PROTERGIA SOCIETE ANONYME
POWER GENERATION AND SUPPLIES
Societe Anonyme Registry
No 51526/01AT/B/02/537
SEAT: 8 ARTEMIDOS STR., 15125, MAROUSSI

Annual Financial Statements
For the fiscal year January 1 to December 31, 2011
According to the International Financial Reporting Standards

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A. Board of Director's Annual Management Report

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS
TO THE ANNUAL ORDINARY GENERAL ASSEMBLY OF THE SHAREHOLDERS OF THE COMPANY
«PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME »

1. OVERVIEW

During 2011 the main project of Protergia S.A., the Combined Cycle Gas Turbine (CCGT) power plant of installed capacity 444 MW at Agios Nikolaos (Viotia) entered into commercial operation. At the same time the Company intensified its activities for the development of Wind Farms (W/F) and PV projects. More specifically, in August 2011 the Company started construction of the 3 PV parks with a total installed capacity of 11.5 MW. Furthermore, during 2011 production licenses of wind farms for capacity of 20.4 MW and installation licenses of 19.8 MW were issued.

Hence PROTERGIA (Company) makes significant steps towards the fulfillment of its main objective, which is to become the leading independent power generator in Greece with a balanced development mix of thermal and RES plants.

On February 21st, the shareholders of PROTERGIA SA, decided to relocate its headquarters to 8 Artemidos Str. at Maroussi. At the new headquarters, the administrative services of the parent company Mytilineos and the related company METKA were also relocated. The joint premises will fully enhance the synergies between the companies, while it will maximize the benefits of the created economies of scale.

On February 2nd, the Articles of Association were amended and the transactions of natural gas were added. During 2011 PROTERGIA SA also adopted the ISO 9001:2008.

PROTERGIA SA proceeded with the impairment on the value of renewable energy investments, compared to the values of 2007 and 2008. More precisely, the impairment amounted to € 10.3 million and burdened the results of both the Company and the Group. (see Financial Results).

2. FINANCIAL RESULTS

The Revenue of Protergia SA comes from Energy Production of the 444 MW CCGT plant, Electricity Trading and Exploitation of electromechanical equipment. The company's sales amounted to € 127.3 mn. In 2011 compared to € 7.6 mn. in 2010 mainly due to the operation of the CCGT power plant in Viotia. The gross margin of Protergia SA reached 10% in 2011.

The Revenue of Protergia Group also includes revenue from renewable energy sources (RES) and reached € 130 mn. in 2011 from € 11.5 mn. in 2010, with a gross margin of 11%.

The Group Administrative Expenses declined by 22% to €4.9 mn. in 2011. The Other Financial Results of the Company and the Group (losses of €10.3 mn.) relate to the impairment on Protergia's RES investments. The losses of € 10.3 mn. arise from the impairment: (a) € 5.1 mn. of Small Hydro Power Plants and (b) € 5.2 mn. of Wind Farms and arise from the calculation of the Net Present Values using assumptions that reflect the current financial conditions in Greece.

The Earnings Before Interest and Tax (EBIT) of Protergia SA amounted to € 10.4 mn. in 2011, compared to losses of € 5.2 mn. in 2010. Earnings Before Tax (EBT) reached losses of € 1.8 mn. in 2011, compared to losses of € 41 mn. in 2010 and Earnings After Tax (EAT) losses of € 1.2 mn. in 2011, compared to losses of € 37.8 mn. in 2010.

Protergia Group's Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) reached € 21.8 mn and Earnings Before Interest and Tax (EBIT) amounted to € 10.8 mn. in 2011, from losses of € 3.6 mn. in 2010. Furthermore, Earnings Before Tax (EBT) amounted to € losses 1.4 mn. compared to € 40.6 mn. in 2010 and Earnings After Tax (EAT) losses of € 1.2 mn. compared to € 38 mn. in 2010.

The Return on Capital Employed (ROCE) amounted to 2.57% for Protergia S.A. and 2.56% for the Group.

3. BUSINESS RISK MANAGEMENT

The Company is exposed to a variety of financial risks, credit and liquidity risks, foreign exchange and interest rate risks.

The main risk management policies are defined by the Company's Treasury Department, which operates under specific guidelines approved by Management.

Financial Risk

Financial Risk is presented when the contracting parties are unable to fully pay their liabilities and this could eventually lead to a decrease in the sum of the future cash flows at the date of Balance Sheet. The Group applies specific procedures and continuously reviews the collection of the receivables.

Credit and Liquidity Risk

The Credit and Liquidity Risk is linked with the need for sufficient funding for the operation and development of the Group. The liquidity needs are managed through the careful monitoring of long term financing liabilities as well as the daily payments.

Foreign exchange Risk

The Foreign Exchange Risk is presented when transactions, recognized assets and liabilities are valued in a different currency from the company's operating currency. The Group is not exposed to foreign exchange risk because the direct exchanges with the customers and suppliers in foreign currency are limited.

Interest rate risk

The Company's assets that were exposed to interest rate fluctuations are the cash and cash equivalents. The Company's policy, regarding the financial assets, is to invest the cash in floating rates in order to preserve the necessary liquidity and at the same time to have an adequate yield for its shareholders.

4. PROSPECTS FOR THE FORTHCOMING YEAR 2012

There are rapid changes in the electrical energy sector.

Following the commercial operation of the 444 MW CCGT plant, the Company develops its business plan which include the management and operation of thermal power plants as well as the development and the operation of RES projects, contributing to the attainment of the target 20-20-20.

The Company is developing through a very adverse entrepreneurial and financial external environment, both for the country and itself. Despite that fact, the Company's management believes that with the shareholder's support and the capabilities of its officers, the company will succeed in its objectives.

5. POST BALANCE SHEET EVENTS

In January and February 2012, the 3 PV parks with a total installed capacity of 11.5 MW started operation. The total cost of land, licensing and construction of the 3 PV parks amounted to € 23.5 mn. The 3 PV parks are expected to generate an annual EBITDA of € 5.5 mn.

In April 2012, the Company assumed the operation and maintenance of the 3 thermal power plants of Mytilineos Group of a total installed capacity of 1,200 MW and hired 46 employees in the Energy Center at Agios Nikolaos (Viotia) and 4 employees in the Company's Headquarters.

More detailed information concerning the financial position and the results of the Company are presented in the notes according the IFRS.

Evangelos Mytilineos
Chairman of the Board of Directors

B. Independent Auditor's Report

To the Shareholders of the Company **PROTERGIA POWER GENERATION AND SUPPLIES SA.**

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company **Protergia Power Generation And Supplies S.A.** and its subsidiaries which comprise the separate and consolidated Statement of Financial Position as at December 31, 2011, the separate and consolidated Income Statements and Statements of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting principles and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union as well as for internal control procedures the Management defines as necessary to ensure 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 separate and consolidated financial statements based on our audit. We conducted our audit in compliance with the 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 separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control procedures relevant to the entity's preparation and fair presentation of the separate and consolidated 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 procedures. 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 separate and consolidated 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 abovementioned separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company **Protergia Power Generation and Supplies S.A.** and its subsidiaries as of December 31, 2011, and their financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned separate and consolidated financial statements, in the context of the requirements of Articles 43a, 108 and 37 of the Law 2190/1920.

Athens, 12 April 2012

Chartered Accountant

Vassilis Kazas

SOEL Reg. No: 13281

Grant Thornton
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Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

C. Annual Financial Statements

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31ST, 2011
ACCORDING THE INTERNATIONAL FINANCIAL REPORTING STANDARDS, AS ADOPTED BY THE E.U.

The enclosed financial statements have been approved by the Board of Directors of "PROTERGIA SA" at 10.04.2012 and have been published to the electronic address www.protergia.gr. It is noted that the published in the press, brief financial data, aim to provide the user with general information regarding the company's financial position but do not present a full picture of the Company's financial results and position according to the International Financial Reporting Standards.

Statement of Financial Position

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Assets				
Non current assets				
Tangible Assets	295.630	263.179	243.840	232.589
Investment Property	-	-	-	-
Goodwill	14.117	14.117	-	-
Intangible Assets	225.711	228.840	106.924	104.575
Investments in Subsidiary Companies	-	-	150.450	147.271
Investments in Associate Companies	8.834	10.451	7.808	9.581
Other Investments	-	-	-	-
Deferred Tax Receivables	4.143	3.400	4.143	3.400
Financial Assets Available for Sale	-	-	-	-
Derivatives	-	-	-	-
Other Long-term Receivables	824	9.512	77	8.259
	549.259	**529.498**	**513.241**	**505.675**
Current assets				
Total Stock	637	-	637	-
Trade and other receivables	17.946	403	17.474	53
Other receivables	10.702	35.595	18.799	47.424
Cash and cash equivalents	5.155	4.854	2.397	1.633
	34.440	**40.852**	**39.307**	**49.110**
Assets	**583.698**	**570.350**	**552.548**	**554.785**
Liabilities & Equity				
EQUITY				
Share capital	5.487	5.487	5.487	5.487
Share premium	368.040	376.554	371.720	380.234
Other reserves	16	-	-	-
Retained earnings	(5.602)	(15.304)	(4.496)	(13.665)
Equity attributable to parent's shareholders	**367.941**	**366.737**	**372.711**	**372.056**
Non controlling Interests	17.046	17.606	-	-
EQUITY	**384.986**	**384.343**	**372.711**	**372.056**
Non-Current Liabilities				
Long-term debt	2.645	44.132	-	40.000
Deferred tax liability	37.296	37.455	43.382	45.135
Liabilities for pension plans	170	171	165	167
Other long-term liabilities	3.574	3.986	-	-
Non-Current Liabilities	**43.685**	**85.743**	**43.547**	**85.301**
Current Liabilities				
Trade and other payables	109.862	65.068	94.391	64.926
Tax payable	363	801	72	559
Short-term debt	15.694	31.787	14.196	30.385
Current portion of non-current liabilities	18.100	-	18.100	-
Other payables	11.008	2.607	9.532	1.558
Current Liabilities	**155.027**	**100.264**	**136.290**	**97.427**
LIABILITIES	**198.712**	**186.007**	**179.837**	**182.729**
Liabilities & Equity	**583.698**	**570.350**	**552.548**	**554.785**

The enclosed notes are quoted at pages 16-60 and are an integral part of these financial statements.

Income Statement

(Amounts in thousands €)	PROTERGIA GROUP		PROTERGIA S.A.	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Sales	129.959	11.513	127.262	7.594
Cost of sales	(116.151)	(8.869)	(114.740)	(7.181)
Gross profit	**13.808**	**2.643**	**12.522**	**413**
Other operating income	2.888	467	2.907	213
Distribution expenses	(81)	(91)	-	-
Administrative expenses	(4.853)	(6.284)	(4.276)	(5.787)
Other operating expenses	(972)	(320)	(753)	(72)
Earnings before interest and income tax	**10.791**	(3.584)	**10.400**	(5.234)
Financial income	410	175	325	130
Financial expenses	(2.521)	(2.963)	(2.311)	(2.536)
Other financial results	(10.255)	(34.320)	(10.255)	(33.387)
Share of profit of associates	157	88	-	-
Profit before income tax	**(1.418)**	**(40.603)**	**(1.841)**	**(41.027)**
Income tax expense	257	2.624	687	3.195
Profit for the period	**(1.161)**	**(37.979)**	**(1.154)**	**(37.832)**
Profit for the period	**(1.161)**	**(37.979)**	**(1.154)**	**(37.832)**
Attributable to:				
Equity holders of the parent	*(621)*	*(38.144)*	*(1.154)*	*(37.832)*
Non controlling Interests	*(540)*	*165*	-	-
	Summury of Results from continuing operations			
Oper.Earnings before income tax,financial results,depreciation and amortization	**21.815**	**(2.408)**	**20.750**	**(4.933)**
Earnings before interest and income tax	10.791	(3.584)	10.400	(5.234)
Profit before income tax	(1.418)	(40.603)	(1.841)	(41.027)
Profit for the period	(1.161)	(37.979)	(1.154)	(37.832)

The enclosed notes are quoted at pages 16-60 and are an integral part of these financial statements.

Statement of Comprehensive Income

	PROTERGIA GROUP		PROTERGIA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
(Amounts in thousands €)	-	-	-	-
Other comprehensive income:				
Net profit(loss) for the period	(1.161)	(37.979)	(1.154)	(37.832)
Exchange differences on translation of foreign operations	-	-	-	-
Available for sale financial assets	-	-	-	-
Cash Flow hedging reserve	-	-	-	-
Stock Option Plan	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-
Income tax relating to components of other comprehensive income	-	-	-	-
Total comprehensive income for the period	**(1.161)**	**(37.979)**	**(1.154)**	**(37.832)**
Total comprehensive income for the period attributable to:				
Equity attributable to parent's shareholders	(621)	(38.144)	(1.154)	(37.832)
Non controlling Interests	(540)	165	-	-

The enclosed notes are quoted at pages 16-60 and are an integral part of these financial statements.

Statement of changes in Equity (Group)

(Amounts in thousands €)	Share capital	Share premium	Other reserves	Retained earnings	Total	Non controlling Interests	Total
	PROTERGIA GROUP						
Opening Balance 1st January 2010 , according to IFRS -as published-	**5.487**	**385.775**	**-**	**(10.194)**	**381.068**	**19.205**	**400.273**
Change in equity							
Dividends paid	-	-	-	-	-	-	-
Transfer to reserves	-	(17.505)	-	33.367	15.862	978	16.840
Treasury stock sales/purchases	-	-	-	-	-	-	-
Impact from acquisition of share in subsidiaries	-	-	-	-	-	-	-
Impact from transfer of subsidiary	-	8.284	-	(333)	7.951	(2.742)	5.209
Increase / (Decrease) of Share Capital	-	-	-	-	-	-	-
Net profit(loss) for the period	-	-	-	(38.144)	(38.144)	165	(37.979)
Other comprehensive income:							
Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**(38.144)**	**(38.144)**	**165**	**(37.979)**
Closing Balance 31/12/2010	**5.487**	**376.554**	**-**	**(15.304)**	**366.737**	**17.606**	**384.343**
Opening Balance 1st January 2011, according to IFRS -as published-	**5.487**	**376.554**	**-**	**(15.304)**	**366.737**	**17.606**	**384.343**
Change in equity							
Dividends paid	-	-	-	-	-	-	-
Transfer to reserves	-	(8.514)	-	10.323	1.809	-	1.809
Treasury stock sales/purchases	-	-	-	-	-	-	-
Impact from acquisition of share in subsidiaries	-	-	20	-	20	(20)	-
Impact from transfer of subsidiary	-	-	-	-	-	-	-
Increase / (Decrease) of Share Capital	-	-	(4)	-	(4)	-	(4)
Net profit(loss) for the period	-	-	-	(621)	(621)	(540)	(1.161)
Other comprehensive income:							
Total comprehensive income for the period	-	-	-	-	-	-	-
	-	**-**	**-**	**(621)**	**(621)**	**(540)**	**(1.161)**
Closing Balance 31/12/2011	**5.487**	**368.040**	**16**	**(5.602)**	**367.941**	**17.046**	**384.986**

The enclosed notes are quoted at pages 16-60 and are an integral part of these financial statements.

Statement of changes in Equity (Company)

(Amounts in thousands €)	PROTERGIA S.A. Share capital	Share premium	Retained earnings	Total
Opening Balance 1st January 2010 , according to IFRS -as published-	**5.487**	**393.985**	**(9.212)**	**390.260**
Change in equity				
Transfer to reserves	-	(13.751)	33.379	19.628
Transactions with owners	**-**	**(13.751)**	**33.379**	**19.628**
Net profit(loss) for the period	-	-	(37.832)	(37.832)
Other comprehensive income:				
Share of other comprehensive income of associates	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**(37.832)**	**(37.832)**
Closing Balance 31/12/2010	**5.487**	**380.234**	**(13.665)**	**372.056**
Opening Balance 1st January 2011, according to IFRS -as published-	**5.487**	**380.234**	**(13.665)**	**372.056**
Change in equity				
Transfer to reserves	-	(8.514)	10.323	1.809
Transactions with owners	**-**	**(8.514)**	**-**	**1.809**
Net profit(loss) for the period	-	-	(1.154)	(1.154)
Other comprehensive income:				
Share of other comprehensive income of associates	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**(1.154)**	**(1.154)**
Closing Balance 31/12/2011	**5.487**	**371.720**	**(4.496)**	**372.711**

The enclosed notes are quoted at pages 16-60 and are an integral part of these financial statements.

Cash flow statement

(Amounts in thousands €)	PROTERGIA GROUP 1/1-31/12/2011	PROTERGIA GROUP 1/1-31/12/2010	PROTERGIA S.A. 1/1-31/12/2011	PROTERGIA S.A. 1/1-31/12/2010
Cash flows from operating activities				
Cash flows from operating activities	56.222	(3.106)	58.390	(7.745)
Interest paid	(2.521)	(1.807)	(2.311)	(1.458)
Taxes paid	(211)	(530)	(11)	(41)
Net Cash flows continuing operating activities	**53.490**	**(5.444)**	**56.068**	**(9.244)**
Net Cash flow from continuing and discontinuing investing activities				
Purchases of tangible assets	(21.169)	(14.639)	(14.550)	(12.894)
Purchases of intangible assets	(57)	(413)	(57)	(413)
Sale of tangible assets	9.255	32	9.213	-
Dividends received	68	-	68	-
Loans to related parties	(2.087)	(1.094)	(2.087)	(1.094)
Acquisition of associates	(125)	-	(125)	(1.654)
Acquisition /Sale of subsidiaries (less cash)	-	10.990	(10.003)	1.021
Interest received	410	175	325	130
Net Cash flow from continuing investing activities	**(13.705)**	**(4.948)**	**(17.216)**	**(14.903)**
Net Cash flow continuing and discontinuing financing activities			**-**	**-**
Proceeds from issue of share capital	-	-	-	-
Tax payments	(4)	(10)	-	-
Return of share capital to shareholders	-	-	-	-
Repayments of borrowings	(23.386)	(1.376)	(21.900)	-
Other cash flows from financing activities	-	-	-	-
Net Cash flow continuing financing activities	**(23.390)**	**(1.386)**	**(21.900)**	**-**
Net (decrease) / increase in cash and cash equivalents	**16.395**	**(11.777)**	**16.952**	**(24.147)**
Cash and cash equivalents at beginning of period	(26.934)	(15.156)	(28.752)	(4.604)
Net cash at the end of the period	**(10.539)**	**(26.934)**	**(11.799)**	**(28.752)**
Overdrafts	**(15.694)**	**(31.787)**	**(14.196)**	**(30.385)**
Cash and cash equivalent	**5.155**	**4.854**	**2.397**	**1.633**
Net cash at the end of the period	**(10.539)**	**(26.934)**	**(11.799)**	**(28.752)**

The enclosed notes are quoted at pages 16-60 and are an integral part of these financial statements.

1. Information about PROTERGIA

1.1 Statement of Compliance

The Financial Statements of PROTERGIA SA for the year ended December 31st, 2011 have been prepared according the International Financial Reporting Standards, as published by the International Accounting Standards Board (IASB).

1.2 General Information

“PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME” with distinctive title “PROTERGIA SA”, was established under the name “ENERTEK ENERGY TECHNICAL AND COMMERCIAL SOCIETE ANONYME” with distinctive title “ENERTEK SA” with the No 12.790/20.2.2002 notary deed and the No 12.883/26.3.2002 amendment of the Elefsina Notary Athina N. Moschona, according the provisions of the coded law 2190/1920. The Articles of Association of “ENERTEK SA” were approved with the No 667/2.4.2002 resolution of the West Attica Prefect, which was published to the GOVERNMENT GAZETTE OF THE GREEK REPUBLIC issue of SOCIETE ANONYME AND LIMITED LIABILITY COMPANIES No 2634/12.4.2002

The General Assembly of the Company’s Shareholders on 27.4.2007 amended the first article of the Articles of Association according to which the name of the company changed to “ENDESA HELLAS POWER GENERATION AND SUPPLY SOCIETE ANOMYME” with distinctive title “ENDESA HELLAS SA”. This was approved by the Prefect of Athens, decision No 5653/25.5.2007, and published to the Government Gazette of the Greek Republic, issue of SA and Ltd companies No 3881/4.6.2007.

At the same year the Prefect of Athens approved (resolution No 10728/23.7.2007) the merger through absorption of the companies “MYTILINEOS POWER GENERATION AND SUPPLIES S.A.” and “MYTILINEOS RENEWABLE ENERGY SOURCES SA”, according to the provisions of the articles 66-67 of the coded law 2190/1920 and the provisions of the law 2166/1993, the reports of the Chartered Accountant Mr. Ant. Prokopides dated 16.4.2007 and the merger notary deed No 6317/10.7.2007 of the Athens Notary Maria Stavrianou. The merger approval was published to the Government Gazette of the Greek Republic, issue No 8654/26.7.2007.

The year 2008 “ENDESA HELLAS SA” merged through absorption the company “DELTA RENEWABLE ENERGY SOURCES SA”, based on the Merger Agreement Plan of 21.2.2008 and according the provisions of the articles 68 par.2 and 69 to 77 of the coded law 2190/190, as well as the provision of the articles 1 to 5 of the law 2166/1933. The plan was published to the Government Gazette of the Greek Republic, issue of SA and Ltd companies No 8654/26.7.2007.

On 2/7/2010 Mytilineos Holdings S.A. became the sole share holder of "ENDESA HELLAS POWER GENERATION AND SUPPLY SA" which was renamed to "PROTERGIA POWER GENERATION AND SUPPLIES S.A." according the No EM-20678/4.8.2010 Prefecture approval that amended the first article of the Articles of Association. The amendment was published to the Government Gazette of the Greek Republic, issue of SA and Ltd companies No 9737/18.8.2010.

The Company’s and Group’s headquarters are located at the municipality of Maroussi Attica, at the address 8 Artemidos str., PC 15125. The financial statements of the Group and the Company for the year ended December 31st, 2011 were approved by the Board of Directors on 10/04/2012 and are subject to final approval by the Annual General Assembly.

1.3 Nature of Activities

The purpose of the company is:

a) the designing, manufacture, operation and exploitation in Greece and abroad of power generation stations from any source, from renewable power sources, as well as of heat and power cogeneration plants.

b) the in general trading of electric power and heat in Greece and abroad, including the import, export and supply to customers of carbon dioxide emissions, the participation to the wholesale and retail market of power, to the markets of forward and future fulfillment of power dealings, and to the market of power availability certificates.

c) the construction, operation and exploitation of works of infrastructure for power connectivity and transfer of power and the facilitation of energy trade.

d) the provision of consulting and general administrative support services, collection of information, auditing, and marketing in general and in particular with regards to the power market, oil market and allowances of greenhouse gas emission market as well as the study, generation and exploitation of power.

e) the acquisition, storing, gasification, transport, distribution and transfer to third parties of natural gas (liquefied or not), which derives from domestic deposits or is imported from abroad, and in general the conduct of any transaction for the natural gas (liquefied or not).

f) the construction, lease, sublease of properties (included lignite mines) in Greece and abroad.

For the pursuit of its above purposes, the company may a) participate to any kind and of any legal form company, whether operating now or to be incorporated both inside the country and abroad (even by the purchase of stocks and other securities via stock exchange transactions) as well as to consortiums, b) to found new companies with similar purposes, c) to cooperate in any appropriate manner with natural persons and legal entities, which seek the same or similar purposes, d) to represent any domestic or foreign companies with the same or similar purposes or the products thereof, e) to materialize through suitable investments all the above purposes and activities, f) to conclude loan contracts, guarantee and in general give securities on behalf of all the foregoing, as well as on behalf of any third natural person or legal entity or consortium, g) to participate in the wholesale and retail market and in the mechanisms of capacity availability and in general to operate in each and every sector which relates with the above.

1.4 Group Structure

The PROTERGIA Group structure at 31.12.2011 is:

COMPANY NAME	SEAT	DIRECT/INDIRECT %	CONSOLIDATION METHOD
SPIDER S.A.	GREECE	100,00%	FULL
AIOLIKI EVOIAS HELONA S.A.	GREECE	80,20%	FULL
HELLENIC SOLAR S.A.	GREECE	100,00%	FULL
AIOLIKI ANDROU TSIROVLIDI S.A.	GREECE	80,20%	FULL
AIOLIKI SIDIROKASTROU S.A.	GREECE	80,20%	FULL
AIOLIKI SAMOTHRAKIS S.A.	GREECE	80,20%	FULL
AIOLIKI EVOIAS PIRGOS S.A.	GREECE	80,20%	FULL
AIOLIKI EVOIAS POUNTA S.A.	GREECE	80,20%	FULL
AIOLIKI ANDROU RAHI XIROKABI S.A.	GREECE	80,20%	FULL
AIOLIKI NEAPOLEOS S.A.	GREECE	80,20%	FULL
MYTILINEOS HELLENIC WIND POWER S.A.	GREECE	80,00%	FULL
AIOLIKI PLATANOU S.A.	GREECE	80,20%	FULL
AIOLIKI EVOIAS DIAKOFTIS S.A.	GREECE	80,20%	FULL
NORTH AEGEAN RENEWABLES	GREECE	100,00%	FULL
FOIVOS ENERGY S.A.	GREECE	90,03%	FULL
PEPONIAS S.A.	GREECE	75,83%	FULL
YDROXOOS S.A.	GREECE	90,03%	FULL
SMALL HYDROELECTRIC STATIONS PELOPONNISOU S.A.	GREECE	90,03%	FULL
THESSALIKI ENERGY S.A.	GREECE	90,03%	FULL
EN.DY. S.A.	GREECE	90,03%	FULL
DELTA ENERGY S.A.	GREECE	90,03%	FULL
YDRIA ENERGY S.A.	GREECE	90,03%	FULL
GREEN ENERGY EPE	BULGARIA	80,00%	FULL
MAKRYNOROS S.A.	GREECE	50,00%	EQUITY
HISPANO-HELLINIKI AIOLIKI TRIKORFA S.A.	GREECE	50,00%	EQUITY
J/V HELLENIC SOLAR SA - BOULGARAKI LTD	GREECE	70,00%	FULL
ELEKTRON WATT S.A.	GREECE	10,00%	EQUITY
IONIA ENERGY S.A.	GREECE	49,00%	EQUITY
BUSINESS ENERGY TROIZINIA	GREECE	49,00%	EQUITY
THERMOREMA S.A.	GREECE	40,00%	EQUITY
FTHIOTIKI ENERGY S.A.	GREECE	31,50%	EQUITY
MYTILINEOS FINANCIAL PARTNERS S.A.	LUXEMBOURG	25,00%	EQUITY

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These principles have been applied with consistence for all the periods disclosed except those mentioned in paragraph 2.2.

The financial statements have been prepared according to accounting policies which are determined by IFRS and were effective at the balance sheet date (December 31st 2011). All revised or new issued standards and their interpretations which are applicable to the company and are effective as of December 31st 2011, were taken into account for the compilation of financial statements, to the extent that those standards were applicable.

Below are presented the most important accounting policies which have been applied to the compilation of these financial statements.

2.1 Basis for preparation of the financial statements

The consolidated financial statements and the financial statements of the parent company PROTERGIA S.A. as of December 31st 2011 covering the entire 2011 fiscal year, have been compiled based on the historic cost principle as is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and have been adopted by European Union. The accompanying standalone financial statements are compiled by demand of the statutory law 2190/1920.
The reporting currency is Euro (currency of the country of the domicile of the parent Company) and all amounts are reported in thousands unless stated otherwise.
According to the IFRS, the preparation of the Financial Statements requires estimations during the application of the group's accounting principles. Important admissions are presented wherever it has been judged appropriate.
It is noted that the Company's financial statements are consolidated by MYTILINEOS S.A – GROUP OF COMPANIES which is located in Maroussi, Attica by the method of full consolidation.

2.2 Changes in accounting principles

The financial statements comply with the accounting principles used for the compilation of financial statements for year 2010. In addition, the Company has adopted all new issued standards and interpretations, which application was mandatory for year started on January 1 2011.

2.2.1 Changes in Accounting Principles

The changes in the adapted accounting principles are analyzed as follows:

- **IFRIC 14 "Prepayments of a Minimum Funding Requirement (Amended)"**

This amendment was made in order to revoke the limitation an entity had to recognize an asset that resulted from voluntary pre payments made towards a defined benefit plan in order to cover its minimum funding liabilities. This standard is not applicable for the Group.

- **IAS 32 "Financial Instruments: Presentation" (Amendment) – Classification of Rights Issues**

The amendment provides clarifications regarding the manner in which specific options should be classified. Specifically, rights, options for a specific amount in any currency, are equity instruments if the entity offers these rights proportionally to all existing shareholders of the same category of the equity instruments. This standard is not applicable for the Group.

Annual Improvements of IFRS: May 2010

During 2010 IASB (International Accounting Standards Board) published the annual improvement plan of IFRS for 2011 (adjustments to 11 Standards: IFRS 1, IFRS 7, IFRS 3, IAS 1, IAS 34, IAS 32, IAS 39, IAS 21, IAS 27, IAS 28 and IAS 31 and one interpretation in IFRIC 13). The interpretation is part of the program for annual improvements in Standards. The program of annual improvements targets to be accomplished necessary, but non-urgent adjustments to IFRS which will not be part of a greater revision program. Most of the improvements are applied for annual periods on 01/01/2011, while previous application is permitted.

The most important of these improvements concern the following standards:

- **IFRS 3 Business Combinations**

The amendments provide additional clarification as regards to: (a) contingent consideration agreements that result from business combinations with acquisition dates prior to the application of IFRS 3 (2008), (b) the calculation of the non-controlling interest, and (c) the accounting treatment of share-based payments that are part of a business combination, including awards based on shares and that were not replaces or indirectly replaced.

- **IFRS 7 Financial Instruments: Disclosures**

The amendments include multiple clarifications regarding the disclosures of financial instruments.

- **IAS 1 Presentation of Financial Statements**

The amendment clarifies that entities may present the analysis of the individual items in total comprehensive income either in the statement of changes in equity or in the notes.

- **IAS 27 Consolidated and Separate Financial Statements**

The amendment clarifies that the amendments of IAS 21, 28, 31 that emanate from the revision of IAS 27 (2008) must be applied in the future.

- **IAS 34 Interim Financial Reporting**

The amendment put the largest emphasis on the disclosure principles that must be applied in relation to significant events and transactions, including the changes regarding fair value measurements, as well as the need to update the relevant information from the most recent annual report.

- **IFRS 1 Amendment to IFRS 1 "First time adoption IFRS"**

The amendment is applied for annual periods beginning on or after 01/07/2011, while prior application is permitted. The amendment repeals the use of the predefined transition date (01 January 2004) and replaces it with the actual transition date to IFRS. At the same time it repeals the requirements for suspending recognition of transactions that had taken place prior to the defined transition date.

- **Amendment to IFRS 1 "First Implementation" – Hyperinflationary Economies**

The amendment is applied for annual accounting periods beginning on or after 1/7/2011, while its prior application is permitted. The amendment provides guidance for the reapplication of IFRS after a suspension period due to the fact that the operation currency of the entity was a currency of a hyperinflationary economy. The Group is in the process of assessing the impact of this amendment on its financial statements.

- **IAS 24 (Revised) "Related Party Disclosures"**

This amendment aims to relax the disclosures of transactions between government-related entities and clarify related-party definition. More specifically, the obligation of government -related entities to disclose details of all transactions with the government and other government-related entities is repealed, the definition of a related party is clarified and simplified and the amendment also imposes the disclosure not only of the relationships, transactions and balances between related parties but also of the commitments both in the separate and in the consolidated financial statements. The Group is in the process of assessing the impact of the new standard on the Group's financial statements.

- **IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments**

Applied for annual accounting periods beginning on or after 01/07/2010. Interpretation 19 refers to the accounting treatment by an entity that issues equity instruments to a creditor in order to settle a financial liability. Such transactions are sometimes referred to as "debt to equity swaps" or equity swaps and are more frequent during an economic crisis. This amendment is not applicable to the Company.

2.2.2 Standards, modifications, and interpretations to already existing standards which are not yet valid or not endorsed by the E.U.

Additionally, the IASB has issued new IFRSs, amendments, and interpretations which are not mandatory for the present financial statements and which until the issue of the financial statements, had not been endorsed by the E.U.

- **IFRS 9 Financial Instruments - Classification and Measurement**

The new standard is effective for annual accounting periods beginning on or after 01/01/2015. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the FVO. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the first half of 2012. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

- **IAS 12 Income Taxes (Amended) – Recovery of Underlying Assets**

IAS 12 requires that the company measures the deferred tax which is relative with a tangible asset if the company expects the recovery of book value to be fulfilled from the use of this asset or for its sale. In case of investment property, when an asset is valued at fair value, many times the estimate of the recovery of the asset's value is difficult and subjective. According to the present amendment the future recovery of book value for this asset seems to be realized through its future sale. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements**

The new standard is effective for annual accounting periods beginning on or after 01/07/2011. The amendment requires additional disclosure for financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The Group is in the process of assessing the impact of the amendment on its financial statements.

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**

The amendment is effective for annual periods beginning on or after 01/01/2013. The amendment introduces common disclosure requirements which will provide users with the information that is useful in evaluating the effect or potential effect of netting arrangements on an entity's financial position. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on its financial statements.

- **IFRS 10 Consolidated Financial Statements**

The new standard is effective for annual accounting periods beginning on or after 01/01/2013. IFRS 10 replaces the overall guidance regarding control and consolidation, which is provided in IAS 27 and SIC 12. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

- **IFRS 11 Joint Arrangements**

The new standard is applied for annual accounting periods beginning on or after 01/01/2013. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Nonmonetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

- **IFRS 12 Disclosure of Interests in Other Entities**

The new standard is applied for annual accounting periods beginning on or after 01/01/2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

- **IFRS 13 Fair Value Measurement**

The new standard is applied for annual accounting periods beginning on or after 01/01/2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

- **IAS 27 Separate Financial Statements (Revised)**

The standard is effective for annual accounting periods beginning on or after 01/01/2013. As a consequence of the new IFRS 10, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on its financial statements.

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**

The standard is applied for annual accounting periods beginning on or after 01/01/2013. The purpose of this revised standard is to determine the accounting principles must be applied due to changes which accrue from the new IFRS 11. The revised standard continues to determine the mechanisms for accounting of the equity method. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on its financial statements.

- **IAS 19 Employee Benefits (Amended)**

The amendment is applied for annual accounting periods beginning on or after 01/01/2013.The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism. Changes from revaluation of assets and liabilities issuing from programs of defined benefits will be presented in the statement of comprehensive income. In addition, additional disclosures will be presented for the programs of defined benefits and the dangers in which the principles are exposed. Early application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on its financial statements.

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**

This amendment is applied for annual accounting periods beginning on or after 01/07/2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified to P&L at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be reclassified. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on its financial statements.

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**

This amendment is applied for annual accounting periods beginning on or after 01/01/2014. This amendment clarifies the meaning of offsetting financial assets and liabilities in the OCI. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on its financial statements.

- **IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine**

Applied for annual accounting periods beginning on or after 01/01/2013. This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Costs incurred in undertaking stripping activities are considered to create two possible benefits a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period (striping activity asset). Where costs cannot be allocated between the inventory produced during the period and the stripping activity asset, IFRIC 20 requires an entity to use an allocation basis that is based on a relevant production measure. Early application is permitted. IFRIC 20 has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new interpretation on its financial statements.

2.3 Consolidation

(a) Subsidiaries: All the companies (including those of special financial purpose) in which the Group owns the majority of voting rights or acquires and exercises control of financial and operating principles being followed.
The existence of potential voting rights that are exercisable or convertible at the time the financial statements are prepared, is taken into account in order to determine whether the parent exercises control over the subsidiaries.
Subsidiaries are consolidated completely (full consolidation) using the purchase method from the date that control over them is acquired and cease to be consolidated from the date that control no longer exists.
The acquisition of a subsidiary by the Group is accounted for using the purchase method. Paragraph "2.9 Intangible assets – goodwill" describes the accounting treatment of goodwill. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately transferred to the income statement.
Inter-company transactions, balances and unrealized profits from transactions between Group companies are eliminated in consolidation. Unrealized losses are also eliminated except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to be in conformity to the ones adopted by the Group.

Transactions with minority: For the accounting of transactions with minority, the Group applies the accounting principle based on which such transactions are handled as transactions with third parties beyond the Group. The sales towards the minority create profit and losses for the Group, which are booked in the results. The purchases by the minority create goodwill, which is the difference between the price paid and the percentage of the book value of the equity of the subsidiary acquired.

(b) Associates: Associates are companies on which the Group can exercise significant influence but not "control" and which do not fulfil the conditions to be classified as subsidiaries or joint ventures. The assumptions used by the group imply that holding a percentage between 20% and 50% of a company's voting rights suggests significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the Equity method. At the end of each period, the cost of acquisition is increased by the Group's share in the associates' net assets change and is decreased by the dividends received from the associates.
Any goodwill arising from acquiring associates is contained in the cost of acquisition. Whether any impairment of this goodwill occurs, this impairment decreases the cost of acquisition by equal charge in the income statement of the period.
After the acquisition, the Group's share in the profits or losses of associates is recognized in the income statement, while the share of changes in reserves is recognized in Equity. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or larger than the carrying amount of the investment, including any other doubtful debts, the Group does not recognize any further losses, unless it has guaranteed for liabilities or made payments on behalf of the associate or those that emerge from ownership.
Unrealized profits from transactions between the Group and its associates are eliminated according to the Group's percentage ownership in the associates. Unrealized losses are eliminated, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been adjusted to be in conformity to the ones adopted by the Group.

2.4 Segment reporting

For administrative purposes, the Group is active in three main business segments according to the way of production/origin of electric energy: a) Thermal, b) Trading and c) RES. According to IFRS 8 – Operating Segments, management monitors separately the operating results of these business segments in order to get decisions regarding the distribution of the resources and the evaluation of performance.

2.5 Foreign currency conversion

(a) Operating currency and reporting currency

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euro (€), which is the operating currency and the reporting currency of the parent Company and all its subsidiaries.

(b) Transactions and balances

Transactions in foreign currencies are converted to the operating currency using the exchange rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

The Group's foreign activities in foreign currency (which constitute an inseparable part of the parent's activities), are converted to the operating currency using the rates in effect at the date of the transaction, while the asset and liability items of foreign activities, including surplus value and fair value adjustments, that arise during the consolidation, are converted to euro using the exchange rates that are in effect as at the balance sheet date.

(c) The Group's companies

The operating results and equity of the Group's companies (apart from those which operate in over inflationary economies) whose operating currency is different than Group's reporting currency have been converted to Group's reporting currency as follow:

(i) The asset and liability items have been converted to euro using the exchange rate prevailing at the balance sheet date.
(ii) The income and expenses have been converted to the Group's reporting currency using the average rates during the aforementioned period.
(iii) Any differences that arise from these processes have been debited / (credited) to the Equity under the "Translation Reserves" account.

Goodwill and fair value adjustments that arise from the acquisition of the subsidiaries operating abroad are posted as assets/liabilities of the subsidiary operating abroad and are converted according to the closing price prevailing each time.

2.6 Important accounting decisions, estimations and assumptions

The compilation of financial statements according to IFRS requires the management to make decisions, perform estimations and use assumptions that affect the amounts presented in the financial statements, the assets, liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the published amounts of income and expenses during the aforementioned period. The actual results may differ due to such estimations.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.6.1 Accounting decisions

In the process of applying the entity's accounting policies, judgments, apart from those involving estimations, made by the management that have the most significant effect on the amounts recognized in the financial statements mainly relate to:

• Classification of investments

Management decides on acquisition of an investment whether it should be classified as held to maturity, held for trading, carried at fair value through income statement, or available for sale. For those deemed to be held to maturity management ensures that the requirements of IAS 39 are met and in particular the Group has the intention and ability to hold these to maturity. The Group classifies investments as trading if they are acquired primarily for the purpose of making a short term profit. Classification of investments as fair value through income statement depends on how management monitors the performance of these investments. When they are not classified as held for trading but have readily available reliable fair values and the changes in fair values are reported as part of profit or loss in the management accounts, they are classified as fair value through income statement. All other investments are classified as available for sale.

• Recoverability of accounts receivable

Trade receivables initially, are recognized at fair value and subsequently are measured at amortised cost, using the method of effective interest method less provision for impairment. When the Company has the objective evidence that it will not be able to collect all of the due amounts, according to the terms of each agreement, makes provision for impairment of trade receivables. 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 other expenses in the Income Statement.

• Obsolescence in inventory

There is no application to the Group and the company.

• **Whether a lease entered into with an external lessor is a financial lease or an operational lease.**

Leases, where all the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the income statement over the period of the lease. Leases of property, plant and equipment, where the company has substantially all the risks and rewards of ownership, are classified as finance leases.

2.6.2 Estimates and assumptions

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A "critical accounting estimate" is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Group evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future.

• Estimated impairment of goodwill

The Group tests goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred, (e.g. a significant adverse change in the business climate or a decision to sell or dispose of a reporting unit). Determining whether an impairment has occurred requires valuation of the respective reporting unit, which we estimate using a discounted cash flow method. When available and as appropriate, we use comparative market multiples to corroborate discounted cash flow results. In applying this methodology, we rely on a number of factors, including actual operating results, future business plans, economic projections and market data.

If this analysis indicates goodwill is impaired, measuring the impairment requires a fair value estimate of each identified tangible and intangible asset. In this case we supplement the cash flow approach discussed above with independent appraisals, as appropriate.

We test other identified intangible assets with defined useful lives and subject to amortization by comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. We test intangible assets with indefinite lives annually for impairment using a fair value method such as discounted cash flows.
The Group tests whether goodwill has suffered any impairment, annually in accordance with the accounting policy stated in Note 2.10.

• Income taxes

The Group and the Company are subjects to income taxes in numerous jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognize liabilities for anticipated tax audit issues 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.

• Provisions

Doubtful accounts are reported at the amounts likely to be recoverable. As soon as it is learned that a particular account is subject to a risk over and above the normal credit risk (e.g., low creditworthiness of customer, dispute as to the existence or the amount of the claim, etc.), the account is analyzed and written down if circumstances indicate the receivable is uncollectible. Provisions for environmental rehabilitation are reported at the amounts that are likely to be claimed in order the liability to be settled.

• Contingencies

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group and the Company as at December 31, 2011. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations.
Changes in the judgments or interpretations may result in an increase or decrease in the Group's contingent liabilities in the future.

2.7 Fair value of financial items

The fair value of a financial item is the amount received for the sale of an asset or is paid for the settlement of an obligation in a transaction under normal conditions between two traders during its valuation date. The fair value of items of the financial statements on December 31 2011 was estimated in the best possible way by the Management. In the event that there are no available data or they are limited by active stock markets, the valuations of fair values have resulted from the Management's assessment, according to available information.

The valuation methods of the fair value are classified in three levels:
• Level 1: Stock values from active stock markets for equal marketable items.
• Level 2: Values that are not classified as level 1 but may be identified or defined directly or indirectly via stock values from active stock markets.
• Level 3: Values for assets or obligations that are not based on values from active stock markets.

The following methods and acknowledgements were used for the assessment of the fair value for each category of financial item:
Cash reserves and equivalents, commercial and other claims, suppliers and other obligations: the book value is almost equal to the fair value because the maturity of these financial items is short-term, or there is limited exchange risk affecting the fair value.

2.8 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as such was determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Company and their cost can be accurately measured. The repair and maintenance cost is booked in the results when such is realized.

Depreciation of tangible fixed assets (other than plots which are not depreciated) is calculated using the straight line method over their useful lives, as follows:

Buildings	20-35 years
Mechanical equipment	4-20 years
Vehicles	4-10 years
Other equipment	3-7 years
Wind Parks	20 years
Small Hydro Stations	20 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the results.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period it relates to.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs.

2.9 Intangible assets

The intangible assets include the Goodwill, the rights of use of Property, plant and equipment, software licenses, production licences, installation and operation of renewable energy assets, the environment rehabilitation expenditure and the borrowing costs.

Goodwill: is the difference between the asset's acquisition cost and fair value of assets and liabilities of the subsidiary / associate company as at the acquisition date. During the acquisition date, the company recognizes this surplus value, emerged from acquisition, as an asset and presents it in cost. This cost is equal to the amount by which the acquisition cost exceeds the company's share in the assets, liabilities and contingent liabilities of the acquired company.
After the initial recognition, the surplus value is valued at cost less any accumulated impairment losses. The surplus value is not depreciated, but is reviewed on an annual basis for possible decrease in its value (impairment), if there are events that indicate such a loss according to IAS 36.
Goodwill is allocated to cash-generating units for the purpose of impairment testing. A cash generated unit is the smallest identifiable group of assets generating cash inflows independently and represents the level used by the Group to organise and present each activities and results in its internal reporting. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December.
In the case where acquisition cost is less than the company's stake in the acquired company's net assets, the former recalculates the acquisition cost and valuates the assets, liabilities and contingent liabilities of the acquired company. Any difference prevailing after the recalculation is recognized directly in the income statement as a profit.

Software: The authorizations of software are valued in the cost less accumulated depreciation. The accumulated depreciation they are held with the constant method at the duration of beneficial life assets who oscillates from 1 until 3 years.

Production, Installation and Operation Licenses of Renewable Energy Assets: The different types of licenses entitle the group either with the right to construct an energy asset or the right to produce and sell energy. Current market conditions provide adequate evidence about the recoverable amount of such licenses. Therefore the Group has recognized licenses as intangible assets at fair value less depreciation and less any provision for impairment. The Group runs impairment tests on a yearly basis using the following methodology:

i) Attach possibility factors according to management estimation regarding the construction of assets under license
ii) Runs Discounted Cash Flows (DCF) methodology using assumptions prevailing at the energy market. The period regarded by the management for provisions exceeds the five years encouraged by IAS 36 as, especially for the renewable energy assets, there is satisfactory visibility for a substantially longer period.

iii) The final recoverable amount is calculated for a total portfolio of either renewable or thermal energy assets by multiplying the overall possibility factor with the outcome of the DCF valuation.

iv) Finally, the Group compares the recoverable value calculated to be the value-in-use of the assets with their carrying amounts. When the recoverable value is less than the carrying amount an equal impairment provision is charged to the income statement.

For the reported period, the recoverable value of the licenses acquired by the group exceeds their carrying amount.

Right of Use of Tangible Assets: Rights of exploitation of tangible assets that are granted in the frames of conventions of manufacture of work (compensative profits) are valued in cost of acquisition, which equals their fair value at the date of their concession, less accumulated depreciation. Depreciation is calculated using the “production units method”.

Research and Development Expenses: Research and Development expenditures are recognized as expenses when they are realized. The expenses which arise from the developing programs (related to the design and the test of new or improved products) are capitalized if it is possible to produce future economic benefit. The other development expenditures are booked as an expense in the results when they are realized. Previous years’ development expenditures recognized as expenses, cannot be capitalized in the future fiscal years. The capitalized development expenses are depreciated from the beginning of the product’s economic life using the straight line method during the period of the product’s future economic benefits. The Group’s depreciation period doesn’t exceed the 5 years.

Land Stripping & Restoration expenses: Land stripping and restoration expenses are capitalized as long as future economic benefits will flow to the Company, and they are amortized using the unit of production method.

2.10 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually when some events suggest that the book value may not be recoverable. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash generating unit-CGU) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm’s length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand.

2.12 Share capital

Expenses incurred for the issuance of shares reduce, after deducting the relevant income tax, the proceeds from the issue.

2.13 Income tax & deferred tax

The period charge for income tax comprises current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods.

Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets and liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that are recognized directly in the Equity of the Company, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant Equity account.

2.14 Employee benefits

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

Post-employment benefits: Post-employment benefits comprise pensions or other benefits (life insurance and medical insurance) the company provides after retirement as an exchange for the employees' service with the company. Thus, such benefits include defined contribution schemes as well as defined benefits schemes. The accrued cost of defined contribution schemes is booked as an expense in the period it refers to.

2.15 Grants

The Group recognizes Government Grants that cumulatively satisfy the following criteria:
a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
b) it is probable that the amount of the grant will be received.
Government Grants are booked at fair value and are systematically recognized as revenues according to the principle of matching the grants with the corresponding costs that they are subsidizing.
Government Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenues over the useful life of the fixed asset.

2.16 Provisions and contingent liabilities

Provisions are recognized when the Company has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

2.17 Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

- Sale of goods: Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- Provision of services: Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service in relation to the total services to be rendered.
- Income Interest: Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.
- Dividends: Dividends are accounted for as revenue when the right to receive payment is established.

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

2.18 Leases

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

2.19 Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Meeting of the shareholders.

3. Business Risk Management

Financial Risk Factors

The Company's activities expose it to a variety of financial risks such as liquidity risk. The Company's overall risk management program focuses on minimizing a potential negative impact on the financial results that may occur due to the unpredictability of the financial markets and the fluctuation of the cost and sales variables.

The basic policies of risk management are defined by the Company's Management. The risk management policy is carried out by the parent Treasury Department that operates as a service centre under specific guidelines approved by Management. The procedure followed is presented below:

- Evaluation of the risks that are related to activities and operations of the company
- Methodology planning and selection of the appropriate financial products to reduce risks and
- Implementation according to the approved by the Management risk management procedure

3.1 Financial Instruments

The Group's financial instruments consist mainly of deposits with banks, trade accounts receivables and payable, loans to and from subsidiaries, associates, joint ventures, and lease obligations.

The financial assets as well as the financial liabilities of the financial statements can be categorized as follows:

	PROTERGIA GROUP		PROTERGIA S.A.	
	2011	2010	2011	2010
(Amounts in thousands €)				
Non current assets				
Other Long-term Receivables	824	9.512	77	8.259
Total	**824**	**9.512**	**77**	**8.259**
Current assets				
Trade and other receivables	28.425	35.881	36.152	47.473
Cash and cash equivalents	5.155	4.854	2.397	1.633
Total	**33.580**	**40.734**	**38.549**	**49.106**
Non-Current Liabilities				
Long-term debt	2.645	44.132	-	40.000
Other long-term liabilities	-	153	-	-
Total	**2.645**	**44.285**	**-**	**40.000**
Current Liabilities				
Short-term debt	15.694	31.787	14.196	30.385
Trade and other payables	120.870	67.675	103.923	66.484
Total	**136.564**	**99.462**	**118.119**	**96.869**

The Group adopted the amended IFRS 7 "Financial Instruments: Notifications". The revised text demands additional notifications regarding the fair value of the financial instruments and the liquidity risk. Specifically, the figures of each assets or liability financial instrument category, that are valued at their fair value, should be classified to three levels, according to the quality of the data used for the valuation of their fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial instruments of the Group and the Company are not evaluated at their fair value.

Credit Risk

The Group has no significant concentrations of credit risk with any single counter party. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. Concerning trade accounts receivables, the Group is not exposed to significant credit risks.

In order to minimize credit risk arising from cash and cash equivalents as well as other short term financial products the Group limits the amount of credit exposure to any one financial institution. Also, as regards money market instruments, the Group only deals with well-established financial institutions of high credit standing.

The tables below summarize the maturity profile of the Group's financial assets as at 31.12.2011 and 31.12.2010 respectively:

	PROTERGIA GROUP					
	Past due but not impaired				Non past due but not impaired	Total
	0-3 months	3-6 months	6-12 months	> 1 year		
Liquidity Risk Analysis - Trade Receivables						
(Amounts in thousands €)						
2011	17.946	-	-	-	-	17.946
2010	403	-	-	-	-	403

	PROTERGIA S.A.					
	Past due but not impaired				Non past due but not impaired	Total
	0-3 months	3-6 months	6-12 months	> 1 year		
Liquidity Risk Analysis - Trade Receivables						
(Amounts in thousands €)						
2011	17.474	-	-	-	-	17.474
2010	53	-	-	-	-	53

Liquidity Risk

Liquidity risk is related with the Group's need for the sufficient financing of its operations and development. The liquidity needs are managed through careful monitoring of debt of the long term financial liabilities, as well as the daily payments.
The Group ensures that there are sufficient credit lines in order to be able to cover the short term business needs, after having estimated the operation cash inflows, as well as the cash and cash equivalents held. The capital for the long term liquidity needs is found by an adequate borrowings amount and the possibility to sale long term financial assets.
The Working Capital of Company is negative (€ -96.98 mn.). This is temporary given the fact that short term liabilities include:

- € 84.7 mn. liability to constructor of the company's thermal plant
- € 32.3 mn. liability, short term bank debt (€ 18.1 has already been paid and the remaining will be refinanced within 2012)
- € 19.3 mn. liability to suppliers of natural & liquified petroleum gas (LNG) and other creditors, which are going to be paid during the first half of 2012.

The company's management will take all the necessary measures ensuring the company's liquidity.

The tables below summarize the maturity profile of the Group's financial liabilities as of 31.12.2011 and 31.12.2010 respectively:

	PROTERGIA GROUP				
Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2011	**up to 6 months**	**6 to 12 months**	**1 to 5 years**	**after 5 years**	**Total**
Long Term Loans	-	-	2.645	-	2.645
Short Term Loans	176	15.518	-	-	15.694
Leasing liabilities	-	-	-	-	-
Trade and other payables	9.686	100.176	-	-	109.862
Other payables	8.493	20.615	-	-	29.108
Total	18.355	136.309	2.645	-	157.309

	PROTERGIA GROUP				
Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2010	**up to 6 months**	**6 to 12 months**	**1 to 5 years**	**after 5 years**	**Total**
Long Term Loans	-	-	44.132	-	44.132
Short Term Loans	-	31.787	-	-	31.787
Leasing liabilities	-	-	-	-	-
Trade and other payables	-	65.068	-	-	65.068
Other payables	1.558	1.049	-	-	2.607
Total	1.558	97.904	44.132	-	143.594

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2011	PROTERGIA S.A. up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	14.196	-	-	14.196
Leasing liabilities	-	-	-	-	-
Trade and other payables	9.607	84.784	-	-	94.391
Other payables	9.532	18.100	-	-	27.632
Total	19.139	117.080	-	-	136.219

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2010	PROTERGIA S.A. up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	40.000	-	40.000
Short Term Loans	-	17.133	-	-	17.133
Leasing liabilities	-	-	-	-	-
Trade and other payables	-	37.521	-	-	37.521
Other payables	-	1.757	-	-	1.757
Total	-	56.411	40.000	-	96.411

The maturity dates reflect the gross cash flows that may differ from the liability book values at the Financial Position statement.

Market Risk

- **Foreign Exchange Risk**

The Company is not subject to foreign exchange risk since all its transactions are in Euro.

- **Price Risk**

The Company is not exposed to price fluctuations of the financial means since it does not have any investments in credit or equity titles or derivatives at 31/12/2011.

- **Interest rate risk.**

Group's interest bearing assets comprises only of cash and cash equivalents that are invested in floating interest rates in order to maintain the necessary liquidity and preserve an adequate yield for its shareholders. Additionally, the Group maintains its total bank debt in floating interest rates. In respect of its exposure to floating interest payments, the Group evaluates the respective risks and where deemed necessary considers the use of appropriate interest rate derivatives. The policy of the Group is to minimize interest rate cash flow risk exposures on long-term financing.

Funds management

The Company's fund management aims to ensuring its ability to continue its operations and to develop its business plan.

4. Segment Reporting

For administrative purposes, the Group is active in three main operating business segments depending on how power is produced or originates: a) Thermal, b) Trading and c) RES. According to IFRS 8 – Operating Segments, management monitors the operating results of the business segments separately in order to make decisions on how to allocate the resources and to evaluate its performance. The business segment performance evaluation is based on the operating results which are corrected by the elimination of the intercompany transactions.
The Group activities that do not fulfill the criteria and the quantitative limits of IFRS 8, in order to be a seperate business segment, are presented under the description "Other".

Segment's results are as follows:

(Amounts in thousands €) 31/12/2011	THERMAL	TRADING	RES	OTHER	TOTAL
Total gross sales	102.338	11.811	2.697	13.114	129.959
Intercompany Sales	-	-	-	-	-
Net Sales	**102.338**	**11.811**	**2.697**	**13.114**	**129.959**
Earnings before Taxes and Financial Results	**13.100**	**588**	**335**	**(3.232)**	**10.791**
Financial Results	(2.055)	(17)	(10.312)	19	(12.366)
Profit / (losses) from associates	-	-	157	-	157
Earnings before Taxes	**11.044**	**571**	**(9.821)**	**(3.213)**	**(1.418)**
Income Tax	-	-	(430)	687	257
Profit / Loss after Income Tax	**11.044**	**571**	**(10.251)**	**(2.526)**	**(1.161)**
Assets Depreciation	**10.104**	**23**	**706**	**192**	**11.024**
Other operating included in EBITDA	2.007	(27)	(952)	(4.045)	(3.018)
Earnings before Interest,Taxes, Depreciation and Amortization	**23.204**	**611**	**1.041**	**(3.040)**	**21.815**
Assets' Additions	**34.763**		**21.480**	**28**	**56.270**

(Amounts in thousands €) 31/12/2010	THERMAL	TRADING	RES	OTHER	TOTAL
Total gross sales	-	7.405	4.108	188	11.701
Intercompany Sales	-	-	-	(188)	(188)
Net Sales	**-**	**7.405**	**4.108**	**-**	**11.513**
Earnings before Taxes and Financial Results	**(307)**	**170**	**1.750**	**(5.198)**	**(3.584)**
Financial Results	(19.441)	(66)	(17.575)	(26)	(37.108)
Profit / (losses) from associates	-	-	88	-	88
Earnings before Taxes	**(19.748)**	**105**	**(15.737)**	**(5.224)**	**(40.603)**
Income Tax	13	-	(571)	3.181	2.624
Profit / Loss after Income Tax	**(19.735)**	**105**	**(16.307)**	**(2.043)**	**(37.979)**
Assets Depreciation	**53**	**23**	**903**	**195**	**1.175**
Other operating included in EBITDA	(307)	(55)	(669)	(5.198)	(6.228)
Earnings before Interest,Taxes, Depreciation and Amortization	**(254)**	**193**	**2.654**	**(5.002)**	**(2.408)**
Assets' Additions	**40.658**	**8**	**1.850**	**82**	**42.598**

Segment's assets and liabilities are as follows:

(Amounts in thousands €) 31/12/2011	THERMAL	TRADING	RES	OTHER	TOTAL
Consolidated Assets	363.351	3.167	211.550	5.630	583.698
Consolidated Liabilities	151.824	1.248	43.748	1.892	198.712

(Amounts in thousands €) 31/12/2010	THERMAL	TRADING	RES	OTHER	TOTAL
Consolidated Assets	367.885	308	197.488	4.670	570.350
Consolidated Liabilities	155.273	64	29.945	725	186.007

5. Financial Statement Disclosures

5.1 Tangible assets

The tangible assets that are presented in the financial statements are analyzed as follows:

PROTERGIA GROUP

(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book Value	4.957	23.277	507	225.406	254.147
Accumulated depreciation and/or impairment	(600)	(4.437)	(335)	-	(5.371)
Net Book value as at 01/01/2010	**4.358**	**18.840**	**172**	**225.406**	**248.776**
Gross Book Value	2.780	18.113	548	246.653	268.094
Accumulated depreciation and/or impairment	(104)	(4.410)	(401)	-	(4.915)
Net Book value as at 31/12/2010	**2.676**	**13.703**	**147**	**246.653**	**263.179**
Gross Book Value	75.286	195.214	444	37.649	308.593
Accumulated depreciation and/or impairment	(2.235)	(10.365)	(363)	-	(12.963)
Net Book value as at 31/12/2011	**73.052**	**184.849**	**80**	**37.649**	**295.630**

(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Net Book value as at 01/01/2010	**4.358**	**18.840**	**172**	**225.406**	**248.776**
Additions	436	249	76	41.426	42.187
Sales-Reductions	-	-	-	(241)	(241)
Depreciation	(28)	(962)	(100)	-	(1.090)
Reclassifications	-	-	-	(73)	(73)
Tangible assets from acquisition / (sale) of subsidiary	(2.090)	(4.424)	-	(19.866)	(26.380)
Net Book value as at 31/12/2010	**2.676**	**13.703**	**147**	**246.653**	**263.179**
Additions	-	11.692	19	44.558	56.270
Sales-Reductions	(108)	-	(127)	(9.177)	(9.412)
Depreciation	(2.131)	(5.955)	37	-	(8.048)
Reclassifications	72.614	165.409	3	(244.385)	(6.359)
Tangible assets from acquisition / (sale) of subsidiary	-	-	-	-	-
Net Book value as at 31/12/2011	**73.052**	**184.849**	**80**	**37.649**	**295.630**

Tangible assets include € 1.47 mn. of interests during construction that have been capitalized in 2011.

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(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book Value	791	4	392	191.518	192.705
Accumulated depreciation and/or impairment	13	2	221	-	(236)
Net Book value as at 01/01/2010	**778**	**3**	**171**	**191.518**	**192.469**
Gross Book Value	791	4	466	231.668	232.928
Accumulated depreciation and/or impairment	17	2	320	-	(339)
Net Book value as at 31/12/2010	**774**	**2**	**145**	**231.668**	**232.589**
Gross Book Value	73.297	177.038	361	616	251.313
Accumulated depreciation and/or impairment	2.121	5.070	283	-	(7.473)
Net Book value as at 31/12/2011	**71.176**	**171.969**	**78**	**616**	**243.840**

(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Net Book value as at 01/01/2010	**778**	**3**	**171**	**191.518**	**192.469**
Additions from acquisition/consolidation of subsidiaries	-	-	-	-	-
Additions	-	-	73	40.359	40.432
Sales-Reductions	-	-	-	(209)	(209)
Depreciation	(4)	(1)	(99)	-	(104)
Reclassifications	-	-	-	-	-
Net foreign exchange differences	-	-	-	-	-
Tangible assets from acquisition / (sale) of subsidiary	-	-	-	-	-
Net Book value as at 31/12/2010	**774**	**2**	**145**	**231.668**	**232.589**
Additions from acquisition/consolidation of subsidiaries	-	-	-	-	-
Additions	-	11.625	19	23.206	34.850
Sales-Reductions	(108)	-	(127)	(8.979)	(9.213)
Depreciation	(2.104)	(5.067)	38	-	(7.134)
Reclassifications	72.614	165.409	3	(245.279)	(7.252)
Net foreign exchange differences	-	-	-	-	-
Tangible assets from acquisition / (sale) of subsidiary	-	-	-	-	-
Net Book value as at 31/12/2011	**71.176**	**171.969**	**78**	**616**	**243.840**

There are no mortgages, liens or pledges on the Company's and Group's assets.

5.2 Goodwill

The goodwill that is presented in the financial statements during the year 2010-2011 comes from the company “EOLIKI SIDIROKASTROU S.A.” and amounts to € 14.117 mn.

5.3 Intangible Assets

The intangible assets that are presented in the financial statements are analyzed as follows:

(Amounts in thousands €)	PROTERGIA GROUP Software	 Land Restoration	 Licenses	 Other intangible assets	 Total
Gross Book Value	506	-	245.614	886	247.006
Accumulated depreciation and/or impairment	207	-	15	130	353
Net Book value as at 01/01/2010	**299**	**-**	**245.598**	**756**	**246.653**
Gross Book Value	570	-	227.814	994	229.378
Accumulated depreciation and/or impairment	362	-	39	137	538
Net Book value as at 31/12/2010	**208**	**-**	**227.775**	**857**	**228.840**
Gross Book Value	605	-	221.228	7.532	229.366
Accumulated depreciation and/or impairment	514	-	2.731	410	3.655
Net Book value as at 31/12/2011	**91**	**-**	**218.498**	**7.122**	**225.711**

(Amounts in thousands €)	PROTERGIA GROUP Software	 Land Restoration	 Licenses	 Other intangible assets	 Total
Net Book value as at 01/01/2010	**299**	**-**	**245.598**	**756**	**246.653**
Additions from acquisition/consolidation of subsidiaries	-	-	-	-	-
Additions	70	-	-	341	411
Sales-Reductions	-	-	(17.127)	(1)	(17.128)
Sale of subsidiary	(2)	-	(672)	(206)	(881)
Depreciation	(158)	-	(24)	(33)	(216)
Reclassifications	-	-	-	-	-
Net foreign exchange differences	-	-	-	-	-
Net Book value as at 31/12/2010	**208**	**-**	**227.775**	**857**	**228.840**
Additions from acquisition/consolidation of subsidiaries	-	-	-	-	-
Additions	37	-	-	20	57
Sales-Reductions	(2)	-	(6.685)	-	(6.687)
Sale of subsidiary	-	-	-	-	-
Depreciation	(152)	-	(2.691)	(273)	(3.117)
Reclassifications	-	-	99	6.518	6.617
Net foreign exchange differences	-	-	-	0	-
Net Book value as at 31/12/2011	**91**	**-**	**218.498**	**7.122**	**225.711**

(Amounts in thousands €)	Software	Land Restoration	Licenses	Other intangible assets	Total
	PROTERGIA S.A.				
Gross Book Value	500	-	121.070	190	121.760
Accumulated depreciation and/or impairment	204	-	4	65	272
Net Book value as at 01/01/2010	**297**	**-**	**121.066**	**125**	**121.488**
Gross Book Value	570	-	103.942	533	105.045
Accumulated depreciation and/or impairment	362	-	6	102	470
Net Book value as at 31/12/2010	**208**	**-**	**103.936**	**431**	**104.575**
Gross Book Value	605	-	102.815	7.071	110.491
Accumulated depreciation and/or impairment	514	-	2.710	343	3.567
Net Book value as at 31/12/2011	**91**	**-**	**100.105**	**6.728**	**106.924**

(Amounts in thousands €)	Software	Land Restoration	Licenses	Other intangible assets	Total
	PROTERGIA S.A.				
Net Book value as at 01/01/2010	**297**	**-**	**121.066**	**125**	**121.488**
Additions from acquisition/consolidation of subsidiaries	-	-	-	-	-
Additions	70	-	-	343	413
Sales-Reductions	-	-	(17.127)	-	(17.127)
Sale of subsidiary	-	-	-	-	-
Depreciation	(158)	-	(2)	(37)	(197)
Reclassifications	-	-	-	-	-
Net foreign exchange differences	-	-	-	-	-
Net Book value as at 31/12/2010	**208**	**-**	**103.936**	**431**	**104.575**
Additions from acquisition/consolidation of subsidiaries	-	-	-	-	-
Additions	37	-	-	20	57
Sales-Reductions	(2)	-	(1.226)	-	(1.228)
Sale of subsidiary	-	-	-	-	-
Depreciation	(152)	-	(2.704)	(241)	(3.098)
Reclassifications	-	-	99	6.518	6.617
Net foreign exchange differences	-	-	-	-	-
Net Book value as at 31/12/2011	**91**	**-**	**100.105**	**6.728**	**106.924**

5.4 Investments in affiliated companies

The Investments in affiliated companies are presented below:

(Amounts in thousands €)	PROTERGIA GROUP	
	31/12/2011	31/12/2010
Total Opening in subsidiaries	**147.271**	**161.041**
Aquisition	-	-
Additions	10.003	3.333
Sale / impairement	(6.823)	(17.103)
Investments in subsidiary companies	**150.450**	**147.271**
Total Opening in affiliated	**9.581**	**10.151**
Aquisition	-	-
Additions	500	-
Sale / impairement	(2.273)	(570)
Investments in affiliate companies	**7.808**	**9.581**

Amounts in €

INVESTMENT IN SUBSIDIARIES				
COMPANY	%	VALUE	EQUITY 31/12/2011	RETAINED EARNINGS 31/12/2011
DELTA ENERGIAKI SA	90,03%	40.057.795	20.608.562	-147.673
MYTILINEOS HELLENIC WIND POWER SA	80,00%	67.518.199	4.381.139	-7.172
EOLIKI SIDIROKASTROU SA	1,00%	272.045	6.789.222	722.967
EOLIKI ANDROU RACHI XEROKOBI SA	1,00%	89.322	102.470	-11.027
EOLIKI ANDROU TSIROVLIDI SA	1,00%	63.227	95.593	-76.527
EOLIKI EVIAS DIAKOFTIS SA	1,00%	73.465	75.242	-25.261
EOLIKI EVIAS POUNTA SA	1,00%	56.880	148.206	-10.186
EOLIKI EVIAS CHELONA SA	1,00%	37.856	94.867	-7.886
EOLIKI EVIAS PYRGOS SA	1,00%	88.928	87.710	-12.150
MYTILINEOS EOLIKI NEAPOLEOS SA	1,00%	500	96.965	-5.754
METKA EOLIKA PLATANOU SA	1,00%	2.600	206.900	-21.617
EOLIKI SAMOTHRAKIS SA	1,00%	200	83.349	-5.785
HELLENIC SOLAR SA	100,00%	18.775.875	1.842.743	-62.702
SPIDER ENERGIAKI SA	100,00%	23.411.365	1.422.934	-228.794
NORTH AEGEAN RENEWABLE SOURCES SA	100,00%	-	871.676	-16.556
GREEN ENERGY LTD	80,00%	2.045	-55.475	-9.948
TOTAL		**150.450.302**	**36.852.103**	**73.929**

Amounts in €

COMPANY	%	VALUE	EQUITY 31/12/2011	RETAINED EARNINGS 31/12/2011
IONIA ENERGIAKI SA	49,00%	3.179.220	3.545.575	-257.169
SHPS THERMOREMA SA	40,00%	4.128.949	2.515.739	814.622
MYTILINEOS FINANCIAL PARTNERS S.A.	25,00%	500.000	-	-
TOTAL		**7.808.168**	**6.061.314**	**557.453**

5.5 Deferred Tax

The deferred tax receivables / liabilities, coming from temporary tax differences, are presented below:

	PROTERGIA GROUP				PROTERGIA S.A.			
	31/12/2011		31/12/2010		31/12/2011		31/12/2010	
(Amounts in thousands €)	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non Current Assets								
Intangible Assets	-	20.458	11	20.908	-	20.298	11	20.786
Tangible Assets	-	483	(21)	-	-	298	(21)	-
Long-term Receivables	3.376	16.356	3.376	16.547	3.376	22.785	3.376	24.348
Long-term Liabilities								
Subsidies	-	-	-	-	-	-	-	-
Short-term Liabilities								
Provisions	33	-	33	-	33	-	33	-
Other Short-term Liabilities	733	-	-	-	733	-	-	-
Total	**4.143**	**37.296**	**3.400**	**37.455**	**4.143**	**43.382**	**3.400**	**45.135**
Offsetting	-	-	-	-	-	-	-	-
Deferred Tax Liability/Receivables	**4.143**	**37.296**	**3.400**	**37.455**	**4.143**	**43.382**	**3.400**	**45.135**

5.6 Other long-term receivables

The Other long term receivables of the Group and the Company are presented below:

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Customers - Withholding quarantees falling due after one year	-	-	-	-
Given Guarantees	81	210	77	207
Other long term receivables	743	9.302	-	8.052
Long - term receivables from related parties	-	-	-	-
Other Long-term Receivables	**824**	**9.512**	**77**	**8.259**

The Other long term receivables concern the VAT of the year.

5.7 Inventories

Inventories amount to € 637 K and mainly include parts of machinery.

5.8 Customers and other trade receivables

The customers and other trade receivables of the Group and the Company are presented below:

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Customers	17.946	403	17.474	53
Notes receivable	-	-	-	-
Checks receivable	-	-	-	-
Less:Impairment Provisions	-	-	-	-
Net trade Receivables	**17.946**	**403**	**17.474**	**53**
Advances for inventory purchases	-	-	-	-
Advances to trade creditors	-	-	-	-
Total	**17.946**	**403**	**17.474**	**53**

5.9 Other receivables

The other receivables of the Group and the Company are presented below:

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Other Debtors	1.378	172	439	46
Receivables from the State	8.518	34.899	6.415	33.992
Receivables from Subsidiaries	583	407	11.824	13.382
Loans given to Subsidiaries	-	-	-	-
Accrued income - Prepaid expenses	222	117	121	4
Prepaid expenses for construction contracts	-	-	-	-
Less:Provision for Bad Debts	-	-	-	-
Total	**10.702**	**35.595**	**18.799**	**47.424**

5.10 Cash and cash equivalents

Cash and cash equivalents include the following:

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Cash	33	36	2	7
Bank deposits	1.309	1.342	592	526
Time deposits & Repos	3.812	3.475	1.803	1.100
Total	**5.155**	**4.854**	**2.397**	**1.633**

5.11 Share Capital

Share Capital

The share capital of the Company equals to five million four hundred eighty six thousand nine hundred twenty three euro and sixty eight cents of euro (5.486.923,68) being divided into six million five hundred thirty two thousand and fifty two (6.532.052) registered stocks of face value eighty four cents of euro (0,84€). The share capital has not changed neither for the year 2011 nor for the year 2010.

The share premium (€ 371.720.078,39) arise from the issuance of shares in cash at a value greater than the face value as well as from the difference of the asset evaluation between the book value and the fair value.

5.12 Loan liabilities

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Long-term debt				
Bank loans	618	794	-	-
Bonds	2.028	43.337	-	40.000
Total	**2.645**	**44.132**	**-**	**40.000**
Short-term debt				
Bank loans	15.694	31.787	14.196	30.385
Long term Bank Loan falling due within one year	18.100	-	18.100	-
Total	**33.794**	**31.787**	**32.296**	**30.385**
Total	**36.439**	**75.919**	**32.296**	**70.385**

The weighted average borrowings interest rates of the Group and the Company are:

	31/12/2011	31/12/2010
PROTERGIA - Long term borrowings	-	3,58%
PROTERGIA - Short term borrowings	6,27%	4,47%
GROUP PROTERGIA	5,59%	3,72%

5.13 Employee benefit liabilities

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA SA 31/12/2011	PROTERGIA SA 31/12/2010
Liabilities for pension plans	170	171	165	167
Total	**170**	**171**	**165**	**167**

The Company applies the accounting policy of the posted actuarial profit / losses. According to this method, the Company is posting as income or expense the actuarial profits / losses accrued during the year. The accounting presentation is:

Amounts in €

Amounts posted at the Balance Sheet and the Income Statement and relevant analysis

Balance Sheet at 31.12.2011

Present value of the liability at December 31st	165.021,17
Actual value of the assets of the programm at December 31st	-
Non posted actuarial profit / loss at December 31st	-
Non posted previous employment cost	-
Non posted cost of transitory provisions	-
	-
Net Liability to be posted at the Balance Sheet of December 31st	165.021,17

Income Statement for the year 2011

Cost of current service	20.930,90
Interest expense	8.665,09
Estimated return of the programm's assets	-
Net actuarial profit / loss recognized	(29.113,21)
Previous employment cost - non ensured	-
Previous employment cost - ensured	-
Cost of transitory provisions posted at the year	-
Curtailment cost (result)	-
Settlement cost (result)	-
Special situations costs (e.g. Consolidation, Splits, Terminations)	-
	-
Expense to be posted at the income statement	58.709,20

Changes at the net liability, posted at the balance sheet, that are disclosed according to paragraph 120 (e)

Net Liability to be posted at the Balance Sheet at January 1st	166.636,29
Employer's contribution paid	60.324,32
Expense to be posted at the income statement	58.709,20
Benefits paid during the current year by the employer	-
Net Liability to be posted at the Balance Sheet of December 31st	165.021,17

5.14 Other long-term liabilities

	PROTERGIA GROUP		PROTERGIA S.A.	
(Amounts in thousands €)	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Received guarantees - Grants-Leasing				
Total Opening	**3.833**	**4.893**	**-**	**-**
Leasing from Subsidiaries' aquisition	(239)	(239)	-	-
Additions	-	-	-	-
Transfer at profits/loss	-	-	-	-
Transfer from / (to) Short term	(3.363)	(239)	-	-
Depreciation for the period	-	(20)	-	-
Discont. operations / Sales of subsidiary	3.344	(563)	-	-
Exchange rate differences	-	-	-	-
Closing Balance	**3.574**	**3.833**	**-**	**-**
Other				
Total Opening	**153**	**144**	**-**	**-**
Leasing from Subsidiaries' aquisition	-	-	-	-
Additions	(138)	9	-	-
Transfer at profits/loss	-	-	-	-
Transfer from / (to) Short term	(15)	-	-	-
Depreciation for the period	-	-	-	-
Discont. operations / Sales of subsidiary	-	-	-	-
Exchange rate differences	-	-	-	-
Closing Balance	**-**	**153**	**-**	**-**
Total	**3.574**	**3.986**	**-**	**-**

5.15 Provisions

Provisions referring to the Group and the Company are recognized if the following are met: (a) legal or implied liabilities exist as a consequence of past events, (b) there is a possibility of settlement that will require the outflow if economic benefits and (c) the amount of the liability can be measured reliably.

5.16 Suppliers and other liabilities

The analysis of the balances of suppliers and other liabilities of the Group and the Company are presented below:

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Suppliers	108.978	65.066	93.564	64.926
Notes Payable	-	-	-	-
Cheques Payable	56	2	-	-
Customers' Advances	827	-	827	-
Liabilities to customers for project implementation	-	-	-	-
Total	**109.862**	**65.068**	**94.391**	**64.926**

5.17 Current tax liabilities

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Tax expense for the period	187	73	-	-
Tax audit differences	-	156	-	141
Tax liabilities	176	572	72	418
Total	**363**	**801**	**72**	**559**

5.18 Other short-term liabilities

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Liabilities to Related Parties	375	512	375	665
Accrued expense	1.166	297	1.166	280
Social security insurance	86	112	82	110
Dividends payable	-	-	-	-
Deferred income-Grants	39	-	39	-
Others Liabilities	9.342	1.686	7.870	504
Total	**11.008**	**2.607**	**9.532**	**1.558**

5.19 Cost of goods sold

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Retirement benefits	-	-	-	-
Medical benefits after retirement	-	-	-	-
Other employee benefits	-	43	-	-
Cost of materials & inventories	23.324	6.580	23.324	6.580
Third party expenses	595	651	595	600
Third party benefits	78.380	114	78.297	-
Assets repair and maintenance cost	3.068	269	2.420	-
Operating leases rent	18	25	-	-
Taxes & Duties	-	33	-	-
Advertisement	-	-	-	-
Other expenses	-	24	-	-
Depreciation - Tanginle Assets	7.801	1.114	7.140	-
Depreciation - Inanginle Assets	2.965	17	2.963	-
Total	**116.151**	**8.869**	**114.740**	**7.181**

5.20 Expenses per category

The analysis of the expenses per category for the years 2011 and 2010 respectively is:

Administrative / Distribution expenses

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Administrative expenses				
Other emploee benefits	2.412	3.494	2.356	3.459
Third party expenses	659	1.178	433	1.017
Third party benefits	357	214	323	190
Assets repair and maintenance cost	47	57	-	23
Operating leases rent	378	559	352	522
Taxes & Duties	256	71	232	18
Advertisement	-	3	-	3
Other expenses	466	382	335	254
Depreciation - Tanginle Assets	80	109	65	104
Depreciation - Inanginle Assets	198	215	180	197
Total	**4.853**	**6.284**	**4.276**	**5.787**

(Amounts in thousands €)	PROTERGIA GROUP		PROTERGIA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Distribution expenses				
Taxes & Duties	81	91	-	-
Total	**81**	**91**	**-**	**-**

Other operating income / expenses

(Amounts in thousands €)	PROTERGIA GROUP		PROTERGIA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other operating income				
Grants amortization	20	280	-	-
Income from Subsidies	-	-	-	-
Compensations	-	-	-	-
Profit from foreign exchange differences	1.017	-	1.017	-
Rent income	24	5	68	31
Operating income from services	-	-	-	-
Income from reversal of unrealized provisio	-	-	-	-
Profit from sale of fixed assets	1.802	-	1.802	-
Other	25	182	20	182
Total	**2.888**	**467**	**2.907**	**213**
Other operating expenses				
Losses from foreign exchange differences	600	-	600	-
Provision for bad debts	-	-	-	-
Loss from sale of fixed assets	263	-	107	-
Operating expenses from services	1	218	-	1
Other taxes	108	102	45	70
Compensations	-	-	-	-
Total	**972**	**320**	**753**	**72**

5.21 Financial income / expenses

	PROTERGIA GROUP		PROTERGIA S.A.	
(Amounts in thousands €)	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Financial income				
Bank deposits	307	175	222	130
Revaluation of currency derivatives	-	-	-	-
Customers	-	-	-	-
Available for sale Investments	-	-	-	-
Interest rate swaps	-	-	-	-
Loans to related parties	-	-	-	-
Other	104	-	104	-
Total	**410**	**175**	**325**	**130**
Financial expenses				
Discounts of Employees' benefits liability due to service termination	-	-	-	-
Bank Loans	1.988	1.377	1.786	963
Interest charges due to customer downpayments	-	-	-	-
Loans to related parties	-	1.432	-	1.432
Letter of Credit commissions	502	68	501	66
Interest rate swaps	-	-	-	-
Factoring	-	-	-	-
Financial Leases	-	-	-	-
Other Banking Expenses	31	86	23	76
Total	**2.521**	**2.963**	**2.311**	**2.536**

5.22 Other financial results

The other financial results are:

	PROTERGIA GROUP		PROTERGIA S.A.	
(Amounts in thousands €)	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other financial results				
Profit / (loss) from fair value of other financial instrument through profit/los	(10.323)	(33.379)	(10.323)	(33.379)
Profit / (loss) from the sale of financial instruments	-	(1.030)	-	(102)
Income from dividends	68	89	68	94
Total	**(10.255)**	**(34.320)**	**(10.255)**	**(33.387)**

The Other Financial Results of the Company and the Group (loss of €10.2 mn. and €10.2 mn. respectively) concern the negative result of the impairment (€10.3 mn.) that reduced Protergia's assets. This impairment is due to the RES investments (see note 5.4).

5.23 Income Tax

Income tax for the Group and Company differs from the theoretical amount that would result using the nominal tax rate prevailing at year end over the accounting profits. The reconciliation of this difference is analyzed as follows:

	PROTERGIA GROUP		PROTERGIA S.A.	
(Amounts in thousands €)	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Income Tax	187	385	-	-
Tax Audit differences	-	260	-	181
Deferred taxation	(459)	(3.372)	(687)	(3.376)
Extraordinary Income Tax	6	103	-	-
Other Taxes	9	-	-	-
Total	**(257)**	**(2.624)**	**(687)**	**(3.195)**

Starting from 2011, Greek Societe Anonyme and Limited Liability Companies of which annual Financial Statements are audited by legal auditor or audit firm according the provisions of the law 2190/1920 and 3190/1955 respectively, ought to receive ''Annual Certification'' as indicated in par. 5 of the article 82 of the law 2238/1994. This Certification is issued after tax audit which becomes from the same auditor or audit firm as it is referred above. After the completion of the tax audit, the auditor or audit firm issues the ''Tax Compliance Report'', which should be sent electronically to the Ministry of Finance in 10 days from the closing date of the approval of Company's Financial Statements from the General Assembly of Shareholders. The Ministry of Finance will then audit a sample of companies (at least 9%) within 18 months from the submission date of the "Tax Compliance Report" in the Ministry of Finance. As far as the companies operating in Greece are concerned, the tax audit which takes place for the fiscal year 2011, is not expected to lead to significant differentiation in the tax liabilities compared to the tax liabilities presented in the Financial Statements.

5.24 Cash flows from operating activities

(Amounts in thousands €)	PROTERGIA GROUP 1/1-31/12/2011	PROTERGIA GROUP 1/1-31/12/2010	PROTERGIA S.A. 1/1-31/12/2011	PROTERGIA S.A. 1/1-31/12/2010
Cash flows from operating activities				
Profit for the period	(1.161)	(37.979)	(1.154)	(37.832)
Adjustments for:				
Tax	(257)	(2.698)	(687)	(3.195)
Depreciation of property,plant and equipment	7.881	1.223	7.206	104
Depreciation of intangible assets	3.163	232	3.144	197
Impairments	10.323	-	10.323	-
Provisions	-	1	-	-
Profit / Loss from sale of tangible assets	156	57	-	-
Profit/Loss from fair value valuation of financ.assets at fair value through PnL	-	32.099	-	32.099
Interest income	(410)	(175)	(325)	(130)
Interest expenses	2.521	2.963	2.311	2.536
Dividends	(68)	5	(68)	-
Grants amortization	(20)	(21)	-	-
Profit from company acquisition	(157)	(88)	-	-
Other differences	(118)	-	(118)	-
	23.014	**33.598**	**21.785**	**31.611**
Changes in Working Capital				
(Increase)/Decrease in stocks	(637)	-	(637)	-
(Increase)/Decrease in trade receivables	15.145	4.289	19.386	(1.698)
Increase / (Decrease) in liabilities	19.863	(3.010)	19.012	177
Pension plans	(2)	(4)	(2)	(3)
	34.369	**1.275**	**37.759**	**(1.525)**
Cash flows from operating activities	**56.222**	**(3.106)**	**58.390**	**(7.745)**

5.25 Encumbrances

No liens and pledges exist on the Company's and Group's assets.

5.26 Contingent receivables - liabilities

Information regarding contingent liabilities

The fiscal years that have not been audited by the tax authorities for each of the Group's companies are as follows:

COMPANY NAME	UNAUDITED YEARS
SPIDER S.A.	2010-2011
AIOLIKI EVOIAS HELONA S.A.	2010-2011
HELLENIC SOLAR S.A.	2010-2011
AIOLIKI ANDROU TSIROVLIDI S.A.	2010-2011
AIOLIKI SIDIROKASTROU S.A.	2007-2011
AIOLIKI SAMOTHRAKIS S.A.	2010-2011
AIOLIKI EVOIAS PIRGOS S.A.	2010-2011
AIOLIKI EVOIAS POUNTA S.A.	2010-2011
AIOLIKI ANDROU RAHI XIROKABI S.A.	2010-2011
AIOLIKI NEAPOLEOS S.A.	2010-2011
MYTILINEOS HELLENIC WIND POWER S.A.	2010-2011
AIOLIKI PLATANOU S.A.	2010-2011
AIOLIKI EVOIAS DIAKOFTIS S.A.	2010-2011
NORTH AEGEAN RENEWABLES	2010-2011
FOIVOS ENERGY S.A.	2010-2011
PEPONIAS S.A.	2010-2011
YDROXOOS S.A.	2010-2011
SMALL HYDROELECTRIC STATIONS PELOPONNISOU S.A.	2010-2011
THESSALIKI ENERGY S.A.	2010-2011
EN.DY. S.A.	2010-2011
DELTA ENERGY S.A.	2010-2011
YDRIA ENERGY S.A.	2010-2011
J/V HELLENIC SOLAR SA - BOULGARAKI LTD	2010-2011

The parent company Protergia has accepted the note of the tax amnesty No 119003/1 for the fiscal years 2003-2009. It has not been audited by the tax authorities for the years 2010 and 2011 until the publication of the financial statements.

The company EOLIKI SIDIROKASTROU has accepted the note of the tax amnesty law No 2400/1/20/10/2008 for the fiscal years 2003-2006. It has not been audited by the tax authorities from year 2007 until the publication of the financial statements. The rest companies have accepted the tax amnesty law notes up to the fiscal year 2009.

For the fiscal years that have not been audited by the tax authorities (as reported in the above table), there is a possibility of additional tax imposition at the time that they will be examined and become definite. The Management assesses that any tax differences that may arise in the future will not have a material impact on the financial position, results and cash flows of the Group.

Other contingent liabilities and receivables

Under litigation or arbitration disputes

There are under litigation or arbitration disputes and decisions of judicial or arbitral institutions that will not have significant impact on the Company's and the Group's financial position or operation.

5.27 Proposed and distributed Dividends

The proposition of the Board of Directors to the General Assembly of the Shareholders will be not to distribute any dividend because of income losses for the fiscal year 2011.

5.28 Number of employees

	PROTERGIA GROUP		PROTERGIA S.A.	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Full time employees	42	61	39	59
Part time employees	-	-	-	-
Total	**42**	**61**	**39**	**59**

5.29 Related Party transactions

The intercompany receivables and liabilities as well as the transactions between the fully consolidated companies, have been eliminated. Below there are tables that present the receivables, the liabilities, the income and the expenses of the Group and the Company respectively, with the related parties.

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Stock Sales				
Total	-	-	-	-
Stock Purchases				
Associates	-	-	-	-
Other Related Parties	29.945	296	29.945	296
Total	**29.945**	**296**	**29.945**	**296**
Services Sales				
Subsidiaries	-	-	44	194
Associates	37	-	37	-
Total	**37**	**-**	**81**	**194**
Services Purchases				
Associates	4.171	808	4.250	808
Total	**4.171**	**808**	**4.250**	**808**

	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Loans given to Related Parties				
Total	-	-	-	-
Loans received from Related Parties				
Total	-	-	-	-
Balance from sales of stock/services receivable				
Subsidiaries	-	-	11.774	13.309
Associates	30	4.062	30	4.062
Total	**30**	**4.062**	**11.804**	**17.371**
Guarantees granted to related parties				
Total	75		75	
	75	**-**	**75**	**-**
Balance from sales/purchases of stock/services payable				
Associates				
Total	111.109	105.427	111.056	105.427
	111.109	**105.427**	**111.056**	**105.427**

The above mentioned related party transactions are on a pure commercial basis. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction from the above mentioned had any special terms and conditions.

The benefits to the key management personnel deriving from the Group and the Company are presented below:

(Amounts in thousands €)	PROTERGIA GROUP 31/12/2011	PROTERGIA GROUP 31/12/2010	PROTERGIA S.A. 31/12/2011	PROTERGIA S.A. 31/12/2010
Short term employee benefits				
- Wages and Salaries and BOD Fees	468	1.184	468	1.184
- Insurance service cost	25	32	25	32
- Bonus	-	-	-	-
- Other remunerations	-	-	-	-
	493	**1.216**	**493**	**1.216**
Pension Benefits:				
- Defined benefits scheme	-	-	-	-
- Defined contribution scheme	-	-	-	-
- Other Benefits scheme	-	-	-	-
Payments through Equity	-	-	-	-
Total	**493**	**1.216**	**493**	**1.216**

No loans have been given to members of the Board of Directors or other management members of the Group (and their families).
In addition, apart from the companies that are consolidated at Protergia Group and are presented at note 1.3, the company is related to the companies that are consolidated at its parent company – MYTILINEOS HOLDINGS SA.

Name of subsidiaries, associates and joint ventures	Country of Incorporation	Percentage	Relationship
MYTILINEOS S.A.	**Greece**	**Parent**	
METKA S.A.	Greece	56,19%	Common Holding
SERVISTEEL	Greece	56,18%	Common Holding
E.K.M.E. S.A.	Greece	22,48%	Common Holding
ΕΛΕΜΚΑ S.A.	Greece	46,92%	Common Holding
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A.	Greece	35,19%	Common Holding
ENERGY CONSTRUCTION DEVELOPMENT WESTERN GREECE S.A.	Greece	56,19%	Common Holding
DELFI DISTOMON A.M.E.	Greece	100,00%	Common Holding
ALOUMINION S.A.	Greece	100,00%	Common Holding
RENEWABLE SOURCES OF KARYSTIA S.A.	Greece	100,00%	Common Holding
DEFENCE MATERIAL INDUSTRY S.A.-MYTILINEOS AND Co	Greece	100,00%	Common Holding
INDUSTRIAL RESEARCH PROGRAMS "BEAT"	Greece	35,00%	Equity
GENIKI VIOMICHANIKI	Greece	Joint Management	Common Holding
THORIKI S.A.I.C.	Greece	100,00%	Common Holding
BUSINESS ENERGY A.E.	Greece	49,00%	Equity
PROTERGIA S.A.	Greece	100,00%	Common Holding
MOVAL S.A.	Greece	100,00%	Common Holding
ARGYRITIS GEA S.A.	Greece	100,00%	Common Holding
ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	Greece	20,00%	Common Holding
ANEMODRASI RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Common Holding
ANEMORACHI RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Common Holding
ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	Greece	20,00%	Common Holding
KATAVATIS RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Common Holding
HORTEROU S.A.	Greece	100,00%	Common Holding
KISSAVOS DROSERI RAHI S.A.	Greece	100,00%	Common Holding
KISSAVOS PLAKA TRANI S.A.	Greece	100,00%	Common Holding
KISSAVOS FOTINI S.A.	Greece	100,00%	Common Holding
AETOVOUNI S.A.	Greece	100,00%	Common Holding
LOGGARIA S.A.	Greece	100,00%	Common Holding
KILKIS PALEON TRIETHNES S.A.	Greece	100,00%	Common Holding
ANEMOROE S.A.	Greece	100,00%	Common Holding
FERRITIS S.A.	Greece	100,00%	Common Holding
VYRILLOS S.A.	Greece	100,00%	Common Holding
OSTENITIS S.A.	Greece	100,00%	Common Holding
KORINTHOS POWER S.A.	Greece	65,00%	Common Holding
IKAROS ANEMOS S.A.	Greece	100,00%	Common Holding
KERASOUDA S.A.	Greece	100,00%	Common Holding
ARGOSTYLIA AIOLOS S.A.	Greece	20,00%	Common Holding
M&M GAS Co S.A.	Greece	50,00%	Common Holding
DESFINA SHIPPING COMPANY	Greece	Joint Management	Common Holding
DROSCO HOLDINGS LIMITED	Cyprus	46,92%	Common Holding
STANMED TRADING LTD	Cyprus	99,97%	Common Holding
METKA OVERSEAS LTD	Cyprus	100,00%	Common Holding
MYTILINEOS FINANCE S.A.	Luxemburg	100,00%	Common Holding
RDA TRADING	Guernsey Islands	100,00%	Common Holding
MYVEKT INTERNATIONAL SKOPJE	FYROM	100,00%	Common Holding
RODAX ROMANIA SRL, ΒΟΥΚΟΥΡΕΣΤΙ ΡΟΥΜΑΝΙΑ	Romania	56,19%	Common Holding
METKA BRAZI SRL	Romania	56,19%	Common Holding
SOMETRA S.A.	Romania	92,79%	Common Holding
DELTA PROJECT CONSTRUCT SRL	Romania	95,01%	Common Holding
MYTILINEOS BELGRADE D.O.O.	Serbia	100,00%	Common Holding
POWER PROJECT	Turkey	56,19%	Common Holding

5.30 Financial Obligations

Financial obligations from rent and car rental				
Company	**Description**	**2012**	**2013-2016**	**>2016**
Amioha Real Estate SA	Rental of offices at 8 Artemidos str.	141	564	870
Aluminium SA	Plot rental 200.000 s.m..	50	-	-
Aluminium SA	Plot rental 22.521,11 s.m.	12	48	227
Ell.Viom.Katerg.Xalyvos SA	Plot rental 79.500 s.m.	1	4	14
LeasePlan S.A.	Car Rental	-	-	-
Olympic Comm.& Tour. Company SA	Car Rental	6	7	-
Arval Hellas SA	Car Rental	38	110	-
Emporiki Rent S.A.	Car Rental	7	-	-
Total		**254**	**733**	**1.110**

5.31 Post balance sheet events

In January and February 2012, 3 PV parks with a total installed capacity of 11.5 MW started operation. The total cost of land, licensing and construction of the 3 PV parks amounted to € 23.5 mn. The 3 PV parks are expected to generate an annual EBITDA of € 5.5 mn.

In April 2012, the Company assumed the operation & maintenance of the 3 thermal power plants of Mytilineos Group of a total installed capacity of 1,200 MW and hired 46 employees in the Energy Center at Agios Nikolaos (Viotia) and 4 employees in the Company's Headquarters.

There are no other significant subsequent events, apart from the abovementioned, which should be announced for the purposes of I.F.R.S.

THE CHAIRMAN OF THE BOARD OF DIRECTORS	**THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS & MANAGING DIRECTOR**	**THE EXECUTIVE DIRECTOR - GENERAL MANAGER**	**THE CHIEF FINANCIAL OFFICER**
EVANGELOS MYTILINEOS	IOANNIS MYTILINEOS	DINOS BENROUBI	IOANNIS ANTONOPOULOS
I.D. No AB 649316 / 11.06.2006	I.D. No AE 044243 / 11.01.2007	I.D. No Ξ 110308 / 01.03.1988	No of A' Class Licence 0018390