TERNA ENERGY

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

CONDENSED INTERIM FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF MARCH 31st 2012

(January 1st to March 31st 2012)

According to the International Financial Reporting Standards (IFRS)

In accordance with International Accounting Standard 34

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TERNA ENERGY GROUP
STATEMENT OF FINANCIAL POSITION
31 MARCH 2012
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Note	GROUP		COMPANY	
		31-Mar 2012	**31-Dec 2011**	**31-Mar 2012**	**31-Dec 2011**
ASSETS					
Non-current assets					
Intangible assets	6	29,198	32,194	1,599	1,592
Tangible assets	6	640,200	580,328	132,250	133,836
Investment property		923	923	923	923
Participation in subsidiaries		-	-	189,397	176,520
Participations in associates		5,391	5,391	5,341	5,341
Participation in joint-ventures		-	-	292	298
Other long-term receivables		8,571	8,303	23,007	15,947
Other investments		131	131	131	131
Deferred tax assets		252	256	-	-
Total non-current assets		**684,666**	**627,526**	**352,940**	**334,588**
Current assets					
Inventories		1,671	1,626	1,344	1,299
Trade receivables		28,617	20,927	22,608	37,352
Receivables according to IAS 11		6,326	4,327	9,510	7,115
Prepayments and other receivables		109,467	106,230	23,666	22,590
Income tax receivables		492	533	474	490
Other assets		239	239	239	239
Cash and equivalents		166,890	167,792	103,476	121,798
Total current assets		**313,702**	**301,674**	**161,317**	**190,883**
TOTAL ASSETS		**998,368**	**929,200**	**514,257**	**525,471**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	7	32,800	32,800	32,800	32,800
Share premium		281,872	281,874	282,006	282,006
Reserves		7,622	6,001	3,492	4,048
Retained earnings		50,454	46,815	44,357	42,267
Total		**372,748**	**367,490**	**362,655**	**361,121**
Non-controlling interests		2,285	2,119	-	-
Total equity		**375,033**	**369,609**	**362,655**	**361,121**

Long-term liabilities					
Long-term loans	8	222,627	165,012	64,158	64,105
Liabilities from derivatives	9	1,779	3,511	-	-
Other provisions		2,436	2,436	782	782
Provision for staff indemnities		282	282	282	282
Grants	10	183,152	184,067	35,877	36,134
Deferred tax liabilities	13	1,812	1,492	197	81
Other long-term liabilities		1,815	1,815	-	-
Total long-term liabilities		**413,903**	**358,615**	**101,296**	**101,384**
Short-term liabilities					
Suppliers		34,491	44,703	20,487	28,612
Short-term loans	8	127,540	104,853	-	-
Long-term liabilities falling due in the next period	8	37,079	35,208	11,948	10,972
Liabilities according to IAS 11		3,359	6,425	13,293	7,380
Accrued and other short-term liabilities		5,208	9,066	4,360	15,961
Income tax payable		1,755	721	218	41
Total short-term liabilities		**209,432**	**200,976**	**50,306**	**62,966**
Total liabilities		**623,335**	**559,591**	**151,602**	**164,350**
TOTAL LIABILITIES AND EQUITY		**998,368**	**929,200**	**514,257**	**525,471**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP
STATEMENT OF COMPREHENSIVE INCOME
31 MARCH 2012
(All amounts are expressed in thousand Euro, unless stated otherwise)

		GROUP		COMPANY	
	Note	**1/1 - 31/3 2012**	**1/1 - 31/3 2011**	**1/1 - 31/3 2012**	**1/1 - 31/3 2011**
Continued activities					
Turnover	5	26,088	13,197	15,212	14,518
Cost of sales		(15,176)	(7,938)	(10,919)	(11,106)
Gross profit		**10,912**	**5,259**	**4,293**	**3,412**
Administrative & distribution expenses		(2,692)	(1,796)	(1,704)	(1,072)
Research & development expenses		(835)	(649)	(791)	(614)
Other income/(expenses)	11	990	610	1,062	568
Operating results		**8,375**	**3,424**	**2,860**	**2,294**
Financial income/(expenses)	5	(2,633)	403	(352)	766
EARNINGS BEFORE TAX	5	**5,742**	**3,827**	**2,508**	**3,060**
Income tax expense	5, 13	(1,511)	(935)	(418)	(541)
Net earnings from continued activities	5	**4,231**	**2,892**	**2,090**	**2,519**
NET EARNINGS FOR THE PERIOD		**4,231**	**2,892**	**2,090**	**2,519**
Other income recognized directly in Equity from:					
Foreign exchange differences from incorporation of foreign units		106	(118)	-	-
Revenue from hedging of cash flow risk		1,645	-	-	-
Expenses of capital increase		(2)	(2)	-	-
Other income/expenses for the period net of income tax		**1,749**	**(120)**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**5,980**	**2,772**	**2,090**	**2,519**
Net results attributed to:					
Shareholders of the parent from continued activities		4,064	2,590		
Non-controlling interests from continued activities		167	302		
		4,231	**2,892**		

Total income attributed to:

Shareholders of the parent from continued activities	5,813	2,470
Non-controlling interests from continued activities	167	302
	5,980	**2,772**
Earnings per share (in Euro)		
From continued activities attributed to shareholders of the parent	0.03903	0.02454
Average weighted number of shares		
Basic	104,100,990	105,542,952

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP
STATEMENT OF CASH FLOWS
31 MARCH 2012
(All amounts are expressed in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	1/1 - 31/3 2012	**1/1 - 31/3 2011**	**1/1 - 31/3 2012**	**1/1 - 31/3 2011**
Cash flow from operating activities				
Earnings for the period before tax	5,742	3,827	2,508	3,060
Adjustments for the agreement of net flows from operating activities				
Depreciation	5,632	2,544	2,041	1,349
Provisions	-	(70)	-	15
Interest and related income	(1,304)	(1,505)	(1,186)	(1,400)
Interest and other financial expenses	3,937	1,102	1,538	634
Amortization of grants	(914)	(591)	(257)	(256)
Other adjustments	12	934	6	-
Operating profit before working capital changes	**13,105**	**6,241**	**4,650**	**3,402**
(Increase)/Decrease in:				
Inventories	(44)	429	(45)	428
Trade receivables	(7,690)	(2,984)	12,349	(5,849)
Prepayments and other short term receivables	(1,935)	(11,816)	(736)	(1,278)
Increase/(Decrease) in:				
Suppliers	(8,486)	3,767	(8,125)	3,091
Accruals and other short term liabilities	(3,858)	2,914	(5,688)	(3,643)
(Increase)/Decrease of other long term receivables and liabilities	148	(7,669)	-	(7,500)
Income tax payment	(109)	(98)	(108)	(94)
Net cash inflow from operating activities	**(8,869)**	**(9,216)**	**2,297**	**(11,443)**
Cash flow from investment activities:				
(Purchases)/Sales of tangible and intangible assets	(67,478)	(46,660)	(462)	(3,109)
Interest and related income received	895	1,481	846	1,388
Net change in provided loans	-	-	(7,060)	-
(Purchases) / sales of participations and securities	-	(1,861)	(12,877)	(27,319)
Cash outflows for investment activities	**(66,583)**	**(47,040)**	**(19,553)**	**(29,040)**
Cash flows from financing activities				
Purchase of Treasury Shares	(556)	(2,072)	(556)	(2,072)
Net change of long term loans	55,676	(1,894)	52	-
Net change of short term loans	23,138	28,457	-	-
Interest paid	(3,693)	(1,010)	(562)	(299)
Cash outflows for financing activities	**74,565**	**23,481**	**(1,066)**	**(2,371)**
Effect of exchange rate changes on cash & cash equivalents	**(15)**	**(951)**	**-**	**-**
Net increase/(decrease) in cash	**(902)**	**(33,726)**	**(18,322)**	**(42,854)**
Cash & cash equivalents at the beginning of the period	167,792	192,873	121,798	174,794
Cash & cash equivalents at the end of the period	**166,890**	**159,147**	**103,476**	**131,940**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY S.A.
STATEMENT OF CHANGES IN EQUITY
31 MARCH 2012
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
1 January 2011	**32,800**	**282,006**	**7,782**	**34,545**	**357,133**
Total comprehensive income for the period	-	-	-	2,519	**2,519**
Purchase of Treasury Shares	-	-	(2,072)	-	**(2,072)**
31 March 2011	**32,800**	**282,006**	**5,710**	**37,064**	**357,580**
1 January 2012	**32,800**	**282,006**	**4,048**	**42,267**	**361,121**
Total comprehensive income for the period	-	-	-	2,090	**2,090**
Purchase of Treasury Shares	-	-	(556)	-	**(556)**
31 March 2012	**32,800**	**282,006**	**3,492**	**44,357**	**362,655**

TERNA ENERGY GROUP
STATEMENT OF CHANGES IN EQUITY
31 MARCH 2012
(All amounts are expressed in thousand Euro, unless stated otherwise)

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

	Share Capital	Share Premium	Reserves	Retained Earnings	Subtotal	Non-Controlling Interests	Total
1 January 2012	**32,800**	**281,874**	**6,001**	**46,815**	**367,490**	**2,119**	**369,609**
Total comprehensive income/(losses) for the period	-	(2)	1,751	4,064	**5,813**	167	**5,980**
Purchase of Treasury Shares	-	-	(556)	-	**(556)**	-	**(556)**
Transfers other movements	-	-	426	(425)	**1**	(1)	**-**
31 March 2012	**32,800**	**281,872**	**7,622**	**50,454**	**372,748**	**2,285**	**375,033**

1 ESTABLISHMENT & ACTIVITY OF THE COMPANY

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

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

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

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

2 BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements

The condensed interim financial statements, which consist of the separate and consolidated financial statements of the Parent Company and Group, have been prepared according to the International Financial Reporting Standards (IFRS), as such have been adopted by the European Union and specifically according to the provisions of IAS 34 "Interim Financial Statements". The condensed interim financial statements should be read together with the annual financial statements of 31 December 2011.

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 for the Group to prepare the accompanying financial statements in accordance with the IFRS.

c) New Standards, Interpretations and Amendments

The accounting principles applied for the preparation of the interim financial statements are the same with those applied for the preparation of the annual financial statements of the Company and the Group as of 31 December 2011, apart from the adoption of new accounting standards. The Group has fully adopted all IFRS and interpretations which up to the preparation date of the interim financial statements had been endorsed by the European Union. The application of those standards according to the International Accounting Standards Board (IASB) was compulsory for the financial period ended on 31 March 2012. Therefore, from 1 January 2012, the Group and the Company adopted certain new standards and amendments of standards as follows:

New standards, interpretations, revisions and amendments to existing Standards that are in effect and have been adopted by the E.U.

The Group has fully adopted all IFRS and interpretations that have been endorsed by the European Union and whose application is mandatory for the preparation of Financial Statements that cover financial year 2012.

- ***IFRS 7 Financial Instruments: Disclosures (amendment) – Enhanced derecognition disclosure requirements***

Applied for annual accounting periods beginning on or after 1 July 2011. The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity’s continuing involvement in those derecognised assets. The present amendment has been endorsed by the European Union. The application of the amendment is not expected to have a significant effect on the Group’s financial statements.

Standards, amendments and interpretations to existing standards, which are either not yet in effect or have not yet been endorsed by the E.U.

Moreover, the IASB has proceeded with issuing the following new IFRS, amendments and interpretations that are not mandatory for the present financial statements and which until the issue date of the present financial statements, had not been endorsed by the E.U.

- ***IFRS 1 First Implementation (amendment) – Hyperinflationary Economies***

The amendment is applied for annual accounting periods beginning on or after 1 July 2011. The amendment provides guidance for the re-application of IFRS after a suspension period that was due to the fact that the operation currency of the entity was a currency of a hyperinflationary economy. Prior application of the standard is permitted.

The present amendment has not yet been endorsed by the European Union. The Group is in the process of assessing the effect of this amendment on its financial statements.

- ***IFRS 1 First Implementation (amendment) - Repeal of the suspension of recognition of monetary assets and liabilities***

The amendment is applied for annual periods beginning on or after 1 July 2011, while prior application is permitted. The amendment repeals the use of the predefined transition date (01 January 2004) and replaces it with the actual transition date to IFRS. At the same time it repeals the requirements for suspending recognition of transactions that had taken place prior to the defined transition date. The present amendment has not yet been endorsed by the European Union. The Group is in the process or assessing the effect of this amendment on its financial statements.

- ***IAS 12 Income Taxes (amendment) – Deferred Tax – Recovery of underlying assets***

The amendment is applied for annual periods beginning on or after 1 January 2012. IAS 12 requires that a company measures deferred taxation related to a fixed asset depending on whether the company expects that the carrying amount will be recovered by the use or sale of the asset. In cases of investment property and when a fixed asset is measured at fair value, many times the estimation of the recovery of the asset is difficult and subjective. According to the present amendment the future recovery of the carrying amount of such assets is implied when it will take place through the future sale of the asset. The present amendment has not yet been endorsed by the European Union. The Group is in the process of assessing the effect of the amendment on its financial statements.

- ***IAS 1 Presentation of Financial Statements (amendment) – Presentation of Items of Other Comprehensive Income***

This amendment is applied for annual accounting periods beginning on or after 1 July 2012. The amendment changes the grouping of items presented in Other Comprehensive Income. The items that can be reclassified in the Statement of Comprehensive Income at a future point in time will be presented separately from other items that will never be reclassified. The European Union has not yet endorsed this amendment. The Group is in the process of assessing the effect of the amendment on its financial statements.

- ***IFRS 10 Consolidated Financial Statements***

The new standard is effective for annual accounting periods beginning on or after 1 January 2013. IFRS 10 replaces IAS 27 “Consolidated and Separate Financial Statements” and SIC 12 “Consolidation – special purpose vehicles”. The new standard changes the definition of control, which is the definitive factor to assess whether the entity should be included in the consolidated financial statements of the parent company. The standard provides additional guidance to assist in defining control, when such is hard to be assessed.

Also, the Group must provide a series of disclosures regarding companies that are consolidated as subsidiaries and also for non-consolidated companies where there is a shareholding relationship. The standard is expected to lead to changes in the conventional group structures and the effects in some cases may be significant. The European Union has not yet endorsed this standard. The Group is in the process of assessing the effect of the standard on its financial statements.

- ***IFRS 11 Joint Arrangements***

The new standard is applied for annual accounting periods beginning on or after 1 January 2013. IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and IFRIC 13 "Jointly controlled entities – non-monetary contributions by venturers". IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled companies that meet the definition of a joint venture must be accounted for using the equity method. The European Union has not yet endorsed this standard. The Group is in the process of assessing the effect of the standard on its financial statements.

- ***IFRS 12 Disclosure of interests in other entities***

The new standard is applied for annual accounting periods beginning on or after 1 January 2013. IFRS 12 includes all of the disclosures that were previously included in IAS 27 related to consolidated financial statements. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The European Union has not yet endorsed this standard. The Group is in the process of assessing the effect of the standard on its financial statements.

- ***IFRS 13 Fair Value Measurement***

The new standard is applied for annual accounting periods beginning on or after 1 January 2013. IFRS 13 establishes a complete framework for all measurements of assets at fair value. IFRS 13 does not change the requirements regarding when a company must use fair value but it provides guidance on the manner in which fair value is measured in IFRS, when fair value is required or permitted. The European Union has not yet endorsed this standard. The Group is in the process of assessing the effect of the standard on its financial statements.

- ***IAS 27 Separate Financial Statements (revision)***

The standard is effective for annual accounting periods beginning on or after 1 January 2013. The standard refers to the subsequent changes that result from the issue of the new IFRS 10. IAS 27 will now exclusively refer to separate financial statements, whereas the requirements for such remain essentially the same. Prior application is permitted. The European Union has not yet endorsed this amendment. The Group is in the process of assessing the effect of the amendment on its financial statements.

- ***IAS 28 Investments in Associates and Joint Ventures (revision)***

The standard is applied for annual accounting periods beginning on or after 1 January 2013. The objective of the revised standard is to define the accounting principles that must be applied due to the changes that arise from the publication of IFRS 11. The revised standard continues to define the mechanisms for accounting of the equity method. Prior application is permitted. The European Union has not yet endorsed this amendment. The Group is in the process of assessing the effect of the amendment on its financial statements.

- ***IAS 19 Employee benefits (amendment)***

The amendment is applied for annual accounting periods beginning on or after 1 January 2013. The IASB issued a series of amendments to IAS 19. The amendments range from fundamental changes such as removing the corridor mechanism. Also, changes from the re-evaluation of assets and liabilities that result from defined benefit plans, will be presented in the statement of comprehensive income. Moreover, additional disclosures will be provided for defined benefit plans as regards to the characteristics of the defined benefit plans and the risks to which the entities are exposed by participating in the plans. Prior application is permitted. The European Union has not yet endorsed this amendment. The Group is in the process of assessing the effect of the amendment on its financial statements.

- ***IFRS 7 Financial Instruments: Disclosures (amendment) - Offsetting financial assets and financial liabilities***

The amendment is applied for annual accounting periods beginning on or after 1 January 2013. The amendment introduces common disclosure requirements which will provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity's financial position. The amendments to IFRS 7 are to be retrospectively applied. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the effect of the amendment on its financial statements.

- ***IFRS 1 First Implementation (amendment) – Government Loans***

The amendment is applied for annual accounting periods beginning on or after 1 January 2013. Entities that apply IFRS for the first time and have received government loans with a preferential interest rate, are provided with the option not to retrospectively apply IFRS in the presentation of such loans during the transition. This is the same exemption, as had been provided to the existing editors of the Financial Statements with IFRS during their transition. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the effect of the amendment on its financial statements.

- ***IAS 32 Financial Instruments: Presentation (amendment) – Offsetting financial assets and financial liabilities***

This amendment is applied for annual accounting periods beginning on or after 1 January 2014. The amendment provides clarification regarding some requirements for offsetting financial assets and liabilities in the statement of financial position. The European Union has not yet endorsed this amendment. The Group is in the process of assessing the effect of the amendment on its financial statements.

- ***IFRS 9 Financial Instruments – Classification and Measurement***

Applied for annual accounting periods beginning on or after 1 January 2015. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39. Phase 1 of IFRS 9 will have a significant impact on (a) the classification and measurement of financial assets and (b) a change in reporting for those entities that have designated financial liabilities using the Fair Value Through Profit and Loss option. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the first half of 2012. Early application is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the effect of this standard on its financial statements.

- ***IFRIC 20 Stripping costs in the production phase of a surface mine***

Applied for annual accounting periods beginning on or after 1 January 2013. This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine. Costs incurred in undertaking stripping activities are considered to create two possible benefits: (a) the production of inventory in the current period and/or (b) improved access to ore to be mined in a future period (striping activity asset). Where cost cannot be specifically allocated between the inventories produced during the period and the stripping activity asset, IFRIC 20 requires an entity to use an allocation basis that is based on a relevant production measure. Prior application is permitted. The European Union has not yet endorsed this interpretation. The Group is in the process of assessing the effect of the interpretation on its financial statements.

- ***Annual Improvements of Standards Cycle 2009 - 2011 (issued in May 2012 – the standards are effective for annual accounting periods beginning on or after 01/01/2013)***

In May 2012 the IASB issued its “Annual Improvements to International Financial Reporting Standards 2009 – 2011 Cycle” which consists of a series of adjustments to 5 Standards and is part of the annual improvement plan. The amendments are not particularly significant and do not have a substantial effect on the Group’s Financial Statements. The present amendments have not been endorsed by the European Union.

d) Approval of Financial Statements

The accompanying interim consolidated financial statements were approved by the Board of Directors of the Parent Company on 29 May 2012.

e) Use of Estimations

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

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

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

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

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

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

e) Impairment of assets and recovery: The Group performs evaluation of the technological, institutional and financial developments by examining indications of impairment of all assets (fixed, trade and other receivables, financial assets etc.) as well as their recovery. Also, the installation licenses of wind parks that have not been set in operation are subject to an annual impairment review.

The establishment of possible impairment requires, among others, estimation of the value in use, which is estimated using the discounted cash flow method. During the application of this method, the Group relies on a series of factors, which include future operating results as well as market data. The estimation of future operating results is based on efficiency estimations of the wind parks according to wind statistical data and historical data on comparable units.

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

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

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

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

3 SUMMARY OF KEY ACCOUNTING PRINCIPLES

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

a) Consolidation Basis

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

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

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

b) Investments in Associates

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

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

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

(i) Investments available for sale

(ii) Receivables and loans

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

(iv) Investments held to maturity

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

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

(i) Investments available for sale

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

(ii) Receivables and loans

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

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

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

(iv) Investments held to maturity

Financial assets (non-derivative) with defined flows and defined maturity are classified as held to maturity when the company is willing and able to retain them until their maturity. Investments held indefinitely or for a predetermined period cannot be classified in this category. Held to maturity investments are valued, after the initial recording, at net amortized cost using the effective interest rate method. Gains or losses are recorded in the profit or loss when the relevant amounts are written-off or suffer impairment as well as through the amortization process.
The current value of such investments that are traded in an organized exchange is derived by the exchange value of the investment at the closing date. As regards investments that are not traded in an active market, their fair value is calculated on the basis of relevant valuation techniques.

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

d) Financial Instruments and Risk Management

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

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

The Company's bank loans are denominated in euro and are subject to variable and fixed interest rates. The Company uses derivative instruments in order to reduce its exposure to interest rate risk. The Management of the Company follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

- ***Fair Value***

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

- ***Credit Risk Concentration***

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

Regarding receivables from the private sector, the Group policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within an amicable settlement context.

- ***Market Risk***

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

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

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

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

The currency of operation of the foreign subsidiaries of the Group is the official currency of the country each subsidiary operates in. Accordingly, at each reporting period all the accounts of the Statement of Financial Position of subsidiaries are converted into euro using the exchange rate in effect at the balance sheet date. Income and expenses are converted using the weighted average rate in effect during the year.

The resulting exchange differences from the valuation of foreign subsidiaries as described above are presented in the Statement of Comprehensive Income. Upon sale or disposal of a foreign subsidiary the cumulated exchange differences described above are recorded in the profit and loss account.

f) Intangible Assets

Intangible assets consist of rights for use of forestry land, where Wind Parks are installed, purchased Wind Park licenses and software acquisition costs. The right of use of forestry land, where Wind Parks are installed, includes the related acquisition costs less accumulated amortization and possible impairment.

The value of software includes the acquisition cost and all expenses incurred to develop the software in order to bring it to operating condition less accumulated amortization and possible impairment. Significant subsequent expenses are capitalized when such increase the software's capacity after initial specifications.

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

g) Income recognition

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

(i) Income from construction activities

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

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

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

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

(ii) Sale of goods

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

(iii) Revenue from the sale of Electric Energy

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

(iv) Rent Revenue

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

(v) Dividends

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

(vi) Interest

Interest income is recognized on an accruals basis.

h) Tangible Fixed Assets

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

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

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

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

i) Depreciation

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

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

j) Impairment of the Value of Fixed Assets

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

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

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

k) Investment property

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

l) Inventories

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

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

m) Receivables Accounts

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

n) Cash and Cash Equivalents

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

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

o) Loan liabilities

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

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

The Group classifies loans with embedded derivatives, whose financial characteristics are not linked closely with the loan agreement, as financial liabilities at fair value through the results during their initial recognition.

p) Provisions for Staff Retirement Indemnities

According to the provisions of L2112/20, the Group reimburses its retiring or dismissed employees, and the amount of the relevant indemnities depends on the years of service, the level of wages and the reason for exit from employment (dismissal or retirement). The liabilities for staff retirement indemnities are calculated using the discounted value of future benefits that have accrued at the end of the year, based on the recognition of the employees' benefit rights during the duration of their expected working years.

The above liabilities are calculated based on the financial and actuarial assumptions and are defined using the projected unit method of actuarial valuation. Net retirement costs for the period are included in the attached income statement and consist of the present value of benefits that have accrued during the year, the interest on the benefits' liability, the cost of prior service, the actuarial profit or loss and any other additional retirement costs. The prior service costs are recognized on a straight-line basis over the average period during which access to the program's benefits is earned. The liabilities for retirement benefits are not financed. As at the 1st of January 2004 (transition date to IFRS and compilation of initial Balance Sheet) the Group, applying the exemptions provided for by IFRS 1 for the first-time application of the IFRS, recognized the total actuarial losses that had accumulated as of the 1st of January 2004. During the compilation of subsequent financial statements TERNA, applying the general provisions of IAS 19, followed the "margin" method for the recognition of accumulated actuarial losses/profits.

Actuarial profits and losses are registered as income or expenses when the accumulated actuarial profit or losses for each program separately exceed 10% of the largest value between the liability of the defined benefit and the actual value of the program's assets. These profits or losses are systematically recorded during the expected average remaining working life of employees participating in the plans.

q) Government Pension Plans

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

r) Income Tax (Current and Deferred)

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

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

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

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

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

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

s) Finance and Operating Leases

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

t) Government Grants

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

u) Provisions, Contingent Liabilities and Contingent Receivables

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The provisions are reviewed during each reporting period and are adjusted in order to reflect the present value of expenses that are deemed necessary for the settlement of the liability. If the effect of the time value of money is significant, then provisions are calculated by discounting the expected future cash flows with a pre-tax rate, which reflects the market's current estimations for the time value of money, and wherever considered necessary, the risks related specifically to the obligation. Contingent liabilities are not recognized in the consolidated financial statements but are disclosed, unless the probability of an outflow of economic benefits is small. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of financial benefits is likely.

v) Provision for wind park dismantlement and rehabilitation of environment

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

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

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

w) Earnings per Share

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

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

x) Acquisition of non-controlling interests

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

y) Derivative Financial Instruments and Hedge Accounting

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

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

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

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

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

Cash Flow Hedge Accounting

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

4 GROUP STRUCTURE

The participations in subsidiaries, associates and joint ventures on 31.3.2012 are as follows:

A) Subsidiaries of TERNA ENERGY SA

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

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

(All amounts in thousand Euro, unless stated otherwise)

	Participation Percentage			
Company Name	**31/3/2012**	**31/12/2011**	**Business Activity**	**Tax un-audited fiscal years**
1. IWECO CHONOS LASITHIOU CRETE SA	100%	100%	Production of El. Energy from RES	2
2. ENERGIAKI SERVOUNIOU SA	100%	100%	Production of El. Energy from RES	2
3. TERNA ENERGY EVROU SA	100%	100%	Production of El. Energy from RES	2
4. PPC RENEWABLES – TERNA ENERGY S.A.	51%	51%	Production of El. Energy from RES	2
5. AIOLIKI PANORAMATOS S.A.	100%	100%	Production of El. Energy from RES	2
6. AIOLIKI RACHOULAS DERVENOCHORION S.A.	100%	100%	Production of El. Energy from RES	2
7. ENERGEIAKI DERVENOHORION S.A.	100%	100%	Production of El. Energy from RES	2
8. AIOLIKI MALEA LAKONIAS S.A.	100%	100%	Production of El. Energy from RES	2
9. ENERGEIAKI FERRON EVROU S.A	100%	100%	Production of El. Energy from RES	1
10. AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	100%	100%	Production of El. Energy from RES	1
11. ENERGEIAKI PELOPONNISOU S.A.	100%	100%	Production of El. Energy from RES	2
12. ENERGEIAKI NEAPOLEOS LAKONIAS S.A.	100%	100%	Production of El. Energy from RES	2
13. AIOLIKI ILIOKASTROU S.A.	100%	100%	Production of El. Energy from RES	2
14. EUROWIND S.A.	100%	100%	Production of El. Energy from RES	2
15. ENERGIAKI XIROVOUNIOU S.A.	100%	100%	Production of El. Energy from RES	1
16. DELTA AXIOU ENERGEIAKI S.A.	51%	51%	Production of El. Energy from RES	1
17. TERNA ENERGY THAASSIA WIND PARKS S.A.	77%	100%	Production of El. Energy from RES	1
18. TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	77%	100%	Production of El. Energy from RES	2
19. TERNA ENERGY WIND PARKS PYRGAKI MAKRYRACHI KALLIEON S.A.	77%	100%	Production of El. Energy from RES	2
20. TERNA ENERGY WIND PARKS SOTIRA - ANALIPSI - DRAGONERA XYLOKASTROU S.A.	77%	100%	Production of El. Energy from RES	2
21. TERNA ENERGY WIND PARKS PROFITIS ILIAS - POULAGEZA SOLYGEIAS S.A.	77%	100%	Production of El. Energy from RES	2
22. TERNA ENERGY WIND PARKS TSOUMANOLAKKA - PYRGOS KALLIOEN & YPATIS S.A.	77%	100%	Production of El. Energy from RES	2
23. TERNA ENERGY WIND PARKS DENTROULI MUNICIPALITY DOMNISTAS S.A.	77%	100%	Production of El. Energy from RES	1

(All amounts in thousand Euro, unless stated otherwise)

	Participation Percentage			
Company Name	**31/3/2012**	**31/12/2011**	**Business Activity**	**Tax un-audited fiscal years**
24. TERNA ENERGY WIND PARKS OROPEDIO EYROSTINIS - D. EYROSTINIS CORINTH PREFECTURE S.A.	77%	100%	Production of El. Energy from RES	1
25. TERNA ENERGY WIND PARKS KALIAKOUDAS - D. POTAMIAS EYRYTANIA S.A.	77%	100%	Production of El. Energy from RES	1
26. TERNA ENERGY WIND PARKS CHELIDONAS - D. POTAMIAS EYRYTANIAS S.A.	77%	100%	Production of El. Energy from RES	1
27. TERNA ENERGY HYDROELECTRIC MYIS SARANTAPOROU S.A.	77%	100%	Production of El. Energy from RES	2
28. TERNA ENERGY HYDROELECTRIC MYIS LEPTOMAKARIAS S.A.	77%	51%	Production of El. Energy from RES	1
29. TERNA ENERGY HYDROELECTRIC MYIS ARKOUDORREMA S.A.	77%	77%	Production of El. Energy from RES	1
30. VATHYCHORI PERIVALLONTIKI S.A.	100%	77%	Production of El. Energy from RES	2
31. VATHYCHORI ENA PHOTOVOLTAIC S.A.	100%	77%	Production of El. Energy from RES	1
32. CHRYSOUPOLI ENERGEIAKI LTD	80%	77%	Production of El. Energy from RES	1
33. LAGADAS ENERGEIAKI S.A.	80%	77%	Production of El. Energy from RES	1
34. DOMOKOS ENERGEIAKI S.A.	80%	77%	Production of El. Energy from RES	1
35. DIRFYS ENERGEIAKI S.A.	51%	77%	Production of El. Energy from RES	1
36. FILOTAS ENERGEIAKI S.A.	90%	77%	Production of El. Energy from RES	1
37. MALESINA ENERGEIAKI LTD	80%	77%	Production of El. Energy from RES	1
38. ORHOMENOS ENERGEIAKI LTD	80%	77%	Production of El. Energy from RES	1
39. ALISTRATI ENERGEIAKI LTD	80%	77%	Production of El. Energy from RES	1
40. TERNA ENERGY AI-GIORIS S.A.	100%	77%	Production of El. Energy from RES	1
41. TERNA AIOLIKI AMARYNTHOU S.A.	100%	77%	Production of El. Energy from RES	1
42. TERNA AIOLIKI AITOLOAKARNANIAS S.A.	100%	100%	Production of El. Energy from RES	1
43. TERNA ILIAKI VIOTIAS S.A.	100%	100%	Production of El. Energy from RES	1
44. VATHYCHORI DYO ENERGIAKI S.A.	100%	80%	Production of El. Energy from RES	1
45. TERNA AIOLIKI XIROVOUNIOU S.A.	100%	80%	Production of El. Energy from RES	1
46. TERNA ILIAKI ILIOKASTROU S.A.	100%	80%	Production of El. Energy from RES	1
47.TERNA ILIAKI PANORAMATOS S.A.	100%	51%	Production of El. Energy from RES	1
48. GEOTHERMAL ENERGY DEVELOPMENT S.A.	100%	90%	Production of El. Energy from RES	1
49. GP ENERGY LTD	100%	80%	Trade of Electric Energy	7

(All amounts in thousand Euro, unless stated otherwise)

	Participation Percentage			
Company Name	**31/3/2012**	**31/12/2011**	**Business Activity**	**Tax un-audited fiscal years**
50. EOL TECHNICS CONSULT SRL	100%	80%	Production of El. Energy from RES	3
51.TERNA ENERGY OVERSEAS LTD	100%	80%	Production of El. Energy from RES	3
52. EOLOS POLSKA SPZO	100%	100%	Production of El. Energy from RES	1
53. EOLOS NOWOGRODZEC SPZOO	100%	100%	Production of El. Energy from RES	1
54. TERNA ENERGY NETHERLANDS BV	100%	100%	Production of El. Energy from RES	3
55. HAOS INVEST 1 EAD	100%	100%	Production of El. Energy from RES	1
56. VALUE PLUS LTD	100%	100%	Trade of Electric Energy equipment	2
57. GALLETTE LTD	100%	100%	Holdings	3
58. AIOLOS LUX S.A.R.L	100%	100%	Holdings	3
59.ECO ENERGY DOBRICH 2 EOOD	100%	100%	Production of El. Energy from RES	1
60.ECO ENERGY DOBRICH 3 EOOD	100%	100%	Production of El. Energy from RES	1
61.ECO ENERGY DOBRICH 4 EOOD	100%	100%	Production of El. Energy from RES	1
62. COLD SPRINGS WINDFARM LLC	100%	100%	Production of El. Energy from RES	1
63.DESERT MEADOW WINDFARM LLC	100%	100%	Production of El. Energy from RES	1
64.HAMMETTHILL WINDFARM LLC	100%	100%	Production of El. Energy from RES	1
65. MAINLINE WINDFARM LLC	100%	100%	Production of El. Energy from RES	1
66. RYEGRASS WINDFARM. LLC	100%	100%	Production of El. Energy from RES	1
67. TWO PONDS WINDFARM. LLC	100%	100%	Production of El. Energy from RES	1
68. MOUNTAIN AIR WIND. LLC	100%	100%	Production of El. Energy from RES	1
69. TERNA ENERGY USA HOLDING CORPORATION	100%	100%	Holdings	1
70. TERNA ENERGY TRANSATLANTIC SPZOO	100%	100%	Holdings	1
71. EOLOS NORTH SPZOO	100%	-	Production of El. Energy from RES	1

During the 1st Quarter of 2012, the Group proceeded with the sale of the companies HIGH PLATEAU WINDFARM LLC, MULE HOLLOW WINDFARM LLC, PINE CITY WINDFARM LLC, LOWER RIDGE WINDFARM LLC which were based in the USA and owned Wind Parks under development (licensing state) of 40 MW. (See Note 6)

(All amounts in thousand Euro, unless stated otherwise)

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

	Participation Percentage			
Company Name	**31/3/2012**	**31/12/2011**	**Activity**	**Tax Un-audited Years**
1. TERNA ENERGY SA & SIA AIOLIKI POLYKASTROU GP	100%	100%	Production of El. Energy from RES	5
2. TERNA ENERGY SA & SIA ENERGEIAKI VELANIDION LAKONIA GP	100%	100%	Production of El. Energy from RES	5
3. TERNA ENERGY SA & SIA ENERGEIAKI DYSTION EVIA GP	100%	100%	Production of El. Energy from RES	5
4. TERNA ENERGY SA & SIA AIOLIKI PASTRA ATTICA GP	100%	100%	Production of El. Energy from RES	5
5. TERNA ENERGY SA & SIA AIOLIKI KARYSTIAS EVIA GP	100%	100%	Production of El. Energy from RES	5
6. TERNA ENERGY SA & SIA ENERGEIAKI ARI SAPPON GP	100%	100%	Production of El. Energy from RES	5
7. TERNA ENERGY SA & SIA AIOLIKI EASTERN GREECE GP	100%	100%	Production of El. Energy from RES	5
8. TERNA ENERGY SA & SIA AIOLIKI MARMARIOU EVIA GP	100%	100%	Production of El. Energy from RES	5
9. TERNA ENERGY SA & SIA ENERGEIAKI PETRION EVIA GP	100%	100%	Production of El. Energy from RES	5
10. TERNA ENERGY SA & SIA AIOLIKI ROKANI DERVENOCHORION GP	99%	99%	Production of El. Energy from RES	5
11. TERNA ENERGY SA & SIA ENERGEIAKI STYRON EVIA GP	100%	100%	Production of El. Energy from RES	5
12. TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIA GP	100%	100%	Production of El. Energy from RES	5
13. TERNA ENERGY SA & SIA AIOLIKI PROVATA TRAIANOUPOLEOS	100%	100%	Production of El. Energy from RES	5
14. TERNA ENERGY SA VECTOR WIND PARKS GREECE - WIND PARK TROULOS G.P.	90%	90%	Production of El. Energy from RES	1

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

i) Joint Ventures

(All amounts in thousand Euro, unless stated otherwise)

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

During the 1st quarter of 2012 the joint venture J/V EKTER-TERNA ENERGY SA – ATHONIKI SA was resolved and liquidated, whereas no profit or loss resulted from the liquidation.

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

		Participation Percentage			
Company Name	**Establishment**	**31/3/2012**	**31/12/2011**	**Activity**	**Tax Un-audited Years**
1. TERNA ENERGY SA - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA CO-PRODUCTION GP	12,02,2001	50%	50%	Construction/ Operation of co-production unit of electricity for serving of needs of MEL	5
2. TERNA ENERGY SA & SIA LP	24,05,2000	70%	70%	Completion of construction works of section Kakavia – Kalpaki	5

The above company No. 1 is currently inactive. The company No. 2 had essentially completed the aforementioned project from 2003.

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

C) Associates of TERNA ENERGY SA

Company Name	Domicile	Participation Percentage % 2012	2011	Consolidation Method	Tax un-audited fiscal years
Renewable Energy Center RES Cyclades SA *	Greece	45	45	Equity	1
EN.ER.MEL. S.A.	Greece	48	-	Equity	1

* Participation through IWECO CHONOS LASITHIOU CRETE S.A.

5 OPERATING SEGMENTS

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

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

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

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

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

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

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

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

(All amounts in thousand Euro, unless stated otherwise)

Business segments 31.3.2012	**Construction**	**Electricity from renewable energy sources**	**Consolidation Write-offs**	**Total Consolidated**
Income from external customers				
Sales of products	-	18,691		**18,691**
Income from construction services	7,397	-		**7,397**
Total income from external customers	**7,397**	**18,691**		**26,088**
Inter-segment income	876	-	(876)	
Total income	**8,273**	**18,691**		**26,088**
Net Results per Segment	**(58)**	**4,289**		**4,231**
Depreciations	(36)	(5,596)		**(5,632)**
Amortization of grants	-	914		**914**
Net financial results	(157)	(2,476)		**(2,633)**
Income tax	(8)	(1,503)		**(1,511)**
Earnings before interest, taxes, depreciation & amortization (EBITDA)	**143**	**12,950**		**13,093**
Earnings before interest and taxes (EBIT)	**107**	**8,268**		**8,375**
Segment assets	16,268	976,709		**992,977**
Investments in associates	-	5,391		**5,391**
Total Assets	**16,268**	**982,100**		**998,368**
Segment liabilities	**17,463**	**605,872**		**623,335**
Capital expenditure	32	65,511		**65,543**

(All amounts in thousand Euro, unless stated otherwise)

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

(All amounts in thousand Euro, unless stated otherwise)

Geographic segments 31.3.2012	**Greece**	**Eastern Europe**	**America**	**Total consolidated**
Turnover from external customers	23,081	3,007	-	**26,088**
Non-current assets	467,459	113,904	97,529	**678,892**
Capital expenditure	6,713	7,765	51,065	**65,543**

Geographic segments 31.3.2011	**Greece**	**Eastern Europe**	**America**	**Total consolidated**
Turnover from external customers	12,789	408	-	**13,197**
Non-current assets	417,548	54,346	14,470	**486, 364**
Capital expenditure	23,247	12,424	9,405	**45,076**

6 FIXED ASSETS (intangible and tangible)

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

	GROUP		**COMPANY**	
	2012	**2011**	**2012**	**2011**
Net book value as at 1 January	**612,522**	**435,124**	**135,428**	**126,427**
Additions during the period	65,543	45,076	462	3,109
Depreciation and other movements	(8,667)	(2,545)	(2,041)	(1,349)
Net book value as at 31 March	**669,398**	**477,655**	**133,849**	**128,187**

From the total value of the Group's fixed assets on 31/3/2012, an amount of € 261,750 concerns Assets under Construction and Prepayments for Purchases of Fixed Assets. During the 1st Quarter of 2012 the Group entered into an agreement for the transfer of four companies that were based in the USA and held licenses for wind parks in the USA (Oregon) with a capacity of 40 MW, for a total consideration of € 4,482 thousand. The carrying amount of the said licenses and other related assets of the aforementioned companies during the date of the sale amount to € 4,482 thousand. No profit or loss resulted from the transfer.

Therefore, the amount of € 4,482 thousand in the account "Depreciation and other movements" above for the period 1.1-31.3.2012 concerns the cost of licenses of the wind park in the USA that was sold.

(All amounts in thousand Euro, unless stated otherwise)

7 CAPITAL

During the period 1/1-31/03/2012, as during the period 1/1-31/03/2011, the number of shares and their nominal value remained unchanged. The total number of shares on 31/3/2012 amounts to 109,333,400 from which 5,338,548 are owned by the Company (treasury shares).
The share capital is fully paid up.

8 LOANS

The summary movement of the short-term and long-term loans of the group and company during 31/03/2012 and 31/03/2011, is presented as follows:

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
Balance January 1st	**305,073**	**202,557**	**75,077**	**49,769**
New loans	90,543	45,077	1,029	613
Repayment of loans	(8,370)	(17,932)	-	(206)
Balance March 31st	**387,246**	**229,702**	**76,106**	**50,176**

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

9 FINANCIAL DERIVATIVES

It is Group policy to minimize its exposure to cash flow interest rate risk as regards to long-term financing. The Group secured long-term financing amounting to USD 196,000,000 to finance the activities of its subsidiary in the USA. These loans are under floating interest rates based on 3month USD Libor. At the same time, in order to hedge cash flow risk from interest rate changes, the Group entered two interest rate swap agreements. Through the swaps, the Group exchanges variable interest payments based on 3month USD Libor with fixed interest rate payments. The first swap agreement has a nominal value of $ 129,188,410 and inception date on 28 September 2012, when the full disbursement of the loan is expected to be completed, and matures on 30 September 2022. The second swap, with a nominal value of $ 76,301,692.50 has an inception date on 30 September 2022 and maturity on 30 September 2029. The payments – receipts of interest under both swaps are on a quarterly basis and are calculated on each respective nominal amount, and are amortized according to the installments of the subsidiary’s loan agreements.
The Group applies hedge accounting for the above agreements, and the change from their valuation amounting to € 1,645 has been recognized in the account “Profit/Losses from cash flow hedges” in the statement of comprehensive income.

(All amounts in thousand Euro, unless stated otherwise)

10 GRANTS

The summary movement of the group's and company's grants on 31/03/2012 and 31/03/2012, is presented as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Balance January 1st	**184,067**	**59,130**	**36,134**	**18,722**
Transfer of the period's proportion to the results	(915)	(592)	(257)	(256)
Balance March 31st	**183,152**	**58,538**	**35,877**	**18,466**

11 OTHER INCOME/EXPENSES

The analysis of the amount of other income/expenses for 31 March 2012, which are of irregular nature, is presented in the following table:

	GROUP		COMPANY	
	2012	2011	2012	2011
Amortization of grants	914	592	257	256
Income from lease of property	21	21	21	21
Other income	814	501	784	291
Other expenses	(759)	(504)	-	-
Total	**990**	**610**	**1,062**	**568**

12 NUMBER OF EMPLOYEES

The average number of employees under full-time employment at the group, during the first quarter of 2012 was 146 (141 employees during the first quarter of 2011).

13 INCOME TAX

The expense for income tax is registered based on the best possible estimation by management of the weighted average annual tax rate for a full year. The weighted tax rate for 31/03/2012 was 26.31% for the Group and 16.67% for the Company.

14 TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the period 01/01-31/03/2012 and 01/01-31/03/2011, as well as the balances of receivables and liabilities arisen from the above transactions as of 31/3/2012 and 31/12/2011 are as follows:

(All amounts in thousand Euro, unless stated otherwise)

Period 1/1-31/3/2012 &31/3/2012	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	864	-	25,662	13,960
Joint Ventures	-	-	-	-	-	-	584	-
Parent	9	43	808	-	9	43	808	-
Other related parties	126	256	8,484	4,833	126	216	8,153	4,809
Basic management executives	-	78	-	16	-	69	-	16

Period 1/1-31/3/2011 &31/12/2011	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	222	-	32,244	15,975
Joint Ventures	-	-	-	-	-	-	584	-
Parent	-	37	-	-	-	37	518	-
Other related parties	10	2,283	2,287	4,670	10	2,251	8,137	5,710
Basic management executives	-	63	-	16	-	60	-	-

15 SIGNIFICANT EVENTS DURING THE PERIOD

The construction of two Wind Parks in Poland, with a 24 MW capacity, was completed as well as of 2 wind parks in Bulgaria with a capacity of 30 MW, while 2 production licenses were issued for Small Hydroelectric Projects of 8.8 MW. Furthermore, the Group entered an agreement for the transfer of a wind park license in the USA (Oregon) with a capacity of 40 MW, while it also acquired a wind park license in Poland, with a capacity of 8 MW. Finally, in Greece an operation license was issued for a wind park of 30 MW.

The total backlog towards third parties on 31/3/2012 amounts to € 74 million.

16 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In April 2012 operation licenses were issued for a wind park of 30 MW and a photovoltaic park of 6 MW.

17 CONTINGENT LIABILITIES

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

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

CERTIFICATE

It is ascertained that the accompanying interim financial statements are those approved by the Company's Board of Directors on May 29th 2012 and have been published on the internet, at the website www.terna-energy.com . It is noted that the published in the press condensed financial information aim at providing readers with some general financial data but do not provide a complete picture of the Group's financial position and results, according to the International Financial Reporting Standards (IFRS). The published in the press condensed financial statements include aggregations of accounts.

THE CHAIRMAN OF THE BOARD	THE MANAGING DIRECTOR
PERISTERIS GEORGIOS	MARAGOUDAKIS EMMANUEL
THE CHIEF FINANCIAL OFFICER	THE HEAD ACCOUNTANT
DIMOPOULOS KONSTANTINOS	MANAVERIS NIKOLAOS

DATA AND INFORMATION FOR THE PERIOD 1.1-31.3.2012

TERNA ENERGY

TERNA ENERGY SA
S.A. Reg. No. 318/06/B/86/28
85 Mesogeion Ave., 11526 Athens Greece
DATA AND INFORMATION FOR THE PERIOD FROM 01/01/2012 TO 31/3/2012
According to Decision No. 4/507/28.4.2009 issued by the Board of Directors of the Hellenic Capital Market Commission

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

COMPANY INFORMATION

Relevant Authority:	**Ministry of Finance Competitiveness and Shipping, Division of Société Anonyme Companies and Credit**
Board of Directors' Composition:	**Georgios Peristeris (Chairman), Georgios Perdikaris (Vice-Chairman), Emmanuel Maragoudakis (Managing Director), Georgios Spyrou (Executive Consultant), Michael Gourzis & Panagiotis Pothos (Executive Members), Theodoros Tagas (Non-Executive Member), Aristeidis Dacis & Nikolaos Kalamaras (Independent Non-Executive Members).**
Approval Date of the Annual Financial Statements (from which the condensed data was derived):	**29 May 2012**
Company Website:	www.terna-energy.com

STATEMENT OF FINANCIAL POSITION (Consolidated and Non-Consolidated)

Amounts in thousand euro

	GROUP		COMPANY	
	31/3/2012	31/12/2011	31/3/2012	31/12/2011
ASSETS				
Self used tangible fixed assets	640.200	580.328	132.250	133.836
Investment property	923	923	923	923
Other non-current assets	14.345	14.081	218.168	198.237
Intangible assets	29.198	32.194	1.599	1.592
Inventories	1.671	1.626	1.344	1.299
Trade receivables	28.617	20.927	22.608	37.352
Cash & cash equivalents	166.890	167.792	103.476	121.798
Other current assets	116.524	111.329	33.889	30.434
TOTAL ASSETS	**998.368**	**929.200**	**514.257**	**525.471**
EQUITY & LIABILITIES				
Share capital	32.800	32.800	32.800	32.800
Other items of Shareholders' Equity	339.948	334.690	329.855	328.321
Total Shareholders' Equity (a)	**372.748**	**367.490**	**362.655**	**361.121**
Non-controlling interest	2.285	2.119	-	-
Total Equity (b)	**375.033**	**369.609**	**362.655**	**361.121**
Long-term bank liabilities	222.627	165.012	64.158	64.105
Provisions/Other-long-term liabilities	191.276	193.603	37.138	37.279
Short-term bank liabilities	164.619	140.061	11.948	10.972
Other-short-term liabilities	44.813	60.915	38.358	51.994
Total liabilities	**623.335**	**559.591**	**151.602**	**164.350**
TOTAL EQUITY AND LIABILITIES	**998.368**	**929.200**	**514.257**	**525.471**

STATEMENT OF COMPREHENSIVE INCOME (Consolidated and Non-Consolidated)

Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/3/2012	1/1-31/3/2011	1/1-31/3/2012	1/1-31/3/2011
Turnover	26.088	13.197	15.212	14.518
Gross profit / (losses)	10.912	5.259	4.293	3.412
Earnings/(Loss) before interest and tax (EBIT)	**8.375**	**3.424**	**2.860**	**2.294**
Earnings/(Loss) before tax	5.742	3.827	2.508	3.060
Earnings/(Loss) after tax (A)	4.231	2.892	2.090	2.519
Allocated to:				
Company Shareholders	4.064	2.590		
Minority Shareholders	167	302		
	4.231	**2.892**		
Other comprehensive income after taxes (B)	1.749	(120)	-	-
Total comprehensive income after taxes (A+B)	**5.980**	**2.772**	**2.090**	**2.519**
Allocated to:				
Company Shareholders	5.813	2.470		
Minority Shareholders	167	302		
	5.980	**2.772**		
Earnings/(Losses) after tax per share - basic (in €)	0,03903	0,02454	0,02008	0,02387
Proposed dividend per share (€)				
Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA)	**13.093**	**5.377**	**4.644**	**3.387**

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

Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/3/2012	1/1-31/3/2011	1/1-31/3/2012	1/1-31/3/2011
Operating activities				
Profit before tax	5.742	3.827	2.508	3.060
Plus/less adjustments for:				
Depreciation	5.632	2.544	2.041	1.349
Provisions	-	(70)	-	15
Interest income and related income	(1.304)	(1.505)	(1.186)	(1.400)
Interest expenses and related expenses	3.937	1.102	1.538	634
Amortization of grants	(914)	(591)	(257)	(256)
Other adjustments	12	934	6	-
Operating profit before changes in working capital	**13.105**	**6.241**	**4.650**	**3.402**
Plus/Less adjustments for working capital account movements or movements related to operating activities:				
Decrease / (increase) in inventories	(44)	429	(45)	428
Decrease / (increase) in receivables	(9.625)	(14.800)	11.613	(7.127)
(Decrease) / increase in liabilities (other than to banks)	(12.196)	(988)	(13.813)	(8.052)
(Less):				
Taxes paid	(109)	(98)	(108)	(94)
Total inflows / (outflows) from operating activities (a)	**(8.869)**	**(9.216)**	**2.297**	**(11.443)**
Investing activities				
Purchases of tangible & intangible assets	(67.478)	(46.660)	(462)	(3.109)
Interest received	895	1.481	846	1.388
Net change of granted loans	-	-	(7.060)	-
(Purchases)/sales of participations and securities	-	(1.861)	(12.877)	(27.319)
Total inflows / (outflows) from investing activities (b)	**(66.583)**	**(47.040)**	**(19.553)**	**(29.040)**
Financing activities				
Purchases of treasury shares	(556)	(2.072)	(556)	(2.072)
Net change in long-term loans	55.676	(1.894)	52	-
Net change in short-term loans	23.138	28.457	-	-
Interest and related expenses paid	(3.693)	(1.010)	(562)	(299)
Total inflows / (outflows) from financing activities (c)	**74.565**	**23.481**	**(1.066)**	**(2.371)**
Effect of FX differences on cash equivalents	**(15)**	**(951)**	-	-
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**(902)**	**(33.726)**	**(18.322)**	**(42.854)**
Cash and cash equivalents at the beginning of the period	167.792	192.873	121.798	174.794
Cash and cash equivalents at the end of the period	**166.890**	**159.147**	**103.476**	**131.940**

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

Amounts in thousand euro

	GROUP		COMPANY	
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
Total equity at beginning of reporting period (01/01/2012 and 01/01/2011)	369.609	366.501	361.121	357.133
Earnings/(Losses) for the period after tax	5.980	2.772	2.090	2.519
	375.589	369.273	363.211	359.652
Purchases of treasury shares	(556)	(2.072)	(556)	(2.072)
Transfers other movements	-	3	-	-
Total equity at end of reporting period (31/3/2012 and 31/3/2011)	**375.033**	**367.204**	**362.655**	**357.580**

ADDITIONAL DATA & INFORMATION

1. There was no change in the accounting policies and estimations, and there is no case for correction of accounting errors or reclassification of accounts in the financial statements.
2. The Basic Accounting Principles of the financial statements of 31/12/11 have been followed.
3. The group during the present reporting period employed 146 individuals. For the respective reporting period of 2011 the group employed 141 individuals.
4. The Company has been audited by the tax authorities up to fiscal year 2008 included. Note No 4 of the financial statements refer to the tax un-audited fiscal years of the consolidated entities.
5. Several claims to cancel the planned installation of the Wind Park of the subsidiary "AIOLIKI PANORAMATOS DERVENOCHORION SA" are pending before the Council of State. The hearing of the case took place in November 2009, and until it issues its decision, the Council of State has ordered the postponement of construction activities for the 17 of the 40 wind generators under construction. Reference to such is also made in Note No 17 of the financial statements.
6. Earnings per share were calculated based on the weighted average number of shares.
7. The financial statements of the group are included in the consolidated financial statements of GEK TERNA SA, consolidated with the full consolidation method. The aforementioned parent company is registered in Greece and on 31/3/2012 owned

8.The amounts of sales and purchases (goods and services) cumulatively from the beginning of the financial period, as well as the balances of receivables and liabilities of the company at the end of the present reporting 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	135	999
b) Purchases of goods and services	299	259
c) Receivables	9.292	35.207
d) Liabilities	4.833	18.769
e) Transactions & remuneration of Board members an	78	69
f) Receivables from Board members and executives	-	-
g) Liabilities to Board members and executives	16	16

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

	GROUP	COMPANY
Provision for unaudited tax years	80	80
Other provisions	2.910	1.256

10. The names, domiciles, participation percentages and consolidation method of companies and joint ventures that were consolidated in the financial statements of 31/03/2012 are mentioned in detail in Note 4 of the financial statements.
11. On March 31st 2012 the following companies were not incorporated in the consolidated financial statements compared to both the respective period of the previous year , and the financial year that ended on 31 December 2011:

Company Name	Percentage	Country	
HIGH PLATEAU WINDFARM, LLC	100%	U.S.A.	Sale of 100% during Q1 2012
MULE HOLLOW WINDFARM, LLC	100%	U.S.A.	Sale of 100% during Q1 2012
PINE CITY WINDFARM, LLC	100%	U.S.A.	Sale of 100% during Q1 2012
LOWER RIDGE WINDFARM, LLC	100%	U.S.A.	Sale of 100% during Q1 2012

12. During 31 March 2012 no new company was incorporated in the consolidated financial statements compared to the financial year that ended on 31 December 2011.
13. On 31 March 2012 the following companies were incorporated with the full consolidation method in the consolidated financial statements compared to the respective period of the previous year :

Company Name	Percentage	Country	
VATHYCHORI PERIVALLONTIKI S.A.	100%	Greece	Acquisition during Q2 2011
VATHYCHORI ENA PHOTOVOLTAIC S.A.	100%	Greece	Acquisition during Q2 2011
CHRYSOUPOLI ENERGEIAKI L.T.D.	80%	Greece	Establishment during Q3 2011
LAGADAS ENERGEIAKI S.A.	80%	Greece	Establishment during Q3 2011
DOMOKOS ENERGEIAKI S.A.	80%	Greece	Establishment during Q3 2011
DIRFYS ENERGEIAKI S.A.	51%	Greece	Establishment during Q3 2011
FILOTAS ENERGEIAKI S.A.	90%	Greece	Establishment during Q3 2011
MALESINA ENERGEIAKI L.T.D.	80%	Greece	Establishment during Q3 2011
ORCHOMENOS ENERGEIAKI L.T.D.	80%	Greece	Establishment during Q3 2011
ALISTRATI ENERGEIAKI L.T.D.	80%	Greece	Establishment during Q3 2011
TERNA ENERGY AI-GIORGIS S.A.	100%	Greece	Establishment during Q3 2011
TERNA AIOLIKI AMARYNTHOU S.A.	100%	Greece	Establishment on 11.11.2011
TERNA AIOLIKI AITOLOAKARNANIAS S.A.	100%	Greece	Establishment on 15.11.2011
TERNA ILIAKI VIOTIAS S.A.	100%	Greece	Establishment on 28.11.2011
VATHYCHORI DYO ENERGEIAKI S.A.	100%	Greece	Establishment on 16.12.2011
TERNA AIOLIKI XEROVOUNIOU S.A.	100%	Greece	Establishment on 14.11.2011
TERNA ILIAKI ILIOKASTROU S.A.	100%	Greece	Establishment on 27.12.2011
TERNA ILIAKI PANORAMATOS S.A.	100%	Greece	Establishment on 28.11.2011
GEOTHERMAL ENERGY DEVELOPMENT S.A.	100%	Greece	Establishment on 02.11.2011
EOLOS NORTH SPZOO	100%	Poland	Establishment during Q3 2011

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

	GROUP	COMPANY
FX translation differences from incorporation of foreign operations	106	-
Expenses for share capital increase	(2)	-
Revenue from hedging of cash flow risk	1.645	-
	1.749	-

15. The number of treasury shares owned by the company on March 31st 2012 corresponded to 5,338,548 shares with a total ac
16. No sector or company has ceased operations.

Athens, 29/05/2012

THE CHAIRMAN OF THE BOARD	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE HEAD ACCOUNTANT
GEORGIOS PERISTERIS ID No. : AB 560298	EMMANUEL MARAGOUDAKIS ID No:AB 986527	KONSTANTINOS DIMOPOULOS ID No:AI 028273	NIKOLAOS MANAVERIS ID No.:AE 567798 License Reg. No. A' CLASS 9674