



## **REPORT OF USE OF RAISED CAPITAL FROM THE SHARE CAPITAL INCREASE BY CASH FOR THE PERIOD 8/11/07 – 31/12/09**

It is notified that in accordance with article 3 of the decision 7/448/11.10.2007 of the Hellenic Capital Markets Commission BoD and the decision 25/17.7.2008 of the BoD of Athens Exchange, from the share capital increase of TERNAL ENERGY ABETE paid in cash that was decided by the Extraordinary General Shareholders Meeting on 20.07.2007, the net amount of € 300,572 thous 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 31/12/2009:



**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 31/12/09	Non Utilized Capital 31/12/2009
€thous.	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	53,530	123,920
Total investments in hydroelectric parks	2,661	2,853	1,300	6,700	6,700	20,214	7,713	12,501
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 the purchase of companies – licenses in RES	0	0	6,000	7,000	7,000	20,000		20,000
<b>Total Investment from Capital Proceeds</b>	<b>6,745</b>	<b>15,847</b>	<b>62,000</b>	<b>137,172</b>	<b>64,900</b>	<b>286,664</b>	<b>69,343</b>	<b>217,321</b>
Issue Expenses	13,380	528				13,908	13,908	0
<b>Total</b>	<b>20,125</b>	<b>16,375</b>	<b>62,000</b>	<b>137,172</b>	<b>64,900</b>	<b>300,572</b>	<b>83,251</b>	<b>217,321</b>

#### Notes

- The Ordinary Shareholders' Meeting of 2 April 2009 approved the BoD's decision as of 24 March 2009 to change the timeframe and utilization of the balance of capital proceeds, which as of 31 December 2008 had settled at EUR 264,072 thous. by extending the timeframe of utilization by 1 year up to 31 December 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. More specifically, the Company increased the funds for wind park investments (due to accumulation of several projects) by EUR 26.6 million and for biomass by EUR 0.2 million, and added a category for the purchase of RES related companies of EUR 20 million. As result there was a decrease up to 2011, in the utilization of funds for investments in SHEP photovoltaic stations and wind parks abroad.

Furthermore, the Extraordinary Shareholders' Meeting of 29 June 2006 approved the BoD's decision as of 25 June 2006 to extend the utilization of the item of EUR 20 million in order to make possible for the Company to purchase 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 TIME FRAME (2007) OF CAPITAL PROCEEDS				
	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 parks	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
<b>Total Investment from Capital Proceeds</b>	<b>23,329</b>	<b>34,817</b>	<b>104,394</b>	<b>124,124</b>	<b>286,664</b>
Issue Expenses	13,908	0	0	0	13,908
<b>Total</b>	<b>37,237</b>	<b>34,817</b>	<b>104,394</b>	<b>124,124</b>	<b>300,572</b>

2. As presented in the above table, from the capital of € 300,572 thousand raised by the Company, until 31/12/2009 the amount of € 83.251 thousand had been utilized. From its listing on the Athens Stock Exchange and until 31/12/2009, apart from the issue expenses that amounted to € 13,908 thousand, the amount of € 69.343 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. The remaining outstanding capital amounts to € 217,321 thousand and has been placed in short-term time deposits, which are presented in the account “cash & cash equivalents” in the financial statements.

4. The slight deviation in the timeframe of utilization of funds is due to delays in granting of licenses by the authorities. It is expected that from 2010 better conditions will prevail thus accelerating the Company’s investment plan.

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 02827

## **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 and enumerated the prescribed procedures 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 the decisions of the Shareholders' Meetings which amended the time plan and the utilization of the capital proceeds.

### **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 of the Shareholders' Meetings which amended the time plan and the utilization of the capital proceeds.

Because 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 Markets 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 annual financial statements prepared by the company for the period from 01/01/2009 to 31/12/2009, for which we have issued a separate Audit Report dated 29 March 2010.

Athens, 29 March 2010

The Certified Auditor – Accountant

Giannis Leos

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



Grant Thornton

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