TERNA ENERGY

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

CONDENSED INTERIM FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF MARCH 31st 2014

(January 1st to March 31st 2014)

In accordance with International Accounting Standard 34

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INTERIM CONDENSED FINANCIAL STATEMENTS PARENT AND CONSOLIDATED OF 31 MARCH 2014

(1 JANUARY – 31 MARCH 2014)

IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accompanying Interim Financial Statements were approved by the Board of Directors of TERNA ENERGY SA on 29.5.2014 and have been published by being posted on the internet at the website www.terna-energy.com, as well as the Athens Exchange website, in which they remain at the disposal of the investment community for at least 5 years since their publication. It is noted that the published in the press Condensed Data and Information derived from the interim condensed financial statements, aim at providing the reader with certain general information on the financial position and results of the company and Group, but do not provide a full picture of the financial position, financial performance and cash flows of the company and Group in accordance with IFRS.

TERNA ENERGY GROUP
STATEMENT OF FINANCIAL POSITION
31 MARCH 2014
(All amounts are expressed in thousand Euro, unless stated otherwise)

		GROUP		COMPANY	
	Note	31-Mar 2014	31-Dec 2013	31-Mar 2014	31-Dec 2013
ASSETS					
Non-current assets					
Intangible assets	6	28,414	28,524	1,430	1,449
Tangible assets	6	778,689	770,109	121,339	123,132
Investment property		785	785	785	785
Participation in subsidiaries		-	-	200,445	199,098
Participations in associates		5,541	5,541	5,401	5,401
Participation in joint-ventures		-	-	260	279
Other long-term receivables		6,304	10,685	39,345	44,870
Receivables from receivables	9	1,130	1,443	-	-
Other investments		1,886	1,882	1,886	1,882
Deferred tax assets		4.648	3,981	1,418	789
Total non-current assets		**827,397**	**822,950**	**372,309**	**377,685**
Current assets					
Inventories		3,309	4,027	2,804	3,575
Trade receivables		53,169	46,953	31,088	36,111
Receivables according to IAS 11		4.532	2,858	11,125	5,479
Prepayments and other receivables		83.105	86,392	24,708	19,932
Income tax receivables		512	660	417	515
Cash and equivalents		118,554	124,630	35,125	37,385
Total current assets		**263,181**	**265,520**	**105,267**	**102,997**
TOTAL ASSETS		**1,090,578**	**1,088,470**	**477,576**	**480,682**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	7	32,794	32,794	32,794	32,794
Share premium	7	238,407	238,407	238,726	238,726
Reserves		32,473	32,881	27,804	27,885
Retained earnings		47,280	44,262	35,102	34,359
Total		**350,954**	**348,344**	**334,426**	**333,764**
Non-controlling interests		2,533	2,634	-	-
Total equity		**353,487**	**350,978**	**334,426**	**333,764**

(Amounts in thousand Euro, unless stated otherwise)

Long-term liabilities					
Long-term loans	8	307,345	295,163	50,852	51,333
Other financial liabilities		35,752	35,217	-	-
Liabilities from derivatives	9	3,082	2,320	476	378
Other provisions	10	4,507	4,511	899	899
Provision for staff indemnities	10	422	422	397	397
Grants	11	269,403	271,376	46,151	46,622
Deferred tax liabilities		3,832	3,790	-	-
Total long-term liabilities		**624,343**	**612,799**	**98,775**	**99,629**
Short-term liabilities					
Suppliers		20,500	25,352	14,785	17,760
Short-term loans	8	34,368	36,914	5,838	2,215
Long-term liabilities falling due in the next period	8	34,171	34,744	8,768	8,065
Long-term financial liabilities falling due in the next period		2,634	2,879	-	-
Liabilities according to IAS 11		1,425	3,060	3,466	5,131
Accrued and other short-term liabilities		17,110	19,498	11,518	14,118
Income tax payable		2,540	2,246	-	-
Total short-term liabilities		**112,748**	**124,693**	**44,375**	**47,289**
Total liabilities		**737,091**	**737,492**	**143,150**	**146,918**
TOTAL LIABILITIES AND EQUITY		**1,090,578**	**1,088,470**	**477,576**	**480,682**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP
STATEMENT OF COMPREHENSIVE INCOME
31 MARCH 2014

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

	Note	GROUP		COMPANY	
		1.1 – 31.3 2014	**1.1 – 31.3 2013**	**1.1 – 31.3 2014**	**1.1 – 31.3 2013**
Continued activities					
Turnover		35,596	35,033	18,552	16,323
Cost of sales		(20,612)	(18,458)	(13,995)	(10,238)
Gross profit		**14,984**	**16,575**	**4,557**	**6,085**
Administrative & distribution expenses		(3,407)	(2,812)	(2,099)	(1,622)
Research & development expenses		(565)	(381)	(517)	(344)
Other income/(expenses)	12	535	(62)	94	(394)
Operating results		**11,547**	**13,320**	**2,035**	**3,725**
Financial income/(expenses)		(6,390)	(5,497)	(751)	(652)
EARNINGS BEFORE TAX		**5,157**	**7,823**	**1,284**	**3,073**
Income tax expense		(1,592)	(2,114)	(401)	(740)
Net earnings from continued activities		**3,565**	**5,709**	**883**	**2,333**
NET EARNINGS FOR THE PERIOD		**3,565**	**5,709**	**883**	**2,333**
Other income recognized directly in Equity from:					
Foreign exchange differences from incorporation of foreign units		(112)	504	-	-
Actuarial income/losses from defined benefit plans		-	-	-	-
Income/expenses from hedging of cash flows		(992)	816	(98)	19
Expenses of capital increase		-	(175)	-	-
Income tax recognized directly in Equity		198	247	25	143
Other income for the period net of income tax		**(906)**	**1,392**	**(73)**	**162**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,659**	**7,101**	**810**	**2,495**
Net results attributed to:					
Shareholders of the parent from continued activities		3,646	5,583		
Non-controlling interests from continued activities		(81)	126		
		3,565	**5,709**		

(Amounts in thousand Euro, unless stated otherwise)

Total income attributed to:		
Shareholders of the parent from continued activities	2,740	6,975
Non-controlling interests from continued activities	(81)	126
	2,659	**7,101**
Earnings per share (in Euro)		
From continued activities attributed to shareholders of the parent	0,0335	0,0511
Average weighted number of shares		
Basic	108,921,020	109,314,400

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP
STATEMENT OF CASH FLOWS
31 MARCH 2014

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

	GROUP		COMPANY	
	1.1 – 31.3 2014	1.1 – 31.3 2013	1.1 – 31.3 2014	1.1 – 31.3 2013
Cash flow from operating activities				
Earnings for the period before tax	5,157	7,823	1,284	3,073
Adjustments for the agreement of net flows from operating activities	-	-	-	-
Depreciation	9,337	8,917	2,077	2,080
Provisions	5	(72)	-	(72)
Interest and related income	(554)	(894)	(774)	(1,121)
Interest and other financial expenses	6,944	6,391	1,525	1,773
Results from intangible and tangible assets and investment property	-	-	-	-
Amortization of grants	(1,998)	(1,826)	(471)	(327)
Foreign exchange differences	30	174	-	-
Operating profit before working capital changes	**18,921**	**20,513**	**3,641**	**5,406**
(Increase)/Decrease in:				
Inventories	719	(308)	771	(256)
Trade receivables	(6,216)	(1,077)	(623)	(2,420)
Prepayments and other short term receivables	2,812	(3,300)	(4,687)	649
Increase/(Decrease) in:				
Suppliers	(4,852)	(5,738)	(2,975)	(5,248)
Accruals and other short term liabilities	(2,388)	(867)	(2,634)	(1,475)
Other long-term receivables and liabilities	(508)	(1,235)	6	-
Income tax payment	(1,443)	(320)	(906)	(201)
Net cash inflow from operating activities	**7,045**	**7,668**	**(7,407)**	**(3,545)**
Cash flow from investment activities:				
Purchases/sales of tangible and intangible fixed assets	(21,453)	(10,188)	(265)	(161)
Receipt of grants	1,505	57,224	-	-
Interest and related income received	709	727	687	237
(Purchases) / sales of participations and securities	15	-	(1,332)	(2,580)
Net change in provided loans	5,390	-	5,519	5,095
Cash outflows for investment activities	**(13,834)**	**47,763**	**4,609**	**2,591**

(Amounts in thousand Euro, unless stated otherwise)

Cash flows from financing activities				
Return of share capital	(1,631)	(441)	(1,631)	(441)
Purchase of Treasury Shares	(151)	-	(151)	-
Net change of long term loans	10,520	934	(481)	(3,367)
Net change of short term loans	(2,866)	(40,935)	3,639	2,025
Interest paid	(4,943)	(3,503)	(838)	(1,156)
Change in financial liabilities	(281)	(11,790)	-	-
Cash outflows for financing activities	**648**	**(55,735)**	**538**	**(2,939)**
Effect of exchange rate changes on cash & cash equivalents	65	(607)	-	-
Net increase/decrease in cash	**(6,076)**	**(911)**	**(2,260)**	**(3,893)**
Cash & cash equivalents at the beginning of the period	124,630	126,778	37,385	27,556
Cash & cash equivalents at the end of the period	**118,554**	**125,867**	**35,125**	**23,663**

TERNA ENERGY S.A.
STATEMENT OF CHANGES IN EQUITY
31 MARCH 2014
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
1 January 2013	**32,796**	**261,204**	**21,775**	**35,739**	**351,514**
Total comprehensive income for the period	-	-	162	2,333	2,495
31 March 2013	**32,796**	**261,204**	**21,937**	**38,072**	**354,009**
1 January 2014	**32,794**	**238,726**	**27,885**	**34,359**	**333,764**
Total comprehensive income for the period	-	-	(73)	883	**810**
Cancellation of treasury shares	-	-	140	(140)	**-**
Purchase of treasury shares	-	-	(151)	-	**(151)**
Transfers – Other movements	-	-	3	-	**3**
31 March 2014	**32,794**	**238,726**	**27,804**	**35,102**	**334,426**

TERNA ENERGY GROUP
STATEMENT OF CHANGES IN EQUITY
31 MARCH 2014

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

	Share Capital	Share Premium	Reserves	Retained Earnings	Sub-total	Non-controlling interests	Total
1 January 2013	**32,796**	**261,067**	**19,290**	**47,495**	**360,648**	**2,329**	**362,977**
Total comprehensive income/(losses) for the period	-	(175)	1,567	5,583	6,975	126	7,101
Share capital issue of subsidiary	-	-	-	-	-	52	52
Transfers – Other movements	-	-	460	(458)	2	-	2
31 March 2013	**32,796**	**260,892**	**21,317**	**52,620**	**367,625**	**2,507**	**370,132**
1 January 2014	**32,794**	**238,407**	**32,881**	**44,262**	**348,344**	**2,634**	**350,978**
Total comprehensive income/(losses) for the period	-	-	(906)	3,646	**2,740**	(81)	**2,659**
Distribution of reserves	-	-	645	(645)	**-**	-	**-**
Purchase of treasury shares	-	-	(151)	-	**(151)**	-	**(151)**
Transfers – Other movements	-	-	4	17	**21**	(20)	**1**
31 March 2014	**32,794**	**238,407**	**32,473**	**47,280**	**350,954**	**2,533**	**353,487**

1. ESTABLISHMENT & ACTIVITY OF THE COMPANY

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

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

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

The Company is listed on Athens Exchange. The parent company of TERNA ENERGY, which is also listed on Athens Exchange, is GEK TERNA SA., which on 31/03/2014 held 45.908% of the company's share capital.

2. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements

The 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) issued by the International Accounting Standards Board (IASB), 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 2013.

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 for the period ended on 31 December 2013, 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 and whose application was mandatory, according to the International Accounting Standards Board (IASB), for the financial period that ended on 31 March 2014.

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

The following amendments and Interpretations of IFRS were issued by the International Accounting Standards Board (IASB) and their application is mandatory from 01/01/2014 or after. The most important Standards and Interpretations are described below:

– **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"**

In May 2011 the IASB issued three new Standards and specifically IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" includes a consolidation model that defines control as the basis for the consolidation of all types of entities. IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". IFRS 11 "Joint Arrangements" defines the principles regarding the financial information of members that participate in a joint arrangement. IFRS 11 replaces IAS 31 "Participations in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 "Disclosures of Interests in other Entities" combines, enhances and replaces the disclosure requirements for subsidiaries, jointly controlled companies, associates and non-consolidated entities. As a result of the above new Standards, the IASB also issued the amended IAS 27 under the title IAS 27 "Separate Financial Statements" and the amended IAS 28 under the title IAS 28 "Investments in Associates and Joint Ventures". The standards do not affect the consolidated Financial Statements.

– **Transition Guidance: Consolidated Financial Statements, Joint Arrangements, Disclosures of Interests in other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**

In June 2012, the IASB proceeded with issuing the above guidance which provides clarifications regarding the transition provisions of IFRS 10. The amendments also provide additional facilitations during the transition to IFRS 10, IFRS 11 and IFRS 12 by reducing the requirements for providing adjusted comparative information only during the previous comparative period. The amendments do not affect the consolidated Financial Statements.

– **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

In October 2012, the IASB issued amendments to IFRS 10, IFRS 11 and IAS 27. The amendments apply to the category of “investment entities”. The IASB uses the term “Investment Entities” to refer to entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Investment entities must evaluate the performance of their investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. It is defined, as an exception to the requirements of IFRS 10 regarding consolidation, that investment entities will measure specific subsidiaries at fair value through profit and loss and will not consolidate such, by providing the necessary disclosures. The amendments do not affect the consolidated Financial Statements.

– **Amendments to IAS 32 "Financial Instruments: Presentation" - Offsetting financial assets and financial liabilities**

In December 2011, the IASB proceeded to the issuance of amendments to IAS 32 "Financial Instruments: Presentation" in order to provide clarifications on the requirements of the Standard with respect to offsetting cases of financial assets and financial liabilities in the Statement of Financial Position. The amendments do not affect the consolidated Financial Statements.

– **Amendments to IAS 36 " Impairment of Assets ' - Disclosures for the Recoverable Amount of Non-Financial Assets**

In May 2013, the IASB proceeded with the issuance of an amendment of limited scope of IAS 36 "Impairment of Assets". The present amendment specifies the disclosures that should be made regarding the recoverable amount of an asset that has been impaired, if this amount is based on fair value less the costs of selling. The amendment does not affect the consolidated Financial Statements.

– **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" - Replacing derivatives and inhibition of hedge accounting**

In June 2013, the IASB proceeded with the issuance of amendments of limited scope of IAS 39 "Financial Instruments: Recognition and Measurement". The objective of the proposed amendments is the introduction of an exemption of limited scope, with respect to the inhibition of hedge accounting in accordance with the principles of IAS 39. Specifically, if certain conditions are met, an exception is proposed if the counterparty of a derivative, which has been designated as a hedging instrument, is replaced by a prime contractor, as a result of changes in laws or regulations. Relevant exception will be included in IFRS 9 "Financial Instruments ". The amendments do not affect the consolidated Financial Statements.

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 2014.

e) Use of Estimates

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

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

a) Recognition of income from construction contracts: The Group uses the percentage of completion method to recognize revenue from construction contracts, in accordance with IAS 11. According to this method the construction cost as of each balance sheet date is compared to the budgeted total cost of the project in order to determine the percentage of completion of the project.

The cumulated effect of the restatements/reassessments of the total budgeted cost of the projects and the total contractual payment (recognition of work over and above the contract) is recorded in the financial years during which such restatements arise. The total budgeted cost and the total contractual payment of the projects arise from estimation procedures and are reassessed and reviewed at each balance sheet date.

b) Provision for income tax: The provision for income tax according to IAS 12 is calculated with the estimation of taxes to be paid to tax authorities and includes the current income tax for each reporting 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.

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

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

3. SUMMARY OF KEY ACCOUNTING PRINCIPLES

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

a) Consolidation Basis

The attached 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 which depicts the interest at cost plus the proportional participation in the joint venture less the provisions for any impairment in the value of these interests. As result, the assets, liabilities and total income are not included in the consolidated financial statements.

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

b) Investments in Associates

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

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

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

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

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

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

(i) Investments available for sale

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

(ii) Receivables and loans

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

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

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

(iv) Investments held to maturity

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

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

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

d) Financial Instruments and Risk Management

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

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

The Company's bank loans are mainly denominated in euro and are subject to variable and fixed interest rates. As regards to interest rate risk, the Company uses derivative instruments in order to reduce its exposure to interest rate risk, while it uses natural hedging methods to hedge exchange rate risk in countries it operates in, by borrowing partly in local currency thus hedging the exchange rate risk of its receivables. The Management of the Company follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

- ***Fair Value***

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

- ***Credit Risk Concentration***

A substantial part of trade receivables in general relate to agencies and entities of the Public sector with which there is no significant credit risk, apart from potential delays. 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

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

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

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

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

(ii) Sale of goods

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

(iii) Revenue from the sale of Electric Energy

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

(iv) Rent Revenue

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

(v) Dividends

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

(vi) Interest

Interest income is recognized on an accruals basis.

h) Tangible Fixed Assets

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

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

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

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

i) Depreciation

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

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

j) Impairment of the Value of Fixed Assets

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

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

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

k) Investment property

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

All gains or losses resulting from the sale of a property are included in the income statement of the year during which it was sold. Investment property under construction are recorded at cost value as tangible assets till their completion and then are transferred to investment property account.

l) Inventories

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

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

m) Receivables Accounts

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

n) Cash and Cash Equivalents

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

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

o) Loan liabilities

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

In case of a subsequent substantial amendment in the terms of an existing loan contract, the Group writes-off the existing liability, recognizes the new loan liability at fair value and the difference is registered in the results. In contrast, in case of a non-substantial amendment of the terms of the contract, the loan continues to be recognized at its amortized cost, until that time, and the Group re-defines the effective interest rate, in order for the amortized cost to equal the present value of the new amended cash flows of the loan. An amendment of loan terms is considered as non-substantial when the present value of cash flows of the new contract discounted with the initial effective interest rate, does not exceed 10% of the present value of the cash flows of the old loan contract.
The interest on loans is recognized as an expense in the period such arise according to the accrual principle, apart for loan interest that is allocated directly or indirectly to the acquisition or construction of selective tangible assets, which are capitalized during the period that is required to construct the assets and until such are ready for use.

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

p) Provisions for Staff Retirement Indemnities

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

The above liabilities are calculated based on the financial and actuarial assumptions and are defined using the projected unit method of actuarial valuation. Net retirement costs for the period are included (a) in the attached income statement and consist of the present value of benefits that have accrued during the year, the interest on the benefits' liability and the cost of prior service, and (b) in the statement of total comprehensive income that also includes the actuarial profit or loss and any other additional retirement costs. The prior service costs are recognized on a straight-line basis over the average period during which access to the program's benefits is earned. The liabilities for retirement benefits are not financed. As at the 1st of January 2004 (transition date to IFRS and compilation of initial Balance Sheet) the Group, applying the exemptions provided for by IFRS 1 for the first-time application of the IFRS, recognized the total actuarial losses that had accumulated as of the 1st of January 2004. During the compilation of subsequent financial statements and until 31/12/2012, the Group applying the general provisions of IAS 19, followed the "margin" method for the recognition of accumulated actuarial losses/profits.

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

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

q) Government Pension Plans

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

r) Income Tax (Current and Deferred)

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. 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.

(Amounts in thousand Euro, unless stated otherwise)

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 31.03.2014 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:

	Participation Percentage			
Company Name	**31/3/2014**	**31/12/2013**	**Business Activity**	**Tax un-audited fiscal years**
1. IWECO CHONOS LASITHIOU CRETE SA	100%	100%	Production of Electric Energy from RES	4
2. ENERGIAKI SERVOUNIOU SA	100%	100%	Production of Electric Energy from RES	4
3. TERNA ENERGY EVROU SA	100%	100%	Production of Electric Energy from RES	4
4. PPC RENEWABLES – TERNA ENERGY S.A.	51%	51%	Production of Electric Energy from RES	4
5. AIOLIKI PANORAMATOS S.A.	100%	100%	Production of Electric Energy from RES	4
6. AIOLIKI RACHOULAS DERVENOCHORION S.A.	100%	100%	Production of Electric Energy from RES	4
7. ENERGEIAKI DERVENOHORION S.A.	100%	100%	Production of Electric Energy from RES	4
8. AIOLIKI MALEA LAKONIAS S.A.	100%	100%	Production of Electric Energy from RES	4

(Amounts in thousand Euro, unless stated otherwise)

9. ENERGEIAKI FERRON EVROU S.A	100%	100%	Production of Electric Energy from RES	3
10. AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	100%	100%	Production of Electric Energy from RES	3
11. ENERGEIAKI PELOPONNISOU S.A.	100%	100%	Production of Electric Energy from RES	4
12. ENERGEIAKI NEAPOLEOS LAKONIAS S.A.	100%	100%	Production of Electric Energy from RES	4
13. AIOLIKI ILIOKASTROU S.A.	100%	100%	Production of Electric Energy from RES	4
14. EUROWIND S.A.	100%	100%	Production of Electric Energy from RES	4
15. ENERGIAKI XIROVOUNIOU S.A.	100%	100%	Production of Electric Energy from RES	3
16. DELTA AXIOU ENERGEIAKI S.A.	51%	51%	Production of Electric Energy from RES	3
17. TERNA ENERGY THAASSIA WIND PARKS S.A.	77%	77%	Production of Electric Energy from RES	3
18. TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	77%	77%	Production of Electric Energy from RES	4
19. VATHYCHORI PERIVALLONTIKI S.A.	100%	100%	Production of Electric Energy from RES	4
20. VATHYCHORI ENA PHOTOVOLTAIC S.A.	100%	100%	Production of Electric Energy from RES	3
21. ΧΡΥΣΟΥΠΟΛΗ ΕΝΕΡΓΕΙΑΚΗ Ε.Π.Ε.	80%	80%	Production of Electric Energy from RES	3
22. LAGADAS ENERGEIAKI S.A.	80%	80%	Production of Electric Energy from RES	3
23. DOMOKOS ENERGEIAKI S.A.	80%	80%	Production of Electric Energy from RES	3
24. DIRFYS ENERGEIAKI S.A.	51%	51%	Production of Electric Energy from RES	2
25. FILOTAS ENERGEIAKI S.A.	90%	90%	Production of Electric Energy from RES	2
26. MALESINA ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	2
27. ORHOMENOS ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	2
28. ALISTRATI ENERGEIAKI LTD	80%	80%	Production of Electric Energy from RES	2
29. TERNA ENERGY AI-GIORIS S.A.	100%	100%	Production of Electric Energy from RES	2
30. TERNA AIOLIKI AMARYNTHOU S.A.	100%	100%	Production of Electric Energy from RES	2
31. TERNA AIOLIKI AITOLOAKARNANIAS S.A.	100%	100%	Production of Electric Energy from RES	2
32. TERNA ILIAKI VIOTIAS S.A.	100%	100%	Production of Electric Energy from RES	2
33. VATHYCHORI DYO ENERGIAKI S.A.	100%	100%	Production of Electric Energy from RES	2
34. TERNA AIOLIKI XIROVOUNIOU S.A.	100%	100%	Production of Electric Energy from RES	2

(Amounts in thousand Euro, unless stated otherwise)

35. TERNA ILIAKI ILIOKASTROU S.A.	100%	100%	Production of Electric Energy from RES	2
36. TERNA ILIAKI PANORAMATOS S.A.	100%	100%	Production of Electric Energy from RES	2
37. AIOLIKI KARYSTIAS EVIAS S.A.	100%	100%	Production of Electric Energy from RES	7
38. GEOTHERMAL ENERGY DEVELOPMENT S.A.	100%	100%	Production of Electric Energy from RES	2
39. TERNA ILIAKI PELOPONNISOU S.A.	100%	100%	Production of Electric Energy from RES	2
40. GP ENERGY LTD	100%	100%	Trade of Electric Energy	9
41.TERNA ENERGY OVERSEAS LTD	100%	100%	Production of Electric Energy from RES	5
42. EOLOS POLSKA sp.z.o.o.	100%	100%	Production of Electric Energy from RES	3
43. EOLOS NOWOGRODZEC sp.z.o.o.	100%	100%	Production of Electric Energy from RES	3
44. TERNA ENERGY NETHERLANDS BV	100%	100%	Production of Electric Energy from RES	5
45. HAOS INVEST 1 EAD	100%	100%	Production of Electric Energy from RES	3
46. VALE PLUS LTD	100%	100%	Trade of Electric Energy equipment	4
47. GALLETTE LTD	100%	100%	Holdings	5
48.ECO ENERGY DOBRICH 2 EOOD	100%	100%	Production of Electric Energy from RES	3
49.ECO ENERGY DOBRICH 3 EOOD	100%	100%	Production of Electric Energy from RES	3
50.ECO ENERGY DOBRICH 4 EOOD	100%	100%	Production of Electric Energy from RES	3
51. COLD SPRINGS WINDFARM LLC	100%	100%	Production of Electric Energy from RES	3
52.DESERT MEADOW WINDFARM LLC	100%	100%	Production of Electric Energy from RES	3
53.HAMMETTHILL WINDFARM LLC	100%	100%	Production of Electric Energy from RES	3
54. MAINLINE WINDFARM LLC	100%	100%	Production of Electric Energy from RES	3
55. RYEGRASS WINDFARM, LLC	100%	100%	Production of Electric Energy from RES	3
56. TWO PONDS WINDFARM, LLC	100%	100%	Production of Electric Energy from RES	3
57. MOUNTAIN AIR WIND, LLC	100%	100%	Production of Electric Energy from RES	3
58. TERNA ENERGY USA HOLDING CORPORATION	100%	100%	Holdings	3
59. TERNA ENERGY TRANSATLANTIC sp.z.o.o.	100%	100%	Holdings	3
60. EOLOS NORTH sp.z.o.o.	100%	100%	Production of Electric Energy from RES	2
61. EOLOS EAST sp.z.o.o.	100%	100%	Production of Electric Energy from RES	2
62. AIOLIKI PASTRA ATTIKIS SA	100%	100%	Production of Electric Energy from RES	7

(Amounts in thousand Euro, unless stated otherwise)

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

	Participation Percentage			
Company Name	**31/3/2014**	**31/12/2013**	**Activity**	**Tax Un-audited Years**
1. TERNA ENERGY SA & SIA AIOLIKI POLYKASTROU GP	100%	100%	Production of Electric Energy from RES	7
2. TERNA ENERGY SA & SIA ENERGEIAKI VELANIDION LAKONIA GP	100%	100%	Production of Electric Energy from RES	7
3. TERNA ENERGY SA & SIA ENERGEIAKI DYSTION EVIA GP	100%	100%	Production of Electric Energy from RES	7
5. TERNA ENERGY SA & SIA ENERGEIAKI ARI SAPPON GP	100%	100%	Production of Electric Energy from RES	7
6. TERNA ENERGY SA & SIA AIOLIKI EASTERN GREECE GP	100%	100%	Production of Electric Energy from RES	7
7. TERNA ENERGY SA & SIA AIOLIKI MARMARIOU EVIA GP	100%	100%	Production of Electric Energy from RES	7
8. TERNA ENERGY SA & SIA ENERGEIAKI PETRION EVIA GP	100%	100%	Production of Electric Energy from RES	7
9. TERNA ENERGY SA & SIA AIOLIKI ROKANI DERVENOCHORION GP	99%	99%	Production of Electric Energy from RES	7
10. TERNA ENERGY SA & SIA ENERGEIAKI STYRON EVIA GP	100%	100%	Production of Electric Energy from RES	7
11. TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIA GP	100%	100%	Production of Electric Energy from RES	7
12. TERNA ENERGY SA & SIA AIOLIKI PROVATA TRAIANOUPOLEOS	100%	100%	Production of Electric Energy from RES	7
13. TERNA ENERGY SA VECTOR WIND PARKS GREECE - WIND PARK TROULOS G.P.	90%	90%	Production of Electric Energy from RES	3

B) Joint ventures of TERNA ENERGY SA

i) Joint Ventures

Company Name	Participation Percentage 2014 and 2013	Tax un-audited fiscal years
1. J/V ENVAGELISMOU, PROJECT C'	50%	9
2. J/V TERNA ENERGY – TSAMPR. DRAMAS HOSPITAL	40%	9
3. J/V EPL DRAMAS	24%	9
4. V/ EMBEDOS – PANTECHNIKI - TERNA ENERGY	50.10%	5

During the first quarter of 2014, the Joint Venture KL. ROUTSIS SA – TERNA ENERGY SA was liquidated and resolved. No profit or loss derived from the liquidation.

(Amounts in thousand Euro, unless stated otherwise)

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

Company Name	Establish-ment	Participation Percentage		Activity	Tax Un-audited Years
		31/03/2014	31/12/2013		
1. TERNA ENERGY SA - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA CO-PRODUCTION GP	12/02/2001	50%	50%	Construction/ Operation of co-production unit of electricity for serving of needs of MEL	5
2. TERNA ENERGY SA & SIA LP	24/05/2000	70%	70%	Completion of construction works of section Kakavia – Kalpaki	5

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

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

C) Associates of TERNA ENERGY SA

Company Name	Domicile	Participation Percentage		Consolidation Method	Tax un-audited fiscal years
		2014	2013		
1. Renewable Energy Center RES Cyclades SA *	Greece	45%	45%	Equity	2
2. EN.ER.MEL. S.A.	Greece	48%	48%	Equity	2

* 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, total comprehensive income and cash flows according to the IFRS, whereas previously recorded operating segments –as presented in the financial statements of the previous financial year- require no modifications. The Group recognizes the following operating segments that must be reported, whereas no other segments exist that could be incorporated in the “other segments” category.

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

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

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

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

(Amounts in thousand Euro, unless stated otherwise)

Business segments 31.3.2014	Construction	Electricity from renewable energy sources	Consolidation Write-offs	Total Consolidated
Income from external customers				
Sales of products	-	28,823	-	**28,823**
Income from construction services	6,773	-	-	**6,773**
Total income from external customers	**6,773**	**28,823**	**-**	**35,596**
Inter-segment income	4,264	-	(4,264)	**-**
Total income	**11,037**	**28,823**	**(4,264)**	**35,596**
Net Results per Segment	**(570)**	**4,135**	**-**	**3,565**
Depreciations	(33)	(9,304)	-	**(9,337)**
Amortization of grants	-	1,998	-	**1,998**
Net financial results	(187)	(6,203)	-	**(6,390)**
Foreign exchange differences	-	(30)	-	**(30)**
Income tax	(17)	(1,575)	-	**(1,592)**
Earnings before interest and taxes (EBIT)	**(366)**	**11,943**	**-**	**11,577**
Earnings before interest, taxes, depreciation & amortization (EBITDA)	**(333)**	**19,249**	**-**	**18,916**
Capital expenditure for the period	**63**	**18,071**	-	**18,134**
Segment assets	28,854	1,056,183	-	**1,085,037**
Investments in associates	-	5,541	-	**5,541**
Total Assets	**28,854**	**1,061,724**	**-**	**1,090,578**
Segment liabilities	**23,067**	**714,024**	**-**	**737,091**
Debt obligations	-	375,885		**375,885**
Cash	(2,811)	(115,743)		**(118,554)**
Net debt / (surplus)	**(2,811)**	**260,142**		**257,331**

(Amounts in thousand Euro, unless stated otherwise)

Business segments **31.3.2013**	**Construction**	**Electricity from renewable energy sources**	**Consolidation Write-offs**	**Total Consolidated**
Income from external customers				
Sales of products	-	28,395	-	**28,395**
Income from construction services	6,638	-	-	**6,638**
Total income from external customers	**6,638**	**28,395**	**-**	**35,033**
Inter-segment income	1,144	-	(1,144)	**-**
Total income	**7,782**	**28,395**	**(1,144)**	**35,033**
Net Results per Segment	**169**	**5,540**	**-**	**5,709**
Depreciations	(36)	(8,881)	-	**(8,917)**
Amortization of grants	0	1,826	-	**1,826**
Net financial results	(215)	(5,282)	-	**(5,497)**
Foreign exchange differences	-	(174)	-	**(174)**
Income tax	225	(2,339)	-	**(2,114)**
Earnings before interest and taxes (EBIT)	**159**	**13,335**	**-**	**13,494**
Earnings before interest, taxes, depreciation & amortization (EBITDA)	**195**	**20,390**	**-**	**20,585**
Capital expenditure for the period	**6**	**9,674**	**-**	**9,680**
31.12.2013				
Segment assets	29,828	1,053,101	-	**1,082,929**
Investments in associates	-	5,541	-	**5,541**
Total Assets	**29,828**	**1,058,642**	**-**	**1,088,470**
Segment liabilities	**28,114**	**709,378**	**-**	**737,492**
Debt obligations	-	366,821	-	**366,821**
Cash	(3,218)	(121,412)	-	**(124,630)**
Net debt / (surplus)	**(3,218)**	**245,409**	**-**	**242,191**

(Amounts in thousand Euro, unless stated otherwise)

Geographic segments	Greece	Eastern Europe	America	Total consolidated
31.3.2014				
Turnover from external customers	24,303	6,645	4,648	**35,596**
Non-current assets	457,603	165,932	190,657	**814,192**
Capital expenditure	9,429	8,674	31	**18,134**
31.3.2013				
Turnover from external customers	25,879	5,328	3,826	**35,033**
31.12.2013				
Non-current assets	458,598	159,544	191,961	**810,103**
Capital expenditure	35,956	6,079	4,892	**46,927**

6. FIXED ASSETS (intangible and tangible)

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

	GROUP		COMPANY	
	2014	2013	2014	2013
Net book value 1 January	**798,633**	**799,013**	**124,581**	**131,793**
Additions during the period	18,134	9,680	265	161
Depreciation/Amortization and other movements during the period	(9,337)	(8,917)	(2,077)	(2,080)
FX differences	(327)	3,813	-	-
Net book value 31 March	**807,103**	**803,589**	**122,769**	**129,874**

From the total value of the Group's fixed assets on 31/3/2014, an amount of € 130,727 concerns Assets under Construction and Prepayments for Acquisition of Fixed Assets.

7. CAPITAL

During the period 1/1-31/03/2014, as during the period 1/1-31/03/2013, the number of shares and their nominal value remained unchanged. The total number of shares on 31/3/2014 amounts to 109,314,400, from which 585,815 are owned by the Company (treasury shares). All the share capital is fully paid up.

8. LOANS

The summary movement of the group's and company's short-term and long-term debt on 31/03/2014 and 31/03/2013, was as follows:

(Amounts in thousand Euro, unless stated otherwise)

	GROUP		COMPANY	
	2014	2013	2014	2013
Balance 1 January	**366,821**	**422,465**	**61,613**	**71,086**
New debt	22,518	32,881	4,250	6,840
FX differences	(194)	1,619	-	-
Repayment of loans	(13,261)	(68,923)	(405)	(7,565)
Balance 31 March	**375,884**	**388,042**	**65,458**	**70,361**

The total loans concern the group's energy sector and are related to the financing of wind park installations.

9. FINANCIAL DERIVATIVES

Liabilities from financial derivatives on 31.3.2014 & 31.3.2013, are analyzed as follows:

	Nominal Value		GROUP		COMPANY	
			Fair Value of Liability	Fair Value of Liability	Fair Value of Liability	Fair Value of Liability
	31.3.2014	**31.3.2013**	**31.3.2014**	**31.3.2013**	**31.3.2014**	**31.3.2013**
Interest Rate Swaps	€ 7,537	-	529	-	-	-
Interest Rate Swaps	€ 5,322	€ 5,322	306	325	-	-
Interest Rate Swaps	€ 17,000	€ 17,000	1,310	1,449	-	-
Interest Rate Swaps	€ 15,400	€ 15,400	461	527	-	-
Interest Rate Swaps	€ 6,563	€ 6,563	476	519	476	519
			3,082	**2,820**	**476**	**519**

	Nominal Value		GROUP		COMPANY	
			Fair Value of Liability	Fair Value of Liability	Fair Value of Liability	Fair Value of Liability
	31.3.2014	**31.3.2013**	**31.3.2014**	**31.3.2013**	**31.3.2014**	**31.3.2013**
Interest Rate Swaps	$25,000	$25,000	1,130	132	-	-
			1,130	**132**	**-**	**-**

It is Group policy to minimize its exposure to cash flow interest rate risk as regards to long-term financing. The Group applies hedge accounting for the above swap agreements, and the loss from their valuation has been recognized in the account "Income / (Losses) from cash flow hedges" in the statement of other comprehensive income.

(Amounts in thousand Euro, unless stated otherwise)

10. PROVISIONS

The summary movement of the group's and company's provisions on 31.3.2014 and 31.3.2013, was as follows:

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
Balance 1 January	**4,933**	**4,328**	**1,296**	**1,191**
Additional provisions charged on the period's results	5	21	-	21
Used provisions	-	(93)	-	(93)
FX differences	(9)	(34)	-	-
Balance 31 March	**4,929**	**4,222**	**1,296**	**1,119**

11. GRANTS

The summary movement of the group's and company's grants on 31/03/2014 and 31/03/2013, was as follows:

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
Balance 1 January	**271,376**	**288,885**	**46,622**	**49,494**
Transfer of period's proportion to the results	(1,998)	(1,826)	(471)	(327)
FX differences	25	1,605	-	-
Balance 31 March	**269,403**	**288,664**	**46,151**	**49,167**

12. OTHER INCOME/EXPENSES

The other income/(expenses) for 31 March 2014 and 2013 respectively are presented in the following table:

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
Grant amortization	1,998	1,826	471	327
Income from leasing of property	16	21	16	21
Income from insurance indemnities	89	56	89	-
Sales of fixed assets and inventories	44	0	44	-
Other services	-	6	0	24
Other income	289	166	192	58
FX differences	(30)	(174)	-	-
Windfall tax of L. 4093/2012	(1,871)	(1,963)	(718)	(824)
Total	**535**	**(62)**	**94**	**(394)**

(Amounts in thousand Euro, unless stated otherwise)

13. NUMBER OF EMPLOYEES

The average number of full-time regular employees of the group during the first quarter of 2014 was 163 employees and in the company 145 employees (186 and 163 respectively during the first quarter of 2013).

14. INCOME TAX

The expense for income tax is registered based on the management's best estimation on the weighted average annual tax rate for a full year.
The weighted tax rate for 31/03/2014 was 30.87% for the Group and 31.23% for the Company.

15. TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the period 01/01-31/03/2014 and 01/01-31/03/2013, as well as the balances of receivables and liabilities arisen from the above transactions as of 31/3/2014 and 31/12/2013 are as follows:

Period 1/1-31/03/2014	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	1,265	50	54,654	6,346
Joint Ventures	-	-	-	-	-	-	78	-
Parent	1,063	43	42	-	34	43	42	-
Other related parties	7,445	181	4,771	3,366	266	132	4,206	2,145
Basic senior executives	-	36	-	10	-	26	-	10

Period 1/1-31/03/2013	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	1,787	92	65,962	16,358
Joint Ventures	-	-	-	-	-	-	563	-
Parent	25	43	1,810	-	24	43	1,789	-
Other related parties	275	200	14,917	1,263	274	155	12,342	-
Basic senior executives	-	48	-	458	-	42	-	308

16. SIGNIFICANT EVENTS DURING THE PERIOD

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

The total construction backlog towards third parties on 31st March 2014 amounts to € 61 million.

17. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In Poland, the Group proceeded with the acquisition of two companies which hold installation licenses for wind parks with total capacity of 12MW.

18. CONTINGENT LIABILITIES

During the execution of projects, the Group may face contingent legal claims by third parties. According to the Management, as well as the Legal Counselor of the Group there are no cases under litigation or arbitration from judicial or arbitrator bodies with regard to the Group.

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER
PERISTERIS GEORGIOS	MARAGOUDAKIS EMMANUEL
THE CHIEF FINANCIAL OFFICER	THE HEAD ACCOUNTANT
VASILEIOS DELIKATERINIS	MANAVERIS NIKOLAOS

19. DATA AND INFORMATION FOR THE PERIOD 1.1-31.3.2014

TERNA ENERGY SA

S.A. Reg. No. 318/06/B/86/28
85 Mesogeion Ave., 11526 Athens Greece
DATA AND INFORMATION FOR THE FINANCIAL PERIOD FROM 01/01/2014 TO 31/3/2014
In accordance with the 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 legal auditor, when applicable.

COMPANY INFORMATION

Relevant Authority:	General Secretariat of Commerce
Board of Directors' Composition:	Georgios Peristeris (chairman), Georgios Perdikaris (vice-chairman), Emmanuel Maragoudakis (chief executive officer), Georgios Spyrou (executive director), Michael Gourzis & Panagiotis Pothos (executive members), Theodoros Tagas (non-executive member), Aristeidis Ntasis & Nikolaos Kalamaras (independent non executive members).
Approval Date by the Board of Directors of the Interim Financial Statements	29 May 2014
Type of audit report:	Unaudited interim financial statement
Company website:	www.terna-energy.com

STATEMENT OF FINANCIAL POSITION (Consolidated and Non-Consolidated)

Amounts in thousand euro

	GROUP		COMPANY	
	31/3/2014	31/12/2013	31/3/2014	31/12/2013
ASSETS				
Self used tangible fixed assets	778.689	770.109	121.339	123.132
Investment property	785	785	785	785
Other non-current assets	19.509	23.532	248.755	252.319
Intangible assets	28.414	28.524	1.430	1.449
Inventories	3.309	4.027	2.804	3.575
Trade receivables	57.701	49.811	42.213	41.590
Cash & cash equivalents	118.554	124.630	35.125	37.385
Other current assets	83.617	87.052	25.125	20.447
TOTAL ASSETS	**1.090.578**	**1.088.470**	**477.576**	**480.682**
EQUITY & LIABILITIES				
Share capital	32.794	32.794	32.794	32.794
Other items of Shareholders' Equity	318.160	315.550	301.632	300.970
Total Shareholders' Equity (a)	**350.954**	**348.344**	**334.426**	**333.764**
Non-controlling interests	2.533	2.634	-	-
Total Equity (b)	**353.487**	**350.978**	**334.426**	**333.764**
Long-term bank liabilities	307.345	295.163	50.852	51.333
Provisions/Other-long-term liabilities	316.998	317.636	47.923	48.296
Short-term bank liabilities	68.539	71.658	14.606	10.280
Other-short-term liabilities	44.209	53.035	29.769	37.009
Total liabilities	**737.091**	**737.492**	**143.150**	**146.918**
TOTAL EQUITY & LIABILITIES	**1.090.578**	**1.088.470**	**477.576**	**480.682**

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

Amounts in thousand euro

	GROUP		COMPANY	
	31/3/2014	31/3/2013	31/3/2014	31/3/2013
Total equity at beginning of period (01/01/2014 and 01/01/2013)	350.978	362.977	333.764	351.514
Total comprehensive income (continued & discontinued activities)	2.659	7.101	810	2.495
	353.637	**370.078**	**334.574**	**354.009**
Return of share capital	-	-	-	-
Increase / (decrease) of share capital of subsidiary	-	52	-	-
Dividends distributed	-	-	-	-
Purchases of treasury shares	(151)	-	(151)	-
Transfers - other movements	1	2	3	-
Total equity at end of period (31/03/14 and 31/03/13)	**353.487**	**370.132**	**334.426**	**354.009**

ADDITIONAL DATA AND INFORMATION

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

2. The Basic Accounting Principles of the financial statements as of 31/12/2013 have been followed.
3. The group during the present reporting period employed 163 individuals. For the respective period of the previous year it employed 186 individuals. The company during the present reporting period employed 145 individuals. For the respective period of the previous year it employed 163 individuals.

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

5. Earnings per share were calculated based on the weighted average number of shares.
6. The financial statements of the group are included in the consolidated financial statements of GEK TERNA SA, consolidated with the full consolidation method. The aforementioned parent company is registered in Greece and on 31/3/2014 owned 45.908% of the company's share capital.

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

	GROUP	COMPANY
a) Sales of goods and services	8.508	1.565
b) Purchases of goods and services	224	225
c) Receivables	4.813	58.959
d) Liabilities	3.366	8.491
e) Transactions & remuneration of Board members and executives	36	26
f) Receivables from Board members and executives	-	-
g) Liabilities to Board members and executives	10	10

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

	GROUP	COMPANY
Provisions for rehabilitation of environment	4.092	619
Other provisions	837	677

9. The names, domiciles, participation percentages and consolidation method of companies and joint ventures that were consolidated in the financial statements of 31/03/2014 are mentioned in detail in Note 4 of the financial statements.
10. During 31 March 2014 no new company was incorporated with the full consolidation method in the consolidated financial statements as compared to the respective period of the previous year as well as the period that ended on 31 December 2013.
11. During 31 March 2014 the following company was not incorporated in the consolidated financial statements as compared to the respective period of the previous year:

Company Name	Percentage	Country	
EOL TECHNICS CONSULT SRL	100%	Romania	Liquidation in the 4th quarter of 2013

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

	GROUP 31/03/2014	COMPANY 31/03/2014
Foreign exchange differences from conversion of incorporated foreign operations	(112)	-
Actuarial gains / losses from defined benefit plans	-	-
Expenses for share capital increase	-	-
Income / expenses from hedging of cash flow risk	(992)	(98)
Income on items recorded directly in, or transferred from, the equity	198	25

13. The number of treasury shares owned by the company on 31 March 2014 corresponded to 585,815 shares with a total acquisition cost of 1,411 thousand €.
14. No sector or company has ceased operations.

STATEMENT OF COMPREHENSIVE INCOME (Consolidated and Non-Consolidated)

Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/03/2014	1/1-31/03/2013	1/1-31/03/2014	1/1-31/03/2013
Turnover	35.596	35.033	18.552	16.323
Gross profit / (losses)	14.984	16.575	4.557	6.085
Earnings/(Loss) before interest and tax (EBIT)	11.547	13.320	2.035	3.725
Earnings/(Loss) before tax	5.157	7.823	1.284	3.073
Earnings/(Loss) after tax (A)	3.565	5.709	883	2.333
Allocated to:				
Company Shareholders	3.646	5.583		
Minority Shareholders	(81)	126		
	3.565	5.709		
Other comprehensive income after taxes (B)	(906)	1.392	(73)	162
Total comprehensive income after taxes (A+B)	2.659	7.101	810	2.495
Allocated to:				
Company Shareholders	2.740	6.975		
Minority Shareholders	(81)	126		
	2.659	7.101		
Earnings/(Losses) after tax per share - basic (in €)	0,0335	0,0511	0,0081	0,0213
Proposed dividend per share (€)				
Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA)	**18.916**	**20.585**	**3.641**	**5.478**

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

Amounts in thousand euro

	GROUP		COMPANY	
	1/1-31/03/2014	1/1-31/03/2013	1/1-31/03/2014	1/1-31/03/2013
Operating activities				
Profit before tax	5.157	7.823	1.284	3.073
Plus/less adjustments for:				
Depreciation	9.337	8.917	2.077	2.080
Provisions	5	(72)	-	(72)
Interest income and related income	(554)	(894)	(774)	(1.121)
Interest expenses and related expenses	6.944	6.391	1.525	1.773
Amortization of grants	(1.998)	(1.826)	(471)	(327)
Foreign exchange differences	30	174	-	-
Operating profit before changes in working capital	**18.921**	**20.513**	**3.641**	**5.406**
Plus/Less adjustments for working capital account movements or movements related to operating activities:				
Decrease / (increase) in inventories	719	(308)	771	(256)
Decrease / (increase) in receivables	(3.404)	(4.377)	(5.310)	(1.771)
(Decrease) / increase in liabilities (other than to banks)	(7.748)	(7.840)	(5.603)	(6.723)
(Less):				
Taxes paid	(1.443)	(320)	(906)	(201)
Total inflows / (outflows) from operating activities (a)	**7.045**	**7.668**	**(7.407)**	**(3.545)**
Investing activities				
Purchases of tangible & intangible assets	(21.453)	(10.188)	(265)	(161)
Grants received	1.505	57.224	-	-
Interest received	709	727	687	237
Net change of provided loans	5.390	-	5.519	5.095
(Purchases)/sales of participations and securities	15	-	(1.332)	(2.580)
Increase of investments in associate company	-	-	-	-
Total inflows / (outflows) from investing activities (b)	**(13.834)**	**47.763**	**4.609**	**2.591**
Financing activities				
Return of share capital	(1.631)	(441)	(1.631)	(441)
Share capital decrease of subsidiary	-	-	-	-
Purchases of treasury shares	(151)	-	(151)	-
Net change in long-term loans	10.520	934	(481)	(3.367)
Net change in short-term loans	(2.866)	(40.935)	3.639	2.025
Dividends paid	-	-	-	-
Interest and related expenses paid	(4.943)	(3.503)	(838)	(1.156)
Change in financial liabilities	(281)	(11.790)	-	-
Change in other financial assets	-	-	-	-
Total inflows / (outflows) from financing activities (c)	**648**	**(55.735)**	**538**	**(2.939)**
Effect of FX differences on cash equivalents	65	(607)	-	-
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**(6.076)**	**(911)**	**(2.260)**	**(3.893)**
Cash and cash equivalents at the beginning of the period	**124.630**	**126.778**	**37.385**	**27.556**
Cash and cash equivalents at the end of the period	**118.554**	**125.867**	**35.125**	**23.663**

Athens, 29 May 2014

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