

TERNA ENERGY – PRESENTATION OF H1 2010 FINANCIAL RESULTS

Sales	Ch%	EBITDA	Ch%	PBT	Ch%	Net Income	Ch%
28.7	-	9.8	-12.4	7.4	-40.9	2.9	-67.8

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

- ⇒ **8 winds parks (149 MW) in total started construction since the beginning of 2010 (62 MW in the past 3 months) compared to a total 74 MW within FY 2009 – 400 MW is now in operation or under construction (252 MW under construction and 149 MW operating)**
- ⇒ **CAPEX in H1 2010 reached € 47.1 million (€16.2 m in Q2 10) –a total of €239 million has already been spent for the under construction RES installations**
- ⇒ **Increased energy sales (+9.4%) due to higher tariffs but energy EBITDA (-3.2%) burdened by higher expenses compared to last year in the effort to expand outside Greece – 2.3 million one off taxation in the quarter**
- ⇒ **Wind load factors reached c27% for H1 10 (c22% in Q2 10)**

FINANCIAL OVERVIEW

million €	SALES			EBITDA			EBIT			NET INCOME		
	H1 10	H1 09	Ch%	H1 10	H1 09	Ch%	H1 10	H1 09	Ch%	H1 10	H1 09	Ch%
<i>Segments</i>												
Energy	16.4	15	9.3	8.9	9.2	-3.2	5.7	6.1	-6.5	2.7	6.2	-56.4
Construction	12.3	13.8	-10.8	0.8	3.2	-74.7	0.7	3.1	-77.4	0.2	2.9	-93.1
Total	28.7	28.8	-	9.7	12.4	-21.7	6.4	9.2	-30.4	2.9	9.1	-67.8

- **Total Sales** remained flat compared to H1 09, reaching €28.7 million from €28.8 million in H1 09. Higher energy sales were offset by lower construction for third parties. Energy sales stood at €16.4 million, up 9.4% compared to €15 million in H1 09. Construction sales for third parties stood at €12.3 million, down 9.6% compared to H1 2009.
- **EBITDA** reached €9.8 million, decreasing by 21.6% compared to H1 2009, mostly due to lower construction profitability for third parties. EBITDA coming from Renewables stood at €8.9 million, down 3.2% compared to €9.2 million in H1 2009. The respective margin stood at c55%, while the mid term margin is expected at c80%, since the company currently carries increased (relatively to its energy turnover) costs related to its expansion effort both in Greece and outside Greece. EBITDA from construction stood at €0.8 million, down 75% compared to €3.2 million in H1 2009. The construction margin stood at 6.5% in H1 10.
- **Net income after minorities** reached €2.9 million, decreased by 67.8% compared to H1 09, affected by €2.3 million one off taxation, lower construction profits and lower financial income this year.
- **Operating cash flow before WC changes** reached €9.8 million in H1 10 compared to €12 million in H1 09, a decrease mostly attributed to lower construction profitability
- **Operating cash flow after WC changes** reached €25.4 million compared to €15 million in H1 09, due to improved WC management in construction.

- **Net cash at 30/06/10** amounted to c€22.7 million, compared to c€29.5 million at the end of Q1 10. It is underlined that c€39 million have already been spent for the under construction RES installations.
- **CAPEX** reached c€49 million in H110, reflecting the start of construction of new wind parks in the period.

Main operations - results & outlook

The Group currently operates in Greece 9 wind farms (142 MW) and 1 small hydro (6.6 MW). 190 MW are under construction in Greece (180.5 MW wind, 8.5 MW hydro and 1 solar MW). 62 MW are under construction outside Greece, in Eastern Europe (32 MW in Poland and 30 MW in Bulgaria).

A total of 149 MW started construction within 2010 (87 MW in Greece, 32 MW in Poland and 30 MW in Bulgaria), compared to 74 MW in FY 2009. The average load factor of wind farms stood at c27% in H1 09 (22% in Q2 – traditionally weak quarter). The expected long term average load factor for wind parks is 30%.

In Construction business, backlog for third parties reaches €63 million, consisting of specialized, mostly electromechanical projects. It is worth underlying that the construction division of TERNA ENERGY also 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. Outside Greece, it is expected that 100-150 MW will be in operation or under construction by the end of 2011 (Eastern Europe).

PROFIT & LOSS – H1 2010				
	1/1 - 30/06	1/1 - 30/06	1/04 - 30/06	1/04 - 30/06
	2010	2009	2010	2009
Continuing Operations				
Net Sales	28.792	28.890	12.680	14.380
Cost of goods sold	(18.370)	(17.416)	(8686)	(9.433)
Gross Profit	10.422	11.474	3.994	4.947
Administration Expenses	(3.654)	(2.921)	(2.140)	(1.971)
RnD Expenses	(1.538)	(1.243)	(1.243)	(599)
Other Income/expenses	1.208	1.922	368	885
Operating results	6.438	9.232	1.151	3.262
Net Financial Income/Expenses	1.028	3.402	576	1.132
Pre tax profit	7.466	12.634	1.727	4.394
Taxes	(4.315)	(3.121)	(3.034)	(1.066)
Net Profit from continuing operations	3.151	9.513	(1.307)	3.328
Other income recognized directly in Equity from:				
Foreign exchange differences from incorporation of foreign units	(41)	(12)	(50)	5
Expenses of subsidiary's capital increase	(13)	(5)	(6)	-
Income tax recognized directly in Equity	(137)	(140)	1	-
Other income/expenses for the period net of income tax	(191)	(157)	(55)	5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2.960	9.356	(1.362)	3.333
Net results attributed to:				
Shareholders of the parent from continued activities	2.932	9.121	(1.390)	3.227
Minority interest from continued activities	219	392	392	101
Total income attributed to:				
Shareholders of the parent from continued activities	2.742	8.965	(1.445)	3.232
Minority interest from continued activities	218	391	83	101
Earnings per share (in Euro)				
From continued activities attributed to shareholders of the parent	0.0271	9.356	(0.0128)	0.0297
Average weighted number of shares	108.149.311	108.814.380	107.894.280	108.770.944

TERNA ENERGY - Consolidated Balance Sheet – H1 2010			
	30.06.2010		31.12.2009
ASSETS			
Fixed assets	377.811		340.820
Real estate investments	923		923
Intangible assets	8.988		1.774
Participations and other long-term financial assets	757		1.504
Inventories	423		536
Trade receivables	13.861		24.663
Other current assets	21.216		25.398
Cash & cash equivalents	214.529		244.837
TOTAL ASSETS	638.508		640.455
LIABILITIES AND EQUITY			
Share capital	32.800		32.800
Other equity	329.857		339.011
Total shareholders' equity	362.657		371.811
Minority interests	1.624		1.405
Total Equity	364.281		373.216
Long term bank debt	62.484		67.646
Provisions/ Other L/T Liabilities	54.094		52.951
Short term bank debt	129.328		122.432
Other S/T Liabilities	28.321		24.210
TOTAL LIABILITIES	274.227		267.239
TOTAL LIABILITIES AND EQUITY (a) + (b)	638.508		640.455

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