Public Power Corporation S.A.

Financial Results
1H2017

Athens, September 26, 2017

Agenda

Financial Results

George Angelopoulos, CFO

Recent Developments & Priorities

Emmanouil Panagiotakis, Chairman and CEO

Agenda

Financial Results

1/1/2017 – 30/6/2017

George Angelopoulos

Chief Financial Officer

Summary Financial Results from continued operations 1H2017 / 1H2016

Key Figures - Group (€ mln.)	1H2017	1H2016	Δ	Δ%
Total Revenues	**2,460.8**	**2,629.6**	***(168.8)***	***(6.4)***
Revenues from Energy Sales	2,332.0	2,531.4	*(199.4)*	*(7.9)*
Revenues from Domestic Energy Sales (in € mln)	*2,331.8*	*2,530.2*	*(198.4)*	*(7.8)*
Total Energy Sales (in GWh)	*21,930*	*22,747*	*-817*	*-3.6*
Domestic Energy Sales (in GWh)	*21,925*	*22,724*	*-799*	*-3.5*
Other revenues	128.8	98.2	*30.6*	*31.2*
Payroll Expense	406.5	403.5	*3.0*	*0.7*
Liquid Fuel	322.2	199.6	*122.6*	*61.4*
Special Consumption Tax	*102.8*	*60.5*	*42.3*	*69.9*
Natural Gas	211.6	123.0	*88.6*	*72.0*
Special Consumption Tax	*0.0*	*20.5*	*(20.5)*	*(100.0)*
Expenditure for CO_2 emission rights	77.5	84.5	*(7.0)*	*(8.3)*
Energy Purchases	768.5	619.6	*148.9*	*24.0*
Transitory Capacity Payment Mechanism	*22.9*	*11.4*	*11.5*	*100.9*
Cover of Special RES account deficit	*170.3*	*0.0*	*170.3*	
Special lignite levy	16.1	13.0	*3.1*	*23.8*
Other Operating Expenses	200.7	285.5	*(84.8)*	*(29.7)*
Provisions	115.0	343.9	*(228.9)*	*(66.6)*
EBITDA	**202.1**	**432.5**	***(230.4)***	***(53.3)***
EBITDA MARGIN (%)	**8.2%**	**16.4%**		
Depreciation and Amortisation	321.1	331.5	*(10.4)*	*(3.1)*
Net Financial Expenses	24.8	46.7	*(21.9)*	*(46.9)*
Financial expenses	*107.4*	*113.6*	*(6.2)*	*(5.5)*
Financial income	*82.6*	*66.9*	*15.7*	*23.4*
Income from IPTO's sale	172.2	0.0	*172.2*	
EBT	**31.1**	**54.9**	***(23.8)***	***(43.4)***

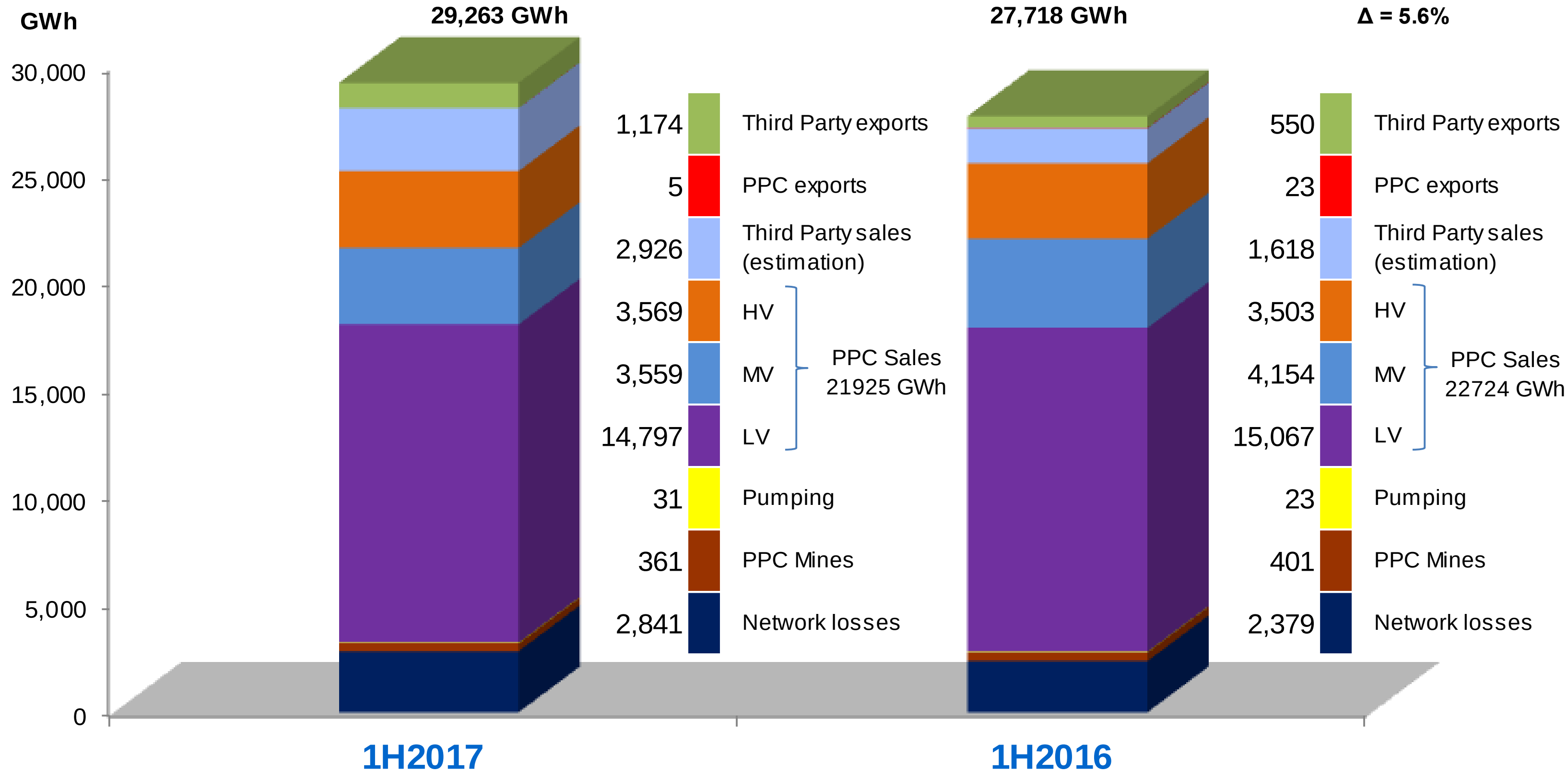
EBITDA decreased by € 230.4 m. and the respective margin to 8.2% due to exogenous factors (cost of the energy crisis, cover of the RES account deficit and electricity auctions).
Pre-tax profits have been positively affected by the income recorded from IPTO sale.

Summary Financial Results from continued operations 2Q2017 / 2Q2016

Key Figures - Group (€ mln.)	2Q2017	2Q2016	Δ	Δ%
Total Revenues	**1,103.1**	**1,232.6**	***(129.5)***	***(10.5)***
Revenues from Energy Sales	1,029.8	1,178.1	*(148.3)*	*(12.6)*
Revenues from Domestic Energy Sales (in € mln)	*1,029.7*	*1,177.4*	*(147.7)*	*(12.5)*
Total Energy Sales (in GWh)	*10,146*	*10,961*	*-815*	*-7.4*
Domestic Energy Sales (in GWh)	*10,143*	*10,946*	*-803*	*-7.3*
Other revenues	73.3	54.5	*18.8*	*34.5*
Payroll Expense	205.1	205.8	*(0.7)*	*(0.3)*
Liquid Fuel	145.0	108.2	*36.8*	*34.0*
Special Consumption Tax	*42.1*	*34.2*	*7.9*	*23.1*
Natural Gas	94.2	62.9	*31.3*	*49.8*
Special Consumption Tax	*0.0*	*8.5*	*(8.5)*	*(100.0)*
Expenditure for CO_2 emission rights	33.0	32.5	*0.5*	*1.5*
Energy Purchases	325.9	288.8	*37.1*	*12.8*
Transitory Capacity Payment Mechanism	*5.4*	*11.4*	*(6.0)*	*(52.6)*
Cover of Special RES account deficit	*65.4*	*0.0*	*65.4*	
Special lignite levy	6.9	5.3	*1.6*	*30.2*
Other Operating Expenses	95.6	145.5	*(49.9)*	*(34.3)*
Provisions	7.7	180.7	*(173.0)*	*(95.7)*
EBITDA	**120.7**	**142.1**	***(21.4)***	***(15.1)***
EBITDA MARGIN (%)	**10.9%**	**11.5%**		
Depreciation and Amortisation	161.5	166.0	*(4.5)*	*(2.7)*
Net Financial Expenses	(5.2)	13.1	*(18.3)*	*(140.0)*
Financial expenses	*51.9*	*56.0*	*(4.0)*	*(7.2)*
Financial income	*57.2*	*42.9*	*14.3*	*33.2*
Income from IPTO's sale	172.2	0.0	*172.2*	
EBT	**138.0**	**(36.4)**	***174.4***	

EBITDA decreased by € 21.4 m. (or by 15.1%) compared to 2Q2016, with the respective margin settling at 10.9%. Pre-tax profits have been positively affected by the income recorded from IPTO sale.

Electricity Demand 1H2017 / 1H2016



PPC domestic sales :	21,925 GWh
Average Market Share (estimation):	88.2%

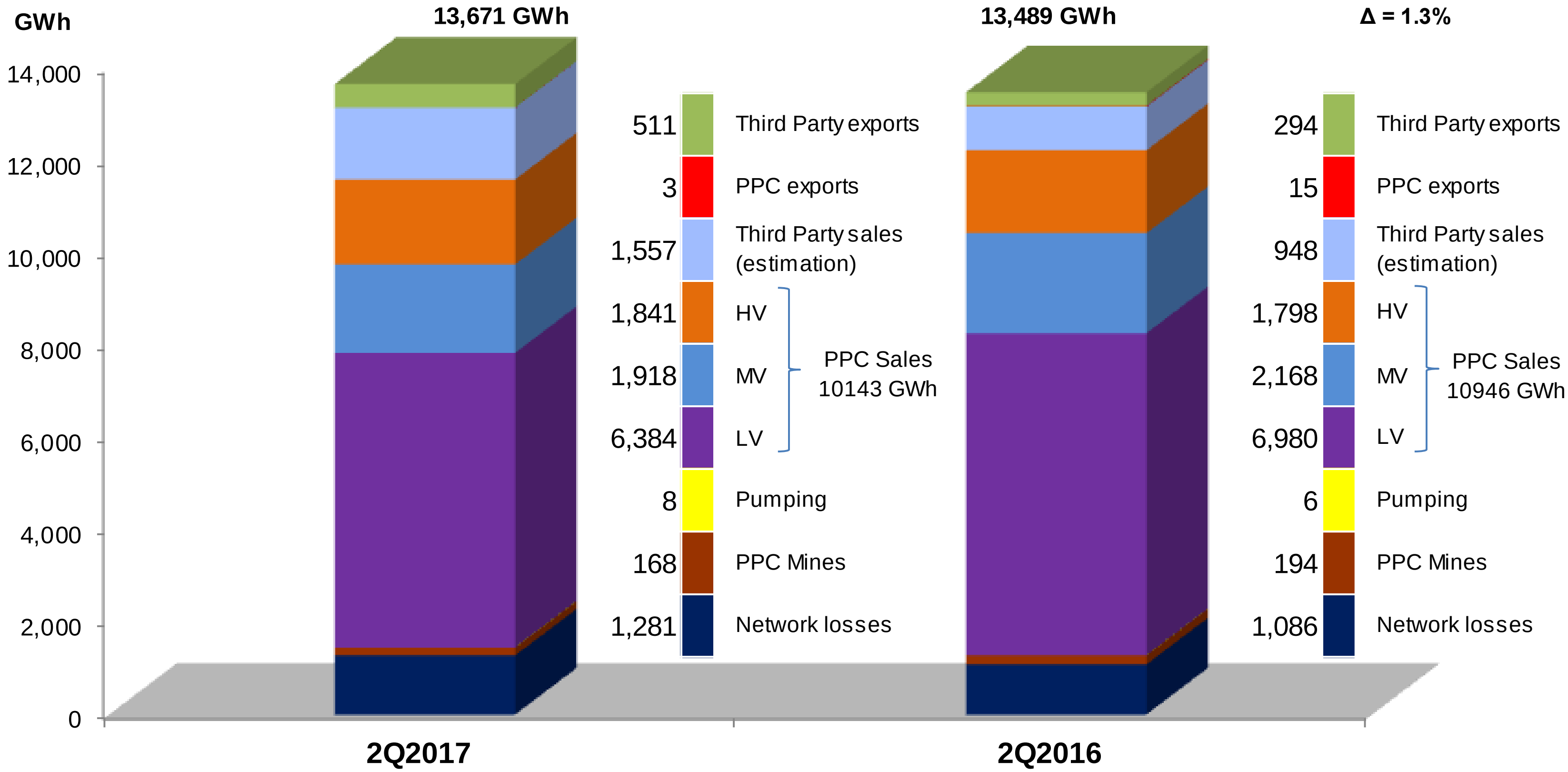
PPC domestic sales :	22,724 GWh
Average Market Share (estimation) :	93.4%

PPC exports:	5 GWh
Average Market Share :	0.4%

PPC exports:	23 GWh
Average Market Share :	4.0%

Electricity demand, excluding pumping and exports, increased by 3.4%. However, PPC's domestic sales decreased by 3.5% (799 GWh), as the average market share was reduced by 5.2 percentage points.

Electricity Demand 2Q2017 / 2Q2016



PPC domestic sales :	10,143 GWh
Average Market share (estimation) :	86.7%

PPC domestic sales :	10,946 GWh
Average Market share (estimation) :	92.0%

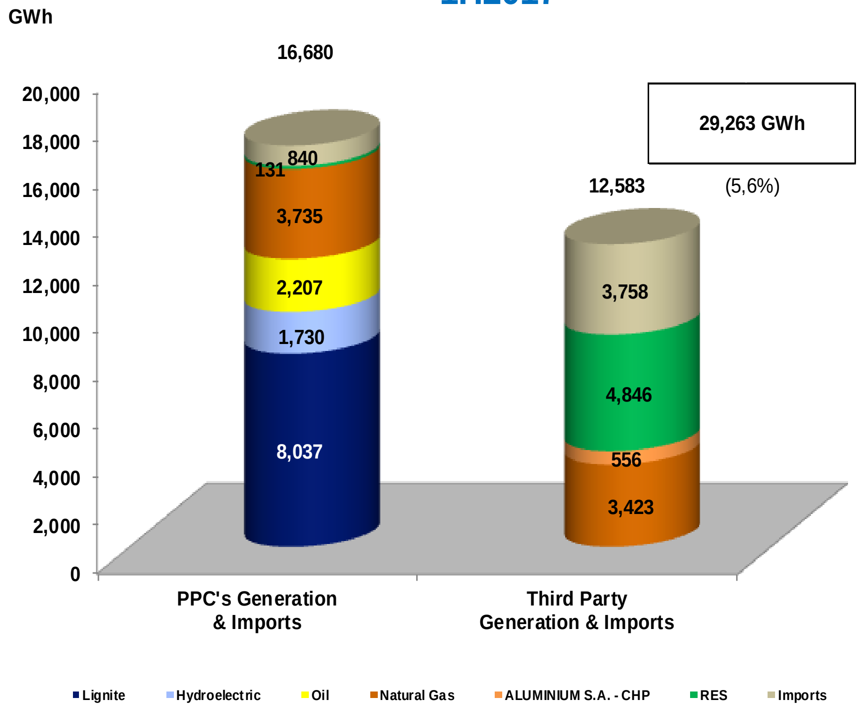
PPC exports:	3 GWh
Average Market share :	0.6%

PPC exports:	15 GWh
Average Market share :	4.9%

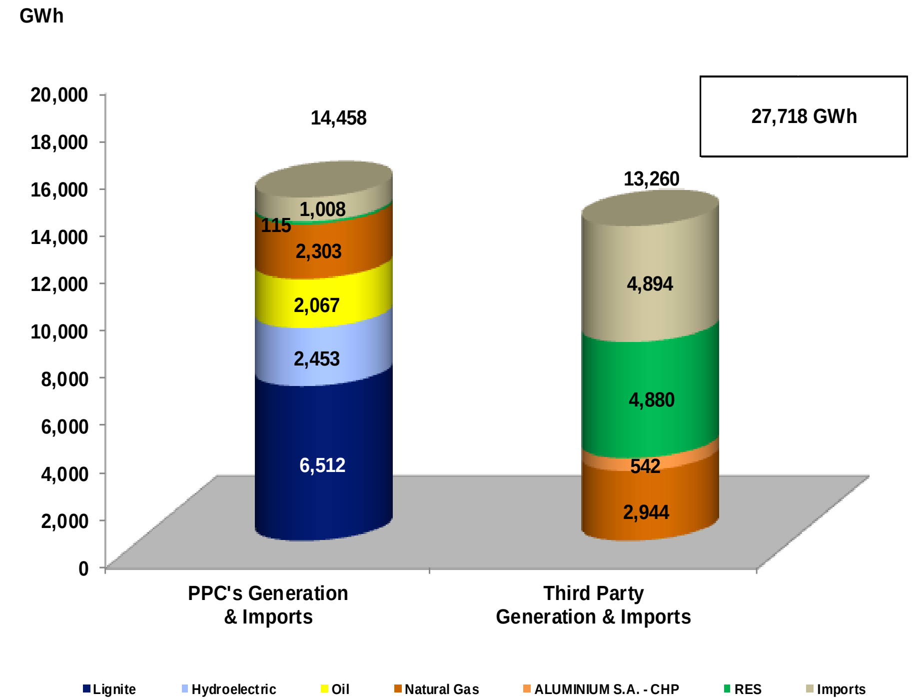
In 2Q2017, electricity demand, excluding pumping and exports, remained practically stable vs 2Q2016. PPC's domestic sales decreased by 7.3% (803 GWh) since the average market share declined by 5.3 percentage points.

Electricity Generation and Imports 1H2017 / 1H2016

1H2017



1H2016

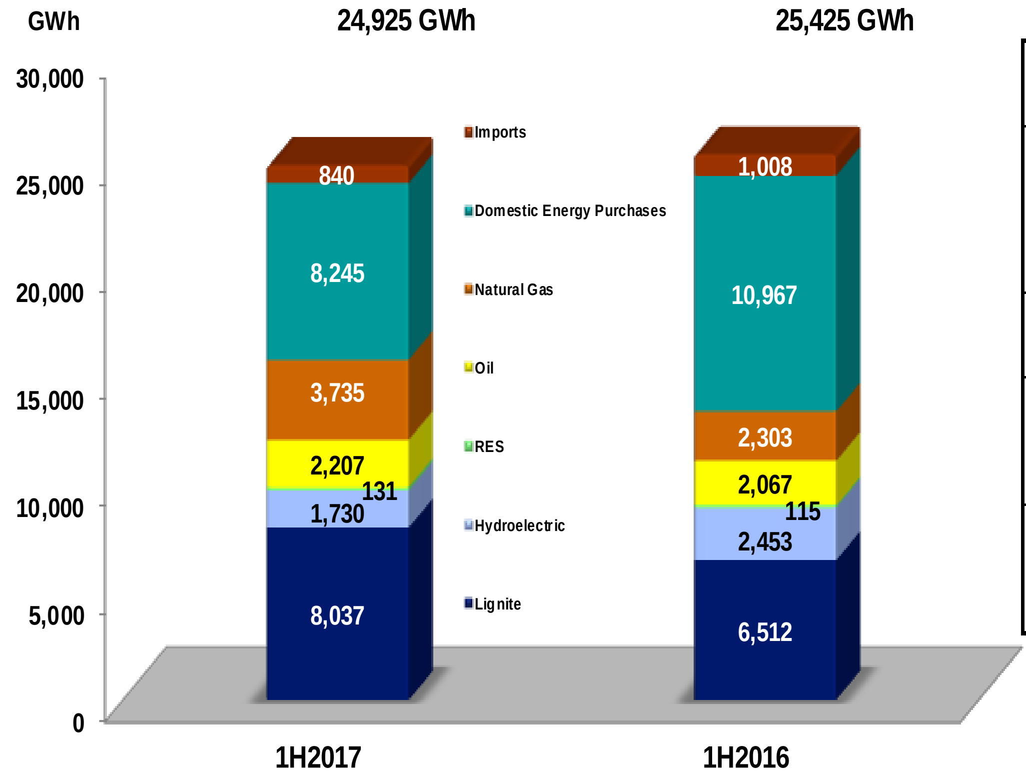


PPC generation: 15,840 GWh		PPC imports: 840 GWh	
Average Market Share: 64.2%		Average Market Share: 18.3%	
PPC's Average Market Share in Generation as percentage of total load in the Interconnected System:			51.0%

PPC generation: 13,450 GWh		PPC imports: 1,008 GWh	
Average Market Share: 61.7%		Average Market Share: 17.1%	
PPC's Average Market Share in Generation as percentage of total load in the Interconnected System:			45.0%

In 1H2017, PPC's electricity generation and imports, covered 57% of total demand (54.2% in the Interconnected System).
PPC's market share in electricity generation, as a percentage of the total load in the Interconnected System increased to 51% from 45% in 1H2016.

PPC/ Energy Generation and Purchases (GWh) 1H2017 / 1H2016

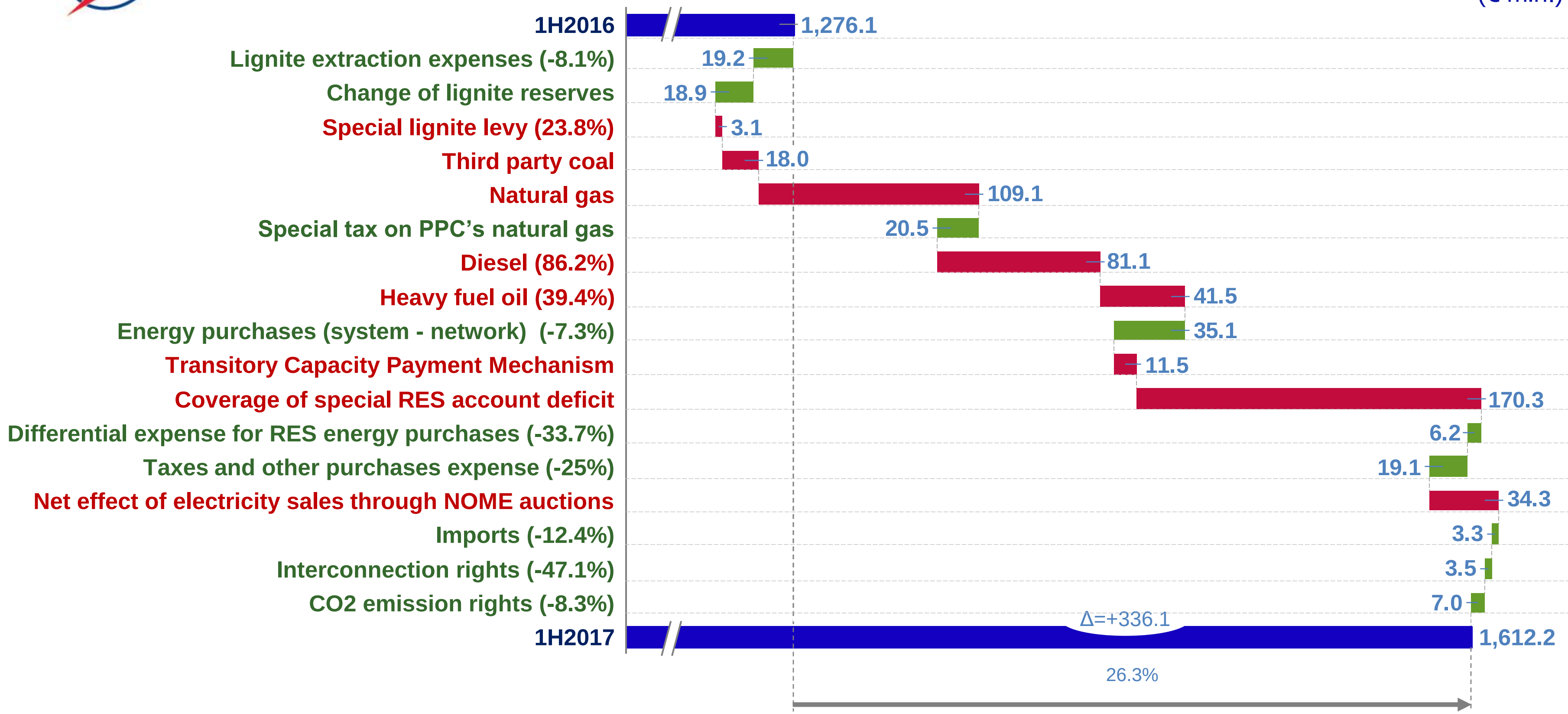


	TOTAL	Δ GWh	Δ %	% Participation	
		-500	-2.0%	1H2017	1H2016
PURCHASES	Imports	-168	-16.7%	3.4%	4.0%
	Domestic Energy Purchases	-2,722	-24.8%	33.1%	43.1%
IMPORTED FUELS	Natural Gas	1,432	62.2%	15.0%	9.1%
	Oil	140	6.8%	8.9%	8.1%
DOMESTIC FUELS	RES	16	13.9%	0.5%	0.5%
	Hydroelectric	-723	-29.5%	6.9%	9.6%
	Lignite	1,525	23.4%	32.2%	25.6%
TOTAL	PURCHASES			36.4%	47.1%
	IMPORTED FUELS			23.8%	17.2%
	DOMESTIC FUELS			39.7%	35.7%

In 1H2017, electricity generation from lignite increased by 23.4%.
The participation of lignite in PPC's total energy mix, increased to 32.2% from 25.6%.
Natural gas-fired generation marked significant increase by 62.2% settling at 3,735 GWh.
Energy purchases (excluding PPC's imports) from the System and the Network decreased by 24.8%, while hydro generation decreased by 29.5%.

Energy mix cost evolution 1H2017 / 1H2016

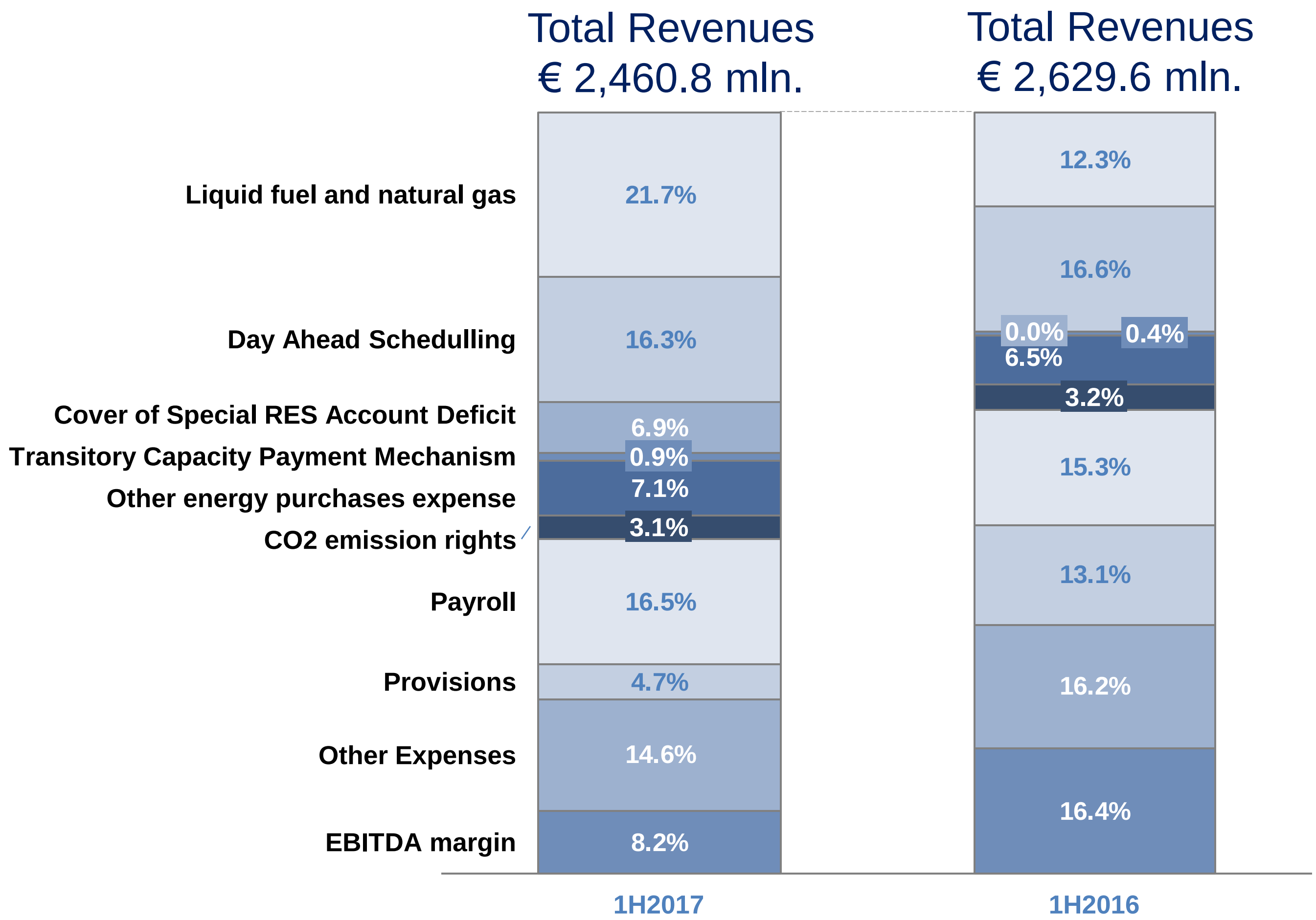
(€ mln.)



The overall energy mix cost increased by € 336.1 m. (26.3%), mainly due to the charge for the cover of the RES account deficit , the cost of the energy crisis and NOME auctions

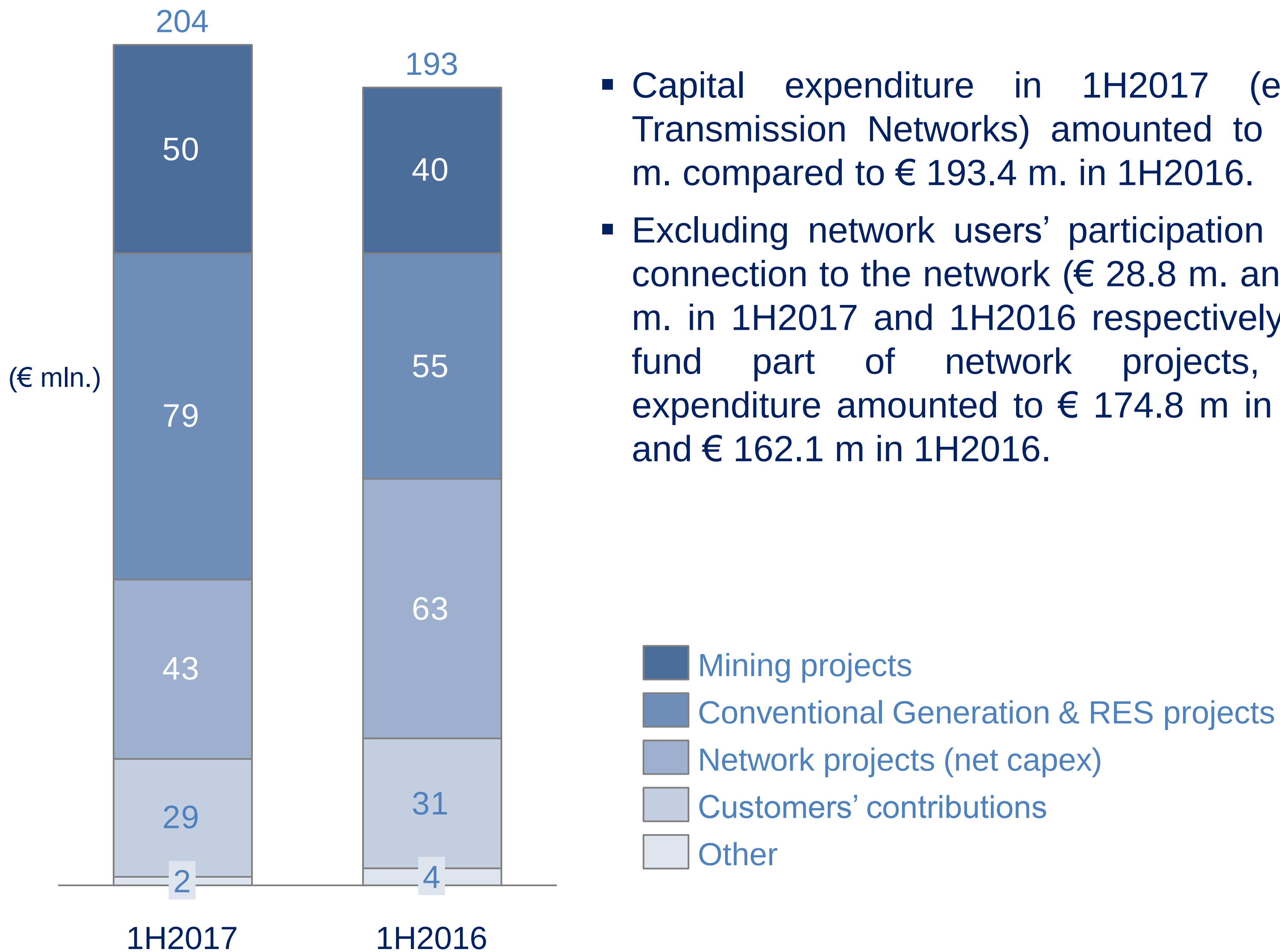
	(Δ)
Price effect:	113.7
Quantity effect:	51.0
Transitory Capacity Payment Mechanism :	11.5
Coverage of special RES account deficit :	170.3
Differential expense for RES energy purchases :	6.2
Special lignite levy :	3.1
Special Consumption Tax on natural gas consumed by PPC :	20.5
Net effect of electricity sales through NOME auctions:	34.3
Taxes and other energy purchases expense :	19.1
Total:	336.1

Fuel, CO_2, other expenses and EBITDA as percentage of revenues (1H2017/1H2016)



In 1H2017, 56% of total revenues were expensed for fuel, CO_2 and energy purchases compared to 39% in 1H2016, mainly due to the charge for the cover of the deficit of the RES account and the additional cost of the energy crisis. Provisions, represent 4.7% of total revenues compared to 13.1% last year. The corresponding percentage for payroll increased to 16.5% compared to 15.3% last year, mainly due to turnover reduction.

Capex



- Capital expenditure in 1H2017 (excluding Transmission Networks) amounted to € 203.6 m. compared to € 193.4 m. in 1H2016.
- Excluding network users' participation for their connection to the network (€ 28.8 m. and € 31.3 m. in 1H2017 and 1H2016 respectively), which fund part of network projects, capital expenditure amounted to € 174.8 m in 1H2017 and € 162.1 m in 1H2016.

Debt Evolution - Liquidity

- Net debt, excluding IPTO S.A., was € 3,803 m. on 30.06.2017, a reduction of € 519.8 m. compared to 31.12.2016 and € 499.2 m. compared to 30.6.2016.
- Debt repayments in 1H2017 amounted to €469.2 m including the € 200 m International Bond.
- Drawdown of € 246.2 m in total, including the new € 200 m Syndicated Bond Loan with the Greek Banks.
- Overdue payables towards other creditors of the Parent Company declined at € 676 m on 30.06.2017 compared to € 759 m. at the end of 2016.

Comments on Financial Results & Recent Developments

Emmanouil Panagiotakis

Chairman and CEO

Public Power Corporation S.A.

Comments on financial results

- Significant rebound of EBITDA of the Parent Company in the second quarter of 2017 at € 110.4 m and the respective margin at 10.2% compared to € 56.1 m and 4.2% respectively in the first quarter of 2017.

- This rebound is attributed to a large extent to initiatives and actions undertaken by the Company for addressing the issue of strategic defaulters. As a result, bad debt provisions were zero in the second quarter of 2017.

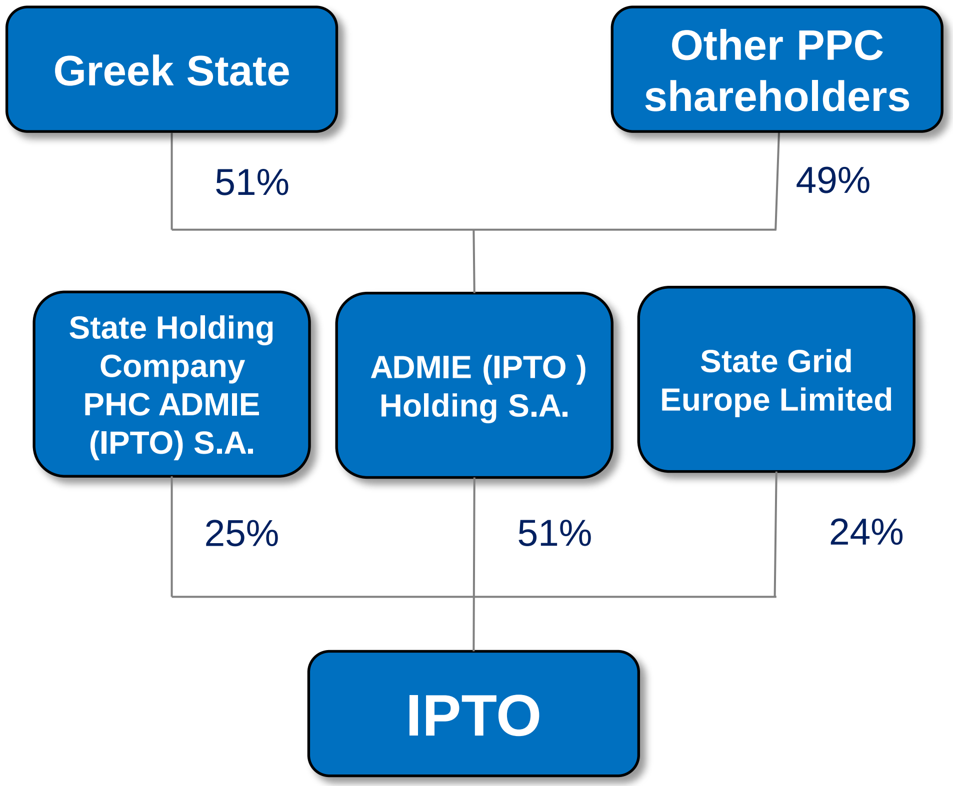
- There is still significant pressure on the profitability of the Company by exogenous factors.

- Without these factors, EBITDA would settle at € 188 m. in the second quarter and the respective margin at 17.4%.

Overdues/Collection

- Improvement in collection rate during 7M2017:
  receipts from customers only 1.5% below the figures of the respective period of 2016, when the Company's market share was app. 6% higher and the 15% discount for consistent customers was not in place.
- Collection and overdues remain an issue of priority and more drastic measures are needed.
- Hiring of specialized consultant expected to be concluded soon.

IPTO ownership unbundling



PPC's proceeds :

- € 92.9 mln. cash upstream by IPTO S.A.
- € 295.6 mln. by PHC ADMIE (IPTO) S.A. for 25% of IPTO's share capital
- € 327.6 mln. by State Grid Europe Limited for 24% of IPTO's share capital

Major developments

MoU with CDB

Signing of a Memorandum of Understanding between PPC S.A. and China Development Bank (CDB) for the development of a strategic client relationship for the financing of projects in the energy sector in Greece and the wider region, including the Balkan and Eastern European Region, Turkey and the Middle East (September 2017).

MoU with SHENHUA Group

Signing of a Memorandum of Understanding between PPC S.A. and Shenhua Group Corporation Limited of China for the cooperation in various mutually beneficial areas, including electricity generation and RES projects, R&D, energy efficiency, gas infrastructure etc., both in Greece as well as the wider region, including the Balkan and Eastern European Region, Turkey and the Middle East. (September 2017).

MoU with SUMEC Group

Signing of a Memorandum of Understanding between PPC Renewables and the Chinese group SUMEC for the development of RES projects in Greece and the wider region, as well as for the provision of energy services (September 2017).

Key priorities going forward

- ❑ Acceleration of investments in RES
- ❑ Environmental upgrade of existing generation fleet
- ❑ Expansion in new markets also through strategic cooperations
- ❑ Diversification in new products and services

  (i.e. provision of energy services, energy saving, gas market etc.)
- ❑ Active role in regional markets' integration
- ❑ Re-tapping the capital markets.

Stronger PPC through its diversification in new products and services and its expansion in new markets despite the reduction of its participation in the electricity sector in Greece

DISCLAIMER

Some of the information contained herein includes forward-looking statements. It is noted that the Group is subject to various risks, which, among other, relate to macroeconomic conditions, €/$ exchange rate, oil, natural gas, electricity prices and the price of CO_2 emission rights, as well as changes in the market, legal, regulatory and fiscal framework and bad debt evolution, that could cause actual results to differ materially from those anticipated in the forward-looking statements.