

TERNA ENERGY – PRESENTATION OF 9M 2010 FINANCIAL RESULTS

Sales	Ch%	EBITDA	Ch%	PBT	Ch%	Net Income	Ch%
42.7	-16.8	14.3	-26.6	11.2	-39.3	5.6	-57.8

Changes% refer to the equivalent period last year/Amounts in million euros-consolidated - Under IFRS

- ⇒ **9 winds parks (173 MW) in total started construction since the beginning of 2010 (+24 MW in the past 3 months) compared to a total 74 MW within FY 2009**
- ⇒ **424 MW is now in operation or under construction (263.5 MW under construction and 161.5 MW operating – 12.5 MW started operation recently)**
- ⇒ **CAPEX in 9M 2010 reached €58.4 million –a total of €259 million has already been spent for the under construction RES installations - The company still has a net cash position (€6.3 million)**
- ⇒ **Increased energy sales (+3.3%) due to higher tariffs but energy EBITDA (-13,6%) burdened by higher expenses compared to last year in the effort to expand outside Greece – 2.3 million one off taxation in the period**
- ⇒ **Load factors reached c27% for 9M 10 (c24% in Q3 10)**

FINANCIAL OVERVIEW

million €	SALES			EBITDA			EBIT			NET INCOME bm		
	9M 10	9M 09	Ch%	9M 10	9M 09	Ch%	9M 10	9M 09	Ch%	9M 10	9M 09	Ch%
<i>Segments</i>												
Energy	23.6	22.8	+3.3	12.7	14.8	-13.6	7.9	10	-20.7	5.3	10.6	-50
Construction	19.1	28.6	-32.9	1.6	4.8	-68	1.4	4.6	-68.3	0.5	3.2	-84
Total	42.7	51.4	-16.8	14.3	19.6	-26.6	9.4	14.7	-35.8	5.8	13.8	-57.9

- **Total Sales** decreased by 16.8% compared to 9M 09, reaching €42.7 million from €51.4 million in 9M 09, due to lower construction sales for third parties. Energy sales stood at €23.6 million, up 3.3% compared to €22.8 million in 9M 09. Construction sales for third parties stood at €19.1 million, down 32.9% compared to 9M 2009.
- **EBITDA** reached €14.3 million, decreasing by 26.6% compared to 9M 2009, due to both lower construction profitability for third parties and increased overheads in the energy division attributed to the expansion outside Greece. EBITDA coming from Renewables stood at €2.7 million, down 13.6% compared to €4.8 million in 9M 2009. The respective margin stood at c54%, burdened by increased (relatively to its energy turnover) costs related to its expansion effort both in Greece and outside Greece. EBITDA from construction stood at €1.6 million, down 68% compared to €4.8 million in 9M 2009. The construction margin stood at 8.3% in 9M 10.
- **Net income after minorities** reached €5.6 million, decreased by 57.8% compared to 9M 09, affected by €2.2 million one off taxation, lower construction profits and lower financial income this year.
- **Operating cash flow before WC changes** reached €14.4 million in 9M 10 compared to €19.2 million in 9M 09, a decrease mostly attributed to lower construction profitability.
- **Operating cash flow after WC changes** reached €2.3 million compared to €18.2 million in 9M 09, due to improved WC management in construction.
- **Net cash at 30/09/10** amounted to c€6.3 million, compared to c€22.7 million at the end of Q2 10. It is underlined that c€259 million have already been spent for the under construction RES installations.
- **CAPEX** reached c€8.4 million in 9M10, reflecting the start of construction of new wind parks in the period.

Main operations - results & outlook

The Group currently operates in Greece 10 wind farms (154.5 MW) and 1 small hydro (6.6 MW). 177.5 MW are under construction in Greece (168 MW wind, 8.5 MW hydro and 1 solar MW). 86 MW are under construction outside Greece, in Eastern Europe (56 MW in Poland and 30 MW in Bulgaria).

A total of 173 MW started construction within 2010 (87 MW in Greece, 56 MW in Poland and 30 MW in Bulgaria), compared to a total of 74 MW in FY 2009. The average load factor of wind farms stood at c26% in 9M 10 (24% in Q3 – exceptionally weak quarter). The expected long term average load factor for the company's wind parks is 30%.

In Construction business, backlog for third parties reaches €56 million, consisting of specialized, mostly electromechanical projects. It is worth underlying that the construction division of TERNA ENERGY mainly executes the construction of the company's own wind parks.

In Greece, it is expected that a total of more than 500 MW will be in operation or under construction by the end of 2010-beginning 2011. Outside Greece, it is expected that by the end of next year (2011), 100-150 MW will be in operation or under construction (Eastern Europe).

PROFIT & LOSS – 9M 2010				
	1/1 - 30/09	1/1 - 30/09	1/07 - 30/10	1/07 - 30/09
	2010	2009	2010	2009
Continuing Operations				
Net Sales	42.787	51.456	13.995	22.566
Cost of goods sold	(27.660)	(33.605)	(9.290)	(16.189)
Gross Profit	15.127	17.851	4.705	6.377
Administration Expenses	(5.063)	(3.869)	(1.409)	(948)
RnD Expenses	(2.576)	(1.797)	(1.038)	(554)
Other Income/expenses	2.070	2.544	862	622
Operating results	9.558	14.729	3.120	5.497
Net Financial Income/Expenses	1.664	3.786	636	384
Pre tax profit	11.222	18.515	3.756	5.881
Taxes	(5.318)	(4.637)	(1.003)	(1.516)
Net Profit from continuing operations	5.904	13.878	2.753	4.365
Other income recognized directly in Equity from:				
Foreign exchange differences from incorporation of foreign units	37	(10)	78	2
Expenses of subsidiary's capital increase	(16)	(11)	(3)	(6)
Income tax recognized directly in Equity	(136)	(130)	1	10
Other income/expenses for the period net of income tax	(115)	(151)	76	6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5.789	13.727	2.829	4.371
Net results attributed to:				
Shareholders of the parent from continued activities	5.697	13.524	2.765	4.403
Minority interest from continued activities	207	354	(12)	38
Total income attributed to:				
Shareholders of the parent from continued activities	5.582	13.373	2.840	4.370
Minority interest from continued activities	207	354	(11)	1
Earnings per share (in Euro)				
From continued activities attributed to shareholders of the parent	0.0528	0.1243	0.0257	0.0405
Average weighted number of shares	107.869.351	108.764.828	107.318.560	108.662.981

TERNA ENERGY - Consolidated Balance Sheet – 9M 2010			
	30.09.2010		31.12.2009
ASSETS			
Fixed assets	381.053		340.820
Real estate investments	923		923
Intangible assets	15.926		1.774
Participations and other long-term financial assets	4.127		1.504
Inventories	423		536
Trade receivables	17.157		24.663
Other current assets	17.285		25.398
Cash & cash equivalents	196.848		244.837
TOTAL ASSETS	633.742		640.455
LIABILITIES AND EQUITY			
Share capital	32.800		32.800
Other equity	331.101		339.011
Total shareholders' equity	363.901		371.811
Minority interests	1.656		1.405
Total Equity	365.557		373.216
Long term bank debt	60.590		67.646
Provisions/ Other L/T Liabilities	54.249		52.951
Short term bank debt	129.933		122.432
Other S/T Liabilities	23.413		24.210
TOTAL LIABILITIES	268.185		267.239
TOTAL LIABILITIES AND EQUITY (a) + (b)	633.742		640.455

Contact: Mr Aristotelis Spiliotis, tel 0030-210-6968431, email: tspiliotis@terna-energy.gr