of the Group's long-term debt is under fixed interest rates, 30% under floating interest rates that have been hedged with derivatives that swap future fixed interest rate payments against the receipt of floating interest rate payments, whereas 40% under floating interest rates linked either to euribor or to wibor (Notes 15 & 16).

The Group's short-term debt is under floating interest rates (Note 23). It is noted that it is Group policy to convert short-term debt to long-term when the Wind Park, whose construction is being financed, has been completed. The balance of the Group's short-term debt on 31.12.2013 amounts to € 36,914 thousand.

The following table presents the sensitivity of the results towards the Group's short-term debt and deposits, in case of an interest rate change of +20% –20% (2012: +/-20% as well). The changes in interest rates are estimated to be in line with the recent market conditions which until today are stable as compared to the previous year.

	2013		2012	
Amounts in thousand €	**20%**	**(20%)**	**20%**	**(20%)**
Results after taxes – Group	(96)	96	(602)	602
Results after taxes – Company	(18)	18	(120)	120

The Group is not exposed to other interest rate risks.

ANALYSIS OF MARKET RISK

The Group is not exposed to market risk on its financial assets, apart from a long-term liability amounting to 5,059 thousand euro, the future cash flows of which are linked to the Eurozone inflation rate excluding tobacco. This liability is recognized at fair value through the results.

ANALYSIS OF CREDIT RISK

Credit risk is the risk that a counterparty in a financial instrument will cause loss to the other by failing to pay the relevant liability.

The Group continuously controls its receivables and it incorporates the resulting information in its credit control. The Group's policy is to cooperate only with reliable customers.

The entire sum of the energy sector's receivables concerns the broader public sector in the domestic market (including LAGIE and DEDDIE) as well as abroad, and the same applies for the largest part of the receivables from the construction sector.

The Group historically, and given the nature of its operations, is not exposed to significant credit risk from trade receivables, apart from contingent delays in payment. However, the special RES account of LAGIE, via which the Group's receivables in Greece are paid, posted a significant deficit in 2013 as result of the unprecedented crisis that has hit Greek economy. In this context, the repayment of the Group's receivables from LAGIE and DEDDIE has been seriously delayed. In March 2014, a draft of law was released for open discussion concerning the restructuring of the special RES account of LAGIE in an effort to become viable. Specifically, the draft of law proposed the retroactive refund of 10% and 35% of the electric energy sales from wind parks and photovoltaic parks respectively. In case of adoption of the law, based on the above provisions, the Group's loss from accrued receivables will settle at € 6.56 million. The Group has recorded an equivalent provision in its financial statements.

The credit risk for the cash and cash equivalents is negligible as the counterparties of the relevant transactions are trustworthy banks with high quality capital structure, the State or companies belonging in the broader public sector or large business groups.

(All amounts in thousand Euro, unless stated otherwise)

The Group's management considers that all the above financial assets for which all the necessary impairments have been made, are of high credit quality.

The amounts that represent the largest exposure to this risk at the end of the current and the comparative period, are the current value of such accounts in the respective periods. The largest credit risk of the company is the possibility of default of the counterparty.

On 31/12/13 there are no guarantees and credit enhancements for security against credit risk of the above receivables, both for the Company and for the Group.

On 31/12/13 there are no financial receivables overdue, both for the Company and the Group, apart from an amount of € 6,770, for which an equivalent provision has been made.

ANALYSIS OF LIQUIDITY RISK

The TERNA ENERGY Group manages its liquidity needs by carefully monitoring the balance of long-term financial liabilities as well as payments that take place on a daily basis. The liquidity needs are monitored at different time zones, on a daily and weekly basis, as well as on the basis of a moving 30-day period. The liquidity needs for the next 6 months and the next year are defined monthly.

The company maintains cash and cash equivalents in banks to cover its liquidity needs for periods up to 30 days. Capital for mid-term liquidity needs are released from the company's term deposits.

The maturity of the financial liabilities on 31 December 2013 for the TERNA ENERGY Group, is analyzed as follows:

	31.12.2013		
	Short-term	**Long-term**	
	0 to 12 months	**1 to 5 years**	**over 5 years**
Long-term Debt	34,744	128,667	161,437
Other Financial liabilities	2,879	11,886	23,331
Loans at Fair Value	-	5,059	-
Liabilities from derivatives	-	1,104	1,216
Short-term Debt	36,914	-	-
Trade Liabilities	28,412	-	-
Other liabilities	19,498	-	-
Total	**122,447**	**146,716**	**185,984**

(All amounts in thousand Euro, unless stated otherwise)

The corresponding maturity of financial liabilities for 31 December 2012 was as follows:

	31.12.2012		
	Short-term	**Long-term**	
	0 to 12 months	**1 to 5 years**	**over 5 years**
Long-term Debt	29,528	111,774	176,676
Other Financial liabilities	13,795	11,263	24,636
Loans at Fair Value	-	4,132	-
Liabilities from derivatives	-	2,901	517
Short-term Debt	100,355	-	-
Trade Liabilities	30,920	-	-
Other liabilities	12,387	1,964	-
Total	**186,985**	**132,034**	**201,829**

The above contractual maturities reflect the gross cash flows, which may differ from the book values of liabilities during the end of the reporting period.

PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

The financial assets as well as the financial liabilities during the end of the reporting period, may be categorized as follows:

	31.12.2013	**31.12.2012**
Non- current assets:		
Loans and receivables – Other long-term receivables	10,685	9,585
Financial assets available for sale – Other investments	1,882	131
	12,567	**9,716**
Current assets:		
Loans and receivables – Trade receivables	46,953	47,548
Loans and receivables – Prepayments and other receivables	31,219	30,142
Cash & cash equivalents	124,630	126,778
	202,802	**204,468**
Total	**215,369**	**214,184**

	31.12.2013	**31.12.2012**
Long-term liabilities:		
Liabilities measured at amortized cost – Other long-term liabilities	-	1,964
Liabilities measured at amortized cost – Long-term loans	290,104	288,450
Liabilities measured at amortized cost – Other Financial liabilities	35,217	35,899
Liabilities measured at fair value – Long-term loans	5,059	4,132
Liabilities measured at fair value – Liabilities from derivatives	2,320	3,418
	332,700	**333,863**

(All amounts in thousand Euro, unless stated otherwise)

Short-term liabilities:		
Liabilities measured at amortized cost – Suppliers	25,352	27,596
Liabilities measured at amortized cost – Short-term loans	36,914	100,355
Liabilities measured at amortized cost – Long-term liabilities payable in the next period	37,623	43,323
Liabilities measured at amortized cost – Accrued and other short-term liabilities	19,498	12,387
	119,387	**183,661**
Total	**452,087**	**517,524**

See notes 3c, 3d for a more detailed description on how the category of financial instruments affects their subsequent valuation.

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

The long-term loan of 5,059 thousand euro and the financial derivatives are the only financial instruments which are measured at fair value during 31/12/2013. The 2013 results include an amount of € 2,129 thousand concerning this loan, while the total fair value change of derivatives, namely € 2,956 thousand, has been registered in the cash flow hedging reserves.

The group has adopted the revision of IFRS 7 regarding the hierarchy of items measured at fair value in the following levels:

- Level 1: Market prices on an active market
- Level 2: Prices from valuation models based on observable market data
- Level 3: Prices from valuation models that are not based on observable market data

The liability from the long-term loan of € 5,059 thousand is included in level 2. The fair value of the loan is determined using a valuation technique. This evaluation is based both on data observable in the market and on data that are not directly observable, such as the estimation of the future Eurozone inflation rate excluding tobacco. In case of a reasonable change in the valuation model's data regarding the specific loan (inflation rate), the fair value would not change significantly. This is due to the fact that the loan agreement states that the loan payments do not change given that the inflation rate fluctuates within a specific range.

The financial derivatives are included in level 2, as the measurement of their fair value is performed with reference to the market yield curves.

35 POLICIES AND PROCEDURES FOR CAPITAL MANAGEMENT

The aims of the Group regarding the management of its capital is as follows:

- to ensure the ability of the Group to continue its activity (going-concern) and
- to secure a satisfactory return for its shareholders by pricing products and services according to their level of risk.

- to fulfill its contraction obligations as regards to specific debt agreements.
- to ensure it meets the minimum requirements set by law regarding undertaking contracting constructions.

The Group defines the level of capital in proportion to the risk of its activities, it monitors the developments of the economic environment and their effect on the risk characteristics, and it manages the capital structure (relation of debt to capital) with the adjustment of the amount and maturity of debt, the issue of new shares or the return of capital to shareholders, with the adjustment of the dividend and the sale of individual or a group of assets.

The Group finances the construction of Wind Parks and other projects through a mix of equity, bank debt and government grants. For this purpose, the Group monitors the ratio of Bank Debt to Total Employed Capital. Total Employed Capital is defined as total equity, bank debt, titles issued in the context of the tax equity investment (Note 20), the repayment of which follows the servicing of the primary debt of the respective Wind Parks and is applied only to the extent that the required performance is achieved from their operation, and government grants decreased by the amount of cash that has not been blocked for any reason.
The ratio at the end of 2013 and 2012 was as follows:

Amounts in thousand €	**31.12.2013**	**31.12.2012**
Bank debt	366,821	422,465
Total equity	350,978	362,977
Bank debt	366,821	422,465
Financial liabilities from secondary titles	38,096	49,694
Grants	271,376	288,885
Minus: Cash and Deposits	(60,062)	(78,297)
Capital	**967,209**	**1,045,724**
Bank Debt / Total Employed Capital	**38%**	**40%**

The Group has satisfied all its significant contractual obligations that emanate from loan agreements.

36 EXISTING COLLATERAL ASSETS

There are no mortgage liens on the Group’s property.

(All amounts in thousand Euro, unless stated otherwise)

37 SIGNIFICANT EVENTS DURING THE PERIOD

The receipt of a 77 mil USD grant, which concerned the company's project in IDAHO U.S.A. was concluded, thus significantly reducing the Group's short-term debt. Also, an operation license was issued for a 1.05MW photovoltaic park and an installation license was issued for the expansion of a wind park by 10 MW. Moreover, a license was issued in Greece for the installation of a 29.7MW wind park and an operation license was issued also in Greece for a photovoltaic park of 1.49MW. In Poland a wind park of 8MW was set into operation, while constructions began for a wind park of 12 MW.

In the construction segment, the Company signed an agreement for the construction of the project "Restoration of the electro movement – telemanagement system of the railway line section Acharnes – Tithorea", with a contractual price of € 21,223,162.

Also, the Company signed an agreement for the construction of the project "Widening of Lefkada channel", with a contractual price of €15,904,245.

The company was announced as the lowest bidder in the contest of the Integrated Waste Management of the Peloponnese Region through a public private partnership.

The total construction backlog towards third parties on 31 December 2013 amounts to € 68.2 million.

38 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In the beginning of 2014, 3 wind parks were placed in trial operation: one project of 18 MW in Rhodes and 2 projects in Thrace with total capacity of 18 MW.

39 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.

The Chairman of the Board	The Chief Executive Officer	The Chief Financial Officer
George Peristeris	Emmanuel Maragoudakis	Vasileios Delikaterinis
ID No. AB 560298	ID No. AB 986527	ID No. AI 036060

TERNA ENERGY

TERNA ENERGY SA

S.A. Reg. No. 318/06/B/86/28

85 Mesogeion Ave., 11526 Athens Greece

DATA AND INFORMATION FOR THE FINANCIAL PERIOD FROM 01/01/2013 TO 31/12/2013

Published in accordance with C.L. 2190/20 article 135 for companies that prepare annual financial statements, consolidated and non-consolidated, according to IAS

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

COMPANY INFORMATION

Relevant Authority:	General Secretariat of Commerce
Board of Directors' Composition:	Georgios Peristeris (chairman), Georgios Perdikaris (vice-chairman), Emmanuel Maragoudakis (CEO), Georgios Spyrou (executive director), Michael Gourzis & Panagiotis Pothos (executive members), Theodoros Tagas (non-executive member), Aristeidis Ntasis & Nikolaos Kalamaras (independent non executive members).
Approval Date of the annual Financial Statements (from which the condensed data were derived):	20 March 2014
Legal Auditor:	Deligiannis Georgios (SOEL Reg. No. : 15791)
Auditing Firm:	GRANT THORNTON SA (SOEL Reg. No.: 127)
Type of audit report by Legal Auditor:	Without reservation
Company Website:	www.terna-energy.com

STATEMENT OF FINANCIAL POSITION (Consolidated and Non-Consolidated)

Amounts in thousand euro

	GROUP		COMPANY	
	31/12/2013	**31/12/2012 - Revised**	**31/12/2013**	**31/12/2012 - Revised**
ASSETS				
Self used tangible fixed assets	770.109	769.424	123.132	130.263
Investment property	785	923	785	923
Other non-current assets	23.532	17.325	252.319	288.569
Intangible assets	28.524	29.589	1.449	1.530
Inventories	4.027	3.303	3.575	2.959
Trade receivables	49.811	56.805	41.590	42.369
Cash & cash equivalents	124.630	126.778	37.385	27.556
Other current assets	87.052	176.906	20.447	27.702
TOTAL ASSETS	**1.088.470**	**1.181.053**	**480.682**	**521.871**
EQUITY & LIABILITIES				
Share capital	32.794	32.796	32.794	32.796
Other items of Shareholders' Equity	315.550	327.852	300.970	318.718
Total Shareholders' Equity (a)	**348.344**	**360.648**	**333.764**	**351.514**
Non-controlling interests	2.634	2.329	-	-
Total Equity (b)	**350.978**	**362.977**	**333.764**	**351.514**
Long-term bank liabilities	295.163	292.582	51.333	61.934
Provisions/Other-long-term liabilities	317.636	337.125	48.296	51.301
Short-term bank liabilities	71.658	129.883	10.280	9.152
Other-short-term liabilities	53.035	58.486	37.009	47.970
Total liabilities	**737.492**	**818.076**	**146.918**	**170.357**
TOTAL EQUITY & LIABILITIES	**1.088.470**	**1.181.053**	**480.682**	**521.871**

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

Amounts in thousand euro

	GROUP		COMPANY	
	31/12/2013	**31/12/2012 - Revised**	**31/12/2013**	**31/12/2012 - Revised**
Total equity at beginning of period (01/01/2013 and 01/01/2012)	362.977	369.609	351.514	361.121
Total earnings after taxes (continuing and interrupted operations)	6.237	7.388	532	4.410
	369.214	**376.997**	**352.046**	**365.531**
Return of share capital	(9.380)	(5.206)	(9.380)	(5.206)
Increase/(decrease) of share capital of subsidiary	52			
Distributed dividends	-	(6.680)	-	(6.680)
Purchases of treasury shares	(8.902)	(2.130)	(8.902)	(2.130)
Transfers - other movements	(6)	(4)	-	(1)
Total equity at end of period (31/12/13 and 31/12/12)	**350.978**	**362.977**	**333.764**	**351.514**

STATEMENT OF COMPREHENSIVE INCOME (Consolidated and Non-Consolidated)

Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/12/2013	**1/1-31/12/2012 - Revised**	**1/1-31/12/2013**	**1/1-31/12/2012 - Revised**
Turnover	139.595	124.020	75.479	76.503
Gross profit / (losses)	48.420	48.867	14.603	18.198
Earnings/(Loss) before interest and tax (EBIT)	35.299	34.878	6.083	9.263
Earnings/(Loss) before tax	9.895	19.394	1.632	6.630
Earnings/(Loss) after tax (A)	4.355	14.431	344	4.980
Allocated to:				
Company Shareholders	4.101	14.220		
Minority Shareholders	254	211		
	4.355	14.431		
Other comprehensive income after taxes (B)	1.882	(7.043)	188 #	(570)
Total comprehensive income after taxes (A+B)	6.237	7.388	532	4.410
Allocated to:				
Company Shareholders	5.983	7.177		
Minority Shareholders	254	211		
	6.237	7.388		
Earnings/(Losses) after tax per share - basic (in €)	0,0376	0,1301	0,0031	0,0456
Proposed dividend per share (in €)				
Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA)	**63.357**	**53.014**	**11.661**	**16.191**

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

Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/12/2013	**1/1-31/12/2012 - Revised**	**1/1-31/12/2013**	**1/1-31/12/2012 - Revised**
Operating activities				
Profit before tax	9.895	19.394	1.632	6.630
Plus/less adjustments for:				
Depreciation	36.337	23.917	8.300	8.237
Provisions	6.700	192	2.462	124
Interest income and related income	(3.180)	(4.384)	(4.020)	(4.906)
Interest expenses and related expenses	28.584	19.868	8.471	7.539
Results from intangible and tangible assets and investment property	138	-	138	-
Amortization of grants	(8.726)	(4.840)	(2.722)	(1.309)
Foreign exchange differences	447	(941)	-	-
Operating profit before changes in working capital	**70.195**	**53.206**	**14.261**	**16.315**
Plus/Less adjustments for working capital account movements or movements related to operating activities:				
Decrease / (increase) in inventories	(723)	(1.676)	(616) 0	(1.660)
Decrease / (increase) in receivables	(15.668)	5.171	(6.922) 0	2.458
(Decrease) / increase in liabilities (other than to banks)	(4.002)	(21.248)	(11.122) 0	(5.308)
(Less):				
Taxes paid	(5.693)	(4.116)	(2.231)	(1.402)
Total inflows / (outflows) from operating activities (a)	**44.109**	**31.337**	**(6.630)**	**10.403**
Investing activities				
Purchases of tangible & intangible assets	(35.959)	(220.248)	(1.088)	(4.602)
Grants received	91.067	30.458	14.305	10.435
Interest received	2.579	4.803	2.646	3.703
Net change in loans granted	3.948	(880)	24.932	(54.230)
(Purchases)/sales of participations and securities	(1.901)	-	11.885	(36.274)
Increase of investments in associate company	-	-	-	-
Total inflows / (outflows) from investing activities (b)	**59.734**	**(185.867)**	**52.680**	**(80.968)**
Financing activities				
Return of share capital	(9.375)	(4.763)	(9.375)	(4.763)
Decrease of share capital of subsidiary	-	-	-	-
Purchases of treasury shares	(8.902)	(2.130)	(8.902)	(2.130)
Net change in long-term loans	5.549	102.360	(13.802)	(4.563)
Net change in short-term loans	(57.361)	(3.164)	2.079	-
Dividends paid	-	(6.680)	-	(6.680)
Interest and related expenses paid	(23.317)	(22.431)	(6.221)	(5.780)
Change in financial liabilities	(12.239)	50.588	-	-
Change in other financial assets	-	239	-	239
Total inflows / (outflows) from financing activities (c)	**(105.645)**	**114.019**	**(36.221)**	**(23.677)**
Effect of FX differences on cash equivalents	(346)	(503)	-	-
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**(2.148)**	**(41.014)**	**9.829**	**(94.242)**
Cash and cash equivalents at the beginning of the period	**126.778**	**167.792**	**27.556**	**121.798**
Cash and cash equivalents at the end of the period	**124.630**	**126.778**	**37.385**	**27.556**

ADDITIONAL DATA AND INFORMATION

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

2. The Basic Accounting Principles of the financial statements as of 31/12/2012 have been followed.

3. The group during the present period employed 181 individuals. For the respective period of 2012 the group employed 237 individuals. During the present period the company employed 161 individuals, while during the respective period of the previous year the company employed 218 individuals.

4. The Company has been audited by the tax authorities up to fiscal year 2008 included. Note No 4 of the financial statements refers to the tax un-audited fiscal years of the consolidated entities.

5. The items of the Statement of Financial Position and the Statement of Comprehensive Income of the comparative period ended on 31/12/2012 have been revised due to the amended IAS 19 "Employee Benefits". The application of the above amendment resulted to changes of the items "Provision for staff indemnities" for the Group and the Company by € 77 thous., "Reserves" for the Group and the Company by € (81) thous. and € (80) thous. respectively, "Profit carried forward" for the Group and the Company by € 4 thous. and € 3 thous. respectively, "Other Income/(Expenses)" for the Group and the Company by € 4 thous. € 3 thous. Respectively, and "Actuarial income/losses from defined benefit plans" for the Group and the Company by € (81) thous. and € (80) thous. respectively.

6. Earnings per share were calculated based on the weighted average number of shares.

7. The financial statements of the group are included in the consolidated financial statements of GEK TERNA SA, consolidated with the full consolidation method. The aforementioned parent company is registered in Greece and on 31/12/2013 owned 45.9082% of the company's share capital.

8. The amounts of sales and purchases (goods and services) cumulatively from the beginning of the financial period, as well as the balances of receivables and liabilities of the company at the end of the present period, that have emerged from its transactions with its related parties, as such are defined by IAS 24, are as follows:

	GROUP	COMPANY
a) Sales of goods and services	3.825	21.200
b) Purchases of goods and services	1.560	1.601
c) Receivables	12.428	68.565
d) Liabilities	3.386	8.979
e) Transactions & remuneration of Board members and executives	708	604
f) Receivables from Board members and executives	3	3
g) Liabilities to Board members and executives	-	-

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

	GROUP	COMPANY
Provisions for restoration of natural environment	4.096	619
Other Provisions	7.667	3.305

10. The names, domiciles, participation percentages and consolidation method of companies and joint ventures that were consolidated in the financial statements of 31/12/2013 are mentioned in detail in Note 4 of the financial statements.

11. On 31 December 2013, no company was incorporated in the consolidated financial statements with the full consolidation method as compared to the previous year.

12. During the year 2013, the following companies were liquidated and the respective results are included in the Group's consolidated financial statements.

Company Name	Percentage	Country	
AIOLOS LUX S.A.R.L	100%	Luxembourg	Liquidation from the 1st quarter 2013
EOL TECHNICS CONSULT SRL	100%	Romania	Liquidation from the 4th quarter 2013

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

	GROUP 31/12/2013	COMPANY 31/12/2013
Foreign exchange differences from conversion of incorporated foreign operations	(851)	-
Actuarial income/losses from defined benefit plans	34	32
Expenses for capital increase	(305)	(123)
Income / expenses from hedging of cash flow risk	2.956	160
Tax on items transferred directly to or from equity	48	119

14. The number of treasury shares owned by the company on 31 December 2013 corresponded to 550,015 shares with a total acquisition cost of 1,261 thous. €.
15. No sector or company has ceased operations.

Athens, 20 March 2014

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE HEAD ACCOUNTANT
GEORGIOS PERISTERIS ID No. : AB 560298	EMMANUEL MARAGOUDAKIS ID No.: AB 986527	VASILIOS DELIKATERINIS ID No.: AI 036060	NIKOLAOS MANAVERIS ID No.:AE 567798 License Reg. No. A' CLASS 9674

VI. INFORMATION OF ARTICLE 10 LAW 3401/2005

The following Press Releases, Corporate Announcements and Regulated Information have been posted on the Company's website as well as on the website of the Athens Exchange, at the following addresses: www.terna-energy.com and www.helex.gr

PRESS RELEASES 2013

30/11/2013	IR. Report 30.09.2013
30/11/2013	9-Month 2013 Results of TERNA ENERGY
27/08/2013	First half 2013 Financial Results of TERNA ENERGY
27/08/2013	IR. Report 30.06.2013
28/05/2013	First Quarter 2013 Financial Results of TERNA ENERGY - 57.2% increase of EBITDA and 37.4% increase of net earnings
28/05/2013	IR. Report 31.03.2013
29/03/2013	Annual Results 2012 of TERNA ENERGY
29/03/2013	IR. Report 31.12.2012

CORPORATE ANNOUNCEMENTS 2013

11/12/2013	Notification of a significant modification on the voting rights according to the L. 3556/2007
28/11/2013	Amendment to the Financial Calendar of the year 2013
27/11/2013	Purchase of TERNA ENERGY's shares
01/11/2013	Notification about treasury shares
01/11/2013	Announcement of the Company about the amount of share capital and the number of shares
24/10/2013	Announcement of the Company about the amount of share capital and the number of shares
21/10/2013	Cancelation of Own and issuance of Gratis Shares
15/10/2013	Bulletin of article 4 par. 2e of Law 3401/2005
02/10/2013	Purchase of TERNA ENERGY's shares
01/10/2013	Purchase of TERNA ENERGY's shares
23/09/2013	Purchase of TERNA ENERGY's shares
18/09/2013	Purchase of TERNA ENERGY's shares
17/09/2013	Purchase of TERNA ENERGY's shares
16/09/2013	Purchase of TERNA ENERGY's shares
13/09/2013	Purchase of TERNA ENERGY's shares
12/09/2013	Purchase of TERNA ENERGY's shares
29/08/2013	Purchase of TERNA ENERGY's shares
26/08/2013	Amendment To The Financial Calendar Of The Year 2013
25/07/2013	Decisions of the Shareholders' Extraordinary General Assembly held on July 25, 2013
23/07/2013	Announcement about the approval of the increase and decrease of the share capital and the procedure for the return of capital to the shareholders
15/07/2013	Purchase of TERNA ENERGY's shares

12/07/2013	Purchase of TERNA ENERGY's shares
11/07/2013	Purchase of TERNA ENERGY's shares
03/07/2013	ANNOUNCEMENT OF DRAFT FOR AMENDMENT OF ARTICLE 5 “Share Capital” OF THE ARTICLES OF ASSOCIATION
03/07/2013	Invitation to the Extraordinary General Assembly
10/06/2013	Updating of the Corporate Financial Calendar of 2013
05/06/2013	Purchase of TERNA ENERGY's shares
03/06/2013	Purchase of TERNA ENERGY's shares
31/05/2013	Purchase of TERNA ENERGY's shares
28/05/2013	Purchase of TERNA ENERGY's shares
27/05/2013	Amendment To The Financial Calendar Of The Year 2013
25/04/2013	Announcement
25/04/2013	Decisions Of The Shareholders’ Ordinary General Assembly Held On April 25, 2013
08/04/2013	Notification of acquisition of treasury shares
08/04/2013	Notification of a significant modification on the voting rights according to the L. 3556/2007
04/04/2013	Invitation to Annual Ordinary General Assembly
04/04/2013	ANNOUNCEMENT OF DRAFT AMENDMENT OF ARTICLES 1 “Incorporation – Name” and 5 “Share Capital” OF THE ARTICLES OF ASSOCIATION
04/04/2013	Addition to the Corporate Financial Calendar of 2013
01/04/2013	Annual Analysts Presentation
28/03/2013	Financial Calendar Of The Year 2013
27/03/2013	Reply to a respective question raised by HCMC
11/03/2013	Announcement about the sale of fractional balances of shares

REGULATED INFORMATION 2013

12/12/2013	Notification concerning acquisition of shares and voting rights
11/12/2013	Notification of Transaction
09/12/2013	Notification of Transaction
06/11/2013	Notification of Transaction
08/04/2013	Notification of Transaction
05/02/2013	Notification of Transaction

The annual financial statements of the Group and Company, as well as the financial statements of the consolidated companies, the audit report by the Certified Auditor and the Reports by the Board of Directors for the year ended on 31st December 2013, have been posted on the Company’s website: http://www,terna-energy,com