



Energy for everyone

Public Power Corporation S.A.

Financial Results 1st Quarter 2014

Athens, May 29, 2014



Agenda

Financial Results

George Angelopoulos, CFO

Business Review & Outlook

Arthouros Zervos, Chairman and CEO



Financial Results

1st Quarter 2014

George Angelopoulos
Chief Financial Officer



Summary Financial Results 1Q2014 / 1Q2013

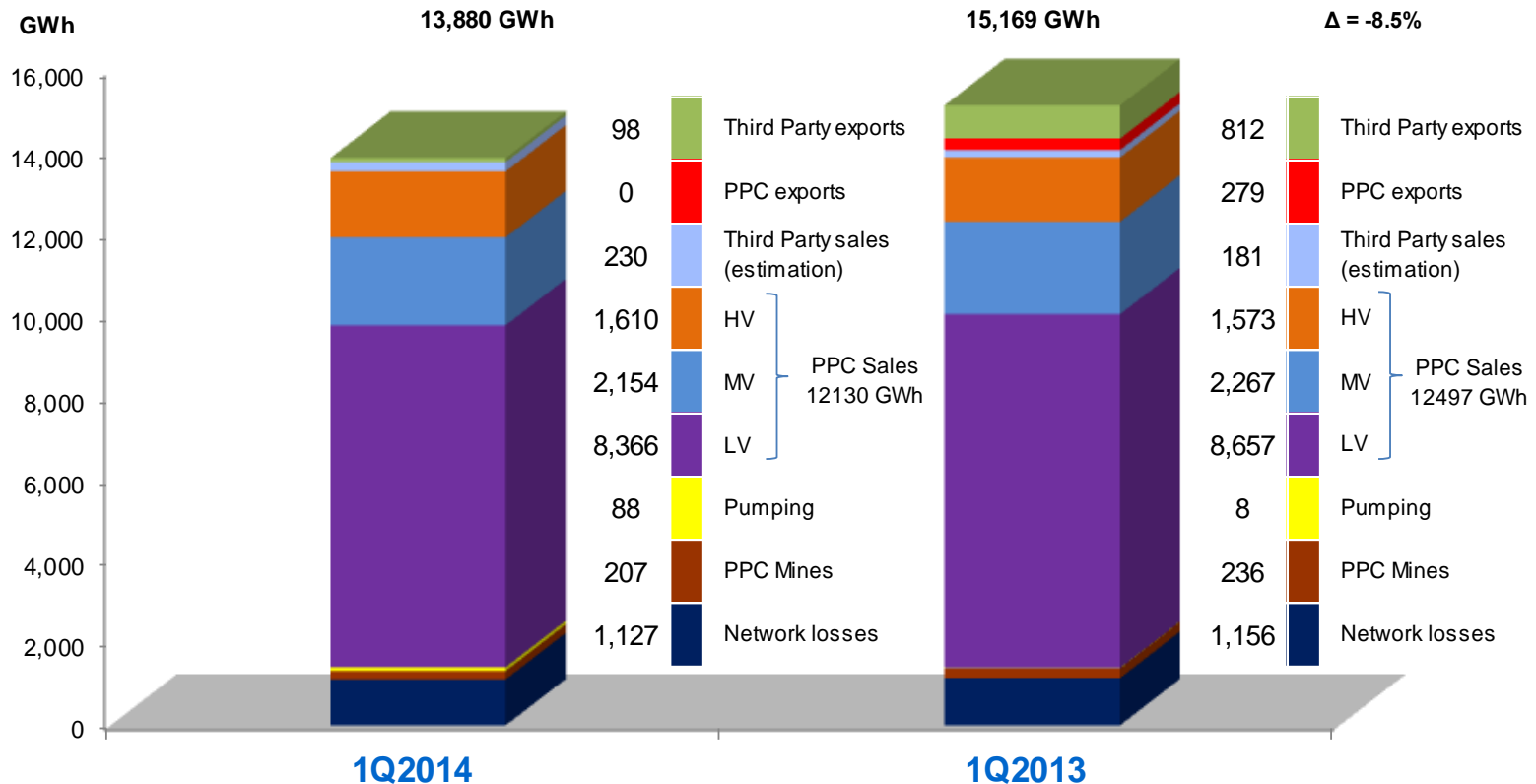
Key Figures - Group (€ mln.)	1Q2014	1Q2013	Δ	Δ%
Total Revenues	1,488.9	1,486.8	2.1	0.1
<i>Revenues from Energy Sales</i>	1,451.6	1,440.1	11.5	0.8
<i>Total Energy Sales (GWh)</i>	12,130	12,776	-646	(5.1)
<i>Domestic Energy Sales (GWh)</i>	12,130	12,497	-367	(2.9)
<i>Other revenues</i>	37.3	46.7	(9.4)	(20.1)
Payroll Expense	228.1	234.5	(6.4)	(2.7)
Liquid Fuel	157.3	181.5	(24.2)	(13.3)
<i>Special Consumption Tax</i>	26.1	29.2	(3.1)	(10.6)
Natural Gas	102.0	45.2	56.8	125.7
<i>Special Consumption Tax</i>	15.1	5.2	9.9	190.4
Expenditure for CO ₂ emission rights	49.6	70.7	(21.1)	(29.8)
Energy Purchases	355.8	422.8	(67.0)	(15.8)
<i>Variable cost recovery mechanism</i>	11.4	105.1	(93.7)	(89.2)
Other Operating Expenses (*)	94.9	147.3	(52.4)	(35.6)
Provisions	147.9	98.3	49.6	50.5
EBITDA	309.4	254.0	55.4	21.8
EBITDA MARGIN (%)	20.8%	17.1%		
Depreciation and Amortisation and impairment of fixed assets	147.3	152.4	(5.1)	(3.3)
Net Financial Expenses	51.7	54.7	(3.0)	(5.5)
<i>Financial expenses</i>	68.4	65.1	3.3	5.1
<i>Financial income</i>	16.7	10.4	6.3	60.6
EBT	109.3	45.1	64.2	142.4

(*) Without the one off positive impact relating to the retroactive discount in natural gas prices and the recovery of the state aid from Aluminium, the reduction in "Other Operating Expenses" would be € 11.8 m.

EBITDA in 1Q2014 amounted to € 309.4 m. compared to € 254 m in 1Q2013, increased by € 55.4 m. (21.8%), with the respective margin settling at 20.8% compared to 17.1% in 1Q2013.



Electricity Demand 1Q2014 / 1Q2013



PPC domestic sales :	12,130 GWh
Average Market share (estimation) :	98.1%

PPC domestic sales :	12,497 GWh
Average Market share (estimation) :	98.6%

PPC exports:	0 GWh
Average Market share :	0.0%

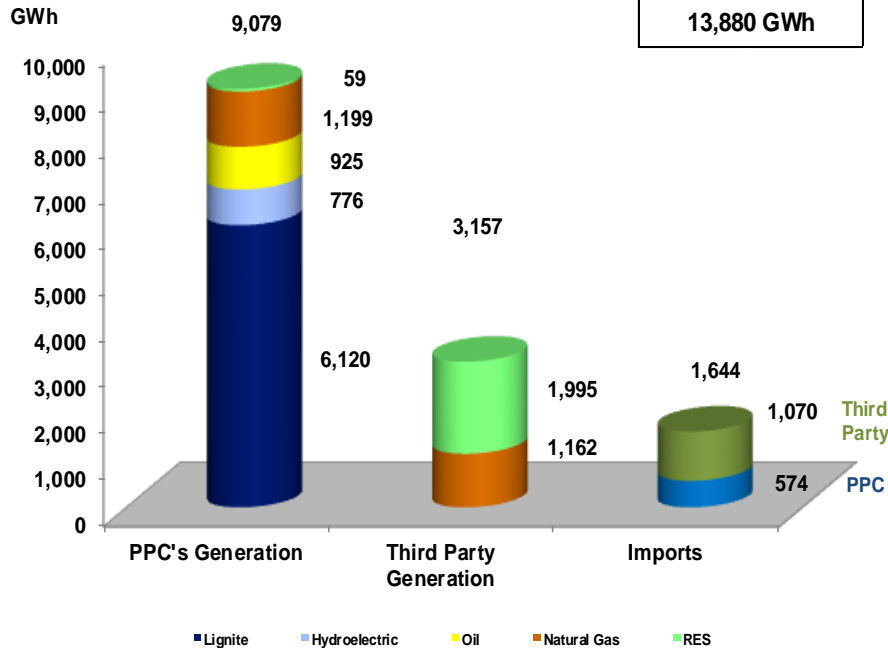
PPC exports:	279 GWh
Average Market share :	25.6%

Total electricity demand, excluding pumping and exports, decreased by 2.7% (-376 GWh). PPC's domestic sales decreased by 2.9% (-367 GWh), as there was also a slight reduction of its market share from 98.6% to 98.1%.



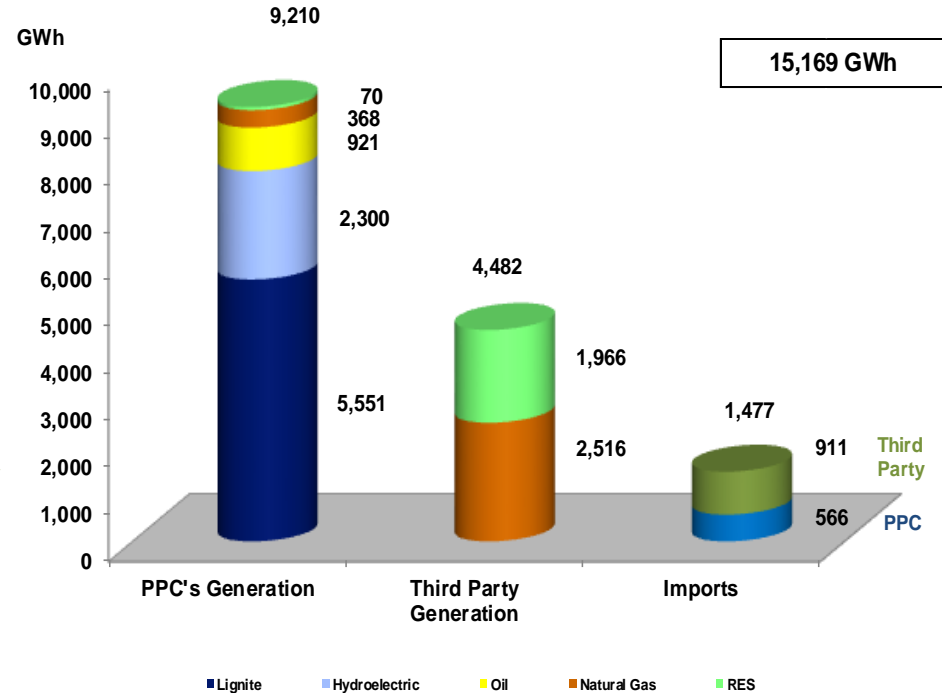
Electricity Generation and Imports 1Q2014 / 1Q2013

1Q2014



PPC generation: 9,079 GWh	PPC imports: 574 GWh
Average Market share: 74.2%	Average Market share: 34.9%

1Q2013

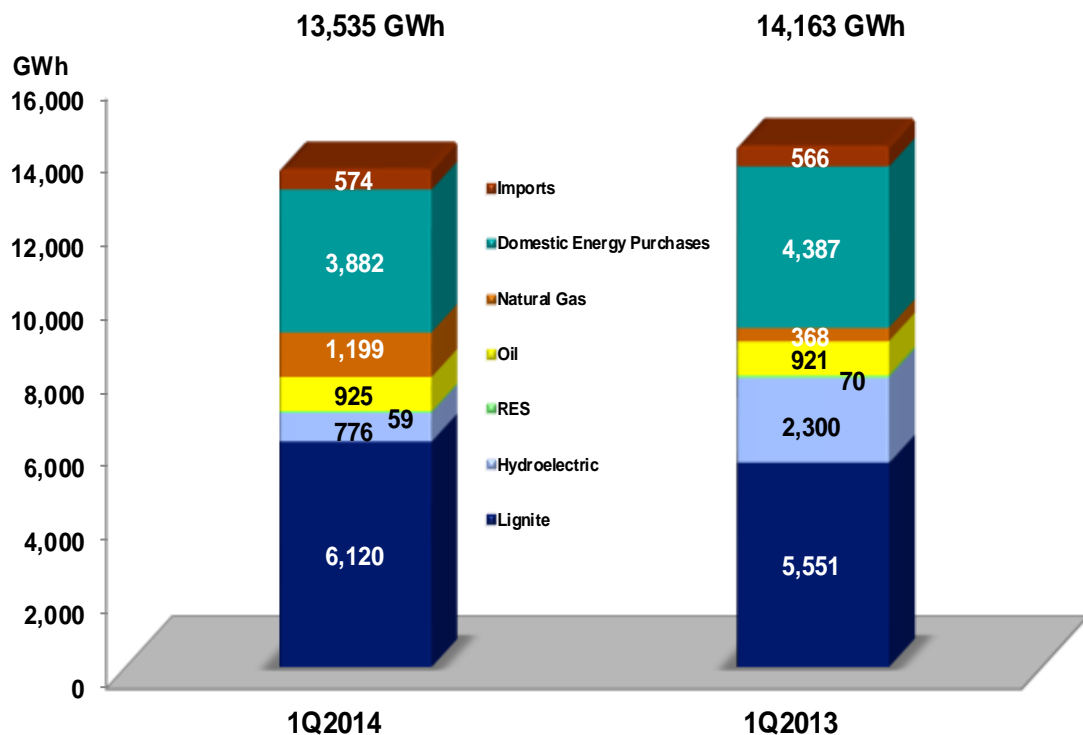


PPC generation: 9,210 GWh	PPC imports: 566 GWh
Average Market share: 67.3%	Average Market share: 38.3%

In 1Q2014, PPC's electricity generation and imports, covered 69.5% of total demand, while the corresponding percentage in 1Q2013 was 64.4%.



PPC/ Energy Generation and Purchases (GWh) 1Q2014 / 1Q2013

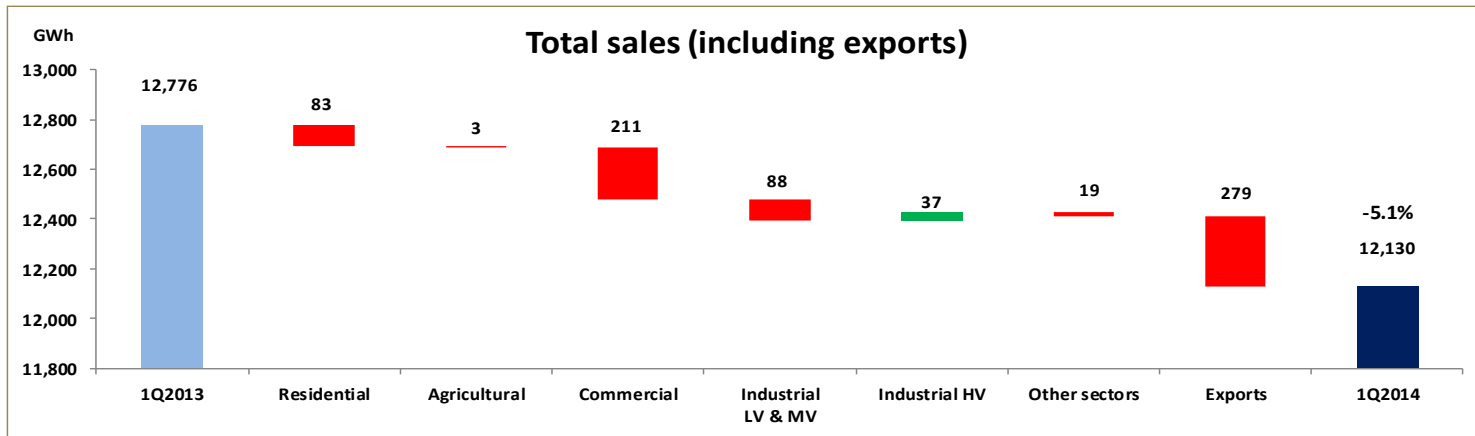
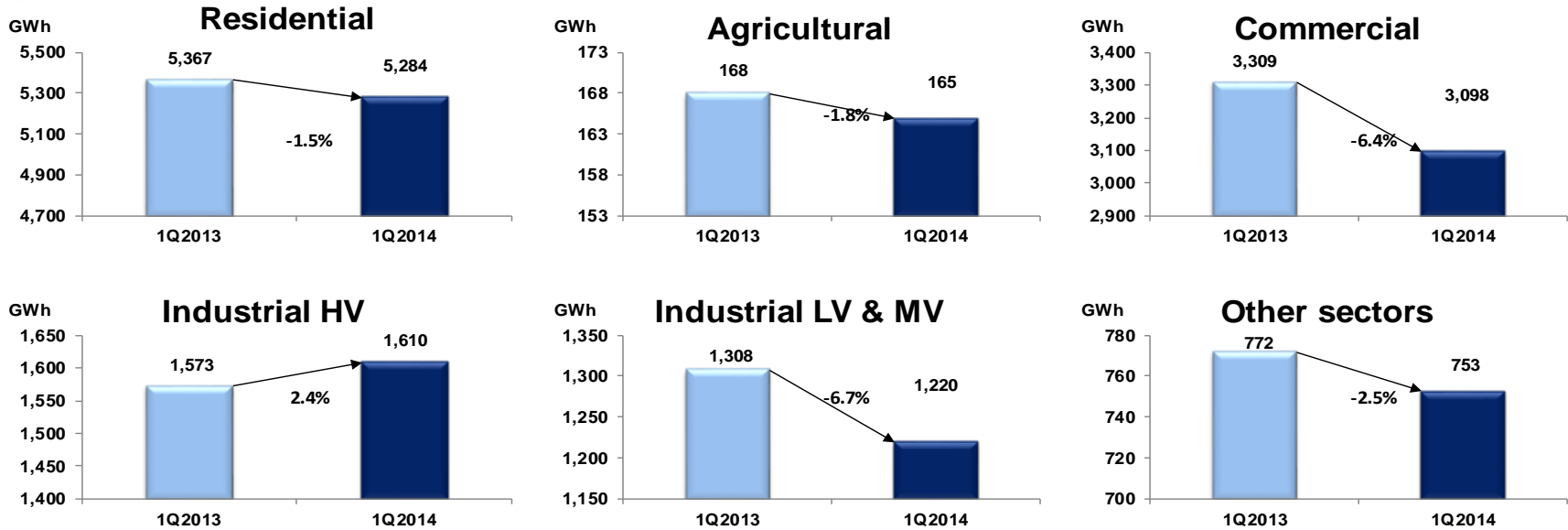


	TOTAL	Δ GWh	Δ %	% Participation	
		-628	-4.4%	1Q2014	1Q2013
PURCHASES	Imports	8	1.4%	4.2%	4.0%
	Domestic Energy Purchases	-505	-11.5%	28.7%	31.0%
IMPORTED FUELS	Natural Gas	831	225.8%	8.9%	2.6%
	Oil	4	0.4%	6.8%	6.5%
DOMESTIC FUELS	RES	-11	-15.7%	0.4%	0.5%
	Hydroelectric	-1,524	-66.3%	5.7%	16.2%
	Lignite	569	10.3%	45.2%	39.2%
TOTALS	PURCHASES			32.9%	35.0%
	IMPORTED FUELS			15.7%	9.1%
	DOMESTIC FUELS			51.4%	55.9%

In 1Q2014, electricity generation from lignite increased by 10.3% (569 GWh) compared to 1Q2013. In the same period the percentage participation of lignite in PPC's total energy mix, amounted to 45.2% vs 39.2% for 1Q2013. Energy purchases (excluding PPC's imports) from the System and the Network decreased by 11.5% (505 GWh). Natural gas-fired generation marked a significant increase of 831 GWh, from 368 GWh in 1Q2013 to 1,199 GWh in 1Q2014, while hydro generation decreased by 66.3% (1,524 GWh) compared to 1Q2013.



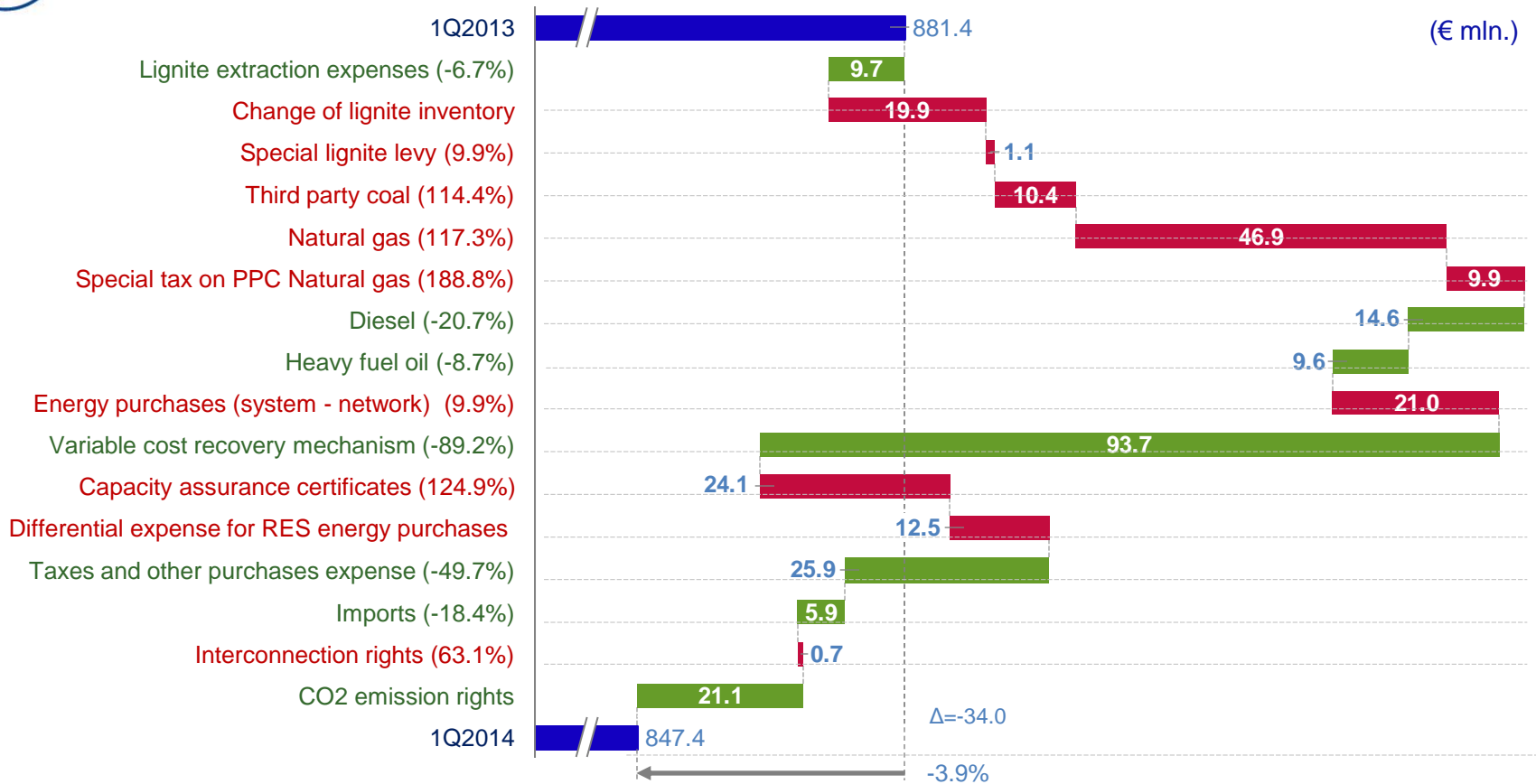
Electricity Sales (GWh) 1Q2014 / 1Q2013



In 1Q2014, PPC's electricity sales, including exports, decreased by 5.1% (646 GWh). Domestic electricity sales volume decreased by 367 GWh (2.9%) to 12,130 GWh due to lower demand, seemingly as a result of mild winter conditions.



Energy mix cost evolution 1Q2014 / 1Q2013

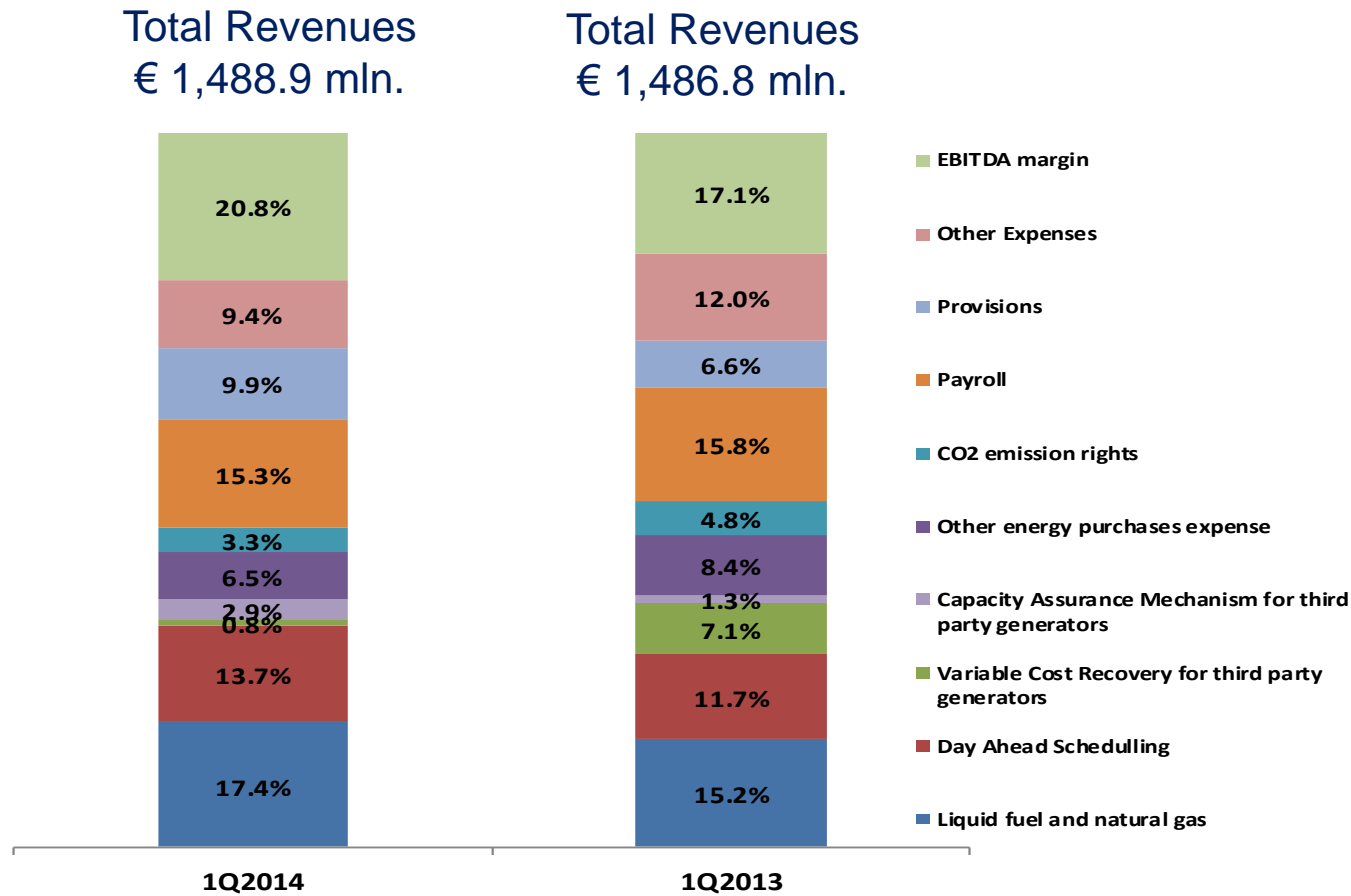


The overall energy mix cost decreased by € 34 m. (3.9%), mainly due to the reduction of the expense for the variable cost recovery mechanism by € 93.7 m, which was partly offset by the increased expenses for natural gas (€ 56.8 m) and for Capacity assurance certificates (€ 24.1 m)

	(Δ)
Price effect	21.8
Quantity effect	59.8
Variable cost recovery	93.7
Capacity assurance certificates	24.1
Differential expense for RES energy purchases	12.5
Special lignite levy	1.1
Special Consumption Tax on nat gas consumed by PPC	9.9
Taxes and other energy purchases expense	25.9
Total	34.0



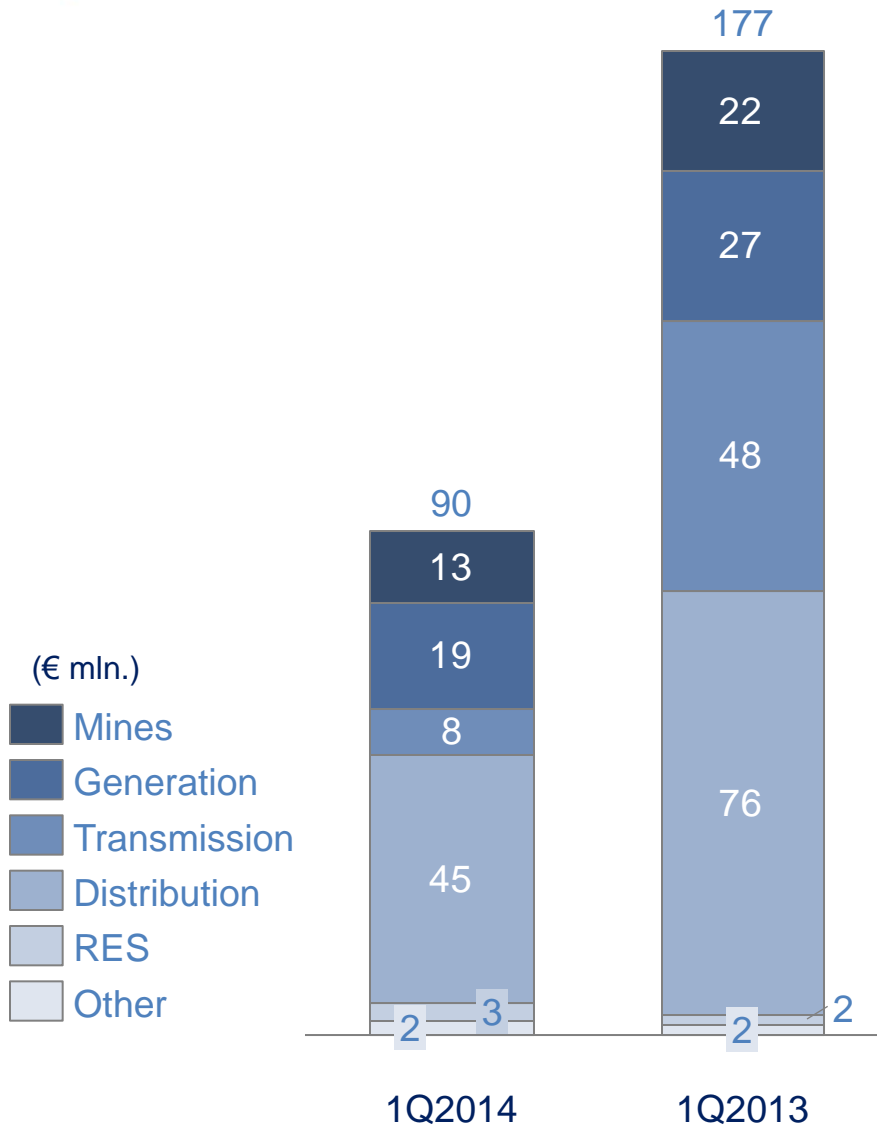
Fuel, CO₂, other expenses and EBITDA as percentage of revenues (1Q2014 / 1Q2013)



In 1Q2014, 44.6% of total revenues were expensed for fuel, CO₂ and energy purchases compared to 48.5% in 1Q2013. It is noted that, energy purchases expense in 1Q2014 accounted for 23.9% of total revenues compared to 28.5% in 1Q2013. This development is mainly attributed to the decrease of the share of the variable cost recovery mechanism to 0.8% from 7.1%.



Capex



- Capital expenditure in 1Q2014 amounted to € 90.1 m. compared to € 176.5 m. in 1Q2013, reduced by € 86.4 m., while, as a percentage of total revenues it declined to 6.1% from 11.9%.
- Excluding network users' participation for their connection to the network (€ 11.4 m. and € 19.7 m. in 1Q2014 and 1Q2013 respectively), which fund a significant part of network projects, capital expenditure amounted to 5.3% and 10.7% of total revenues in 1Q2014 and 1Q2013 respectively.



Debt Evolution

- Net debt amounted to € 4,613 m., a reduction of € 32.4 m. compared to 31.3.2013 (€ 4,645.4 m.), while it increased by € 88.7 m compared to 31.12.2013 (€ 4,524.3 m.).

- Debt repayments in 1Q2014 amounted to € 38 m.

The debt repayments from April 2014 until May 2014 amounted to € 461 m. including the partial prepayment of € 452 m. of the Greek banks syndicated loan from the net proceeds of the € 700 m international bond issued in May 2014.

- In addition, in 1Q2014, we proceeded with:
 - the drawdown of € 235 m from the European Investment Bank for the modernization and reinforcement of the Distribution Network, out of a new financing line of a total amount of € 415 m.
 - The drawdown of € 96 m from the € 739 m export credit covered loan for the new lignite unit “Ptolemais V”.



Business Review & Outlook

Arthouros Zervos
Chairman and CEO
Public Power Corporation S.A.



Comments on Financial Results

- In the first quarter of 2014, operating profitability improved, with EBITDA rising by 21.8% to € 309.4 m on the back of lower energy purchase expenses associated mainly with the gradual elimination of the Variable Cost Recovery Mechanism.
- Profitability was also positively impacted by the discount on natural gas prices, valid as of 1.7.2013, and the recovery of the state aid to Aluminium.



Major Financial Developments

€ 2.2 bln
Syndicated loan

- In April 2014, we signed a five-year syndicated loan contract of an amount of € 2.2 bln with a syndicate of Greek banks for the refinancing of existing loans. With this loan the Company achieved a significant extension of its debt maturities, as well as strengthening of its capital structure.

Standard & Poor's
credit rating
upgrade to B

- Standard & Poor's upgraded PPC's credit rating by 3 notches to B from CCC and with a stable outlook.
- This upgrade reflects the improvement in PPC's liquidity profile following the conclusion of the € 2.2 bln syndicated loan as well as better prospects for the Company.

Bond issuance of
€ 700 m

- PPC S.A. through its wholly-owned subsidiary Public Power Corporation Finance plc, issued € 700 m Senior Notes.
- The offer consists of a combination of € 200 m Senior Notes due May 1, 2017 and € 500 m Senior Notes due May 1, 2019, at a fixed coupon of 4.75% and 5.50% per annum, respectively, and at an issue price of 100% for both series of Notes.
- Out of the net proceeds, an amount of € 452 m was used for debt repayment and the remainder to fund capital and general corporate expenditures.
- The Notes were oversubscribed by 6 times, compared to the amount of the transaction initially announced (€ 500 m).



Update on Restructuring and Privatization plan

IPTO

- On April 10, 2014, PPC proceeded with an invitation for the submission of expressions of interest for the sale of 66% of the share capital of its subsidiary IPTO S.A. to prospective investors.
- On May 9, 2014, five Expressions of Interest were submitted. The evaluation of the submitted documentation is currently in process.

“Small PPC”

- The draft law providing for the creation of a new integrated electricity company (in terms of assets, liabilities, human resources and supply contracts), was submitted for voting before the Greek Parliament on March 31, 2014.

Transfer of 17% to HRADF

- On April 11, 2014, the transfer of 39,440,000 ordinary shares with voting rights, corresponding to 17% of the existing share capital of PPC S.A., by the Hellenic Republic to the Hellenic Republic Asset Development Fund (HRADF), which is wholly owned by the Hellenic Republic, was effected following execution of an over-the-counter transaction.



Major Regulatory and Operating Developments

RAE Decisions on new rate of return on RAB

- Further to RAE's decisions 195/2014 and 196/2014, the allowed return on the Transmission and Distribution Network Regulated Asset Base (RAB) was increased to 8.5% from 8% previously, effective as of June 1, 2014.
- In addition, RAE issued for public consultation until May 23, 2014, the relevant provisions applicable for the calculation of the new methodology for the determination of the allowed Revenue of IPTO for the new regulatory period .

RAE's proposal for a regulated forward market allowing access to lignite and hydro generation

- RAE submitted proposals for a regulated forward market to public consultation.
- The forward products will be available through a regulated process of auctions, and will correspond to energy accounting for 25-30% of the total annual lignite and hydro generation of PPC.
- Owners of supply licences, except PPC, will be eligible to participate in the auctions only to serve the domestic load.

Establishment of a wholly owned subsidiary in Turkey

- The company will be engaged in electricity trading and the share capital amounts to approximately € 686,000. The new subsidiary is currently undergoing a licensing process by the respective Regulatory Authority for Energy of Turkey.
- The establishment of the subsidiary is within the framework of PPC's strategy to expand in growing markets of South East Europe.



Strategic Priorities

Going forward we continue to focus on :

- completing generation investments targeted at improving power plant efficiency,
- investing in renewables and
- diversifying in neighbouring markets and other activities, mainly through joint ventures.



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 €/€ exchange rate, oil, natural gas, electricity prices and the price of CO₂ 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.