Financial Statements 2009

ELPEDISON POWER S.A.

COMPANY REGISTRATION NUMBER: 54352/01AT/B/03/416 (2009)

REGISTERED OFFICE: 199 KIFISIAS AVENUE, 15124 MAROUSI ATHENS

Company Information

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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:	199 Kifissias Avenue GR 15124, 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 S.A.

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 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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 European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 whether the 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 the system of 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 system of 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.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal Matters

We verified the consistency of the Board of Directors' report with the accompanying financial statements, in accordance with the articles 43a and 37 of Law 2190/1920.

PRICEWATERHOUSECOOPERS	Athens, 12 March 2010
	The Certified Auditor Accountant
PricewaterhouseCoopers S.A.	
Kifissias 268, Halandri	
Athens	SOURBIS DIMITRIOS
SOEL Reg. No. 113	SOEL Reg.No. 16891

(All amounts in Euro thousands unless otherwise stated)

Statement of Financial Position

	Note	As at 31 December 2009	31 December 2008
ASSETS			
Non-current assets			
Property, plant and equipment	**5**	382,354	198,367
Intangible assets	**6**	25	11
Deferred tax asset and other long term assets	**7**	2,890	57
		385,269	**198,435**
Current assets			
Inventories	**8**	4,334	3,666
Trade and other receivables	**9**	42,541	15,632
Prepayments & accrued income	**10**	14,210	3,498
Cash and cash equivalents	**11**	26,277	2,327
		87,362	**25,123**
Total assets		**472,631**	**223,558**
EQUITY			
Share capital	**12**	58,248	49,800
Reserves	**13**	1,260	1,260
Retained Earnings		2,696	19,156
Total equity		**62,204**	**70,216**
LIABILITIES			
Non- current liabilities			
Borrowings	**16**	-	81,131
Deferred income tax liabilities		-	1,741
Retirement benefit obligations	**17**	39	19
		39	**82,891**
Current liabilities			
Trade and other payables	**14**	46,729	5,571
Current income tax liabilities	**14**	659	10,162
Provisions	**15**	3,000	-
Borrowings	**16**	360,000	50,762
Dividends payable		-	3,956
		410,388	**70,451**
Total liabilities		**410,427**	**153,342**
Total equity and liabilities		**472,631**	**223,558**

The notes on pages 11 to 39 are an integral part of these financial statements.

The financial statements of Elpedison Power S.A. for the year ended 31 December 2009 were approved by the Board of Directors on 3 February 2010.

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

		Year ended 31 December	
	Note	**2009**	**2008**
Sales	**18**	38,189	177,785
Other Income	**19**	16,425	3,387
		54,614	**181,172**
Fuel and energy purchases	**20**	(53,585)	(126,365)
Labour cost	**21**	(350)	(193)
Operating expenses		**(53,935)**	**(126,558)**
Operating profit before depreciation		**679**	**54,614**
Depreciation	**22**	(17,202)	(16,313)
Operating (loss)/profit		**(16,523)**	**38,301**
Finance costs		(3,583)	(8,033)
Finance income		171	162
Finance cost-net	**23**	**(3,412)**	**(7,871)**
(Loss)/profit before tax		**(19,935)**	**30,430**
Income tax	**24**	(664)	(5,922)
Deferred tax		4,482	(1,724)
(Loss)/ Profit for the year		**(16,117)**	**22,784**
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive income for the year		**(16,117)**	**22,784**

The notes on pages 11 to 39 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	Retained Earnings	Total Equity
Balance at 1 January 2008		**49,800**	**119**	**2,257**	**52,176**
Comprehensive income					
Profit for the year		-	-	22,784	22,784
Transfers to statutory reserves		-	1,141	(1,141)	-
Total other comprehensive income		-	-	-	-
Total comprehensive income		49,800	1,260	23,900	74,960
Transactions with owners					
Dividends relating to 2008		-	-	(4,744)	(4,744)
Total transactions with owners		**-**	**-**	**(4,744)**	**(4,744)**
Balance at 31 December 2008		**49,800**	**1,260**	**19,156**	**70,216**
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		**49,800**	**1,260**	**3,039**	**54,099**
Transactions with owners					
Merger with Thisvi Power Generation S.A.	**27**	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**

The notes on pages 11 to 39 are an integral part of these financial statements.

(All amounts in Euro thousands unless otherwise stated)

Statement of Cash Flows

	Note	Year ended 31 December 2009	2008
Cash flows from operating activities:			
(Loss)/profit for the year		(19,935)	30,430
Adjustments for:			
Depreciation	**5, 6**	17,202	16,313
Insurance reimbursement	**10, 19**	(16,000)	-
Provisions	**15, 17**	3,020	-
Finance cost - net	**23**	3,412	7,871
		(12,301)	54,614
Movements in working capital			
(Increase) / Decrease in inventories	**8**	(668)	(407)
(Increase) / Decrease in receivables	**9**	(20,061)	15,581
Increase/ (Decrease) in payables	**14**	36,243	(6,027)
Cash generated from operations		**15,514**	**63,721**
Income taxes paid		(10,162)	(1,235)
Net cash (used in)/generated from operations		**(6,949)**	**62,526**
Cash flows from investing activities:			
Additions to property, plant and equipment	**5, 6**	(154,253)	(433)
Insurance reimbursement received	**19**	5,500	-
Interest received		171	162
Net cash used in investing activities		**(148,582)**	**(271)**
Cash flows from financing activities:			
Proceeds from short term borrowings	**16**	293,765	-
Repayment of short term borrowings	**16**	(50,762)	(35,238)
Repayment of long term borrowings	**16**	(81,131)	(20,869)
Capitalised finance costs	**5, 23**	(1,500)	-
Interest paid		(2,652)	(7,953)
Dividends paid		(3,956)	(610)
Net cash generated from/(used in) financing activities		**153,764**	**(64,670)**
Net (decrease)/increase in cash and cash equivalents		**(1,767)**	**(2,415)**
Cash and cash equivalents at the beginning of the year		2,327	4,742
Cash and cash equivalents from merger of Thisvi Power Generation S.A.		25,717	-
Cash and cash equivalents at the end of the year		**26,277**	**2,327**

The notes on pages 11 to 39 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Elpedison Power S.A. (formerly T-Power S.A.) (the "Company") was established on May 27th, 2003 by Hellenic Petroleum S.A. During the year, following the merger of the Company with Thisvi Power Generation S.A. as described below, the Company was renamed to Elpedison Power S.A. and its registered address was transferred from 6th km Ehedorou – Thessalonikis, 57008, Thessaloniki to 199 Kifisias Avenue, Marousi, Athens.

As at September 9, 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% of the share capital of the Company and minority shareholders own the remaining 25%. As a result of this merger, the absorbed legal entity Thisvi Power Generation S.A. ceased to exist.

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.

The Company as at 31 December 2009 had 26 employees (FY 2008: 3 employees).

The financial statements of Elpedison Power S.A. for year ended 31 December 2009 were approved for issue by the Board of Directors on February 3, 2010. 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 apart from the following change:

The presentation of the Statement of Comprehensive Income has changed from the previous year to present costs by nature of the expense instead of presenting them by function of the expense. The management of the company deems that the method adopted this year is more relevant to the industry of the Company and more useful in predicting future cash flows and highlighting some specific margins and information universally recognized as useful indicators for financial investors.

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 Summary of significant accounting policies (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:

(a) Standards effective for year ended 31 December 2009:

IAS 1 (Revised) "Presentation of Financial Statements"

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has elected to present one statement.

IAS 23 (Revised) "Borrowing Costs"

This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The amendment did not impact the Company as the Company already applied a policy whereby all applicable borrowing costs were capitalised.

(b) Interpretations effective for year ended 31 December 2009

IFRIC 13 – Customer Loyalty Programmes

This interpretation clarifies the treatment of entities that grant loyalty award credits such as ''points'' and ''travel miles'' to customers who buy other goods or services. It is not relevant to the Company.

(c) Standards effective after year ended 31 December 2009

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

This amendment attempts to relax 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. This amendment has not yet been endorsed by the EU.

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.

Notes to the financial statements (cont'd)

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after 1 July 2009)

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.

(d) Interpretations effective after year ended 31 December 2009

IFRIC 17 "Distributions of non-cash assets to owners" (effective 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. The Company will apply this interpretation from its effective date.

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.

Notes to the financial statements (cont'd)

2 Summary of significant accounting policies (cont'd)

2.3 Property, plant and equipment (cont'd)

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.

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)	15 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.

Notes to the financial statements (cont'd)

2 Summary of significant accounting policies (cont'd)

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).

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)

2 Summary of significant accounting policies (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 Summary of significant accounting policies (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.

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 2009 the Company employed only three 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.

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.

Notes to the financial statements (cont'd)

2 Summary of significant accounting policies (cont'd)

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.

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.

Notes to the financial statements (cont'd)

2 Summary of significant accounting policies (cont'd)

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 and emissions rights

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 2009 results are not comparable with the 2008 results due to the different operational condition of the plant. However, besides the different production period, here below a summary of the most important factors affecting the 2009 results compared to the previous year:

Positive factors:

- Insurance reimbursement
- Emission Rights

Negative factors:

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

For presentation purposes and in accordance with IAS 1, income from the sale of emission rights has been included in "Revenue" in the "Statement of Comprehensive Income" of the Company.

Notes to the financial statements (cont'd)

2 Summary of significant accounting policies (cont'd)

2.23 Rounding

The amounts included in these financial statements have been rounded to the nearest thousand Euro. Consequently, differences which may arise may be as a result of these roundings.

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 mainly exposed to, is the Euribor.

At December 31, 2009, if interest rates on euro borrowings had been 0.25% higher/lower with all other variables held constant, pre-tax profit/loss for the year would have been 540 thousands 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 Risk management (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:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2009				
Borrowings	360,000	-	-	-
Trade and other payables	46,729	-	-	-
At 31 December 2008				
Borrowings	50,762	-	81,131	-
Trade and other payables	5,571	-	-	-

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).

(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 receivables 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)

3 Risk management (cont'd)

3.3 Capital risk management (cont'd)

The gearing ratios as at 31 December 2009 and 2008 were as follows:

	31 December 2009	31 December 2008
Total Borrowings (Note 16)	360,000	131,893
Less: Cash & Cash Equivalents (Note11)	(26,277)	(2,327)
Available for sale financial assets	-	-
Net debt	**333,723**	**129,566**
Total Equity	62,204	70,216
Total Capital Employed	**395,927**	**199,782**
Gearing ratio	84%	65%

3.4 Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. No such instruments were held by the Company as at 31 December 2009 or 2008.

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. This 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 €382.354 thousands. Here below the table, which provides a breakdown of the item:

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets under constr/n	Total
Cost							
As at 1 January 2008	**-**	**15,538**	**224,465**	**102**	**461**	**3**	**240,569**
Additions	-	30	62	3	49	289	434
Disposals	-	-	-	-	-	-	-
Transfers & other movements	-	-	6,131	-	-	(3)	6,128
As at 31 December 2008	**-**	**15,568**	**230,658**	**105**	**510**	**289**	**247,130**
Accumulated Depreciation							
As at 1 January 2008	**-**	**1,540**	**29,920**	**29**	**169**	**-**	**31,658**
Charge for the year	-	781	15,384	17	103	-	16,285
Transfers & other movements	-	1	819	-	-	-	820
As at 31 December 2008	**-**	**2,322**	**46,123**	**46**	**272**	**-**	**48,763**
Net Book Value at 31 December 2008	**-**	**13,246**	**184,535**	**59**	**238**	**289**	**198,367**
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
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**

(a) The assets under construction amounting to € 188.7 million refer mainly to the construction cost of the Power Plant at Thisvi.

(b) In October 9th, 2009, the Thessaloniki plant returned to commercial operation after 10 months period of interruption due to the damage incurred in November 2008.

(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

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

5 Property, plant and equipment (cont'd)

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.

(d) As a result of the merger with Thisvi Power Generation S.A., the Company obtained the ownership of the land in which the Power Plant in Thisvi is built and of fixed assets under construction the total value of which as at the balance sheet date was euro 188.4 million.

6 Other intangible assets

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

Intangible assets

	Computer software	Total
Cost		
As at 1 January 2008	**92**	**92**
Additions	-	-
As at 31 December 2008	**92**	**92**
Accumulated Amortisation		
As at 1 January 2008	**54**	**54**
Charge for the year	28	28
Transfers, acquisitions & other movements	(1)	(1)
As at 31 December 2008	**81**	**81**
Net Book Value 31 December 2008	**11**	**11**
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 period	11	11
As at 31 December 2009	**92**	**92**
Net Book Value at 31 December 2009	**25**	**25**

(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 2009	31 December 2008
Loans and advances and other long term assets	35	57
Deferred tax asset	2,855	-
Total	**2,890**	**57**

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 2009	31 December 2008
Deferred tax asset	4,482	-
Deferred tax liability	(1,627)	(1,741)
	2,855	**(1,741)**

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

	As at 31 December 2009	31 December 2008
Beginning of the year	(1,741)	(17)
Income statement recovery / (charge)	4,482	(1,724)
Other movements	114	-
End of year	**2,855**	**(1,741)**

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

	As at 31 December 2009	31 December 2008
Intangible and tangible fixed assets	(2,654)	(925)
Other temporary differences	661	(816)
Tax loss for 2009	4,848	-
Net deferred income tax asset/(liability)	**2,855**	**(1,741)**

(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 2009	31 December 2008
Spare Parts	3,825	9,223
Consumable materials	509	573
Consumable materials and other	4,334	9,796
- Less: Provision for Consumables and spare parts	-	(1,227)
Subtotal	**4,334**	**8,569**
- Less: Reclassification to PPE	**-**	(4,903)
Total	**4,334**	**3,666**

During 2008, an amount of € 4.9 million representing the net book value of spare parts, has been reclassified from inventory to plant & machinery.

9 Trade and other receivables

	As at 31 December 2009	31 December 2008
Trade receivables	11,115	4,580
Trade receivables net	**11,115**	**4,580**
Other receivables	31,426	11,052
Other receivables net	**31,426**	**11,052**
Total	**42,541**	**15,632**

The carrying amounts of the receivables approximate their fair value.

Trade receivables correspond to debit balances of two major clients:

Gestore Del Mercato Spa	€ 402
Hellenic Electricity Transmission System Operator ("HTSO" or DESMHE)	€ 10,713

Other receivables include balances with respect to:

VAT	€ 22,764
Income tax prepayment	€ 4,721
Other debtors	€ 583
Tax withheld on credit interest	€ 65
Advances to personnel	€ 7
Advances to vendors and creditors	€ 3,286

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

10 Prepayment and accrued income

The item mainly includes €10.5 million accrued income relating to the reimbursement to be paid by Ethniki Insurance S.A within the first quarter of 2010, according to a letter of interim settlement received in December 18, 2009 in connection with the Company's business interruption claim.

11 Cash and cash equivalents

	As at 31 December 2009	As at 31 December 2008
Cash at Bank and in Hand	6,277	827
Short term bank deposits (Alpha Bank)	20,000	1,500
Total cash and cash equivalents	**26,277**	**2,327**

The short term bank deposit corresponds to two term-deposits of €10,000 each:

1. interest period 22/10/2009-22/2/2010 at 2,35% interest rate
2. interest period 22/10/2009-22/3/2010 at 2,40% interest rate

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**

The authorised share capital is €58,248,000 divided to 5,824,800 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 2008: €10.00). The addition of the 844,800 shares issued in 2009 relates to the shares issued in respect to the merger of the Company with Thisvi Power Generation S.A.

13 Reserves

	Statutory reserve	Special reserves	Hedging reserve	Tax reserves	Total
Balance at 1 January 2008	**-**	**-**	**-**	**-**	**-**
Transfer to statutory and reserves	1,260	-	-	-	1,260
Balance at 31 December 2008	**1,260**	**-**	**-**	**-**	**1,260**
Balance at 31 December 2009	**1,260**	**-**	**-**	**-**	**1,260**

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

13 Reserves (cont'd)

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 2009	**31 December 2008**
Trade payables	10,037	3,144
Accrued Expenses & Deferred Income	11,069	11,882
Other payables	26,282	707
Total	**47,388**	**15,733**

Trade and other payables include amounts with respect to:

Payroll and other staff related costs	€	32
Amounts due to related parties (see note 28)	€	24,769
Other creditors, primarily suppliers for power plant construction costs	€	21,515
Social security obligations and sundry taxes	€	1,072

15 Provisions for risk and charges

The provision of € 3 million relates to the estimated repair cost in order to restore the full integrity of the steam turbine rotor of the Thessaloniki power plant following the incident that occurred to the plant on November 9, 2008.

16 Borrowings

The table below shows the balance outstanding of the loan facilities of the company at December 31, 2009:

	As at	
	31 December 2009	**31 December 2008**
Non-current borrowings		
Borrowings from group company	-	81,131
Non-current borrowings	**-**	**81,131**
Current borrowings		
Short term Borrowings from group company	-	50,762
Other Short Term Loan	360,000	-
Total current borrowings	**360,000**	**50,762**
Total borrowings	**360,000**	**131,893**

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

16 Borrowings (cont'd)

The outstanding balance due to Hellenic Petroleum Finance Plc, a subsidiary of the Hellenic Petroleum Group as at December 31, 2008 was fully repaid during the year.

The Company during 2009 issued three Bond Loans as follows:

- Bond Loan of € 97,500,000 from EFG Eurobank Ergasias SA as Bondholder Agent, Paying Agent, Mandated Lead Arranger and Bondholder and Agricultural Bank of Greece SA as Mandated Lead Arranger and Bondholder obtained as at September 30, 2009. It bears interest at 1.5% over euribor and is denominated in euro. The loan facility is to be repaid in one lump sum by 31/03/2010 and is guaranteed by ELPEDISON B.V. and Counter Guaranteed by Hellenic Petroleum International AG.
- Bond loan of € 97,500,000 from Intesa SanPaolo S.p.A., Athens Branch, as Bondholders' Agent, of Unicredit Mediocredito Centrale S.p.A. as Bondholder and Banca IMI S.p.A. as Bondholder obtained as at September 30, 2009. The facility bears interest at 1.5% over euribor and is denominated in euro. The loan facility is to be repaid in one lump sum by 31/03/2010 and is guaranteed by ELPEDISON B.V.
- Bond loan of € 65,000,000 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 obtained as at September 30, 2009. The facility bears interest at 1.8% over euribor and is denominated in euro. The loan facility is to be repaid in one lump sum by 31/03/2010 and is guaranteed by Hellenic Energy and Development SA and Halcor SA and Counter Guaranteed by Ellaktor SA and Intracom Holdings SA.

Moreover as a result of the merger the Company has in place two more Bond Loan facilities initially obtained by Thisvi Power Generation SA as follows:

- Bond loan of € 80,000,000 from Emporiki bank obtained in 2008 with interest at 0.5% over euribor. The Bond Loan had initial repayment date the 31 December 2009. As per the rearrangement the Bond Loan will be repaid on 31 September 2010 and the interest rate increases to 1,8% over euribor. Moreover the Bond Loan will be guaranteed by ELPEDISON B.V., Hellenic Energy and Development SA and Halcor SA and Counter Guaranteed by Edison International Holding N.V , Hellenic Petroleum International AG, Ellaktor SA and Intracom Holdings SA.
- Bond loan of € 20,000,000 from Banca Intesa SpA and Societe Europeene de Banque SA obtained as at February 2009. The facility bears interest at 1,5% over euribor and is denominated in euro. The loan facility was to be repaid in one lump sum by 31/03/2010 and is guaranteed by Edison International Holding N.V., Ellaktor SA, Halcor SA and Intracom Holdings SA.

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

The weighted average effective interest rates were circa 1,8% (4.54% and 4,8% in 2008 for short term borrowings and long term borrowing respectively).

17 Retirement benefit obligations

	As at	
	31 December 2009	**31 December 2008**
Beginning of the year	19	-
Total expense included in employee benefit expense	21	19
Total	**39**	**19**

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

18 Sales revenue

Sales Revenues totalled € 38.19 million decreasing by € 139.6 million from last year due to the interruption of operations as consequence of the incident occurred to the plant and disclosed in detail in note 29. Substantially, the amount refers mainly to turnover for Electricity sales of the last quarter of 2009, trading activity and the surplus of emissions rights (CO2) sold in December 2009.

Here below the breakdown of the item:

	For the year ended	
	31 December 2009	**31 December 2008**
Sales from Day Ahead Market	26,341	164,662
Capacity Availability Ticket (CAT)	2,949	12,856
Sales of Emission Rights	4,737	-
Trade activity	4,162	267
Total	**38,189**	**177,785**

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

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.

In December 2009 an amount of € 5.5 million out of a total of € 16 million has been received in connection with the damages incurred at the Thessaloniki power plant following an incident on November 2008, whereas € 10.5 million will be received within the first quarter of 2010, according to the "letter of interim settlement" mentioned above (see note 10).

20 Raw material and services used

	For the year ended	
	31 December 2009	**31 December 2008**
Fuel Cost	(31,618)	(113,567)
O&M costs	(5,117)	(7,266)
Property Damage Costs	(11,145)	-
Grid fee	(429)	(2,379)
Other costs	(2,033)	(1,738)
Emission Rights – Trading activity costs	(3,243)	(1,415)
	(53,585)	**(126,365)**

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

21 Labour Cost

	For the year ended 31 December 2009	31 December 2009
Wages and salaries	674	145
Social security costs	85	38
Pension costs	9	-
Other employment benefits	12	10
Total	**780**	**193**
Less: Labor costs capitalized	(430)	-
Total charged to income statement	**350**	**193**

Included in other employment benefits are medical insurance, catering, transportation expenses and meal allowances and part of them, being in relation of the construction of the Thisvi power plant, has been capitalized (€430k).

22 Depreciation

A breakdown of depreciation is provided below:

	For the year ended 31 December 2009	31 December 2008
Depreciation of Property, plant and equipment	16,284	15,384
Depreciation of Building	782	781
Depreciation of Other Assets	125	120
Depreciation of Intangible Assets	11	28
Total	**17,202**	**16,313**

23 Finance costs – net

Net financial expenses 2009 result from a double and contrasting effects: on the one hand the decrease of the interest rate and on the other hand the increase of the indebtedness respect to 2008, taking into account the overall net financial position both of Thisvi and T-Power. Borrowing costs capitalized in 2009 amounted to € 1.5 million.

	For the year ended 31 December 2009	31 December 2008
Interest income	171	162
Interest expense and similar charges	(3,583)	(8,033)
Finance costs –net	**(3,412)**	**(7,871)**

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

24 Income tax expense

	For the year ended 31 December 2009	31 December 2008
Current tax	(664)	5,922
Deferred tax (Note 7)	4,482	1,724
Total	**3,818**	**7,646**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company, as follows:

	For the year ended 31 December 2009	31 December 2008
Profit / (Loss) Before Tax	**(19,935)**	**30,430**
Tax calculated at tax rates applicable to profits	(4,984)	7,608
Tax on income not subject to tax	-	(1,792)
Tax on expenses not deductible for tax purposes	772	106
Tax losses for which no deferred income tax was recognized	897	-
Effect of tax rate change	(503)	-
Other	-	1,724
Tax Charge	**(3,818)**	**7,646**

The basic tax rate was 25% for the year ended 31 December 2009

During 2008, Law 3697/2008 was enacted, based on which the basic tax rates for the years 2009, 2010, 2011, 2012, 2013 and 2014 moving forward, will be 25%, 24%, 23%, 22%, 21% and 20% accordingly. These rates were used to calculate the deferred taxes as of 31 December 2008.

Notes to the financial statements (cont'd)

25 Commitments and Contingencies

a) As a result of the Thessaloniki power plant being out of operation for most of the year, the Company has not been able to take the planned gas supplies that it had declared for the year to its natural gas supplier, DEPA. Under its supply contract, DEPA has the right to charge the Company for the declared gas quantities under a "take or pay" clause in the event DEPA itself is obliged to make a similar payment to its own suppliers. Management has assessed that this event is highly unlikely and has not made a provision for this contingency. Furthermore, in the unlikely event that the Company is forced to pay "take or pay" obligations to DEPA, management believes they can recover such charges through their business interruption insurance or to otherwise use such payments against future supplies of natural gas.

b) Elpedison Power S.A. has not been audited by the tax authorities for the fiscal years 2005, 2006, 2007, 2008, and 2009. 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 not be material to the financial statements.

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

Guarantees for liabilities			
in thousand €	Amount	Date of issuance	Expiration date
HTSO	135	12/16/2009	-
DESFA	5,421	6/22/2009	8/23/2012
DESFA	5,421	6/19/2009	8/31/2012
DESFA	5,838	6/22/2009	8/31/2012
DESFA	1,079	6/19/2009	4/30/2011
DESFA	1,079	6/19/2009	4/30/2011
DESFA	1,162	6/22/2009	4/30/2011
DESFA	280	12/21/2007	1/18/2010
DEPA	12,275	12/30/2008	12/31/2009
TERNA RETE ELETTRICA NAZIONALE SPA	50	12/9/2009	5/31/2011

Furthermore the Company following the merger has substituted 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, and are analyzed as follows:

Supplier	**Amount**	**Validity until**
Nooter Eriksen Srl	27,937,500	15/1/2011
GEA Energietechnik GmbH	8,047,000	15/7/2010
Ansaldo Energia SpA	57,894,000	15/10/2010
Total	**93,878,500**	

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

d) The Company in relation to the construction of the power plant in Thisvi contracted with suppliers and creditors, analyzed as follows:

Supplier/creditor	Contacts' value		Total invoicing	Remaining amount
Joint Venture Thisvi	101,620,000		71,859,801	29,760,199
Edison SpA	1,704,000		1,067,410	636,590
Ansaldo Energia SpA	64,044,000		51,744,000	12,300,000
Nooter / Eriksen Srl	33,300,000	(1)	27,224,057	6,075,943
GEA Energietechnik GmbH	12,380,000		10,523,000	1,857,000
TAMINI Transformatori SRL	5,372,000		5,372,000	-
HTSO & PPC	802,000		333,820	468,180
ATERMON SA	11,797,000		10,486,025	1,310,975
SUEZ-TRACTEBEL SA	2,589,800		1,290,947	1,298,853
Total	**233,608,800**		**179,901,060**	**53,707,740**

(1) Plus spare parts' cost

e) Operating lease commitments

The Company acts as a lessee

Operating lease commitments comprise mainly of the land where the power plant in Thessaloniki is located.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at	
	31 December 2009	**31 December 2008**
No later than 1 year	184	106
Later than 1 year and no later than 5 years	449	424
Later than 5 years	1,964	2,070
	2,597	**2,600**

26 Dividends

The Board of Directors will not propose any further dividends or reserves' distribution for the 2009 financial year at the next Annual General Meeting of the Shareholders in 2010.

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

27 Impact of merger with Thisvi Power Generation SA

In respect of the merger through absorption of Thisvi Power Generation SA, which was finalized on September 9, 2009, Elpedison Power SA (ex T-Power SA) incorporated the balances of the changes in equity of the absorbed Company taking as milestone date the 31 March 2009. The movement in the statement of changes in equity of Thisvi Power Generation SA is analyzed as follows:

	Note	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2009		**8,448**	**(225)**	**8,223**
Comprehensive income		-	-	-
Loss for the period until 31 March 2009		-	(118)	(118)
Total other comprehensive income		-	-	-
Total comprehensive income		**8,448**	**(343)**	**8,105**
Transactions with owners				
Total transactions with owners		**-**	**-**	**-**
Balance at 31 March 2009		**8.448**	**(343)**	**8.105**

28 Related-party transactions

28.1 Parent and ultimate controlling party

The Company is controlled by Elpedison B.V. (incorporated in the Netherlands), which owns 75% of the Company's shares and is the parent Company. The remaining 25% 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.

28.2 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 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
- Edison Trading 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.

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

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.

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 31% of the share capital of DEPA. DEPA is the unique supplier of gas supplies for Elpedison Power S.A.

Elpedison Power SA during 2009 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 Trading S.A is a subsidiary of Edison SpA and was among the companies which purchased the surplus of emissions rights (CO2) of Elpedison Power SA sold in December 2009.

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

28.3 Sales of electricity and other services

	For the year ended	
	31 December 2009	**31 December 2008**
HTSO	29,604	177,809
Edison Trading SPA	1,433	-
	31,037	**177,809**

28.4 Purchases of services

	For the year ended	
	31 December 2009	**31 December 2008**
Edison S.P.A	516	-
Hellenic Petroleum SA	690	390
Hellenic Electricity Transmission System Operator S.A.	4,341	-
Public Gas Corporation of Greece S.A.	31,618	117,030
Joint Venture Edison Engineering SA - AKTOR SA	65,428	-
	102,593	**117,420**

(All amounts in Euro thousands unless otherwise stated)

Notes to the financial statements (cont'd)

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

	As at	
	31 December 2009	**31 December 2008**
Receivables from related parties		
Joint Venture Edison Engineering SA - AKTOR SA	3,263	-
Hellenic Electricity Transmission System Operator S.A.	10,713	7,888
Other related parties	63	63
	14,039	**7,951**
Payables to related parties		
Joint Venture Edison Engineering SA - AKTOR SA	22,589	-
Hellenic Electricity Transmission System Operator S.A.	1,353	236
Edison S.P.A	512	
Hellenic Petroleum SA	296	479
Public Power Corporation PPC	-	127
Public Gas Corporation of Greece S.A.	19	173
	24,769	**1,015**

	For the year ended	
	31 December 2009	**31 December 2008**
Charges for directors remuneration	9	55
	9	**55**

Notes to the financial statements (cont'd)

29 Other significant events

- **Failure of the Plant**

On November 17th 2008 the plant was shut down due to sea water ingress into the condensate/steam system as a result of a condenser tube failure. In the remaining of 2008 and most part of 2009 the company's efforts were concentrated to clean the contaminated equipment and restore the integrity of the plant. The reassembly of the machine was completed in May. However all the attempts during June to re-commission the machine failed due to high vibrations caused by internal rubbing of the HP/IP rotor. The machine was re-opened for internal inspection and realignment and it was put finally back in service on October 9, 2009, after a 10 month period of interruption.

- **Thisvi Project**

The construction of the Thisvi plant progresses according to the budget project curve (77,3% in December 2009). There are some areas of the project to be carefully followed up (Gas interconnection and HV line construction) whereas some activities, such as the commissioning, have to be rescheduled in accordance with the status of substation completion and HV\LV energization.

- **Insurance Claim**

On October 1, 2009 the company appointed its own loss adjuster in connection with the insurance claim for the plant failure mentioned above. After a thorough examination of all the costs incurred on December 21, 2009, the company submitted a formal report for the claim for both Property Damage and Business Interruption losses including also those the Company anticipated to incur in due time. More precisely the total claim amounted approx to €39m segregated in €16.3m and €23.0m as Property Damage and Business Interruption respectively until December 2009. The event of the condenser tube failure was reported to the insurers from the very beginning and their adjustors were involved in the entire repair and remedy activities.

- **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. Here below we report the most evident:

- Non-inclusion of CO2 opportunity cost in the offers/SMP
- Hydro scheduling and dispatch (mandatory hydro – Capacity over-declarations)
- Overstatements of units' capacities
- Role and programming of imports
- Limits on exports
- Remuneration of ancillary services
- Over-declaration of technical minima
- Remuneration at technical mins
- Mis-declaration of SRMC

Notes to the financial statements (cont'd)

29 Other significant events (cont'd)

- Setting the Offer Curve below the SRMC
- Peak plant contracting

A study highlighting and substantiating the above is being performed by an international consulting firm and their report is expected to be finalized by March 2010.

In the meantime, RAE has agreed to postpone the application of the 5th Reference Day (full code application) for March 16 2010 (originally foreseen to be January 1st 2010) and organize public consultation concerning the new platform that was applied from January 2009 and the results of the market during 2009, aiming to identify and rectify the distortions observed.

- **Human Resources**

In 2009 the recruitment of all the staff for Thisvi's plant was completed. By the end of 2009 Thisvi's employees were 26. Furthermore, the training started and will end in 2010. As far as ELPEDISON Power staffing is concerned a number of key positions were covered (HR Manager, Chief Accountant) and recruitment of remaining positions will be completed by 2010. For this to be achieved, and in an effort to reduce the related costs, cooperation with a career and job hunting site has been initiated. A number of policies and procedures have already been set up and more are to follow in 2010. The number of employees for the administration of ELPEDISON Power (HQ offices in Athens) is 6 (one of which is loaned by ELPE). As regards to employment law requirements alignment so far there are no issues to be handled. Cooperation with Ernst & Young in terms of payroll requirements has been established, and there have been alignment meetings with the HR Manager and the payroll process is now running smoothly. There are currently no unions formed in ELPEDISON Power.

30 Significant events occurring after December 31, 2009

In January the insurance company Ethniki Asfalistiki SA provided a further payment for an amount of € 3 million in relation to the claim and the interim settlement mentioned above.

No further particular event occurred after year end.