



**Q1 2011 Results**  
**TERNA ENERGY**

## Highlights

| Sales | Ch% | EBITDA | Ch%   | PBT | Ch%   | Net Income | Ch% |
|-------|-----|--------|-------|-----|-------|------------|-----|
| 13,1  | -18 | 5,7    | -14,1 | 3,8 | -33,3 | 2,5        | -40 |

### Developments



New installation licences obtained (Greece): 69 MW wind + 8 MW PV



New RES installations in operation: 12 MW wind (Poland) + 8,5 MW mini Hydro (Greece) – Installed capacity now reaches 202 MW



Total installed, under construction or ready to build capacity: 678 MW



Wind Load factor (LF) at 27% (29,3% including mini Hydro) – poor wind in Q1 but Q2 LF is strong based on preliminary April and May data



CAPEX at €45 million in Q1 2011



c€290 million already spent for under construction RES installations

# Portfolio

## Diversified portfolio of RES projects

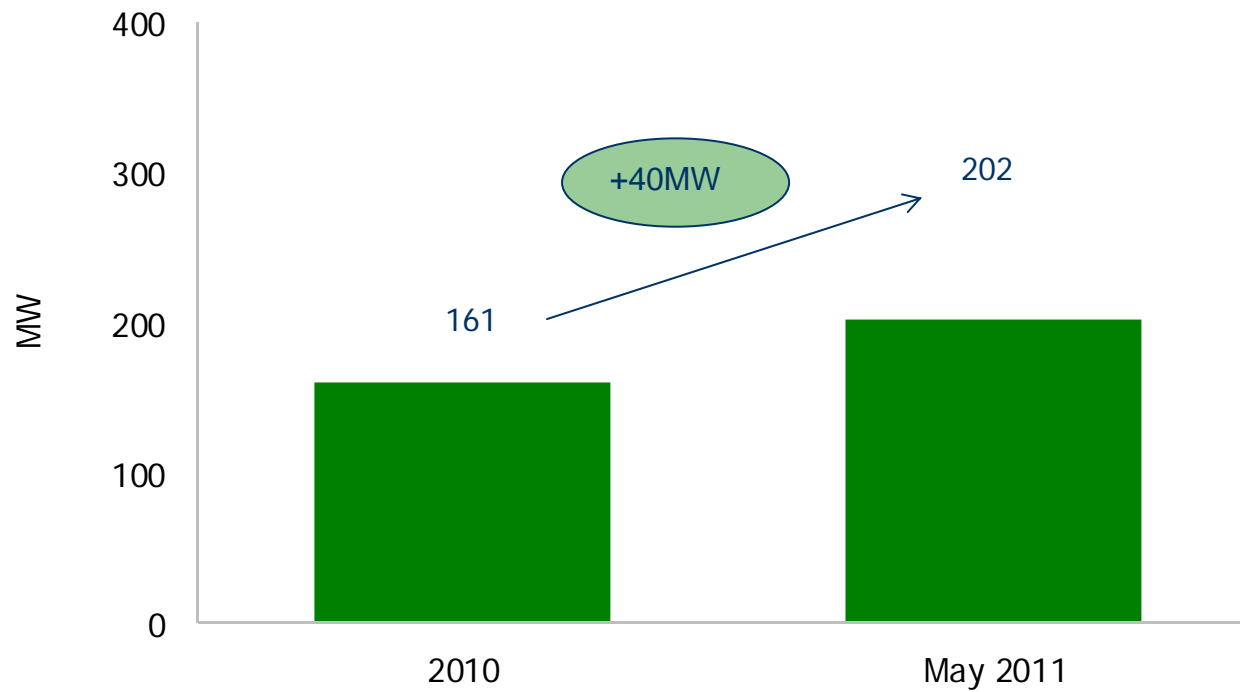
## Expansion outside Greece

| Status                                      |   | Wind (MW)          | SHPS & Pump Storage (MW) | P/V (MW) | Biomass & Co-generation (MW) |
|---|---|--------------------|--------------------------|----------|------------------------------|
| In operation                                | <i>Greece 169.5</i><br><i>Poland 32</i>                                       | 186.5              | 15                       |          |                              |
| Under construction<br>(or ready to built)   | <i>Greece 245</i><br><i>Bulgaria 30</i><br><i>Poland 24</i><br><i>USA 178</i> | 468.5              |                          | 9        |                              |
| With production licence                     |   | 1.563              | 112                      | 18       |                              |
| Application for production<br>license filed |   | 3.691 <sup>1</sup> | 1.510                    | 3        | 19                           |

Note1: gross MW (on a net MW basis equivalent to 3.401 MW)

## New installations YtD

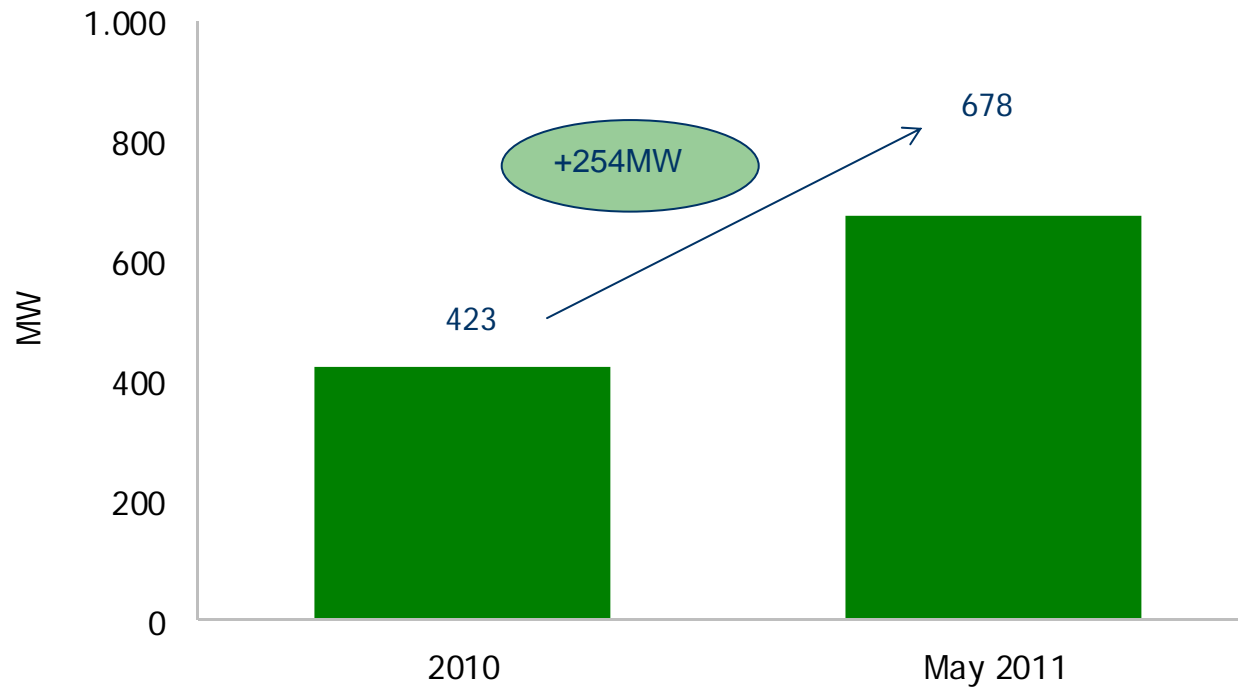
8,5 MW mini hydro + 32 MW wind installed (Year to Date) –  
Total 40,5 MW



## New permits YtD

New permits obtained YtD:  
178 MW wind in US +69 MW wind in Greece (St George islet) + 8 PV (Greece) – Total 254 MW

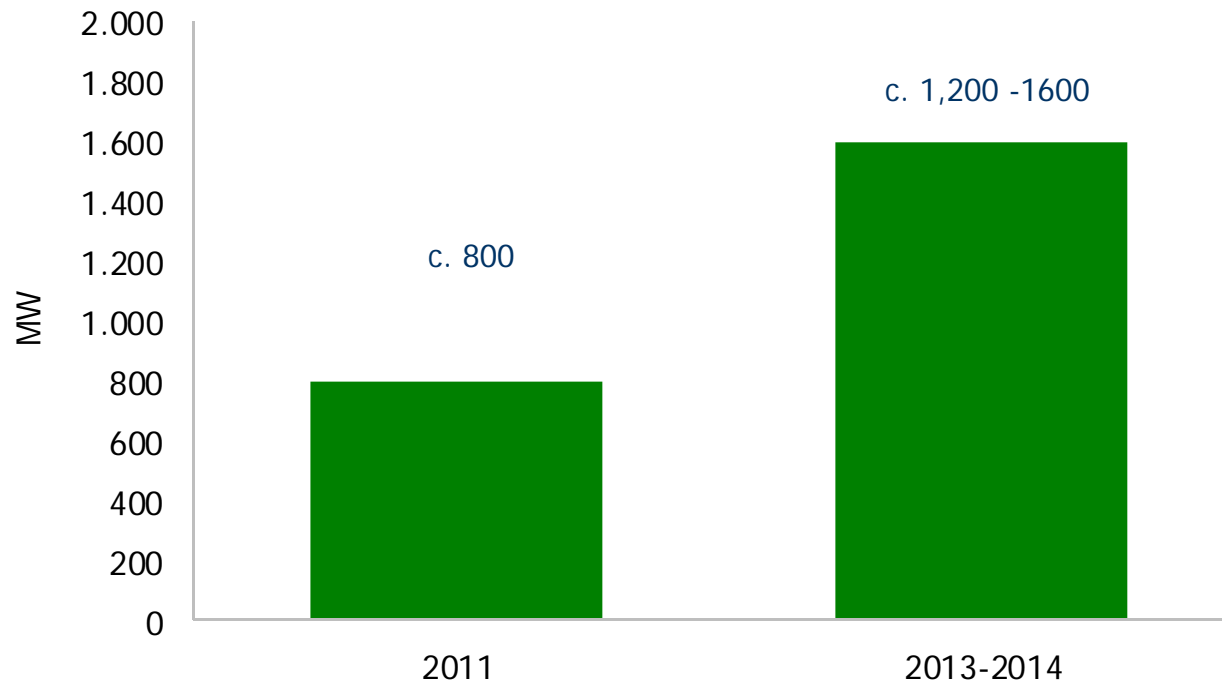
### Installed or under construction capacity



## Wind projects: business plan roll-out

Current RES in operation or under construction: 678 MW

Targeted installed or under construction capacity at year end



## Strategy

Targeting more than 0.8 GW installed or at late stages of construction in Greece by 2013-2014

Diversify geographically in selected RES markets (mainly Eastern Europe & US) targeting 0.4-0.8GW installed or at late stage of construction by 2013-2014

## Segments – Results

| million €           | SALES       |             |            | EBITDA     |            |              | EBIT       |          |              | NET INCOME bm |            |              |
|---------------------|-------------|-------------|------------|------------|------------|--------------|------------|----------|--------------|---------------|------------|--------------|
|                     | Q1 11       | Q1 10       | Ch%        | Q1 11      | Q1 10      | Ch%          | Q1 11      | Q1 10    | Ch%          | Q1 11         | Q1 10      | Ch%          |
| <b>Segments</b>     |             |             |            |            |            |              |            |          |              |               |            |              |
| <b>Energy</b>       | 9,4         | 10          | -5,6       | 5,6        | 6,3        | -5,7         | 3,7        | 4,7      | -20,8        | 3             | 4,2        | -28,5        |
| <b>Construction</b> | 3,6         | 6           | -38,8      | 0,1        | 0,3        | -70          | 0,08       | 0,3      | -77,5        | -0,1          | 0,1        | -            |
| <b>Total</b>        | <b>13,1</b> | <b>16,1</b> | <b>-18</b> | <b>5,7</b> | <b>6,7</b> | <b>-14,1</b> | <b>3,8</b> | <b>5</b> | <b>-24,9</b> | <b>2,9</b>    | <b>4,4</b> | <b>-35,1</b> |

Energy results impacted with holding (expansionary) costs, resulting to consolidated EBITDA margin at 59,5% – on a project level, EBITDA margin reaches 80% - gradually, consolidated EBITDA will be similar to project EBITDA

Construction for third parties significance is decreased – when the under construction RES capacity gets into operation, the contribution of this segment to results will be minor



## Load Factor

Average Load Factor at 30,6%

| Load Factor  | Q1 2011 | Q1 2010 |
|--|---------|---------|
| <b>Market</b><br>source:DESMIE   | 24,7%   | 27,7%   |
| <b>Terna Energy Wind</b><br>excluding 12,5MW at testing period in Q1 11 and<br>6,6 MW mini Hydro | 28,1%   | 34,1%   |
| <b>Terna Energy</b><br>Including 6,6 MW Mini Hydro   | 30,6%   | 35,2%   |

Preliminary wind data for April and May 2011 indicate strong 2<sup>nd</sup> quarter  
(wind load factor at 34,7% on April)

# Key BS items

| € million  | Q1 2011 | FY 2010 |
|--|---------|---------|
| Net Debt   | 70      | 9,6     |
| <b>NET DEBT is impacted with c€290 million spent for the under construction RES (476 MW)</b> |         |         |

## Key CF items

| € million  | Q1 2011 | Q1 2010 |
|--|---------|---------|
| <b>Operating Cash Flow<br/>(before WC changes)</b>                               | 6,2     | 6,7     |
| <b>The OCF corresponds to c160 MW –c40 MW were installed after the end of Q1</b> |         |         |

| € million                     | Q1 2011 | Q1 2010 |
|-------------------------------|---------|---------|
| <b>CAPEX</b>                  | 45      | 31      |
| <b>Accelerated CAPEX pace</b> |         |         |

# **APPENDIX**

Financial Data

## Profit & Loss

| PROFIT & LOSS Q1 2011  |                     |                     |
|--|---------------------|---------------------|
|  | 1/1 - 31/03<br>2011 | 1/1 - 31/03<br>2010 |
| Continuing Operations  |                     |                     |
| Net Sales  | 13.197              | 16.112              |
| Cost of goods sold   | (7.938)             | (9.684)             |
| Gross Profit   | 5.259               | 6.428               |
| Administration Expenses  | (1.796)             | (1.514)             |
| RnD Expenses   | (649)               | (467)               |
| Other Income/expenses  | 610                 | 840                 |
| Operating results  | 3.424               | 5.287               |
| Net Financial Income/Expenses                                      | 403                 | 452                 |
| Pre tax profit   | 3.827               | 5.739               |
| Taxes  | (935)               | (1.281)             |
| Net Profit from continuing operations                              | 2.892               | 4.458               |
| Other income recognized directly in Equity from:                   |                     |                     |
| Foreign exchange differences from incorporation of foreign units   | (118)               | 9                   |
| Expenses of subsidiary's capital increase                          | (2)                 | (7)                 |
| Income tax recognized directly in Equity                           | -                   | (138)               |
| Other income/expenses for the period net of income tax             | (120)               | (136)               |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                   | <b>2.772</b>        | <b>4.322</b>        |
| Net results attributed to:   |                     |                     |
| Shareholders of the parent from continued activities               | 2.590               | 4.322               |
| Minority interest from continued activities                        | 302                 | 136                 |
| Total income attributed to:  |                     |                     |
| Shareholders of the parent from continued activities               | 2.470               | 4.187               |
| Minority interest from continued activities                        | 302                 | 135                 |
| Earnings per share (in Euro)                                       |                     |                     |
| From continued activities attributed to shareholders of the parent | 0,02454             | 0,0398              |
| Average weighted number of shares                                  | 105.542.952         | 108.411.413         |

## Balance Sheet

| <b>BALANCE SHEET – Q1 2011</b>                      |                |  |                |
|---|----------------|--|----------------|
|   | 31.03.2011     |  | 31.12.2010     |
| <b><u>ASSETS</u></b>                                |                |  |                |
| Fixed assets  | 445.230        |  | 417.194        |
| Real estate investments                             | 923            |  | 923            |
| Intangible assets                                   | 32.425         |  | 17.930         |
| Participations and other long-term financial assets | 12.585         |  | 4.089          |
| Inventories   | 1.767          |  | 2.196          |
| Trade receivables                                   | 20.950         |  | 17.966         |
| Other current assets                                | 33.053         |  | 27.448         |
| Cash & cash equivalents                             | 159.147        |  | 192.873        |
| <b>TOTAL ASSETS</b>                                 | <b>706.080</b> |  | <b>680.619</b> |
| <b><u>LIABILITIES AND EQUITY</u></b>                |                |  |                |
| Share capital                                       | 32.800         |  | 32.800         |
| Other equity  | 331.499        |  | 331.098        |
| Total shareholders' equity                          | 364.299        |  | 363.898        |
| Minority interests                                  | 2.905          |  | 2.603          |
| Total Equity  | 367.204        |  | 366.501        |
| Long term bank debt                                 | 61.309         |  | 63.204         |
| Provisions/ Other L/T Liabilities                   | 63.668         |  | 63.914         |
| Short term bank debt                                | 155.726        |  | 126.848        |
| Other S/T Liabilities                               | 58.173         |  | 60.152         |
| <b>TOTAL LIABILITIES</b>                            | <b>338.876</b> |  | <b>314.118</b> |
| <b>TOTAL LIABILITIES AND EQUITY (a) + (b)</b>       | <b>706.080</b> |  | <b>680.619</b> |

## CASH FLOW

| CASH FLOW STATEMENT – Q1 2011   |               |               |
|---|---------------|---------------|
|   | 1/1-31/3/2011 | 1/1-31/3/2010 |
| <b>Operating activities</b>   |               |               |
| Profit before tax   | 3.827         | 5.739         |
| Plus/less adjustments for:  |               |               |
| Depreciation  | 2.544         | 2.239         |
| Provisions  | (70)          | 14            |
| Interest income and related income  | (1.505)       | (1.577)       |
| Interest expenses and related expenses  | 1.102         | 1.125         |
| Amortization of grants  | (591)         | (600)         |
| Other adjustments   | 934           | (181)         |
| <b>Operating profit before changes in working capital</b>   | 6.241         | 6.759         |
| Plus/Less adjustments for working capital account movements or movements related to operating activities: |               |               |
| Decrease / (increase) in inventories  | 429           | 113           |
| Decrease / (increase) in receivables  | (14.800)      | 6.336         |
| (Decrease) / increase in liabilities (other than to banks)  | (988)         | (5.214)       |
| (Less):   |               |               |
| Taxes paid  | (98)          | (39)          |
| <b>Total inflows / (outflows) from operating activities (a)</b>   | (9.216)       | 7.955         |
| Investing activities  |               |               |
| Purchases of tangible & intangible assets   | (46.660)      | (30.961)      |
| Interest received   | 1.481         | 1.204         |
| (Purchases)/sales of participations and securities  | (1.861)       | 0             |
| <b>Total inflows / (outflows) from investing activities (b)</b>   | (47.040)      | (29.757)      |
| Financing activities  |               |               |
| Purchases of treasury shares  | (2.072)       | (2.055)       |
| Net change in long-term loans   | (1.894)       | (1.922)       |
| Net change in short-term loans  | 28.457        | 9.797         |
| Interest and related expenses paid  | (1.010)       | (1.054)       |
| Dividends paid  | 0             | 0             |
| <b>Total inflows / (outflows) from financing activities (c)</b>   | 23.481        | 4.766         |
| Effect of FX differences on cash equivalents  | (951)         | 10            |
| Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)                     | (33.726)      | (17.026)      |
| Cash and cash equivalents at the beginning of the period  | 192.873       | 244.837       |
| Cash and cash equivalents at the end of the period  | 159.147       | 227.811       |