Financial Statements 2010

ELPEDISON POWER S.A.

COMPANY REGISTRATION NUMBER: 54352/01AT/B/03/416 (2009)
REGISTERED OFFICE: SOROU 8-10, DIMITSANAS & KALTEZON 15125 MAROUSI ATHENS

(All amounts in Euro thousands unless otherwise stated)

Company Information

Board of Directors	Andrea Testi – Chairman of the Board Anastasios Kallitsantsis – Vice Chairman of the Board Andreas Tzouros – Chief Executive Officer Massimo Arculeo – Member of the Board Georgios Alexopoulos - Member of the Board Loukas Dimitriou - Member of the Board Andreas Shiamishis - Member of the Board Ioannis Zissimos - Member of the Board
Registered Office:	Sorou 8-10, Dimitsanas and Kaltezon GR 15125, Maroussi, Greece
Registration number:	54352/01AT/B/03/416(2009) Ministry of Development
Auditors:	PricewaterhouseCoopers S.A. 268 Kifisias Ave 152 32 Halandri Athens, Greece

Independent auditor's report

To the Shareholders of "Elpedison Power SA"

Report on the Financial Statements

We have audited the accompanying financial statements of "Elpedison Power S.A." (the "Company") which comprise the statement of financial position as of 31 December 2010 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(All amounts in Euro thousands unless otherwise stated)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of “Elpedison Power S.A.” as at December 31, 2010, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

We verified the conformity and consistency of the information given in the Board of Directors’ report with the accompanying financial statements in accordance with the requirements of articles 43a and 37 of Codified Law 2190/1920.

PRICEWATERHOUSECOOPERS	Athens, 14 March 2011
	The Certified Auditor Accountant
PricewaterhouseCoopers S.A.	
Kifissias 268/270, Halandri	
Athens	SOURBIS DIMITRIOS
SOEL Reg. No. 113	SOEL Reg.No. 16891

(All amounts in Euro thousands unless otherwise stated)

Statement of Financial Position

		As at	
	Note	**31 December 2010**	**31 December 2009**
ASSETS			
Non-current assets			
Property, plant and equipment	**5**	446.928	382.354
Intangible assets	**6**	121	25
Deferred tax asset and other long term assets	**7**	3.884	2.890
		450.933	**385.269**
Current assets			
Inventories	**8**	5.613	4.334
Trade and other receivables	**9**	62.476	42.541
Prepayments & accrued income	**10**	39.127	14.210
Cash and cash equivalents	**11**	2.523	26.277
		109.739	**87.362**
Total assets		**560.672**	**472.631**
EQUITY			
Share capital	**12**	98.198	58.248
Share premium	**12**	44.584	-
Reserves	**13**	1.260	1.260
Retained Earnings		269	2.696
Total equity		**144.311**	**62.204**
LIABILITIES			
Non- current liabilities			
Retirement benefit obligations	**17**	142	39
		142	**39**
Current liabilities			
Trade and other payables	**14**	50.572	46.729
Current income tax liabilities		-	659
Provisions	**15**	6.420	3.000
Borrowings	**16**	359.227	360.000
		416.219	**410.388**
Total liabilities		**416.361**	**410.427**
Total equity and liabilities		**560.672**	**472.631**

The notes on pages 11 to 43 are an integral part of these financial statements.

The financial statements of Elpedison Power S.A. for the year ended 31 December 2010 were approved by the Board of Directors on 2 February 2011.

Chairman of the Board	Chief Executive Officer	The Accountant
Andrea Testi	Andreas Tzouros	Marinos Kistanis

(All amounts in Euro thousands unless otherwise stated)

Statement of Comprehensive Income

		As at	
	Note	**31 December 2010**	**31 December 2009**
Sales	**18**	139.141	38.189
Other income	**19**	10.458	16.425
		149.599	**54.614**
Fuel and energy purchases	**20**	(128.762)	(53.585)
Labour cost	**21**	(1.499)	(350)
Operating expenses		**(130.261)**	**(53.935)**
Operating profit before depreciation		**19.338**	**679**
Depreciation	**22**	(15.675)	(17.202)
Operating profit/(loss)		**3.663**	**(16.523)**
Finance costs		(7.229)	(3.583)
Finance income		308	171
Finance cost-net	**23**	**(6.921)**	**(3.412)**
Profit / (loss) before tax		**(3.258)**	**(19.935)**
Income tax	**24**	831	3.818
Profit / (loss) for the year		**(2.427)**	**(16.117)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		**(2.427)**	**(16.117)**

The notes on pages 11 to 43 are an integral part of these financial statements.

(All amounts in Euro thousands unless otherwise stated)

Statement of Changes in equity

	Note	Share Capital	Reserves	Share premium	Retained Earnings	Total Equity
Balance at 1 January 2009		**49.800**	**1.260**	**-**	**19.156**	**70.216**
Comprehensive income						
Loss for the year		-	-	-	(16.117)	(16.117)
Total other comprehensive income		-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**(16.117)**	**(16.117)**
Transactions with owners						
Merger with Thisvi Power Generation S.A.		8.448	-	-	(343)	8.105
Total transactions with owners		**8.448**	**-**	**-**	**(343)**	**8.105**
Balance at 31 December 2009		**58.248**	**1.260**	**-**	**2.696**	**62.204**
Balance at 1 January 2010		**58.248**	**1.260**	**-**	**2.696**	**62.204**
Comprehensive income						
Loss for the year		-	-	-	(2.427)	(2.427)
Total other comprehensive income		-	-	-	-	-
Total comprehensive income/(loss)		**-**	**-**	**-**	**(2.427)**	**(2.427)**
Transactions with owners						
Capital increase	**27**	**39.950**	-	**44.584**	-	**84.534**
Total transactions with owners		**39.950**	**-**	**44.584**	**-**	**84.534**
Balance at 31 December 2010		**98.198**	**1.260**	**44.584**	**269**	**144.311**

The notes on pages 11 to 43 are an integral part of these financial statements.

(All amounts in Euro thousands unless otherwise stated)

Statement of Cash Flows

		As at	
Cash flows from operating activities		**31 December 2010**	**31 December 2009**
(Loss)/profit for the year		**(3.258)**	**(19.935)**
Adjustments for:			
Depreciations	**5,6**	15.675	17.202
Insurance reimbursement	**10, 19**	(8.000)	(16.000)
Provisions	**17**	103	20
Finance cost - net	**23**	6.921	3.412
		11.441	**(15.301)**
Movements in working capital			
(Increase) / Decrease in inventories	**8**	(1.279)	(668)
(Increase) / Decrease in Prepayments & accrued income	**10,19**	(22.277)	-
(Increase) / Decrease in receivables	**9**	(20.096)	(20.061)
Increase / (Decrease) in Provisions	**15**	3.420	3.000
Increase/ (Decrease) in payables	**14**	3.732	36.243
Cash generated from operations		**(36.500)**	**18.514**
Income taxes paid		(659)	(10.162)
Net cash (used in)/generated from operations		**(25.718)**	**(6.949)**
Cash flows from investing activities:			
Additions to property, plant and equipment	**5, 6**	(80.346)	(154.253)
Insurance reimbursement received	**19**	5.360	5.500
Interest received		308	171
Net cash used in investing activities		**(74.678)**	**(148.582)**
Cash flows from financing activities:			
Capital increase	**12**	84.534	-
Proceeds from short term borrowings	**16**	360.000	293.765
Repayment of short term borrowings	**16**	(360.000)	(50.762)
Deffered borrowing cost	**16**	(773)	-
Repayment of long term borrowings	**16**	-	(81.131)
Capitalised finance costs	**5, 23**	-	(1.500)
Interest paid		(7.119)	(2.652)
Dividends paid		-	(3.956)
Net cash generated from/(used in) financing activities		**76.642**	**153.764**
Net (decrease)/increase in cash and cash equivalents		**(23.754)**	**(1.767)**
Cash and cash equivalents at the beginning of the year		26.277	2.327
Cash and cash equivalents from merger of Thisvi Power Generation S.A.		-	25.717
Cash and cash equivalents at the end of the year		**2.523**	**26.277**

The notes on pages 11 to 43 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Elpedison Power Generation Societe Anonyme (formerly T-Power S.A.), with distinctive title Elpedison Power S.A., (the "Company") was established on 27 May 2003 by Hellenic Petroleum S.A. As at 9 September 2009, the Company merged with Thisvi Power Generation S.A. under the provisions of articles 69-77 of Codified Law 2190/1920 and of articles 1-5 of Law 2166/1993 and was registered in the Companies Registry of the competent Prefectures. The abovementioned merger is the outcome of a joint venture agreement between Hellenic Petroleum S.A. and EDISON SpA., signed on 3 July 2008 for the establishment of a new holding company in the name of **"Elpedison B.V."**, whereby **Elpedison B.V.** owns 75,78% of the share capital of the Company and minority shareholders own the remaining 24,22%. As a result of this merger, the absorbed legal entity Thisvi Power Generation S.A. ceased to exist.

During the year, its registered address was transferred from 199 Kifisias Avenue, Marousi, Athens to 8-10 Sorou str, Dimitsanas & Kaltezon 15125 Marousi Athens.

The Company's operations comprise the generation and distribution of electricity. In accordance with the decision of the Ministry of Development – Department of Energy, the operating permit was obtained on 22 December 2005 for Thessaloniki Plant and on 7 December 2010 for Thisvi Plant.

The Company as at 31 December 2010 had 61employees (FY 2009: 26 employees).

The financial statements of Elpedison Power S.A. for year ended 31 December 2010 were approved for issue by the Board of Directors on 2 February 2011. The shareholders of the Company have the power to amend the financial statements after issue.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

These financial statements of Elpedison Power S.A. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4, "Critical accounting estimates and judgments". These estimates are based on management's best knowledge of current events and actions and actual results ultimately may differ from those estimates.

Notes to the financial statements (cont'd)

2.1 Basis of preparation (cont'd)

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements"

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The revised IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. The amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Furthermore the acquirer in a business combination has the option of measuring the non-controlling interest, at the acquisition date, either at fair value or at the amount of the percentage of the non-controlling interest over the net assets acquired. The Company has applied the revised standards from 1 January 2010.

IFRS 2 (Amendment) "Share-based Payment"

The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment does not have an impact on the Company's financial statements.

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement"

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment is not applicable to the Company as it does not apply hedge accounting in terms of IAS 39.

IFRIC 12 – Service Concession Arrangements (EU endorsed for annual periods beginning on or after 30 March 2009)

This interpretation applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Company's operations.

IFRIC 15 - Agreements for the construction of real estate (EU endorsed for annual periods beginning on or after 1 January 2010)

Notes to the financial statements (cont'd)

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Company's operations.

IFRIC 16 - Hedges of a net investment in a foreign operation (EU endorsed for annual periods beginning on or after 1 July 2009)

This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Company, as the Company it does not have any investment in a foreign operation.

IFRIC 17 "Distributions of non-cash assets to owners" (EU endorsed for annual periods beginning on or after 1 July 2009)

This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This interpretation does not have an impact on the Company's financial statements.

IFRIC 18 "Transfers of assets from customers" (EU endorsed for annual periods beginning on or after 1 November 2009)

This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Company.

Amendments to standards that form part of the IASB's 2009 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in April 2009 of the results of the IASB's annual improvements project. The following amendments are effective for the current financial year. In addition, unless otherwise stated, the following amendments do not have a material impact on the Company's financial statements.

IFRS 2 "Share-Based payment"

The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2.

Notes to the financial statements (cont'd)

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

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

IFRS 8 "Operating Segments"

The amendment provides clarifications on the disclosure of information about segment assets.

IAS 1 "Presentation of Financial Statements"

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

IAS 7 "Statement of Cash Flows"

The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

IAS 17 "Leases"

The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

IAS 18 "Revenue"

The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

IAS 36 "Impairment of Assets"

The amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the aggregation of segments).

Notes to the financial statements (cont'd)

IAS 38 "Intangible Assets"

The amendments clarify (a) the requirements under IFRS 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

IAS 39 "Financial Instruments: Recognition and Measurement"

The amendments relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

IFRIC 9 "Reassessment of Embedded Derivatives"

The amendment clarifies that IFRIC 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities under common control.

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

The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity within the group, including the foreign operation itself, as long as certain requirements are satisfied.

<u>Standards and Interpretations effective from periods beginning on or after 1 January 2011</u>

IFRS 9 "Financial Instruments" <u>(effective for annual periods beginning on or after 1 January 2013)</u>

IFRS 9 is the first part of Phase 1 of the Board's project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortised cost or fair value and depend on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Company is currently investigating the impact of IFRS 9 on its financial statements. The Company cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Company decide if IFRS 9 will be adopted prior to 1 January 2013.

Notes to the financial statements (cont'd)

IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". Under IAS 12, the measurement of deferred tax depends on whether an entity expects to recover an asset through use or through sale. However, it is often difficult and subjective to determine the expected manner of recovery with respect to investment property measured at fair value in terms of IAS 40. To provide a practical approach in such cases, the amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The presumption cannot be rebutted for freehold land that is an investment property, because land can only be recovered through sale. This amendment has not yet been endorsed by the EU.

IAS 24 (Revised) "Related Party Disclosures" (effective for annual periods beginning on or after 1 January 2011)

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Company will apply these changes from their effective date.

IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 February 2010)

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Company's financial statements.

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

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective for annual periods beginning on or after 1 July 2010)

Notes to the financial statements (cont'd)

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Company.

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

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Company.

Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2011. In addition, unless otherwise stated, the following amendments will not have a material impact on the Company's financial statements. The amendments have not yet been endorsed by the EU.

IFRS 3 "Business Combinations"

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

IFRS 7 "Financial Instruments: Disclosures"

The amendments include multiple clarifications related to the disclosure of financial instruments.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

IAS 27 "Consolidated and Separate Financial Statements"

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

Notes to the financial statements (cont'd)

IAS 34 "Interim Financial Reporting"

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

IFRIC 13 "Customer Loyalty Programmes"

The amendment clarifies the meaning of the term 'fair value' in the context of measuring award credits under customer loyalty programmes.

2.2 Foreign currency translation

(a) ***Functional and presentation currency***

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security, and other changes in the carrying amount of the security. Translation differences are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are, included in the fair value reserve in equity.

2.3 Property, plant and equipment

All property, plant and equipment is shown at historical cost less accumulated depreciation and subsequent impairment. Cost includes expenditure that is directly attributable to the acquisition of property, plant & equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Notes to the financial statements (cont'd)

Repairs and maintenance are charged to the statement of comprehensive income as incurred except for the general refurbishment costs of the energy plant which are capitalised and charged against income on a straight line basis over the scheduled refurbishment period.

The estimated realizable value that the Company expects to recover at the end of an asset's useful life is not depreciated.

Depreciation on assets is calculated using the straight-line method over their estimated useful life, as shown on the table below for the main classes of assets:

- Buildings	20 years
- Machinery, and equipment (Energy plant and substation)	20 years
- Furniture and fixtures	5 years
- Transportation equipment	6 years
– Computer hardware	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (See Note 2.5 Impairment of non financial assets). When the reasons for the write down no longer apply, the asset's cost is reinstated.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement within 'Other income / (expenses) – net'.

Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised over the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed.

2.4 Intangible assets

Computer software

These include primarily the costs of implementing the (ERP) computer software program.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (3 years).

Notes to the financial statements (cont'd)

2.5 Impairment of non financial assets

IAS 36 requires that an entity test its property, plant and equipment and intangible assets for impairment when there are indications that the carrying amount may not be recoverable.

In the case of goodwill and other assets with indefinite lives or assets that are not available for use, the impairment test must be conducted annually.

The recoverability of a carrying amount is tested by comparing it against an asset's fair value, less cost to sell, when there is an active market, or its value in use, whichever is greater.

As a rule, value in use is the present value of future cash flows expected to be derived from an asset or a CGU and from its disposal at the end of its useful life.

CGUs, which have been identified in a way that is consistent with the Company's organizational and business structure, are homogeneous groups of assets that generate cash inflows independently, through the continued use of the assets included in each group. Each power station is considered a separate CGU.

2.6 Environmental Securities (Emissions Rights)

Elpedison Power S.A. secures a supply of environmental securities (emissions rights) to meet its own requirements in the exercise of its industrial activities (so-called "own use"). Specifically, other intangible assets can include emissions rights, which are recognized at the cost incurred to acquire them if the rights carried by the Company on the balance sheet date exceed its requirements of such instruments, based on the emissions released during the year. Emissions rights allocated free of charge are recognized at a zero carrying value. Since these assets are designed for instantaneous use, they are tested for impairment and cannot be amortized. Their recoverable value is their value in use or their market value, whichever is greater. On the other hand, if, on the balance sheet date, the value of the actual emissions is greater than the value of the allocated emissions, including any purchased emissions, a special provision for risks is set aside to cover the difference. Any emissions rights that are turned back each year, based on the volume of polluting emissions released into the atmosphere each year, will be deleted using any reserves for risks set aside the previous year.

2.7 Financial assets

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Notes to the financial statements (cont'd)

(a) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Inventories are comprised of spare parts for maintenance and proper operation of the power plant and of fuel oil reserve as an alternative fuel.

Cost of inventories is determined using the average cost method.

2.9 Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.10 Insurance and other claims

Insurance and other claims are included as other receivables and are recorded on the accrual basis and represent the claimable expenses, net of deductibles, which are expected to be recovered from insurance companies. The Company recognizes receivables from insurances only when the realization of the related economic benefit is virtually certain. Any remaining costs to complete the claims are included in other liabilities. The classification of claims between current and non-current assets is based on management's expectations as to their collection dates.

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less.

Notes to the financial statements (cont'd)

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

The excess of share capital raised over the par value of the shares issued, is classified in a share premium account.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.14 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.15 Employee Benefits

Employees of the company are entitled to a lump-sum compensation upon dismissal or retirement. The amount of compensation is based on the number of years of service and the amount of remuneration at the date of dismissal or retirement. If the employee remains in the employment of the Company until normal retirement age, he is entitled to a lump-sum retirement compensation which is equal to 40% of the compensation amount that would be payable if he was dismissed at that time. This constitutes a defined benefit in the context of IAS 19.

Due to the fact that until 2010 the Company employed only sixty one persons it was the Company's policy to form a provision for its retirement benefit obligations on the basis of the Greek labor law 2112/20 rather than apply IAS 19, which would require the provision to be based on an actuarial valuation of the obligations. Management has assessed that the impact of this departure from IFRS on the financial statements would not be material.

Notes to the financial statements (cont'd)

2.16 Trade and other payables

Liabilities for trade and other amounts payable which are normally settled on 30-90 days terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2.17 Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in "Borrowings". The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

The Company does not presently have any leases that are classified as finance leases.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.18 Provisions for Risks and Charges

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.19 Environmental liabilities

Environmental expenditure that relates to current or future revenues is expensed or capitalized as appropriate. Expenditure that relates to an existing condition caused by past operations and that does not contribute to current or future earnings is expensed.

The Company has an environmental policy which complies with existing legislation and all obligations resulting from its environmental and operational licenses. In order to comply with all rules and regulations the Company has set up a monitoring mechanism in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements. The above mentioned expenses are estimated based on the relevant environmental studies.

Notes to the financial statements (cont'd)

Liabilities for environmental remediation costs are recognized when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

2.20 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised as follows:

(a) Sales of electricity, emissions rights and capacity certificates

Revenue from the sale of electricity is recognized based on the monthly production provided to the Greek national grid, as confirmed by the HTSO, which is the date that associated risks and rewards are deemed to have passed to the buyer.

Revenue also includes income from the indemnification for the availability of capacity generation, which is received from the Hellenic Electricity Transmission System Operator, and from transactions on emissions rights (CO_2) attributable to the Company for each year.

(b) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by Shareholders' assembly.

2.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

The 2010 results are not comparable with the 2009 results due to the different operational condition of the Thessaloniki plant. However, besides the different production period, here below a summary of the most important factors affecting the 2010 results compared to the previous year:

Positive factors:

- Insurance reimbursement
- Thisvi Plant starts commercial operation at December 9th

Negative factors:

Notes to the financial statements (cont'd)

- Lower System Marginal Price
- Extra cost of Gas for annual Depa settlement

3 Risk Management

This chapter describes the policies and principles adopted by Elpedison Power S.A. to manage and control the commodity price risk that arises from the volatility of the prices of energy commodities and environmental securities (CO2 emissions) and other risks related to financial instruments (foreign exchange risk, interest rate risk, credit risk and liquidity risk).

As required by IFRS 7, the paragraphs that follow provide information about the nature of the risk related to financial instruments, based on accounting and management sensitivity considerations.

3.1 Commodity Price Risk and Exchange Rates Risk Related to Commodity Transactions

Elpedison Power S.A. is affected by the risk of fluctuations in the prices of all of the energy commodities that it handles (electric power, natural gas, environmental securities) because they have an impact on the revenues and costs of its production, buying and selling activities. These fluctuations affect the Company both directly and indirectly through indexing mechanisms contained in pricing formulas. Moreover, because some of the abovementioned commodity prices are quoted in U.S. dollars, the Company is also exposed to the resulting exchange rate risk.

3.2 Financial risk factors

(a) **Cash flow and fair value interest rate risk**

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's cash flow interest rate risk, as far as borrowings issued at variable rates are concerned, expose the Company to cash flow interest rate risk.

Elpedison Power S.A. is exposed to fluctuations in interest rates primarily because they affect its debt service costs. The interest rate that the Company is exposed is the Euribor.

If interest rates on borrowings had been, during 2010, 0.25% higher/lower with all other variables held constant, pre-tax profit/loss for the year would have been €836 thousand lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings

(b) Liquidity risk

The liquidity risk represents the risk that the Company may not have access to sufficient financial resources to meet its financial and commercial obligations in accordance with agreed terms and maturities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The total amount of Company's indebtedness is fully guaranteed by Shareholders. The Company is currently negotiating with primary international banks a most suitable long term financial structure both on recourse and no recourse basis.

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

3.2 Financial risk factors (cont'd)

All loans are classified as current.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date:

Maturity of liabilities

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
At 31 December 2010				
Borrowings	359.227	-	-	-
Trade and othe payables	50.572	-	-	-
Provisions	6.420	-	-	142
At 31 December 2009				
Borrowings	360.000	-	-	-
Trade and othe payables	46.729	-	-	-
Provisions	3.000	-	-	39

The loan agreements to which Elpedison Power S.A. is a party may contain provisions that, if certain events were to occur, would empower the lenders, being they banks or bondholders, to demand that the borrower repay immediately the loaned amounts, which, consequently, would create a liquidity risk (see the "Liquidity Risk" section above). As of 31 December 2010, no such triggering events had occurred.

(c) Credit Risk

The credit risk represents Elpedison Power's exposure to potential losses that could be incurred if a commercial or financial counterparty fails to meet its obligations. Since the credit risk that the Company is substantially exposed to relates to the national grid operator (HTSO), the underlying risk is considered to be very low. There are no past due balances receivable at balance sheet dates.

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the balance sheet) less "Cash & Cash equivalents" less "Available for Sale Financial Assets". Total capital employed is calculated as "Equity" as shown in the balance sheet plus net debt.

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

The gearing ratios as at 31 December 2010 and 2009 were as follows:

	As at	
	31 December 2010	**31 December 2009**
Total Borrowings (Note 16)	359.227	360.000
Less: Cash & Cash Equivalents (Note11)	(2.523)	(26.277)
Net debt	**356.704**	**333.723**
Total Equity	144.311	62.204
Total Capital Employed	**501.015**	**395.927**
Gearing ratio	71%	84%

3.4 Fair value estimation

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

4 Critical accounting estimates and judgements

The preparation of the financial statements and the related notes requires the use of estimates and assumptions both in the measurement of certain assets and liabilities and in the valuation of contingent assets and liabilities. The actual results that arise upon the occurrence of the relevant events could thus differ from these estimates.

The estimates and assumptions used are revised on an ongoing basis, and the impact of any such revision is immediately recognized in profit or loss. The use of estimates is particularly significant for the following items:

- Amortization of intangible assets with a finite useful life and impairment tests of property, plant and equipment and other intangible assets. The process of determining depreciation and amortization expense entails reviewing periodically the remaining useful lives of assets.

- Measurement of certain sales revenues, the provisions for risks and charges, the allowances for doubtful accounts and other provisions for write downs, employee benefits and income taxes. In these cases, the estimates used are the best estimates possible, based on currently available information.

- Determination of the provision for income taxes that the Company is subjected to, requires significant judgement. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audits based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

5 Property, plant and equipment

Property, plant and Equipment, which include the Company's production assets, totalled €446.928 thousand. The table below provides a breakdown of the item:

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Cons-truction	Total
Cost							
As at 1 January 2009	**-**	**15.568**	**230.658**	**105**	**510**	**289**	**247.130**
Additions	-	-	11.070	10	74	144.573	155.727
Merger of Thisvi Power Generation S.A	1.577	-	-	-	-	43.873	45.450
As at 31 December 2009	**1.577**	**15.568**	**241.728**	**115**	**584**	**188.735**	**448.307**
Accumulated Depreciation							
As at 1 January 2009	**-**	**2.322**	**46.122**	**46**	**272**	**-**	**48.762**
Charge for the year	-	782	16.284	18	107	-	17.191
Transfers & other movements		1	819	-	-	-	820
As at 31 December 2009	**-**	**3.104**	**62.406**	**64**	**379**	**-**	**65.953**
Net Book Value at 31 December 2009	**1.577**	**12.464**	**179.322**	**51**	**205**	**188.735**	**382.354**
Cost							
As at 1 January 2010	**1.577**	**15.568**	**241.728**	**115**	**584**	**188.735**	**448.307**
Additions	-	6	66	1	193	81.259	81.525
Transfers to inventories						(1.288)	(1.288)
Transfers & other movements	-	8.760	258.399	92	1.129	(268.379)	-
As at 31 December 2010	**1.577**	**24.334**	**500.193**	**208**	**1.906**	**327**	**528.544**
Accumulated Depreciation							
As at 1 January 2010	**-**	**3.104**	**62.406**	**64**	**379**	**-**	**65.953**
Charge for the year	-	810	14.681	21	151	-	15.663
As at 31 December 2010	**-**	**3.914**	**77.087**	**85**	**530**	**-**	**81.616**
Net Book Value at 31 December 2010	**1.577**	**20.420**	**423.106**	**123**	**1.376**	**327**	**446.928**

(a) In December 9th, 2010, the Thisvi plant started the commercial operation.

(b) For Thessaloniki plant machinery the useful life was changed from 15 years to 20 years. The change has been approved from the BoD which took place on February 2nd 2011.

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

(c) Included in machinery and equipment, is an electricity generating substation including an underground cablewire network, amounting to total acquisition cost €15 million approximately, which, according to the tripartite agreement between the Hellenic Electricity Transmission System Operator, the Public Power Corporation and the Company, constitutes a network connection, the ownership of which will revert to the Public Power Corporation. Although the construction of the substation was completed up until 31 December 2006, the terms and conditions of the transfer of ownership have not been finalised to date.

6 Other intangible assets

Here below a table with the breakdown of the intangible assets of the Company, which comprises Computer software:

	Computer software	**Total**
Cost		
As at 1 January 2009	**92**	**92**
Additions	25	25
As at 31 December 2009	**117**	**117**
Accumulated Amortisation		
As at 1 January 2009	**81**	**81**
Charge for the year	11	11
As at 31 December 2009	**92**	**92**
Net Book Value at 31 December 2009	**25**	**25**
Cost		
As at 1 January 2010	**117**	**117**
Additions	109	109
As at 31 December 2010	**226**	**226**
Accumulated Amortisation		
As at 1 January 2010	**92**	**92**
Charge for the year	13	13
As at 31 December 2010	**105**	**105**
Net Book Value at 31 December 2010	**121**	**121**

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

7 Deferred Tax asset and other long term assets

	As at	
	31 December 2010	**31 December 2009**
Loans and advances and other long term assets	196	35
Deferred tax asset	3688	2.855
Total	**3.884**	**2.890**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	As at	
	31 December 2010	**31 December 2009**
Deferred tax asset	13.149	4.482
Deferred tax liability	(9.461)	(1.627)
Total	**3.688**	**2.855**

The gross movement in the deferred income tax asset/ (liability) is as follows:

	As at	
	31 December 2010	**31 December 2009**
Beginning of the year	2.855	(1.741)
Income statement recovery / (charge)	833	4.482
Other movements	-	114
End of year	**3.688**	**2.855**

Deferred tax relates to the following types of deductable (taxable) temporary differences:

	As at	
	31 December 2010	**31 December 2009**
Intangible and tangible fixed assets	(7.470)	(2.654)
Other temporary differences	3.325	661
Tax loss for the year	7.833	4.848
Net deferred income tax asset/(liability)	**3.688**	**2.855**

During 2009, Law 3697/2009 was enacted, based on which the basic tax rates for the years 2012, 2013 and 2014 moving forward, will be 23%, 22%, 21% and 20% accordingly. These rates were used to calculate the deferred taxes as of 31 December 2010.

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

8 Inventories

Inventories relate to supplies and equipment used to maintain and operate the Company's facilities as follows:

	As at	
	31 December 2010	**31 December 2009**
Spare Parts	4.697	3.825
Consumable materials	1.257	509
Consumable materials and other	**5.954**	**4.334**
Minus: Provision for impairment of spare parts	341	-
Total	**5.613**	**4.334**

9 Trade and other receivables

	As at	
	31 December 2010	**31 December 2009**
Trade receivables	15.994	11.115
Trade receivables net	**15.994**	**11.115**
Other receivables	46.482	31.426
Other receivables net	**46.482**	**31.426**
Total	**62.476**	**42.541**

The carrying amounts of the receivables approximate their fair value.

Trade receivables correspond to debit balances of tree major clients:

	As at	
Trade receivables	**31 December 2010**	**31 December 2009**
Gestore Del Mercato Spa	487	402
Hellenic Electricity Transmission System Operator ("HTSO" or DESMHE)	15.324	10.713
Elpedison Trading SA	183	-
Total	**15.994**	**11.115**

Other receivables include balances with respect to:

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

	As at	
Other receivables	**31 December 2010**	**31 December 2009**
VAT recoverable	32.276	22.764
Income tax prepayment	4.721	4.721
Other debtors	2.206	583
Tax withheld on credit interest	142	65
Advances to personnel	3	7
Advances to vendors and creditors	7.134	3.286
Total	**46.482**	**31.426**

10 Prepayment and accrued income

Prepayment and accrued income mainly includes €13.1 million accrued income relating to the reimbursement to be paid by Ethniki Insurance S.A within January 2011, and an amount of € 7,4 million which is the amount of Take or Pay impact according to the gas contract with DEPA.

	As at	
	31 December 2010	**31 December 2009**
Prepaid expenses	8.385	717
Purchases in transit	735	-
Accrued Income	30.007	13.493
Total	**39.127**	**14.210**

	As at	
	31 December 2010	**31 December 2009**
Prepaid expenses		
Depa - Take or Pay	7.247	-
Accrued insurance premiums	1.071	717
Other prepaid expenses	67	-
Total	**8.385**	**717**

	As at	
Accrued income	**31 December 2010**	**31 December 2009**
Insurance reimbursment	8.000	10.450
- Balance of insurance reimbursment carried forward from 2009	5.090	-
Capacity Availability Certificates	3.736	2.948
Cost Recovery (Oct-Dec)	13.181	-
Interest credit	-	95
Total	**30.007**	**13.493**

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

11 Cash and cash equivalents

	As at	
	31 December 2010	**31 December 2009**
Cash at Bank and in Hand	2.523	6.277
Total cash and cash equivalents	**2.523**	**6.277**

12 Share capital

	Number of Shares (authorised and issued)	**Share Capital**	**Share Premium**	**Total**
As at 1 January 2009	**4.980.000**	**49.800**		**49.800**
Additions	**844.800**	**8.448**	**-**	**8.448**
As at 31 December 2009	**5.824.800**	**58.248**	**-**	**58.248**
As at 1 January 2010	**5.824.800**	**58.248**	**-**	**58.248**
Additions	**3.995.000**	**39.950**	**44.584**	**84.534**
As at 31 December 2010	**9.819.800**	**98.198**	**44.584**	**142.782**

The authorised share capital is € 98.198.000 divided to 9.819.800 shares, which have been issued and distributed to the shareholders, and have been fully paid up. The shares of the Company are ordinary and the nominal value of each ordinary share is €10.00 (31 December 20010: €10.00). The addition of the 3.995.000 shares issued in 2010 relates to the shares issued in respect to the capital increase.The amount of € 44.584 K (representing share premium € 45.024K minus expenses on capital increase € 440) is the total net amount of the difference for the issuance of the shares above par value (share premium).

13 Reserves

Statutory reserves

Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until such reserve equals one third of the outstanding share capital. This reserve cannot be distributed during the existence of the corporation, but can be used to offset accumulated losses.

14 Trade and other payables

	As at	
	31 December 2010	**31 December 2009**
Trade payables	23.620	10.037
Accrued Expenses & Deferred Income	20.069	11.069
Other payables	6.882	26.282
Total	**50.572**	**47.388**

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

Trade and other payables include amounts with respect to:

	As at	
Trade payables	**31 December 2010**	**31 December 2009**
HTSO	3.264	1.353
DEPA	7.247	19
Edison Intl Holding NV	72	-
Edison S.P.A	775	439
ANSALDO	3.075	4.155
Nooter	4.433	2.808
Gea	1.238	-
Other trade payables	3.516	1.263
	23.620	**10.037**
Accrued Expenses		
CSA contracts Provision Dec	541	205
Other accrued expenses	342	240
Accrued interest debit	110	906
Accrued fees for secondments	365	78
Provision for Gas Cost	18.618	9.618
Purchase suspense account	93	22
	20.069	**11.069**
Other payables		
ENGINEERING SA-AKTOR ATE JOINT VENTURE	5.657	22.589
HELPE	623	296
HELPE- DIETHNIS SYMVOULEFTIKH	240	-
Hellenic Energy & Development SA	213	-
Sundry creditors	68	3.334
Social security contributions	81	63
	6.882	**26.282**

15 Provisions for risk and charges

The provision for risk and charges relates to the estimated repair cost to restore the steam turbine rotor of the Thessaloniki plant. This has been increased 3.4 million during the year to 6.4million from an estimate of 3 million at 31 December 2009.

16 Borrowings

The table below shows the balance outstanding of the loan facilities of the company at December 31, 2010:

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

	As at	
	31 December 2010	**31 December 2009**
Current borrowings		
Short Term Bond Loans	360.000	360.000
Unamortized loan expenses	(773)	-
Total current borrowings	**359.227**	**360.000**
Total borrowings	**359.227**	**360.000**

On 30 September 2010, the Company refinanced all its existing Debt, amounting to €360.000 for another year, namely until 30 September 2011. More specifically, on 30 September 2010 the Company issued four Bond Loans as follows:

- Bond Loan for an amount of € 98,407 from Banca IMI S.p.A., Unicredit Corporate Banking S.p.A. and Edison International Holding N.V. as Mandated Lead Arrangers and Bondholders and BNP Paribas Securities Services as Bondholders' Agent and Paying Agent. It bears a margin of 4.5% over euribor and is denominated in euro. The loan facility is to be repaid in one lump sum on 30 September 2011. No guarantees have been provided for that bond loan.

- Bond Loan for an amount of € 38,000 from Banca IMI S.p.A., Unicredit Corporate Banking S.p.A. as Mandated Lead Arrangers and Bondholders and BNP Paribas Securities Services as Bondholders' Agent and Paying Agent. It bears a margin of 4.5% over euribor and is denominated in euro. The loan facility is to be repaid in one lump sum on 30 September 2011 and is guaranteed by Edison International Holding N.V.

- Bond Loan for an amount of € 136,408 from EFG Eurobank Ergasias SA as Bondholders' Agent, Paying Agent, Mandated Lead Arranger and Bondholder and Bank of Cyprus Public Company Limited, Emporiki Bank of Greece S.A., HSBC Bank plc and ALPHA Bank S.A., as Mandated Lead Arrangers and Bondholders. It bears a margin of 4.5% over euribor and is denominated in euro. The loan facility is to be repaid in one lump sum on 30 September 2011 and is guaranteed by Hellenic Petroleum S.A.

- Bond Loan for an amount of € 87,185 from EFG Eurobank Ergasias SA as Bondholders' Agent, Paying Agent, Mandated Lead Arranger and Bondholder and Bank of Cyprus Public Company Limited, Emporiki Bank of Greece S.A. and ALPHA Bank S.A., as Mandated Lead Arrangers and Bondholders. It bears a margin of 4.5% over euribor and is denominated in euro. The loan facility is to be repaid in one lump sum on 30 September 2011 and is guaranteed by ELLAKTOR S.A., INTRACOM S.A. HOLDINGS and HALCOR S.A.

The proceeds of the above mentioned four Bond Loans were used for the repayment of the previously existing five Bond Loans that were maturing on 30 September 2010 and which are summarized below:

- Bond Loan of € 97,500 from EFG Eurobank Ergasias SA as Bondholders' Agent, Paying Agent, Mandated Lead Arranger and Bondholder and Agricultural Bank of Greece SA as Mandated Lead Arranger and Bondholder.

- Bond loan of € 97,500 from Unicredit Mediocredito Centrale S.p.A. and Banca IMI S.p.A. as Bondholders and Intesa SanPaolo S.p.A., Athens Branch, as Account Bank and Bondholders' Agent.

- Bond loan of € 65,000 from EFG Eurobank Ergasias S.A., as Bondholder Agent, Paying Agent, Mandated Lead Arranger and Bondholder and EMPORIKI BANK OF GREECE S.A., as Mandated Lead Arranger and Bondholder.

- Bond loan of € 80,000 from EMPORIKI BANK OF GREECE S.A as Account Bank, Bondholders' Agent and Bondholder and EMPORIKI BANK – CYPRUS LTD as Bondholders.

- Bond loan of € 20,000 from Banca IMI S.p.A and Societe Europeene de Banque SA as Bondholders and Intesa SanPaolo S.p.A., Athens Branch, as Account Bank and Bondholders' Agent.

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

The existing financing is short term and is considered as a "bridge financing" until long term financing facilities will be put in place.

The weighted average borrowing cost for 2010 was 3.37%. The weighted average borrowing cost for 2009 was 1,8 %.

Unamortized loan expenses relate to the bank fees for the arrangement of the loans which will be amortised using the effective interest rate method.

Movement of deferred charges :

	Amortization	**Accrued Paid Financing Charges**
Sep-10	0,00	1.031.000
Oct-10	85.916,67	945.083
Nov-10	85.916,67	859.167
Dec-10	85.916,67	773.250

17 Retirement benefit obligations

	As at	
	31 December 2010	**31 December 2009**
Beginning of the year	39	19
Provision for compensation upon dismissal or retirement	103	21
Total	**142**	**39**

18 Sales revenue

Sales Revenues totalled € 139,14 million increasing by € 100,96 million from last year due to the Thessaloniki Plant operation during the year and the Thisvi Plant operation from December 9th onwards. Here below the breakdown of the item:

	As at	
	31 December 2010	**31 December 2009**
Sales from Day Ahead Market	121.338	26.341
Capacity Availability Ticket (CAT)	14.363	2.949
Sales of Emission Rights	-	4.737
Trade activity	3.440	4.162
Total	**139.141**	**38.189**

The item "Trade activity" is related to "cross border" purchases and sales of electricity between Italy and Greece.

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

19 Other Revenues and Income

The amount "Other revenues and income" refers to the interim settlement of the reimbursement from Ethniki Insurance SA in relation to the "Property Damage and Business Interruption" claim of which € 16.000 was recognised in 2009 while € 8.000 in 2010. In December 2010 a final settlement has been reached for the total amount of € 30,2 million in connection with the damages incurred at the Thessaloniki power plant following an incident on November 2008. On 31 December 2010 the Company entered into a settlement agreement (the Settlement Agreement) with Ethniki General Insurance Company S.A. and Agrotiki General Insurance Company S.A. (the Insurers). By virtue of the Settlement Agreement, the Insurers agreed to pay Elpedison an amount up to €30.200 million, as commercial settlement of the Company's insurance claim, the total amount of which was €37.970 million (net of deductibles). Up until the date of the Settlement Agreement, the Company had already received €10,910K against its insurance claim. By virtue of the Settlement Agreement, the Insurers agreed to pay the Company the amount of €13.090 million (representing the sum of €24.000 million less the amount of €10.910 milion already paid), before 31.12.2010 and in any case no later than 10 January 2011. The Insurers also agreed to pay the Company the actual loss incurred by the latter in relation to (a) the amount of €9.821 million, that the Company has already paid to DEPA under the gas contract and now claims back under the arbitration procedure and (b) legal costs related to the arbitration, as determined by the arbitral award to be issued, up to a maximum amount of € 6.200 million.The amount of up to €6.200 million shall be paid to the Company 28 days from the issuance of the arbitral award. The Company shall repay to the Insurers the amount of up to € 6.200 million, in accordance with par. 4 of the Settlement Agreement, if a decision issued in a court procedure initiated by the Company against DEPA in a Greek court on the merits of the case is awarded to the Company in whole or part. Since this latter amount is contingent on this outcome of the arbitration process this has not been recognised as income in the 2010 financial statements.

20 Raw material and services used

	As at	
	31 December 2010	**31 December 2009**
Fuel Cost	(107.994)	(31.618)
Operation and maintenance costs	(5.519)	(5.117)
Property Damage Costs	(924)	(11.145)
Grid fee	(364)	(429)
Provision for compensation upon dismissal or retirement	(103)	(21)
Other costs	(11.424)	(2.012)
Emission Rights – Trading activity costs	(2.434)	(3.243)
	(128.762)	**(53.585)**

21 Labour Cost

	As at	
	31 December 2010	**31 December 2009**
Wages and salaries	1.811	674
Social security costs	300	85
Employees allowances and expenses	57	9

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

Secondment fees	519	-
Other employment benefits	72	12
Total	**2.759**	**780**
Less: Labor costs capitalized	(1.260)	(430)
Total charged to income statement	**1.499**	**350**

22 Depreciation

A breakdown of depreciation is provided below:

	As at	
	31 December 2010	**31 December 2009**
Depreciation of Property, plant and equipment	14.681	16.284
Depreciation of Building	810	782
Depreciation of Other Assets	172	125
Depreciation of Intangible Assets	13	11
Total	**15.675**	**17.202**

23 Finance costs – net

Net financial expenses 2010 result has been affected from the increase of the interest rate. Borrowing costs capitalized in 2010 amounted to € 6,7 million.

	As at	
	31 December 2010	**31 December 2009**
Interest income	308	171
Interest expense and similar charges	(7.229)	(3.583)
Finance costs –net	**(6.921)**	**(3.412)**

24 Income tax expense

	As at	
	31 December 2010	**31 December 2009**
Current tax	(2)	(664)
Deferred tax (Note 7)	833	4.482
Total	**831**	**3.818**

The basic tax rate was 24% for the year ended 31 December 2010

Notes to the financial statements (cont'd)

25 Commitments and Contingencies

a) Elpedison Power S.A. has not been audited by the tax authorities for the fiscal years 2005, 2006, 2007, 2008,2009, and 2010. The financial statements include all known tax liabilities. Company management estimates that any additional tax liability which may arise as a result of the completion of the related pending tax audits will likely reduce the tax losses carried forward which will not be material to the financial statements.

b) The Company has issued letters of guarantee to related companies as well as third parties as follows:

Guarantees for liabilities			
in thousand €	Date of issuance	Expiration date	Amount
GSM S.p.A	13/02/2009	31/03/2011	30.000,00
HTSO (2688)	16/12/2009	31/03/2011	50.000,00
HTSO (2688)	08/01/2010	31/03/2011	85.000,00
DESFA (3711)	19/06/2009	30/04/2011	1.079.000,00
DESFA (3711)	22/06/2009	30/04/2011	1.079.000,00
DESFA (3711)	22/06/2009	30/04/2011	1.162.000,00
TERNA SPA (3395000241)	09/12/2009	31/05/2011	50.000,00
DESFA (3711)	22/06/2009	23/08/2012	5.421.000,00
DESFA (3711)	19/06/2009	31/08/2012	5.421.000,00
DESFA (3711)	22/06/2009	31/08/2012	5.838.000,00
DEPA A.E. (3395000010)	26/02/2010	31/12/2010	9.477.873,00
D' PIRAEUS CUSTOM OFFICE	26/10/2010	20/10/2011	1.559,92

Furthermore the Company following the merger has assumed the obligations of Thisvi Power Generation SA in relation to letters of undertaking issued to the benefit of Edison SpA, which initially had issued payment guarantees in favour of Nooter Eriksen Srl, GEA Energietechnik GmbH and Ansaldo Energia SpA, DESFA and are analyzed as follows:

Supplier	**Amount**	**Validity until**
Nooter Eriksen Srl	27.937.500	15/01/2011
GEA Energietechnik GmbH	8.047.500	15/07/2010
DESFA	5.421.000	31/08/2011
DESFA	1.079.000	30/04/2011
Ansaldo Energia SpA	57.894.000	15/10/2010
Total	**100.379.000**	

c) In December 2010 a final settlement has been reached for the total amount of € 30.2 million in connection with the damages incurred at the Thessaloniki power plant following an incident on November 2008. On 31 December 2010 the Company entered into a settlement agreement (the Settlement Agreement) with Ethniki General Insurance Company S.A. and Agrotiki General Insurance Company S.A. (the Insurers). By virtue of the Settlement Agreement, the Insurers agreed to pay the Company an amount up to €30.200 million, as commercial settlement of the Company's insurance claim, the total amount of which was €37.970 million (net of deductibles). Up until the date of the Settlement Agreement, the Company had already received €10,910K against its insurance claim. By virtue of the Settlement Agreement, the Insurers agreed to pay to the Company the amount of €13.090 million (representing the sum of €24.000 million less the amount of €10.910 million already paid), before 31.12.2010 and in any case no later than 10 January 2011. The Insurers also agreed to pay the Company an additional amount of up € 6.200 million, which will reflect the actual loss incurred by the latter in relation to (a) the amount of €9.821 million, that the Company has already paid to DEPA under the gas contract and now claims back under the arbitration procedure and (b) legal costs related to the arbitration, as determined by the arbitral award to be issued. The amount of up to €6.200 million shall be paid to the Company 28 days from the issuance of the arbitral award. The Company shall repay to the Insurers the amount of up to €

Notes to the financial statements (cont'd)

6.200 million, in accordance with par. 4 of the Settlement Agreement, if a decision issued in a court procedure initiated by the Company against DEPA in a Greek court on the merits of the case is awarded to the Company in whole or part.

d) The Company, by virtue of the lawsuit filed on 06.11.2010 before the Arbitral Tribunal, requests from DEPA the following amounts:

(a) Approximately 7.5 million Euros for the Transportation Cost
(b) Approximately 2.3 million Euros for the Extra Commodity Cost
(c) Default interest
(d) Legal costs

The Comapny also requests the Arbitral Tribunal to recognize that the Company does not owe to DEPA the amount of approximately 7.3 million Euros or any other amount under the 'take-or-pay' clause of the gas contract entered into between DEPA and the Company.

26 Dividends

The Board of Directors will not propose any further dividends or reserves' distribution for the 2010 financial year at the next Annual General Meeting of the Shareholders in 2011.

27 Related-party transactions

27.1 Parent and ultimate controlling party

The Company is controlled by Elpedison B.V. (incorporated in the Netherlands), which owns 75,78% of the Company's shares and is the parent Company. The remaining 24,22% of the shares is held by Hellenic Energy and Development SA and Halcor SA. The ultimate controlling parties of the Company are Edison SpA and Hellenic Petroleum S.A.

27.2 Related party entities

The Company has transactions and balances outstanding with the following entities that belong to the same group:

- Edison S.P.A
- Hellenic Petroleum SA
- Hellenic Petroleum – Diethnis Simvouleftiki Sa
- Hellenic Energy and Development SA
- Hellenic Electricity Transmission System Operator S.A. (HTSO SA)
- Public Gas Corporation of Greece S.A. (DEPA)
- EFG Eurobank
- Joint Venture Edison Engineering SA- AKTOR SA
- Elpedison Trading S.A
- Edison International Holding N.V
- Edison Hellas S.A

Edison S.P.A is one of the ultimate controlling parties of the Company and provides the Company with experienced personnel for the construction of the power plant in Thisvi. The total fee for the personnel for the year 2010 was € 687 thousands amount of € 461 thousand has been capitalized.

Hellenic Petroleum SA is one of the ultimate controlling parties of the Company and provides the Company with experienced personnel for key operational services and lets the land where the power plant in Thessaloniki is located. The total fee for the personnel for the year 2010 was € 144,7 thousand

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

Hellenic Petroleum-Diethnis Simvouleftiki is a related party and provides the Company with experienced personnel. The total fee for the personnel for the year 2010 was € 195 thousand.

Hellenic Energy and Development SA is one of the share-holders and provides with experienced personnel for key operational services. The total fee for the personnel for the year 2010 was €213 thousand.

Hellenic Electricity Transmission System Operator S.A. (HTSO) is a related party to the Company, as HTSO is partly controlled by the Greek State which is also a major shareholder in Hellenic Petroleum S.A. (one of the ultimate controlling parties of the Company). HTSO is the one and only client of electricity sales in the local market and the regulator for the sales and purchases of transmission rights in the local market.

Public Gas Corporation of Greece S.A. (DEPA) is a related party to Hellenic Petroleum SA since Hellenic Petroleum S.A. owns 35% of the share capital of DEPA. DEPA is the unique supplier of gas supplies for Elpedison Power S.A. The supply contract between the companies is at standard trading terms.

Elpedison Power SA during 2010 issued a Bond Loan from EFG Eurobank, a related party to the Hellenic Petroleum S.A.

Joint Venture Edison Engineering SA - AKTOR SA ("JV Thisvi") is a related party to both Edison SpA and Hellenic Energy and Development SA. JV Thisvi is responsible for the construction of the power plant in Thisvi and is the one of the main creditors of the relevant project.

Edison Hellas SA is a subsidiary of Edison SpA and provides the company with personnel. The total fee for the year 2010 was € 50 thousand.

Edison International Holding NV is a related party to Edison SpA, the company has provided a loan to Elpedison Power SA of € 96.408.

Elpedison Trading S.A is a related party to both Edison SpA and Hellenic Petroleum and the ultimate controlling party is Elpedison BV.

Transactions with related parties were carried out at arm's length.

27.3 Sales of electricity and other services

	As at	
	31 December 2010	**31 December 2009**
HTSO	135.701	29.604
Elpedison Trading SA	262	-
Edison Trading SPA	-	1.433
	135.963	**31.037**

27.4 Purchases of services

	As at	
	31 December 2010	**31 December 2009**
Edison S.P.A	577	516
Edison Hellas S.A	50	-
Edison Intl Holding NV	1.458	-

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

Hellenic Petroleum SA	372	690
Helpe-Diethis Simvouleftiki	195	-
Hellenic Electricity Transmission System Operator S.A.	1.349	4.341
Hellenic Energy & Development SA	213	-
Public Gas Corporation of Greece S.A.	107.994	31.618
Joint Venture Edison Engineering SA - AKTOR SA	48.123	65.428
	160.331	**102.593**

27.5 Year-end balances arising from sales/purchases of services

	As at	
	31 December 2010	**31 December 2009**
Receivables from related parties		
Elpedison Trading SA	183	-
Joint Venture Edison Engineering SA - AKTOR SA	-	3.263
Hellenic Electricity Transmission System Operator S.A.	15.324	10.719
Public Gas Corporation of Greece S.A.	7.247	
Other related parties	-	63
	22.754	**14.039**
Payables to related parties		
Joint Venture Edison Engineering SA - AKTOR SA	5.657	22.589
Hellenic Electricity Transmission System Operator S.A.	3.264	1.353
Edison Intl Holding NV	101	-
Edison S.P.A	775	512
Hellenic Petroleum SA	623	296
HELPE- DIETHNIS SYMVOULEFTIKH	240	-
Hellenic Energy & Development SA	213	-

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

Public Gas Corporation of Greece S.A.	7.247	19
	18.120	**24.769**

	As at	
	31 December 2010	**31 December 2009**
Charges for directors remuneration	-	9
		9

28 Other significant events

- **Thisvi Project**

  In December 9th the Thisvi Plant started the commercial operation.

- **Insurance Claim**

  During December 2010 reached the final settlement in connection to the insurance claim for the Thessaloniki plant failure .

- **Regulatory Issue**

  The company has repeatedly requested the intervention of the political leadership and RAE/HTSO in order to remove the distortions and obstacles observed in the Greek electricity market that prevent a competitive market from being established.

- **Human Resources**

  In 2010 the recruitment of all the staff for Thessaloniki plant was completed.

29 Significant events occurring after December 31, 2010.

The company received in January 2011, the amount of €13.090 million representing the balance of the insurance reimbursement.

No further particular event occurred after year end.