R.F. ENERGY
HOLDING SOCIETE ANONYME

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

128 Vouliagmenis Avenue - 166 74

Glyfada, Attiki

G.E.M.I Reg. No. 121616301000

<u>ANNUAL FINANCIAL REPORT</u>

January 1st, 2013 - December 31st , 2013

TABLE OF CONTENTS

	Page
• Board of Directors' Statements	3
• Board of Directors' Annual Report	4
• Auditors' Report	22
• Annual Financial Statements	20
• Financial Figures and Information for the period from January 1st to December 31st, 2013	

R.F. ENERGY S.A.

STATEMENTS BY THE MEMBERS OF THE BOARD OF DIRECTORS

R.F. ENERGY S.A.

STATEMENTS BY THE MEMBERS OF THE BOARD OF DIRECTORS

We

1. Georgios Fidakis, President and Managing Director
2. Evangelos Korovesis, Board Member
3. Ioannis Pantousis, Board Member

STATE THAT

To the best of our knowledge:

a. Financial Statements for the period 1/1/2013-31/12/2013, 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 referred 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, March 26th, 2014

President and Managing Director	Board Member	Board Member
Georgios Fidakis	Ioannis Pantousis	Evangelos Korovesis

ANNUAL REPORT BY THE BOARD OF DIRECTORS OF R.F. ENERGY S.A.
FOR THE FISCAL YEAR 2013

(01/01/2013 – 31/12/2013)

Dear Shareholders,

The Board of Directors of R.F. Energy S.A. furnishes its Annual Report for the 2013 fiscal year (01.01.2013 - 31.12.2013), 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 2013 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 31/12/2013, are presented in the table below:

Name of Subsidiary	Business Activity	Participation to share capital as at 31/12/2013
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 OMALIES S.A.	Energy Production	100,00%
• 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 31/12/2013, with a 50,00% share, and a company directly owned by Restis family participates with the other 50% share.

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

Financial figures of the Company during fiscal year period 2013, compared to relevant figures in the previous fiscal period, are presented in the table below:

	31/12/2013	31/12/2012	Change Amount	Change %
Revenue	175	722	(547)	(76)
Less : Cost of Sales	(315)	(746)	(431)	(58)
Gross Profit	**(140)**	**(24)**	**(116)**	**(483)**
Other income	375	-	-	-
Administrative expenses	(187)	(250)	63	(25)
Operating profit before taxation & finance cost	**48**	**(247)**	**322**	**(118)**
Finance income	657	675	(18)	(3)
Finance cost	(131)	(230)	99	(43)
Earnings before tax	**574**	**171**	**403**	**236**
Income Tax	(85)	(98)	13	(13)
Net earnings after tax	**489**	**73**	**513**	**570**
Other total income				
Actuarial gains and losses from defined benefit plans	**7**	**(11)**	18	164
Income tax related to elements of total income	**(2)**	**2**	(4)	200
Other total net income for the period	**5**	**(9)**	**14**	**156**
TOTAL ACCUMULATED EARNINGS FOR THE PERIOD	**494**	**64**	**430**	**672**

Amounts in € thousands

1. Revenue

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 2013 amounted to € 175, as opposed to € 722 in 2012, posting a decrease of (76)%.

Decrease in revenue of R.F. ENERGY S.A. in fiscal 2013 was noted mainly due to termination of subleased rental by subsidiaries for Evia Project.

2. Gross Profit/ (Loss)

Gross Loss for the period amounted to € (140) against € (24) in the previous fiscal period, increased by 438%.

3. Other Revenues

Other Revenues amounted to €375 on 31/12/2013 and refer to company's revenue from deletion of liabilities to third parties, due to termination of subleased rental by subsidiaries. In the previous fiscal year, the Company did not have Other Revenues.

4. **Operating expenses (Operating and administration expenses)**

Operating and administration expenses during fiscal 2013 amounted to € 63, posting a decrease of 25%.

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

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Company amounted to € 54 in fiscal 2013, as opposed to € (265) in the previous period, whereas EBITDA margin amounted to 31%, as opposed to (48)% in the previous period.

6. Finance Cost / Income

	Company	
	1/1-31/12/2013	**1/1-31/12/2012**
Finance Cost:		
- Interest payable	(130)	(229)
- Other bank expenses	(1)	(1)
Total finance cost	**(131)**	**(230)**
Finance Income:		
- Income from sale of investment and securities	650	-
- Interest receivable and similar income	7	25
- Dividends	-	650
Total finance income	**657**	**675**
Net Finance Income	**526**	**445**

Amounts in € thousands

7. Earnings before Taxes

Earnings before tax posted an increase of 236%, amounting to €574, against €171 in the previous corresponding period. The main reason is the increase in finance income.

8. Taxes

According to provisions of the Greek tax legislation, tax rate as at December 31, 2013 was 26%. 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.

	The Company	
	1/1-31/12/2013	**1/1-31/12/2012**
Income tax (current period)	(1)	-
Deferred Tax	(84)	65
Tax on dividends from subsidiary	-	(163)
Income Tax	**(85)**	**(98)**
Tax on other accumulated income	**(2)**	**2**

Amounts in € thousands

The Company has settled off according to L3888/2010 till fiscal year 2009. The Company has not been audited by tax authorities for fiscal year 2010. For the unaudited fiscal year 2010, the Company has made a provision for unaudited fiscal years amounting to €5.

9. Earnings After Taxes

Net earnings after taxes in fiscal 2013 amounted to € 489 against € 73 in the previous corresponding period, representing an increase of 570%.

BASIC FINANCIAL RATIOS

Certain financial ratios which can express the Company's financial standing as at the end of fiscal 2013, are presented in the table below:

	FY 2013	**FY 2012**
DEBT LIABILITIES		
Liabilities / Equity	-	0,09
Liabilities to Banks / Equity	-	0,09
LIQUIDITY		
Current ratio	2,36	0,99
Quick ratio	2,36	0,99
SALES EFFICIENCY		
Gross results / Sales of inventories – Services	(80)%	(3,32)%
Net results / Sales of inventories – Services	279%	8,86%

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

Financial figures of the Group during fiscal year period 2013, compared to relevant figures in the previous fiscal year, are presented in the table below:

	The Group		**Change**	
	1/1-31/12/2013	**1/1-31/12/2012**	**Amount**	**%**
Revenue	11.378	11.627	(249)	(2)
Less : Cost of Sales	(6.569)	(6.246)	(323)	5
Gross Profit	**4.809**	**5.381**	**(572)**	**(11)**
Other income	453	133	320	241
Administrative expenses	(768)	(1.793)	1.025	(57)
Other expenses	(1.686)	(515)	(1.171)	(227)
Operating profit before taxation and finance cost	**2.808**	**3.206**	**(398)**	**(12)**
Finance income	1.275	131	1.144	873
Finance cost	(1.897)	(2.694)	797	(30)
Earnings / (Losses) before taxes	**2.186**	**643**	**1.543**	**240**
Income tax	(979)	(254)	(725)	285
NET EARNINGS/ (LOSSES) AFTER TAXES	**1.207**	**389**	**818**	**210**
Actuarial gains and losses from defined benefit plans	**16**	**(31)**	**47**	**152**
Income tax related to elements of total income	**(4)**	**6**	**(10)**	**(167)**
Other total net income for the period	**12**	**(25)**	**37**	**148**
TOTAL ACCUMULATED EARNINGS FOR THE PERIOD	**1.219**	**364**	**855**	**235**

Amounts in € thousands

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

1. Revenue

Revenue of the Group in fiscal 2013 posting a small decrease of (2)%.

2. Gross Profit

Gross Profit of the Group for the period amounted to € 4.809 against € 5.381 in the previous fiscal period, decreased by (11)%. Said decrease noted in Gross Profit can mainly be attributed to both small decrease of revenue and small increase of their cost of sales by 5%.

3. Operating expenses (Operating and administration expenses)

Operating and administration expenses of the Group during 2013 are posting a decrease of € (1.025) or (57)%, compared to those in 2012.

4. Other expenses

Other expenses are related to the amount of special levy imposed from 01/07/2012 on the producers using RES according to L.4093/2012 and amounts to 10% of sales, that is €(1.137) for the year 2013. The corresponding figure for the second half of the previous year was included in the account of Administrative expenses in the published financial statements for the year 2012 and this year was reclassified in the comparative tables in Other Expenses for better description. Moreover, an amount of €(549) relating mainly to write-offs of fixed assets of the Group is also included in this account.

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

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Group amounted to € 6.420 in 2013, as opposed to € 6.843 in the previous fiscal period, whereas EBITDA margin amounted to 56%, as opposed to 59% in the previous period.

6. Finance Cost / Income

With regard to finance results for fiscal 2013, net finance expenses for the Group decreased by € (1.941), compared to the previous period. Said decrease is mainly due to both the large decrease in borrowings in 2013 since their biggest part related to short-term financing was repaid and the increase in finance income by 873% which is due to charge default interest of € 532 to LAGIE, due to failure of timely payment of invoices for electricity sales.

This change is analyzed in the table below:

	The Group	
	1/1-31/12/2013	**1/1-31/12/2012**
Finance Cost:		
- Interest payable	(1.726)	(2.516)
- Bank and other expenses	(10)	(21)
- Depreciation of raising loan costs	(68)	(72)
- Finance cost of provision for equipment removal	(93)	(85)
Total finance cost	**(1.897)**	**(2.694)**
Finance Income:		
- Income from sales of investments and securities	650	-
- Interest receivable and similar income	625	131
Total finance income	**1.275**	**131**
Net Finance Cost	**(622)**	**(2.563)**

7. Earnings before taxes

The Group posted earnings of € 2.186 in 2013 against € 643 in 2012, increased by 240%. This increase is due to the profit from sale of investment and securities and the increase in interest receivable and similar income.

8. Taxes

According to provisions of the Greek tax legislation, tax rate as at December 31, 2013 was 26%. All companies included in the consolidation are based and file a tax return in Greece. 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. Companies participating in the consolidation make provision for any additional taxes and charges which may arise from future tax audits, to the extent the reliable estimation of these amounts is possible.

	The Group	
	1/1-31/12/2013	**1/1-31/12/2012**
Income tax (current period)	(234)	(181)
Deferred tax	(745)	102
Tax on dividends from subsidiary	-	(163)
Income Tax	**(979)**	**(254)**
Tax on other accumulated income	**(4)**	**6**

9. Earnings after Taxes

Net earnings after taxes in fiscal 2013 amounted to € 1.207 against € 389 in the previous corresponding period, increased by 210%.

BASIC FINANCIAL RATIOS

Financial figures of the Group during fiscal year period 2013, compared to relevant figures in the previous fiscal period, are presented in the table below:

	FY 2013	**FY 2012**
DEBT LIABILITIES		
Liabilities / Equity	0,60	1,22
Liabilities to Banks / Equity	0,58	1,19
LIQUIDITY		
Current ratio	2,90	1,47
Quick ratio	2,90	1,47
SALES EFFICIENCY		
Gross results / Sales of inventories – Services	42,27%	46,28%
Net results / Sales of inventories – Services	10,61%	3,35%

III. SIGNIFICANT EVENTS DURING FISCAL YEAR (all the amounts are in €)

According to the decision of the Extraordinary General Assembly of the Shareholders of 100% subsidiary RF ENERGY MISOCHORIA S.A. on 12/6/2013, the company's share capital increased by €106.710. The increase was made by cash payment on behalf of sole shareholder RF ENERGY S.A. and covered by issuance of 3.557 new shares with nominal value of €30 and disposal price of €270 each.

The difference between the nominal value of €30 and the disposal price of €270, amounting to €853.680 was registered to the account "Difference from share premium" .

After the increase, the share capital of the company amounted to €962.940, divided into 32.098 ordinary shares with a nominal value of €30 each.

The Extraordinary General Assembly of Shareholders of 100% subsidiary RF ENERGY OMALIES S.A on 12/06/2013, increases the company's share capital by €13.560. The increase was made by cash payment from the unique shareholder RF ENERGY SA and covered with the issuance of 452 new shares with a nominal value of € 30 and disposal price of € 300.

The difference between the nominal value of € 30 and disposal price of € 300, amounting to € 122.040, was registered to the account "Difference from share premium account ".

After the increase, the share capital of the company amounted to € 267.780, divided into 8.926 shares with a nominal value of € 30 each.

The Extraordinary General Assembly of Shareholders of 100% subsidiary RF ENERGY TSOUKKA S.A. on 12/06/2013, increases the company's share capital by €8.490. The increase was made by cash payment from the unique shareholder RF ENERGY SA and covered by issuing 283 new shares with a nominal value of €30 and disposal price of €240 each.

The difference between the nominal value of €30 and the disposal price of €240, amounting to €59.430, was registered to the account "Difference from share premium" .

After the increase, the share capital of the company amounted to €103.590, divided into 3.453 shares with a nominal value of €30 each.

By decision dated 25.06.2013 the Extraordinary General Assembly of shareholders of 100% subsidiary Hydroelectrical Ahaias SA, dropped the company's share capital by amending the Articles of Association, in the amount of €280.000 with cancellation of 14.000 ordinary shares of nominal value of €20 each.

Thus, the share capital amounts to €401.020, divided into 20.051 ordinary shares with a nominal value of €20 each.

The subsidiary AIOLIKI ADERES received on 14.06.2013 an amount of € 4.168.417,30 covering all the approved public subsidy for its investment in position"Soros'', Argolida. The amount collected was used to repay existing loan granted against the subsidy.

After payment, resulting balance between the amount of funding and the amount finally approved, amounting to € 137.582,70 which was repaid from cash of the Company on 08.07.2013.

Also, on 23.09.2013, the Company received an amount € 3.803.880,80 which refers to all the authorized public subsidy for investment in position" Astrapi" Argolida. The amount collected was used to repay existing loan granted against the subsidy.

After payment, resulting balance between the amount of funding and the amount finally approved, amounting to € 48.919,20 which was repaid from cash of the Company on 24.09.2013.

Finally, on 25.10.2013, the Company received the amount of € 7.491.098,50 which refers to all the authorized public subsidy for investment in position"Sabales'' Argolida. The amount collected was used to repay existing loan granted against the subsidy.

After payment, resulting balance between the amount of funding and the amount finally approved, amounting to € 215.701,50 which was repaid from cash of the Company on 25.10.2013.

During the second half of 2013, the subsidiary AIOLIKI ADERES requested a VAT refund of investment expenditure for the years 2010 and 2011, amounting to € 128 and € 1.416 respectively.

Applications were accepted by the competent tax office and after the relevant audit conducted by the Company, the above amounts were paid in November and December of 2013.

After recovery of the amount of VAT refund, AIOLIKI ADERES proceeded directly to the complete repayment of the loan taken against the VAT on capital expenditure.

By decision of the Board of Directors on 25.06.2013, the 100% subsidiaries RF ENERGY OMALIES SA, RF ENERGY MISOCHORIA SA and RF ENERGY TSOUKKA SA decided their merger through absorption of the second and third by the first under the provisions of L.2166/93 and L.2190/1920, as applicable.

Then, with a special meeting on 30.07.2013, the Boards of the merging companies have approved the text of the Draft Merger Agreement and further authorized for its signature, and finally approved the explanatory report of the Board to the General Assembly of Shareholders on the feasibility and benefits of the merger. Then signed by the authorized by each company the Draft Merger Agreement and subjected to publication provisions of L.2190/1920, as applicable. Also, the summary of Draft Merger Agreement was posted on the websites of the merging companies and remained posted for the period specified in the relevant article of L.2190/1920.

Finally, with their meeting on 01.11.2013 they decided to convene Extraordinary General Meetings on 25/11/2013 with the agenda being the final approval of the Merger, the increase of the share capital of the absorbing RF ENERGY OMALIES SA by the contributed capital of the two acquired companies and the authorization for signing the Merger Agreement which must be assumed by the type of notarial deeds. The Extraordinary General Assemblies of 25.11.2013 approved the merger and provided authorization for the signing of the Merger Agreement, which took place on the same date.

The final approval for the merger was given by the department of G.E.M.I on 18/12/2013.

The Board of Directors of the 100% subsidiary RF ENERGY MISOCHORIA SA, in its meeting on 2.12.2013, decided to make a request to the competent Regulatory Authority for Energy to withdraw the no. 336/2011 (ΑΔ-2492) License Production of Electricity from wind power station 12 MW in place" SHIZALI΄΄ in the municipality of Karystos in order to complete the evaluation of another application for license production of electricity from wind power station in an adjacent position as of that obtained Production License No.. 336/2011 (ΑΔ-2492).

IV. SIGNIFICANT EVENTS OCCURRED POST BALANCE SHEET DATE

On 07/03/2014 a command no. 1299/1/1118 for regular audit for the fiscal years 2010 and 2011 was served to 100% subsidiary company AIOLIKI KYLINDRIAS S.A. At the date of writing, the regular audit by the tax authorities is still evolving. The management of the subsidiary and the Group believe, given the amount of accumulated losses, that there will not be any additional charges, as a result of the audit, that may have significant effect on the financial statements of the Company

There are no other significant events having occurred after December 31, 2013 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.

Particularly, meteorological masts have been installed in various locations in the Prefectures of Arkadia, Evia, Argolida and Limnos to assess the wind potential.

VII. **ACCOUNTING PRINCIPALS IMPLEMENTED**

In preparation of the Balance Sheet and Income Statement for the fiscal year 2013, the Company has applied the basic accounting principles of the International Financial Reporting Standards, as described in the Appendix of the 31/12/2013 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 €340 (€1.433 for the Group) that are invested in compound time accounts 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, 2013 Earnings After Tax for the Company would have been €2 (€10 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, 2013 Earnings After Tax for the Company would have been € 14 lower/higher, while those of the Group would have been € 82 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 € 2 (€ 146 for the Group) lower/higher, if interest rates had decreased/ increased by 90 base points, all other variables remaining unchanged.

	Interest rate risk			
	+90 bps		***-90 bps***	
	Earnings before tax		**Earnings before tax**	
	The Group	**Company**	**The Group**	**Company**
Financial assets				
Cash equivalents	13	3	(13)	(3)
Influence before tax	13	3	(13)	(3)
Income Tax 26%	(3)	(1)	3	1
Total influence	**10**	**2**	**(10)**	**(2)**
Financial liabilities				
Loans	(125)	(21)	125	21
Influence before tax	(125)	(21)	125	21-
Income Tax 26%	32	5	(32)	(5)-
Total influence	**(92)**	**(16)**	**92**	**16**
Total Net Influence	**(82)**	**(14)**	**82**	**14**

- Liquidity risk

The management of liquidity risk includes both 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 2013.

The Group **December 31st, 2013**	**< 1 year**	**1-2 years**	**2-5 years**	**> 5 years**
Borrowings	2.886	3.026	8.096	9.542
Liabilities	1.032	-	-	-
Total	**4.106**	**3.026**	**8.096**	**9.542**

-Credit Risk

Draft Law ' Arrangements for the reorganization of the special account referred to in article 40 of L. 2773/1999 and other provisions»

The draft law proposed arrangements in order to ensure the viability of the renewable energy sources (RES) support mechanism, aimed at the consolidation of the special account referred to in article 40 of law 2773/1999. In addition, the recommended settings are intended to help reduce the cost of electricity for final consumers and the national economy. More specifically, the present draft law consists of three main axes: (a) price adjustment to converge, as far as possible, the benefits from the RES support mechanism at around the same level for all categories of producers, therefore being an adjustment that aims, as far as possible, on similar yields between the several types of investment, b) investor protection taking into account existing financing agreements and c) new tariffs to compensate producers of electricity from RES and through RES and high efficiency Cogeneration Plants (HeCoGen), compatible with the requirements of the national electrical system, which will contribute to reduction of energy costs while at the same time ensuring reasonable returns.

The said draft law was posted on March 3, 2014 and opened to public consultation which was concluded on March 13, 2014.

In particular, Article 3 of the said draft law includes the following:

1. Within two (2) months from the entry into force of this law, the RES/HeCoGen producers shall issue a credit note to provide discount:

a. 35% regarding energy from photovoltaic plants (except in cases of the "special program of development of photovoltaic systems in buildings") and

b. 10% regarding energy from other RES and HeCoGens,

in both cases (a) and (b) calculated on the total value of energy sold in 2013.

2. On expiry of the period referred to in paragraph 1 and until issuance and delivery of the credit note referred to in this paragraph, the obligation of LAGIE for the Interconnected System and DEDDIE for the Non Interconnected System, to pay to RES and HeCoGens producers the price for the volume of electricity delivered from the month of entry into force of said Law and onwards, shall be suspended. The General Secretariat of Public Revenues is hereby authorized to determine by decision the details regarding the tax treatment of the transaction described in paragraph 1 and the present.

3. For RES and HeCoGen projects that issue the credit note pursuant to para. 1 the excise tax of L. 4093/2012, as amended and in force, is recalculated on the reduced, after the credit note discount, proceeds from the sale of energy for the reference year 2013.

The Company has calculated the possible impact on results and equity, whether the provisions of the above article of the draft law are to be implemented. Said impact is as follows:

Influence on	**Amounts in € thousands**
Operating results	(1.024)
Earnings after tax	(758)
Own Equity	(758)

The Group monitors the developments regarding this Draft Law and will recognize in the income statement any effect eventually occur after finalizing the processing of comments raised during the public consultation process of the Draft Law, comments which were all negative, and the adoption of the final text.

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:	31/12/2013	31/12/2012
KALLISTI ENERGIAKI S.A.	5	7
AIOLIKI KYLINDRIAS S.A.	260	201
CITY ELECTRIC S.A.	4	320
HYDROELECTRIKI ACHAIAS S.A.	7	148
R.F. ENERGY MISOCHORIA S.A.	-	779
R.F. ENERGY OMALIES S.A.	69	77
R.F. ENERGY TSOUKKA SA.	-	48
FG EUROPE SA	-	-
AIOLIKI ADERES A.E.	843	1.239
LOGO VENTURES AEDAKES	23	5
Total	**1.211**	**2.824**

	31/12/2013	31/12/2012
Payables to:		
F.G. EUROPE S.A.	13	17
R.F. ENERGY OMALIES S.A.	-	-
HYDROELECTRIKI ACHAIAS S.A..	715	-
CITY ELECTRIC S.A.	44	69
CYBERONICA S.A.	9	-
Total	**781**	**86**
Receivables:		
CYBERONICA S.A.		17
Total		**17**

Income:	1/1-31/12/2013	1/1-31/12/2012
KALLISTI ENERGIAKI S.A.	24	29
AIOLIKI KYLINDRIAS S.A.	22	18
CITY ELECTRIC S.A.	13	6
HYDROELECTRIKI ACHAIAS S.A.	24	25
R.F. ENERGY MISOCHORIA S.A.		20
R.F. ENERGY OMALIES S.A.	28	117
R.F. ENERGY KORAKOVRAHOS S.A.	-	84
R.F. ENERGY DEXAMENES S.A.	-	35
R.F. ENERGY LAKOMA S.A.	-	21

R.F. ENERGY PRARO S.A.	-	122
R.F. ENERGY SCHIZALI S.A.	-	12
R.F. ENERGY KALAMAKI S.A.	-	55
R.F. ENERGY TSOUKKA S.A.	9	24
R.F. ENERGY XESPORTES S.A.	-	114
AIOLIKI ADERES S.A.	61	36
LOGO VENTURES AEDAKES	2	
Total	**181**	**718**

Costs:		
CYBERONICA S.A.	(103)	(121)
F.G. EUROPE S.A.	(13)	
Total	**(116)**	**(121)**

Members of the Board of Directors and Management:	**The Group**		**Company**	
	1/1-31/1/2013	**1/1-31/1/2012**	**1/1-31/1/2013**	**1/1-31/1/2012**
Compensations - Other Benefits:				
Board of Directors Remuneration	(172)	(206)	(121)	(206)
Total	**(172)**	**(206)**	**(121)**	**(206)**

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.

The President and

Managing Director of the BoD

GEORGIOS FEIDAKIS

R.F. ENERGY HOLDING

SOCIETE ANONYME

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

128 Vouliagmenis Avenue - 166 74

Glyfada, Attiki

G.E.M.I Reg. No. 121616301000

Annual Financial Statements for the period ended December 31st 2013

According to IFRS

The Board of Directors of R.F. ENERGY S.A. approved the Consolidated Financial Statements on 26/03/2014. The Consolidated Financial Statements have been made available to the public at the Company's website, http:www.rfenergy.gr

President and Managing Director	Member of the BoD	Accounting Supervisor
GEORGIOS FIDAKIS	**IOANNIS PANTOUSIS**	**ATHANASIOS HARBIS**
ID No. N 000657	**ID No. Ξ 168490**	**R.G. 0002386**

TABLE OF CONTENTS

	Page
• Auditors Report	22
• Income Statement for the period ended December 31st, 2013	24
• Balance Sheet for the period ended December 31st, 2013	25
• Consolidated Statement of Changes in Equity for the period ended December 31 st,2013	26
• Company Statement of Changes in Equity for the period ended December 31st, 2013	27
• Consolidated Statement of Cash Flow for the period ended December 31st, 2013	28
• Company Statement of Cash Flow for the period ended December 31st, 2013	29
• Notes to the Annual Financial Statements	30

Independent Auditors' Report

To the Shareholders of **RF ENERGY S.A.**

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of **RF ENERGY S.A.**, which comprise the separate and consolidated statement of financial position as at December 31, 2013, and the separate and consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company'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 separate and consolidated financial statements.

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

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company **RF ENERGY S.A.** and its subsidiaries as at December 31, 2013, and of their financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Other matter

The financial statements of RF ENERGY S.A. for the annual period ended December 31, 2012, were audited by another auditor whose report dated March 15, 2013, expressed an unqualified opinion on those statements.

Report on Other Legal and Regulatory Requirements

We verified the agreement and correspondence of the content of the Board of Directors' Report with the above mentioned Separate and Consolidated Financial Statements, in the scope of the requirements of Articles 43a, 108 and 37 of Law 2190/1920.

Athens, March 26, 2014

The Certified Accountant

Christina Tsironi

I.C.P.A. Reg. No.: 36671

Grant Thornton

An instinct for growth™

Chartered Accountants Management Consultants

56, Zefirou str., 175 64 Palaio Faliro, Greece

Registry Number SOEL 127

R.F. ENERGY S.A.

Income Statement

For the Period ended December 31, 2013

(All amounts in Euro thousands, unless otherwise specified)

	note	The Group		Company	
		1/1-31/12/2013	1/1-31/12/2012	1/1-31/12/2013	1/1-31/12/2012
Sales	**6**	11.378	11.627	175	722
Cost of sales	**7**	(6.569)	(6.246)	(315)	(746)
Gross profit		**4.809**	**5.381**	**(140)**	**(24)**
Other operating income		453	133	375	-
Administrative expenses	**8**	(768)	(1.793)	(187)	(250)
Other operating expenses	**9**	(1.686)	(515)	-	-
Earnings before interest and taxes		**2.808**	**3.206**	**48**	**(285)**
Finance income	**10**	1.275	131	657	675
Finance costs	**10**	(1.897)	(2.694)	(131)	(230)
Earnings before taxes		**2.186**	**643**	**574**	**171**
Income Tax	**11**	(979)	(254)	(85)	(98)
Net profit for the period		**1.207**	**389**	**489**	**73**
Other accumulated income					
Actuarial gains and losses from defined benefit plans	**26**	16	(31)	7	(11)
Income tax related to elements of total income	**11**	(4)	6	(2)	2
Other net accumulated income for the period		**12**	**(25)**	**5**	**(9)**
TOTAL ACCUMULATED INCOME FOR THE PERIOD		**1.219**	**364**	**494**	**64**

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, 2013

(All amounts in Euro thousands, unless otherwise specified)

		Group		Company	
		1/1-31/12/2013	**1/1-31/12/2012**	**1/1-31/12/2013**	**1/1-31/12/2012**
Assets	**note**				
Non-current assets					
Property, plant and equipment	**14**	66.270	71.647	7	10
Software	**15**	1.064	1.184	-	1
Intangible assets	**15**	10.591	10.903	-	-
Investments in subsidiaries	**16**	-	-	40.699	39.525
Long term receivables		23	25	17	17
Deferred tax assets	**11**	597	903	199	285
Available for sale financial assets	**17**	-	2.000	-	2.000
Total non-current assets		**78.545**	**86.662**	**40.922**	**41.838**
Current assets					
Trade receivables	**12**	9.268	26.508	2.047	3.754
Blocked deposits		1.472	1.809	-	-
Cash and cash equivalents	**13**	1.433	1.237	340	529
Total current assets		**12.173**	**29.554**	**2.387**	**4.283**
Total assets		**90.718**	**116.216**	**43.309**	**46.121**
SHAREHOLDERS' EQUITY & LIABILITIES					
Share capital	**18**	11.195	11.195	11.195	11.195
Share premium	**18**	31.098	30.668	31.098	30.825
Reserves		(117)	169	(268)	9
Retained earnings		(1.841)	(2.260)	257	(240)
Total shareholders' equity		**40.335**	**39.772**	**42.282**	**41.789**
LIABILITIES					
Non-current liabilities					
Long term Borrowings	**19**	20.539	29.699	-	-
Retirement benefit obligations	**26**	36	52	16	20
Deferred government grants	**21**	22.180	24.412	-	-
Provisions for long term liabilities	**22**	1.604	1.510	-	-
Deferred tax liabilities	**11**	1.833	733	-	-
Total non-current liabilities		**46.192**	**56.406**	**16**	**20**
Current liabilities					
Short term borrowings	**19**	-	3.557	-	3.557
Short term portion of long term borrowings	**19**	2.851	14.241	-	-
Current tax liabilities		120	67	2	-
Trade and other payables	**20**	1.220	2.173	1.009	755
Total current liabilities		**4.191**	**20.038**	**1.011**	**4.312**
Total liabilities		**50.383**	**76.444**	**1.027**	**4.332**
Total equity and liabilities		**90.718**	**116.216**	**43.309**	**46.121**

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

R.F. ENERGY S.A.

Consolidated Statement of Changes in Equity

For the Period ended December 31, 2013

(All amounts in Euro thousands, unless otherwise specified)

	Share Capital	Share Premium	Legal Reserves	Retained Earnings	Total
Balance on 1/1/2012	**10.560**	**28.999**	**89**	**(2.547)**	**37.101**
Net earnings for the fiscal year	-	-	-	389	**389**
Revaluation of benefit obligations to employees	-	-	(31)	-	**(31)**
Deferred tax on Revaluation of benefit obligations to employees	-	-	6	-	**6**
Accumulated total income	**-**	**-**	(25)	**389**	**364**
Legal Reserves			80	(80)	**-**
Increase in Share Capital	635	1.765	-	-	**2.400**
Share issue expenses	-	(96)	-		**(96)**
Other	-	-	-	3	**3**
Balance on 1/1/2013	**11.195**	**30.668**	144	**(2.235)**	**39.772**
Net earnings for the fiscal year	-	-	-	1.207	**1.207**
Revaluation of benefit obligations to employees	-	-	16	-	**16**
Deferred tax on Revaluation of benefit obligations to employees	-	-	(4)	-	**(4)**
Accumulated total income	**-**	**-**	12	**1.207**	**1.219**
Other	-	430	(273)	(813)	**(656)**
Balance on 31/12/2013	**11.195**	**31.098**	**(117)**	**(1.841)**	**40.335**

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

R.F. ENERGY S.A.

Corporate Statement of Changes in Equity For the Period ended December 31, 2013

(All amounts in Euro thousands, unless otherwise specified)

	Share Capital	Share Premium	Legal Reserves	Retained Earnings	Total
Balance on 1/1/2012	**10.560**	**29.066**	9	**(304)**	**39.331**
Net earnings for the fiscal year	-	-	0	73	**73**
Other accumulated income			0		
Revaluation of benefit obligations to employees	-	-	(11)	-	**(11)**
Deferred tax on Revaluation of benefit obligations to employees	-	-	2	-	**2**
Accumulated total income	**-**	**-**	(9)	**73**	**64**
Share capital increase	635	1.765	0	-	**2.400**
Share capital decrease	-	(6)	0	-	**(6)**
Balance on 1/1/2013	**11.195**	**30.825**	0	**(231)**	**41.789**
Net earnings for the fiscal year	-	-	0	489	**489**
Other accumulated income			0		
Revaluation of benefit obligations to employees	-	-	7	-	**7**
Deferred tax on Revaluation of benefit obligations to employees	-	-	(2)	-	**(2)**
Accumulated total income	**-**	**-**	5	**489**	**494**
Other	-	273	(273)		
Balance on 31/12/2013	**11.195**	**31.098**	**(268)**	**257**	**42.282**

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

R.F. ENERGY S.A.

Consolidated Statement of Cash Flows For the Period ended December 31,2013

(All amounts in € thousands, unless otherwise specified)

	1/1-31/12/2013	1/1-31/12/2012
Operating activities		
Earnings before tax	2.186	643
Add / less adjustments for:		
Depreciation and amortization	5.387	5.309
Provisions	34	-
Income from investment activity (income, cost, profit and loss)	(1.275)	(131)
Interest paid and similar expenses	1.897	2.694
Recognized revenues from subsidies	(1.775)	(1.672)
Employee benefits	1	-
Assets' write off	549	961
Operating result before changes in working capital	**7.004**	**7.804**
Add / less adjustments for changes in working capital items:		
Decrease / (increase) of receivables	2.196	(3.628)
(Decrease) / increase of payables (except towards banks)	(901)	(1.318)
Decrease / (increase) of other long-term receivables	-	-
Total inflow / (outflow) from operating activities	**8.299**	**2.858**
Less:		
Interest and similar expenses paid	(1.852)	(2.034)
Taxes paid	(193)	(262)
Total net inflow / (outflow) from operating activities (a)	**6.254**	**562**
Investing activities		
Income from sale of subsidiaries, joint ventures and other investments	2.650	-
(Purchase) of PPE and intangible assets,	(127)	(2.534)
Interest income	88	131
Revenues from subsidies	15.463	-
Total net inflow / (outflow) from investing activities (b)	**18.074**	**(2.403)**
Financing activities		
Income from share capital increase	-	2.307
Repayments of borrowings	(24.932)	(2.274)
Costs for capital withdrawal	800	1.150
Total net inflow / (outflow) from financing activities (c)	**(24.132)**	**1.183**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**196**	**(658)**
Cash and cash equivalents at the starting of the fiscal year	**1.237**	**1.895**
Cash and cash equivalents at the end of the fiscal year	**1.433**	**1.237**

R.F. ENERGY S.A.

Company Statement of Cash flows

For the Period ended December 31, 2013

(All amounts in Euro thousands unless otherwise specified)

	1/1-31/12/2013	1/1-31/12/2012
Operating activities		
Earnings before tax	574	171
Add / less adjustments for:		
Depreciation and amortization	6	9
Provision	17	-
Result of investment activity (income, cost, profit and loss)	(657)	(675)
Interest paid and similar expenses	131	230
Employee benefits	3	-
Operating result before changes in working capital	**74**	**(265)**
Add / less adjustments for changes in working capital items:		
Decrease / (increase) of receivables	1.598	45
(Decrease) / increase of payables (except towards banks)	254	(1.068)
Decrease / (increase) of other long-term receivables	-	-
Total inflow / (outflow) from operating activities	**1.926**	**(1.288)**
Less:		
Interest and similar expenses paid	(188)	(212)
Taxes paid	(10)	(163)
Total net inflow / (outflow) from operating activities (a)	**1.728**	**(1.663)**
Investing activities		
Acquisition of subsidiary, related party and other investment	(1.174)	(1.194)
Income from sale of subsidiary, related party and other investment	2.650	-
(Purchase) of PPE	(2)	(5)
Interest income	7	25
Dividends	102	548
Total net inflow / (outflow) from investing activities (b)	**1.583**	**(1.174)**
Financing activities		
Income from share capital increase	-	2.394
Repayments of borrowings	(3.500)	-
Total net inflow / (outflow) from financing activities (c)	**(3.500)**	**2.394**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(189)**	**105**
Cash and cash equivalents at the starting of the fiscal year	**529**	**424**
Cash and cash equivalents at the end of the fiscal year	**340**	**529**

Attached notes should be considered as a 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, Argolida, Thesprotia and Etolokarnania Prefectures to assess 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 elected on the General Assembly of Shareholders on 07/09/2012. Its tenure expires on 30/6/2016 and it is comprised of the following members:

NAME	POSITION
Georgios Fidakis	President and Managing Director
Ioannis Tsakiris	Vice - President
Ioannis Pantousis	Member
Nikolaos Pimblis	Member
Evangelos Korovesis	Member

The Company's parent company, F.G. EUROPE S.A. participates in R.F. ENERGY's share capital by 50,00%. Due to the fact that the Company shareholders have agreed to appoint the majority of the Board of Directors members from F.G. EUROPE S.A., 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 2013 have been ratified by the Board of Directors on 26/3/2014.

2. Basic accounting policies

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, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments and interpretations of the IFRS have been issued by IASB and their application is mandatory from or after 01/01/2013. The most significant Standards and Interpretations are as follows:

- Amendments to IAS 1 “Presentation of Financial Statements” – Presentation of Items of Other Comprehensive Income

In June 2011, the IASB issued the amendment to IAS 1 “Presentation of Financial Statements”. The amendments pertain to the way of other comprehensive income items presentation. **The amendments affect the consolidated and separate financial statements.**

- IFRS 13 “Fair Value Measurement”

In May 2011, IASB issued IFRS 13 “Fair Value Measurement”. IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity’s own equity instrument is measured at fair value. Neither does it change the requirements of other IFRSs regarding the items measured at fair value and makes no reference to the way the changes in fair value are presented in the Financial Statements. **The standard affects the consolidated and separate financial statements.**

- Amendments to IAS 19 “Employee Benefits”

In June 2011, the IASB issued the amendment to IAS 19 “Employee Benefits”. The amendments aim to improve the issues related to defined benefit plans. The revised version eliminates the “corridor method” and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income. Furthermore, this version changes the measurement and presentation of certain components of defined benefit cost. Under the revised standard, the Group/Company restates its reported results throughout the comparative periods in accordance with the prescribed transitional provisions of IAS 19 and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". **The amendments affect the consolidated and separate financial statements from the difference when recognizing actuarial earnings/ (losses).**

- IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”

In October 2011, IASB issued IFRIC 20. The Interpretation clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement.

- Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards” - Government loans

In March 2012, IASB issued amendment to IFRS 1, which gives IFRS first-time adopters the option, on a loan by loan basis, of applying the IFRS requirements retrospectively provided that the necessary information to apply the requirements to a particular government loan was obtained at the time of initially accounting for that loan. **The amendment affects the consolidated and separate financial statements.**

- Annual Improvements 2009–2011 Cycle

In May 2012, IASB issued Annual Improvements 2009–2011 Cycle, a collection of amendments to 5 International Financial Reporting Standards (IFRSs), as its latest set of annual improvements. Specifically, includes improvements for IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. **The amendments are not significant and have not a material impact on Group's/Company's financial statements.**

2.2.1 New Standards, Interpretations and amendments to existing Standards which have not taken effect yet or have not been adopted by the European Union

- The following new Standards, Revised Standards as well as the following Interpretations to the existing Standards have been publicized but have not taken effect yet or have not been adopted by the European Union. In particular:

- IFRS 9 "Financial Instruments" (removal of mandatory effective date)

In November 2009, IASB issued the new Standard, the revised IFRS 9 "Financial Instruments: Recognition and Measurement" which is the first step in IASB project to replace IAS 39. In October 2010, IASB expanded IFRS 9 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 defines that all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Subsequent measurement of financial assets is made either at amortized cost or at fair value, depending on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. IFRS 9 generally prohibits reclassification between categories, however, when an entity changes its business model in a way that is significant to its operations, a re-assessment is required of whether the initial determination remains appropriate. The standard requires all investments in equity instruments to be measured at fair value. However, if an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in profit or loss. Fair value profit and loss is not subsequently carried forward to income statement while dividend income shall still be recognized in the income statement. IFRS 9 abolishes "cost exception" for unquoted equities and derivatives in unquoted shares, while providing guidance on when cost represents fair value estimation. In November 2013, IASB issued amendments to IFRS 9. These amendments make three important changes to IFRS 9. Firstly, a new chapter on hedge accounting has been added to IFRS 9. This represents a major overhaul of hedge accounting and puts in place a new model that introduces significant improvements principally by aligning the accounting more closely with risk management. There are also improvements to the disclosures about hedge accounting and risk management. The second amendment makes the improvements to the reporting of changes in the fair value of an entity's own debt contained in IFRS 9 more readily available. The third change is the removal of the mandatory effective date of IFRS 9, because the impairment phase of the IFRS 9 project is not yet completed that would allow sufficient time for entities to prepare to apply the Standard. Entities may however still choose to apply IFRS 9. **The Group's/Entity's Management is going to adopt the requirements of IFRS 9 earlier following the relevant**

approval of the Standard by the European Union The current Standard has not been adopted by the European Union yet.

- IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 01/01/2014)

  - In May 2011, IASB issued three new Standards, namely IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" sets out a new consolidation method, defining control as the basis under consolidation of all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation — Special Purpose Entities". IFRS 11 "Joint Arrangements" sets out the principles regarding financial reporting of joint arrangements participants. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 "Disclosure of Interests in Other Entities" unites, improves and supersedes disclosure requirements for all forms of interests in subsidiaries, under common audit, associates and non-consolidated entities. As a result of these new standards, IASB has also issued the revised IAS 27 entitled IAS 27 "Separate Financial Statements" and revised IAS 28 entitled IAS 28 "Investments in Associates and Joint Ventures". The Standards are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. **The Group/Company will assess the impact of new standards in its consolidated/separate financial statements** The Standards have been adopted by the European Union in December 2012.

- Transition Guidance: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities (Amendments to IFRS 10, IFRS 11 and IFRS 12) (effective for annual periods beginning on or after 01/01/2013)

  - In June 2012, IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) to clarify the transition guidance in IFRS 10 Consolidated Financial Statements. The amendments also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The Transition Guidance is effective for annual periods beginning on or after 01 January 2013, but in practice is effective for annual periods beginning on or after 01 January 2014 when the relevant Standards will be effective. **The Group/Company will assess the impact of transition guidance in its consolidated/separate financial statements (Adjust accordingly).** This transition guidance has been adopted by the European Union in April 2013.

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual periods beginning on or after 01/01/2014)

In October 2012, IASB issued Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). The amendments apply to a particular class of business that qualifies as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. **The Group/Company will assess the impact of amendments in its consolidated/separate financial statements.** The amendments have been adopted by the European Union in November 2013.

- Amendments to IAS 32 "Financial Instruments: Presentation" – Offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 01/01/2014)

In December 2011, IASB issued amendments to IAS 32 "Financial Instruments: Presentation", which provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. **The Group/Company will assess the impact of amendments in its consolidated/separate financial statements** These amendments have been adopted by the European Union in December 2012.

- Amendments to IAS 36 "Impairment of Assets" - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 01/01/2014)

In May 2013, IASB issued amendments to IAS 36 "Impairment of Assets". These narrow-scope amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. Earlier application is permitted for periods when the entity has already applied IFRS 13. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. **The Group/Company will assess the impact of amendments in its consolidated/separate financial statements** These amendments have been adopted by the European Union in December 2013.

- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" - Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 01/01/2014)

In June 2013, IASB issued amendments to IAS 39 "Financial Instruments: Recognition and Measurement". The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 Financial Instruments. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. **The Group/Company will assess the impact of amendments in its consolidated/separate financial statements** These amendments have been adopted by the European Union in December 2013.

- Interpretation 21: Levies (effective for annual periods beginning on or after 01/01/2014)

In May 2013, IASB issued Interpretation 21 that is an interpretation of IAS 37 Provisions "Contingent Liabilities and Contingent Assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Interpretation is effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. **The Group/Company will assess the impact of interpretation in its consolidated/separate financial statements.**The Interpretation has not been adopted by the European Union yet.

- Amendments to IAS 19 "Employee Benefits" – Defined Benefit Plans: Employee Contributions (effective from 01/07/2014)

In November 2013, IASB issued amendments to IAS 19 "Employee Benefits". The narrow-scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments are effective from 01 July 2014 with earlier adoption permitted. **The Group/Company will assess the impact of amendments in its consolidated/separate financial statements.** These amendments have not been adopted by the European Union yet.

- Annual improvements to IFRSs 2010-2012 Cycle & 2011-2013 Cycle (effective from 01/07/2014)

In December 2013, IASB issued Annual improvements to IFRSs 2010-2012 Cycle & 2011-2013 Cycle. The Cycle 2010-2012 includes improvements for IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 and in the Cycle 2011-2013 improvements are relating to IFRS 1, IFRS 3, IFRS 13 and IAS 40. The improvements are effective from 01 July 2014 with earlier adoption permitted. **The Group/Company will assess the impact of the improvements in its consolidated/separate financial statements.** These improvements have not been adopted by the European Union yet.

- IFRS 14 "Regulatory Deferral Accounts" (effective from 01/01/2016)

In January 2014, IASB issued an interim Standard, IFRS 14 Regulatory Deferral Accounts. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. An entity that already presents IFRS financial statements in not eligible to apply the Standard. The Standard is effective from 01 January 2016 with early application permitted. **The Group/Company will assess the impact of the Standard in its consolidated/separate financial statements.**This Standard has not been adopted by the European Union yet.

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, 2011. 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.

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. The subsidiaries in separate financial statements are measured at cost less any accumulated provision for impairment.

2.3.2 Investments in Associates

Includes companies in which the Group exercises significant influence however they are not subsidiaries or joint ventures. The Group's participating interests are recorded using the equity method. According to this method the participating interest in the associate company is carried at acquisition cost plus any change in the percentage of its equity held by the Group, less any provisions for impairment. The consolidated income statement shows the Group's share in the associate's results, while the amounts recorded by the associates directly in their equity, are recognized directly in Group's equity. Unrealized earnings or losses on transactions between the Group and its associates are eliminated to the extent that the Group participates in them. Investments in Associates in the consolidated financial statements are measured at acquisition cost less any accumulated impairment losses.

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.

(All amounts in Euro thousands unless otherwise specified)

2.6 Cost of Borrowing

Borrowing costs that are directly related to the purchase, construction or production of assets and requiring considerable time to come to the desired position for use or sale, are capitalized as part of these assets. All other borrowing costs are recognized as an expense when incurred, including interest and other expenses for raising loans.

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. Leasehold improvements are amortized over the term of the lease.

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	15 – 25	4% - 7%
Plant and equipment	15 – 33	3% - 7%
Furniture and other equipment	4 – 7	14% - 25%
Vehicles	4 – 10	10% - 25%
Other intangible assets	10 - 15	7% - 10%
Energy production licenses	35 - 45	2% - 2,5%

2.8 Intangible assets, business combinations and goodwill

Intangible assets mainly refer to energy production licenses, which are long-term with option to renew and depreciated. Business combinations are accounted for using the acquisition method (acquisition accounting method). Under this method, assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities) of the acquired business are recognized at fair values at the date of the

transaction. Goodwill from business combinations results as the difference, at the date of the transaction, between the price and the fair value of the assets acquired and liabilities assumed,
On the transaction date, any goodwill acquired is allocated to cash generating units or groups of cash generating units expected to benefit from this combination.

If the difference between the purchase price and the fair value of net assets recognized exceeds the cost of business combination, then the Company:

- Reassesses the identification and measurement of both the identifiable net assets and the cost of combination and recognizes immediately in the income statement any negative difference between the purchase price and the fair value of net assets (negative goodwill).

Goodwill is measured at cost less the accumulated impairment losses. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. If the book value of a cash generating unit, including goodwill, exceeds its recoverable amount, an impairment loss is recognised. Impairment is determined by assessing the recoverable amount of the cash generating units, which the goodwill relates. If a part of a cash generating unit to which goodwill has been allocated, is sold, then the goodwill associated with the part sold, is included in its book value, in order to determine the gain or loss. The value of goodwill associated with the part sold is determined according to the relevant values of the part sold and the part of the cash generating unit that remains. Goodwill resulting from acquisitions or business combinations has been allocated and monitored at Group level to key cash generating units that have been defined according the provisions of IAS 36 “Impairment of Assets”. When the Group increases its participation share to existing subsidiaries (acquisition of minority interests), the total difference between the purchase price and the proportion of the minority interests acquired (positive or negative) is transferred directly to equity, as it is considered as a transaction between shareholders (entity concept method). Correspondingly, when minority interests are sold (without the final participation leads to loss of control of subsidiary), the relevant gain or losses are recognized directly to equity.

2.9 Impairment of assets excluding goodwill

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:

a) 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,

b) 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),

c) 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,

d) 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.

Purchases and sales of investments are recognized at the date of the transaction, which is the dated that the Company commits to purchase or sell the asset. Investments are initially recognized at their fair value plus directly attributable transaction costs, except for the directly attributable transaction costs for items that are measured at fair value with changes in results. Investments are derecognized when the right to receive cash flows from investment has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Realized and unrealized gains or losses arising from changes in fair values of financial assets recognized at fair value with changes in results, are recognized in the period in which they arise. The fair values of financial assets that are traded in active markets are based on current bid prices. For non-traded assets, fair values are determined using valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. Not traded in an active market securities classified as available for sale financial assets whose fair value can not be reliably determined, are determined at acquisition cost. At each balance sheet date, the Company assesses whether there is objective evidence to suggest that financial assets have been impaired. For securities classified as available for sale financial assets, objective evidence would include a significant or prolonged decline in their fair value. If such evidence exists, the accumulated loss in equity which is the difference between the acquisition cost and fair value, is recognized in the 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 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. The actuarial gains or losses are recognized directly to own equity according to IAS 19 - "Employee benefits",

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 2013 and 2012 was 1,25 and 1,90 respectively for the Group and 0,02 and 0,10 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, In case the share capital is below the $^1/2$ 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.

- 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,
- 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.
- 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.

3. Financial Risk Management

3.1 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 is not exposed significantly to market risk,

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 highly probable based on current facts,

(All amounts in Euro thousands unless otherwise specified)

5. Share capital structure

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

6. Revenues

	The Group		Company	
	1/1-31/12/2013	1/1-31/12/2012	1/1-31/12/2013	1/1-31/12/2012
Revenue from energy sector	11.378	11.627	-	-
Revenue from services rendered	-	-	175	722
Total	**11.378**	**11.627**	**722**	**722**

7. Cost of sales

The cost of sales for the Group for the previous periods was revised due to the revision of the useful life of production licenses.

	The Group		Company	
	1/1-31/12/2013	1/1-31/12/2012	1/1-31/12/2013	1/1-31/12/2012
Recovered exp. from participations to subsidies	-	-	(33)	(508)
Personnel salaries and expenses	(221)	(208)	(141)	(158)
Third party expenses	(387)	(273)	(24)	-
Supplies to third parties	(1.972)	(1.749)	(40)	(36)
Tax and stamp duty	(353)	(357)	(30)	(15)
Other expenses	(29)	(34)	(35)	(19)
Depreciation	(5.382)	(5.297)	(12)	-
Operating provisions	-	-	-	(10)
Depreciation of subsidies	1.775	1.672	-	-
Depreciation of production licenses				
Total	**(6.569)**	**(6.246)**	**(315)**	**(746)**

(All amounts in Euro thousands unless otherwise specified)

8. Administrative expenses

	The Group		Company	
	1/1-31/12/2013	**1/1-31/12/2012**	**1/1-31/12/2013**	**1/1-31/12/2012**
Personnel salaries and expenses	(299)	(387)	(35)	(92)
Third party fees and expenses	(69)	(77)	(7)	(22)
Supplies to third parties	(197)	(160)	(99)	(98)
Tax and stamp duty	(80)	(47)	(25)	(6)
Other expenses	(107)	(1.102)	(23)	(24)
Depreciations	(5)	(12)	5	(1)
Provisions	(11)	(8)	(3)	(7)
Total	**(768)**	**(1.793)**	**(187)**	**(250)**

9. Other expenses

Other expenses are related to the amount of special levy imposed from 01/07/2012 on the producers using RES according to L.4093/2012 and amounts to 10% of sales, that is €(1.137) for the year 2013. The corresponding figure for the second half of the previous year was included in the account of Administrative expenses in the published financial statements for the year 2012 and this year was reclassified in the comparative tables in Other Expenses for better description. Moreover, an amount of €(549) relating mainly to write-offs of fixed assets of the Group is also included in this account.

10. Finance Income / (Cost)

	The Group		Company	
	1/1-31/12/2013	**1/1-31/12/2012**	**1/1-31/12/2013**	**1/1-31/12/2012**
Finance expense:				
- Interest payable (note 18)	(1.726)	(2.516)	(130)	(229)
- Bank and similar expenses	(10)	(21)	(1)	(1)
- Depreciation of raising loan costs	(68)	(72)	-	-
-Finance cost of provision for equipment removal	(93)	(85)	-	-
Total finance expenses	**(1.897)**	**(2.694)**	**(131)**	**(230)**
Finance income:				
- Interest receivable and similar income	650	-	650	-
-Dividends	625	131	7	25
Total finance income			-	650
Net finance expenses	**1.275**	**131**	**657**	**675**
Finance income:	**(622)**	**(2.563)**	**526**	**445**

(All amounts in Euro thousands unless otherwise specified)

11. Income Tax

	The Group		Company	
	1/1-31/12/2013	1/1-31/12/2012	1/1-31/12/2013	1/1-31/12/2012
Income tax (current period)	(234)	(181)	(1)	-
Deferred tax	(745)	102	(84)	65
Tax on dividends from subsidiary	-	(163)	-	(163)
Income tax	**(979)**	**(254)**	**(85)**	**(98)**
Tax on other accumulated income	**(4)**	**6**	**(2)**	**2**

According to provisions of the Greek tax legislation, tax rate as at December 31, 2013 was 26%. 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 fiscal year**
RF ENERGY S.A.	2010
KALLISTI ENERGIAKI S.A.	2009-2010
AIOLIKI KYLINDRIAS S.A.	2009-2010
CITY ELECTRIC S.A.	2010
HYDROELECTRIKI ACHAIAS S.A.	2010
R.F. ENERGY MISOCHORIA S.A.(merged in 2013)	2010
R.F. ENERGY TSOUKKA SA merged in 2013)	2010
R.F. ENERGY DEXAMENES S.A.(merged in 2012)	2010
R.F. ENERGY KORAKOVRAHOS S.A.(merged in 2012)	2010
R.F. ENERGY LAKOMA S.A(merged in 2012)	2010
R.F. ENERGY PRARO S.A(merged in 2012)	2010
R.F. ENERGY SCHIZALI S.A.merged in 2012)	2010
R.F. ENERGY KALAMAKI S.A.merged in 2012)	2010
R.F. ENERGY XESPORTES S.A.merged in 2012)	2010
R.F. ENERGY OMALIES S.A.	2010
AIOLIKI ADERES S.A.	2010

(All amounts in Euro thousands unless otherwise specified)

For the years 2011 and 2012, the Company and the consolidated subsidiaries, due to their inclusion to the tax audit of Chartered Accountants provided by the provisions of the article 82, par 5 of the L2238/1994, received Tax Compliance Report with an unqualified opinion. For the year 2013, the tax audit by the Chartered Accountants is in progress and the relevant tax compliance reports are predicted to be granted after the publication of the Financial Statements for the year 2013. If additional tax liabilities incur till the completion of the tax audit, we believe that these will not affect significantly the Financial Statements of both the Company and the Group.

Deferred taxes in the balance sheet are analyzed as follows:

	The Group		**Company**	
	1/1-31/12/2013	**1/1-31/12/2012**	**1/1-31/12/2013**	**1/1-31/12/2012**
Deferred tax on assets				
- Transferred tax losses	724	859	182	267
- Share capital increase	21	30	4	10
- Special Levy (10%)	317	83	-	-
-Other	17	10	9	4
- Deletion of installation costs	255	-	-	-
-Provision for equipment removal	148	80	-	-
Provision for staff	11	10	4	4
Offsetting	(896)	(169)	-	-
Deferred tax on liabilities				
- Depreciation of assets	(571)	(78)	-	-
- Government grants	(1.167)	(37)	-	-
- Operating licenses	(879)	(694)	-	-
- Depreciation expense borrowing	(49)	(51)	-	-
- Capitalization of interest	(63)	(42)	-	-
Offsetting	896	169	-	-
Net deferred tax	**(1.236)**	**170**	**199**	**285**

Deferred Taxes				
Deferred tax on assets	597	903	199	285
Deferred tax on liabilities	(1.833)	(733)	-	-
Net deferred tax	**(1.236)**	**170**	**199**	**285**

Below reconciliation of the tax attributable to the accounting results and what the results were accounted for:

(All amounts in Euro thousands unless otherwise specified)

	The Group		Company	
	1/1-31/12/2013	1/1-31/12/2012	1/1-31/12/2013	1/1-31/12/2012
Earnings/loss before tax	2.186	643	574	171
Tax corresponding to nominal tax rate	568	128	149	44
Tax losses with no deferred tax recognized	(62)	(3)	-	-
Accounting differences	25	(58)	11	(140)
Increase in tax rates	139	(66)	(86)	31
Depreciation of Production Licenses	58	45	-	-
Tax on dividends from subsidiary		163		163
Derecognition of deferred receivables	237	-		
Other	15	-	11	-
Income tax	**979**	**254**	**85**	**98**
Tax on other accumulated income	**4**	**(6)**	**2**	**(2)**

12. **Trade and other Receivables**

	The Group		Company	
	1/1-31/12/2013	1/1-31/12/2012	1/1-31/12/2013	1/1-31/12/2012
Trade and other Receivables	7.298	6.256	28	-
Greek state - Debited VAT	1.177	3.340	1	42
Subsidies' receivables	-	15.920	-	-
Transit Debit Balances	766	982	603	655
Related companies	-	-	1.188	2.819
Down payments to suppliers	9	5	-	-
Other	18	5	227	238
Total	**9.268**	**26.508**	**2.047**	**3.754**

13. Cash and cash equivalent

	The Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Cash at hand	1	1	-	-
Sight and time deposits	1.432	1.236	340	529
Total	**1.433**	**1.237**	**340**	**529**

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

(All amounts in Euro thousands unless otherwise specified)

14. Plants, property and equipment

The Group	Land	Buildings	Plant and Machinery	Vehicles	Furniture and miscellaneous equipment	Capital commitments underway	Total
Cost of Purchase on 01/01/2012	1.054	9.963	70.121	14	94	3.082	**84.328**
Accumulated depreciation on 01/01/2012	-	(1.001)	(7.371)	(4)	(85)	-	**(8.461)**
Net book value on 01/01/2012	**1.054**	**8.962**	**62.750**	**10**	**9**	**3.082**	**75.867**
Additions	17	45	252	-	12	1.365	**1.691**
Write-offs	-	-	-		-	(961)	**(961)**
Depreciations	-	(564)	(4.375)	(2)	(9)	-	**(4.950)**
Cost of Purchase	1.071	10.008	70.374	14	106	3.486	**85.058**
Depreciations	-	(1.565)	(11.746)	(6)	(94)	-	**(13.411)**
Net book value on 31/12/12	**1.071**	**8.443**	**58.628**	**8**	**12**	**3.486**	**71.647**
1/1- 31/12/2013							
Additions	-	-	-	-	17	109	**111**
Write-offs	-	-	-		-	(549)	**(549)**
Depreciations	-	(566)	(4.381)	(2)	(7)	-	**(4.956)**
Cost of Purchase	1.071	10.008	70.374	14	123	3.046	**84.637**
Depreciations	-	(2.131)	(16.127)	(8)	(101)	-	**(18.367)**
Net Book Value on 31/12/13	**1.071**	**7.878**	**54.247**	**6**	**22**	**3.046**	**66.270**

The net book value of plant and machinery includes an amount of €1.022 (2012: €1.107) related to the unamortized part of the provision fro equipment removal.

During the fourth quarter of 2012, the parent company RF ENERGY S.A., terminated privates leases in the region of South Evia. These leases referred to private lands where wind farms will be constructed by subsidiaries of R2 ENERGY S.A.. As a change of the siting of the wind turbines, these lands do not need to be hired.

(All amounts in Euro thousands unless otherwise specified)

The subsidiaries of RF ENERGY S.A. that have received Energy Production Licenses for wind farms in this region or / and have applied for obtaining Licenses that are being evaluated, sublease the aforementioned lands in the region of South Evia from the parent company RF ENERGY S.A. After the termination of leases by the parent company, the subsidiaries proceeded to termination of subleases.

The termination of both private leases by the parent company and subleases between parent company and its subsidiaries, resulted to be removed from the balance sheets of the companies (subsidiaries and parent company), assets and receivables – liabilities amounting to € 549.

	Buildings	**Vehicles**	**Furniture and miscellaneous equipment**	**Capital commitments underway**	**Total**
The Company					
Cost of Purchase	5	2	68	-	**75**
Accumulated depreciation	(2)	(1)	(62)	-	**(65)**
Net book value on 31/12/11	**3**	**1**	**6**	**-**	**10**
1/1- 31/12/2012					
Additions	-	-	5	-	**5**
Depreciation	(1)	-	(4)	-	**(5)**
31/12/2012					
Cost of Purchase	5	2	73	-	**80**
Accumulated depreciation	(3)	(1)	(66)	-	**(70)**
Net book value on 31/12/12	**2**	**1**	**7**	**-**	**10**
1/1- 31/12/2013					
Additions	-	-	2	-	**2**
Depreciation	(1)	-	(4)	-	**(5)**
31/12/2013					
Cost of Purchase	5	2	75	-	**82**
Accumulated depreciation	(4)	(1)	(70)	-	**(75)**
Net book value on 31/12/13	**1**	**1**	**5**	**-**	**7**

(All amounts in Euro thousands unless otherwise specified)

15. Intangible fixed assets and surplus value

The Group	Production Licenses for wind farms	Other user rights	Total intangible fixed assets
Cost of Purchase	11.847	537	**12.384**
Accumulated depreciation	(632)	(149)	**(781)**
Net book value on 01/01/12	**12.125**	**388**	**11.063**
1/1- 31/12/2012			
Additions	-	841	**841**
Depreciation	(312)	(45)	**(357)**
Cost of Purchase	11.847	1.378	**13.225**
Accumulated depreciation	(944)	(194)	**(1.138)**
Net book value on 31/12/12	**10.903**	**1.184**	**12.087**
1/1- 31/12/2013			
Additions	-	-	**-**
Depreciation	(312)	(120)	**(432)**
31/12/2013			
Cost of Purchase	11.847	1.378	**13.225**
Accumulated depreciation	(1.256)	(314)	**(1.570)**
Net book value on 31/12/13	**10.591**	**1.064**	**11.655**

16. Investment in subsidiaries and related companies (All amounts in this note refer to Euro)

According to the decision of the Extraordinary General Assembly of the Shareholders of 100% subsidiary RF ENERGY MISOCHORIA S.A. on 12/6/2013, the company's share capital increased by €106.710. The increase was made by cash payment on behalf of sole shareholder RF ENERGY S.A. and covered by issuance of 3.557 new shares with nominal value of €30 and disposal price of €270 each.

The difference between the nominal value of €30 and the disposal price of €270, amounting to €853.680 was registered to the account "Difference from share premium" .

After the increase, the share capital of the company amounted to €962,940, divided into 32.098 ordinary shares with a nominal value of €30 each.

The Extraordinary General Assembly of Shareholders of 100% subsidiary RF ENERGY OMALIES S.A on 12/06/2013, increases the company's share capital by €13.560. The increase was made by cash payment from the unique shareholder RF ENERGY SA and covered with the issuance of 452 new shares with a nominal value of € 30 and disposal price of € 300.

(All amounts in Euro thousands unless otherwise specified)

The difference between the nominal value of € 30 and disposal price of € 300, amounting to € 122.040, was registered to the account "Difference from share premium account ".

After the increase, the share capital of the company amounted to € 267.780, divided into 8.926 shares with a nominal value of € 30 each.

The Extraordinary General Assembly of Shareholders of 100% subsidiary RF ENERGY TSOUKKA S.A. on 12/06/2013, increases the company's share capital by €8.490. The increase was made by cash payment from the unique shareholder RF ENERGY SA and covered by issuing 283 new shares with a nominal value of €30 and disposal price of €240 each.

The difference between the nominal value of €30 and the disposal price of €240, amounting to €59.430, was registered to the account "Difference from share premium" .

After the increase, the share capital of the company amounted to €103.590, divided into 3.453 shares with a nominal value of €30 each.

By decision dated 25.06.2013 the Extraordinary General Assembly of shareholders of 100% subsidiary Hydroelectrical Ahaias SA, dropped the company's share capital by amending the Articles of Association, in the amount of €280.000 with cancellation of 14.000 ordinary shares of nominal value of €20 each.

Thus, the share capital amounts to €401.020, divided into 20.051 ordinary shares with a nominal value of €20 each.

The remaining balance of the investment of the company(all companies are operating in the energy sector) is analyzed as follows:

Subsidiaries	31/12/2013	31/12/2012
KALLISTI ENERGIAKI S.A.	6.370	6.370
AIOLIKI ADERES S.A.	16.678	16.678
AIOLIKI KYLINDRIAS S.A.	6.699	6.699
HYDROELECTRIKI ACHAIAS S.A.	3.537	3.817
CITY ELECTRIC S.A.	460	170
R.F. ENERGY MISOCHORIA S.A.	-	3.448
R.F. ENERGY OMALIES S.A.	6.955	2.002
R.F. ENERGY TSOUKKA S.A.	-	341
	40.699	**39.525**

The participation share of the Company in the aforementioned subsidiaries are on 31/12/2013, as follows:

(All amounts in Euro thousands unless otherwise specified)

	Participation share	
Subsidiary	**31/12/2013**	**31/12/2012**
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.	-	100,00%
R.F. ENERGY OMALIES S.A.	100,00%	100,00%
R.F. ENERGY TSOUKKA S.A.	-	100,00%
AIOLIKI ADERES S.A.	100,00%	100,00%

17. Available for sale financial assets

During the fiscal year, the Company proceeded to sale of financial assets, acquiring profit of €650.

18. Share Capital (All amounts in this notes refer to Euro)

On 01/01/2013, the Company's share capital amounts to €11.195.400,96 consisting of 31.098.336 common nominal shares, with nominal value of €0,36 each.

19. Borrowings

	The Group		Company	
Long – term borrowings	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Long – term borrowings	23.621	44.194	-	-
Uniliquidated raising loan cost	(231)	(254)	-	-
	23.390	**43.940**	-	-
Long –term liabilities payable within the next 12 months	(2.902)	(14.308)	-	-
Short-term part of unliquidated raising loan cost	51	67	**-**	**-**
	(2.851)	**(14.241)**	**-**	**-**
Long-term part of borrowings	**20.539**	**29.699**	**-**	**-**
Short-term borrowings	**-**	**3.557**	**-**	**3.557**

The 100% subsidiary company KALLISTI ENERGIAKI S.A. proceeded to refinancing of its existing short-term loan by issuing a Common Bond Loan in the amount of €12.800, according to the decision of the Shareholders' Extraordinary General Assembly on 3/4/2009.

The disbursal of the Bond Loan amounted to €12.800 and was used for both the long-term financing of the investing plan of the company of €6.065 (duration of 12 years and to be paid in 24 semi-annual installments with a fixed rate of 5,80% - the first 9 installments have already been paid till 31/12/2013) and the short-term financing against income from approved subsidy of €6.735. The purpose of the loan is financing of the investing plan of the company and has been partially been paid through income from approved public subsidy, cash and cash equivalents and refinancing.

Within September 2010, KALLISTI refinanced its existing short-term borrowing by issuing Long Term Bonds for the amount of €2.935, with a duration of 11 years, to be paid in 22 semi-annual installments (the first 7 installments have already been paid till 31/12/2013). The interest rate is 2.5%.

In November 2013, the subsidiary made a voluntary prepayment of Tranche B Bonds amounting € 1.000, using company's cash. Under the terms of the loan, the amount paid in advance pays the distal bonds. Therefore, the loan will be repaid in about three years earlier, in 2018.

For the purpose of these loans, the subsidiary proceeded to collateral which include the productive equipment, bank accounts and future requirements from the Power Purchase Agreement with LAGIE S.A. (former TSO) SA . Also, the loan agreement contains financial condition for servicing the loan which must be maintained by the subsidiary semi-annually on pain complaint.

AIOLIKI KYLINDRIAS S.A., 100% subsidiary company of RF ENERGY S.A., received in October 2009 short-term financing of €10.008 for refinancing of existing financing. In December 2009, an amount of €5.934 converted to Common Bond Loan with a duration of 14 years and floating rate Euribor plus fixed margin 2,30%, while the remaining amount of €4.074 remained as a short-term financing against approved subsidy with floating rate Euribor plus fixed margin 4,00% and was paid through the collection of the subsidy in years 2010 and 2011.

For the purpose of this loan, collateral have been used including company's future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits and the pledge on the shares of the issuer, as well. The loan will be paid in 28 semi-annual installments, of which up to 31/12/2013 eight have been paid.

The Company received, in January 2011, funding of €2.500 with interest rate of EURIBOR 3M plus margin (4,00%). This grant will expire on 31/08/2013. To receive this grant, the Company has pledged its securities available.

During the reporting year, the Company proceeded to full payment of this funding, using cash and cash equivalents.

The Company, on 30/12/2011, entered into a Credit Agreement with open current account of €1,000,which was released the same day. The interest rate on this loan is floating EURIBOR 3M plus fixed margin 6.50%.

For this grant, corporate guarantee and pledge up on time deposits maintained by the 100% subsidiary KALLISTI ENERGIAKI S.A. were given.

The amount of given guarantees and the relevant pledge will amount throughout to 100% of the existing balance of the loan received by the parent company and be equally impaired on the specific contractual payment on behalf of the parent company.

During the reporting year, the Company made three partial installments and paid in full this funding, using cash and cash equivalents

Aioliki Aderes S.A. , according to the decisions of BoD on a)09/05/2011, b) 01/02/12 and c) 29/05/12 signed bond agreement up to an amount of € 35.246, for 11,5 years with a grace period of 12 and 24 months by case and floating rate Euribor plus a fixed margin of 3,80% and 4,00% by case, depending on the case and its subject of financing is: a) long-term financing of investment cost for the construction of three wind farms, b) short-term financing against subsidies approved by the decisions 52586/ΥΠΕ/5/01732/Ε/Ν.3299/04/19-11-2010 and 52589/ΥΠΕ/5/01840/Ε/Ν.3299/04/27-12-2010 and 26960/ΥΠΕ/5/01841/Ε/Ν.3299/2004-14/06/2012 c) the medium-term financing to cover the VAT of investment cost of the three wind farms. Till 31/12/2012, an amount of €32.809 has been disbursed, while an amount of €820 is related to capitalized interest for grace period.

The Bond series relating to the long-term financing of the investment cost for the construction of the 3 wind farms of the Company will be paid in 21 equal installments, of which up to 31/12/2013 three have been paid.

The Bond series relating to the short-term financing against subsidies approved for the construction of the 3 wind farms of the Company will be paid in 3 equal installments, of which two will be paid within 2013. In case the Company receives subsidy, the bond series will be paid immediately.

The subsidiary AIOLIKI ADERES received on 14.06.2013 the amount of € 4.168 covering the whole approved public subsidy for investment in position"Soros'', Argolida. The amount collected was used to repay existing loan granted against the subsidy.

After payment, resulting balance between the amount of funding and the amount finally approved, amounting to € 138 which was repaid from cash of the Company on 07.08.2013.
Also, on 23.09.2013, the Company received an amount of € 3.804 covering the whole approved public subsidy for investment in position" Astrapi" Argolida. The amount collected was used to repay existing loan granted against the subsidy.

After payment, resulting balance between the amount of funding and the amount finally approved, amounting to € 49 which was repaid from cash of the Company on 24.09.2013.

Finally, on 25.10.2013, the Company received the amount of € 7.491 covering the whole approved public subsidy for investment in position "Sabales'', Argolida. The amount collected was used to repay existing loan granted against the subsidy.

After payment, resulting balance between the amount of funding and the amount finally approved, amounting to € 216 which was repaid from cash of the Company on 25.10.2013.

(All amounts in Euro thousands unless otherwise specified)

The Bond series relating to the medium-term financing to cover the VAT of the investment cost of the three wind farms of the Company will be paid in 3 equal installments, of which two will be paid within 2013.

During the second half of 2013, the subsidiary AIOLIKI ADERES requested a VAT refund of investment expenditure for the years 2010 and 2011, amounting to € 128 and € 1.416 respectively.

Applications accepted by the competent tax office and after relevant audit conducted by the Company, the above amounts were paid in November and December 2013.
After recovery of the amount of VAT refund AIOLIKI ADERES proceeded directly to the complete repayment of the loan taken against the VAT on capital expenditure.

For the purpose of this loan, collateral have been used and the sole shareholder of Aioliki Aderes, RF Energy, has provided full and unconditional guarantee. Additionally, according to the term of the loan, the company has pledged its future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits and on insurance policies and contracts that has to maintain and on approved subsidies relating to investing plans, as well.

Interest payable of all the above loans amounted for the period ended at December 31st, 2013 and 2012 to € 1.719 and € 2.516, respectively.

During 2013, total quittances of sum €24.932 against the above existing long-term loans raised by the Group, were realized.

20. Trade and other payables

	The Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Payables to related parties	-	-	768	86
Trade payables to suppliers	648	1.009	42	53
Accrued expenses	265	196	172	160
Suppliers' cheques payable	13	-	-	-
Creditors	20	519	5	417
Accrued interests on loans	106	181	-	-
Taxes-Fees	140	220	16	38
Other	28	48	6	1
Total	**1.220**	**2.173**	**1.009**	**755**

21. State subsidies

	The Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Subsidies	24.412	21.724	-	-
Additional for Aderes	-	4.360		

(All amounts in Euro thousands unless otherwise specified)

Difference in subsidies of AIOLIKI ADERES SA	(457)	-	-	-
Depreciation of subsidies	(1.775)	(1.672)	-	-
	22.180	**24.412**	**-**	**-**

The depreciation of received state subsidies on behalf of the subsidiary company KALLISTI ENERGIAKI S.A., for the development of the wind park in location "Tsouka" in Municipalities of Skiritida and Valtetsiou in Argolida Prefecture, have been amounted to € 477 during the current period.
The depreciation of received state subsidies on behalf of the subsidiary company AIOLIKI KYLINDRIAS S.A., for the development of the wind park in location "Lofoi Kylindrias" in Municipality of Doirani in Kilkis Prefecture, have been amounted to € 201during 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 € 36 during the current period. After the beginning of the operation of the small hydroelectrical station in location "Agios Andreas", the subsidiary, within 2013 proceeded to depreciation of the subsidy amounting to € 21.

The Company AIOLIKI ADERES S.A received during 2013 the approved subsidies amounting to €15.463.
AIOLIKI ADERES S.A. depreciates recoverable grants, which in the current fiscal year amounted to €1.041.

22. Long-term provisions

Environmental restoration

The Company, under the existing legislation, has the obligation at the end of the production license and if that is not renewed, to decommission the technical equipment of the wind farms and restore the surrounding environment of the establishment area.

	Environmental restoration	**Total**
On 31/12/2012	**1.510**	**1.510**
Financial cost for the year 2013	104	104
On 31/12/2013	**1.604**	**1.604**

(All amounts in Euro thousands unless otherwise specified)

23. Interest rate risk and liquidity risk

Interest rate risk

The Company has substantial interest bearing assets in the amount of €340 (€1.433 for the Group) that are invested in compound time accounts 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, 2013 Earnings After Tax for the Company would have been €2 (€10 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, 2013 Earnings After Tax for the Company would have been € 0 lower/higher, while those of the Group would have been € 92 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 € 2 (€ 146 for the Group) lower/higher, if interest rates had decreased/ increased by 90 base points, all other variables remaining unchanged.

	Interest rate risk			
	+90 bps		***-90 bps***	
	Earnings before tax		**Earnings before tax**	
	The Group	**Company**	**The Group**	**Company**
Financial assets				
Cash equivalents	13	3	(13)	(3)
Influence before tax	13	3	(13)	(3)
Income Tax 26%	(3)	(1)	3	1
Total influence	**10**	**2**	**(10)**	**(2)**
Financial liabilities				
Loans	(125)	(21)	125	21
Influence before tax	(125)	(21)	125	21
Income Tax 26%	32	5	(32)	(5)
Total influence	**(92)**	**(16)**	**92**	**16**
Total Net Influence	**(82)**	**(14)**	**82**	**14**

(All amounts in Euro thousands unless otherwise specified)

- Liquidity risk

The management of liquidity risk includes both 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 2013.

The Group **December 31st, 2013**	**< 1 year**	**1-2 years**	**2-5 years**	**> 5 years**
Borrowings	2.886	3.026	8.096	9.542
Liabilities	1.032	-	-	-
Total	**4.106**	**3.026**	**8.096**	**9.542**

-Credit Risk

Draft Law ' Arrangements for the reorganization of the special account referred to in article 40 of L. 2773/1999 and other provisions»

The draft law proposed arrangements in order to ensure the viability of the renewable energy sources (RES) support mechanism, aimed at the consolidation of the special account referred to in article 40 of law 2773/1999. In addition, the recommended settings are intended to help reduce the cost of electricity for final consumers and the national economy. More specifically, the present draft law consists of three main axes: (a) price adjustment to converge, as far as possible, the benefits from the RES support mechanism at around the same level for all categories of producers, therefore being an adjustment that aims, as far as possible, on similar yields between the several types of investment, b) investor protection taking into account existing financing agreements and c) new tariffs to compensate producers of electricity from RES and through RES and high efficiency Cogeneration Plants (HeCoGen), compatible with the requirements of the national electrical system, which will contribute to reduction of energy costs while at the same time ensuring reasonable returns.

The said draft law was posted on March 3, 2014 and opened to public consultation which was concluded on March 13, 2014.

In particular, Article 3 of the said draft law includes the following:

1. Within two (2) months from the entry into force of this law, the RES/HeCoGen producers shall issue a credit note to provide discount:

a. 35% regarding energy from photovoltaic plants (except in cases of the "special program of development of photovoltaic systems in buildings") and

b. 10% regarding energy from other RES and HeCoGens,

in both cases (a) and (b) calculated on the total value of energy sold in 2013.

2. On expiry of the period referred to in paragraph 1 and until issuance and delivery of the credit note referred to in this paragraph, the obligation of LAGIE for the Interconnected System and DEDDIE for the Non Interconnected System, to pay to RES and HeCoGens producers the price for the volume of electricity delivered from the month of entry into force of said Law and onwards, shall be suspended. The General Secretariat of Public Revenues is hereby authorized to determine by decision the details regarding the tax treatment of the transaction described in paragraph 1 and the present.

3. For RES and HeCoGen projects that issue the credit note pursuant to para. 1 the excise tax of L. 4093/2012, as amended and in force, is recalculated on the reduced, after the credit note discount, proceeds from the sale of energy for the reference year 2013.

The Company has calculated the possible impact on results and equity, whether the provisions of the above article of the draft law are to be implemented. Said impact is as follows:

Influence on	Amounts in € thousands
Operating results	(1.024)
Earnings after tax	(758)
Own Equity	(758)

The Group monitors the developments regarding this Draft Law and will recognize in the income statement any effect eventually occur after finalizing the processing of comments raised during the public consultation process of the Draft Law, comments which were all negative, and the adoption of the final text.

24. 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.

25. 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:	**31/12/2013**	**31/12/2012**
KALLISTI ENERGIAKI S.A.	5	7
AIOLIKI KYLINDRIAS S.A.	260	201
CITY ELECTRIC S.A.	4	320
HYDROELECTRIKI ACHAIAS S.A.	7	148
R.F. ENERGY MISOCHORIA S.A.	-	779
R.F. ENERGY OMALIES S.A.	69	77
R.F. ENERGY TSOUKKA SA.	-	48
FG EUROPE SA	-	-
AIOLIKI ADERES A.E.	843	1.239
LOGO VENTURES AEDAKES	23	5
Total	**1.211**	**2.824**

(All amounts in Euro thousands unless otherwise specified)

	31/12/2013	31/12/2012
Payables to:		
F.G. EUROPE S.A.	13	17
R.F. ENERGY OMALIES S.A.	-	-
HYDROELECTRIKI ACHAIAS S.A..	715	-
CITY ELECTRIC S.A.	44	69
CYBERONICA S.A.	9	-
Total	**781**	**86**
Receivables:		
CYBERONICA S.A.		17
Total		**17**

Income:	1/1-31/12/2013	1/1-31/12/2012
KALLISTI ENERGIAKI S.A.	24	29
AIOLIKI KYLINDRIAS S.A.	22	18
CITY ELECTRIC S.A.	13	6
HYDROELECTRIKI ACHAIAS S.A.	24	25
R.F. ENERGY MISOCHORIA S.A.		20
R.F. ENERGY OMALIES S.A.	28	117
R.F. ENERGY KORAKOVRAHOS S.A.	-	84
R.F. ENERGY DEXAMENES S.A.	-	35
R.F. ENERGY LAKOMA S.A.	-	21
R.F. ENERGY PRARO S.A.	-	122
R.F. ENERGY SCHIZALI S.A.	-	12
R.F. ENERGY KALAMAKI S.A.	-	55
R.F. ENERGY TSOUKKA S.A.	9	24
R.F. ENERGY XESPORTES S.A.	-	114
AIOLIKI ADERES S.A.	61	36
LOGO VENTURES AEDAKES	2	
Total	**181**	**718**
Costs:		
CYBERONICA S.A.	(103)	(121)
F.G. EUROPE S.A.	13	
Total	**(116)**	**(121)**

(All amounts in Euro thousands unless otherwise specified)

Members of the Board of Directors and Management:	The Group		Company	
	1/1-31/1/2013	1/1-31/1/2012	1/1-31/1/2013	1/1-31/1/2012
Compensations - Other Benefits:				
Board of Directors Remuneration	(172)	(206)	(121)	(206)
Total	**(172)**	**(206)**	**(121)**	**(206)**

26. Benefit obligations due to retirement of service

Under Greek labor law, employees are entitled to compensation in case of dismissal or retirement, the amount of which is related to the remuneration, length of service and manner of termination (dismissal or retirement). Employees who resign or are dismissed with cause are not entitled to compensation. In particular, the compensation in case of termination due to retirement and the completion of 15 years of service with the same employer are as follows:

1) Termination of the contract due to retirement
Employees covered by any pension sector of any Insurance Agency, as long as they meet the requirements for full retirement, if they are craftsmen are able to leave, if employees are not able to leave or be dismissed by his employer.

In these cases, they are entitled to 50% of statutory compensation if they do not have supplementary insurance or 40% if they have. Employees with fixed-term contract, made redundant or leave before the end of it to retire, are entitled to the reduced allowance.

Note that the employer can not dismiss Technicians who have completed the requirements of full retirement age, with reduced compensation payment. Only employees have this option.

2) 15 years of service:
Employees associated with permanent work contracts and have completed 15 years of service with the same employer or the age limit laid down in the familiar Insurance Agency when there is no limit of 65 years of age, they can leave their work with the employer's consent , so are entitled to 50% of legal compensation.

The provision for employee retirement is based on an independent actuarial study which was dated 31 December 2013 with the projected unit credit method Obligation - Projected Unit Credit (IAS 19, § 67). In addition, during the preparation of the study, took into account the likelihood of voluntary retirement of active officials.

This account from 01/01/2013 to 31/12/2013 was as follows:

(All amounts in Euro thousands unless otherwise specified)

Accounting depictions in accordance with IAS 19	**The Group**		**Company**	
	2013	**2012**	**2013**	**2012**
Amounts recognized in the Statement of Financial Position				
Present value of unfunded obligations	36	52	16	20
Net liability recognized in the Statement of Financial Position	**36**	**52**	**16**	**20**
Amounts recognized in the income statement				
Current service cost	3	3	2	2
Interest cost	3	1	1	1
Regular expense in the income statement	**6**	**4**	**3**	**3**
Settlement costs	8	1	-	1
Total expense in the income statement	**14**	**5**	**3**	**4**
Actuarial assumptions				
Discount rate	3,50%	4,50%	3,50%	4,50%
Future salary increases	2,20%	2,50%	2,20%	2,50%
Inflation	2,00%	2,50%	2,00%	2,50%
Expected remaining service life	26,5	15,6	16	15,6
Changes in the net liability recognized in the Statement of Financial Position				
Net liability at beginning of year	**52**	**34**	**20**	**15**
Benefits paid by the employer	(13)	(10)	-	(10)
Total expense recognized in the income statement	14	5	3	4
Net liability at end of year	**53**	**29**	**23**	**9**
Statement of actuarial (gains) and losses	(16)	31	(7)	11
Adjusting		(7)		
Net liability at end of year	**36**	**52**	**16**	**20**

Any differences in totals are due to rounding

The above actuarial study showed "Actuarial gain / (loss) on defined benefit plans" amounting to € 31 and € 11 (€ (31) and € (12) in 2012), for the Group and the Company respectively and was recognized directly in other comprehensive revenue of the Group and the Company.

(All amounts in Euro thousands unless otherwise specified)

These results depend on the assumptions (financial and demographic) of the actuarial study. Thus, on the valuation date 31/12/2013:

• If you had used a higher rate of 0.5% (ie 4%) then the present value would be lower by 7%, but if it was lower by 0.5% would lead to the actuarial liability be higher by 8% .

• If you had used a higher salary growth assumption of 0.5% (ie 2.7%) then the present value would be higher by 8%, but if it was lower by 0.5%, would result in the actuarial liability being less than 7%.

During the previous year the Company made an early change in accounting policy, which refers to the recognition of actuarial (loss) / profit out of the income statement and recognized directly in other comprehensive income. Early application did not make significant impact on the financial statements of the Company and the Group.

27. Commitments, contingent liabilities and uncertainties

The litigation and arbitration are not likely to have a material effect on the financial condition or operation of the Company.

The Company's tax obligations are not final, since there are unaudited fiscal periods. The unaudited fiscal periods of the companies included in the consolidation are as follows:

The Group	**Unaudited fiscal year**
R.F. ENERGY S.A.	2010
KALLISTI ENERGIAKI S.A.	2009-2010
AIOLIKI KYLINDRIAS S.A.	2009-2010
CITY ELECTRIC S.A.	2010
HYDROELECTRIKI ACHAIAS S.A.	2010
R.F. ENERGY MISOCHORIA S.A.(merged in 2013)	2010
R.F. ENERGY TSOUKKA SA merged in 2013)	2010
R.F. ENERGY DEXAMENES S.A.(merged in 2012)	2010
R.F. ENERGY KORAKOVRAHOS S.A.(merged in 2012)	2010
R.F. ENERGY LAKOMA S.A(merged in 2012)	2010
R.F. ENERGY PRARO S.A(merged in 2012)	2010
R.F. ENERGY SCHIZALI S.A.merged in 2012)	2010
R.F. ENERGY KALAMAKI S.A.merged in 2012)	2010
R.F. ENERGY XESPORTES S.A.merged in 2012)	2010
R.F. ENERGY OMALIES S.A.	2010
AIOLIKI ADERES S.A.	2010

For the years 2011 and 2012, the Company and the consolidated subsidiaries, due to their inclusion to the tax audit of Chartered Accountants provided by the provisions of the article 82, par 5 of the L2238/1994, received Tax Compliance Report with an unqualified opinion. For the year 2013, the tax audit by the Chartered

Accountants is in progress and the relevant tax compliance reports are predicted to be granted after the publication of the Financial Statements for the year 2013. If additional tax liabilities incur till the completion of the tax audit, we believe that these will not affect significantly the Financial Statements of both the Company and the Group.

Provisions for unaudited fiscal years have been made amounting to €5 for the Company and € 49 for the Group.

There are some encumbrances on the fixed assets of the 100% subsidiary KALLISTI ENERGIAKI S.A., arising from the lien of the turbines of the subsidiary.

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.
Within 2011, 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 57MW, while an application for production license from wind farm of 9MW was withdrawn.

Therefore, the group of wind farms being developed by subsidiaries of the Group in the southern Evia has total capacity of 579MW
Within fiscal year 2011 Production Licenses of total 279MW were granted to 14 wind farms of the group, while 7 of these farms have been granted with Temporary Connection Terms by HTSO. Finally, in December 2011, Study of Environmental Impact of the wind farms was submitted, so that Approval of Environmental Terms could be granted.

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, 2013, the parent company R.F. ENERGY S.A. has guaranteed loans of its subsidiaries of total balance of € 18.156, which have been paid off gradually by 2023.

28. SIGNIFICANT EVENTS OCCURRED POST BALANCE SHEET DATE

On 07/03/2014 a command no. 1299/1/1118 for regular audit for the fiscal years 2010 and 2011 was served to 100% subsidiary company AIOLIKI KYLINDRIAS S.A. At the date of writing, the regular audit by the tax authorities is still evolving. The management of the subsidiary and the Group believe, given the amount of accumulated losses, that there will not be any additional charges, as a result of the audit, that may have significant effect on the financial statements of the Company

There are no other significant events having occurred after December 31, 2013 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.

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