TERNA ENERGY

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

CONDENSED INTERIM FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 30 SEPTEMBER 2010

(January 1st to September 30th 2010)

In accordance with the International Accounting Standard 34

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TERNA ENERGY SA

INTERIM CONDENSED FINANCIAL STATEMENTS
SEPARATE AND CONSOLIDATED OF 30 SEPTEMBER 2010

(1 JANUARY – 30 SEPTEMBER 2010)

ACCORDING TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accompanying Interim Financial Statements were approved by the Board of Directors of Terna Energy SA on 26/11/2010 and have been published by being posted on the internet at the website www.terna-energy.gr as well as on the Athens Exchange website, where such will remain at the disposal of the investment community for at least 5 years from their preparation and publication date. It is noted that the published in the press Condensed Financial Data and Information that result from the interim condensed financial information, aim at providing the reader with general informing 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, according to IFRS.

TERNA ENERGY GROUP
STATEMENT OF FINANCIAL POSITION
30th SEPTEMBER 2010

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

		GROUP		COMPANY	
	Note	30 September 2010	31 December 2009	30 September 2010	31 December 2009
ASSETS					
Non-current assets					
Intangible assets	6	15,926	1,774	1,527	989
Tangible assets	6	381,053	340,820	122,721	110,552
Investment property		923	923	923	923
Participation in subsidiaries		-	-	94,367	71,051
Participations in associates		3,499	51	3,448	-
Participation in joint-ventures		-	-	244	374
Other long-term receivables		280	219	224	183
Other investments		1	1	1	1
Deferred tax assets		347	1,233	-	819
Total non-current assets		**402,029**	**345,021**	**223,455**	**184,892**
Current assets					
Inventories		423	536	130	244
Trade receivables		12,225	22,394	12,642	19,225
Receivables according to IAS 11		4,932	2,269	15,456	10,466
Prepayments and other receivables		16,218	24,880	10,264	7,749
Income tax receivables		1,067	518	1,045	518
Cash and equivalents		196,848	244,837	181,873	233,561
Total current assets		**231,713**	**295,434**	**221,410**	**271,763**
TOTAL ASSETS		**633,742**	**640,455**	**444,865**	**456,655**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	8	32,800	32,800	32,800	32,800
Share premium		281,914	281,930	282,006	282,006
Reserves		14,751	17,269	11,382	14,708
Retained earnings		34,436	39,812	31,610	37,102
Total		**363,901**	**371,811**	**357,798**	**366,616**
Non-controlling interests		1,656	1,405	-	-
Total equity		**365,557**	**373,216**	**357,798**	**366,616**

	Note				
Long-term liabilities					
Long-term loans	10	60,590	67,646	33,740	36,707
Other provisions	11	3,366	1,136	2,412	597
Provision for staff indemnities	11	139	181	139	181
Grants	12	48,998	50,796	18,986	19,777
Deferred tax liabilities	15	1,746	838	679	-
Total long-term liabilities		**114,839**	**120,597**	**55,956**	**57,262**
Short-term liabilities					
Suppliers		16,606	14,071	13,821	12,660
Short-term loans	10	118,859	111,503	7,145	7,145
Long-term liabilities falling due in the next period	10	11,074	10,929	6,335	5,917
Liabilities according to IAS 11		2,132	3,368	2,132	3,368
Accrued and other short-term liabilities		4,329	6,214	1,678	3,687
Income tax payable		346	557	-	-
Total short-term liabilities		**153,346**	**146,642**	**31,111**	**32,777**
Total liabilities		**268,185**	**267,239**	**87,067**	**90,039**
TOTAL LIABILITIES AND EQUITY		**633,742**	**640,455**	**444,865**	**456,655**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY GROUP
STATEMENT OF COMPREHENSIVE INCOME
30th SEPTEMBER 2010

	Note	GROUP				COMPANY			
		1.1 – 30.9 2010	1.7 - 30.9 2010	1.1 – 30.9 2009	1.7 - 30.9 2009	1.1 – 30.9 2010	1.7 - 30.9 2010	1.1 - 30.9 2009	1.7 - 30.9 2009
Continued activities									
Turnover	5	42,787	13,995	51,456	22,566	37,169	13,023	45,640	20,070
Cost of sales		(27,660)	(9,290)	(33,605)	(16,189)	(26,674)	(9,607)	(32,053)	(14,706)
Gross profit		**15,127**	**4,705**	**17,851**	**6,377**	**10,495**	**3,416**	**13,587**	**5,364**
Administrative & distribution expenses		(5,063)	(1,409)	(3,869)	(948)	(3,663)	(966)	(3,051)	(776)
Research & development expenses		(2,576)	(1,038)	(1,797)	(554)	(1,910)	(980)	(2,337)	(734)
Other income/(expenses)	13	2,070	862	2,544	622	871	283	2,719	254
Operating results		**9,558**	**3,120**	**14,729**	**5,497**	**5,793**	**1,753**	**10,918**	**4,108**
Net financial income/(expenses)	5	1,664	636	3,786	384	2,764	978	5,367	848
EARNINGS BEFORE TAX		**11,222**	**3,756**	**18,515**	**5,881**	**8,557**	**2,731**	**16,285**	**4,956**
Income tax expense	15	(5,318)	(1,003)	(4,637)	(1,516)	(3,792)	(728)	(3,862)	(1,401)
Net Earnings from continued activities		**5,904**	**2,753**	**13,878**	**4,365**	**4,765**	**2,003**	**12,423**	**3,555**
NET EARNINGS FOR THE PERIOD		**5,904**	**2,753**	**13,878**	**4,365**	**4,765**	**2,003**	**12,423**	**3,555**
Other income recognized directly in Equity from:									
Foreign exchange differences from incorporation of foreign units		37	78	(10)	2	-	-	-	-
Expenses of capital increase		(16)	(3)	(11)	(6)	-	-	-	-
Income tax recognized directly in Equity		(136)	1	(130)	10	(139)	-	(141)	-
Other income for the period net of income tax		**(115)**	**76**	**(151)**	**6**	**(139)**	**-**	**(141)**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**5,789**	**2,829**	**13,727**	**4,371**	**4,626**	**2,003**	**12,282**	**3,555**

Net earnings attributed to:				
Shareholders of the parent from continued activities	5,697	2,765	13,524	4,403
Non-controlling interests from continued activities	207	(12)	354	(38)
	5,904	**2,753**	**13,878**	**4,365**
Total income attributed to:				
Shareholders of the parent from continued activities	5,582	2,840	13,374	4,370
Non-controlling interests from continued activities	207	(11)	353	1
	5,789	**2,829**	**13,727**	**4,371**
Earnings per share (in Euro)				
From continued activities attributed to shareholders of the parent	0.0528	0.0257	0.1243	0.0405
Average weighted number of shares	107,869,351	107,318,560	108,764,828	108,662,981
Basic				

The accompanying notes form an integral part of the financial statements

STATEMENT OF CASH FLOWS
30th SEPTEMBER 2010

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

	GROUP		COMPANY	
	1/1 - 30/9 2010	**1/1 - 30/9 2009**	**1/1 - 30/9 2010**	**1/1 - 30/9 2009**
Cash flow from operating activities				
Earnings for the period before tax	11,222	18,515	8,557	16,285
Adjustments for the agreement of net flows from operating activities				
Depreciation	6,748	6,686	3,439	3,442
Provisions	44	(361)	44	29
Interest and related income	(4,955)	(7,872)	(4,773)	(7,769)
Interest and other financial expenses	3,291	4,086	2,009	2,402
Results from participations and securities	-	-	-	(1,280)
Amortization of grants	(1,798)	(1,804)	(791)	(797)
Other adjustments	(114)	2	-	-
Operating profit before working capital changes	**14,438**	**19,252**	**8,485**	**12,312**
(Increase)/Decrease in:				
Inventories	113	18	114	19
Trade receivables	8,858	(4,899)	1,593	(11,735)
Prepayments and other short term receivables	(9,076)	(16,484)	(992)	(1,633)
Increase/(Decrease) in:				
Suppliers	5,589	5,866	1,162	6,585
Accruals and other short term liabilities	4,705	2,054	(3,328)	(208)
(Increase)/Decrease of other long term receivables and liabilities	(61)	18,219	(41)	7,825
Income tax payment	(2,174)	(5,755)	(1,145)	(4,979)
Net cash inflow from operating activities	**22,392**	**18,271**	**5,848**	**8,186**
Cash flow from investment activities:				
Purchases/Sales of tangible and intangible assets	(47,416)	(83,467)	(16,146)	(23,416)
Acquisitions of subsidiaries	(10,992)	-	-	-
Grants received	2,733	14,728	-	5,730
Interest and related income received	3,416	9,471	3,250	9,369
(Purchases)/sales of participations and securities	-	-	(26,634)	(11,568)
Cash outflows for investment activities	**(52,259)**	**(59,268)**	**(39,530)**	**(19,885)**

Cash flows from financial activities				
Purchase of Treasury Shares	(6,119)	(1,035)	(6,119)	(1,035)
Net change of long term loans	(7,019)	(6,019)	(2,930)	(2,195)
Net change of short term loans	6,617	40,574	-	(801)
Dividends paid	(7,329)	(6,600)	(7,329)	(6,600)
Interest paid	(4,295)	(5,703)	(1,628)	(2,486)
Cash outflows for financial activities	**(18,145)**	**21,217**	**(18,006)**	**(13,117)**
Effect of exchange rate changes on cash & cash equivalents	**23**	**-**	**-**	**-**
Net increase/(decrease) in cash	**(47,989)**	**(19,780)**	**(51,688)**	**(24,816)**
Cash & cash equivalents at the beginning of the period	244,837	290,886	233,561	283,139
Cash & cash equivalents at the end of the period	**196,848**	**271,106**	**181,873**	**258,323**

The accompanying notes form an integral part of the financial statements

TERNA ENERGY SA

STATEMENT OF CHANGES IN EQUITY

30th SEPTEMBER 2010

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

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
1 January 2009	**32,800**	**282,006**	**13,551**	**33,789**	**362,146**
Total comprehensive income for the period	-	-	-	12,282	**12,282**
Dividends	-	-	-	(7,333)	**(7,333)**
Purchase of Treasury Shares	-	-	(1,032)	-	**(1,032)**
Transfers other movements	-	-	2,591	(2,591)	**-**
30 September 2009	**32,800**	**282,006**	**15,110**	**36,147**	**366,063**
1 January 2010	**32,800**	**282,006**	**14,708**	**37,102**	**366,616**
Total comprehensive income for the period	-	-	-	4,626	**4,626**
Dividends	-	-	-	(7,325)	**(7,325)**
Purchase of Treasury Shares	-	-	(6,119)	-	**(6,119)**
Transfers other movements	-	-	2,793	(2,793)	**-**
30 September 2010	**32,800**	**282,006**	**11,382**	**31,610**	**357,798**

TERNA ENERGY GROUP
STATEMENT OF CHANGES IN EQUITY
30th SEPTEMBER 2010
(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 2009	**32,800**	**281,961**	**15,316**	**34,798**	**364,875**	**934**	**365,809**
Total comprehensive income / (losses) for the period	-	(11)	(9)	13,394	**13,374**	353	**13,727**
Purchase of Treasury Shares	-	-	(1,032)	-	**(1,032)**	-	**(1,032)**
Dividends	-	-	-	(7,333)	**(7,333)**	-	**(7,333)**
Transfers other movements	-	-	3,230	(3,230)	**-**	-	**-**
30 September 2009	**32,800**	**281,950**	**17,505**	**37,629**	**369,884**	**1,287**	**371,171**

TERNA ENERGY GROUP
STATEMENT OF CHANGES IN EQUITY
30th SEPTEMBER 2010
(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 2010	**32,800**	**281,930**	**17,269**	**39,812**	**371,811**	**1,405**	**373,216**
Total comprehensive income / (losses) for the period	-	(16)	37	5,561	**5,582**	207	**5,789**
Purchase of Treasury Shares	-	-	(6,119)	-	**(6,119)**	-	**(6,119)**
Dividends	-	-	-	(7,325)	**(7,325)**	-	**(7,325)**
Change from acquisition of stake in subsidiary	-	-	-	(44)	**(44)**	44	**-**
Transfers other movements	-	-	3,564	(3,568)	**(4)**	-	**(4)**
30 September 2010	**32,800**	**281,914**	**14,751**	**34,436**	**363,901**	**1,656**	**365,557**

1 ESTABLISHMENT & ACTIVITY OF THE COMPANY

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

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

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

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

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 individual and consolidated financial statements of the Parent Company and Group, have been prepared according to IFRS, as such have been adopted by the European Union and specifically according to the provisions of IAS 34 "Interim Financial Statements". The condensed interim financial statements should be read in conjunction with the annual financial statements of 31 December 2009.

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

c) New Standards, Interpretations and Amendments

The accounting principles applied for the preparation of the interim financial statements are the same with those applied for the preparation of the annual financial statements of the Company and the Group as of 31 December 2009, 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 adopted by the European Union. The application of those standards according to the International Accounting Standards Board (IASB) was compulsory for the period ended on 30 September 2010. Therefore, from 1 January 2010, the Group and the Company adopted certain new standards and amendments of standards as follows:

Standards and Interpretations mandatory for 2010

– Amendments to standards that are part of the IASB (International Accounting Standards Board) annual improvements plan published in May 2008. The application of all amendments issued is for 31 December 2009, with the following exception:

– Part I: IFRS 5 (Amendment) "Non-Current Assets Held for Sale and Discontinued Operations" (and subsequent amendments to IFRS 1 "First Adoption of International Financial Reporting Standards")

The amendment clarifies that all assets and liabilities of a subsidiary are classified as held for sale if a sales plan for partial distribution results in loss of its control and therefore the relevant disclosures must be made for the subsidiary given that the definition for a discontinued operation is met. The subsequent amendment to IFRS 1 defines that such amendments will be applied in the future from the transition date to IFRS.

This amendment will not affect the financial statements of the Group and Company during the presented period.

– IAS 27 (Amended) "Consolidated and Separate Financial Statements"

The amended IAS 27 requires that transaction that lead to changes in participation percentages in a subsidiary, be registered in equity. Moreover, the amended standard changes the accounting treatment for losses realized by a subsidiary as well as the loss of control in a subsidiary.

The approval of the amendments to IAS 27 entails amendments to international financial reporting standards (IFRS)1, IFRS 4, IFRS 5, IAS1, IAS 7, IAS 14, IAS 21, IAS 28, IAS 31, IAS 32, IAS 33, IAS 39 and interpretation 7 of the Standing Interpretation Committee (SIC) in order to ensure consistency between the international accounting standards.

– IAS 39 (Amendment) "Financial instruments: Recognition and Measurement"

The present amendment clarifies how the hedge accounting is used on the part of the financial instrument that corresponds to inflation and to options when such are used as hedging instruments.

This amendment does not apply to the financial statements of the Group and Company during the presented period.

– IFRS 1 (Replacement) "First implementation of I.F.R.S."

The restructured IFRS 1 replaces the existing IFRS 1, in order to facilitate the use of IFRS 1 and its amendment in the future. Moreover, the restructured IFRS 1 deletes from the standard several transitional guidances and it includes several less significant restatements. The effective requirements remain unchanged.

The specific amendment has no effect on the Company's and Group's financial statements as the Company has already made the transition to IFRS.

– IFRS 2 (Amendment) "Share Based Payments" – Vesting Conditions and Cancellations

The amendment clarifies the definition of "vesting conditions", with the introduction of the term "non-vesting conditions" for terms that do not constitute service of performance terms. It also clarifies that all cancellations either arising from the entity itself or from third parties, must have the same accounting treatment.

The amendment has no effect on the financial statements.

– IFRS 3 (Revised) "Business Combinations"

The revised IFRS 3 introduces a series of changes in the accounting treatment of business combinations that will affect:

a) The amount of goodwill that arises,

b) The results of the reported period during which the companies' acquisition takes place and

c) The future results.

Such changes include:

a) The registration in the results of expenses related to the acquisition and

b) The registration in the results of subsequent changes to the fair value of the potential price

The approval of revised IFRS 3 entails amendments to IFRS 1, IFRS 2, IFRS 7, to International Accounting Standards (IAS 12), IAS 16, IAS 28, IAS 32, IAS 33, IAS 34, IAS 36, IAS 37, IAS 38, IAS 39 and interpretation 9 of the International financial Reporting Interpretation Committee (IFRIC) in order to ensure consistency between the international accounting standards.

The amendment applies to the financial statements of the Group and Company during the presented period.

– IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

The interpretation applies to an economic entity that hedges the foreign exchange risk from a net investment in a foreign operation and meets the condition for accounting hedge according to IAS 39.

The interpretation provides guidance regarding the way in which an entity must define the amounts reclassified from equity to the results both for the hedge instrument and for the hedged item.

The interpretation does not apply to the Group's and Company's financial statements during the presented period, as the Group and Company do not apply accounting hedging for any investment in a foreign operation.

– IFRIC 17 "Distribution of Non-Cash assets to Owners"

The interpretation provides guidance on the accounting treatment of the following non-reciprocal distributions of assets from the economic entity to shareholders who act under their capacity as such: a) distribution of non-cash assets and b) distributions providing the option to shareholders of either non-cash assets or cash. Also several amendments were made to IFRS 5 and IAS 10.

This interpretation does not apply to the Group's and Company's financial statements during the presented period.

– IFRIC 18 "Transfers of assets from customers"

The interpretation clarifies the requirements of IFRS for the agreements under which the economic entity receives tangible assets from one customer, and subsequently it must use such assets to provide constant access to goods or services to the customer. In several cases, the economic entity receives cash from a customer that must be used only for the purchase or construction of the tangible asset.

Several amendments were also made to IFRS 1.

This interpretation does not apply to the Group's and Company's financial statements during the presented period.

– Amendments to standards that are part of the IASB (International Accounting Standards Board) 2009 annual improvement plan

The following amendments describe the most important changes introduced to IFRS as a result of the annual improvement plan of the IASB, which was released in April 2009. The following amendments apply for the present financial period.

Also, unless stated otherwise, the following amendments do not have a significant effect on the Group's financial statements.

IFRS 2 "Share-based Payments"

The amendment confirms that the contributions of a company for the establishment of a joint venture and the joint control transactions are exempt from the application scope of IFRS 2.

IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations"

The amendment clarifies disclosures required for non-current assets classified as held for sale or discontinued operations.

IFRS 8 "Operating Segments"

The amendment provides clarifications for the disclosure of information relating to the segment's assets.

IAS 1 "Presentation of Financial Statements"

The amendment provides clarification that the potential settlement of a liability with the issue of equity instruments is not relevant to its classification as current or non-current.

IAS 7 "Statement of Cash Flows"

The amendment requires that only expenses that lead to a recognized asset in the statement of financial position can be classified as investment activities.

IAS 17 "Leases"

The amendment provides clarification regarding the classification of land and building leases as finance or operating leases.

IAS 18 "Revenue"

The amendment provides additional guidance regarding the definition of whether an entity acts as a principal or agent.

IAS 36 "Impairment of Assets"

The amendment clarifies that the largest cash flow generating unit in which goodwill should be allocated for the purposes of an impairment review is an operating segment as defined by paragraph 5 of IFRS 8 (namely before the concentration – summation of segments).

IAS 38 "Intangible Assets"

The amendments clarify (a) the requirements according to IFRS 3 (revised) regarding the accounting treatment of intangible assets acquired in a business combination and (b) the description of valuation methods used broadly from entities during the fair value measurement of intangible assets acquired in a business combination that are not traded in active markets.

IAS 39 "Financial Instruments: Recognition and Measurement"

The amendments concern (a) clarifications regarding the treatment of penalties / fines from loan prepayments as closely related embedded derivatives, (b) the exemption scope for business combination contracts and (c) clarifications that profit or losses from a cash flow hedge of an expected transaction should be reclassified from equity to the results during the period when the hedged expected cash flow affects the results.

IFRIC 9 "Re-evaluation of Embedded Derivatives"

The amendment clarifies that IFRIC 9 does not apply in a possible re-evaluation, during the acquisition date, of embedded derivatives in contracts that were acquired in a business combination that concerns entities under joint control.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

The amendment mentions that in a hedge of a net investment in a foreign operation, appropriate hedging instruments may be held by any entity within the group, including the foreign entity itself, given that specific conditions are met.

Standards and Interpretations mandatory for financial statements beginning after 1 January 2010

Specific new standards, amendments of standards and interpretation that have been issued and are mandatory for accounting periods beginning during the present period or after. The Company's (and Group's) assessment regarding the effect from the application of the new standards, amendments and interpretations, is presented below.

– IFRS 9 "Financial instruments" (applied for annual accounting periods beginning on or after 1 January 2013)

IFRS 9 is the first part of the first phase in the plans of IASB (International Accounting Standards Board) to replace IAS 39. The IASB intends to extend IFRS 9 during 2010 in order to add new requirements for the classification and measurement of financial liabilities, the de-recognition of financial instruments, the impairment of value and hedge accounting. IFRS 9 defines that all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through the results, specific transaction costs. The subsequent measurement of financial assets takes place either at amortized cost or at fair value and depends on the business model of the economic entity regarding the management of financial assets and the contractual cash flows of the financial asset.

IFRS 9 does not permit reclassifications, except for rare occasions where the entity's business model changes, and in such a case the entity is required to reclassify the affected financial assets in the future. According to the principles of IFRS9, all investments in equity instruments must be measured at fair value. However, management has the option to present realized and unrealized profit and losses from fair value of equity instruments not held for commercial purposes in other comprehensive income. This definition is made during initial recognition for each financial instrument separately and cannot be changed. The fair value profit or losses are not subsequently transferred to the results, while income from dividends will continue to be recognized in the results. IFRS 9 repeals the exception of measurement at cost for non-listed shares and derivatives on non-listed shares, but it provides guidance for when the cost may be considered as a representative estimation of fair value. The Group is currently assessing the effect of IFRS 9 on its financial statements. The standard has not yet been adopted by the EU.

– IAS 24 (Amendment) "Related party disclosures" (applied for annual accounting periods beginning on or after 1 January 2011)

The present amendment attempts to relax the disclosures of transactions between government-related entities and to clarify the definition of a related party. Specifically, the obligation of government-related entities to disclose details of all transactions with the government and other government-related entities is repealed, the definition of a related party is clarified and simplified and the amendment also imposes the disclosure not only of the relationships, transactions and balances between related parties but also of the commitments both in the separate and in the consolidated financial statements. The Group will apply these changes from the day such are put in effect.

– IAS 32 (Amendment) "Financial instruments: Presentation"

Applied for annual accounting periods beginning on or after 1 February 2010.

The amendment to IAS 32 clarifies the accounting treatment of several options when the issued instruments are expressed in a currency other than the issuer's operational currency. If such instruments are distributed proportionately to existing shareholders of the issuer for a specific amount of cash, such must be classified as share capital, even if their exercise price is in a currency different than the issuer's operational currency. Specifically, the amendment concerns, rights, pre-emptive rights, options for the purchase of a specific number of equity instruments of the economic entity.
The amendment will not apply to the Company and Group.

– IFRS 1 (Amendment) "First implementation of international financial reporting standards" – disclosure on financial instruments (applied for annual accounting periods beginning on or after 1 July 2010)

The present amendment provides, for companies that apply IFRS for the first time, the same transition provisions that are included in the amendment of IFRS 7 as regards to the comparative information concerning disclosures of the new three-level hierarchy of fair value. The specific amendment will not affect the Group's financial statements as the Group has already made the transition to IFRS.

– IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (applied for annual accounting periods beginning on or after 1 July 2011)

The present amendment provides the disclosures for transferred financial assets that have not been fully de-recognized as well as for transferred financial assets that have been fully de-recognized but for which the Group has a continued involvement. It also provides guidance on the application of the required disclosures.

– IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (applied for annual accounting periods beginning on or after 1 January 2011)

The amendments apply to limited cases: when the entity is subject to a minimum funding requirement and proceeds with an advance payment of contributions to cover such requirements. The amendments allow such an entity to face the benefit from such an advance payment as an asset. The interpretation does not apply to the Group.

– IFRIC 19 "Extinguishing Financial Liabilities with equity instruments"

Applied for annual accounting periods beginning on or after 1 July 2010.
IFRIC 19 refers to the accounting treatment applied by the entity that issues equity instruments to a creditor, in order to settle, in full or in part, a financial liability. The interpretation does not apply to the Group.

– Amendments to standards that are part of the IASB (International Accounting Standards Board) annual improvement plan for 2010, were published in May 2010.

The effective dates for the amendments vary, however most apply for annual accounting periods beginning on or after 1 January 2011.
Such amendments are not expected to have a significant effect on the Group's financial statements.

IFRS 1 "First implementation of international financial reporting standards"

The amendments concern: (a) additional disclosures if an entity changes its accounting policies or the application of the exemption of IFRS 1 if it has already published interim financial information according to IAS 34. (b) exemptions when the readjustment base is used as "deemed cost", and (c) exemptions for entities that are subject to a special standard to use the book values as "deemed cost" for tangible or intangible assets according to the previous accounting standards financial statements.

IFRS 3 "Business Combinations"

The amendments provide additional clarification as regards to: (a) contingent consideration agreements that result from business combinations with acquisition dates prior to the application of IFRS 3 (2008), (b) the calculation of the non-controlling interest, and (c) the accounting treatment of share-based payments that are part of a business combination, including awards based on shares and that were not replaces or indirectly replaced.

IFRS 7 "Financial Instruments: Disclosures"

The amendments include multiple clarifications regarding the disclosures of financial instruments.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies that entities may present the analysis of the individual items in total comprehensive income either in the statement of changes in equity or in the notes.

IAS 27 "Consolidated and Separate Financial Statements"

The amendment clarifies that the amendments of IAS 21, IAS 28 and IAS 31 that emanate from the revision of IAS 27 (2008) must be applied in the future.

IFRS 34 "Interim Financial Reporting"

The amendment put the largest emphasis on the disclosure principles that must be applied in relation to significant events and transactions, including the changes regarding fair value measurements, as well as the need to update the relevant information from the most recent annual report.

IFRS 13 "Customer Loyalty Programs"

The amendment clarifies the definition of the term "fair value", in the context of the measurement of customer loyalty programs.

d) Approval of Financial Statements

The accompanying interim consolidated financial statements were approved by the Board of Directors of the Parent Company on November 26th 2010.

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 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.

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) Readjustment of investment property: The Group, in order to measure the value of its investment property, defines their fair value based on valuation reports prepared on its behalf by independent evaluators. For the interim financial statements, fair value results from independent appraiser reports only in cases where there are indications for significant changes in fair value and according to the financial significance.

3 SUMMARY OF KEY ACCOUNTING PRINCIPLES

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

a) Consolidation Basis

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

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

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

b) Investments in Associates

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

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

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

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

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

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

(i) Investments available for sale

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

(ii) Receivables and loans

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

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

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

(iv) Investments held to maturity

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

The current value of such investments that are traded in an organized exchange is derived by the exchange value of the investment at the closing date. As regards investments that are not traded in an active market, their fair value is calculated on the basis of relevant valuation techniques. These techniques are based on recent arm's-length investment transactions, with reference to the exchange value of another investment with characteristics similar to the investment valued, discounted cash-flow analysis and investment valuation models.

d) Financial Instruments and Risk Management

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

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

The Company's bank loans are denominated in euros and are subject to variable and fixed interest rates. The Company does not use derivative instruments in order to reduce its exposure to interest rate risk. The Management of the Company follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

- ***Fair Value***

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

- ***Credit Risk Concentration***

A substantial part of trade receivables in general relate to agencies and entities of the Public sector with which there is no credit risk, per se. Regarding receivables from the private sector, the Company policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within a amicable settlement context. Moreover the credit risk concentration with respect to receivables from the private sector is limited compared to the total amount of trade receivables due to the great dispersion of the balances.

- ***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 euros 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 balance sheet date all the balance sheet accounts of the subsidiaries are converted into euros 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 booked directly to equity. 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, 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 on the rights of use for land where Wind Parks are installed is accounted for, using the straight-line method over the duration of the contractual right for the production of energy (approximately 20 years), beginning from the period when each Wind Park starts operating. Amortization of software is accounted for based on the straight-line method over 3 years. The amortization of all the aforementioned items is included in the income statement.

g) Income recognition

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

(i) Income from construction activities

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

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

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

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

(ii) Sale of goods

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

(iii) Revenue from the sale of Electric Energy

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

(iv) Rent Revenue

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

(v) Dividends

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

(vi) Interest

Interest income is recognized on an accruals basis.

h) Tangible Fixed Assets

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

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

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

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

i) Depreciation

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

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

j) Impairment of the Value of Fixed Assets

The book values of long-term asset items 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 acquisition value. 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 balance sheet date 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.

For the compilation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above, while time deposits that mature in more than three months are excluded.

o) Long-term loan liabilities

All long-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 are valued at the net book value using the effective interest rate method.

The net book value is calculated after taking into account the issuance expenses and the differences between the initial amount and the amount at maturity. Profits and losses are registered in the net profit or loss when the liabilities are written off or impaired and through the amortization procedure. The interest on loans is recognized as an expense in the period such arise according to the accrual principle.

p) Provisions for Staff Retirement Indemnities

According to the provisions of L2112/20, the Group reimburses its retiring or dismissed employees, and the amount of the relevant indemnities depends on the years of service, the level of wages and the reason for exit from employment (dismissal or retirement). The liabilities for staff retirement indemnities are calculated using the discounted value of future benefits that have accrued at the end of the year, based on the recognition of the employees' benefit rights during the duration of their expected working years. The above liabilities are calculated based on the financial and actuarial assumptions and are defined using the projected unit method of actuarial valuation. Net retirement costs for the period are included in the attached income statement and consist of the present value of benefits that have accrued during the year, the interest on the benefits' liability, the cost of prior service, the actuarial profit or loss and any other additional retirement costs. The prior service costs are recognized on a straight-line basis over the average period during which access to the program's benefits is earned. The liabilities for retirement benefits are not financed. As at the 1st of January 2004 (transition date to IFRS and compilation of initial Balance Sheet) the Group, applying the exemptions provided for by IFRS 1 for the first-time application of the IFRS, recognized the total actuarial losses that had accumulated as of the 1st of January 2004. During the compilation of subsequent financial statements TERNA, applying the general provisions of IAS 19, followed the "margin" method for the recognition of accumulated actuarial losses/profits.

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

q) Government Pension Plans

The staff of the Group is mainly covered by the main Government Social Security Fund for the private sector (IKA) and which provides pension and medical-pharmaceutical benefits. Each employee is required to contribute part of his/her monthly salary to the fund, while part of the total contribution is covered by the Group.

At the time of retirement, the pension fund is responsible for the payment of retirement benefits to the employees. Consequently, the Group has no legal or constructive obligation for the payment of future benefits according to this plan.

r) Income Tax (Current and Deferred)

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

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

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

The deferred tax assets are estimated on each balance sheet date 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 on the balance sheet date.

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

s) Finance and Operating Leases

Finance leases, which essentially transfer to the Group all the risks and returns related to the leased fixed asset, are capitalized during the inception of the lease based on the leased asset's fair value or, if it is lower, on the present value of the minimal leases. Payments for finance leases are allocated between the financial expenses and the reduction of the financing liability, in order to achieve a fixed interest rate on the remaining portion of the liability. The financial expenses are debited directly to the results. Capitalized leased fixed assets are depreciated with the straight-line method based on the estimated useful life of the asset.

Leases where the lessor maintains all the risks and returns related to ownership of the fixed asset, are recorded as operating leases. The payments of operating leases are recognized as an expense in the income statement on a constant basis for the duration of the lease.

t) Government Grants

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

u) Provisions, Contingent Liabilities and Contingent Receivables

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each balance sheet date 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, at balance sheet date, of the estimated cost, reduced by the estimated residual value of recoverable materials. The provisions are re-examined on each balance sheet date 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.

(Amounts in thousand Euro, unless stated otherwise)

Diluted earnings per share are calculated by dividing the net earnings attributed to shareholders of the parent (after deducting the interest on convertible shares, after taxes) by the weighted average number of shares outstanding during the year (adjusted for the effect of diluted convertible shares).

4 GROUP STRUCTURE

The participations in subsidiaries, associates and joint ventures on 30.9.2010 are as follows:

A) Subsidiaries of TERNA ENERGY SA

i) Subsidiaries, with the legal form of a Societe 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	**Establishment**	**30/9/2010**	**31/12/2009**	**Activity**	**Tax Un-audited Years**
1. IWECO CHONOS LASITHIOU CRETE SA	11.04.2000	100%	100%	Production of El. Energy from Renewable energy sources (RES)	2
2. ENERGIAKI SERVOUNIOU SA	01.02.2001	100%	100%	Production of El. Energy from RES	3
3. TERNA ENERGY EVROU SA	01.02.2001	100%	100%	Production of El. Energy from RES	3
4. PPC RENEWABLES – TERNA ENERGY S.A.	20.06.2000	51%	51%	Production of El. Energy from RES	4
5. AIOLIKI PANORAMATOS S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
6. AIOLIKI RACHOULAS DERVENOCHORION S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
7. ENERGEIAKI DERVENOHORION S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
8. AIOLIKI MALEA LAKONIAS S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
9. ENERGEIAKI FERRON EVROU S.A	01.02.2001	100%	100%	Production of El. Energy from RES	3
10. AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
11. ENERGEIAKI PELOPONNISOU S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3
12. ENERGEIAKI NEAPOLEOS LAKONIAS S.A.	01.02.2001	100%	100%	Production of El. Energy from RES	3

(Amounts in thousand Euro, unless stated otherwise)

13. AIOLIKI ILIOKASTROU S.A.	26.4.2010	100%	100%	Production of El. Energy from RES	7
14. EUROWIND S.A.	24.8.2010	100%	-	Production of El. Energy from RES	1
15. ENERGIAKI XIROVOUNIOU S.A.	14.02.2001	100%	100%	Production of El. Energy from RES	3
16. GP ENERGY LTD	26.09.2005	100%	100%	Trade of El. Energy	5
17. EOL TECHNICS CONSULT SRL	03.04.2008	100%	100%	Production of El. Energy from RES	2
18.TERNA ENERGY OVERSEAS LTD	4.1.2008	100%	100%	Production of El. Energy from RES	2
19. EOLOS POLSKA SPZO	30.6.2008	100%	100%	Production of El. Energy from RES	2
20 EOLOS NOWOGRODZEC SPZOO	12.12.2008	61%	61%	Production of El. Energy from RES	2
21. TERNA ENERGY NETHERLANDS BV	29.5.2009	100%	100%	Production of El. Energy from RES	1
22. HAOS INVEST 1 EAD	30.3.2010	100%	-	Production of El. Energy from RES	1
23. VALUE PLUS LTD	4.1.2010	100%	-	Trade of El. Energy Equipment	1
24. GALLETTE LTD	24.8.2010	100%	-	Holdings	2
25. AIOLOS LUX S.A.R.L	1.7.2010	100%	-	Holdings	2
26.ECO ENERGY DOBRICH 2 EOOD	1.7.2010	100%	-	Production of El. Energy from RES	1
27.ECO ENERGY DOBRICH 3 EOOD	1.7.2010	100%	-	Production of El. Energy from RES	1
28.ECO ENERGY DOBRICH 4 EOOD	1.7.2010	100%	-	Production of El. Energy from RES	1

1. On 4.1.2010 the company VALUE PLUS LTD, which is based in Cyprus, was established. The objective of the company is the trade of electric energy equipment and support of foreign investments.
2. On 30.3.2010 the total shares of the company HAOS INVEST 1 EAD, which is based in Bulgaria, were acquired. The basic activity of the latter company is the construction and management of renewable energy sources (See also note 7).
3. On 23.4.2010 the Group acquired control of the company AIOLIKI ILIOKASTROU S.A., the basic activity of which is the construction and management of renewable energy sources (See also note 7).
4. On 24.8.2010 the Group acquired control of the company GALLETTE L.T.D., which is based in Cyprus and its basic business activity is the participation in companies with activities in construction and management of renewable energy sources (See also note 7).

(Amounts in thousand Euro, unless stated otherwise)

5. On 1.7.2010 100% of the shares of AIOLOS LUX S.A.R.L., which is based in Luxembourg, were acquired, while the latter's basic business activity is the participation in companies with activities in construction and management of renewable energy sources (See also note 7).
6. Through the above no. 4 and 5 acquisitions, the Group acquired 100% of the shares of the company EUROWIND S.A. EUROWIND S.A. is based in Greece and its basic business activity is the construction and management of renewable energy sources (See also note 7).
7. On 1.7.2010 the company acquired the total shares of the companies ECO ENERGY DOBRICH 2 EOOD, ECO ENERGY DOBRICH 3 EOOD and ECO ENERGY DOBRICH 4 EOOD, which are based in Bulgaria and whose basic business activity is the construction and management of renewable energy sources. (See also note 7)
8. During the 3rd quarter of 2010 the Athens Prefecture approved the transformation of the company ENERGIAKI XIROVOUNIOU S.A. from a general partnership to a société anonyme company according to the provisions of L.2166/1993.

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

		Participation Percentage			
Company Name	**Establishment**	**30/9/2010**	**31/12/2009**	**Activity**	**Tax Un-audited Years**
1. TERNA ENERGY SA & SIA AIOLIKI POLYKASTROU GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
2. TERNA ENERGY SA & SIA ENERGEIAKI VELANIDION LAKONIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
3. TERNA ENERGY SA & SIA ENERGEIAKI DYSTION EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
4. TERNA ENERGY SA & SIA AIOLIKI PASTRA ATTICA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
5. TERNA ENERGY SA & SIA AIOLIKI KARYSTIAS EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
6. TERNA ENERGY SA & SIA ENERGEIAKI ARI SAPPON GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
7. TERNA ENERGY SA & SIA AIOLIKI EASTERN GREECE GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
8. TERNA ENERGY SA & SIA AIOLIKI MARMARIOU EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3

(Amounts in thousand Euro, unless stated otherwise)

9. TERNA ENERGY SA & SIA ENERGEIAKI PETRION EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
10. TERNA ENERGY SA & SIA AIOLIKI ROKANI DERVENOCHORION GP	01.02.2001	99%	99%	Production of El. Energy from RES	3
11. TERNA ENERGY SA & SIA ENERGEIAKI STYRON EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
12. TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIA GP	01.02.2001	100%	100%	Production of El. Energy from RES	3
13. TERNA ENERGY SA & SIA AIOLIKI PROVATA TRAIANOUPOLEOS	01.02.2001	100%	100%	Production of El. Energy from RES	3

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

ι) Joint ventures

	Company Name	Participation Percentage 2010 and 2009 %	Tax un-audited fiscal years
1	J/V ENVAGELISMOU, PROJECT C'	50.00	7
2	J/V TERNA ENERGY – TSAMPR. DRAMAS HOSPITAL	40.00	7
3	J/V EPL DRAMAS	24.00	7
4	J/V K. MANIOTIS - TERNA - TERNA ENERGY	37.50	7
5	J/V/ EMBEDOS – PANTECHNIKI - TERNA ENERGY	50.10	3
6	J/V THEMELI - TERNA ENERGY - TERNA SA IMPREGILO SPA	40.00	3
7	J/V EKTER - TERNA - ATHONIKI SA	31.00	3
8	J/V/ KL. ROUTSIS - TERNA ENERGY ABETE	50.00	3

During the 3rd quarter of 2010 the joint venture TRAM POLITICAL ENGINEER WORKS was resolved and liquidated due to the completion of the undertaken project and its final delivery. No loss resulted from the liquidation of the aforementioned Joint Venture.

(Amounts in thousand Euro, unless stated otherwise)

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

		Participation Percentage			
Company Name	**Establishment**	**30/6/2010**	**31/12/2009**	**Activity**	**Tax Un-audited Years**
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	3
TERNA ENERGY SA & SIA LP	24.05.2000	70%	70%	Completion of construction works of section Kakavia – Kalpaki	3

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

All aforementioned companies and joint ventures have been established in Greece, except for GP ENERGY LTD and HAOS INVEST 1EAD, ECO ENERGY DOBRICH 2, ECO ENERGY DOBRICH 3 and ECO ENERGY DOBRICH 4 which have been established in Bulgaria, EOL TECHICHS CONSULT SRL established in Romania, TERNA ENERGY OVERSEAS LTD, VALUE PLUS LTD and GALLETTE LTD established in Cyprus, EOLOS POLSKA Spzoo and EOLOS NOWOGRODZEC Spzoo, which were established in Poland, TERNA ENERGY NETHERLANDS, which was established in Holland and AIOLOS LUX S.A.R.L. that was established in Luxembourg.

C) Associates of TERNA ENERGY SA

Company Name	**Domicile**	**Participation Percentage% 2010**	**2009**	**Consolidation Method**	**Tax un-audited fiscal years**
Renewable Energy Center RES Cyclades SA *	Greece	45	45	Equity	4
EN.ER.MEL. S.A.	Greece	48	-	Equity	1

* Participation through IWECO CHONOS LASITHIOU CRETE S.A.

During the 3rd quarter of 2010 the Company acquired, through the participation in the share capital increase, 48% of the shares of the company EN. ER.MEL S.A. (See also Note 7)

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

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

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

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

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

(Amounts in thousand Euro, unless stated otherwise)

Business segments 30.9.2010	**Construction**	**Electricity from renewable energy sources**	**Consolidation Write-offs**	**Total Consolidated**
Income from external customers				
Sales of products	-	23,603		**23,603**
Income from construction services	19,184	-		**19,184**
Total income from external customers	**19,184**	**23,603**		**42,787**
Inter-segment income	4,692		(4,692)	-
Total income	**23,876**	**23,603**	**(4,692)**	**42,787**
Net Results per Segment	**598**	**5,306**		**5,904**
Depreciations	(110)	(6,638)		**(6,748)**
Amortization of grants	-	1,798		**1,798**
Net financial results	(210)	1,874		**1,664**
Foreign exchange differences	-	115		**115**
Income tax	(678)	(4,640)		**(5,318)**
Earnings before interest, taxes, depreciation & amortization (EBITDA)	**1,596**	**12,797**		**14,393**
Earnings before interest and taxes (EBIT)	**1,486**	**7,957**		**9,443**
Segment assets	19,019	611,224		**630,243**
Investments in associates	-	3,499		**3,499**
Total Assets	**19,019**	**614,723**		**633,742**
Segment liabilities	**11,238**	**256,947**		**268,185**
Capital expenditure	53	61,080		**61,133**

(Amounts in thousand Euro, unless stated otherwise)

Business segments 30.9.2009	**Construction**	**Electricity from renewable energy sources**	**Consolidation Write-offs**	**Total Consolidated**
Income from external customers				
Sales of products	-	22,828		22,828
Income from construction services	28,628	-		28,628
Total income from external customers	28,628	22,828		51,456
Inter-segment income	3,856		(3,856)	-
Total income	32,484	22,828	**(3,856)**	51,456
Net Results per Segment	**3,254**	**10,624**		**13,878**
Depreciations	(102)	(6,584)		**(6,686)**
Amortization of grants	-	1,804		**1,804**
Net financial results	(242)	4,028		**3,786**
Income tax	(1,196)	(3,441)		**(4,637)**
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**4,794**	**14,817**		**19,611**
Earnings before interest and taxes (EBIT)	**4,692**	**10,037**		**14,729**
Segment assets	26,431	610,941		**637,372**
Investments in associates	-	51		**51**
Total Assets	**26,431**	**610,992**		**637,423**
Segment liabilities	**13,781**	**252,471**		**266,252**
Capital expenditure	35	84,252		**84,287**

(Amounts in thousand Euro, unless stated otherwise)

6 FIXED ASSETS (intangible and tangible)

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

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
Net book value January 1st	**342,594**	**240,392**	**111,541**	**88,294**
Additions for the period	61,133	84,287	16,146	23,416
Depreciation and other movements for the period	(6,748)	(6,642)	(3,439)	(3,442)
Net book value September 30th	**396,979**	**318,037**	**124,248**	**108,268**

From the total value of the Group's fixed assets on 30/9/2010, an amount of € 244,233 refers to Assets under Construction and Prepayments for Acquisition of Fixed Assets, while an amount of € 15,926 refers to Intangible Fixed Assets.

7 ACQUISITIONS OF COMPANIES

1. On 30 March 2010, 100% of the shares of the company HAOS INVEST 1 EAD, which is based in Bulgaria, were acquired. The business activity of the acquired company is the construction and management of renewable energy sources. The acquisition cost amounted to 3,271 thousand euro.
2. During 2009, the Company proceeded with signing an agreement for the acquisition of 100% of the shares of AIOLIKI ILIOKASTROU SA. The agreement was subject to the fulfillment of a series of conditions. The transaction was completed on 23.4.2010. AIOLIKI ILIIOKASTROU S.A. is included in the Group's consolidated financial statements from the latter date and after. The acquisition cost amounted to 3,000 thousand euro.
3. During 2009 the Company signed an agreement for the acquisition of 100% of the shares of GALLETTE LTD. The agreement was subject to the condition that a series of conditions were met. The transaction was concluded on 24.8.2010. GALLETTE LTD is included in the Group's consolidated financial statements from the aforementioned date and after. The acquisition cost amounted to 4,050 thousand euro. The company GALLETTE LTD owns 50% of the shares of EUROWIND S.A.
4. On 1 July 2010 100% of the shares of AIOLOS LUX S.A.R.L., which is based in Luxembourg, were acquired. The company AIOLOS LUX owns 50% of the company EUROWIND S.A. The acquisition cost amounted to 1,150 thousand euro.
5. Through the above no. 3 and 4 acquisitions, the Company acquired 100% of the shares of the company EUROWIND S.A.
6. On 1 July 2010 the company acquired 100% of the shares of ECO ENERGY DOBRICH 2 EOOD, which is based in Bulgaria. The business activity of the acquired company is the construction and management of renewable energy sources. The acquisition cost amounted to 500 thousand euro.

(Amounts in thousand Euro, unless stated otherwise)

7. On 1 July 2010 the company acquired 100% of the shares of ECO ENERGY DOBRICH 3 EOOD, which is based in Bulgaria. The business activity of the acquired company is the construction and management of renewable energy sources. The acquisition cost amounted to 500 thousand euro.
8. On 1 July 2010 the company acquired 100% of the shares of ECO ENERGY DOBRICH 4 EOOD, which is based in Bulgaria. The business activity of the acquired company is the construction and management of renewable energy sources. The acquisition cost amounted to 700 thousand euro.

The Group registers the above acquisitions in its accounting books as acquisition of assets according to par. 3 and B7-B12 of IFRS 3 "Business Combinations". Specifically during the acquisition dates the basic asset of the above subsidiaries were the licenses such held, while no construction activity for wind parks had begun. The acquired assets do not constitute a "company" according to the definition of IFRS 3 as the subsidiaries did not own the installations and procedures that would allow them to produce product – electric energy. Therefore, the total consideration paid was allocated to the assets acquired as follows:

	HAOS INVEST 1 EAD	AIOLIKI ILIOKASTROU S.A.	GALLETE LTD	AIOLOS LUX	ECO ENERGY DOBRICH 2 EOOD	ECO ENERGY DOBRICH 3 EOOD	ECO ENERGY DOBRICH 4 EOOD
Fixed assets	3,254	2,989	4,018	1,191	500	500	700
Receivables	13	11	54	54	-	-	-
Cash & cash equivalents	4	-	-	-	-	-	-
Liabilities	-	-	(22)	(95)	-	-	-
Net assets	3,271	3,000	4,050	1,150	500	500	700

Also, on 28/7/2010 the Company acquired, through its participation in the share capital increase, 48% of the shares of EN.ER.MEL. S.A. The business activity of the company is the construction and management of renewable energy sources electricity production. The total price of the Company's participation in the aforementioned share capital increase amounted to 2,200. This acquisition resulted in substantial influence on the latter company and thus the participation was recognized as an associate.

Information on the net assets acquired and goodwill are as followed:

Transferred consideration (paid)	2,200
Temporary Fair value of net recognizable assets	1,056
Goodwill	1,144

In the Statement of Financial Position the above goodwill is included in the associate's value.
Following the completion of the acquisition, the Company participated in a share capital increase of EN.ER.MEL S.A. amounting to 1,248.

(Amounts in thousand Euro, unless stated otherwise)

8 CAPITAL

During the period 1/1-30/09/2010, as during the period 1/1-30/09/2009, the number of shares and their nominal value remained unchanged.
The share capital is fully paid up.

The total number of shares on 30/09/10 amounts to 109,333,400 from which 2,228,384 are owned by the Company (treasury shares).

9 DIVIDENDS

The Annual Ordinary Shareholders' Meeting of the Company on 12 May 2010 approved the dividend payment from earnings of 2009, amounting to € 7,325 thousand, which was paid in full during the first half of 2010.

10 LOANS

The summary movement of the group's and company's short-term and long-term debt on 30/09/2010 and 30/09/2009, was as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
Balance January 1st	**190,078**	**155,245**	**49,769**	**58,998**
New debt	12,670	61,023	1,464	-
Repayment of loans	(12,225)	(26,468)	(4,013)	(3,080)
Balance September 30th	**190,523**	**189,800**	**47,220**	**55,918**

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

11 PROVISIONS

The movement of the group's and company's provisions on 30/09/2010 and 30/09/2009 is summarized as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
Balance January 1st	**1,317**	**1,193**	**778**	**658**
Additional provisions charged in the results of the period	2,274	31	1,859	29
Used provisions	(86)	(57)	(86)	(57)
Transfers	-	97	-	-
Balance September 30th	**3,505**	**1,264**	**2,551**	**630**

(Amounts in thousand Euro, unless stated otherwise)

During the 2nd quarter of 2010 a provision was made according to Law 3845/2010 regarding a "Windfall Tax" amounting to € 2,229 for the Group and € 1,815 for the Company (also see Note 15).

12 GRANTS

The movement of the group's and company's grants on 30/09/2010 and 30/09/2009, is summarized as follows:

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
Balance January 1st	**50,796**	**48,614**	**19,777**	**18,824**
Approval of grants	-	4,580	-	2,008
Transfer of the period's proportion to the results	(1,798)	(1,804)	(791)	(797)
Balance September 30th	**48,998**	**51,390**	**18,986**	**20,035**

13 OTHER INCOME/EXPENSES

The analysis of other income/expenses on 30 September 2010, which are of extraordinary nature, is presented in the following table:

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
Amortization of grants	1,798	1,804	791	797
Income from leasing of machinery	9	30	9	30
Income from lease of property	53	53	53	53
Income from Dividends	-	-	-	1,520
Other income	263	763	19	324
Other expenses	(53)	(106)	(1)	(5)
Total	**2,070**	**2,544**	**871**	**2,719**

14 PERSONNEL

The average number of the Group's full time employees during the first nine-months of 2010 settled at 145 (versus 114 employees in the first nine-months of 2009).

15 INCOME TAX

The expense for income tax is recorded based on the best estimation of the management regarding the weighted average tax rate for the year.

In May 2010 the law (L. 3845/2010) regarding the "Extraordinary one-off Social Responsibility Contribution" (windfall tax) was passed. According to the provisions of article 5 of the above law, a Windfall Tax amounting to € 2,229 for the Group and € 1,815 for the Company was imposed retrospectively on the total net earnings of 2009. The aforementioned amounts were recorded in the current tax expenses of the Group and Company respectively.

(Amounts in thousand Euro, unless stated otherwise)

The weighted tax rate for 30/09/2010, without the surcharge of the Windfall Tax, corresponded to 27.52% for the Group and 23.10% for the Company.

16 TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the period 01/01-30/09/2010 and 01/01-30/09/2009 as well as the balances of receivables and liabilities that have emerged from those transactions at 30/09/2010 and 31/12/2009 are as follows:

Period 1/1-30/9/2010	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	3,217	-	3,513	-
Joint Ventures	-	-	-	-	-	-	676	360
Parent	-	-	-	-	-	83	-	-
Other related parties	5,150	9,847	3,036	4,484	5,150	8,618	1,836	4,312
Basic senior executives	-	1,087	-	-	-	694	-	-

Period 1/1-30/9/2009. 31/12/2009	**GROUP**				**COMPANY**			
Related party	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**	**Sales**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	-	-	-	-	667	1,054	268	1,351
Joint Ventures	-	-	-	-	-	-	793	360
Parent	-	-	-	-	-	-	-	-
Other related parties	3,101	4,268	3,097	2,856	3,101	4,223	302	440
Basic senior executives	-	938	-	14	-	616	-	-

17 SIGNIFICANT EVENTS DURING THE PERIOD

- In March 2010, the license was issued for the installation of a 30 MW Wind Park at the Viotia Prefecture.
- In March 2010, construction began for a Wind Park in Poland, with a capacity of 20 MW, and for a Wind Park in Bulgaria with a capacity of 18MW.
- In April 2010 the license was issued for the installation of an 18 MW Wind Par at the Argolida Prefecture.

- In June 2010 the construction process was initiated for a Wind Park in Poland, with a capacity of 12 MW.
- In July 2010 the license was issued for the installation of two Wind Parks at the Evia Prefecture, with a capacity of 10.2 MW each.
- In August 2010 the license was issued for the installation of a 17.85 MW Wind Park at the Dodecanese Prefecture.
- During the 3rd Quarter of 2010 production licenses were issued for Photovoltaic Parks, with a total capacity of 17.95 MW.
- In September 2010 production licenses were issued for Small Hydroelectric Projects (SHP) with a total capacity of 17.5 MW.
- On June 29th 2010 a construction agreement was signed between TERNA ENERGY SA and the Public Power Corporation S.A. (PPC S.A.) for the project "Design, procurement of equipment and construction of a closed type GIS hydroelectric station of 150KV at the production station of South Rhodes", with a contractual value of 8,619,000 euro, which is expected to be completed by the beginning of 2012.
- The total backlog of construction projects towards third parties on 30/09/2010 amounts to €56 million.

18 SIGNIFICANT EVENTS AFTER THE PREPARATION DATE OF THE STATEMENT OF FINANCIAL POSITION

- In October 2010 production licenses were issued for Small Hydroelectric Projects (SHP) with a total capacity of 15.4 MW.
- In October 2010 licenses were acquired for two Wind Parks in Poland, with capacity of 8 MW and 16 MW.
- In October 2010 the Company established the subsidiary "DELTA AXIOU ENERGY S.A.". The basic activity of the newly established subsidiary is the design, construction, organization, management and exploitation of a Thermal Electricity Co-production Station with use of biogas as fuel.
- On November 2nd 2010 a construction agreement was signed between TERNA ENERGY SA and the Special Service of Public Works/Large Projects of Western Greece, for the project "Construction of Igoumenitsa – Preveza Road, improvement by sections, Subsections 4: Karteri - Gerakari – Parga from K.M. 0+000 to K.M. 14+937.2" with a contractual value of 20,756,316 euro, which is expected to be completed by the end of 2013.

19 CONTINGENT LIABILITIES

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

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

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN, & MANAGING DIRECTOR
PERDIKARIS GEORGIOS	MARAGOUDAKIS EMMANUEL
THE CHIEF FINANCIAL OFFICER	THE HEAD ACCOUNTANT
DIMOPOULOS KONSTANTINOS	MANAVERIS NIKOLAOS

DATA AND INFORMATION FOR THE PERIOD 1.1-30.9. 2010

TERNA ENERGY

TERNA ENERGY SA

S.A. Reg. No.318/06/B/86/28

85 Mesogeion Ave., 11526 Athens Greece

DATA AND INFORMATION FOR THE PERIOD FROM 1/1/2010 TO 30/09/2010

According to Decision No. 4/507/28.4.2009 issued by the Board of Directors of the Hellenic Capital Market Commission

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

COMPANY INFORMATION

Appropriate Prefecture:	Ministry of Development, General Secretariat of Commerce, General Division of domestic Commerce, S.A. and Credit Department, Division A.
Board of Directors Composition:	Chairman: Georgios Perdikaris Vice-Chairman & Managing Director: Emmanuel Maragoudakis, Members: Panagiotis Pothos, Michael Gourzis, Georgios Spyrou, Theodoros Tagas, Grigoris Charalambopoulos (non-executive member), Aristeidis Dasis, Nikolaos Kalamaras (independent non-executive members)
Approval Date of the Interim Financial Statements (from which the condensed data were derived) :	26 November 2010
Company website:	www.terna-energy.gr
Type of audit report: Un-audited interim financial statement	

STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro

(Consolidated & non-consolidated data)	GROUP 30/9/2010	GROUP 31/12/2009	COMPANY 30/9/2010	COMPANY 31/12/2009
ASSETS				
Self used tangible fixed assets	381.053	340.820	122.721	110.552
Investment property	923	923	923	923
Intangible assets	15.926	1.774	1.527	989
Other non-current assets	4.127	1.504	98.284	72.428
Inventories	423	536	130	244
Trade receivables	17.157	24.663	28.098	29.691
Cash & cash equivalents	196.848	244.837	181.873	233.561
Other current assets	17.285	25.398	11.309	8.267
TOTAL ASSETS	**633.742**	**640.455**	**444.865**	**456.655**
EQUITY & LIABILITIES				
Share capital	32.800	32.800	32.800	32.800
Other items of Shareholders' Equity	331.101	339.011	324.998	333.816
Total Shareholders' Equity (a)	**363.901**	**371.811**	**357.798**	**366.616**
Non-controlling interests (b)	1.656	1.405	0	0
Total Equity (c)=(a)+(b)	**365.557**	**373.216**	**357.798**	**366.616**
Long-term bank liabilities	60.590	67.646	33.740	36.707
Provisions/Other-long-term liabilities	54.249	52.951	22.216	20.555
Short-term bank liabilities	129.933	122.432	13.480	13.062
Other-short-term liabilities	23.413	24.210	17.631	19.715
Total liabilities (d)	**268.185**	**267.239**	**87.067**	**90.039**
TOTAL EQUITY & LIABILITIES (c)+(d)	**633.742**	**640.455**	**444.865**	**456.655**

STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro

(Consolidated & non-consolidated data)	GROUP 1/1-30/9/2010	GROUP 1/7-30/9/2010	GROUP 1/1-30/9/2009	GROUP 1/7-30/9/2009	COMPANY 1/1-30/9/2010	COMPANY 1/7-30/9/2010	COMPANY 1/1-30/9/2009	COMPANY 1/7-30/9/2009
Turnover	42.787	13.995	51.456	22.566	37.169	13.023	45.640	20.070
Gross profit / (losses)	15.127	4.705	17.851	6.377	10.495	3.416	13.587	5.364
Earnings/(Loss) before interest and tax (EBIT)	9.558	3.120	14.729	5.497	5.793	1.753	10.918	4.108
Earnings/(Loss) before tax	11.222	3.756	18.515	5.881	8.557	2.731	16.285	4.956
Earnings/(Loss) after tax (A)	5.904	2.753	13.878	4.365	4.765	2.003	12.423	3.555
Allocated to:								
Company Shareholders	5.697	2.765	13.524	4.403				
Minority Shareholders	207	(12)	354	(38)				
	5.904	2.753	13.878	4.365				
Other comprehensive income after taxes (B)	(115)	76	(151)	6	(139)	0	(141)	0
Total comprehensive income after taxes (A+B)	5.789	2.829	13.727	4.371	4.626	2.003	12.282	3.555
Allocated to:								
Company Shareholders	5.582	2.840	13.728	4.370				
Minority Shareholders	207	(11)	(1)	1				
	5.789	2.829	13.727	4.371				
Earnings/(Losses) after tax per share - basic (in €)	0,0528	0,0257	0,1243	0,0405	0,0441	0,0186	0,1142	0,0327
Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA)	**14.394**	**4.789**	**19.611**	**7.135**	**8.441**	**2.645**	**13.563**	**5.007**

STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro

(Consolidated & non-consolidated data)	GROUP 30/9/2010	GROUP 30/9/2009	COMPANY 30/9/2010	COMPANY 30/9/2009
Total equity at beginning of period (1/1/2010 and 1/1/2009)	373.216	365.809	366.616	362.146
Total comprehensive income after taxes	5.789	13.727	4.626	12.282
Purchases / (sales) of treasury shares	(6.119)	(1.032)	(6.119)	(1.032)
Dividends	(7.325)	(7.333)	(7.325)	(7.333)
Transfers - other movements	(4)	0	0	0
Total equity at end of period (30/9/2010 and 30/9/2009)	**365.557**	**371.171**	**357.798**	**366.063**

STATEMENT OF CASH FLOWS (indirect method)

Amounts in thousand euro

(Consolidated & non-consolidated data)	GROUP 1/1-30/9/2010	GROUP 1/1-30/9/2009	COMPANY 1/1-30/9/2010	COMPANY 1/1-30/9/2009
Operating activities				
Profit before tax	11.222	18.515	8.557	16.285
Plus/less adjustments for:				
Depreciation	6.748	6.686	3.439	3.442
Provisions	44	(361)	44	29
Interest income and related income	(4.955)	(7.872)	(4.773)	(7.769)
Interest expenses and related expenses	3.291	4.086	2.009	2.402
Results from participations and securities	0	0	0	(1.280)
Amortization of grants	(1.798)	(1.804)	(791)	(797)
Other adjustments	(114)	2	0	0
Operating profit before changes in working capital	**14.438**	**19.252**	**8.485**	**12.312**
Plus/Less adjustments for working capital account movements or movements related to operating activities:				
Decrease / (increase) in inventories	113	18	114	19
Decrease / (increase) in receivables	(218)	(21.383)	601	(13.368)
(Decrease) / increase in liabilities (other than to banks)	10.233	26.139	(2.207)	14.202
(Less):				
Taxes paid	(2.174)	(5.755)	(1.145)	(4.979)
Total inflows / (outflows) from operating activities (a)	22.392	18.271	5.848	8.186
Investing activities				
Purchases of tangible & intangible assets	(47.416)	(83.467)	(16.146)	(23.416)
Acquisition of subsidiaries	(10.992)	0	0	0
Collection of grants	2.733	14.728	0	5.730
Interest received	3.416	9.471	3.250	9.369
(Purchases)/sales of participations and securities	0	0	(26.634)	(11.568)
Total inflows / (outflows) from investing activities (b)	(52.259)	(59.268)	(39.530)	(19.885)
Financing activities				
Purchases of treasury shares	(6.119)	(1.035)	(6.119)	(1.035)
Net change in long-term loans	(7.019)	(6.019)	(2.930)	(2.195)
Net change in short-term loans	6.617	40.574	0	(801)
Dividends paid	(7.329)	(6.600)	(7.329)	(6.600)
Interest paid	(4.295)	(5.703)	(1.628)	(2.486)
Total inflows / (outflows) from financing activities (c)	(18.145)	21.217	(18.006)	(13.117)
Effect of FX differences on cash equivalents (d)	23	0	0	0
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c) + (d)	**(47.989)**	**(19.780)**	**(51.688)**	**(24.816)**
Cash and cash equivalents at the beginning of the period	**244.837**	**290.886**	**233.561**	**283.139**
Cash and cash equivalents at the end of the period	**196.848**	**271.106**	**181.873**	**258.323**

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 31/12/09 have been followed.

3. The group during the present period employed **145** individuals. For the respective period of 2009 the group employed **114** individuals.

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

5.Claims to cancel the planned installation of the Wind Park of the subsidiary "AIOLIKI PANORAMATOS DERVENOCHORION SA" are pending before the Council of State. The hearing of the case took place in November 2009, and until it issues its decision, the Council of State has ordered the postponement of construction activities for the 17 of the 40 wind generators under construction. Reference to such is also made in Note No 19 of the financial statements.

6. Earnings per share were calculated based on the weighted average number of shares.

7. The financial statements of the group are included in the consolidated financial statements of GEK TERNA SA, consolidated with the full consolidation method. The aforementioned parent company is registered in Greece and on 30/9/2010 owned 48.63% of the company's share capital.

8.The amounts of sales and purchases (goods and services) cumulatively from the beginning of the financial period, as well as the balances of receivables and liabilities of the company at the end of the present 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	5.150	8.367
b) Purchases of goods and services	9.847	8.701
c) Receivables	3.036	6.025
d) Liabilities	4.484	4.672
e) Transactions & remuneration of BoD and executives	1.087	694
f) Receivables from BoD members and executives	0	0
g) Liabilities to BoD members and executives	0	0

9. The provisions of the company and group are analyzed in detail in note 11 of the semi-annual financial report, as follows:

	GROUP	COMPANY
Provision for unaudited tax years	91	80
Other provisions	3.695	2.742

10. The names, domiciles, participation percentages and consolidation method of companies and joint ventures that were consolidated in the financial statements of 30/09/2010 are mentioned in detail in Note 4 of the financial statements.

11. During 30 September 2010 the following companies were incorporated with the full consolidation method in the consolidated financial statements compared to the respective period of the previous year: VALUE PLUS LTD (established on 4.1.2010), HAOS INVEST 1 EAD (acquired on 30.3.2010), Aioliki Iliokastrou S.A. (acquisition completed on 23.4.2010), GALLETTE L.T.D (acquisition completed on 24.8.2010), AIOLOS LUX S.A.R.L. (acquired on 1.7.2010), ECO ENERGY DOBRICH 2 EOOD (acquired on 1.7.2010), ECO ENERGY DOBRICH 3 EOOD (acquired on 1.7.2010), ECO ENERGY DOBRICH 4 EOOD (acquired on 1.7.2010). The companies GALLETTE L.T.D and AIOLOS LUX S.A.R.L. each own 50% of the shares of the company EUROWIND S.A., namely 100% of the latter's shares. Also, on 28/7/2010 the company acquired, through participating in the share capital increase 48% of the shares of the company EN.ER.MEL. S.A. which was incorporated with the equity method in the consolidated financial statements, compared to the respective period of the previous year.
12. The number of treasury shares owned by the company on September 30th 2010 corresponded to 2,228,384 shares with a total acquisition cost of 9,165,268.82€.
13. The amounts and nature of other comprehensive income/(expenses) after taxes, are analyzed as follows:

	GROUP	COMPANY
Income tax recognized directly in equity	(136)	(139)
Foreign exchange differences from conversion of incorporated foreign operation	37	0
Expenses for share capital increase of subsidiary	(16)	0
	(115)	(139)

14. No sector or company has ceased operations.

Athens, 26/11/2010

THE CHAIRMAN OF THE BOARD	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE HEAD ACCOUNTANT
GEORGIOS PERDIKARIS ID No.: X 516918	EMMANUEL MARAGOUDAKIS ID No:AB 986527	KONSTANTINOS DIMOPOULOS ID No:AI 028273	NIKOLAOS MANAVERIS ID No.:AE 567798 License Reg. No. A' CLASS 9674