

REPORT OF USE OF RAISED CAPITAL FROM THE SHARE CAPITAL INCREASE BY CASH FOR THE PERIOD 8/11/07 – 30/06/2010

It is notified that in accordance with article 3 of the decision 7/448/11.10.2007 by the Hellenic Capital Markets Commission BoD and decision 25/17.7.2008 by the BoD of Athens Exchange, from the share capital increase of TERNA ENERGY ABETE paid in cash that was decided by the Extraordinary General Shareholders Meeting on 20.07.2007, the net amount of € 300,572 thousand was raised, (including issue expenses of € 13,908 thous.).

The period for the Public Offering was 31/10/07-2/11/07. For the share capital increase 27,333,400 new common registered shares were issued.

All shares of the company (109,333,400) were listed for trading on the Athens Exchange on 14/11/2007 in the large capitalization market segment.

The certification for the deposit of the share capital increase by the BoD of the Company was made on 8/11/07 and recorded on Societe Anonyme Registry on 9/11/07 with the announcement No 36439.

The ordinary General Meeting on 2/4/2009 decided on the restructuring of the time schedule and use of the outstanding balance, by extending the completion time of the distribution by one year, namely until 31/12/2011, due to observed delays in the licensing procedures in the RES sector. Additionally, the extraordinary General Meeting on 29/6/2009 extended the use of one account.

The total raised capital of € 300,572, according to the aforementioned amended time schedule, presented the following movement until 30/6/2010:

TABLE OF UTILIZATION OF CAPITAL PROCEEDS (AMENDMENT ACCORDING TO THE EXTRAORDINARY SHAREHOLDERS MEETING AS OF 29.06.2009)								
TIMEFRAME	Utilization of Capital Proceeds						Total utilized capital 08/11/07 until 30/06/2010	Non-utilized capital 30/06/2010
in thousand €	08/11/07-31/12/07	01/01/08-31/12/08	01/01/09-31/12/09	01/01/10-31/12/10	01/01/11-31/12/11	Total		
Total investments in wind parks	4,084	10,494	48,200	99,472	15,200	177,450	65,309	112,141
Total investments in hydroelectric stations	2,661	2,853	1,300	6,700	6,700	20,214	13,316	6,898
Photovoltaic stations	0	0	1,500	4,000	6,000	11,500	0	11,500
Electric energy production from biomass	0	0	0	5,000	10,000	15,000	0	15,000
Wind parks abroad	0	2,500	5,000	15,000	20,000	42,500	8,100	34,400
Acquisition of companies, RES licenses (from the Company or via its subsidiaries) - Share capital increase of subsidiaries for acquisition of companies – licenses in RES	0	0	6,000	7,000	7,000	20,000	7,200	12,800
Total Investment from Capital Proceeds	6,745	15,847	62,000	137,172	64,900	286,664	93,925	192,739
Issue Expenses	13,380	528				13,908	13,908	0
Total	20,125	16,375	62,000	137,172	64,900	300,572	107,833	192,739

Notes

1. The Ordinary Shareholders' Meeting of 02/04/2009 approved the BoD's decision as of 24/3/2009 to change the timeframe and utilization of the balance of capital proceeds, which as of 31/12/2008 had settled at € 264,072 thous. by extending the timeframe of utilization by 1 year up to 31/12/ 2011. The deviation in the timeframe of utilization of funds is exclusively due to delays in granting of licenses by the RES authorities.

Additional decision was made regarding the change in the utilization of proceeds among investment categories and among the years 2009 up to 2011, in an effort to align the investment plan with the current progress in the granting of licenses. Specifically, the Company increased the appropriation of funds for Wind Park investments (due to accumulation of several projects) by € 26.6 million and for Biomass by €0.2 million, and added a category for the acquisition of RES related companies of € 20 million. As result there was a decrease up to 2011, in the utilization of funds for investments in Hydroelectric units, Photovoltaic stations and Wind Parks abroad.

Furthermore, the Extraordinary Shareholders' Meeting of 29/06/2009 approved the BoD's decision as of 25/6/2009 to extend the utilization of the item of € 20 million in order to enable the Company to acquire RES related companies and licenses through its subsidiaries as well.

The initial utilization plan of capital proceeds according to the Prospectus of 19 October 2007 was the following:

TIMEFRAME	INITIAL TIMEFRAME (2007) OF CAPITAL RAISED				
	08/11/07- 31/12/07	01/01/08- 31/12/08	01/01/09- 31/12/09	01/01/09- 31/12/10	Total
in thousand €					
Total investments in wind parks	20,588	11,931	61,120	57,248	150,887
Total investments in hydroelectric stations	2,741	12,323	11,886	27,096	54,046
Photovoltaic stations	0	5,000	7,000	7,000	19,000
Electric energy production from biomass	0	5,563	4,188	5,000	14,751
Wind parks abroad	0	0	20,200	27,780	47,980
Total Investment from Capital Proceeds	23,329	34,817	104,394	124,124	286,664
Issue Expenses	13,908	0	0	0	13,908
Total	37,237	34,817	104,394	124,124	300,572

2. As presented in the above table, from the capital of € 300,572 thousand raised by the Company, until 30/06/2010 the amount of € 107,833 thousand had been utilized. From its listing on the Athens Stock Exchange and until 30/06/2010, apart from the issue expenses that amounted to € 13,908 thousand, the amount of € 93,925 thousand has been used to cover the participation of the Company as well as -through share capital increases- of TERNA ENERGY subsidiaries for projects which an installation license exists and is owned by those companies,

3. During the General Meeting that took place on 21/05/2010, the planned discussion of the issue “amendment of use and timeframe of the utilization of capital proceeds” did not take place due to the new conditions that emerged from the bill that was submitted on RES and it was decided that the Company not proceed for now with an amendment of the timeframe and use of capital proceeds. Already, after the voting of the bill, the prospects are increasing for the acceleration of licensing and the faster implementation of the company’s investment plan, in order to achieve the investment goals of 2010-2011. The possible re-evaluation of the amendment for the use of capital will depend on the developments during the 2nd half of 2010.
4. The remaining outstanding capital amounts to € 192,739 thousand and has been placed in short-term time deposits, which are presented in the account “cash & cash equivalents” in the financial statements.

The Chairman of the Board

Vice-Chairman &
Managing Director

The Chief Financial Officer

Georgios Perdikaris
ID No.X 516918

Emman. Maragoudakis
ID No. AB 986527

Konstantinos Dimopoulos
ID No. AI 028273

Agreed Upon Procedures Report to the Use of Proceeds Report

To the Board of Directors of “TERNA ENERGY SOCIETE ANONYME INDUSTRIAL
COMMERCIAL TECHNICAL COMPANY S.A.”

According to the mandate we received from the Board of Directors of “TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY S.A.” (the “Company”) we have performed prescribed and enumerated below in accordance with the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Commission with respect to the Report on the Use of raised capital of the Company which relates to the share capital increase paid in cash, that took place on 8 November 2007. The preparation of the report is the responsibility of the Company’s management. Our engagement was undertaken in accordance with the International Standard on Related Services “ISRS 4400” which applies to the conduct of agreed upon procedures engagements. Our responsibility is solely for performing the procedures described below and to report to you on our findings.

Procedures:

1. We compared the amounts referred to as disbursements in the accompanied “Report on Usage of Raised Capital from the Share Capital Increase Paid in Cash” with the relevant amounts recorded in the Company’s books and records in the respective timeframe.
2. We examined the completeness of the Report and the consistency of its content with what is referred to in the relevant Prospectus issued by the Company for this purpose and the relevant Company’s decisions and announcements, including decisions by the General Meetings of shareholders which amend the time schedule and use of the raised capital.

Findings

1. The amounts which appear, per usage or investment type, as disbursements in the accompanied “Report on Usage of Raised Capital from the Share Capital Increase Paid in Cash” are derived from the Company’s books and records in the respective timeframe.
2. The content of the Report includes the information which is at minimum required for this purpose from the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee and is consistent with what is referred to in the respective Prospectus and the relevant Company’s decisions and announcements, including the decisions by the General Meetings of shareholders, which amend the time frame and use of the raised capital.

Given that the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the report beyond what we have referred to above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you, in addition to the ones reported above.

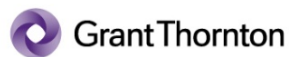
The present report is addressed exclusively to the Board of Directors of the Company, so that the latter can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Market Commission. Therefore this report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the interim financial reporting prepared by the company for the period from 01/01/2010 to 30/06/2010, for which we have issued a separate Review Report dated 27 August 2010.

Athens, 27 August 2010

The Certified Auditor – Accountant

Giannis Leos

S.O.E.L. Reg. No. 24881



Grant Thornton

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