R.F. ENERGY HOLDING

SOCIETE ANONYME

Distinctive title : R.F. ENERGY S.A.

128 Vouliagmenis Avenue - 166 74

Glyfada, Attiki

P.C.Reg. No. 61197/01NT/B/06/149

ANNUAL FINANCIAL REPORT

January 1st, 2010 - December 31st , 2010

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STATEMENTS BY THE MEMBERS OF THE BOARD OF DIRECTORS

We

1 Ioannis Tsakiris, Vice-President of the Board
2 Georgios Fidakis, Managing Director Ioannis
3 Pantousis, Member of the Board

STATE THAT

To the best of our knowledge:

a. Financial Statements for the period 1/1/2010-31/12/2010, which have been prepared in accordance with international accounting standards in force, present all figures pertaining to assets, liabilities, shareholders equity and financial results of the Company R.F. ENERGY S.A., as well as of the companies included in the consolidation and jointly refered to as Group, in a truthful manner, and
b. The Board of Directors Annual Report on the annual Financial Statements presents in a truthful manner all such issues as development, financial performance and financial position of R.F. ENERGY S.A., and of the businesses included in Group consolidation, as well as any major risks and uncertainties that the Company and the Group may face.

Glyfada, February 28th, 2011

Vice-President of the BoD	Managing Director	Board Member
Ioannis Tsakiris	Georgios Fidakis	Ioannis Pantousis

ANNUAL REPORT BY THE BOARD OF DIRECTORS OF R.F. ENERGY S.A. FOR THE 2010 FISCAL YEAR

(01.01.2010 - 31.12.2010)

Dear Shareholders,

The Board of Directors of R.F. Energy S.A. furnishes its Annual Report for the 2010 fiscal year (01.01.2010 - 31.12.2010), which was prepared in accordance with the provisions of C.L. 2190/1920 (art. 136).

In this Report, information referring to the progress of different activities, the financial situation, the outcomes and the total progress of both the Company and the Group during this specific fiscal year, are concisely mentioned, as well as coming changes. Moreover, significant facts during 2010 fiscal year and their impact on the Annual Company and Consolidated Financial Statements, contingent risks for both the Company and the Group and important transactions between the Company and its related parties according to IFRS 24, are also reported.

Subsidiary companies to R.F. ENERGY S.A. as at 31/12/2010, are presented in the table below:

Name of subsidiary	Business activity	Participation to share capital as at 31/12/2010
Direct participation		
KALLISTI ENERGIAKI S.A.	Energy Production	100,00%
AIOLIKI KYLINDRIAS S.A.	Energy Production	100,00%
CITY ELECTRIC S.A.	Energy Production	100,00%
HYDROELECTRIKI ACHAIAS S.A.	Energy Production	100,00%
R.F. ENERGY MISOCHORIA S.A.	Energy Production	84,00%
R.F. ENERGY OMALIES S.A.	Energy Production	84,00%
R.F. ENERGY KORAKOVRAHOS S.A.	Energy Production	84,00%
R.F. ENERGY DEXAMENES S.A.	Energy Production	84,00%
R.F. ENERGY LAKOMA S.A.	Energy Production	84,00%
R.F. ENERGY PRARO S.A.	Energy Production	84,00%
R.F. ENERGY TSOUKKA S.A.	Energy Production	84,00%
R.F. ENERGY SCHIZALI S.A.	Energy Production	84,00%
R.F. ENERGY KALAMAKI S.A.	Energy Production	84,00%
R.F. ENERGY XESPORTES S.A.	Energy Production	84,00%
AIOLIKI ADERES S.A.	Energy Production	100,00%

R.F. ENERGY S.A. is a holding company which business scope lies in development, management and exploitation of energy investing plans, focusing on Renewable Energy Sources. F.G. Europe S.A. participates in R.F. Energy's share capital, as at 31/12/2010, with a 37,5% share, MAKMORAL TRADING LIMITED with a 12,5% share and a company directly owned by Restis family with a 50% share.

I. DEVELOPMENTS AND FINANCIAL PERFORMANCE OF THE COMPANY FOR THE PERIOD

Financial figures of the Company during fiscal year period 2010, compared to relevant figures in the previous fiscal period, are presented in the table below:

			Change	
	31.12.10	**31.12.09**	**Amount**	**%**
Revenue	605	509	(96)	19
Less : Cost of Sales	(546)	(271)	(275)	101
Gross Profit	**59**	**238**	**(179)**	**(75)**
Other income	-	2	2	-
Administrative expenses	(610)	(583)	27	5
Other expense	(114)	-	(114)	-
Operating profit before taxation and finance cost	**(665)**	**(343)**	**(322)**	**94**
Finance income	401	601	(200)	(33)
Finance cost	(2)	(142)	140	(99)
Earnings before tax	**(266)**	**116**	**(382)**	**(329)**
Income tax	82	(63)	145	230
Net earnings after tax	**(184)**	**53**	**(237)**	**(447)**
TOTAL ACCUMULATED EARNINGS FOR THE PERIOD	**(184)**	**53**	**(237)**	**(447)**

Amounts in € thousands

As regards to figures above, mention should be made to the following:

1. Revenue

Increase in revenue of R.F. ENERGY S.A. in fiscal 2010 was noted mainly due to assignment of costs to the subsidiary company AIOLIKI ADERES S.A., which was acquired in year 2010.

The Company is active in all stages of planning, development and operation of renewable energy production projects, starting from the initial design and planning, construction works, operation and maintenance. The Company also offers management, technology, marketing, consulting and financial management services to other companies.

Revenue from rendering of management, administration, development, organization and assignment of costs of energy projects in fiscal 2010 amounted to € 605, as opposed to € 509 in 2009, posting an increase of 19%.

2. Gross Profit

Gross Profit for the period amounted to € 59 against € 238 in the previous fiscal period, decreased by (75)%. The significant decrease in Gross Profit is result of the assignment of costs to the subsidiary company AIOLIKI ADERES S.A., which was acquired in year 2010.

3. Operating expenses (Operating and administration expenses)

Operating and administration expenses during fiscal 2010 amounted to € (610) against € (583) in the previous fiscal period, posting a small increase of 5%.

4. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Company amounted to € (643) in fiscal 2010, as opposed to € (320) in the previous period, whereas EBITDA margin amounted to (106,28)%, as opposed to (62,87)% in the previous period.

5. Finance Cost / Income

With regard to finance results for fiscal 2010, net finance income for the Company decreased by € 60, compared to the previous period. Said decrease is analyzed in the table below:

Said decrease in net finance income can mainly be attributed to amounts of accrued interest receivable which have been received during fiscal 2010, due to reduced investments in floating assets.

	1/1-31/12/2010	1/1-31/12/2009
Interest payable and similar expenses	-	(92)
Other bank expenses	(2)	(50)
Total finance cost	**(2)**	**(142)**
Finance income:	-	-
Interest receivable and similar income	401	204
Exchange rate differences (income)	-	397
Total finance income	**401**	**601**
Net Finance Income	**399**	**459**

Amounts in € thousands

Said decrease in net finance income can mainly be attributed to amounts of accrued interest receivable which have been received during fiscal 2010, due to reduced investments in floating assets.

6. Earnings Before Taxes

The increase noted in revenue from services rendered (management services, administration services, development and planning of energy projects services) affected significantly the earnings before tax for the Company, which posted a decrease of (382)% and amounted to € (116) , against €183 in the previous corresponding period . Said decrease in earnings before tax, despite the stabilization in revenue, should largely be attributed to the stabilization in administrative expenses.

7. Taxes

According to provisions of the Greek tax legislation, tax rate as at December 31, 2010 was 24%. Tax rate will gradually be reduced to 20% in 2014 (y-o-y decrease of 1%, starting in 2010). The Greek tax legislation and respective provisions are subject to interpretation by the tax authorities. Income tax statements are submitted to the tax authorities on an annual basis but profit or loss stated for tax purposes, remain temporary until the tax authorities conclude audits of the tax statements and records of the company, at which time the respective tax liabilities of the company become final. Tax losses, if any, and in the amount recognized by tax authorities, can be carried forward to offset against profits for a period of five consecutive years after their occurrence.

	Company	
	1/1-31/12/2010	1/1-31/12/2009
Income tax (current period)	-	(112)
Deferred tax	75	77
Provision for unaudited fiscal years	7	(28)
Income Tax	(63)	(63)

Amounts in € thousands

The Company has not been audited by the tax authorities for fiscal 2010. **8.**

Earnings After Taxes

Net earnings after taxes in fiscal 2010 amounted to € (184) against € 53 in the previous corresponding period, representing a decrease of (237)%.

BASIC FINANCIAL RATIOS

Certain financial ratios which can express the Company's financial standing as at the end of fiscal 2010, are presented in the table below:

	FY 2010	FY 2009
DEBT LIABILITIES		
Liabilities / Equity	-	0,34
Liabilities to Banks / Equity	-	-
LIQUIDITY		
Current ratio	93,54	1,81
Quick ratio	93,54	1,81
SALES EFFICIENCY		
Gross results / Sales of inventories - Services	9,75%	46,76%
Net results / Sales of inventories - Services	30,41%	10,41%

II. DEVELOPMENTS AND FINANCIAL PERFORMANCE OF THE GROUP FOR THE PERIOD

Financial figures of the Group during fiscal year period 2010, compared to relevant figures in the previous fiscal period, are presented in the table below:

	The Group		Change	
	1/1-31/12/2010	1/1-31/12/2009	Amount	%
Revenue	4.791	4.296	495	12
Less : Cost of Sales	(3.124)	(3.051)	(73)	2
Gross Profit	**1.667**	**1.245**	**422**	**34**
Other income	227	7	(220)	3.143
Administrative expenses	(1.027)	(1.128)	101	(9)
Other expenses	(288)	(36)	(252)	700
Operating profit before taxation and finance cost	**579**	**88**	**491**	**558**
Finance cost	411	700	(289)	(41)
Finance income	(879)	(1.210)	331	(27)
Earnings before taxes	**111**	**(422)**	**533**	**(126)**
Income tax	(80)	(91)	11	(12)
NET LOSS AFTER TAXES	**31**	**(513)**	**544**	**(106)**
TOTAL ACCUMULATED LOSS FOR THE PERIOD	**31**	**(513)**	**544**	**(106)**

As regards to figures above, reference should be made to the following

1. Revenue

Increase in revenue of the Group in fiscal 2010 by € 495, posting an increase of 167% was noted mainly as a result of the operation of the wind farm of its subsidiary company AIOLIKI KYLINDRIAS S.A. for the whole fiscal

As regards to figures above, mention should be made to the following:
2010.

2. Gross Profit

Gross Profit of the Group for the period amounted to € 1.667 against € 1.245 in the previous fiscal period, increased by 34%. Said increase noted in Gross Profit can mainly be attributed to the abovementioned reasons.

3. Operating expenses (Operating and administration expenses)

Operating and administration expenses of the Group during 2010 are posting a decrease of € 101 or 9%, compared to those in 2009.

4. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Group amounted to € 2.277 in 2010, as opposed to € 1.573 in the previous fiscal period, whereas EBITDA margin amounted to 47,53%, as opposed to 36,62% in the previous period.

5. Finance Cost / Income

With regard to finance results for fiscal 2010, net finance expenses for the Group decreased by € 42, compared to the previous period. Said decrease is analyzed in the table below:

	The Group	
	1/1-31/12/2010	**1/1-31/12/2009**
Finance cost:		
- Interest payable (note 18)	(844)	(1.063)
- Bank and similar expenses	(35)	(52)
- Depreciation of raising loan costs	-	(33)
-Finance cost of provision for equipment removal	-	(46)
- Bank charges and commissions	-	(16)
Exchange rate differences (cost)	-	-
Total finance cost	**(879)**	**(1.210)**
Finance income:		
- Interest receivable and similar income	411	209
Exchange rate differences (income)	-	491
Total finance income	**411**	**700**
Net Finance Cost	**(468)**	**(510)**

6. Earnings Before Taxes

Despite the noted increase in Group's revenue, the Group posted earnings of € 111 in 2010 against losses of € (422) in 2009. The existence of earnings for the Group is due to significant increase in revenues.

7. Taxes

According to provisions of the Greek tax legislation, tax rate as at December 31, 2010 was 24%. Tax rate will gradually be reduced to 20% in 2014 (y-o-y decrease of 1%, starting in 2010). The Greek tax legislation and respective provisions are subject to interpretation by the tax authorities. Income tax statements are submitted to the tax authorities on an annual basis but profit or loss stated for tax purposes, remain temporary until the tax authorities conclude audits of the tax statements and records of the company, at which time the respective tax liabilities of the company become final. Tax losses, if any, and in the amount recognized by tax authorities, can be carried forward to offset against profits for a period of five consecutive years after their occurrence.

	1/1-31/12/2010	1/1-31/12/2009
Income tax (current period)	(191)	(259)
Deferred tax	137	225
Provision for unaudited fiscal years	(21)	(55)
Tax for unaudited fiscal years	5	
Income Tax	**(80)**	**(91)**

8. Losses after taxes

Net losses after taxes in fiscal 2010 amounted to € (31) against € (513) in the previous corresponding period.

BASIC FINANCIAL RATIOS

Financial figures of the Group during fiscal year period 2010, compared to relevant figures in the previous fiscal period, are presented in the table below:

	FY 2010	FY 2009
DEBT LIABILITIES		
Liabilities / Equity	0,95	1,29
Liabilities to Banks / Equity	0,39	0,58
LIQUIDITY		
Current ratio	7,36	1,76
Quick ratio	7,36	1,76
SALES EFFICIENCY		
Gross results / Sales of inventories - Services	34,79%	28,98%
Net results / Sales of inventories - Services	0,65%	(11,94)%

Shareholders convened in an Extraordinary General Assembly on June 28, 2010, and resolved to the amendment of the Company's Object in order to participate in financial institutions. Then, the company decided to take part in the share capital increase of First Business Bank.
On July 20, 2010, the company acquired 680.300 common nominal voting shares against € 2.000. On December 12, 2010, the company - implementing an existing preliminary agreement- signed an agreement regarding the acquisition of nominal shares of the company AIOLIKI ADERES S.A., which holds three installation licenses of wind farms with total capacity of 33 MW in the Municipality of Ermioni, Argolida Prefecture.
On December 30, 2010, the shareholders during the Extraordinary General Assembly decided to increase the equity of the company by € 450, with a share capital increase by € 45 and a disposal of shares above par of € 405.
Shareholders of AIOLIKI ADERES S.A. convened in an Extraordinary General Assembly on January 1, 2011, and resolved to again increase the equity of the company by € 9.930, with a share capital increase by € 993 and a disposal of shares above par of € 8.937.
Within fiscal 2010, the subsidiaries companies KALLISTI ENERGIAKI S.A., HYDROELECTRIKI ACHAIAS S.A. and AIOLIKI KYLINDRIAS S.A. received 50% of approved amounts of public subsidy for their investment projects of total cost of € 5.702. The recovery of these amounts is made by the aforementioned companies to repay existing short-term bank and intercompany obligations. During fiscal 2010, the subsidiary company AIOLIKI KYLINDRIAS S.A. filed three applications for production license from biomass with total capacity of 7,06 MW and expects the approval by the competent authorities. The company is in the process of identifying suitable sites for the establishment of Wind Farms and, hence, in 2010, anemological masts were located in different regions, in Arkadia Prefecture, Evoia Prefecture, Argolida Prefecture, Thesprotia Prefecture and Etolokarnania Prefecture

for wind measurements. Moreover, the company examines the acquisition of completed energy projects, in Greece and abroad.
Shareholders of R.F. ENERGY GARBIS S.A. and R.F. ENERGY ZEFYROS S.A., convened in an
Extraordinary General Assembly on May 31, 2010, decided the solution of these companies and their selling off. These companies intended, by proposed acquisition, to take over the management and operation of two operating wind farms with installed capacity of 18 and 24 MW respectively in Arkadia Prefecture and for this purpose, they had proceeded on July 2009 to an increase in their equity, totally, by € 13.275. The proposed acquisition failed because there was a breach of agreement on behalf of the sellers. The parent company R.F. ENERGY S.A. has lodged an application for the above case, claiming compensation for the costs incurred.
The subsidiary companies which are engaged in the development of the huge wind project in Evoia, have submitted applications for the necessary production licenses. However, during 2009, production licenses were granted to other energy companies for the development of wind projects in locations that partially or completely overlap the locations of the wind projects of the subsidiaries companies. Therefore, in December 2009, the subsidiaries of R.F. ENERGY S.A. submitted to the Council of State applications for annulment of the production licenses issued by the Minister of Environment, Energy and Climate Change and applications against the positive opinions of RAE and the Special Environment Agency. The subsidiaries pleaded interest due to overlap in locations, as well as substantial procedural violation. In a letter, the attorney for the case declares that there are many chances for positive outcome of the case. However, until the date of the approval of the financial statements, the abovementioned applications have not been final.

IV. SIGNIFICANT EVENTS OCCURRED POST BALANCE SHEET DATE

In early 2011, the company acquired the remaining percentage (16%) of ten subsidiaries operating in the energy sector in Evoia Prefecture and, now, owns 100% of the shares.
For immediate funding needs of AIOLIKI ADERES S.A. against necessary by the law own participation and to cover expenses relating to the payment of the amounts for land use for the locations of the wind energy power production plants (which are granted with installation licenses) in places "Astrapi", "Soros", "Sambala", located on Aderes Mount in the Municipality of Ermioni, Argolida Prefecture, and for commission of studies for the issuance of the necessary building permits for the investing plan of AIOLIKI ADERES S.A., an equity of AIOLIKI ADERES S.A. was increased by € 9.930.300. The completion of the construction of the three wind parks of AIOLIKI ADERES S.A. will be held within
2011.
There are no other significant events having occurred after December 31, 2009 concerning the Company that should have been disclosed and bear the capacity to significantly affect any element of the Company's financial standing or ability to conduct business, as of the date of issuance of the document at hand.

V. FUTURE OUTLOOK

The Company is in continuous search of suitable locations for the development and construction of Wind Energy Power Production Plants.
The Company is exploring merger and acquisitions opportunities of already developed or under development renewable energy projects

VI. EXPANSION OF ACTIVITIES - INVESTMENTS - RESEARCH & DEVELOPMENT

The Company is actively paying great attention and effort with regard to research and implementation of new technological applications, and is constantly seeking suitable locations for the development and construction of renewable energy projects.

Management attended international conferences and other venues where the latest developments in the field of renewable energy were presented.

In search of suitable locations to develop renewable energy projects, the Company also installed meteorological masts in certain sites to assess the wind potential in order to develop wind parks.

VII. ACCOUNTING PRINCIPALS IMPLEMENTED

In preparation of the Balance Sheet and Income Statement for the fiscal year 2010, the Company has applied the basic accounting principles of the International Financial Reporting Standards, as described in the Appendix of the 31/12/2010 Balance Sheet.

VIII. ENVIRONMENTAL ISSUES - EMPLOYEE RELATIONS

The Company pays great significance to environmental issues, and undertakes any action necessary to protect environmental stability and promote environmental sensitivity. The Company works with experienced in environmental matters consultants.

IX. RISKS AND UNCERTAINTIES

1. Financing risk

The Company works with related companies, of which the Company is the main shareholder, and to which the Company renders, based on contract agreements, services in the fields of management, financial management, marketing, and business development. Therefore, Management estimates that receivables from related parties bear no significant risk not to be collected. Moreover, the Company grows along with development of its projects, and as a result, no apparent risk of decrease in revenue exists.

2. Interest rate risk

The Company has substantial interest bearing assets in the amount of €7.758 (€7.859 for the Group) that are invested in compound time accounts in Yen (JPY) at a predetermined exchange rate. Said exchange rate is calculated based on the interbank market floating interest rate in Euro. Therefore revenue and operating cash flow is affected by a change in interest rates.

As at December 31st, 2010 Earnings After Tax for the Company would have been €70 (€71 for the Group) lower / higher, if interest rates had lower / higher by 90 base points, all other variables remaining unchanged.

Interest rate risk results from long-term and short-term borrowings in euro at a floating interest rate. The Company assesses its exposure to interest rate risk on a steady basis, also taking into consideration any chance of refinancing under different terms, as well as renewal of existing financing.

As at December 31st, 2010 Earnings After Tax for the Company would have not been affected, while those of the Group would have been € 53 lower/higher, if interest rates had decreased/ increased by 90 base points, all other variables remaining unchanged. This would have been caused mainly due to higher / lower finance expenses resulting from bank borrowings at a floating interest rate in Euro.

As a consequence, Earnings After Tax for the Company would have been € 53 (€ 58 for the Group) lower/higher, if interest rates had decreased/ increased by 90 base points, all other variables remaining unchanged.
The management of liquidity risk includes both existence of enough cash and cash equivalents and the

	Interest rate risk			
	+90 bps		*-90 bps*	
	Earnings before tax		**Earnings before tax**	
	the Group	**Company**	**the Group**	**Company**
Financial assets				
Cash equivalents	71	70	(71)	(70)
Influence before tax	71	70	(71)	(70)
Income Tax 24%	(17)	(17)	17	17
Total influence	**54**	**53**	**(54)**	**(53)**
Financial liabilities				
Loans	(5)		5	
Influence before tax	(143)	-	143	-
Income Tax 24%	(148)	-	148	-
Total influence	35	-	(35)	-
Total Net Influence	**(112)**	**-**	**112**	**-**

3. Liquidity risk

reassurance of credit standing through approved financing terms. The table below analyses the company's obligations, based on the remaining contractual duration at the date of the balance sheet in discounted bills with an average interest rate, as it was formed during Year 2009.

the Group December 31st, 2010	< 1 year	1-2 years	2-5 years	> 5 years
Borrowings	2.986	1.057	3.825	7.813
Liabilities	531	-	-	-
Total	**3.517**	**1.057**	**3.825**	**7.813**

Amounts in € thousands

The previous table analyses the Group's obligations, based on the remaining contractual duration at the date of the balance sheet. The amounts in the table refer to the nominal value of the obligation plus interest, and as a result, they may differ from the amounts included in the balance sheet.

X. TRANSACTIONS WITH RELATED PARTIES

The Company purchases commodities from related parties, and exchanges services with said parties. According to IAS 24 related parties are subsidiary companies, companies with common shareholders and/or management and any affiliates to such companies. Members of the Board of Directors and Top Management are also considered related parties. The table below presents payables and receivables from transactions with related parties.

Receivables from:	31/12/2010	31/12/2009
KALLISTI ENERGIAKI S.A.	2.850	2.900
AIOLIKI KYLINDRIAS S.A.	2.673	2.612
CITY ELECTRIC S.A.	178	139
HYDROELECTRIKI ACHAIAS S.A.	80	585
R.F. ENERGY MISOCHORIA S.A.	59	36
R.F. ENERGY OMALIES S.A.	96	77
R.F. ENERGY KORAKOVRAHOS S.A.	57	39
R.F. ENERGY DEXAMENES S.A.	61	39
R.F. ENERGY LAKOMA S.A.	54	33
R.F. ENERGY PRARO S.A.	54	34
R.F. ENERGY SCHIZALI S.A.	40	20
R.F. ENERGY KALAMAKI S.A.	42	21
R.F. ENERGY TSOUKKA S.A.	60	39
R.F. ENERGY XESPORTES S.A.	88	70
R.F. ENERGY GARBIS S.A.	-	-
R.F. ENERGY ZEFIROS S.A.	-	-
FG EUROPE	11	
AIOLIKI ADERES S.A.	512	
Total	**6.915**	**6.644**

	31/12/2010	31/12/2009
Payables to:		
F.G. EUROPE S.A.	-	229
CITY ELECTRIC S.A.	71	73
R.F. ENERGY MISOCHORIA S.A.	-	-
R.F. ENERGY OMALIES S.A.	-	-
R.F. ENERGY KORAKOVRAHOS S.A.	-	-
R.F. ENERGY DEXAMENES S.A.	-	-
R.F. ENERGY LAKOMA S.A.	-	-
R.F. ENERGY PRARO S.A.	-	-
R.F. ENERGY SCHIZALI S.A.	-	-
R.F. ENERGY KALAMAKI S.A.	-	-
R.F. ENERGY TSOUKKA S.A.	-	-
R.F. ENERGY XESPORTES S.A.	-	-
Total	**71**	**73**
Receivables from :		
CYBERONIKA S.A.	17	16
Total	**17**	**16**

Income:	**1/1-31/12/2010**	**1/1-31/12/2009**
KALLISTI ENERGIAKI S.A.	35	25
AIOLIKI KYLINDRIAS S.A.	18	300
CITY ELECTRIC S.A.	24	6
HYDROELECTRIKI ACHAIAS S.A.	6	64
R.F. ENERGY MISOCHORIA S.A.	10	10
R.F. ENERGY OMALIES S.A.	9	9
R.F. ENERGY KORAKOVRAHOS S.A.	10	10
R.F. ENERGY DEXAMENES S.A.	9	9
R.F. ENERGY LAKOMA S.A.	10	10
R.F. ENERGY PRARO S.A.	10	9
R.F. ENERGY SCHIZALI S.A.	10	10
R.F. ENERGY KALAMAKI S.A.	10	9
R.F. ENERGY TSOUKKA S.A.	10	10
R.F. ENERGY XESPORTES S.A.	9	9
R.F. ENERGY GARBIS S.A.	2	6
R.F. ENERGY ZEFIROS S.A.	2	6
Total	**184**	**502**
Cost:		
Leases	(102)	(101)
Total	**(102)**	**(101)**

Members of the Board of Directors and

Management:	**the Group**		**Company**	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Receivables from Members of the BoD and Management	-	-	-	-
Total	**-**	**-**	**-**	**-**

Members of the Board of Directors and Management:	**the Group**		**Company**	
	1/1-31/12/2010	**1/1-31/12/2009**	**1/1-31/12/2010**	**1/1-31/12/2009**
Compensations - Other Benefits:				
Board of Directors Remuneration	(130)	(100)	(130)	(100)
Total	**(130)**	**(100)**	**(130)**	**(100)**

XI. ISO 9001-2000 QUALITY CERTIFICATION

R.F. ENERGY S.A. is organizing its operations in order to meet the Standards specified in ISO 9001:2000 Quality Management System.

Implementation of the Quality Management System is expected to considerably improve efficiency, contribute to optimal use of the Company's resources and human resources, and improve internal procedures and services offered to partners and clients.

XII. COMPANY PUBLIC RELATIONS AND PROMOTION

Company's website has been published and is kept updated, thus more efficiently communicating the Company's recent news, corporate goals and corporate image.

XIII. DEVELOPMENT OF COMPANY'S INTRANET NETWORK

Within fiscal year 2009 Company's Intranet was developed and became operational. Intranet is an internal network organized in order to facilitate interdepartmental communication within the Company. Its many functions include archiving of all corporate documents in electronic document libraries, realtime information exchange, and on-line workplaces. Thus it facilitates document preparation and editing, whereas it also allows Company's Management to supervise assigned tasks in a more efficient manner. Furthermore, certain procedures and tasks are made simpler, standardized and performed electronically. Finally it secures safe access to corporate documents for the Company's employees (engineers) who are working at projects in other parts of the country, or abroad, while it allows classification of information by assignment of customized access rights to each user group (accountants, engineers, management, secretariat).

VICE-PRESIDENT OF BoD

IOANNIS TSAKIRIS

R.F. ENERGY HOLDING

SOCIETE ANONYME

Distinctive title : R.F. ENERGY S.A.

128 Vouliagmenis Avenue - 166 74

Glyfada, Attiki P.C.Reg. No.

61197/01NT/B/06/149

Annual Financial Statements

for the period ended December 31st 2010

According to IFRS

The Board of Directors of R.F. ENERGY S.A. approved the Consolidated Financial Statements on 28/02/2010. The Consolidated Financial Statements have been made available to the public at the Company's website, http:www.rfenergy.gr

Vice President of the Board of Directors	Managing Director	CHIEF ACCOUNTANT
IOANNIS TSAKIRIS I.D. AA 002244	GEORGIOS FIDAKIS I.D. N 000657	KONSTANTINOS KOURTESIS R.G. 0035096

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THE REPORT HAS BEEN TRANSLATED FROM THE GREEK ORIGINAL VERSION

Independent Certified Auditor's Accountant's Report

To the Shareholders of
R.F. Energy S.A.

Report on the financial statements

We have audited the accompanying financial statements of R.F. Energy S.A. ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("the Group") which comprise the balance sheet as at December 31, 2010, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as endorsed by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on 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 financial statements are free of material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and information in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Group and the Company as of December 31, 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Report on Other Legal and Regulatory Requirements

We have verified the consistency of the Board of Directors' Report with the accompanying financial statements with respect to the information that is required by articles 43a, 107 and 37 of C.L. 2190/1920.

Athens, February 12, 2010 The

Certified Auditor Accountant

VASSILIOS KAMINARIS
SOEL No 20411

ERNST & YOUNG (HELLAS) CERTIFIED
AUDITORS ACCOUNTANTS S.A. 11th KM NT RD
ATHENS LAMIA
14451 METAMORFOSI
SOEL No 107

Income Statement
For the Period ended December 31, 2010

(All amounts in Euro thousands, unless otherwise specified)

		The Group		Company	
	note.	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
Sales	6	4.791	4.296	605	509
Cost of sales	7	(3.124)	(3.051)	(546)	(271)
Gross profit		**1.667**	**1.245**	**59**	**238**
Other operating income		227	7	-	2
Administrative expenses	8	(1.027)	(1.128)	(610)	(583)
Other operating expenses		(288)	(36)	(114)-	-
Earnings before interests and taxes		**579**	**88**	**(665)**	**(343)**
Finance income	9	411	700	401	601
Finance costs	9	(879)	(1.210)	(2)	(142)
Earnings before taxes		**111**	**(422)**	**(266)**	**116**
Income tax expense	10	(80)	(91)	82	(63)
Net profit for the period		**31**	**(513)**	**(184)**	**53**
Other Comprehensive Income after taxes		**31**	**(513)**	**(184)**	**53**
Attributable as follows:					
Equity holders of the Parent		54	(495)	-	-
Minority interest		(23)	(18)	-	-
Net profit (after tax) attributable to the Group		**31**	**(513)**	-	-

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements.

R.F. ENERGY S.A.

Balance Sheet
For the Period ended December 31, 2010
(All amounts in Euro thousands, unless otherwise specified)

		The Group		Company	
		1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
ASSETS	**note.**				
Non-current assets					
Property, plant and equipment	13	34.364	36.271	20	35
Investments in real estate property	14	4.024	4.024	-	-
Software		370	95	10	19
Intangible assets	14	9.841	2.750	-	-
Investments in subsidiaries	15	-	-	23.086	30.305
Long term receivables		22	22	17	17
Deferred tax assets	10	926	855	124	49
Available for sale financial assets	16	2.000	-	2.000	-
Total non-current assets		**51.547**	**44.017**	**25.257**	**30.425**
Current assets					
Trade receivables	11	18.480	16.821	9.067	8.999
Cash and cash equivalents	12	7.985	30.541	7.770	17.119
Total current assets		**26.465**	**47.362**	**16.837**	**26.118**
Total assets		**78.012**	**91.379**	**42.094**	**56.543**
SHAREHOLDERS' EQUITY &LIABILITIES					
SHAREHOLDERS' EQUITY					
Share capital	17	14.000	14.000	14.000	14.000
Share premium		27.723	27.714	27.739	27.739
Reserves		62	33	9	9
Retained earnings		(1.860)	(1.873)	146	330
		39.925	**39.874**	**41.894**	**42.078**
Minority interest		39	62	-	-
Total shareholders' equity		**39.964**	**39.936**	**41.894**	**42.078**
LIABILITIES					
Non-current liabilities					
Long term Borrowings	18	12.695	11.235	-	-
Retirement benefit obligations		32	22	20	14
Deferred government grants	19	18.276	11.347	-	-
Provisions for long term liabilities	21	687	647	-	-
Deferred tax liabilities	10	2.763	1.349	-	-
Total non-current liabilities		**34.453**	**24.600**	**20**	**14**
Current liabilities					
Short term borrowings	18	1.992	10.810	-	-
Short term portion of long term borrowings	18	994	864	-	-
Current tax liabilities		78	259	-	112
Trade and other payables	19	531	14.910	180	14339
Total current liabilities		**3.595**	**26.843**	**180**	**14.451**
Total liabilities		**38.048**	**51.443**	**200**	**14.465**
Total equity and liabilities		**78.012**	**91.379**	**42.094**	**56.543**

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements.

Consolidated Statement of Changes in Equity
For the Period ended December 31, 2010
(All amounts in Euro thousands, unless otherwise specified)

	Share Capital	Share Premium	Legal reserves	Retained Earnings	Total	Minorighty rights	Total Equity
Balance on 1/1/2009	**21.000**	**20.795**	**7**	**(1.352)**	**40.450**	**80**	**40.530**
Net loss for the fiscal year	-	-	-	(495)	**(495)**	(18)	**(513)**
Total revenues	-	-	-	(495)	**(495)**	(18)	**(513)**
Legal reserves	-	-	26	(26)	-	-	**-**
Share capital increase	7.000	6.919			**13.919**		**13.919**
Share capital decrease	(14.000)	-	-	-	**(14.000)**	-	**(14.000)**
Balance on 31/12/2009	**14.000**	**27.714**	**33**	**(1.873)**	**39.874**	**62**	**39.936**
Balance on 1/1/2010	**14.000**	**27.714**	**33**	**(1.873)**	**39.874**	**62**	**39.936**
Net loss for the fiscal year	-	-	-	54	**54**	(23)	**31**
Total revenues	-	-	-	54	**54**	(23)	**31**
Legal reserves			29	(29)			
Share issue expenses	-	(3)	-		**(3)**		**(3)**
Interruption of operation of subsidiary company	-	12	-	(12)	**-**		**-**
Share capital increase	-	-			**-**		**-**
Share capital decrease	-	-	-	-	**-**	-	**-**
Balance on 31/12/2010	**14.000**	**27.714**	**33**	**(1.873)**	**39.874**	**62**	**39.936**

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements.

R.F. ENERGY S.A.

Corporate Statement of Cash flows For the Period ended December 31, 2010

(All amounts in Euro thousands, unless otherwise specified)

Corporate Statement of Changes in Equity
For the Period ended December 31, 2010

(All amounts in Euro thousands, unless otherwise specified)

	Share Capital	Share Premium	Legal Reserves	Retained Earnings	Total
Balance on 1/1/2009	**21.000**	**20.809**	**7**	**279**	**42.095**
Net earnings for the fiscal year	-	-	-	53	**53**
Total revenues	**-**	**-**	**-**	**53**	**53**
Legal reserves	-	-	-	-	**-**
Share capital increase	7.000	6.930			**13.930**
Earnings directly recognized in Equity	(14.000)	-	2	(2)	**(14.000)**
Expenses of issuance of shares	-	-	-	-	**-**
Balance on 31/12/2009	**14.000**	**27.739**	**9**	**330**	**42.078**
Balance on 1/1/2010	**14.000**	**27.739**	**9**	**330**	**42.078**
Net earnings for the fiscal year	-	-	-	(184)	**(184)**
Total revenues	**-**	**-**	**-**	**(184)**	**(184)**
Legal reserves	-	-	-	-	**-**
Share capital increase	-	-			**-**
Share capital decrease	-	-	-	-	**-**
Expenses of issuance of shares	-	-	-	-	**-**
Balance on 31/12/2010	**14.000**	**27.739**	**9**	**146**	**41.894**

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements.

Consolidated Statement of Cash flows For the Period ended December 31, 2010

(All amounts in Euro thousands, unless otherwise specified)

	1/1-31/12/2010	31/12/2009
Operating activities		
Earnings before tax	111	(421)
Add / less adjustments for:		
Depreciation and amortization	2.476	2.173
Provisions	-	1
Exchange rate differences	-	(399)
Result of investment activity		
(income, cost, profit and loss)	(411)	(302)
Interest paid and similar expenses	879	1.210
Recognized revenues from subsidies	(778)	(688)
Employee benefits	10	6
Operating result before changes in working capital	**2.287**	**1.580**
Add / less adjustments for changes in working capital items:		
Decrease / (increase) of receivables	344	(2.771)
(Decrease) / increase of payables (except towards banks)	(14.802)	13.385
Decrease / (increase) of other long-term receivables	-	(2)
Total inflow / (outflow) from operating activities	**(12.171)**	**(12.192)**
Less:		
Interest and similar expenses paid	(827)	(1.138)
Taxes paid	(579)	(6)
Total net inflow / (outflow) from operating activities (a)	**(13.577)**	**(11.048)**
Investing activities		
Acquisitions, capital return, subsidiaries, joint ventures and other investments.	(2.000)	
(Purchase) of PPE and intangible assets,	(5.866)	(1.835)
Interest income	411	683
Acquisition of subsidiary	-	-
Revenues from subsidies	5.704	-
Total net inflow / (outflow) from investing activities (b)	**(1.751)**	**(1.152)**
Financing activities		
Income from share capital increase	-	14.000
Share capital decrease	-	(14.000)
Proceeds from borrowings	-	22.809
Repayments of borrowings	(7.228)	(24.826)
Costs for capital withdrawal	-	(88)
Total net inflow / (outflow) from financing activities (c)	**(7.228)**	**(2.105)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(22.556)**	**7.791**
Cash and cash equivalents at the starting of the fiscal year	**30.541**	**22.750**
Cash and cash equivalents at the end of the fiscal year	**7.985**	**30.541**

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements.

R.F. ENERGY S.A.

Corporate Statement of Cash flows For the Period ended December 31, 2010

(All amounts in Euro thousands, unless otherwise specified)

	1/1-31/12/2010	1/1-31/12/2009
Operating activities		
Earnings before tax	(266)	116
Add / less adjustments for:		
Depreciation and amortization	22	23
Exchange rate differences	(398)	(398)
Result of investment activity (income, cost, profit and loss)	(401)	(203)
Interest paid and similar expenses	2	142
Employee benefits	6	4
Operating result before changes in working capital	**(637)**	**(316)**
Add / less adjustments for changes in working capital items:		
Decrease / (increase) of receivables	(441)	(2.327)
(Decrease) / increase of payables (except towards banks)	(14.129)	13.282
Decrease / (increase) of other long-term receivables	-	-
Total inflow / (outflow) from operating activities	**(15.207)**	**10.639**
Less:		
Interest and similar expenses paid	(2)	(92)
Taxes paid	(135)	11
Total net inflow / (outflow) from operating activities (a)	**(15.344)**	**10.558**
Investing activities		
Acquisition of subsidiary, related party and other investment	(7.576)	(13.275)
Proceeds from sale of subsidiaries, associates and other investments	13.168	
(Purchase) of PPE	2	(12)
Interest income	401	584
Total net inflow / (outflow) from investing activities (b)	**5.995**	**(12.703)**
Financing activities		
Income from share capital increase	-	14.000
Share capital decrease	-	(14.000)
Proceeds from borrowings	-	-
Repayments of borrowings	-	(2.030)
Costs for capital withdrawal	-	(77)
Total net inflow / (outflow) from financing activities (c)	**-**	**(2.107)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(9.349)**	**(4.252)**
Cash and cash equivalents at the starting of the fiscal year	**17.119**	**21.371**
Cash and cash equivalents at the end of the fiscal year	**7.770**	**17.119**

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements.

(All amounts in Euro thousands unless otherwise specified)

1. Incorporation and business activities of the Company

The Company was incorporated under Greek law in 2006, as a societe anonyme holding and management company. Its scope lies in participation in Greek or foreign companies with business activities in the energy production sector. The Company's duration has been set to 50 years. The Company's headquarters have been set to be in the Municipality of Glyfada, at 128 Vouliagmenis Avenue, GR 16674

In search of suitable locations to install renewable energy projects, the Company also installed meteorological masts in certain sites at Arkadia, Evia and Argolida Prefectures to asses the wind potential in order to develop wind parks. Moreover, the Company is exploring merger and acquisitions of already developed renewable energy projects in Greek territory or abroad.

Company's current Board of Directors was reelected on the General Assembly of Shareholders on 21/01/2011. Its tenure expires on 30/6/2016 and it is comprised of the following members:

NAME	POSITION
Victor Restis	President
Ioannis Tsakiris	Vice President
Georgios Fidakis	Managing Director
Ioannis Pantousis	Member
Nikolaos Pimblis	Member

The Company's parent company, F.G. EUROPE S.A. participates in R.F. ENERGY's share capital by 37,5%. Due to the fact that Mr. G. Fidakis, (also the main shareholder and President of F.G. Europe S.A.) participates in the Company's share capital by 12,5% with another wholly owned company , and the Company shareholders have agreed to appoint the majority of the Board of Directors members from F.G. EUROPE S.A. thus it is understood that F.G. EUROPE S.A. controls management of R.F. ENERGY S.A. and consequently financial results of the Company are fully consolidated to the financial results of F.G. EUROPE S.A. Group of companies.

The Corporate and Consolidated Financial Statements for fiscal 2010 have been ratified by the Board of Directors on 28/2/2010.

2 Basic accounting principles

2.1 Framework of basic principles implemented in preparation of the Financial Statements

Financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as they have been adopted by the European Union, Financial Statements have been prepared under the historical cost convention, The principal accounting policies adopted in the preparation of the Financial Statements are described below, The preparation of the Financial Statements according to IFRS requires use of accounting estimates and use of judgment for the application of the accounting principles followed, Such cases are described in note 4, There are no Standards which have been implemented prior to having officially been put in force, Figures are presented in Euro thousands and all amounts have been rounded to the most approximate thousand.

2.2 New Standards, Interpretations, and Revised Standards

New Interpretations which have been adopted since January 1st, 2010, but do have any substantial impact on the Company's Fiscal Year 2010 Financial Statements

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group/Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2010:

IFRIC 17 Distributions of Non-cash Assets to Owners
IAS 39 Financial Instruments: Recognition and Measurement (Amended) - eligible hedged items
IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)
IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
Improvements to IFRSs (May 2008) All amendments issued are effective as at 31 December 2009, apart from the following: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively.
Improvements to IFRSs (April 2009)

- **IFRIC 17 Distributions of Non-cash Assets to Owners**
  The interpretation provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability.

- **IAS 39 Financial Instruments: Recognition and Measurement (Amended) - eligible hedged items**
  The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations.

- **IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)**
  This amendment clarifies the accounting for group cash-settled share-based payment transactions and how such transactions should be arranged in the individual financial statements of the subsidiary.

- **IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)**
  The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

  Amendments resulting from improvements to IFRSs (April 2009) to the following standards which had or did not have an effect on the accounting policies, financial position or performance of the Company/Group

  IFRS 2 Share-based Payment

Clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of IFRS 2 even though they are out of scope of IFRS 3 (revised). If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.

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

Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.

IFRS 8 Operating Segment Information
Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.

IAS 1 Presentation of Financial Statements
The terms of a liability that could result, at any time, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.

IAS 7 Statement of Cash Flows
Explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment will impact the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2009 upon cash settlement.

IAS 17 Leases
The amendment removes the specific guidance on classifying land as a lease so that only the general guidance remains.

IAS 18 Revenue
The Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity:

- Has primary responsibility for providing the goods or service
- Has inventory risk
- Has discretion in establishing prices
- Bears the credit risk

IAS 36 Impairment of Assets
The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.

IAS 38 Intangible Assets
Clarifies that if an intangible asset acquired in business combination is identifiable only with another intangible asset, the acquirer may recognise the group of intangible assets as a single asset provided the individual assets have similar useful lives. Also, clarifies that the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are only examples and are not restrictive on the methods that can be used. If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.

IAS 39 Financial Instruments: Recognition and Measurement
The amendment clarifies that:

- A prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present vaylue of lost interest for the remaining term of the host contract.
- The scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree at a future date, applies only to binding forward contracts, and not derivative contracts where further actions by either party

are still to be taken (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010)

- Gains and losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognised financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010)

IFRIC 9 Reassessment of Embedded Derivatives

The Board amended the scope paragraph of IFRIC 9 to clarify that it does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a combination between entities or business under common control or the formation of a joint venture. If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied.

B) Standards issued but not yet effective and not early adopted

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

  The interpretation is effective for annual periods beginning on or after 1 July 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The Company does not expect that the amendment will have impact on the financial position or performance of the Company, *as the Company etc etc.*

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)

The amendment is effective for annual periods beginning on or after 1 January 2011. The purpose of this amendment was to permit entities to recognise as an asset some voluntary prepayments for minimum funding contributions. This Earlier application permitted and must be applied retrospectively. The Company does not expect that the amendment will have impact on the financial position or performance of the Company, *as the Company etc etc*

IFRS 9 Financial Instruments - Phase 1 financial assets, classification and measurement

The new standard is effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is 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 the financial position or performance of the Group.

IAS 32 Classification on Rights Issues (Amended)

The amendment is effective for annual periods beginning on or after 1 February 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

- **IAS 24 Related Party Disclosures (Revised)**
  The revision is effective for annual periods beginning on or after 1 January 2011.This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

- **In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 July 2010. Early application is permitted in all cases and this annual improvements project has not yet been endorsed by the EU.**

IFRS 1 First-time adoption, effective for annual periods beginning on or after 1 January 2011.
This improvement clarifies the treatment of accounting policy changes in the year of adoption after publishing an interim financial report in accordance with IAS 34 Interim Financial Reporting, allows first-time adopters to use an event-driven fair value as deemed cost and expands the scope of 'deemed cost' for property, plant and equipment or intangible assets to include items used subject to rate regulated activities.

IFRS 3 Business Combinations, effective for annual periods beginning on or after 1 July 2010
This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).
Moreover, this improvement limits the scope of the measurement choices (fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets) only to the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets. Finally, it requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.

IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2011
This improvement gives clarifications of disclosures required by IFRS 7 and emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments.

IAS 1 Presentation of Financial Statements, effective for annual periods beginning on or after 1 January 2011
This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

IAS 27 Consolidated and Separate Financial Statements, effective for annual periods beginning on or after 1 July 2010
This improvement clarifies that the consequential amendments from IAS 27 made to IAS 21 The Effect of Changes in Foreign Exchange Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures apply prospectively for annual periods beginning on or after 1 July 2009 or earlier when IAS 27 is applied earlier.

IAS 34 Interim Financial Reporting, effective for annual periods beginning on or after 1 January 2011
This improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements.

IFRIC 13 Customer Loyalty Programmes, effective for annual periods beginning on or after 1 January 2011
This improvement clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

- **IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended)**
The amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements of IFRSs and US GAAP. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group, however additional disclosures may be required.

- **IAS 12 Deferred tax: Recovery of Underlying Assets (Amended)**

The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

2,3 Basis of Consolidation 2.3.1

Subsidiary Companies

The consolidated financial statements include the financial statements of the parent company and all entities in which the parent company exercises control (its subsidiaries) as of December 31, 2008, Control is presumed to exist when the parent company has the power to control the financial and operating policies of the subsidiary so as to obtain benefits from its activities,
The acquisition of subsidiaries is accounted for using the purchase method of accounting that measures the acquirer's assets and liabilities at their fair value at the date of acquisition, The individual assets, liabilities and contingent liabilities acquired during a business combination are valued at the time of acquisition at fair values, The cost exceeding the fair value of the acquisition is recorded as goodwill, If the total cost is below the fair value of the assets and liabilities the difference is charged directly to the statement of income of the respective period,

(All amounts in Euro thousands unless otherwise specified)

2.3.1 Subsidiary Companies (continued)

Minority interest is accounted for according to its percentage of the fair value, In subsequent periods any losses are allocated to minority interest according to its percentage plus the minority interest, Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group, The financial statements of the subsidiaries are adjusted appropriately to ensure consistency with the accounting policies of the Group,

All intercompany balances and transactions and any intercompany profit or loss on assets remaining within the Group are eliminated during the consolidation.

2.4 Translations in foreign currency

The Company's functional currency is the Euro, Transactions involving other currencies are changed into Euro using exchange rates which stand in effect at the time of each transaction, At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies, are adjusted using the official exchange rates, Gains or losses resulting from currency exchange rate differences are included in the Income Statement.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value, Cost includes all directly related costs for the acquisition of the asset, Expenses in subsequent periods are capitalized in the cost amount of the related assets if they increase the useful life of the asset and / or its production potential or reduce its operating cost, Repairs and maintenance are charged to the income statement as incurred, The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the consolidated statements of income, The carrying values of property, plant and equipment are tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, When the carrying amount of the asset exceeds the estimated recoverable amount an impairment loss is recognized and the asset is written down to its recoverable amount, The recoverable amount is the greater between fair value less costs to sell and value in use, In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, According to IAS 16 the Company recognizes costs related to obligations arising from the removal of assets in the period of occurrence and in the extent in which an estimate of its fair value is feasible, The related costs of removal are capitalized in the assets carrying amount and are depreciated relatively.

2.6 Cost of Borrowing

Borrowing costs are recognized as an expense when incurred.

2.7 Depreciation: Depreciation of property, plant and equipment is computed based on the straight-line method at rates, which approximate average economic useful lives reviewed on an annual basis, The useful lives and depreciation rates assumed per asset category are set out below:

	Years of useful life	Depreciation rate
• Hydroelectrical plant	50	2%
• Leasehold improvements	7 – 25	4% - 14%
• Plant and equipment	7 – 33	3% - 14%
• Furniture and fixture	4 – 7	14% - 25%
• Vehicles	7 – 9	11% - 14%
• Intangible assets	4 – 5	20% - 25%
• Energy production licenses	indefinite	-

Leasehold improvements are amortized over the term of the lease.

2.8 Intangible assets

Trademarks and licenses

Trademarks and licenses are valued at cost less any accumulated depreciation, Depreciation is calculated using the straight line method during the useful life of the asset that is between 10-15 years, Energy production licenses are long term licenses with continuous renewal rights and therefore are not amortized.

2.9 Impairment of assets

Assets that are depreciated are tested of impairment each time there is an indication that the carrying amount is not recoverable, The recoverable amount is the maximum between the net selling price representing the possible proceeds from the sale of an asset in an arms' length transaction, after deduction of any additional direct cost for the sale of the asset, and the value in use representing the discounted future net cash flows from the continuing use and ultimate disposal of an asset using an appropriate discount rate, If the recoverable amount is less that the carrying amount the carrying amount is written down to the level of the recoverable amount, An impairment loss is recognized in the income statement of the related period occurred except if the asset was adjusted in value, when the loss reduces the special value adjustment reserve, When in subsequent periods the loss must be reversed the carrying amount of the asset is increased to of the reviewed estimated recoverable amount in the extent that the new carrying amount is not greater than the carrying amount that would result as if the impairment was never recorded in prior periods, The reversal of an impairment loss is recorded as income in the income statement except for the case that the asset was value adjusted, case in which the reversal of the impairment loss increases the related special value adjustment reserve, For the assessment of impairments, assets are ranked in the minimum cash flow class.

2.10 Finance instruments

Financial instruments of the Company are classified in one of the following categories:

Financial assets or liabilities estimated at fair value with changes reflected in the income statement, A financial asset or financial liability that meets either of the following conditions:

- It is classified as held for trading (including derivatives but excluding instruments designated for hedging purposes, acquired or designed for the purchase or repurchase purposes and finally those who are part of a portfolio including recognized financial instruments),
- Upon initial recognition it is designated by the entity as at fair value through the statement of income,
- On the balance sheet the transactions and the valuation at fair value are presented separately as derivative financial instruments, Changes in fair value of these derivatives are reflected in the income statement,

Borrowings and receivables, Non derivative financial assets with fixed or predetermined rates, which are not being traded in active markets, Borrowings and receivables do not include:

- Receivables from advance payments for the purchase of goods or services,

- Receivables from tax dealing, legally imposed by the State,

- Any non contractual element giving right to the company to raise claims in cash or in other financial elements,

Borrowings and receivables are included in the current assets, except those expiring within 12 months or more from the date of the balance sheet, In such case borrowings and receivables are recognized as other non-current assets (long-term receivables),

Borrowings and receivables(continued)

Retainable Investments, Non derivative financial assets of fixed or predetermined payment and set expiration date, which the Company has the ability and intention to retain until expiration,

Available-for-sale financial assets, Non derivative financial assets which are identified under this category or cannot be classified in any of the above categories, Available-for-sale financial assets are consequently valued at fair value and the resulting profit or loss is recognized in equity reserve, until those assets are sold or acknowledged as impairments, When sold, or when acknowledged as impairments, any such profit or loss is transferred to income statement, Impairment losses recognized in income statements cannot be reversed through income statements, Sale and/or purchase of investments is recognized as at the date of transaction, when it becomes binding for the Company to sell or purchase, as the case may be, the respective asset element, Investments are initially recognized at fair value, plus directly attributable to transaction cost, with the exception of directly attributable to the transaction cost of such elements that are valued at fair value with changes to results, Investments are written off when their respective rights to affect cash flows matures or is transferred and the Company has materially transferred all risks and rewards deriving from owning of such investments, Actual and contingent profit and loss deriving from changes in fair value of financial assets valued at fair value with changes to results, are directly recognized to results for the respective period at which they occurred, Fair value of financial assets which are marketable in active markets are determined by concurrent market conditions, Fair value of non-marketable elements is determined using valuation results, such as recent transaction analysis, comparison of currently traded in active markets assets and discounted cash flows, Non-marketable in an active market assets, classified under this category, fair value of which cannot be valued objectively, are valued at the cost of purchase,

At the date of Balance Sheet, the Company considers any events or facts evidencing that financial assets have been impaired, With regard to shares of companies classified as available-for-sale-financial assets, such event would be any significant or persistent decrease of fair value against cost of purchase, If such impairment is evidenced, loss aggregated to equity that being the difference between cost of purchase against fair value, is then transferred to income statement,

2.11 Receivables from customers

Accounts receivable are recognized and carried at originally invoiced amounts and subsequently are valued at amortized cost with the use of the effective interest rate less any impairment losses, Impairment losses (losses from doubtful accounts) are recognized when objective indication exists that the Group will be unable to collect all amounts due, The amount of impairment loss is the difference between the carrying amount of the receivables and the net present value of the discounted with the effective interest rate future cash flows, The amount of impairment loss is charged to the income statement, At each reporting period/date, all accounts receivable are assessed based on historical trends and statistical information and a provision is recorded for the probable and reasonably estimated loss for these accounts, All accounts receivable collection of which is not considered probable are written-off,

2.12 Cash and cash equivalents

Cash, time deposits and other highly liquid, low risk investments with original maturities of three months or less are considered to be cash equivalents,

2.13 Share Capital

Common shares are recognized in Equity, cost of issuance of new shares, net of deferred tax, are reflected as a deduction of Paid-in-Surplus, Share issuance costs related to business combinations are included in the cost carrying amount, he purchase cost of treasury shares less any income tax (if applicable) is presented as a deduction of equity unless the treasury shares are sold or cancelled, Gains or losses from the sale of treasury shares net of any direct transaction costs or income tax, if applicable, are presented as reserve in equity,

2.14 Borrowings

All loans and borrowings are initially recognized at fair value, net of issue costs associated with the borrowing, After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method, Gains or losses through the amortization process are recognized in the statement of income,

2.15 Income Tax - Deferred income tax

Income Tax expense for the period consists of current and deferred taxes, i,e, the tax (or the tax discount) associated with income (or loss) that are reported, for accounting purposes, in the current period but will generate a tax liability or asset in future accounting periods, Income taxes are recognized in the income statement, except for tax with regard to transactions charged directly to equity, In the latter case, the tax is also charged directly to equity,

Current income taxes are recognized based on taxable income of the period, in accordance with the Greek tax laws for each of the consolidated subsidiaries, The current income tax is based on taxable profits of the Company adjusted according to the requirements of tax legislation and is calculated with the current tax rate in force, Deferred income taxes have been provided using the liability method on all temporary differences arising between financial reporting and tax bases of assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse, Deferred taxes are calculated using the liability method for all temporary tax differences as of the balance sheet date between taxable base and accounting base of the assets and liabilities,

Expected impacts from temporary tax differences are recognized and recorded either as future (deferred) tax liabilities or as deferred tax assets, Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against the above and can be utilized, The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The Company writes off deferred tax assets against deferred tax liabilities only in cases when the Company has a legal right to write off current tax assets against current tax liabilities and deferred tax assets and the deferred tax liabilities relate to income tax and are imposed by the same tax authority,

2.16 Employee Benefits

a) Short term benefits

Short term employee benefits are recorded on an accrual basis,

b) Provisions for Benefit Plans

The programs for employee benefits concerning their service termination are included in defined benefit plans according to IAS 19 - "Employee benefits", The obligations resulting from the defined benefit plans are calculated as the discounted fair value of the future benefits to employees accrued as of the balance sheet date, These obligations are calculated based on financial and actuarial assumptions, The net cost for the period / year is charged to the income statement and is comprised from the present value of accrued benefits during the period / year, the discounting of the future obligation, the cost of experience of service and actuarial gains or losses, Unrecorded cost of experience is recognized on a straight basis on the average remaining service time of the employees expected to receive benefits, For discounting purposes the interest rate of long term Greek Government bonds is used, According to the provisions of Law 2112/20 the Company pays compensation to employees dismissed or resigning depending on the length of service, their current remuneration and the reason for leaving (dismissal or retirement), The termination benefit in case of retirement amounts to 40% of the termination benefit in case of dismissal,

2.17 Provisions

Provisions are recognized when the Company has a present obligation (legal or accrued) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be calculated, If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost, Provisions are reviewed at each balance sheet date and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed, Provisions are used only for expenditures for which they were originally recognized, Contingent assets and contingent liabilities are not recognized,

2.18 Revenue recognition

Revenue consist of the fair value of the sale of goods and services, net of value-added tax, rebates and discounts, Revenue is recognized as follows:

- **Services rendered:** Revenue from services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total cost,

- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method,

2.19 Leases

Leases which transfer to the Company substantially all benefits and risks incidental to ownership of the item property are considered financial leases and are accounted for by the lessee as the acquisition of an asset and the incurrence of a liability, Financial charges are recognized directly to income, Finance leases, that transfer to the Company substantially all risk and benefits following the ownership of the leased asset are recorded as assets with amount equal to the initial lease amount, the fair value of the leased asset or if lower the present value of the minimum future lease payments, Lease payments are included in finance costs and deducted from the remaining liability, in such way that a constant interest rate applies to the remaining liability amount, Leased assets are depreciated in the shorter time between useful life of the asset and the lease period, Criterion for the classification of a lease as finance or operating is the type or transaction itself and not the type of agreement, If from a lease agreement arises that the lessor substantially holds all benefits and risks incidental to ownership of the asset, it is classified as an operating lease by the lessee and the rental payments are recognized as an expense as incurred,

2.20 Dividend distribution

Dividends payable to the shareholders are recognized and presented as liability in the period in which the General Shareholders Assembly approves them,

2.21 Government Grants

Government grants are initially recognized as deferred income on the balance sheet, when the reimbursement of the grant is fairly secure and the Group has met its required obligations, Grants related to the Groups expenses are recognized as other operating income on a systematic base in the period the related expenses are recognized, Grants related to the purchase cost of the Group's assets are recognized as other operating income on a systematic base according to the useful estimated life of the asset,

2.22 Long term receivables / payables

Long-term receivables and payables, which are interest free or bear interest significantly lower than the prevailing market rates, are recognized in their net present value, Differences between the present value and the face amounts are created as discount or premium and amortized as interest expense or income over the life of each receivable/payable,

2.23 Related parties

Related party transactions and balances are disclosed separately in the consolidated financial statements, Such related parties mainly refer to major shareholders, Management, companies with common ownership and/or management with the company and its consolidated subsidiaries, or other affiliates of these companies,

2.24 Capital Management

The Group's policy is the maintenance of a solid capital structure to have confidence of investors and creditors and to support its future growth, Management monitors Equity in its total excluding minority interests so that the ratio to liabilities subtracting the Company's deposits is approximately 3 to 1, Based on the data of the balance sheets the ratio of liabilities to equity for the years 2009 and 2008 was 1,29 and 0,88 respectively for the Group and 0,34 and 0,07 for the parent Company, The provisions of L, 2190/1920 impose the following restrictions concerning equity:

The purchase of treasury shares, except for the case of purchase for distribution to employees, cannot exceed 10% of the paid in share capital and cannot have as result the reduction of equity to a lower amount than the paid in share capital plus any reserves that are non distributable by law, I case the share capital is below the ¼ of the paid in share capital the Board of Directors has to invite the General Assembly of shareholders within 6 months from the end of the fiscal year to decide about the dissolvement of the company or any other measure,

If the total equity is below 1/10 of the paid in share capital and the general assembly does not apply appropriate measures the company can be dissolved by court decision after the request of any party that has legal interest,
Yearly at least the 1/20 of net earnings is distributed to legal reserves that is used to compensate before any dividend distribution the debit balance of retained earnings, The distribution to reserves is not mandatory if its level is 1/3 of the paid in share capital,
The distribution of the yearly cash dividend is mandatory for 35% of the net earnings after the deduction of the legal reserve and the distribution to special valuation reserves from the fair value valuation of assets and liabilities at fair value, This is not applied if the general assembly of shareholders decides at least with 65% majority, In this case the not distributed dividend is presented in a special reserves account for capitalization and new shares are distributed without any charge to the beneficiaries shareholders within four years, Finally, with 70% majority the general assembly can decide the non distribution of dividends,
The company is fully compliant with the related provisions imposed by law concerning equity,

(All amounts in Euro thousands unless otherwise specified)

3. Financial Risk Management 3.1

Financial risk factors

Financial risk factors:

a. Foreign exchange risk: The Company is not exposed to foreign exchange risk,

b. Credit risk: The Company is not exposed to credit risk,

c. Cash flow risk: The Company is exposed to cash flow risk that may arise through the fluctuation of variable interest rates and may cause positive or negative fluctuations in cash inflows and/ or outflows of assets and/ or liabilities connected with these variable interest rates,

d. Market risk: The Company has not entered into hedging contracts, resulting from exposure to price vatiation of raw material or other commodities used for production,

4. Important accounting assumptions and estimates

Preparation of financial statements in compliance with IFRS requires Management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, required disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period, Reasonable use of available information and subjective judgement are important elements of an assumption, Actual results may differ from estimates and deviations may significantly affect Financial Statements, The Company makes estimates and assumptions with regard to the outcome of future events, The majority of estimates concerns assets depreciation and calculation of deferred taxes, Management's estimates and assumptions are under continuous review based on historical data and expectations of future events, that are deemed higly probable based on current facts,

5. Share capital structure

The Company sees to it that its share capital structure is persistant to respective conditions of the subsidy programs in which the Company has entered.

6. Revenue

	the Group		Company	
	1/1-31/12/2010	**1/1-31/12/2009**	**1/1-31/12/2010**	**1/1-31/12/2009**
Revenue from energy sector	4.791	4.290	-	-
Revenue from services rendered	-	6	605	509
Total	**4.791**	**4.296**	**605**	**509**

. Cost of sales

	the Group		Company	
	1/1-31/12/2010	**1/1-31/12/2009**	**1/1-31/12/2010**	**1/1-31/12/2009**
Recovered expenses from participations to subsidiaries	-	-	(431)	(15)
Personnel salaries and expenses	(137)	(142)	(106)	(228)
Third party expenses	(73)	(419)	-	(10)
Supplies to third parties	(1.097)	(906)	(4)	(6)
Tax and stamp duty	(147)	(129)	-	-
Other expenses	(6)	(2)	(5)	(12)
Depreciation	(2.442)	(2.141)	-	-
Operating provisions	-	-	-	-
Depreciation of subsidies	778	688	-	-
Total	**(3.124)**	**(3.051)**	**(546)**	**(271)**

(All amounts in Euro thousands unless otherwise specified)

8. Administrative expenses

	the Group		Company	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
Personnel salaries and expenses	(526)	(495)	(297)	(158)
Third party fees and expenses	(97)	(146)	(45)	(153)
Supplies to third parties	(180)	(165)	(152)	(135)
Tax and stamp duty	(39)	(62)	(10)	(11)
Other expenses	(146)	(218)	(77)	(101)
Depreciations	(34)	(36)	(24)	(23)
Provisions	(5)	(6)	(5)	(2)
Total	**(1.027)**	**(1.128)**	**(610)**	**(583)**

. Finance income / (expense)

	the Group		Company	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
Finance expense:				
- Interest payable (note 18)	(802)	(1.063)	-	(92)
- Bank and similar expenses	(10)	(52)	2	(50)
- Depreciation of raising loan costs	(27)	(33)	-	-
-Finance cost of provision for equipment removal	(40)	(46)	-	-
- Bank charges and other commissions	-	(16)	-	-
- Exchange rate differences (expenses)	-	-	-	-
Total finance expenses	**(879)**	**(1.210)**	**(2)**	**(142)**
Finance income:				
- Interest receivable and similar income	411	209	401	204
- Exchange rate differences (income)	-	491	-	397
Total finance income	**411**	**700**	**401**	**601**
Net finance expenses	**(468)**	**(510)**	**399**	**459**

10. Income Tax

	the Group		Company	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
Income tax (current period)	(191)	(259)		(112)
Deferred tax	137	225	75	77
Provisions for unaudited fiscal years	(21)	(55)	7	(28)
Emergency tax	5	-	-	-
Income tax recognized	(80)	(91)	82	(63)

According to provisions of the Greek tax legislation, tax rate as at December 31, 2010 was 24%. Tax rate will gradually be reduced to 20% in 2014 (y-o-y decrease of 1%, starting in 2010). The headquarters of all the companies participating in the consolidation are in Greece, while these companies submit their income statements to the Greek tax authorities. The Greek tax legislation and respective provisions are subject to interpretation by the tax authorities. Income tax statements are submitted to the tax authorities on an annual basis but profit or loss stated for tax purposes, remain temporary until the tax authorities conclude audits of the tax statements and records of the company, at which time the respective tax liabilities of the company become final. Tax losses, if any, and in the amount recognized by tax authorities, can be carried forward to offset against profits for a period of five consecutive years after their occurrence.

Based on reasonable estimates, to the extent possible, consolidated companies make provisions for any contingent tax burden which may occur in future tax audits.

Consolidated companies have not been audited for the periods presented in the table below:

Company	Unaudited period
KALLISTI ENERGIAKI S.A.	2010
AIOLIKI KYLINDRIAS S.A.	2009-2010
CITY ELECTRIC S.A.	2009-2010
HYDROELECTRIKI ACHAIAS S.A.	2010
R.F. ENERGY MISOCHORIA S.A.	2010
R.F. ENERGY OMALIES S.A.	2010
R.F. ENERGY KORAKOVRACHOS S.A.	2010
R.F. ENERGY DEXAMENES S.A.	2010
R.F. ENERGY LAKOMA S.A.	2010
R.F. ENERGY PRARO S.A.	2010
R.F. ENERGY TSOUKKA S.A.	2010
R.F. ENERGY SCHIZALI S.A.	2010
R.F. ENERGY KALAMAKI S.A.	2010
R.F. ENERGY XESPORTES S.A.	2010
R.F. ENERGY GARBIS S.A.	2010
R.F. ENERGY ZEFIROS S.A.	2010
AIOLIKI ADERES S.A.	2010

In the year 2010 tax audit conducted in SA Kallisti for the years 2005-2008 which was finalized in October 2010. The tax audit found for the relevant fiscal periods books sincere, determined that the Company accounting differences. EUR € 1,034 of which are not disclosed income tax. Callisto SA has applied for a VAT refund of capital goods amounted to € 897.O tax audit did not recognize the amount of VAT € 201 refund on the grounds that the Company has appealed to the Administrative Court for the top accounting differences and the unrecognized tax. In the year 2010 tax audit conducted in Wind Kylindrias SA for the years 2002-2008 which was finalized in October 2010. Regular checks held for the relevant fiscal periods our books sincere, determined that the Company accounting differences. EUR € 36 of which did not show income tax. The Company has applied for a VAT refund of capital goods amounted to € 851.O tax audit did not recognize VAT amount to € 158 return, which is why the Wind Kylindrias SA has appealed to the Administrative Court for unrecognized tax. The company has made provision for the unaudited amount of € 4.

A breakdown of deferred tax for the period follows in the table below:

	the Group		**Company**	
	1/1-31/12/2010	**1/1-31/12/2009**	**1/1-31/12/2010**	**1/1-31/12/2009**
Deferred tax on assets				
- Transferred tax loss	830	901	97	-
- Share capital increase	26	40	22	35
- Deletion of installation costs	91	159	-	-
-Provision for equipment removal	34	17	-	-
- Other	-	24	-	14
Deferred tax on liabilities	7		4	
- Government grants	-	(241)	-	-
- Operating licenses	(2.763)	(1.345)	-	-
- Depreciation expense borrowing	(43)	(48)	-	-
- Other	(20)	(1)	1	-
Net deferred tax	**(1.837)**	**(494)**	**124**	**49**

(All amounts in Euro thousands unless otherwise specified)

Deferred tax on assets	926	855	157	49
Deferred tax on liabilities	(2.763)	(1.349)	(34)	-
Net deferred tax	**(1.837)**	**(494)**	**124**	**49**

In the table above, €64 of deferred tax receivables pertain to capital tax collection and have been directly recognized in Equity

The agreement between the nominal and real rate follows.

	The Group		Company	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
Earnings/loss before tax	111	(422)	(266)	116
Tax corresponding to nominal tax rate (2010: 24% and 2009: 25%)	25	106	(64)	(29)
Tax losses with no deferred tax recognized	27	(134)	-	-
Decrease in tax rates	(10)	(7)	(11)	(7)
Provision for unaudited fiscal years	(21)	(56)	(7)	(28)
Other	17			
	(80)	**(91)**	**(82)**	**(63)**
Real tax rate	78%	48%	30,8%	54%

11. Trade and other Receivables

	The Group		Company	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
Trade and other Receivables	463	785	-	-
Postdated cheques	-	-	-	-
Greek state - Debited VAT	1.567	1.501	72	61
Subsidies' receivables (note 19)	13.411	11.409	-	-
Transit Debit Balances	1.934	1.762	1.686	1.594
Receivables from related parties	-	-	6.986	6.644
Down payments to suppliers	96	702	96	696
Blocked bank deposits (note 17)	992	658	-	-
Other	17	4	227	4
Total	**18.480**	**16.821**	**9.067**	**8.999**

12. Cash and cash equivalent

	the Group		Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Cash at hand	23	6	12	4
Sight and time deposits	7.962	30.535	7.758	17.115
Total	**7.985**	**30.541**	**7.770**	**17.119**

Cash and cash equivalents pertain to cash at hand and cash deposits available on sight.

13. Plants, property and equipment

The Group	Buildings	Plant and Machinery	Vehicles	Furniture and miscellaneous equipment	Capital commitments underway	Total
31/12/2009						
Cost of Purchase	5.005	33.931	4	88	745	**39.773**
Accumulated depreciation	(477)	(2.969)	(3)	(53)	-	**(3.502)**
Net Book Value on 31/12/09	**4.528**	**30.962**	**1**	**35**	**745**	**36.271**
1/1- 31/12/2010						
Additions	-	-	-	1	553	**554**
Sales/ Transfers	-	-		-	-	**-**
Depreciations	(255)	(2.188)	-	(18)	-	**(2.461)**
31/12/2010						
Cost of Purchase	5.005	33.931	4	89	1.289	**40.327**
Accumulated depreciation	(732)	(5.157)	(3)	(71)	-	**(5.963)**
Net Book Value on 31/12/10	**4.273**	**28.774**	**1**	**18**	**1.298**	**34.364**

(All amounts in Euro thousands unless otherwise specified)

The Company	Buildings	Vehicles	Furniture and miscellaneous equipment	Capital commitments underway	Total
31/12/2009					
Cost of Purchase	5	2	66	-	**73**
Accumulated depreciation	(2)	-	(36)	-	**(38)**
Net Book Value on 31/12/09	**3**	**2**	**30**	**-**	**35**
1/1- 31/12/2010					
Additions					
Sales/ Transfers	-	-	-	-	**-**
Depreciations	-	-	-	-	**-**
	-	-	(15)	-	**(15)**
31/12/2010					
Cost of Purchase	5	2	66	-	**73**
Accumulated depreciation	(2)	-	(51)	-	**(53)**
Net Book Value on 31/12/10	**3**	**2**	**15**	**-**	**20**

14. Intangible fixed assets and surplus value

In previous periods Balance Sheets, Group has recognized intangible fixed assets with infinite life-span (Production License) and surplus value, which resulted from the acquisition process in which certain subsidiaries were engaged, in the amounts of €9,841 and €4,024 respectively.

The aforementioned amounts are presented in the table:

	Licenses	Surplus value	Total
01/01/2010	**2.750**	**4.024**	**6.744**
Additions	7.091	-	**7.091**
31/12/2010	**9.841**	**4.024**	**13.865**

Amounts under Licenses pertain to the acquisition of subsidiary companies Aioliki Kylindrias S.A. and Kallisti Energiaki S.A. which occurred in 2007. Amounts under Surplus pertain to the acquisition of subsidiaries City Electric S.A. and Hydroelectriki Achaias S.A. which occurred in 2008 and the acquisition of AIOLIKI ADERES S.A. , which occurred in 2010.
Recovery of the aforementioned amounts is assessed on a yearly basis, through conducting value impairment controls. Based on the last value impairment control as at December 31, 2010, no impairment losses were reported with regard to the aforementioned surplus values and intangible fixed assets with infinite life-span.
The additions of intangible fixed assets of € 7.091 concerns the acquisition of three production licenses from wind parks owned by AIOLIKI ADERES S.A., which was acquired by 100% by R.F. ENERGY S.A. on December 30, 2010.
The difference between the purchase price (€ 5.726) and valued at fair value net assets of AIOLIKI ADERES S.A. represents the value of these licenses, which have been recognized in these consolidated financial statements as an intangible fixed asset and deferred tax liability (€ 1.419) respectively.

The identified final fair values of assets acquired and liabilities assumed by the Group respectively and the total price of the acquisition are as follows:

(All amounts in Euro thousands unless otherwise specified)

	Accounting Values	Fair Value
Property	94	94
Production Licences	-	7.097
Trade and other receivables	22	22
Cash	4	4
Trade and other payable	(67)	(67)
Deferred Tax	-	(1.419)
Equity	**53**	**5.731**
Price of acquisition		5.726
Less: cash		(4)
Net cash outflow acquisition		5.722

15. Investment in subsidiaries and related companies

During the current fiscal year, the subsidiary company AIOLIKI ADERES S.A. has been included in the consolidation of the Group due to its acquisition by R.F. ENERGY S.A., whereas it was not inluded in the consolidation during 2009.
R.F. ENERGY GARBIS S.A. and R.F. ENERGY ZEFYROS S.A. have not been included in the consolidated financial statements in fiscal 2010 due to their solution and selling off, whereas they were included in the previous fiscal period.

The remaining balance of the investment of the company is analysed as follows:

Subsidiaries	31/12/2010	31/12/2009
KALLISTI ENERGIAKI S.A.	6.370	6.370
AIOLIKI KYLINDRIAS S.A.	6.176	-
CITY ELECTRIC S.A.	5.049	5.049
HYDROELECTRIKI ACHAIAS S.A.	4.817	4.817
R.F. ENERGY MISOCHORIA S.A.	170	170
R.F. ENERGY OMALIES S.A.	51	51
R.F. ENERGY KORAKOVRAHOS S.A.	50	50
R.F. ENERGY DEXAMENES S.A.	51	51
R.F. ENERGY LAKOMA S.A.	50	50
R.F. ENERGY PRARO S.A.	51	51
R.F. ENERGY SCHIZALI S.A.	50	50
R.F. ENERGY KALAMAKI S.A.	51	51
R.F. ENERGY TSOUKKA S.A.	50	50
R.F. ENERGY XESPORTES S.A.	50	50
R.F. ENERGY GARBIS S.A.	50	50
R.F. ENERGY ZEFIROS S.A.	-	5.310
	-	8.085
	23.086	**30.305**

The participation of the Company to the share capital of the abovementioned subsidiaries on December 30, 2010, is analysed as follows:

(All amounts in Euro thousands unless otherwise specified)

Name of subsidiary	Participation to the share capital 31/12/2009	31/12/2009
KALLISTI ENERGIAKI S.A.	100,00%	100,00%
AIOLIKI KYLINDRIAS S.A.	100,00%	100,00%
CITY ELECTRIC S.A.	100,00%	100,00%
HYDROELECTRIKI ACHAIAS S.A.	100,00%	100,00%
R.F. ENERGY MISOCHORIA S.A.	84,00%	84,00%
R.F. ENERGY OMALIES S.A.	84,00%	84,00%
R.F. ENERGY KORAKOVRAHOS S.A.	84,00%	84,00%
R.F. ENERGY DEXAMENES S.A.	84,00%	84,00%
R.F. ENERGY LAKOMA S.A.	84,00%	84,00%
R.F. ENERGY PRARO S.A.	84,00%	84,00%
R.F. ENERGY SCHIZALI S.A.	84,00%	84,00%
R.F. ENERGY KALAMAKI S.A.	84,00%	84,00%
R.F. ENERGY TSOUKKA S.A.	84,00%	84,00%
R.F. ENERGY XESPORTES S.A.	84,00%	84,00%
R.F. ENERGY GARBIS S.A.	-	100,00%
R.F. ENERGY ZEFIROS S.A.	-	100,00%
AIOLIKI ADERES A.E.	100,00%	-

(All amounts in Euro thousands unless otherwise specified)

16 Available for sale financial assets

The Extraordinary General Assembly of 28/06/2010 amended its objects and decided to take part in the company's financial institutions. then, the company decided to take part in the share capital increase of FBB, and On 20/07/2010 has acquired 680,300 common registered voting shares of an amount of € 2.000. The best evidence of fair value is the published price in an active market. If no active market as in the FBB, the entity establishes fair value using a valuation technique.The technical evaluation should:(A) to include all evaluation factors to be used by market participants to determine the value of NA (b) be consistent with accepted economic methodologies for assessment of invasive species, and (c) periodically verify the accuracy of measurement and control The validity of using market prices of any market transactions for the same NA or any information available on the market. None of the above was not available on the FBB at the balance sheet date are therefore not applied
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17. Share Capital (all amounts mentioned pertain to euro)

On December 31, 2010, Company's Share Capital amounts to € 14,000,000, divided to 28.000.000 shares with nominal value of € 0,50 each.

17. Borrowings

	the Group		Company	
Long-term borrowings	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
Long-term borrowings	13.861	12.298 (199)	- -	
Unliquidated raising loan cost	(172)			
Long-term liabilities payable within the next 12 months	**13.689**	**12.099**	- -	
Short-term part of unliquidated raising loan cost	(1.021)	(891)		
	27	27		
	(994)	**(864)**	**- -**	
Long-term part of borrowings	**12.695**	**11.235**	**- -**	
Short-term borrowings	**1.992**	**10.810**	- -	

Based on the decision of April 3, 2009 of the General Assembly of Shareholders, the Group's Company KALLISTI ENERGIAKI S.A., decided the issuance of a bond loan for the amount of EURO 12.800. Purpose of the loan according to the decision of the General Assembly of Shareholders was the financing of the investment program of the Company. The loan has duration of twelve years for the amount of EURO 6.065. The repayment of the loan will be proceeded in twenty four semi-annual installments, of which the first three (3) installments are paid on September 30, 2010. The remaining amount of EURO 6.735 concerns the financing against the receivable state's subsidy and will be payable directly to the repayment of the state subsidy. In June, 2010 the subsidiary company KALLISTI ENERGIAKI took the amount of € 1.310 as first installment of the approved government grant and repaid an equal amount of the existing debt. The interest rate for the bonded loan was approximately 5,80%. Then, in August 2010, KALLISTI ENERGIAKI S.A. received the amount of € 2.059 as the rest of the first installment of the approved subsidy and proceeded immediately to a corresponding payout. In September 2010 the company moved to refinance the short-term borrowing against the approved grant amount of € 3.365, by issuing long term bonds with duration with eleven years and repayment in 22 semi-annual installments. The effective interest rate is Euribor 6M + 2% = 3.50%

The Group's Company AIOLIKI KYLINDRIAS S.A., received short-term financing of sum € 10.008 in order to refinance its existing short-term loans. Amount € 5.934 was converted to Common Bond Loan during December 2009, with a duration of 14 years and a floating interest Euribor plus fixed margin 2,30%. While the remaining amount of € 4.074 remained short-term financing over the approved grant with floating Euribor plus a fixed margin of 2.00%.

(All amounts in Euro thousands unless otherwise specified)

For the conclusion of the above loan, reassurances were given, including blocking its bank deposits, the pledging of the shares of the issuer and concession of a part of its future receivables coming from the Power Purchase Agreement with HTSO. The loan will be paid up in 28 equivalent installments, while the first one should be disbursed 6 months after the date of signature of the agreement (21/06/2010). In September 2010, AIOLIKI KYLINDRIAS S.A. received the amount of € 2.037 as the first installment of approved subsidy and made an immediate repayment of the relevant short-term loan, € 2.082, and using the cash items.

The Group's Company HYDROELECTRIKI ACHAIAS S.A. has contracted a credit agreement sum of EURO 525 for long term loan, which expires on 2/9/2014 and was used for the financing of the project. The interest rate of the loan is floating Euribor plus fixed margin 1,50% with a 3-month period under debt. The loan will be paid up in 11 equivalent semi-annual installments sum of EURO 48, with one year as grace period after the date of signature of the agreement. Two installments have been disbursed till March 31, 2010. For the conclusion of the loan, the company has conceded its future receivables coming from the Power Purchase Agreement with HTSO. In September 2010, the company made a voluntary repayment of all debt obligations.

The fair value of the above loans approaches their nominal value.

Interest payable of all the above loans amounted for the period ended at December 31st, 2010 and 2009 to € 827 and € 1.063, respectively.

During 2010, total quittances of sum €10.044 against the above existing long-term loans raised by the Group, were realized.

18. Trade and other payables

	the Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Payables to related parties (note 23)	-	-	71	73
Trade payables to suppliers	206	151	36	66
Cheques payables	6	-	-	-
Accrued expenses	-	259	54	98
Capital returnable to shareholders (note16)	-	14.000	-	14.000
Creditors	157	310	14	74
Accrued interests on loans	114	128	-	-
Other	48	62	5	28
Total	**531**	**14.910**	**180**	**14.339**

20. State subsidies

	the Group		Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Subsidies	19.055	12.036	-	-
Depreciation of subsidies	(779)	(688)	-	-
	18.276	**11.347**		

The subsidiary company KALLISTI ENERGIAKI S.A., within the current fiscal year, received 50% of the approved state subsidy for its investment plan, in two installments during June and August, which amounted to € 3.368 and the collection of the residual amount of € 3.367 is expected within fiscal 2011. The depreciation of received state subsidies on behalf of the company for the development of the wind park in location "Tsouka" in Municipalities of Skiritida and Valtetsiou in Argolida Prefecture, have been amounted to € 449 during the current period.

The subsidiary company AIOLIKI KYLINDRIAS S.A., within 2010, received 50% of the approved state subsidy in one installment of € 2.037. The depreciation of received state subsidies on behalf of this subsidiary for the development of the wind park in location "Lofoi Kylindrias" in Municipality of Doirani in Kilkis Prefecture, have been amounted to € 272 during the current period.

The depreciation of received state subsidies on behalf of the subsidiary HYDROELECTRIKI ACHAIAS S.A. for the development of a small hydroelectrical station in location "Boufaskia" in Municipality of Aigio, have been amounted to € 37 during the current period. After the beginning of the operation of the small hydroelectrical station in location "Agios Andreas", the subsidiary, within 2010, received € 300, 50% of the approved state subsidy for the abovementioned project, and proceeded to accumulative depreciation of the subsidy from the date of commencement of operation of the SHP in the location "Agios Andreas ", amounting to € 21.
The subsidiary company AIOLIKI ADERES S.A. received a number 52586/YPE/5 / 01732/E/N.3299/04/19-11-2010 approval to join the investment in the investment law 3299/2004 as amended by the Ministry of Economy and Finance.
The approved amount of total granted investment amounts to € 19.267 and as a result the state subsidy amounts to € 7.707.

21. Interest rate and liquidity risks

Interest rate risk

The Company and the Group have substantial interest bearing assets that are invested in compound time accounts in Yen (JPY) at a predetermined exchange rate. Said exchange rate is calculated based on the interbank market floating interest rate in Euro. Therefore revenue and operating cash flow is affected by a change in interest rates.

As at December 31st, 2010 Earnings After Tax for the Company would have been €70 (€71 for the Group) lower / higher, if interest rates had lower / higher by 90 base points, all other variables remaining unchanged.

Interest rate risk results from long-term and short-term borrowings in euro at a floating interest rate. The Company assesses its exposure to interest rate risk on a steady basis, also taking into consideration any chance of refinancing under different terms, as well as renewal of existing financing.

As at December 31st, 2010 Earnings After Tax for the Company would have not been affected, while those of the Group would have been €53 lower/higher, if interest rates had decreased/ increased by 90 base points, all other variables remaining unchanged. This would have been caused mainly due to higher / lower finance expenses resulting from bank borrowings at a floating interest rate in Euro.

As a consequence, Earnings After Tax for the Company would have been €53 (€58 for the Group) lower/higher, if interest rates had decreased/ increased by 90 base points, all other variables remaining unchanged.

(All amounts in Euro thousands unless otherwise specified)

	Interest rate risk			
	+90 bps		***-90 bps***	
	Earnings before tax		**Earnings before tax**	
	the Group	**Company**	**the Group**	**Company**
Financial assets				
Cash equivalents	71	70	(71)	(70)
Influence before tax	71	70	(71)	(70)
Income Tax 24%	(17)	(17)	17	17
Total influence	**54**	**53**	**(54)**	**(53)**
Financial liabilities				
Supplier	(5)		5	
Loans	(143)	-	143	-
Influence before tax	(148)	-	148	-
Income Tax 24%	35	-	(35)	-
Total influence	**(112)**	**-**	**112**	**-**
Total Net Influence	**(58)**	**53**	**58**	**(53)**

The management of liquidity risk includes both the safeguard of existence of enough cash and cash equivalents and the reassurance of credit standing through approved financing terms. The table below analyses the company's obligations, based on the remaining contractual duration at the date of the balance sheet in discounted bills with an average interest rate, as it was formed during Year 2010.

the Group	**< 1 year**	**1-2 years**	**2-5 years**	**> 5 years**
31 December 2010				
Borrowings	2.986	1.057	3.825	7.813
Liabilities	531	-	-	-
Total	**3.517**	**1.057**	**3.825**	**7.813**

The previous table analyses the Group's obligations, based on the remaining contractual duration at the date of the balance sheet. The amounts in the table refer to the nominal value of the obligation plus interest, and as a result, they may differ from the amounts included in the balance sheet.

21. Legal reserves

According to the provisions of Greek company legislation, the creation of legal reserves, with the annual transfer of an amount equal to 5% of the annual earnings after tax, is compulsory till the level of the reserves becomes equal to 1/3 of share capital. The legal reserves are only distributed in case of dissolution, but they can be offset with accumulated losses.

22. Transactions with related parties

The Company purchases commodities from related parties, and exchanges services with said parties. According to IAS 24 related parties are subsidiary companies, companies with common shareholders and/or management and any affiliates to such companies. Members of the Board of Directors and Top Management are also considered related parties. The table below presents payables and receivables resulting from transactions with related parties.

(All amounts in Euro thousands unless otherwise specified)

Subsidiaries:

Receivables from:	**31/12/2010**	**31/12/2009**
KALLISTI ENERGIAKI S.A.	2.850	2.900
AIOLIKI KYLINDRIAS S.A.	2.673	2.612
CITY ELECTRIC S.A.	178	139
HYDROELECTRIKI ACHAIAS S.A.	80	585
R.F. ENERGY MISOCHORIA S.A.	59	36
R.F. ENERGY OMALIES S.A.	96	77
R.F. ENERGY KORAKOVRAHOS S.A.	57	39
R.F. ENERGY DEXAMENES S.A.	61	39
R.F. ENERGY LAKOMA S.A.	54	33
R.F. ENERGY PRARO S.A.	54	34
R.F. ENERGY SCHIZALI S.A.	40	20
R.F. ENERGY KALAMAKI S.A.	42	21
R.F. ENERGY TSOUKKA S.A.	60	39
R.F. ENERGY XESPORTES S.A.	88	70
R.F. ENERGY GARBIS S.A.	-	-
R.F. ENERGY ZEFIROS S.A.	-	-
FG EUROPE	11	
AIOLIKI ADERES A.E.	512	
Total	**6.915**	**6.644**

Payables to:	**31/12/2010**	**31/12/2009**
F.G. EUROPE S.A.	-	-
CITY ELECTRIC S.A.	71	73
R.F. ENERGY MISOCHORIA S.A.	-	-
R.F. ENERGY OMALIES S.A.	-	-
R.F. ENERGY KORAKOVRAHOS S.A.	-	-
R.F. ENERGY DEXAMENES S.A.	-	-
R.F. ENERGY LAKOMA S.A.	-	-
R.F. ENERGY PRARO S.A.	-	-
R.F. ENERGY SCHIZALI S.A.	-	-
R.F. ENERGY KALAMAKI S.A.	-	-
R.F. ENERGY TSOUKKA S.A.	-	-
R.F. ENERGY XESPORTES S.A.	-	-
Total	**71**	**73**
Receivables from :		
CYBERONIKA S,A,	17	17
Total	**17**	**17**

(All amounts in Euro thousands unless otherwise specified)

Revenue:	**1/1-31/12/2010**	**1/1-31/12/2009**
KALLISTI ENERGIAKI S.A.	35	25
AIOLIKI KYLINDRIAS S.A.	18	300
CITY ELECTRIC S.A.	24	6
HYDROELECTRIKI ACHAIAS S.A.	6	64
R.F. ENERGY MISOCHORIA S.A.	10	10
R.F. ENERGY OMALIES S.A.	9	9
R.F. ENERGY KORAKOVRAHOS S.A.	10	10
R.F. ENERGY DEXAMENES S.A.	9	9
R.F. ENERGY LAKOMA S.A.	10	10
R.F. ENERGY PRARO S.A.	10	9
R.F. ENERGY SCHIZALI S.A.	10	10
R.F. ENERGY KALAMAKI S.A.	10	9
R.F. ENERGY TSOUKKA S.A.	10	10
R.F. ENERGY XESPORTES S.A.	9	9
R.F. ENERGY GARBIS S.A.	2	6
R.F. ENERGY ZEFIROS S.A.	2	6
Total	**184**	**502**
Cost:		
Leases	(102)	(101)
Total	**(102)**	**(101)**

Members of the Board of Directors and Management:	**The Group**		**Company**	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Receivables from Members of the BoD and Management	-	-	-	-
Total	**-**	**-**	**-**	**-**

Members of the Board of Directors and Management:	**The Group**		**Company**	
	1/1-31/12/2010	**1/1-31/12/2009**	**1/1-31/12/2010**	**1/1-31/12/2009**
Compensations - Other Benefits:				
Board of Directors Remuneration	(130)	(100)	(130)	(100)
Total	**(130)**	**(100)**	**(130)**	**(100)**

23. Commitments, contingent liabilities and uncertainties

In 2008 Company's subsidiaries filed applications to RAE and the Ministry of Development for the issuance of Production Licenses for Wind Power Energy Production Plants, located at various sites in Evia Prefecture, and with 387MW capacity in total. Subsequently meteorological masts were erected in said site locations in order to measure wind potential while parent Company R.F. ENERGY S.A. provides to its subsidiaries administrative, development and management services on this project. Moreover Company's subsidiaries have taken actions to receive approval from competent authorities to develop this project.

During 2010, subsidiaries of the Group submitted to RAE and the Ministry of Energy and Climate Change (YP.E.K.A.) completed files with applications for relevant production licenses from wind stations in the southern Evia, with total capacity of 144MW. Therefore, the group of wind farms being developed by subsidiaries of the Group in the southern Evia has total capacity of 531MW. Said Production Licenses have not been granted as of the date of issuance of the document at hand. As at December 31, 2010 the Group had spent for development of the aforementioned project the amount of €2,297, of which €1,704 is included under trade and other receivables and €593 is included under capital commitments under way in the consolidated balance sheet.
Within fiscal year 2009 several Production Licenses were granted to unrelated companies for Wind Power Energy Production Plants located at sites which are at close proximity to Company owned projects, for which Company's subsidiaries have applied for Production Licenses. Due to this fact, in December 2009 the Company proceeded to legal action against Decisions by the Ministry of Energy and Environment, RAE, and the Special Committee for the Environment. Action was filed to the Council of State, requesting annulment of said Production Licenses which were issued in favor of unrelated companies, on the basis of impingement of the Company's subsidiaries' lawful rights (as Company's subsidiaries have also filed applications for Production Licenses for Wind Power Energy Production Plants located in the area, and no decision has been reached yet), and material breach of substantial legal and statutory provisions. As of the date of issuance of the document at hand the Council of State has not convened on the case matter.
Moreover, on December 31, 2010, the parent company R.F. ENERGY S.A. has guaranteed loans of its subsidiaries of total balance of € 7.932, which have been paid off gradually by 2023.

26. Post Balance Sheet events

The company in early 2011, acquired the remaining percentage (16%) of ten subsidiaries operating in the energy sector in the prefecture of Evia and now owns 100% of their shares.For immediate funding needs Aderes Wind Inc. against necessary by law own participation and to cover expenses relating to the payment of the consideration of land use for the location of wind power stations in Energy 26. Events after the Balance Sheet (continued)positions"Lightning","Soros"and""Shambhala, located on Mount Aderes the Municipality of Ermioni Argolida, which authorized Installation and commissioning of studies in engineering to be submitted folders to issue the building permits for the project of Aderes Wind Inc., an increase in equity for the wind Aderes SA by the amount of € 9.930.300. H completion of the construction of three wind farms in the Wind Aderes SA, will take place in the year 2011.

There are no other substantial events having occurred after December 31st, 2009 concerning the Company which ought to have been disclosed or that bear the capacity to significantly affect any element of the published financial statements.