



TERNA ENERGY SA

Company Presentation



TERNA Energy – strategy

Become the #1 integrated and diversified renewable energy producer in Greece targeting 1.2GW of installed capacity by 2012

Diversify and expand abroad in selected RES markets (S. Eastern Europe, S. America) targeting 0.4GW of installed capacity by 2012

Maintain competitive advantage, stable profitability and cashflow contribution from specialised construction activities

TERNA Energy – investment highlights

Experienced management team with successful track record in developing wind parks, consistently converting applications into operating facilities and targeting total RES capacity installed of c. **1.6GW by 2012**



1

A leading position in the fast growing Greek renewable energy market



2

Attractive regulatory framework with substantial RES support mechanisms



3

Highly visible and high quality domestic wind pipeline targeting capacity increase to c. 1.0 GW by 2012



4

Technologically well-diversified portfolio with hydro, solar and biomass projects already in construction or advanced development phase targeting domestic capacity increase to c. 0.2 GW by 2012



5

Plans to develop in promising RES markets outside Greece targeting capacity increase to c. 0.4 GW by 2012



6

Unique vertically integrated position with in-house successful greenfield development and RES construction capabilities



7

Profitable third party construction business operating in the attractive niche construction market of electricity-related works



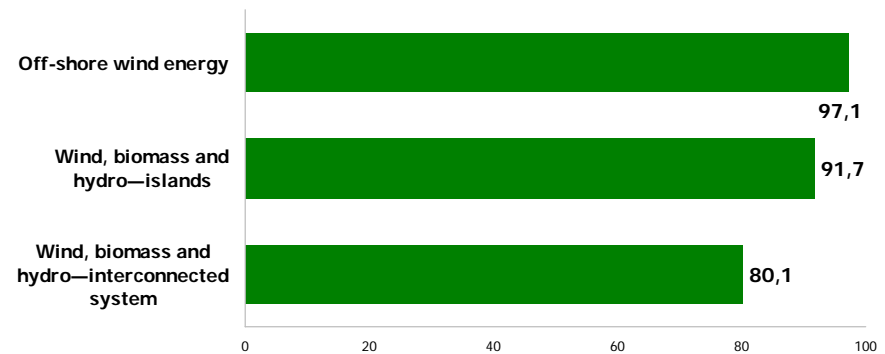
SECTION 1

Overview and strategy

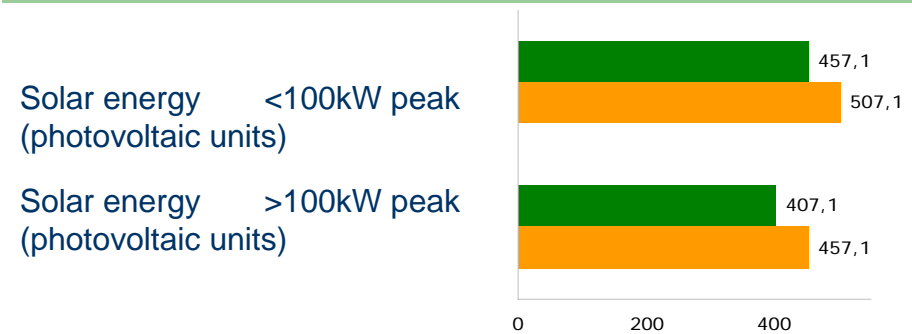
Attractive regulatory framework in Greece

- **20 years PPA** (10 years plus option for owner to renew for an additional 10 years)
- **Capital subsidies for RES investments 30-50%** depending on technology
- Fixed tariffs for each type of RES
- **Tariffs adjusted annually** on the basis of the maximum of
 - weighted adjustment of the approved electricity supply tariffs of PPC; and
 - 80% of inflation
- Dispatch priority
- Up to **40 years usufruct** of public land

2008 tariffs for wind, biomass and hydro (€/MWh)



2008 solar energy tariffs (€/MWh)



Source: Law 3468/2006, Hellenic Republic Ministry of Development Non-Interconnected system Interconnected system

Overview of activities in Greece

- Leading position and proven track-record in fast growing highly attractive Greek renewable market
- Highly visible and high quality wind pipeline
 - Total owned pipeline of (c. 2.4GW)
 - Historical track record of conversion of licenses submission into production licences of c. 90%
 - Submissions of applications secures the sites against competitors
 - 40 years concession for use of public land
 - Turbine supply agreements secured for reaching 2010 target of 450MW
- Well diversified pipeline portfolio of RES projects



Status	Wind (MW)	SHPS (MW)	P/V (MW)	Biomass (MW)
In operation	▲ 142	● 6.5		
Under construction	▲ 72	● 8.5	● 1	
With production licence	▲ 667	● 112		
Application for production licence filed	▲ 2,405 ¹	● 93	● 21	● 13 ²

High quality and highly visible pipeline targeting 1,200MW of installed capacity by 2012

Note: 1 gross MW (on a net MW basis equivalent to 1,780 MW)

2. Application in preparation

TERNA Energy - International development overview

International development pipeline in promising RES markets...

Balkans

- The growth in renewables is expected to accelerate due to the developing regulatory framework and support mechanisms
- The EU has set renewable generation targets for Bulgaria and Romania
 - Bulgarian RES target of 11% of electricity consumption by 2010
 - Romanian RES target of 33% of electricity consumption in 2010
- Both Bulgaria and Romania have high proportion of large hydro installed but the high potential for wind and small scale hydro remain largely untapped
- We target own greenfield RES development in Bulgaria and Romania

Other

- Poland market is also targeted
- Potential Investment opportunities in Brazil
- China remains a target, but visibility in tariffs has to improve

Source: European Commission,
Windpower Monthly

...targeting installed capacity of c. 400MW by 2012

TERNA Energy – construction division overview

Profitable third party construction business in attractive niche markets with in-house RES construction capabilities

RES development

- Substantial track record and expertise in building infrastructure for RES facilities
- Deep in-house technical knowledge of construction of RES and human resources

Third party activities

- Industry-leading expertise in the construction of electromechanical works, railway and energy projects
- 6th class construction certificate permitting participation in Government tenders up to €40m
- Competitive advantage through deep in-house knowledge and human resources
- Construction backlog stood at c. €80m as at 31/12/2007



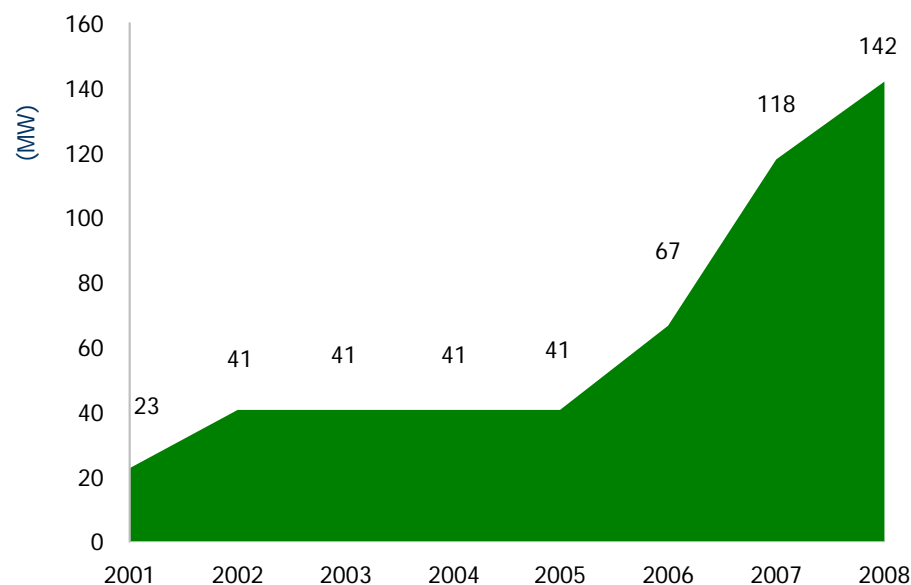
SECTION 2

RES activities and pipeline

Leading position in Greece

- Early entry into the Greek RES market in 1997 allowed TERNA Energy to secure some of the most attractive sites
- Successful development has made TERNA Energy the number two wind operator in Greece
 - 142MW in operation
 - 74MW in construction
- **Historical load factor of assets in operation stands at over 30%**
- Network and regulatory constraints slowed construction in the 2002-2005 period
- TERNA Energy focused on developing applications and securing the sites
 - Owned pipeline standing at c. 2.5GW
- Construction restarted at high pace upon resolution of such matters

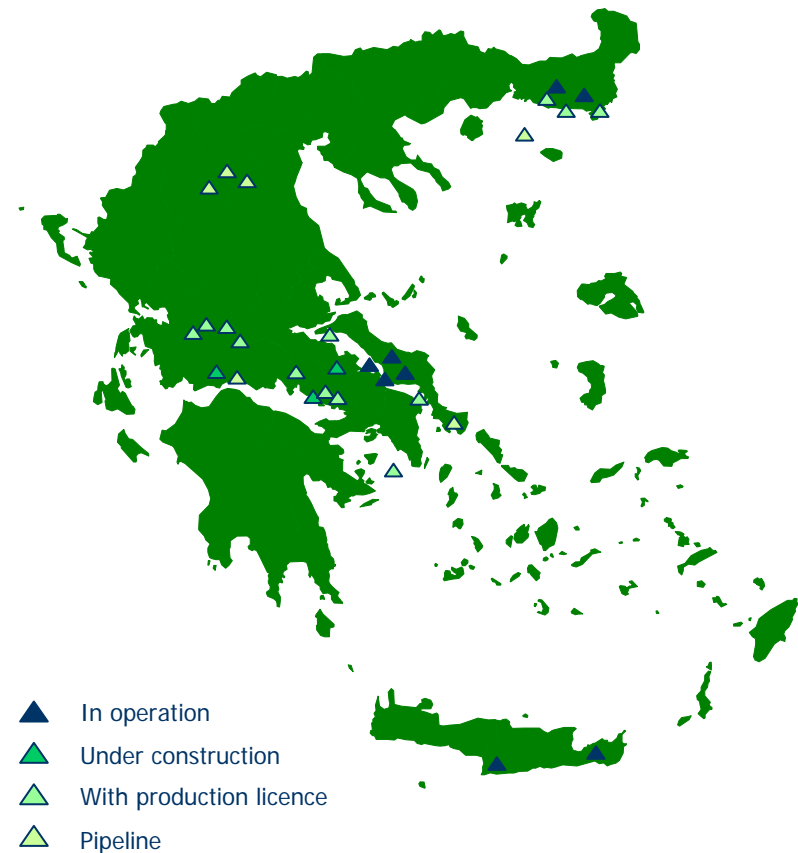
TERNA Energy installed capacity development



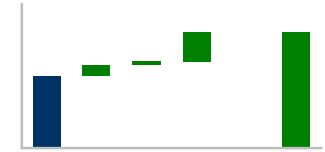
Proven track record and early entry secures substantial platform of operating assets in Greece

Wind project in Greece: overview

- Total existing, in construction and pipeline capacity of 3.327MW gross (2,579MW of equity capacity)
 - Predominantly mainland based capacity
- Currently 142MW in operation and 74 MW in construction
- Already obtained production licences for 667 MW of capacity with installation licence expected to be obtained soon
- Production licences applied for additional 2405MW gross of which 738MW in JV
 - Other developers cannot seek to develop the sites for which TERNA Energy has filed production licence applications
- Three joint venture projects with gross capacity of 909MW (resulting in 621MW equity capacity)
 - 45% ownership in Giaros (288MW)
 - 75% ownership in Petalia gulf (450MW)
 - 90% ownership in Kithira (171MW)

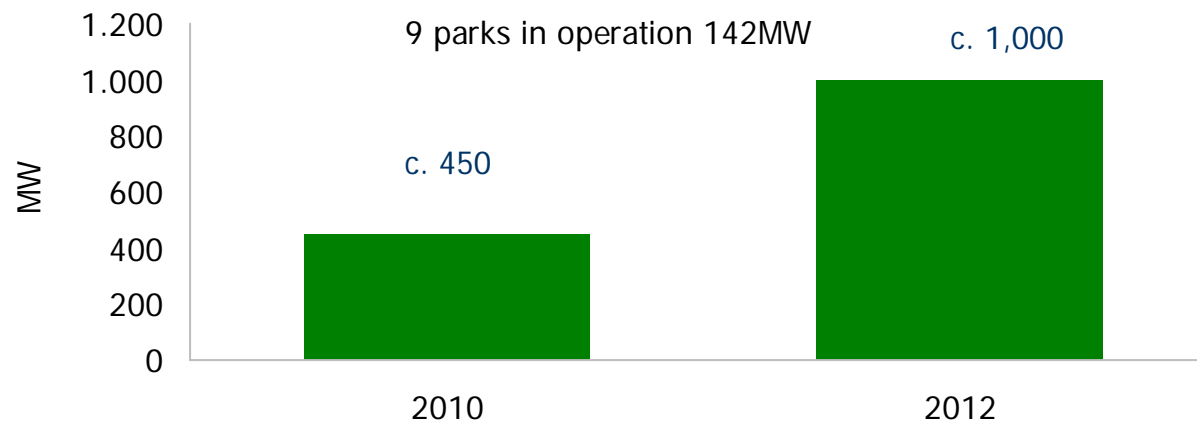


Highly visible and high quality wind pipeline of projects



Wind projects in Greece: business plan roll-out

Targeted installed capacity

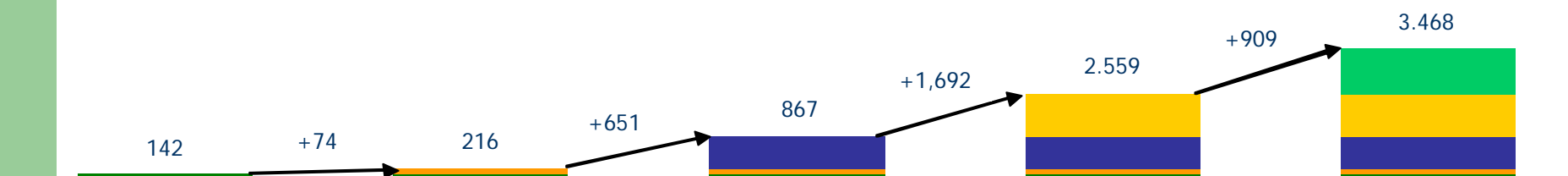


Turbine supply agreements

- Turbines' procurement secured for 265 MW

Well on track to reach installed capacity of c. 1,000MW by 2012 in Greece

Wind projects in Greece: status of applications



in operation:
9 parks 142MW

under construction:
4 parks 74MW

obtained production licences: 35 parks 651 MW

Application for production licences filed 11 sites 1.549MW

Application for production licences filed JVs

Site (region)	Capacity (MW)	In-service date	Site (region)	Capacity (MW)
Tsilikoka (Evia) ¹	10.20	June 2000	Viotia	12.8
Tsouka (Evia)	12.00	July 2000	Viotia	19.55
Profitis Ilias (Evia)	11.22	April 2001	Viotia	30
Pirgari (Evia)	5.40	August 2001	Thrace	11.7
Didimos Lofos (Evros)	26	June 2005	Total	74
Mitoula (Evros) (first phase) (operating license pending)	34.20	June 2006		
Chonos (Crete)	4.50	February 2006		
Perdikokorifi (Crete)	14.45	May 2006		
Louzes (Aitolokarnania)	24.00	October 2008		
Total	142	N/A		

Site (region)	Capacity (MW)
Thrace (3 wind parks)	47.70
Attica (St. George Islet, 2 wind parks)	69.00
South Evia (1 7 wind parks)	284
Evia (Servouni, 2 wind parks)	20.40
Evritania (4 wind parks)	109.80
Attica & Viotia (3 wind parks)	95.05
Aitolokarnaia (1 wind park)	22.0
Kozani (1 wind park)	20.0
Total	651

Site (region)	Capacity (MW)
Crete	19.55
Evia	228.30
Peloponnese	187.70
Kefalonia	18.00
Imathia	36.00
Aitolokarnania	48.00
Xanthi	86.00
Evros	255.00
Kilkis	48.00
Viotia	38.00
Off shore/Thrace sea	585.00
Total	1,549

Site (region)	Capacity (MW)
Giaros (Cycladic islands) (45% participation) ¹	288.00
Petalia gulf (eastern Attica) (75% participation) ²	450.00
Kithira (90% participation)	171
Total	909.00

Notes:
1. Have received adverse opinions from the Authority in respect of our applications for construction permits for six wind parks included in this project; applications have been submitted to the Authority and the Ministry of Development
2. This project involves the construction of semi off-shore wind parks

Hydro projects in Greece: overview

Substantial pipeline of hydro projects already in construction or late development phase...

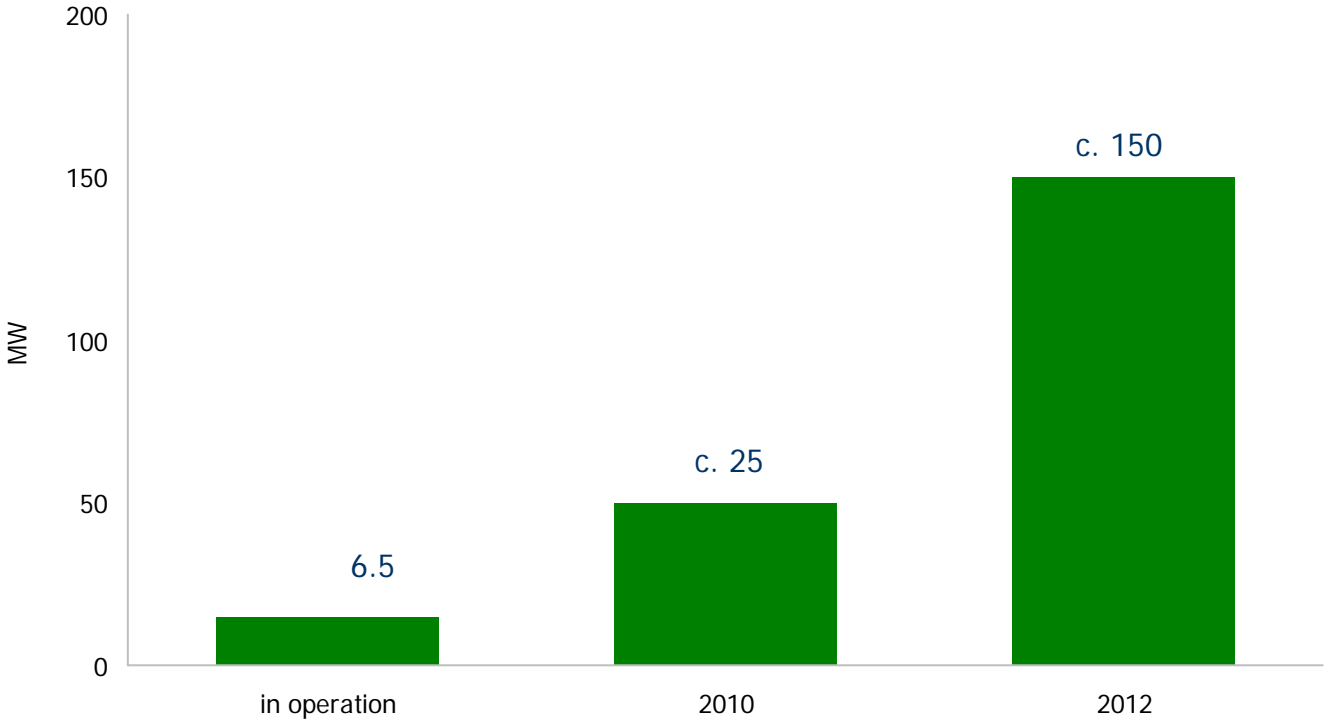
- 220MW of total hydro capacity
 - 6.5 MW in operation
 - 8.5MW in construction
 - 112MW with production licence
 - 93MW with production licences applied for



Note: C. 20MW corresponds to PPC stake in the PPC renewable TERNA Energy joint venture




Hydro projects in Greece: business plan roll-out

Targeted installed capacity at year end



Targeting installed capacity of c. 150MW by 2012 in Greece

Hydro projects in Greece: stage of development

Site (region)	Project stage	Capacity (MW)
Dafnozonara, Aheloos river, Western Greece	In operation	8.50
Eleousa, Axios river, Thessaloniki ¹	Under construction	6.60
 Sub-total of projects under construction		15.10
Mazaraki, Kalamas river, Epirus	Production licence	10.00
Gribovo, Kalamas river, Epirus	Production licence	4.00
Kalamas, Kalamas river, Thesprotia ^{1,2}	Production licence	5.60
Ladonas, Ladonas river, Peloponese ¹	Production licence	8.40
Kalarites (4 small hydro power stations), Epirus	Production licence	19.60
Ano Goura (2 small hydro power stations), Epirus	Application filed	4.60
Avlaki, Aheloos river, Arta-Karditsa ³	Production licence	60.00
 Sub-total of projects with production licence		112.20
 Sub-total of pipeline projects		92.54
Total		219.84



Notes

1. This project is being developed by our subsidiary PPC Renewable TERNA Energy S.A., in which we own a 51% participation.
2. Following a negative environmental assessment we are revisiting the technical and environmental characteristics of this project
3. This production licence for this project has been issued to our parent company TERNA S.A. We have filed an application for the transfer of this licence to TERNA Energy S.A., which is pending.

Solar projects in Greece: overview

Technologically well-diversified portfolio with solar and biomass plants in advanced development phase ...

- 22MW of total solar capacity
 - 1MW under construction
 - applied for production licence for 21MW (8 plants)



Biomass projects in Greece: overview

Energy Production from Agricultural Biomass

- Expected gross power production exceeds 8.1MWe
- Completed technical conceptual design
- Preliminary collaboration agreement with technology provider
- Preliminary site selection for plant erection
- Negotiations of contracts to obtain raw material
- Initiated Basic and Detail engineering designs
- Initiated permitting activities

Biomass Slurry Treatment

- Expected gross power production exceeds 6.1MWe
- Completed technical conceptual and basic designs
- Finalized collaboration with local stakeholders
- Initiated permitting activities



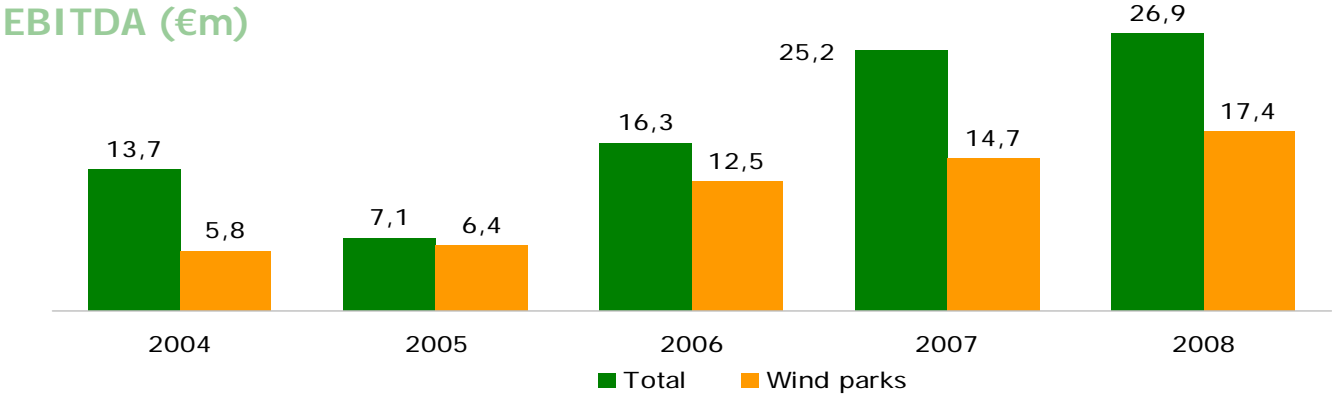
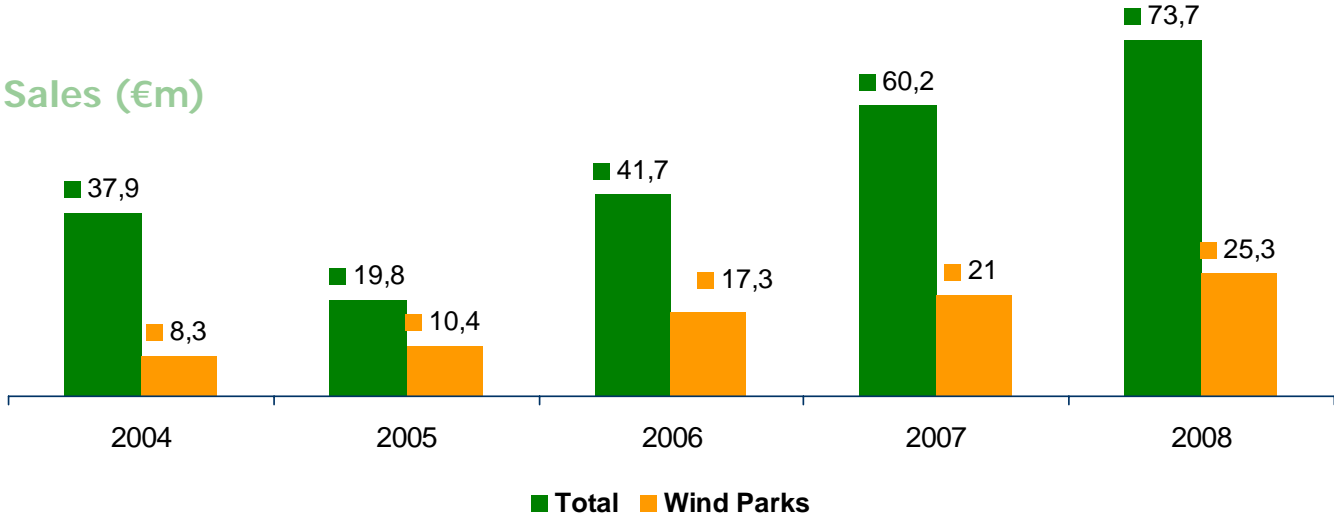
● Biomass pipeline projects



SECTION 3

Financial overview

Historic financials



Capital structure and dividend policy

Funding of RES projects on the basis of capital structure targets as defined by RES law

Dividend policy set by minimum legal requirements in order to fund future growth



APPENDIX

Greek RES market overview

Renewable energy market momentum

Three factors drive renewable energy market momentum globally

Environmental awareness

- Public concern for “clean” energy sources steadily growing driven by rising environmental awareness

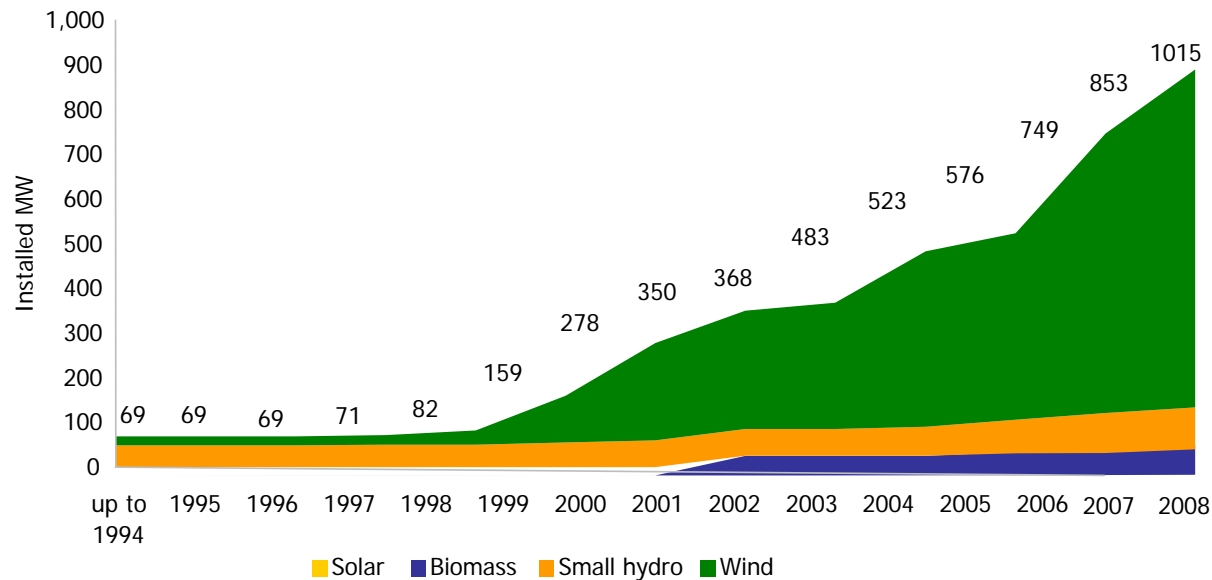
Regulatory framework

- Global-scale political support for the development of renewable energy sources
- Kyoto Protocol established the framework
- EU Renewable Energy Directive set targets for EU Member States to achieve by 2010
 - 22% of electricity to be produced from RES in the EU by year-end 2010 (Greece 20.1%)
- Growing concern for polluting gases encourages continuous research and development for more efficient RES technology
- Goal to refine and master existing renewable energy sources by developing new generation sources and technologies

Technology

RES targets in Greece

Government targets 20% of electricity consumption from RES sources by 2010



- Greece covers c. 4.5% of its gross electricity consumption by RES
- At the end of 2008 Greece had 1015MW of installed RES capacity

- The obligatory target for Greece under the Renewable Energy Directive is 20.1% of electricity consumption from RES by 2020
- The EU target translates into c 6-7 GW of installed RES to be operational by 2020

Source: Regulatory Authority for energy (RAE)

RES trends in Greece

Government targets for RES drive development of the Greek RES market

Large wind parks (25-50MW) expected to dominate

Increasing importance of small hydro

Increasing importance of biomass and municipal organic waste

Potential for photovoltaic boom with government long term target of 700MW