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

ANNUAL FINANCIAL REPORT

for the period

from January 1st to December 31st 2015

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

This financial statements have been translated from the original Greek version. In the event that differences exist between this translation and the original Greek language financial statements, Greek language financial report will prevail over this document.

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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 2015 to December 31st 2015, 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, 18 March 2016

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

This report has been translated from the Greek Original Version

II. AUDIT REPORT BY INDEPENDENT CERTIFIED AUDITOR ACCOUNTANT

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

Audit Report on the Consolidated and Separated Financial Statements

We have audited the accompanying separate and consolidated financial statements of TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECNHNICAL COMPANY S.A. and its subsidiaries, which comprise the separate and consolidated statement of financial position as at December 31, 2015, and the separate and consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of company TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECNHNICAL COMPANY S.A. and its subsidiaries as at December 31, 2015, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

a) The Board of Directors' Report includes a statement of the corporate governance that provides all the information required by Paragraph 3d of article 43a of Law 2190/1920.

b) We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned separate and consolidated Financial Statements, in the scope of the requirements of Articles 43a (paragraph 3a),108 and 37 of Law 2190/1920.

Athens, March 21rst, 2016
The Chartered Accountant

Pavlos Stellakis
SOEL Reg. No: 24941

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III. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR FINANCIAL YEAR 2015

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 01/01/2015 to 31/12/2015, 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 and Performance for the Reporting Period

During the year 2015, the financial - business environment, both in local and international level, remained challenging for many industries and sectors of the economy, especially the wind industry, which continues to be one of the best investment options worldwide.

RES sector remains among the top selected investments at a global level. TERNA ENERGY, activating in the sector since 1997, currently capitalizes its know-how and experience it possesses, building an important presence not only in Greece but also in USA, Poland and Bulgaria.

TERNA ENERGY continues to dynamically invest in this sector, with a total installed capacity of 664 MW in Greece and abroad. The Group has installations of 394 MW in Greece, 138 MW in the USA, 102 MW in Poland and 30 MW in Bulgaria. At the same time, the Group has RES installations currently under construction with a capacity of 124 MW in Greece. At the same time, it completes the development of a new Wind Park of 150 MW capacity in Texas, USA.

The Company's construction business segment continues to render services to external customers as well as for the construction of the Company's own projects or of its subsidiaries.

For the year 2015, the Group's consolidated sales amounted to 198.6 mil euro compared to 158.2 mil euro in 2014, posting a 25.5% increase mainly due to increased income from the sale of energy. Operating profit (EBITDA) amounted to 99.3 mil euro compared to 74 mil in the previous year, increased by 34.1% due to the Group's increased capacity in the energy sector. Earnings before tax amounted to 30.3 mil, increased by 149.6% compared to the previous year due to the increase in capacity. Earnings after tax and minority interest amounted to 17.4 mil euro, posting a 198.4% decrease.

As regards to the results of the individual sectors: The energy sector generated sales of 140.3 million euro, posting a 27.1% increase compared to the year 2014, whereas the energy trading segment posted revenues of 26.8 million euro. The operating profitability before depreciation and amortization of the energy sector amounted to 97.6 million euro, posting an increase of 32.3% versus the year 2014, whereas the respective profitability in the energy trading business was marginal.

TERNA ENERGY's construction activity towards third parties presented sales amounting to 20.2 mil euro versus 35.5 mil euro in 2014. Operating earnings (EBITDA) of the sector amounted to 1.2 mil euro compared to 0.3 mil euro in the previous year. The backlog of construction projects towards third parties at the end of 2015 amounted to 78.3 mil euro.

Finally, revenues from the concessions segment amounted to 11.3 million euro, whereas the operating profitability of the segment was marginal.

The Group's financial position remains constantly satisfactory, as its cash & cash equivalents amounted to 166.7 mil euro, while bank debt amounted to 486 mil euro, resulting in a net debt position (cash minus bank debt) at the level of 319.3 mil euro.

The Company continues to implement its growth and investment plan in Greece and abroad.

The Board of Directors of the Company intends to propose to the Annual Ordinary Shareholders' Meeting the distribution of a dividend of EUR 0.09 per share from the earnings of the previous financial years.

B. Significant events during financial year 2015

In the context of implementing its investment plan, the Company continued during the year 2015 the construction of a Wind Park of 73.2 MW capacity in Ai Giorgis island of Lavreotiki Municipality with the aim to complete the project and operate the park within 2016.
During the same period 3 new installation licenses of 48 MW capacity, 1 new production license of 16.2 MW capacity, and 4 new operating licenses of 74.2 MW capacity were issued in Greece, whereas the Company commenced the development of a new Wind Park of total capacity 150 MW in Texas, USA.
Moreover, the Court of Audit approved the contract concerning the joint agreement with the Periphery of Peloponnese for the "Total Waste Management of the Periphery of Peloponnese via SDIT". The signing of the agreement is expected.

C. Significant Events after the end of financial year 2015

There are no significant events after 31 December 2015 that may materially affect the financial position of the Group and the Company.

D. Risks and Uncertainties

The outlook for TERNA ENERGY Group for the year 2016 is stable given that:
a) the construction of new RES is to be completed, while
b) new investments, which will soon be incorporated in the construction plan are at a mature stage as regards to licensing and financing.
The last developments leading to capital controls and the potential difficulties in applying the medium-term program for the support of the Greek economy due to the uncertain political climate, may have an effect on the broader medium to long-term conditions of the domestic market, and also on the Group's investment plan with regard to investments planned in the Greek geographic area. The significant activity of the Group in the foreign markets, Europe and North America, contributes to the dispersion of the relative risks and balances the effect from the above unfavorable domestic developments on the Group's financial performance.

The Management's stance is that the developments in the Greek economy are not predictable and it is not possible to assess which of the above developments will have the greatest effect on the operation, the financial performance, the cash flows and the Group's financial position. However taking into consideration all the above, the Management takes all necessary actions for the smooth operation of the Company in the Greek area by constantly monitoring and assessing all potential risks that may arise in future. In close, constant and systematic cooperation with the Group's senior managerial staff, the Management plans and applies measures in order to face any detected risks and minimize their effect to the largest possible degree.

The Group despite the ongoing economic crisis, at the reporting date of the annual Consolidated Financial Statements maintains a satisfactory capital adequacy, profitability and liquidity, and continues to be fully consistent with regard to its obligations towards suppliers, Greek State, social security funds, creditors, etc.
Moreover, the Management's view is that for the year 2016, the credit risk concerning the receivables from the energy sector for both the parent company and the other Greek based companies of the Group is relatively limited.

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, securities, as well as long-term and short-term loans.
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 from LAGIE. The overdue payments have been though reduced following the adoption of Law 4254/14.
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 deriving 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, 24% of the Group's long-term debt is under fixed interest rates, 22.9% 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 53.1% 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 as bridge financing during the phase of implementation and construction of the Group's investments.

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 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% (2014: +/-20% as well). The interest rate changes examined are considered to fluctuate on a reasonable basis given the current market condition and, until today, appear stable in relation to the previous year.

	2015		2014	
Amounts in thousands €	**20%**	**(20%)**	**20%**	**(20%)**
Result after tax - Group	(261)	261	(100)	100
Result after tax – Company	(14)	14	(19)	19

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.

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 86.2 mil euro during 2015 compared to 59.3 mil euro in 2014. The Group manages its liquidity needs by applying a cautious cash flow planning, by carefully monitoring the balance of long-term financial liabilities as well as by systematically managing the payments which 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 and Outlook

The prospects of TERNA ENERGY Group for the year 2016 are positive given that the construction of a new project of 73.2 MW capacity is under completion and will begin to generate income within 2016. Furthermore, new investments are maturing in terms of licensing and financing in Greece and abroad and are expected to enter the construction phase within the following period.

F. Treasury Shares

During the period 01/01/2015 – 31/12/2015, the Company bought back 601,952 shares with a nominal value of 180,586 euro and value of 1,597,026 euro. The total number of treasury shares held by the Company as of 31/12/2015 had reached the number of 2,985,795 shares, i.e. 2.73% of the total share capital, with a total acquisition cost of 7,768,200 euro.

Z. 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 2015 are as follows:

TERNA ENERGY SA				
	SALES	PURCHASES	RECEIVABLE	LIABILITY
SUBSIDIARIES				
IWECO CHONOS LASITHI CRETE SA	159,185	26,604	11,298	2,295,610
TERNA ENERGY EVROU SA	320,000	319,008		7,782,858
ENERGIAKI SERVOUNIOU SA	348,135	37,545	642,447	24,920,503
AIOLIKI PANORAMATOS DERVENOCHORION SA	1,071,305		2,272,778	
AIOLIKI ILIOKASTROU SA	200,000		369,000	
AIOLIKI RACHOULAS DERVENOCHORION SA	216,000		5,042,420	
ENERGIAKI DERVENOCHORION SA	235,000		-	
ENERGIAKI FERRON EVROU SA	130,000		129,950	
AIOLIKI DERVENI TRAIANOUPOLEOS SA	455,667		2,243,001	
AIOLIKI PASTRA ATTIKIS SA	792,912		9,653,867	

ENERGIAKI XIROVOUNIOU SA	416,003		6,306,936	
VATHYCHORI ENA PHOTOVOLTAIC SA	377,111		2,517,063	
EUROWIND SA	215,000	55,750	47,388	3,000,000
TERNA ENERGEIAKI – AI GIORGIS SA	40,912,037		37,734,524	
ENERGIAKI NEAPOLOEOS LAKONIAS SA				2,300,000
DELTA AXIOU ENERGEIAKI SA	1,470,500		429,115	
VATHYCHORI PERVALLONTIKI SA			29,405	
CHRYSOUPOLI ENERGEIAKI LTD			17,583	
ALISTRATI ENERGY LTD			33,658	
ORCHOMENOS ENERGEIAKH LTD			7,239	
MALESINA ENERGEIAKH LTD			7,924	
LAGADAS ENERGEIAKH SA			7,447	
ENERGEIAKI PELOPONNISOU SA			20,000	
VATHYCHORI DYO ENERGEIAKI			2,500,344	
TERNA AIOLIKI XEROVOUNIOU SA			1,421	
GEOTHERMIKI ENERGEIAKH ANAPTYXIAKI SA			1,658	
TERNA ENERGY OVERSEAS LTD			10,274	
PERIVALLONTIKI PELOPONNISOU SA	1,881,894		2,233,410	
TERNA ILIAKI VOIOTIAS SA			47,394	
TERNA ILIAKI PANORAMATOS SA			27,862	
TERNA ILIAKI PELOPONNISOU SA			227,982	
HST SA			8,826	
General and Limited Partnerships			526,285	
PARENT				
GEK TERNA SA		172,249		14,871
OTHER RELATED PARTIES				
TERNA SA	121,767	80,411	10,015	49,315
Joint ventures in which TERNA SA participates	8,523,096		4,855,081	63,797
J/V GEK TERNA – TERNA ENERGY			6,770	
GEK YPIRESIES SA		14,640		4,502
EKTONON SA		1,137	10,010	9,492
VIPA THESSALONIKIS SA		25,200		2,176
HERON THERMOELECTRIC SA		195,673	21,970	142,826

Regarding the company's receivables from its subsidiaries, total € 73.108.500 (note 33) the following clarifications are provided:

- Total amount of € 54.630.763 refers to bond loans (note 10)
- Total amount of € 11.190.637 refers to receivables over construction services (note 13)
- Total amount of € 1.161.120 refers to receivables over maintenance services (note 13)
- Total amount of € 6.125.980 refers to receivables over other services (note 13)

Regarding the company's liabilities from its subsidiaries, total € 40.298.971 (note 33) the following clarifications are provided:

- Total amount € 37.886.421 763 refers to bond loans (note 17)
- Total amount € 2.300.000 refers to customer prepayment (note 24)
- Total amount € 112.550 refers to liabilities over other services

Regarding the above transactions, the following clarifications are provided:

Sales of TERNA ENERGY SA to:

- to “IWECO CHONOS SA” of 159,185 euro of which 150,000 euro concern RES maintenance services and 9,185 euro concern sale of inventories.
- to “TERNA ENERGY EVROU SA” of 320,000 euro for RES maintenance services.
- to “ENERGEIAKI SERVOUNIOU SA” of 348,135 euro, of which 260,000 euro for RES maintenance services and 84,130 euro for interest income and 4,005 euro concern sale of inventories.
- to “AIOLIKI PANORAMATOS DERVENOCHORION SA” of 1,071,305 euro, of which 361,000 euro concern RES maintenance services and 710,305 euro concern construction services.
- to “AIOLIKI ILIOKASTROU SA” of 200,000 euro for RES maintenance services.
- to “AIOLIKI RACHOULAS DERVENOCHORION SA” of 216,000 euro for RES maintenance services.
- to “ENERGIAKI DERVENOCHORION S.A.” of 235,000 euro for RES maintenance services.
- to “ENERGIAKI FERRON EVROU S.A.” of 130,000 euro for RES maintenance services.
- to “AIOLIKI DERVENI TRAIANOUPOLEOS SA” of 455,667 euro of which 223,000 euro concern construction services, 174,167 euro for RES maintenance services and 58,500 euro for interest income.
- to “AIOLIKI PASTRA ATTIKIS” of 792,912 euro, of which 200,000 euro concern RES maintenance services and 592,912 euro concern interest income.
- to “ENERGEIAKI XIROVOUNIOU” of 416,003 euro, of which 90,000 euro concern RES maintenance services and 326,003 euro concern interest income.
- to “VATHYCHORI ENA PHOTOVOLTAIC SA” of 377,111 euro, of which 250,000 euro concern RES maintenance services and 127,111 euro concern interest income.
- to “EUROWIND SA” of 215,000 euro for RES maintenance services.
- to “TERNA ENERGEIAKI – AI GIORGIS SA” of 40,912,037 euro of which 40,448,500 euro concern construction services and 463,537 euro concern interest income.
- to “DELTA AXIOU ENERGEIAKI SA” of 1,470,500 euro for construction services.
- to “PERIVALLONTIKI PELOPONNISOU SA” of 1,881,894 euro which concern sale of fixed assets.

Purchases of TERNA ENERGY SA:

- to “IWECO-CHONOS S.A.” of 26,604 euro which concern interest expenses.
- to “TERNA ENERGY EVROU S,A,” of 319,008 euro which concern interest expenses.
- to “ENERGEIAKI SERVOUNIOU SA” of 37,545 euro which concern interest expenses.
- to “EUROWIND SA” of 55,750 euro which concern interest expenses.

Sales of TERNA ENERGY SA:

- to “TERNA S.A.” of 121,767 euro, of which 100,319 euro concern machinery leasing, 1,432 euro concern purchases of fixed assets and 20,016 euro concern purchases of production materials.
- to Joint Ventures which TERNA SA participates in, of 8,523,096 euro for construction services.

Purchases of TERNA ENERGY SA:

- from “GEK TERNA SA” of 172,249 euro for property leasing expenses
- from “TERNA SA” of 80,411 euro, of which 12,814 euro concern fixed assets purchases, 53,604 euro concern machinery leasing expenses, and 13,994 euro for purchase of materials.
- from “GEK SERVICES SA” of 14,640 euro for other services

- from “EKTONON SA” of 1,137 euro for other services
- from “VIPA THESSALONIKI SA” of 25,200 euro for leasing expenses
- from “HERON THERMOELECTRIC SA” of 195,673 euro for other services

Transactions with Board members

The total remuneration to Board members amounted to 1,300,600 euro, of which 548,000 euro concern Board remuneration while 752,600 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 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 – Executive Member
2.	George Perdikaris of Gerasimos	Vice-Chairman – Executive Member
3.	Emmanuel Maragoudakis of Vasilios	Chief Executive Officer – Executive Member
4.	George Spyrou of Symeon	Executive Director – Executive Member
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 2015, 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, did not convene during the year and as a result no change occurred in the Company's remuneration policy during 2015.

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 investment plan. During a special meeting on 1st September 2015 and based on the relevant proposal from the pertinent senior staff, the Investment Committee decided to propose to the Board of Directors of the Company the implementation of the new investment in the State of Texas, USA. The investment concerns the construction of a wind park with 150 MW capacity.

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 2015, 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 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 2015 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 2015.

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-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 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 31/12/2015 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	43,383,054	39.686% (directly)
George Peristeris	26,981,012	24.682%
York Global Finance Offshore BDH (Luxembourg) Sarl	10,100,273	9.240%

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 29/4/2014, renewed the share buyback program, up to the percentage of 10% of its share capital for a period of twenty four months, namely until 28/4/2016.

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 2015
(1 January – 31 December 2015)
According to the International Financial Reporting Standards

The accompanying Financial Statements were approved by the Board of Directors of TERNA ENERGY ABETE on 18/3/2016 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 2015

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

	Note	GROUP		COMPANY	
		31 - Dec 2015	**31 - Dec 2014**	**31 - Dec 2015**	**31 - Dec 2014**
ASSETS					
Non-current assets					
Intangible assets	6	30,319	30,091	2,485	1,318
Tangible assets	7	858,667	806,873	100,264	110,339
Investment property	8	575	575	575	575
Participation in subsidiaries		-	-	246,182	216,120
Participations in associates	9	5,404	5,542	5,401	5,401
Participation in joint-ventures		-	-	127	260
Other long-term receivables	10	17,726	10,956	55,293	27,982
Receivables from derivatives	18	149	325	-	-
Financial Assets - Concessions	11	1,723	-	-	-
Other investments		1,886	1,886	1,886	1,886
Deferred tax assets	28	3,224	4,885	-	-
Total non-current assets		**919,673**	**861,133**	**412,213**	**363,881**
Current assets					
Inventories	12	2,882	2,464	2,493	2,113
Trade receivables	13	58,504	52,769	30,172	42,745
Receivables according to IAS 11	14	1,015	3,630	4,618	4,374
Prepayments and other receivables	13	61,357	49,591	13,681	24,661
Income tax receivables		3,218	1,884	2,541	1,701
Financial assets at fair value through results	15	8,900	-	8,900	-
Cash and cash equivalents	16	166,739	168,803	38,045	54,037
Total current assets		**302,615**	**279,141**	**100,450**	**129,631**
TOTAL ASSETS		**1,222,288**	**1,140,274**	**512,663**	**493,512**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	26	32,794	32,794	32,794	32,794
Share premium		219,247	229,085	219,247	229,085
Reserves		33,965	27,234	19,925	20,674
Retained earnings		55,869	46,086	35,003	35,456
Total		**341,875**	**335,199**	**306,969**	**318,009**
Non-controlling interests		4,906	3,046	-	-
Total equity		**346,781**	**338,245**	**306,969**	**318,009**
Long-term liabilities					
Long-term loans	17	393,581	324,947	109,534	55,615
Other financial liabilities	22	47,569	40,847	-	-
Liabilities from derivatives	18	4,743	5,553	558	638
Other provisions	20	8,879	8,157	963	930

TERNA ENERGY GROUP

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2015

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

		GROUP		COMPANY	
	Note	**31 - Dec 2015**	**31 - Dec 2014**	**31 - Dec 2015**	**31 - Dec 2014**
Provision for staff indemnities	19	390	313	366	295
Grants	21	236,239	265,833	20,885	44,712
Deferred tax liabilities	28	8,795	4,325	1,658	13
Total long-term liabilities		**700,196**	**649,975**	**133,964**	**102,203**
Short-term liabilities					
Suppliers	23	26,498	21,587	11,746	13,018
Short-term loans	25	51,449	67,322	12,248	39,610
Long-term liabilities falling due in the next period	17	41,042	31,074	9,566	4,706
Long-term financial liabilities falling due in the next period	22	2,802	3,091	-	-
Liabilities according to IAS 11	14	4,567	2,706	4,750	2,889
Accrued and other short-term liabilities	24	45,234	22,841	33,420	13,077
Income tax payable		3,719	3,433	-	-
Total short-term liabilities		**175,311**	**152,054**	**71,730**	**73,300**
Total liabilities		**875,507**	**802,029**	**205,694**	**175,503**
TOTAL LIABILITIES AND EQUITY		**1,222,288**	**1,140,274**	**512,663**	**493,512**

The accompanying notes form an integral part of the financial statements.

TERNA ENERGY GROUP

STATEMENT OF COMPREHENSIVE INCOME

31 DECEMBER 2015

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

		GROUP		COMPANY	
	Note	**1.1 – 31.12 2015**	**1.1 – 31.12 2014**	**1.1 – 31.12 2015**	**1.1 – 31.12 2014**
Continued activities					
Turnover		198,608	158,251	91,746	76,192
Cost of sales	29	(131,276)	(108,553)	(71,104)	(60,441)
Gross profit		**67,332**	**49,698**	**20,642**	**15,751**
Administrative & distribution expenses	29	(11,422)	(13,447)	(7,097)	(8,199)
Research & development expenses	29	(2,370)	(2,016)	(2,426)	(1,963)
Other income/(expenses)	30	9,147	9,277	(2,486)	3,784
Operating results		**62,687**	**43,512**	**8,633**	**9,373**
Financial income/(expenses)	31	(32,162)	(31,340)	(5,536)	(7,791)
Proportion in results of associate companies	9	(139)	-	-	-
EARNINGS BEFORE TAX		**30,386**	**12,172**	**3,097**	**1,582**
Income tax expense	28	(12,939)	(6,325)	(3,010)	(2,467)
NET EARNINGS FOR THE PERIOD		**17,447**	**5,847**	**87**	**(885)**
Other income recognized directly in Equity from:					
Foreign exchange differences from incorporation of foreign units		3	(644)	-	-
Actuarial income/losses from defined benefit plans		(35)	125	(23)	114
Income/(expenses) from hedging of cash flows		1,032	(4,072)	80	(260)
Expenses of capital increase		(173)	(121)	(108)	(108)
Income tax recognized directly in Equity		132	702	122	66
Other income for the period net of income tax		**959**	**(4,010)**	**71**	**(188)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**18,406**	**1,837**	**158**	**(1,073)**
Net results attributed to:					
Shareholders of the parent from continued activities		16,913	5,551		
Non-controlling interests from continued activities		534	296		
		17,447	**5,847**		
Total income attributed to:					

TERNA ENERGY GROUP

STATEMENT OF COMPREHENSIVE INCOME

31 DECEMBER 2015

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

		GROUP		COMPANY	
	Note	**1.1 – 31.12 2015**	**1.1 – 31.12 2014**	**1.1 – 31.12 2015**	**1.1 – 31.12 2014**
Shareholders of the parent from continued activities		17,882	1,541		
Non-controlling interests from continued activities		524	296		
		18,406	**1,837**		
Earnings per share (in Euro)					
From continued activities attributed to shareholders of the parent	27	0.1585	0.0512		
Average weighted number of shares					
Basic		106,695,430	108,447,509		

The accompanying notes form an integral part of the financial statements.

TERNA ENERGY GROUP

STATEMENT OF CASH FLOWS

31 DECEMBER 2015

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

	GROUP		COMPANY	
	1.1 – 31.12 2015	**1.1 – 31.12 2014**	**1.1 – 31.12 2015**	**1.1 – 31.12 2014**
Cash flow from operating activities				
Earnings for the period before tax	30,386	12,172	3,097	1,582
Depreciation	48,799	41,240	8,212	8,256
Provisions	99	512	104	200
Interest and related income	(1,933)	(1,969)	(1,988)	(2,601)
Interest and other financial expenses	34,095	33,309	7,524	10,392
Results from intangible and tangible assets and investment property	-	210	-	210
Results from participations and securities	1,100	-	1,431	-
Amortization of grants	(10,873)	(8,987)	(1,878)	(1,880)
Results from associates	139	-	-	-
Foreign exchange differences	(2,401)	(1,695)		-
Other adjustments	4,393	-	4,393	-
Operating profit before working capital changes	**103,804**	**74,792**	**20,895**	**16,159**
(Increase)/Decrease in:				
Inventories	(418)	1,564	(380)	1,462
Trade receivables	(5,735)	(5,816)	12,329	771
Prepayments and other short term receivables	(11,766)	(12,391)	9,395	(6,658)
Increase/(Decrease) in:				
Suppliers	4,911	(775)	(1,923)	(4,741)
Accruals and other short term liabilities	(419)	3,343	149	(1,881)
Other long-term receivables and liabilities	3,546	5,630	(370)	-
Income tax payment	(7,722)	(7,054)	(2,083)	(2,772)
Net cash inflow from operating activities	**86,201**	**59,293**	**38,012**	**2,340**
Cash flow from investment activities:				
Purchases/sales of tangible and intangible fixed assets	(85,930)	(58,130)	(2,134)	(1,632)
Receipt of grants	-	44,306	-	420
Interest and related income received	1,560	2,365	948	4,081
Net change in provided loans	(500)	6,862	(26,237)	16,888
Purchase of publicly listed shares	(10,000)	-	(10,000)	-
(Purchases) / sales of participations	-	15	(29,929)	(17,007)
Cash outflows for investment activities	**(94,870)**	**(4,582)**	**(67,352)**	**2,750**
Cash flows from financing activities				
Return of share capital	(8,990)	(11,661)	(8,990)	(11,461)
Proceeds from capital increase	1,651	-	-	-
Purchase of Treasury Shares	(1,597)	(4,903)	(1,597)	(4,903)
Net change of long term loans	71,171	1,336	64,810	588
Net change of short term loans	(15,397)	29,966	(27,000)	37,048
Dividends paid	(315)	-	-	-
Interest paid	(37,111)	(23,800)	(13,875)	(9,710)
Net change in financial liabilities	(2,261)	(1,340)	-	-
Cash outflows for financing activities	**7,151**	**(10,402)**	**13,348**	**11,562**
Effect of exchange rate changes on cash & cash equivalents	(546)	(136)	-	-

TERNA ENERGY GROUP

STATEMENT OF CASH FLOWS

31 DECEMBER 2015

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

	GROUP		COMPANY	
	1.1 – 31.12 2015	**1.1 – 31.12 2014**	**1.1 – 31.12 2015**	**1.1 – 31.12 2014**
Net increase/decrease in cash	**(2,064)**	**44,173**	**(15,992)**	**16,652**
Cash & cash equivalents at the beginning of the period	168,803	124,630	54,037	37,385
Cash & cash equivalents at the end of the period	**166,739**	**168,803**	**38,045**	**54,037**

TERNA ENERGY S.A.

STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2015

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

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
1 January 2014	**32,794**	**238,726**	**27,885**	**34,359**	**333,764**
Total comprehensive income for the period	-	(108)	(80)	(885)	**(1,073)**
Issuance of share capital	9,839	(9,839)	-	-	**-**
Return of Share Capital	(9,839)	-	-	-	**(9,839)**
Formation of reserves from profit carried forward	-	-	653	(653)	**-**
Taxation of reserves	-	-	(2,783)	2,783	**-**
Purchase of Treasury Shares	-	-	(4,903)	-	**(4,903)**
Transfers – Other movements	-	306	(98)	(148)	**60**
31 December 2014	**32,794**	**229,085**	**20,674**	**35,456**	**318,009**
1 January 2015	**32,794**	**229,085**	**20,674**	**35,456**	**318,009**
Total comprehensive income for the period	-	-	57	101	**158**
Issuance of share capital	9,838	(9,838)	-	-	**-**
Return of Share Capital	(9,838)	-	-	-	**(9,838)**
Formation of reserves from profit carried forward	-	-	552	(552)	**-**
Purchase of Treasury Shares	-	-	(1,597)	-	**(1,597)**
Transfers – Other movements	-	-	239	(2)	**237**
31 December 2015	**32,794**	**219,247**	**19,925**	**35,003**	**306,969**

TERNA ENERGY S.A. - GROUP

STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2015

(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 2014	**32,794**	**238,407**	**32,881**	**44,262**	**348,344**	**2,634**	**350,978**
Total comprehensive income/(losses) for the period	-	(121)	(3,889)	5,551	**1,541**	296	**1,837**
Issue of share capital	9,839	(9,839)	-	-	**-**	123	**123**
Formation of reserves	-	-	5,818	(5,818)	**-**	-	**-**
Taxation of reserves	-	-	(2,783)	2,783	**-**	-	**-**
Return of Share Capital	(9,839)	-	-	-	**(9,839)**	-	**(9,839)**
Purchase of Treasury Shares	-	-	(4,903)	-	**(4,903)**	-	**(4,903)**
Transfers – Other movements	-	638	110	(692)	**56**	(7)	**49**
31 December 2014	**32,794**	**229,085**	**27,234**	**46,086**	**335,199**	**3,046**	**338,245**
1 January 2015	**32,794**	**229,085**	**27,234**	**46,086**	**335,199**	**3,046**	**338,245**
Total comprehensive income/(losses) for the period	-	-	969	16,913	**17,882**	524	**18,406**
Issue of share capital	-	-	-	-	**-**	1,651	**1,651**
Distribution of dividends	-	-	-	-	**-**	(315)	**(315)**
Return of Share Capital	(9,838)				**(9,838)**	-	**(9,838)**
Formation of reserves	9,838	(9,838)	7,120	(7,120)	**-**	-	**-**
Purchase of Treasury Shares	-	-	(1,597)	-	**(1,597)**	-	**(1,597)**
Transfers – Other movements	-	-	239	(10)	**229**	-	**229**
31 December 2015	**32,794**	**219,247**	**33,965**	**55,869**	**341,875**	**4,906**	**346,781**

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, photovoltaic parks, as well as 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 31/12/2015 owned 39.686% 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 2014, 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 2015.

i. 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), have been adopted by the European Union and their application is mandatory from 01/01/2015 or after:

– **Annual Improvements Cycle 2011-2013 (for the accounting periods beginning on 01/01/2015 or after)**

The IASB issued in December 2013 in the publication of "Annual Improvements in the International Financial Reporting Standards period 2011-2013", which is consisted of a series of adjustments in 4 Standards and it is part of the scheme for the annual improvements in the standards. The amendments are effective for annual periods beginning on or after July 1, 2014, although economic entities are allowed to apply them earlier. The topics included in this cycle of changes are as follows: IFRS 1: The concept of existing IFRS, IFRS 3: Exemptions to joint ventures, IFRS 13: Application cases of paragraph 52 (excluding portfolio), and IAS 40: Clarification of the interdependence of IFRS 3 Business Combinations and IAS 40 Investment property in the classification of property as investment property or as owner-occupied property. The amendments have no effect on the consolidated Financial Statements.

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

In November 2013, the IASB proceeded to the issuance of an amendment of limited scope of IAS 19 "Employee Benefits" with title Defined benefit plan: Employee Contributions (Amendments to IAS 19). 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 has no effect on the consolidated Financial Statements.

- **Standards' Annual Improvements period 2010-2012 (for annual periods beginning on or after 07/01/2014)**

The IASB issued in December 2013 in the publication "Annual Improvements in the International Financial Reporting Standards period 2010-2012", which is consisted of a series of adjustments in 8 Standards and it is part of the scheme for the annual improvements in standards. The amendments are effective for annual periods beginning on or after July 1, 2014, although the economic entities are allowed to apply them earlier. The topics included in this cycle of changes are as follows: IFRS 2: Definition of vesting conditions, IFRS 3:

Accounting treatment of potential consideration in business combinations, IFRS 8: Aggregation of operating segments, IFRS 8: Alignment of reportable segments' assets with the assets of the company, IFRS 13: Current assets and liabilities IAS 7: Interest paid that are capitalized, IAS 16 / IAS 38: Revaluation method-proportionate recast of accumulated depreciation and IAS 24: Key Executives. The amendments have no effect on the consolidated Financial Statements.

- **Amendment to IAS 27: "the equity method in the individual Financial Statements" (effective for annual periods beginning on or after 01/01/2016)**

In August 2014, the IASB issued a limited scope amendment to IAS 27 "equity method in the individual Financial Statements". By this amendment, a company has the option to measure its investments in subsidiaries, joint ventures and associates under the equity method in the separate financial statements, an option that up until the adoption of this amendment was not in effect. The amendment has no effect on the consolidated Financial Statements.

- **Standards Annual Improvements period 2012-2014 (for annual periods beginning on or after 01/01/2016)**

The IASB issued in September 2014 in the publication of "Annual Improvements in the International Financial Reporting Standards period 2012-2014", which is consisted of a series of adjustments in 4 Standards and it is part of the scheme for annual improvements in standards. The amendments are effective for annual periods beginning on or after January 1, 2016, although the economic entities are allowed to apply them earlier. The topics included in this cycle of changes are as follows: IFRS 5: Changes in the methods of sale, IFRS 7: Service Contracts and application of IFRS 7 requirements in the Interim Financial Statements, IAS 19: Discount rate, and IAS 34: Information disclosure in the interim financial report. The amendments have no effect on the consolidated Financial Statements.

- **Amendments to IAS 16 and IAS 41: "Agriculture: fruit plantations" (effective for annual periods beginning on or after 01/01/2016)**

In June 2014, the IASB issued amendments through which changes incur in the financial reporting of fruit plantations. With this modification, it was decided that the fruitful plantations used solely to increase production, should be accounted for in the same way as tangible assets (IAS 16). Therefore the amendments include the fruitful plantations within the scope of IAS 16 instead of IAS 41. The production developed in fruitful plantations remains within the scope of IAS 41. The amendments have no effect on the consolidated Financial Statements.

- **Amendments to IFRS 11, "Accounting treatment of participations' acquisitions in joint operations" (effective for annual periods beginning on or after 01/01/2016)**

In May 2014, the IASB issued amendments to IFRS 11. These amendments added new guidance on the accounting treatment of the acquisition in a joint activity that constitutes an economic entity and specify the appropriate accounting treatment for such acquisitions. The amendments have no effect on the consolidated Financial Statements.

- **Amendments to IAS 1: "Disclosure Initiative" (effective for annual periods beginning on or after 01/01/2016)**

In December 2014, the IASB issued amendments to IAS 1. These amendments intend to resolve issues regarding the existing presentation and disclosure requirements and ensure the ability to exercise judgment by the economic entities in the preparation of the Financial Statements. The amendments have no effect on the consolidated Financial Statements.

- **Amendments to IAS 16 and IAS 38: "Clarifications regarding the Acceptable Depreciation Methods" (effective for annual periods beginning on or after 01/01/2016)**

In May 2014, the IASB issued amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 establish the principles so as to be clarified the way in which depreciation is treated in the expected pattern of consumption of the future economic benefits embodied in the asset. The IASB has clarified that the utilization of the methods based on revenues for the calculation of an asset's depreciation is not appropriate, because the revenues generated by an activity that involves the use of an asset generally reflect factors other than the consumption of future economic benefits embodied in the asset. The amendments have no effect on the consolidated Financial Statements.

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

The following new Standards and Revisions of Standards, as well as the following Interpretations to existing standards, have been published. However they are not yet in effect or approved by the European Union. Specifically:

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

In January 2014, issued a new standard, IFRS 14. The objective of this intermediate standard is to enhance the financial reports' comparability of companies that have regulated activities. In many countries there are sectors that are subject to specific rules according to which government authorities regulate the supply and pricing of certain types of activities entities . The Group will consider the impact of all the above in the Financial Statements of the Group, although it is not expected to incur any impact. These have not been adopted by the European Union.

- **Amendments to IFRS 10 and IAS 28: "Sales or Contributions of Assets among an investor and the Associate or Joint Venture" (effective for annual periods beginning on or after 01/01/2016)**

In September 2014, the IASB issued a limited purpose "Sales or Assets' contributions between an investor and the associate or joint venture" (Amendments to IFRS 10 and IAS 28). The amendment will be applied by the economic entities for future sales or contributions of assets that are conducted in the annual periods beginning on or after 01/01/2016. Earlier application is permitted, with the necessary disclosure of the respective early adoption in the Financial Statements. The Group will consider the impact of all the above in the Financial Statements of the Group, although it not expected to be any. These have not been adopted by the European Union.

- **Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the exception of the Unification" (effective for annual periods beginning on or after 01/01/2016)**

In December 2014, the IASB issued amendments of limited objective to IFRS 10, IFRS 12 and IAS 28. These amendments introduce clarifications regarding the accounting requirements of investment entities, while they provide exemptions in specific cases, which will reduce the costs associated with the implementation of standards. The Group will consider the impact of all the above in the Financial Statements of the Group, although it is not expected to be any. These have not been adopted by the European Union.

– **Amendment to IAS 12 Deferred Taxation “Recognition of deferred tax assets for unrealized losses” (effective for annual periods beginning on or after 01/01/2017)**

In January 2016, IASB proceeded with the issuance of a narrow-scope amendment to IAS 12. The aim of the said amendments was to clarify the accounting treatment of the deferred tax assets for the unrealized losses from securities measured at fair value. The Group will consider the impact of all the above in the Financial Statements of the Group, although it is not expected to be any. These have not been adopted by the European Union.

- **IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 01/01/2017)**

In May 2014, the IASB issued a new standard, IFRS 15. This standard is fully harmonized with the requirements for the recognition of revenue in accordance with IFRS and American accounting principles (US GAAP). The new standard is been formed to replace IAS 18 Revenue, IAS 11 Construction Contracts and some interpretations that are related to revenues. The Group will consider the impact of all the above in the Financial Statements of the Group, even though it not expected to be any. These have not been adopted by the European Union.

-IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 01/01/2018)

In July 2014 the IASB issued the final version of IFRS 9. The improvements made to the new standard refer to the existence of a logical model regarding the classification and measurement, a single proactive model for expected losses from impairment and also a substantially reformed approach for hedge accounting. The Group will consider the impact of all the above in the Financial Statements of the Group, although it is not expected to have any impact. These have not been adopted by the European Union.

– **IFRS 16 “Leases” (effective for annual periods beginning on or after 01/01/2019)**

In January 2016, IASB published the new Standard, IFRS 16. The aim of the project by IASB was to develop a new Standard for leases which determines the principles applied by both parties in a corresponding agreement, namely the customer (“the lessee”) and the supplier (“the lessor”), concerning the provision of information for the leases in a manner that accurately depicts such transactions. In order to serve the above aim, the lessee will have to recognize the assets and liabilities emanating from the lease. The Group will consider the impact of all the above in the Financial Statements of the Group, although it is not expected to be any. These have not been adopted by the European Union.

- **Amendments to the IFRS for Small and Medium Enterprises (SMEs) (effective for annual periods beginning on or after 01/01/2017)**

In May 2015, IASB issued narrow scope amendments to the IFRS for SMEs. The most significant amendments which concern the transactions most usually carried out by the SMEs are the ones according to which the SMEs utilize a readjustment model for the tangible assets and align the basic requirements of recognition and measurement in relation to the deferred income tax, with the IFRS. In order to serve the above aim, the lessee will have to recognize the assets and liabilities emanating from the lease. The Group will consider the impact of all the above in the Financial Statements of the Group, although it is not expected to be any. These have 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 18th 2016.

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 annual 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 which provides for the recording of participation at cost plus the share of participation in the joint venture less any provisions for impairment in the value of the participations. As a result, the assets, liabilities and total income of j/v are not included in the consolidated 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) Joint operations

These concern tax construction joint ventures. They are not separate entities in the context of IFRS. Their assets and liabilities are incorporated according to the proportion they refer to, to the financial statements of the Company or its subsidiaries.

d) 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 remaining three 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.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

j) 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

k) 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.

l) 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.

m) Financial Assets – Loans and Receivables

The financial assets include rights acquired based on concession agreements from the public sector and specifically concern the Study, Financing, Installation, Support of Operation, Maintenance and Technical Administration of a Unified Automatic Ticket Collection System for the companies of OASA Group.

The concessionaire will recognize a financial asset to the extent there is a contractual right to receive cash. The amount of the receivable of the concessionaire party is calculated according to IAS 39, is classified under the category “Loans and receivables” and is valued at the non depreciated cost based on the real interest rate.

The value of the financial asset increases with the construction and financial costs, plus a construction and operating profit margin, and decreases with the receipts that are made according to the relevant contract.

n) 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.

o) 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.

p) 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.

q) 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.

r) 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 increases disclosures, including more information regarding the characteristics of defined benefit plans and the risks involved.

s) 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.

t) 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.

u) 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.

v) 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.

w) 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.

x) 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.

y) 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.

z) 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.

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.

(All amounts in thousand Euro, unless stated otherwise)

(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.

4. GROUP STRUCTURE

The participations in subsidiaries, associates and joint ventures on 31.12.2015 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			
No.	**Company Name**	**31/12/2015**	**31/12/2014**	**Business Activity**	**Tax un-audited fiscal years**
1	IWECO CHONOS LASITHIOU CRETE SA	100%	100%	Production of Electric Energy from RES	6
2	ENERGIAKI SERVOUNIOU SA	100%	100%	Production of Electric Energy from RES	6
3	TERNA ENERGY EVROU SA	100%	100%	Production of Electric Energy from RES	6
4	PPC RENEWABLES – TERNA ENERGY S.A.	51%	51%	Production of Electric Energy from RES	6

(All amounts in thousand Euro, unless stated otherwise)

		Participation Percentage			
No.	**Company Name**	**31/12/2015**	**31/12/2014**	**Business Activity**	**Tax un-audited fiscal years**
5	AIOLIKI PANORAMATOS DERVENOCHORION S.A.	100%	100%	Production of Electric Energy from RES	6
6	AIOLIKI RACHOULAS DERVENOCHORION S.A.	100%	100%	Production of Electric Energy from RES	6
7	ENERGEIAKI DERVENOHORION S.A.	100%	100%	Production of Electric Energy from RES	6
8	AIOLIKI MALEA LAKONIAS S.A.	100%	100%	Production of Electric Energy from RES	6
9	ENERGEIAKI FERRON EVROU S.A	100%	100%	Production of Electric Energy from RES	5
10	AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	100%	100%	Production of Electric Energy from RES	5
11	ENERGEIAKI PELOPONNISOU S.A.	100%	100%	Production of Electric Energy from RES	6
12	ENERGEIAKI NEAPOLEOS LAKONIAS S.A.	100%	100%	Production of Electric Energy from RES	6
13	AIOLIKI ILIOKASTROU S.A.	100%	100%	Production of Electric Energy from RES	6
14	EUROWIND S.A.	100%	100%	Production of Electric Energy from RES	6
15	ENERGIAKI XIROVOUNIOU S.A.	100%	100%	Production of Electric Energy from RES	5
16	DELTA AXIOU ENERGEIAKI S.A.	51%	51%	Production of Electric Energy from RES	5
17	TERNA ENERGY THALASSIA WIND PARKS S.A.	77%	77%	Production of Electric Energy from RES	5
18	TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	77%	77%	Production of Electric Energy from RES	6
19	VATHYCHORI PERIVALLONTIKI S.A.	100%	100%	Production of Electric Energy from RES	6
20	VATHYCHORI ENA PHOTOVOLTAIC S.A.	100%	100%	Production of Electric Energy from RES	5
21	CHRYSOUPOLI ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	5
22	LAGADAS ENERGEIAKI S.A.	80%	80%	Production of Electric Energy from RES	5
23	DOMOKOS ENERGEIAKI S.A.	90%	90%	Production of Electric Energy from RES	5
24	DIRFYS ENERGEIAKI S.A.	51%	51%	Production of Electric Energy	4

(All amounts in thousand Euro, unless stated otherwise)

		Participation Percentage			
No.	**Company Name**	**31/12/2015**	**31/12/2014**	**Business Activity**	**Tax un-audited fiscal years**
				from RES	
25	FILOTAS ENERGEIAKI S.A.	90%	90%	Production of Electric Energy from RES	4
26	MALESINA ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	4
27	ORHOMENOS ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	4
28	ALISTRATI ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	4
29	TERNA ENERGY AI-GIORGIS S.A.	100%	100%	Production of Electric Energy from RES	4
30	TERNA AIOLIKI AMARYNTHOU S.A.	100%	100%	Production of Electric Energy from RES	4
31	TERNA AIOLIKI AITOLOAKARNANIAS S.A.	100%	100%	Production of Electric Energy from RES	4
32	TERNA ILIAKI VIOTIAS S.A.	100%	100%	Production of Electric Energy from RES	4
33	VATHYCHORI DYO ENERGIAKI S.A.	100%	100%	Production of Electric Energy from RES	4
34	TERNA AIOLIKI XIROVOUNIOU S.A.	100%	100%	Production of Electric Energy from RES	4
35	TERNA ILIAKI ILIOKASTROU S.A.	100%	100%	Production of Electric Energy from RES	4
36	TERNA ILIAKI PANORAMATOS S.A.	100%	100%	Production of Electric Energy from RES	4
37	AIOLIKI KARYSTIAS EVIAS S.A.	100%	100%	Production of Electric Energy from RES	9
38	GEOTHERMAL ENERGY DEVELOPMENT S.A.	50%	50%	Production of Electric Energy from RES	4
39	TERNA ILIAKI PELOPONNISOU S.A.	100%	100%	Production of Electric Energy from RES	4
40	PERIVALLONTIKI PELOPONNISOU SA	100%	-	Waste Management	-
41	HELLAS SMARTICKET S.A.	70%	-	Electronic Systems Operation	-
42	WASTE SYCLO S.A.	51%	51%	Waste Management	2
43	GP ENERGY LTD	51%	51%	Trade of Electric Energy	11
44	TERNA ENERGY OVERSEAS LTD	100%	100%	Production of Electric Energy from RES	7
45	EOLOS POLSKA sp.z.o.o.	100%	100%	Production of Electric Energy from RES	5
46	EOLOS NOWOGRODZEC sp.z.o.o.	100%	100%	Production of Electric Energy from RES	5

(All amounts in thousand Euro, unless stated otherwise)

		Participation Percentage			
No.	**Company Name**	**31/12/2015**	**31/12/2014**	**Business Activity**	**Tax un-audited fiscal years**
47	TERNA ENERGY NETHERLANDS BV	100%	100%	Production of Electric Energy from RES	7
48	HAOS INVEST 1 EAD	100%	100%	Production of Electric Energy from RES	5
49	VALE PLUS LTD	100%	100%	Trade of Electric Energy Equipment	6
50	GALLETTE LTD	100%	100%	Holding	7
51	ECO ENERGY DOBRICH 2 EOOD	100%	100%	Production of Electric Energy from RES	5
52	ECO ENERGY DOBRICH 3 EOOD	100%	100%	Production of Electric Energy from RES	5
53	ECO ENERGY DOBRICH 4 EOOD	100%	100%	Production of Electric Energy from RES	5
54	COLD SPRINGS WINDFARM LLC	100%	100%	Production of Electric Energy from RES	5
55	DESERT MEADOW WINDFARM LLC	100%	100%	Production of Electric Energy from RES	5
56	HAMMETTHILL WINDFARM LLC	100%	100%	Production of Electric Energy from RES	5
57	MAINLINE WINDFARM LLC	100%	100%	Production of Electric Energy from RES	5
58	RYEGRASS WINDFARM, LLC	100%	100%	Production of Electric Energy from RES	5
59	TWO PONDS WINDFARM, LLC	100%	100%	Production of Electric Energy from RES	5
60	MOUNTAIN AIR WIND, LLC	100%	100%	Production of Electric Energy from RES	5
61	TERNA ENERGY USA HOLDING CORPORATION	100%	100%	Holding	5
62	TERNA ENERGY TRANSATLANTIC sp.z.o.o.	100%	100%	Holding	5
63	EOLOS NORTH sp.z.o.o.	100%	100%	Production of Electric Energy from RES	4
64	EOLOS EAST sp.z.o.o.	100%	100%	Production of Electric Energy from RES	4
65	AIOLIKI PASTRA ATTIKIS S.A.	100%	100%	Production of Electric Energy from RES	9
66	TERNA ENERGY TRADING LTD	51%	51%	Holding	1
67	JP GREEN sp.z.o.o.	100%	100%	Production of Electric Energy from RES	1
68	WIRON sp.z.o.o.	100%	100%	Production of Electric Energy from RES	1

(All amounts in thousand Euro, unless stated otherwise)

		Participation Percentage			
No.	**Company Name**	**31/12/2015**	**31/12/2014**	**Business Activity**	**Tax un-audited fiscal years**
69	BALLADYNA sp.z.o.o.	100%	100%	Production of Electric Energy from RES	1
70	TETRA DOOEL SKOPJE	51%	51%	Trade of Electric Energy	1
71	PROENTRA D.O.O BEOGRAD	51%	51%	Trade of Electric Energy	1

During the year 2015, the companies HELLAS SMARTICKET S.A. (dealing with electronic systems administration) and PERIVALLONTIKI PELOPONNISOU S.A. (dealing with waste management) were established in Greece.

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

		Participation Percentage			
No.	**Company Name**	**31/12/2015**	**31/12/2014**	**Business Activity**	**Tax un-audited fiscal years**
1	TERNA ENERGY SA & SIA AIOLIKI POLYKASTROU GP	100%	100%	Production of Electric Energy from RES	9
2	TERNA ENERGY SA & SIA ENERGEIAKI VELANIDION LAKONIA GP	100%	100%	Production of Electric Energy from RES	9
3	TERNA ENERGY SA & SIA ENERGEIAKI DYSTION EVIA GP	100%	100%	Production of Electric Energy from RES	9
4	TERNA ENERGY SA & SIA ENERGEIAKI ARI SAPPON GP	100%	100%	Production of Electric Energy from RES	9
5	TERNA ENERGY SA & SIA AIOLIKI EASTERN GREECE GP	100%	100%	Production of Electric Energy from RES	9
6	TERNA ENERGY SA & SIA AIOLIKI MARMARIOU EVIA GP	100%	100%	Production of Electric Energy from RES	9
7	TERNA ENERGY SA & SIA ENERGEIAKI PETRION EVIA GP	100%	100%	Production of Electric Energy from RES	9
8	TERNA ENERGY SA & SIA AIOLIKI ROKANI DERVENOCHORION GP	99%	99%	Production of Electric Energy from RES	9
9	TERNA ENERGY SA & SIA ENERGEIAKI STYRON EVIA GP	100%	100%	Production of Electric Energy from RES	9
10	TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIA GP	100%	100%	Production of Electric Energy from RES	9
11	TERNA ENERGY SA & SIA AIOLIKI PROVATA TRAIANOUPOLEOS	100%	100%	Production of Electric Energy from RES	9
12	TERNA ENERGY SA VECTOR WIND PARKS OF GREECE – WIND PARK TROULOS G.P.	90%	90%	Production of Electric Energy from RES	5

(All amounts in thousand Euro, unless stated otherwise)

B) Joint ventures & Companies of TERNA ENERGY SA

i) Joint Ventures

The following table illustrates the joint ventures for the construction of technical projects, in which the Group participates, have completed the projects for which have been established and the definitive dissolution is imminent. Therefore are not included in the consolidation.

No.	Company Name	Participation Percentage	Tax un-audited fiscal years
		2015 and 2014	
1	J/V ENVAGELISMOU, PROJECT C'	50%	11
2	J/V TERNA ENERGY – TSAMPR. DRAMAS HOSPITAL	40%	11
3	J/V EPL DRAMAS	24%	11
4	J/V EMBEDOS – PANTECHNIKI - TERNA ENERGY	50.1%	7

On November 13th, 2015, the J/V GEK TERNA S.A. – TERNA ENERGY S.A. was established in Greece, whose activity is the construction of electronic systems and consolidated using the proportionate method of consolidation. The financial information of the joint venture for the year 2015 was not significant.

No.	Company Name	Participation Percentage		Tax un-audited fiscal years
		31/12/2015	31/12/2014	
1	J/V GEK TERNA S.A. – TERNA ENERGY S.A.	50%	-	-

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

			Participation Percentage			
No.	Company Name	Establishment	31/12/2015	31/12/2014	Business Activity	Tax un-audited fiscal years
1	TERNA ENERGY SA - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA CO-PRODUCTION GP	12/2/2001	50%	50%	Construction/ Operation of co-production unit of electricity for serving of needs of MEL	7
2	TERNA ENERGY SA & SIA LP	24/5/2000	70%	70%	Completion of construction works of section Kakavia – Kalpaki	7

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, 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, TERNA ENERGY TRADING and GALLETTE LTD established in Cyprus, EOLOS POLSKA Spzoo, EOLOS NOWOGRODZEC Spzoo, EOLOS NORTH sp.z.o.o., TERNA ENERGY TRANSATLANTIC Spzoo, JP GREEN sp.z.o.o., WIRON sp.z.o.o, BALLADYNA sp.z.o.o and EOLOS EAST Spzoo, which were established in Poland, TERNA ENERGY NETHERLANDS, which was established in Holland, 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, PROENTRA D.O.O. BEOGRAD established in Serbia and TETRA DOOEL SKOPJE established in FYROM.

(All amounts in thousand Euro, unless stated otherwise)

C) Associates of TERNA ENERGY SA

No.	Company Name	Participation Percentage		Consolidation Method	Tax un-audited fiscal years
		31/12/2015	31/12/2014		
1	Renewable Energy Center RES Cyclades SA *	45%	45%	Equity	4
2	EN.ER.MEL. S.A.	49.2%	48%	Equity	4

* 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.

Trading of electric energy : refers to the trading of electric energy

Concessions: concerns the construction and operation of infrastructure and public sector projects in exchange for the long-term operation of the above projects through the provision of services to the public.

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 31.12.2015	**Construction**	**Electricity from renewable energy sources**	**Trading Electric Energy**	**Concessions**	**Consolidation Write-offs**	**Total Consolidated**
Income from external customers						
Sales of products	-	140,283	26,760	-	-	**167,043**
Income from construction services	20,190			11,375	-	**31,565**
Total income from external customers	**20,190**	**140,283**	**26,760**	**11,375**	**-**	**198,608**
Inter-segment income	45,714				(45,714)	**-**
Total income	**65,904**	**140,283**	**26,760**	**11,375**	**(45,714)**	**198,608**
Net Results per Segment	**(799)**	**17,917**	**267**	**62**	**-**	**17,447**
Depreciations	(124)	(48,673)	(2)	-	-	**(48,799)**
Amortization of grants	-	10,873	-	-	-	**10,873**
Net financial results	(541)	(31,586)	(35)	-	-	**(32,162)**
Foreign exchange differences	-	2,417	(16)	-	-	**2,401**
Loss from revaluation of securities	-	(1.100)	-	-	-	**(1.100)**
Results from associates	-	(139)	-	-	-	**(139)**
Income tax	(1,395)	(11,445)	(67)	(32)	-	**(12,939)**
Earnings before interest and taxes (EBIT)	**1,137**	**58,670**	**385**	**94**	**-**	**60,286**
Earnings before interest, taxes, depreciation & amortization (EBITDA)	**1,261**	**97,570**	**387**	**94**	**-**	**99,312**
Segment assets	28,006	1,179,317	3,241	6,320	-	**1,216,884**
Investments in associates	-	5,404	-	-	-	**5,404**
Total Assets	**28,006**	**1,184,721**	**3,241**	**6,320**	**-**	**1,222,288**
Segment liabilities	**27,152**	**843,242**	**2,603**	**2,510**	**-**	**875,507**
Bank liabilities	2,663	483,339	70	-	-	**486,072**
Cash	**(9,070)**	**(154,620)**	**(1,099)**	**(1,950)**	**-**	**(166,739)**
Net debt / (surplus)	**(6,407)**	**328,719**	**(1,029)**	**(1,950)**		**319,333**
Capital expenditures for the year	378	79,384		4		**79,766**

(All amounts in thousand Euro, unless stated otherwise)

Business segments 31.12.2014	**Construction**	**Electricity from renewable energy sources**	**Trading Electric Energy**	**Consolidation Write-offs**	**Total Consolidated**
Income from external customers					
Sales of products	-	110,353	12,357	-	**122,710**
Income from construction services	35,541	-	-	-	**35,541**
Total income from external customers	**35,541**	**110,353**	**12,357**	**-**	**158,251**
Inter-segment income	16,493	-	-	(16,493)	**-**
Total income	**52,034**	**110,353**	**12,357**	**(16,493)**	**158,251**
Net Results per Segment	**(2,279)**	**8,133**	**(7)**	**-**	**5,847**
Depreciations	(133)	(41,105)	(2)	-	**(41,240)**
Amortization of grants	-	8,987	-	-	**8,987**
Net financial results	(768)	(30,570)	(2)	-	**(31,340)**
Foreign exchange differences	-	1,678	17	-	**1,695**
Income tax	(1,694)	(4,593)	(38)	-	**(6,325)**
Earnings before interest and taxes (EBIT)	**183**	**41,618**	**16**	**-**	**41,817**
Earnings before interest, taxes, depreciation & amortization (EBITDA)	**316**	**73,736**	**18**	**-**	**74,070**
Segment assets	29,080	1,103,072	2,580	-	**1,134,732**
Investments in associates	-	5,542	-		**5,542**
Total Assets	**29,080**	**1,108,614**	**2,580**		**1,140,274**
Segment liabilities	**20,908**	**778,910**	**2,211**	**-**	**802,029**
Bank liabilities	-	423,288	55	-	**423,343**
Cash	(1,873)	(166,165)	(765)	**-**	**(168,803)**
Net debt / (surplus)	**(1,873)**	**257,123**	**(710)**	**-**	**254,540**
Capital expenditures for the year	136	56,266	-	-	**56,402**

(All amounts in thousand Euro, unless stated otherwise)

Geographic segments 31.12.2015	**Greece**	**Eastern Europe**	**America**	**Total consolidated**
Turnover from external customers	123,401	52,483	22,724	**198,608**
Non-current assets	509,855	166,752	230,680	**907,287**
Capital expenditure	69,028	8,800	1,938	**79,766**
31.12.2014				
Turnover from external customers	102,627	33,680	21,944	**158,251**
Non-current assets	472,067	164,612	211,816	**848,495**
Capital expenditure	41,062	15,340	-	**56,402**

The turnover in the energy sector, due to its nature, depends on the legislative framework which is locally in effect with regard to the energy administrators, in both the domestic market as well as in Poland and the US.

6. INTANGIBLE FIXED ASSETS

Intangible fixed assets and their movement for the periods from 1 January to 31 December 2015 and 2014, 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 2014	**214**	**30,060**	**30,274**
Additions	25	24	**49**
Purchases due to acquisitions	-	2,103	**2,103**
Reductions / eliminations during the period	-	(86)	**(86)**
Foreign Exchange Differences	-	934	**934**
31 December 2014	**239**	**33,035**	**33,274**
As at 1 January 2015	**239**	**33,035**	**33,274**
Additions	153	233	**386**
Reductions / eliminations during the period	-	(50)	**(50)**
Reclassifications	-	1,839	**1,839**
Foreign Exchange Differences	-	914	**914**
31 December 2015	**392**	**35,971**	**36,363**

(All amounts in thousand Euro, unless stated otherwise)

Accumulated Amortization			
As at 1 January 2014	**183**	**1,567**	**1,750**
Amortization for the period	13	1,336	**1,349**
Foreign Exchange Differences	-	84	**84**
31 December 2014	**196**	**2,987**	**3,183**
As at 1 January 2015	**196**	**2,987**	**3,183**
Amortization for the period	31	1,834	**1,865**
Reclassifications	-	894	**894**
Foreign Exchange Differences	-	102	**102**
31 December 2015	**227**	**5,817**	**6,044**
Net Book Value			
31 December 2014	**43**	**30,048**	**30,091**
31 December 2015	**165**	**30,154**	**30,319**

COMPANY

	Software Programs	Concessions and Rights	Total
Acquisition Cost			
As at 1 January 2014	**213**	**1,710**	**1,923**
Additions	25	5	**30**
Reductions / eliminations during the period	-	(86)	**(86)**
31 December 2014	**238**	**1,629**	**1,867**
As at 1 January 2015	**238**	**1,629**	**1,867**
Additions	153	161	**314**
Reclassifications	-	1,839	**1,839**
31 December 2015	**391**	**3,629**	**4,020**
Accumulated Amortization			
As at 1 January 2014	**182**	**292**	**474**
Amortization for the period	13	62	**75**
31 December 2014	**195**	**354**	**549**
As at 1 January 2015	**195**	**354**	**549**
Amortization for the period	30	62	**92**
Reclassifications	-	894	**894**
31 December 2015	**225**	**1,310**	**1,535**

(All amounts in thousand Euro, unless stated otherwise)

Net Book Value

31 December 2014	**43**	**1,275**	**1,318**
31 December 2015	**166**	**2,319**	**2,485**

Concessions and Rights include the acquisition cost of licenses for intervention and use rights of forest land, where Wind Parks are installed. During the year 2015, a Wind Park sub-station with acquisition cost of €1,839 and accumulated depreciation of €894 was transferred to DEDDIE at no cost. The Group withholds the exclusive right to utilize the sub-station and therefore it continues to recognize the sub-station in its fixed assets. Due to the change of the type of rights possessed by the Group on the particular asset (from full ownership to utilization right), the non depreciated cost of the sub-station was reclassified from the category of Tangible Assets to the category of Intangible Assets.

(All amounts in thousand Euro, unless stated otherwise)

7. TANGIBLE FIXED ASSETS

Tangible fixed assets and their movement for the periods from 1 January to 31 December 2015 and 2014, 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 2014	**2,270**	**52,966**	**654,327**	**1,730**	**3,554**	**181,377**	**896,224**
Additions	270	840	21,868	63	500	29,731	**53,272**
Borrowing cost	-	-	197	-	-	782	**979**
Provisions for restoration	-	-	3,382	-	-	-	**3,382**
Reductions / Write-offs	-	(265)	(52)	-	(148)	(726)	**(1,191)**
Transfers	-	24,696	142,710	-	193	(167,599)	**-**
Foreign exchange differences	-	1,220	20,759	8	2	(81)	**21,908**
31 December 2014	**2,540**	**79,457**	**843,191**	**1,801**	**4,101**	**43,484**	**974,574**
1 January 2015	**2,540**	**79,457**	**843,191**	**1,801**	**4,101**	**43,484**	**974,574**
Additions	2,785	527	12,230	173	225	63,440	**79,380**
Borrowing cost	-	-	-	-	-	760	**760**
Provisions for restoration	-	-	309	-	-	-	**309**
Reductions / Write-offs	(508)	-	(31)	(21)	(11)	(3,509)	**(4,080)**
Transfers	-	(3,642)	4,374	-	7	(739)	**-**
Foreign exchange differences	-	-	(1,839)	-	-	-	**(1,839)**
Additions	-	1,575	24,682	10	6	(152)	**26,121**
31 December 2015	**4,817**	**77,917**	**882,916**	**1,963**	**4,328**	**103,284**	**1,075,225**

(All amounts in thousand Euro, unless stated otherwise)

Accumulated depreciations

1 January 2014	**-**	**13,142**	**109,330**	**915**	**2,728**	**-**	**126,115**
Depreciations for the period	-	3,248	36,223	113	307	-	**39,891**
Reductions / Write-offs	-	(71)	(37)	-	(59)	-	**(167)**
Transfers	-	463	(467)	1	3	-	**-**
Foreign exchange differences	-	112	1,745	3	2	-	**1,862**
31 December 2014	**-**	**16,894**	**146,794**	**1,032**	**2,981**	**-**	**167,701**
1 January 2015	**-**	**16,894**	**146,794**	**1,032**	**2,981**	**-**	**167,701**
Depreciations for the period	-	3,812	42,708	110	304	-	**46,934**
Reductions / Write-offs	-	-	(17)	(19)	(11)	-	**(47)**
Reclassifications	-	-	(894)	-	-	-	**(894)**
Foreign exchange differences	-	160	2,699	3	2	-	**2,864**
31 December 2015	**-**	**20,866**	**191,290**	**1,126**	**3,276**	**-**	**216,558**

Net Book Value

31 December 2014	**2,540**	**62,563**	**696,397**	**769**	**1,120**	**43,484**	**806,873**
31 December 2015	**4,817**	**57,051**	**691,626**	**837**	**1,052**	**103,284**	**858,667**

(All amounts in thousand Euro, unless stated otherwise)

COMPANY							
	Land-Plots	**Buildings and Installations**	**Technological and Mechanical equipment**	**Vehicles**	**Fixtures and other equipment**	**Assets under construction**	**Total**
Acquisition Cost							
1 January 2014	**925**	**11,352**	**153,677**	**1,205**	**3,460**	**11,526**	**182,145**
Additions	268	-	74	10	431	1,015	**1,798**
Reductions / Write-offs	-	(265)	(15)	-	(120)	(6,146)	**(6,546)**
31 December 2014	**1,193**	**11,087**	**153,736**	**1,215**	**3,771**	**6,395**	**177,397**
1 January 2015	**1,193**	**11,087**	**153,736**	**1,215**	**3,771**	**6,395**	**177,397**
Additions	171	123	(7)	173	198	2,301	**2,959**
Reductions / Write-offs	(468)	-	-	(21)	(4)	(3,509)	**(4,002)**
Transfers	-	-	69	-	2	(71)	**-**
Reclassifications	-	-	(1,839)	-	-	-	**(1,839)**
31 December 2015	**896**	**11,210**	**151,959**	**1,367**	**3,967**	**5,116**	**174,515**
Accumulated depreciations							
1 January 2014	**-**	**4,615**	**50,897**	**830**	**2,671**	**-**	**59,013**
Depreciations for the period	-	549	7,304	55	274	-	**8,182**
Reductions / Write-offs	-	(73)	(6)	-	(58)	-	**(137)**
31 December 2014	**-**	**5,091**	**58,195**	**885**	**2,887**	**-**	**67,058**
1 January 2015	**-**	**5,091**	**58,195**	**885**	**2,887**	**-**	**67,058**
Depreciations for the period	-	529	7,277	51	262	-	**8,119**
Reductions / Write-offs	-	-	(9)	(19)	(4)	-	**(32)**
Reclassifications	-	-	(894)	-	-	-	**(894)**
31 December 2015	**-**	**5,620**	**64,569**	**917**	**3,145**	**-**	**74,251**

(All amounts in thousand Euro, unless stated otherwise)

Net Book Value

31 December 2014	**1,193**	**5,996**	**95,541**	**330**	**884**	**6,395**	**110,339**
31 December 2015	**896**	**5,590**	**87,390**	**450**	**822**	**5,116**	**100,264**

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 € 18,959 and €11,975, during December 31st 2015 and 2014 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.

In reductions / write –offs of year 2015 of the item "Assets under Construction" there is amount of € 3,481 concerning the accumulated construction cost of a wind park. The particular asset will not be constructed and will not be placed in operation. Therefore, the above amount was written-off affecting the Results for the Year.

(All amounts in thousand Euro, unless stated otherwise)

8. INVESTMENT ASSETS

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Opening Balance	575	785	575	785
Change in fair value of investment assets	-	(210)	-	(210)
Total	**575**	**575**	**575**	**575**

9. PARTICIPATION IN ASSOCIATE COMPANIES

As of 31/12/2015, the Group owns 45% of the share capital of the associate company Cyclades RES Energy Center SA. Also, it owns 49.2% of the shares of the company EN.ER.MEL S.A.
The following table presents condensed financial data of the associate companies.

	31-Dec 2015	31-Dec 2014
Total Assets	8,567	8,598
Total Liabilities	85	12
Total Income	-	-
Total Expenses	(283)	(2)
Earnings (losses) after tax	**(283)**	**(2)**

10. OTHER LONG-TERM RECEIVABLES

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

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Loans to subsidiaries	-	-	54,631	27,689
Loans to parent – other related companies	504	-	-	-
Several Provided Guarantees	736	361	662	293
Other Long-Term Receivables	16,486	10,595	-	-
Total	**17,726**	**10,956**	**55,293**	**27,982**

The Company participated in bond loan issues of subsidiaries. The loans will be repaid either at their maturity date or through premature repayments and have an interest rate 6% - 7.75%. The item “ Other Long-Term Receivables ” mainly consists of accrued income due to contractual sales of electric energy, incorporating elements of leasing.

(All amounts in thousand Euro, unless stated otherwise)

11. FINANCIAL ASSETS - CONCESSIONS

The Group, adopting the accounting policy with regard to the Concession Contracts, recognized a financial asset concerning the concession agreement signed with the Greek State for the study, financing, installation, operating support and technical administration of a Unified Automated Ticket Collection System for the companies of OASA. On 31 December 2015, the non depreciated balance amounts to € 1,723.

12. INVENTORIES

Inventories in the accompanying consolidated financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Merchandise	33	33	33	33
Raw and Auxiliary Materials	1,442	928	1,370	928
Spare-parts of Fixed Assets	1,407	1,503	1,090	1,152
Total inventories	**2,882**	**2,464**	**2,493**	**2,113**

During 31 December 2015 there was no need for provisions for impaired or low turnover inventories.

13. TRADE RECEIVABLES AND PREPAYMENTS AND OTHER RECEIVABLES

Trade receivables on 31 December 2015, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Customers of the construction sector	8,515	10,123	17,586	32,657
Customers of the energy sector (DEDDIE, LAGIE and others)	50,200	42,857	12,797	10,299
Minus: Provision for doubtful receivables	(211)	(211)	(211)	(211)
Total	**58,504**	**52,769**	**30,172**	**42,745**

The above trade receivables also include receivables from Energy sector customers amounting to € 41,159 on 31 December 2015 which are pledged to banks as security for provided long-term and bond loans to finance the construction of Wind Parks.

The analysis of the provisions for doubtful receivables on 31 December 2015 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Balance at 1 January	211	6,770	211	2,568
Reverse entry of provision	-	(6,559)	-	(2,357)
Balance at 31 December	**211**	**211**	**211**	**211**

(All amounts in thousand Euro, unless stated otherwise)

During the year 2014, with Law 4254, there was a retroactive reduction in the selling price of electric energy by 10% for wind parks and by 35% for photovoltaic parks. The Group had formed a provision of € 6.56 million in its financial statements of the previous year, which was reversed during the year 2014.

The prepayments and other receivables on 31 December 2015 in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Prepayments to Suppliers	7,816	7,178	2,160	7,198
Accounts for Management of Prepayments and Credit	261	497	170	230
Deferred expenses	2,689	1,967	569	739
Accrued income	10,152	2,255	1,886	213
Other Receivables of the Group's Joint Ventures, GP, LP and the Group	447	575	947	830
Other receivables from subsidiaries	-	-	5,710	8,000
Other receivables from associated companies	-	-	-	1
Other receivables from affiliated companies	975	1,021	-	1
Receivables from VAT	25,510	12,749	-	-
Receivables from wind park subsidies	9,417	13,821	-	3,528
Receivables from insurance indemnities	440	2,032	390	1,403
Receivables from social security funds	1,155	1,127	1,155	1,127
Income tax to be returned	1,350	-	-	-
Other receivables – Sundry debtors	1,205	6,429	754	1,451
Minus: Provisions for doubtful receivables	(60)	(60)	(60)	(60)
Total	**61,357**	**49,591**	**13,681**	**24,661**

The grants concern investments in Wind Parks and are expected to be received with the approval of completion of the relevant investment plans. An amount of € 5,883 for the Group and € 3,528 for the Company was de-recognized from “Receivables from wind park subsidies” (note 21).

In “Other receivables from subsidiaries” the amount of € 5,710 is fully recoverable and there is agreement over a repayment plan.

Accrued income includes income from produced electric energy of December 2015 amounting to € 7,842 for the Group and € 1,883 for the Company, which were invoiced at the beginning of 2016.
The change in “Receivables from VAT” is mainly due to the VAT (to be returned or to be offset) which derives from the development of new projects by the Group’s subsidiaries.

14. AGREEMENTS FOR THE CONSTRUCTION OF TECHNICAL WORKS

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

(All amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
Cumulatively from the beginning of the projects	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Cumulative costs	77,044	188,752	129,128	231,855
Cumulative profit	4,612	14,251	11,449	21,617
Received prepayments	7,787	6,023	10,287	8,323
Amounts withheld from customers of projects	-	486	-	577
Receivables of projects, priced	85,208	202,079	140,709	251,987
Receivables from customers of projects	1,015	3,630	4,618	4,374
Liabilities towards customers of projects	(4,567)	(2,706)	(4,750)	(2,889)
Net receivable/(liability) from customers of projects	**(3,552)**	**924**	**(132)**	**1,485**

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH RESULTS

The Company acquired 33.3 million banking shares for a total consideration of € 10 million by participating in the recapitalization phase of domestic banking institutions. The financial assets are measured at fair value as of the date of the statement of financial position. On 31 December 2015, the valuation of the above shares had resulted into a loss of € 1,100 (note 30).

16. CASH & CASH EQUIVALENTS

The cash & cash equivalents on December 31[st] 2015 and 2014, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Cash in Hand	22	21	-	-
Sight & Time Deposits	166,717	168,782	38,045	54,037
Total	**166,739**	**168,803**	**38,045**	**54,037**

Term deposits usually have a duration of three months and bear interest rates ranging between 0.6%-2.1% for the year 2015.
The Group's cash & cash equivalents includes amount to be refunded, total € 26,949 which concerns collected grants, due to the cancellation of the construction of Wind Parks.
The balance of the time deposits of December 31, 2015 includes an amount of € 23.135, which is pledged as security for the Group's financing.

17. 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:

(All amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Long-term loans	434,623	356,021	119,100	60,321
Minus: Short-term portion	(41,042)	(31,074)	(9,566)	(4,706)
Long-term portion	**393,581**	**324,947**	**109,534**	**55,615**

The Group's total long-term debt has been contracted in Euro in Greece (53.4% of total), in the USA in USD (26.3% of total), in Poland in PLN (17.1% of total) and in Bulgaria in Euro (3.3% of total). Of the total loans at the end of the presented year, loans that have been granted with fixed interest rate represent 24%, 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 22.9%, whereas the remaining 53.1% concerns loans of floating interest rate based on euribor or wibor.

The weighted average interest rate for the Group for financial years 2015 and 2014 corresponded to 6.01% and 6.18%, respectively.

The total interests on the above loans of the Group for financial years 2015 and 2014 amounted to € 22,198 and € 20,147 respectively. The Group considers that the fair value of the above loans does not differ substantially from their book value.

Part of the Company's total long-term debt, are loans from subsidiaries, total amount € 37,886 on the 31st of December 2015.

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.

The Group has the obligation to comply with specified financial ratios related to debt. The Group fully meets the requirements for these indicators on the December 31, 2015.

18. FINANCIAL DERIVATIVES

Liabilities and assets from financial derivatives on 31.12.2015 & 31.12.2014 are analyzed as follows:

LIABILITY			GROUP		COMPANY	
	Nominal Value		Fair Value of Liability	Fair Value of Liability	Fair Value of Liability	Fair Value of Liability
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Interest Rate Swaps	€ 7,537	€ 7,537	545	673	-	-
Interest Rate Swaps	€ 5,772	€ 5,772	309	379	-	-
Interest Rate Swaps	€ 17,000	€ 17,000	1,705	2,020	-	-
Interest Rate Swaps	€ 15,400	€ 15,400	653	771	-	-
Interest Rate Swaps	€ 9,000	€ 9,000	329	312	-	-
Interest Rate Swaps	€ 9,000	€ 9,000	644	760	-	-
Interest Rate Swaps	€ 6,563	€ 6,563	558	638	558	638
			4,743	**5,553**	**558**	**638**

(All amounts in thousand Euro, unless stated otherwise)

ASSET			GROUP		COMPANY	
	Nominal Value		Fair Value of Receivable	Fair Value of Receivable	Fair Value of Receivable	Fair Value of Receivable
	31.12.2015	31.12.2014	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Interest Rate Swaps	$25,000	$25,000	149	325	-	-
			149	**325**	**-**	**-**

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.

19. 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 2015 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 2015.

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

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Current cost of service	87	156	87	155
Financial cost	8	16	7	14
Recognition of actuarial profit/losses	35	(125)	23	(114)
Total	**130**	**47**	**117**	**55**

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

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Opening balance	313	422	295	397
Provision recognized in the income statement	95	172	94	169
Provision recognized in other total income	35	(125)	23	(114)
Indemnity payments	(53)	(156)	(46)	(157)
Total	**390**	**313**	**366**	**295**

(All amounts in thousand Euro, unless stated otherwise)

The main actuarial assumptions for financial year 2015 are as follows:

Discount rate	2%
Future wage increases	1.75%
Movement of salaried/day-waged workers (departure under their own will)	1%
Movement of salaried workers (laid-off)	8%
Mortality: MT_EAE 2012P (Bank of Greece, Credit and Insurance Committee)	

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%	406	381
Change in discount rate 0% Change in salaries +0,25%	398	373
Change in discount rate 0.5% Change in salaries 0%	378	355
Change in discount rate +0,5% Change in salaries -0.25%	372	349

20. OTHER PROVISIONS

The movement of the relevant provision in the Statement of Financial Position for financial years 2015 and 2014, is as follows:

	GROUP		COMPANY	
	Provisions for environmental rehabilitation	Other provisions	Provisions for environmental rehabilitation	Other provisions
Balance 1 January 2015	**7.741**	**416**	**650**	**280**
Provision recognized in the results	398	-	33	-
Provision recognized in fixed assets	309	-	-	-
Foreign exchange differences	15	-	-	-
Balance 31 December 2015	**8,463**	**416**	**683**	**280**

	GROUP		COMPANY	
	Provisions for environmental rehabilitation	Other provisions	Provisions for environmental rehabilitation	Other provisions
Balance 1 January 2014	**4,096**	**415**	**619**	**280**
Provision recognized in the results	340	-	31	-
Provision recognized in fixed assets	3,382	1	-	-
Foreign exchange differences	(77)	-	-	-
Balance 31 December 2014	**7,741**	**416**	**650**	**280**

(All amounts in thousand Euro, unless stated otherwise)

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 € 8,463 (€ 7,741 at 31.12.2014) 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.

21. GRANTS

Grants on 31 December 2015 and 31 December 2014 in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
Balance 1 January	**265,833**	**271,376**	**44,712**	**46,622**
Revision of opening balance of approved but not received due to change in estimate	-	(30)	-	(30)
Approved but not received grants	1,479	-	-	-
De-recognition of not collected grants	(5,883)	-	(3,528)	-
De-recognition of collected grants to be returned	(20,775)	(3,024)	(18,421)	-
Transfer of period's proportion to the results	(10,873)	(8,987)	(1,878)	(1,880)
Foreign exchange differences	6,458	6,498	-	-
Balance 31 December	**236,239**	**265,833**	**20,885**	**44,712**

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 amount of the 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 parks.

During the financial year 2015, the Group applied for the return of five approved grants accounting for € 26,658, due to cancellation on investments, for which the Group had collected the amount of € 20,775 during the previous years. The amount of € 20,775 was reclassified in the account "accrued and other short-term liabilities", whereas the amount of € 5,883 was de-recognized from the account "Grants" as well as from the account "Prepayments and Other Receivables" (note 13).

22. 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).

(All amounts in thousand Euro, unless stated otherwise)

The control is based on a contractual agreement with the company MetLife, which contributed capital as Tax Equity Investor (TEI) and is fully consolidated. According to the agreement between the two parties, TEI contributed capital in exchange for 50% of the corporate shares (membership interests), the contractual rights of which define that the TEI will receive 99% of the tax losses, as well as a certain percentage of the net cash flows until the return on the invested capital (as it was defined in the relevant agreement) is achieved.

The relevant membership interests have been recognized as financial liability according to IAS 32. There are no contractual obligations of the parent company TERNA ENERGY and its subsidiaries for the provision of any form of financial support in case of economic difficulty or inability for the repayment of obligations by Terna Energy USA Holding Corporation, including the contractual liability to the TEI.
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.

23. SUPPLIERS

The suppliers as at 31 December 2015 and 2014, in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Suppliers	26,480	21,559	11,729	12,991
Checks payable post-dated	18	28	17	27
Total	**26,498**	**21,587**	**11,746**	**13,018**

24. ACCRUED AND OTHER LIABILITIES

The accrued and other short-term liabilities as at 31 December 2015 and 31 December 2014, in the accompanying financial statements, are analyzed as follows:

(All amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Customer Prepayments	9,574	6,335	11,986	8,932
Social Security Funds	310	202	272	176
VAT Liabilities	1,655	3,999	793	2,937
Other withheld taxes	1,465	1,460	559	537
Employee fees	178	156	144	144
Third party fees	112	359	17	17
Short-term Liabilities to Other Affiliated and Other Parties	283	276	88	177
Sundry Creditors	3,306	2,819	1,067	157
Reversion of Subsidies	26,949	6,173	18,420	-
Deferred Income -accrued expenses	1,402	1,062	74	-
Total	**45,234**	**22,841**	**33,420**	**13,077**

25. 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 the present year amounted to € 15,873 (€ 30,408 increase 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 6.3% and 7.3% for 2015 and 2014 respectively.
The total interest on the aforementioned loans of the Group for the financial years ended on December 31st 2015 and December 31st 2014 is € 4,777 and € 3,857 respectively.

26. SHARE CAPITAL

Based on the decision of the Annual Shareholders' Meeting on 28 April 2015, it was decided the share capital increase of the Company by the amount of nine million eight hundred thirty eight thousand two hundred ninety six euro (€ 9,838,296.00) through capitalization of part of special reserves resulting from the issuance of share premium account via the increase of the nominal value per share from thirty cents of euro (€ 0.30) to thirty nine cents of euro (€ 0.39) and simultaneous decrease of the Company's share capital by the amount of nine million eight hundred thirty eight thousand two hundred ninety six euro (€ 9,838,296.00) via the decrease of the nominal value per share from thirty nine cents of euro (€ 0.39) to thirty cents of euro (€ 0.30) and the return of the above amount to the shareholders.
Following the above, the Company's share capital amounts to thirty two million seven hundred ninety four thousand and three hundred twenty euro (€ 32,794,320.00) and is divided into one hundred nine million three hundred fourteen thousand and four hundred (109,314,400) common registered shares with voting rights of a nominal value per share thirty cents of euro (€ 0.30).
The company during the period 01.01.2015 – 31.12.2015 purchased 601,952 own shares with a nominal value of € 180,586 an acquisition cost of 1,597,026 €.
The total number of own shares held by the Company on 31.12.2015 settled at 2,985,795 shares or percentage 2.73% of the Company's share capital, with total acquisition cost of € 7,768,200.

(All amounts in thousand Euro, unless stated otherwise)

27. 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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net earnings attributed to shareholders of the parent	16,913	5,551	87	(885)
Average weighted number of shares	106,695,430	108,447,509	106,695,430	108,447,509
Net earnings attributed to shareholders of the parent	0.1585	0.0512	-	-

28. INCOME TAX

According to Greek tax legislation the tax rate corresponded to 26% for 2014, whereas for the year 2015 is set to 29%. 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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Current tax	6,527	5,992	1,094	1,599
Tax of previous years	149	-	149	-
Total Expense of current tax	**6,676**	**5,992**	**1,243**	**1,599**
Deferred tax expense	6,263	333	1,767	868
Total	**12,939**	**6,325**	**3,010**	**2,467**

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Earnings before taxes	**30,386**	**12,172**	**3,097**	**1,582**
Nominal tax rate	29%	26%	29%	26%
Income tax based on effective nominal tax rate	**8,812**	**3,165**	**898**	**411**
Adjustments for:				
Tax of previous periods & Additional taxes	149	625	149	626
Difference of tax rates from operations abroad	(941)	1,841	-	-
Earnings taxed abroad	(1,329)	(950)	-	-
Change of recoverable tax losses	(272)	395	-	-
Other permanent tax Differences - non-exempt expenses	6,743	1,249	1,581	1,244
Effect from change of Tax Rate	332	-	109	-
Other	(555)	-	273	186
Real tax expense	**12,939**	**6,325**	**3,010**	**2,467**
Effective tax rate	42.58%	51.96%	97.20%	155.96%

(All amounts in thousand Euro, unless stated otherwise)

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. On 28th December 2015, the Group received an audit call concerning the ordinary tax audit from the pertinent tax authorities for the financial years 2009 and 2010. The audit has not yet commenced. The taxes which may potentially arise following the above audit from the tax authorities will not have any material effect on the financial statements, since the Company has already formed adequate provisions.
During the preparation date of the accompanying financial statements, the non-audited tax years (including fiscal year 2014) of the Group's companies are presented in Note 4.

For the financial years 2011, 2012 and 2013, the Company has been tax audited according to the Decision 1159/26/7/2011 whereas for the year 2014 according to article 65A paragraph 1 Law 4174/2013. The finalization of the above audits is pending from the Ministry of Finance. For the year 2015, the Company is subject to the tax audit of Certified Auditors Accountants stipulated by the provisions of article 65A paragraph 1 of Law 4174/2013. This audit is underway and the relevant tax certificate is expected to be issued following the release of the 2015 financial statements. The particular audit is not expected to materially affect the tax obligations already recorded in 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 €11,440 and €25,628, 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.
The deferred income tax is calculated using the expected tax rate at the time in which the tax receivable/ liability matures:

	GROUP		**COMPANY**	
	31.12.2015	**31.12.2014**	**31.12.2014**	**31.12.2014**
Receivables from deferred income tax	3,224	4,885	-	-
Liability from deferred income tax	(8,795)	(4,325)	(1,658)	(13)
Net deferred tax asset (liability)	**(5,571)**	**560**	**(1,658)**	**(13)**
Opening balance	**560**	**191**	**(13)**	**789**
Debit / (Credit) recognized in the results	(6,263)	(333)	(1,767)	(868)
Debit / (Credit) recognized in other comprehensive income	132	702	122	66
Closing balance	**(5,571)**	**560**	**(1,658)**	**(13)**

(All amounts in thousand Euro, unless stated otherwise)

The deferred tax assets and liabilities of 2015 and 2014 as well as the effect of the deferred tax on the separate and consolidated statement of comprehensive income are analyzed as follows:

GROUP	1.1.2015	Net earnings for the year (Debit)/Credit	Other comprehensive income (Debit)/Credit	31.12.2015
Deferred Tax Asset				
Provision for staff indemnities	84	(3)	39	120
Other provisions	1,926	370	-	2,296
Grants	1,460	(742)	-	718
Hedging of cash flow risk	1,213		(64)	1,149
Provision for doubtful receivables	70	9	-	79
Cost of construction projects	1,733	298	-	2,031
Loans	576	(899)	-	(323)
Other	4,089	(3,112)	-	977
Deferred Tax (Liability)				
Valuation of investment property	(150)	(17)	-	(167)
Tangible assets	(13,822)	(4,088)	-	(17,910)
Intangible assets	3,767	1,536	157	5,460
Recognition of revenues based on completion rate	(386)	385	-	(1)
Deferred tax of net earnings / other comprehensive income		**(6,263)**	**132**	
Net deferred tax asset (liability)	**560**			**(5,571)**

GROUP	1.1.2014	Net earnings for the year (Debit)/Credit	Other comprehensive income (Debit)/Credit	31.12.2014
Deferred Tax Asset				
Provision for staff indemnities	110	14	(40)	84
Other provisions	1,009	917	-	1,926
Grants	1,411	49	-	1,460
Hedging of cash flow risk	514		699	1,213
Provision for doubtful receivables	(544)	614	-	70
Cost of construction projects	1,592	141	-	1,733
Loans	(412)	988	-	576
Other	5,095	(1,013)	7	4,089
Deferred Tax (Liability)				
Valuation of investment property	(204)	54	-	(150)
Tangible assets	(10,511)	(3,311)	-	(13,822)
Intangible assets	2,217	1,514	36	3,767
Recognition of revenues based on completion rate	(86)	(300)	-	(386)
Deferred tax of net earnings / other comprehensive income		**(333)**	**702**	
Net deferred tax asset (liability)	**191**			**560**

(All amounts in thousand Euro, unless stated otherwise)

COMPANY	**1.1.2015**	**Net earnings for the year (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2015**
Deferred Tax Asset				
Provision for staff indemnities	76	25	5	106
Other provisions	242	37	-	279
Grants	771	(133)	-	638
Hedging of cash flow risk	166	-	(4)	162
Provision for doubtful receivables	70	8	-	78
Cost of construction projects	1,733	283	-	2,016
Loans	969	(1,105)	-	(136)
Other	456	(436)	-	20
Deferred Tax (Liability)				
Valuation of investment property	(150)	(17)	-	(167)
Tangible assets	(3,838)	(746)	-	(4,584)
Intangible assets	(122)	(108)	121	(109)
Recognition of revenues based on completion rate	(386)	425	-	39
Deferred tax of net earnings / other comprehensive income		**(1,767)**	**122**	
Net deferred tax asset (liability)	**(13)**			**(1,658)**

COMPANY	**1.1.2014**	**Net earnings for the year (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2014**
Deferred Tax Asset				
Provision for staff indemnities	103	3	(30)	76
Other provisions	234	8	-	242
Grants	886	(115)	-	771
Hedging of cash flow risk	98	-	68	166
Provision for doubtful receivables	683	(613)	-	70
Cost of construction projects	1,592	141	-	1,733
Loans	825	144	-	969
Other	207	249	-	456
Deferred Tax (Liability)				
Valuation of investment property	(204)	54	-	(150)
Tangible assets	(3,388)	(450)	-	(3,838)
Intangible assets	(157)	7	28	(122)
Recognition of revenues based on completion rate	(90)	(296)	0	(386)
Deferred tax of net earnings / other comprehensive income		**(868)**	**66**	
Net deferred tax asset (liability)	**789**			**(13)**

(All amounts in thousand Euro, unless stated otherwise)

29. COST OF SALES, ADMINISTRATIVE AND RESEARCH & DEVELOPMENT EXPENSES

The cost of sales, administrative and research & development expenses at 31 December 2015 and 2014, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
COST OF SALES	**2015**	**2014**	**2015**	**2014**
Employee remuneration and expenses	1,590	2,198	2,053	2,569
Fees of consultants	1,509	1,586	614	608
Remuneration and expenses of third parties (engineers)	1,906	2,574	1,873	1,793
Fees and expenses of other third parties	961	1,445	1,119	2,738
Materials and expenses of constructions – Cost of sales from trading of energy	32,380	27,057	11,010	18,328
Leases	996	1,179	1,652	1,757
Repairs, Maintenance	12,435	8,979	1,800	1,595
Sub-contractors	21,850	15,082	40,396	19,400
Depreciation	48,340	40,841	7,926	7,929
Third party benefits	2,214	1,711	389	381
Contributions to local government authorities	4,140	2,203	766	394
Impairment of receivables	-	473	-	-
Transportation expenses	334	299	568	1,492
Insurance premiums	1,788	1,916	539	781
Other	833	1,010	399	676
Total	**131,276**	**108,553**	**71,104**	**60,441**

	GROUP		COMPANY	
ADMINISTRATIVE EXPENSES	**2015**	**2014**	**2015**	**2014**
Employee remuneration and expenses	2,362	2,286	1,567	1,590
Fees of consultants	1,361	1,103	987	424
Remuneration and expenses of third parties (engineers)	1,436	1,504	1,402	1,196
Fees and expenses of other third parties	930	2,983	684	2,116
Auditors' fees – ordinary audits	498	497	96	105
Auditors' fees – other services	98	10	25	-
Subscriptions	213	251	183	199
Leases	487	449	282	218
Depreciation	284	233	111	161
Travel and promotion expenses	310	280	180	140
Third party benefits	539	516	115	101
Board of Directors' remuneration	470	1,025	-	465
Insurance premiums	90	92	68	71
Other	2,344	2,218	1,397	1,413
Total	**11,422**	**13,447**	**7,097**	**8,199**

(All amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
RESEARCH & DEVELOPMENT EXPENSES	**2015**	**2014**	**2015**	**2014**
Employee remuneration and expenses	62	64	62	64
Fees of consultants	890	727	890	676
Remuneration and expenses of third parties (engineers)	782	685	782	685
Scientific/Lab experiments	16	35	16	35
Third party benefits	83	15	67	15
Depreciation	175	166	175	166
Travel and promotion expenses	119	27	119	26
Other	243	297	315	296
Total	**2,370**	**2,016**	**2,426**	**1,963**

30. OTHER INCOME/(EXPENSES)

The other income/(expenses) for the period, in the accompanying financial statements of 31st December 2015 and 2014, are analyzed as follows:

Other income

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
Grant amortization	10,873	8,987	1,878	1,880
Income from leasing of machinery	101	46	101	46
Income from leasing of property	13	43	7	42
Other services	-	138	-	-
Other income	929	497	364	878
Income from dividends	-	-	327	-
Profit from sales of fixed assets	-	21	-	1,866
Foreign exchange differences (credit)	2,489	1,762	7	-
Total other income	**14,405**	**11,494**	**2,684**	**4,712**

Other expenses

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
Change of the fair value of investment property	-	(210)	-	(210)
Loss due to asset write-off	(3,450)	-	(3,458)	-
Loss from revaluation of securities	(1,100)	-	(1,100)	-
Other expenses	(612)	-	(612)	-
Extraordinary levy due to L. 4093/2012	-	(1,915)	-	(718)
Foreign exchange differences (debit)	(96)	(92)	-	-
Total other expenses	**(5,258)**	**(2,217)**	**(5,170)**	**(928)**
Total other income / (expenses)	**9,147**	**9,277**	**(2,486)**	**3,784**

(All amounts in thousand Euro, unless stated otherwise)

31. FINANCIAL INCOME/(EXPENSES)

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

	GROUP		COMPANY	
	2015	2014	2015	2014
Interest of Long-term Loans	(22,198)	(20,147)	(3,408)	(4,504)
Interest of Short-term Loans	(4,777)	(3,857)	(2,797)	(908)
Profit / (Losses) from valuation of financial obligation	1,178	(3,014)	1,178	(2,300)
Interest charges of other financial obligations	(2,702)	(2,041)	-	-
Bank expenses and other expenses	(5,596)	(4,250)	(2,497)	(2,680)
Financial Expenses	**(34,095)**	**(33,309)**	**(7,524)**	**(10,392)**
Interest from sight deposits	1,590	429	35	34
Interest from term deposits	301	1,426	301	431
Other Financial income	42	114	1,652	2,136
Financial Income	**1,933**	**1,969**	**1,988**	**2,601**
Net Financial Results	**(32,162)**	**(31,340)**	**(5,536)**	**(7,791)**

32. PAYROLL COST

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

	GROUP		COMPANY	
	2015	2014	2015	2014
Wages and Related benefits of day-wage workers	132	695	468	666
Wages and Related benefits of regular staff	3,102	2,638	2,315	2,440
Social Security Contributions	685	1,215	805	1,117
Provision for employee indemnities	95	172	94	169
Total	**4,014**	**4,720**	**3,682**	**4,392**
Average Number of Employees				
Day-wage workers	34	48	33	46
Regular staff	117	109	82	85

33. TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the period 01/01-31/12/2015 and 01/01-31/12/2014, as well as the balances of receivables and liabilities arisen from the above transactions as of 31/12/2015 and 31/12/2014 are as follows:

(All amounts in thousand Euro, unless stated otherwise)

Period 1/1-31/12/2015

	GROUP				COMPANY			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	49,201	439	73,110	40,299
Parent	-	172	-	15	-	172	-	15
Other related parties	18,845	610	1,605	1,015	8,645	317	4,904	272
Basic senior executives	-	1,301	-	162	-	335	-	27

Period 1/1 -31/12/2014

	GROUP				COMPANY			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	29,333	284	59,139	7,315
Joint ventures	-	-	-	-	-	-	69	-
Parent	34	172	27	15	34	172	42	15
Other related parties	13,570	769	6,688	6,133	8,669	423	5,895	5,906
Basic senior executives	-	1,288	-	360	-	550	-	23

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 2015 and 2014 are as follows:

	GROUP		COMPANY	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Board of Directors remuneration	548	1025	-	465
Remuneration of executives included in the executive Board members	753	263	335	85
Total	**1,301**	**1,288**	**335**	**550**

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.

(All amounts in thousand Euro, unless stated otherwise)

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 Euro zone, 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 projects for the production of energy and the trading 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 and the trading of electric energy in other countries, such as Poland, the USA, Serbia and FYROM 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), Polish Zloty (PLN), Serbian dinar and the dinar of FYROM against the euro. 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.

	2015				2014			
Nominal amounts	**USD**	**MKD**	**RSD**	**PLN**	**USD**	**MKD**	**RSD**	**PLN**
Current Financial assets	9,362	202	1,904	19,525	11,725	755	277,275	50,778
Current Financial liabilities	(36,645)	(129)	(2,512)	(12,104)	(8,462)	(157)	(259,079)	(38,662)
Total	**(27,283)**	**73**	**(608)**	**7,421**	**3,263**	**598**	**18,196**	**12,116**
Non-Current Financial assets	263,699	112	97	151,941	12,910	-	-	-
Non-Current Financial liabilities	(216,273)	-	-	(98,066)	(173,752)	-	-	(237,979)
Total	**47,426**	**112**	**97**	**53,875**	**(160,842)**	**-**	**-**	**(237,979)**

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.

	2015								2014							
	USD		MKD		RSD		PLN		USD		MKD		RSD		PLN	
Nominal amounts	**10%**	**(10%)**	**10%**	**(10%)**	**10%**	**(10%)**	**10%**	**(10%)**	**10%**	**(10%)**	**10%**	**(10%)**	**10%**	**(10%)**	**10%**	**(10%)**
Effect on Net earnings before tax	255	(255)	-	-	-	-	241	(241)	259	(259)	(1)	1	7	(7)	465	(465)
Effect on other comprehensive income	49	(49)	(3)	3	(26)	26	(4,118)	4,118	(81)	81	-	-	(1)	1	(102)	102

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, 24% of the Group's long-term debt is under fixed interest rates, 22.9% 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 53.1% under floating interest rates linked either to euribor or to wibor (Notes 17 & 18).

The Group's short-term debt is under floating interest rates (Note 25). 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 31.12.2015 amounts to € 51,449 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% (2014: +/-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.

	2015		2014	
Amounts in thousand €	**20%**	**(20%)**	**20%**	**(20%)**
Results after taxes – Group	(261)	261	(100)	100
Results after taxes – Company	(14)	14	(19)	19

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.

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.

(All amounts in thousand Euro, unless stated otherwise)

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, traditionally, by nature of its operations, is not exposed to significant credit risk from trade receivables, apart from possible overdue payments from LAGIE. The overdue payments have been though reduced following the adoption of Law 4254/14.

The credit risk for the cash and cash equivalents and other receivables 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.

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 31/12/2015 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 31/12/2015 there are no financial receivables overdue, both for the Company and the Group.

ANALYSIS OF LIQUIDITY RISK

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 2015 for the TERNA ENERGY Group, is analyzed as follows:

	31.12.2015		
	Short-term	**Long-term**	
	0 - 12 months	**1 - 5 years**	**over 5 years**
Long-term Debt	41,042	168,568	225,013
Other Financial liabilities	2,802	13,167	34,402
Liabilities from derivatives	-	2,314	2,429
Short-term Debt	51,449	-	-
Trade Liabilities	31,065	-	-
Other liabilities	45,234	-	-
Total	**171,592**	**184,049**	**261,844**

(All amounts in thousand Euro, unless stated otherwise)

The corresponding maturity of financial liabilities for 31 December 2014 was as follows:

	31.12.2014		
	Short-term	**Long-term**	
	0 - 12 months	**1 - 5 years**	**over 5 years**
Long-term Debt	31,074	117,680	201,208
Other Financial liabilities	3,091	11,176	29,671
Loans at Fair Value	-	6,059	-
Liabilities from derivatives	-	2,049	3,504
Short-term Debt	67,322	-	-
Trade Liabilities	24,293	-	-
Other liabilities	22,841	-	-
Total	**148,621**	**136,964**	**234,383**

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:

	31.12.2015	**31.12.2014**
Non- current assets:		
Loans and receivables – Other long-term receivables	17,726	10,956
Financial assets available for sale – Other investments	1,886	1,886
	19,612	**12,842**
Current assets:		
Loans and receivables – Trade receivables	58,504	52,769
Loans and receivables – Prepayments and other receivables	51,940	35,770
Cash & cash equivalents	166,739	168,803
	277,183	**257,342**
Total	**296,795**	**270,184**

	31.12.2015	**31.12.2014**
Long-term liabilities:		
Liabilities measured at amortized cost – Long-term loans	393,581	318,888
Liabilities measured at amortized cost – Other long-term liabilities	47,569	40,847
Liabilities measured at fair value – Long-term loans	-	6,059
Liabilities measured at fair value – Liabilities from derivatives	4,743	5,553
	445,893	**371,347**

(All amounts in thousand Euro, unless stated otherwise)

Short-term liabilities:		
Liabilities measured at amortized cost – Suppliers	26,498	21,587
Liabilities measured at amortized cost – Short-term loans	51,449	67,322
Liabilities measured at amortized cost – Long-term liabilities payable in the next period	43,844	34,165
Liabilities measured at amortized cost – Accrued and other short-term liabilities	45,234	22,841
	167,025	**145,915**
Total	**612,918**	**517,262**

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

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

The financial derivatives and securities held to the group's portofolio are the only financial instruments which are measured at fair value during 31/12/2015. In the other income directly recognized in equity of year 2015 there is an amount of € 1,032 which has been registered in the cash flow hedging reserves. Moreover, in the income statement 2015 is included an amount of € 1,100 which relates to losses from securities valuation.

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 financial derivatives are included in level 2, since the fair value calculation is done with reference to market interest rate curves.
Securities are included in level 1, since the calculation is based on Athens stock exchange prices.

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 the undertaking of contractual 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 22), 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 2015 and 2014 was as follows:

Amounts in € thousand	31.12.2015	31.12.2014
Bank debt	486,072	423,343
Total equity	346,781	338,245
Bank debt	486,072	423,343
Financial liabilities from secondary titles	50,371	43,938
Grants	236,239	265,833
Minus: Cash and Deposits	(52,890)	(69,812)
Capital	**1,066,573**	**1,001,547**
Bank Debt / Total Employed Capital	**46%**	**42%**

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.

37. SIGNIFICANT EVENTS DURING THE PERIOD

During the financial year 2015, the following were issued:

- 1 new production license of 16.2 MW capacity.
- 4 new operating licenses of 74.2 MW capacity.
- 3 new installation licenses of 48 MW capacity.

Furthermore, the Group in the context of its development in the international markets, agreed to acquire a company in the United States of America which possesses, under development, Wind Park of 150 MW capacity. The above agreement will be validated when certain conditions are met whereas it is expected to be completed within 12 months.

38. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There are no significant events after 31st December 2015 that may affect the financial position of the Group and the Company.

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

V. DATA AND INFORMATION FOR THE PERIOD 1.1-31.12. 2015

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 01/01/2015 TO 31/12/2015
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):	18 March 2016
Legal Auditor:	Pavlos Stellakis (SOEL Reg. No. : 24941)
Auditing Firm:	GRANT THORNTON AE (SOEL Reg. No. : 127)
Type of audit report by Legal Auditor:	Unqualified
Company Website:	www.terna-energy.com

STATEMENT OF FINANCIAL POSITION (Consolidated and Non-Consolidated)
Amounts in thousand euro

	GROUP		COMPANY	
	31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
ASSETS				
Self used tangible fixed assets	858.667	806.873	100.264	110.339
Investment property	575	575	575	575
Other non-current assets	30.112	23.594	308.889	251.649
Intangible assets	30.319	30.091	2.485	1.318
Inventories	2.882	2.464	2.493	2.113
Trade receivables	59.519	56.399	34.790	47.119
Cash & cash equivalents	166.739	168.803	38.045	54.037
Other current assets	73.475	51.475	25.122	26.362
TOTAL ASSETS	**1.222.288**	**1.140.274**	**512.663**	**493.512**
EQUITY & LIABILITIES				
Share capital	32.794	32.794	32.794	32.794
Other items of Shareholders' Equity	309.081	302.405	274.175	285.215
Total Shareholders' Equity (a)	**341.875**	**335.199**	**306.969**	**318.009**
Non-controlling interests	4.906	3.046	-	-
Total Equity (b)	**346.781**	**338.245**	**306.969**	**318.009**
Long-term bank liabilities	393.581	324.947	109.534	55.615
Provisions/Other-long-term liabilities	306.615	325.028	24.430	46.588
Short-term bank liabilities	92.491	98.396	21.814	44.316
Other-short-term liabilities	82.820	53.658	49.916	28.984
Total liabilities	**875.507**	**802.029**	**205.694**	**175.503**
TOTAL EQUITY & LIABILITIES	**1.222.288**	**1.140.274**	**512.663**	**493.512**

STATEMENT OF COMPREHENSIVE INCOME (Consolidated and Non-Consolidated)
Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/12/2015	**1/1-31/12/2014**	**1/1-31/12/2015**	**1/1-31/12/2014**
Turnover	198.608	158.251	91.746	76.192
Gross profit / (losses)	67.332	49.698	20.642	15.751
Earnings/(Loss) before interest and tax (EBIT)	62.687	43.512	8.633	9.373
Earnings/(Loss) before tax	30.386	12.172	3.097	1.582
Earnings/(Loss) after tax (A)	17.447	5.847	87	(885)
Allocated to:				
Company Shareholders	16.913	5.551		
Minority Shareholders	534	296		
	17.447	5.847		
Other comprehensive income after taxes (B)	959	(4.010)	71	(188)
Total comprehensive income after taxes (A+B)	18.406	1.837	158	(1.073)
Allocated to:				
Company Shareholders	17.882	1.541		
Minority Shareholders	524	296		
	18.406	1.837		
Earnings/(Losses) after tax per share - basic (in €)	0,1585	0,0512	0,0008	-0,0082
Proposed dividend per share (in €)			0,09	-
Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA)	**99.312**	**74.070**	**16.398**	**15.749**

STATEMENT OF CHANGES IN EQUITY (Consolidated and Non-Consolidated)
Amounts in thousand euro

	GROUP		COMPANY	
	31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
Total equity at beginning of period (01/01/2015 and 01/01/2014)	338.245	350.978	318.009	333.764
Total earnings after taxes (continuing and interrupted operations)	18.406	1.837	158	(1.073)
	356.651	**352.815**	**318.167**	**332.691**
Return of share capital	(9.838)	(9.839)	(9.838)	(9.839)
Increase of share capital	1.651	123	-	-
Distributed dividends	(315)	-	-	-
Purchases of treasury shares	(1.597)	(4.903)	(1.597)	(4.903)
Transfers - other movements	229	49	237	60
Total equity at end of period (31/12/15 and 31/12/14)	**346.781**	**338.245**	**306.969**	**318.009**

STATEMENT OF CASH FLOWS (indirect method) (Consolidated and Non-Consolidated)
Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/12/2015	**1/1-31/12/2014**	**1/1-31/12/2015**	**1/1-31/12/2014**
Operating activities				
Profit before tax	30.386	12.172	3.097	1.582
Plus/less adjustments for:				
Depreciation	48.799	41.240	8.212	8.256
Provisions	99	512	104	200
Interest income and related income	(1.933)	(1.969)	(1.988)	(2.601)
Interest expenses and related expenses	34.095	33.309	7.524	10.392
Results from intangible and tangible assets and investment property	-	210	-	210
Amortization of grants	(10.873)	(8.987)	(1.878)	(1.880)
Results from participation and securities	1.100	-	1.431	-
Results from associates	139	-	-	-
Foreign exchange differences	(2.401)	(1.695)	-	-
Other Adjustments	4.393	-	4.393	-
Operating profit before changes in working capital	**103.804**	**74.792**	**20.895**	**16.159**
Plus/Less adjustments for working capital account movements or movements related to operating activities:				
Decrease / (increase) in inventories	(418)	1.564	(380)	1.462
Decrease / (increase) in receivables	(17.501)	(18.207)	21.724	(5.887)
(Decrease) / increase in liabilities (other than to banks)	8.038	8.198	(2.144)	(6.622)
(Less):				
Income taxes paid	(7.722)	(7.054)	(2.083)	(2.772)
Total inflows / (outflows) from operating activities (a)	**86.201**	**59.293**	**38.012**	**2.340**
Investing activities				
Purchases of tangible & intangible assets	(85.930)	(58.130)	(2.134)	(1.632)
Grants received	-	44.306	-	420
Interest received	1.560	2.365	948	4.081
Net change in loans granted	(500)	6.862	(26.237)	16.888
Purchase of publicly listed shares	(10.000)	-	(10.000)	-
(Purchases)/sales of participations and securities	-	15	(29.929)	(17.007)
Total inflows / (outflows) from investing activities (b)	**(94.870)**	**(4.582)**	**(67.352)**	**2.750**
Financing activities				
Return of share capital	(8.990)	(11.661)	(8.990)	(11.461)
Proceeds from capital increase	1.651	-	-	-
Purchases of treasury shares	(1.597)	(4.903)	(1.597)	(4.903)
Net change in long-term loans	71.171	1.336	64.810	588
Net change in short-term loans	(15.397)	29.966	(27.000)	37.048
Dividends paid	(315)	-	-	-
Interest and related expenses paid	(37.111)	(23.800)	(13.875)	(9.710)
Change in financial liabilities	(2.261)	(1.340)	-	-
Total inflows / (outflows) from financing activities (c)	**7.151**	**(10.402)**	**13.348**	**11.562**
Effect of FX differences on cash equivalents	(546)	(136)	-	-
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**(2.064)**	**44.173**	**(15.992)**	**16.652**
Cash and cash equivalents at the beginning of the period	**168.803**	**124.630**	**54.037**	**37.385**
Cash and cash equivalents at the end of the period	**166.739**	**168.803**	**38.045**	**54.037**

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 31/12/2014 have been followed.
3. The group during the present period employed 151 individuals. For the respective period of 2014 the group employed 157 individuals. During the present period the company employed 115 individuals, while during the respective period of the previous year the company employed 131 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. Earnings per share were calculated based on the weighted average number of shares.
6. 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 31/12/2015 owned 39.686% of the company's share capital.

7. 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	18.845	57.846
b) Purchases of goods and services	782	928
c) Receivables	1.605	78.014
d) Liabilities	1.030	40.586
e) Transactions & remuneration of Board members and executives	1.301	335
f) Liabilities to Board members and executives	162	27

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

	GROUP	COMPANY
Provisions for restoration of natural environment	8.463	683
Other Provisions	1.077	917

9. The names, domiciles, participation percentages and consolidation method of companies and joint ventures that were consolidated in the financial statements of 31/12/2015 are mentioned in detail in Note 4 of the financial statements.
10. As of 31 December 2015, the first 2 companies of the following table were included in the consolidated financial statements for the first time via the full consolidation method, while the third company via the proportional consolidation method, in comparison with the previous financial year.

Company Name	Percentage	Date	Country	Activity
Hellas Smart Ticket SA	70%	Establ. 16/1/2015	Greece	Electronic Systems Administration
PERIVALLONTIKI PELOPONNISOU SA	100%	Establ. 10/12/2015	Greece	Waste Management
J/V GEK TERNA SA - TERNA ENERGY SA	50%	Establ. 13/11/2015	Greece	Electronic Systems Construction

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

	GROUP 31/12/2015	COMPANY 31/12/2015
Foreign exchange differences from conversion of incorporated foreign operations	3	-
Actuarial income/losses from defined benefit plans	(35)	(23)
Expenses for capital increase	(173)	(108)
Income / expenses from hedging of cash flow risk	1.032	80
Tax on items transferred directly to or from equity	132	122

12. The number of treasury shares owned by the company on 31 December 2015 corresponded to 2,985,795 shares with a total acquisition cost of 7,768 thous. €.
13. No sector or company has ceased operations.

Athens, 18 March 2016

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

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 Accountant and the Reports by the Board of Directors for the financial year ended on the 31st December 2015 have been posted on the Company's website, http://www.terna-energy.com