

**Public Power Corporation SA**

**7<sup>th</sup> Annual Ordinary General Meeting of  
Shareholders**

Athens, June 25 2009



**Takis Athanasopoulos**  
Chairman & Chief Executive Officer of PPC

**ΔΕΗ** Ordinary General Meeting, June 09

- 1** 2008 Financial Results
- 2** 2008 Review
- 3** 1<sup>st</sup> Quarter 2009
- 4** 2009 Outlook and Next Steps


**This presentation consists of four parts:**

**-2008 Financial Results**


**-Review of the most important developments during 2008**

**•1<sup>st</sup> quarter of 2009 financial results, and**

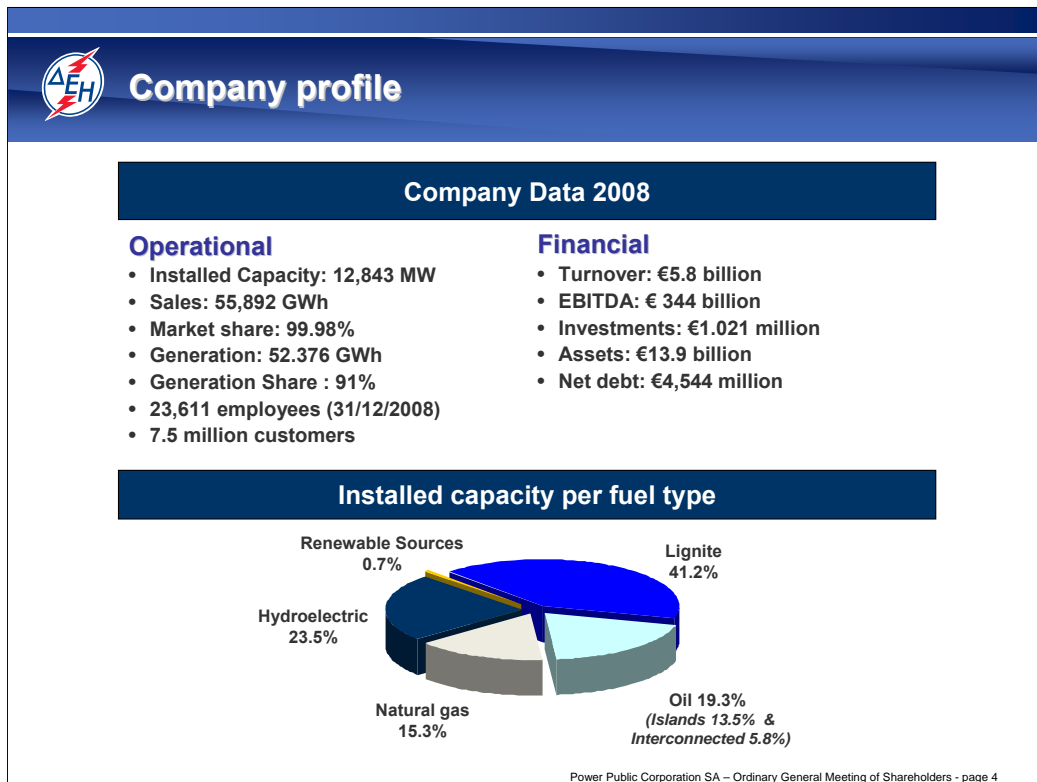
**•2009 Outlook and Next Steps**

 **Ordinary General Meeting, June 09**

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**First, I will present to you the 2008 Financial Results.**

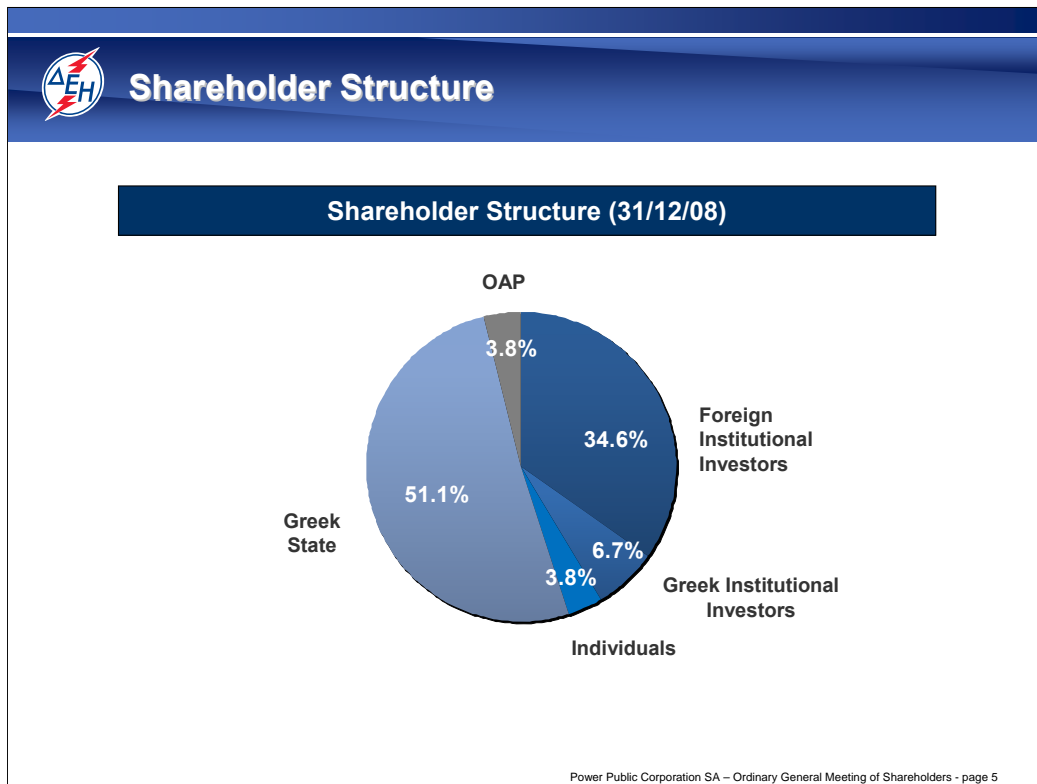


PPC Group turnover for 2008 amounted to € 5.8 bln., the investments to € 1 bln., earnings before interests, taxes and depreciations (EBITDA) to € 344 mil. and the total assets to € 13.9 bln.

PPC is a vertically integrated Electric Utility with a dominant position in the energy market in Greece and, at the end of 2008, its installed capacity was 12,843 MW.

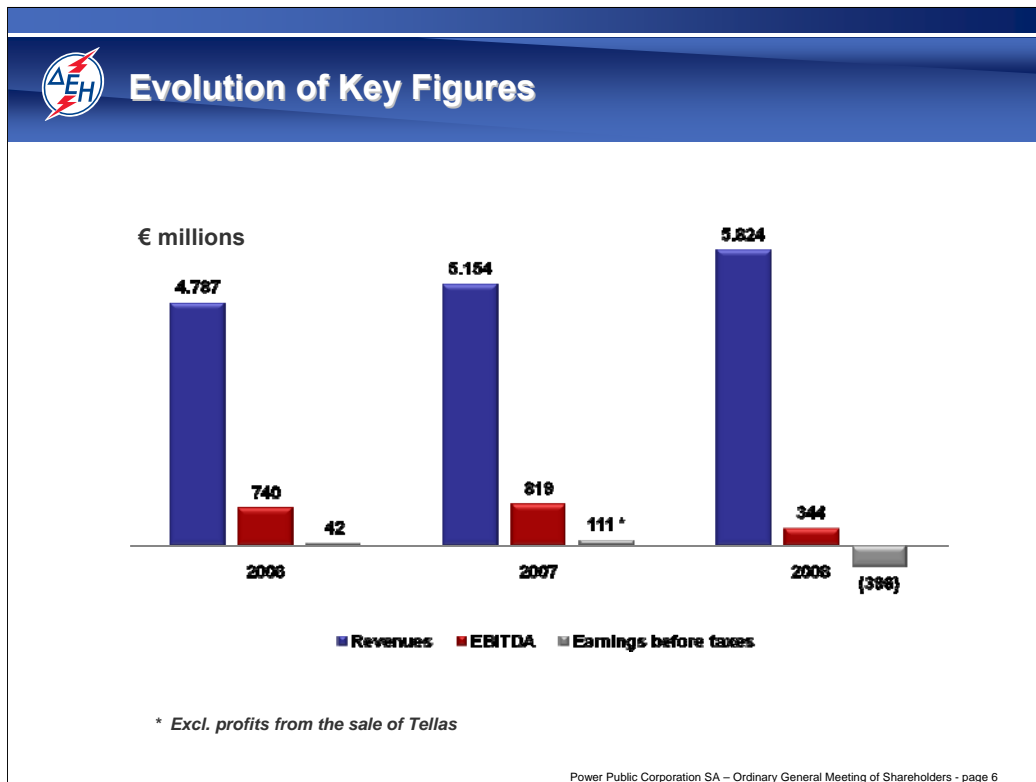
PPC's market share in the supply of energy was close to 100%, while the relevant share in the energy generation in Greece was 91%.

At the end of 2008, the Company had 23,611 regular employees.



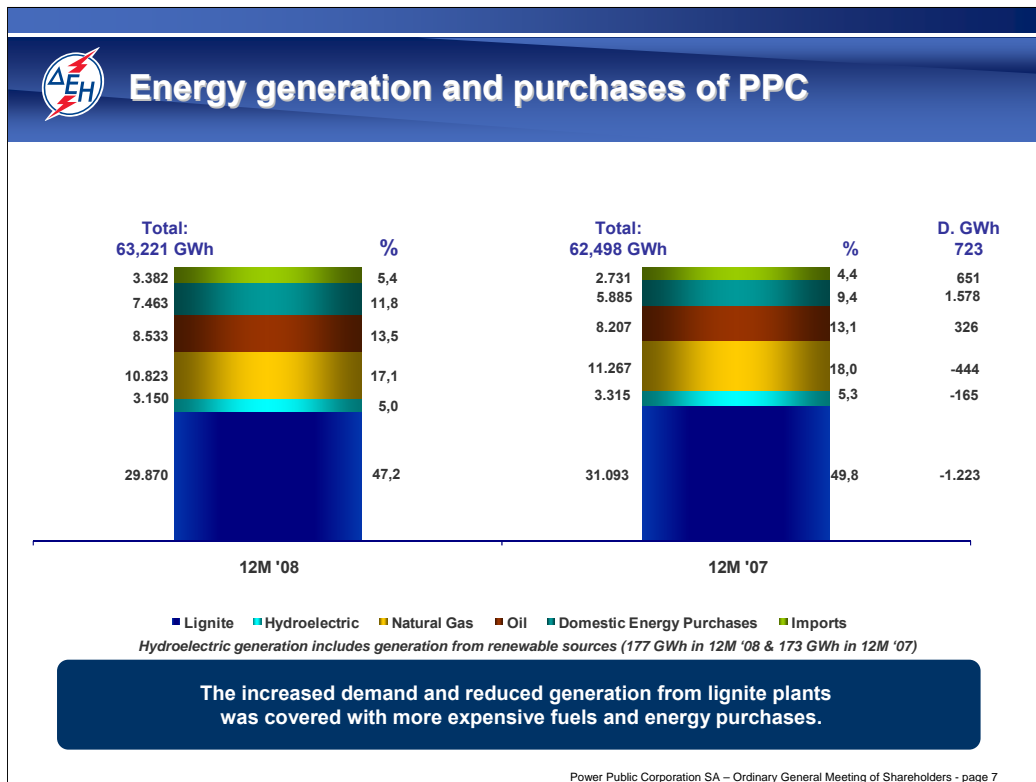
The shareholder structure at the end of 2008 was as follows:

<b>Hellenic State</b>	<b>51.1%</b>
<b>OAP (TAYTEKO)</b>	<b>3.8%</b>
<b>Foreign Institutional Investors</b>	<b>34.6%</b>
<b>Greek Institutional Investors</b>	<b>6.7%</b>
<b>Individuals</b>	<b>3.8%</b>



**2008 was the first loss-making year after the company's initial public offering. Despite the increase in revenues by 13%, the unprecedented rise in fuel and energy purchase prices as well as the new expense for CO2 emission rights led to losses of € 396 mil. vs. profits of € 111 mil. in 2007 (without the extraordinary profit from the sale of Tellas).**

**This deterioration contributed to exposing, inside and outside the Company, the weaknesses and vulnerabilities of both the PPC business model as well as of the business environment of the Greek electricity market. It is evident that PPC profits are to a big extent exposed to the fluctuation of the prices of fuels, energy and CO2 emission rights.**

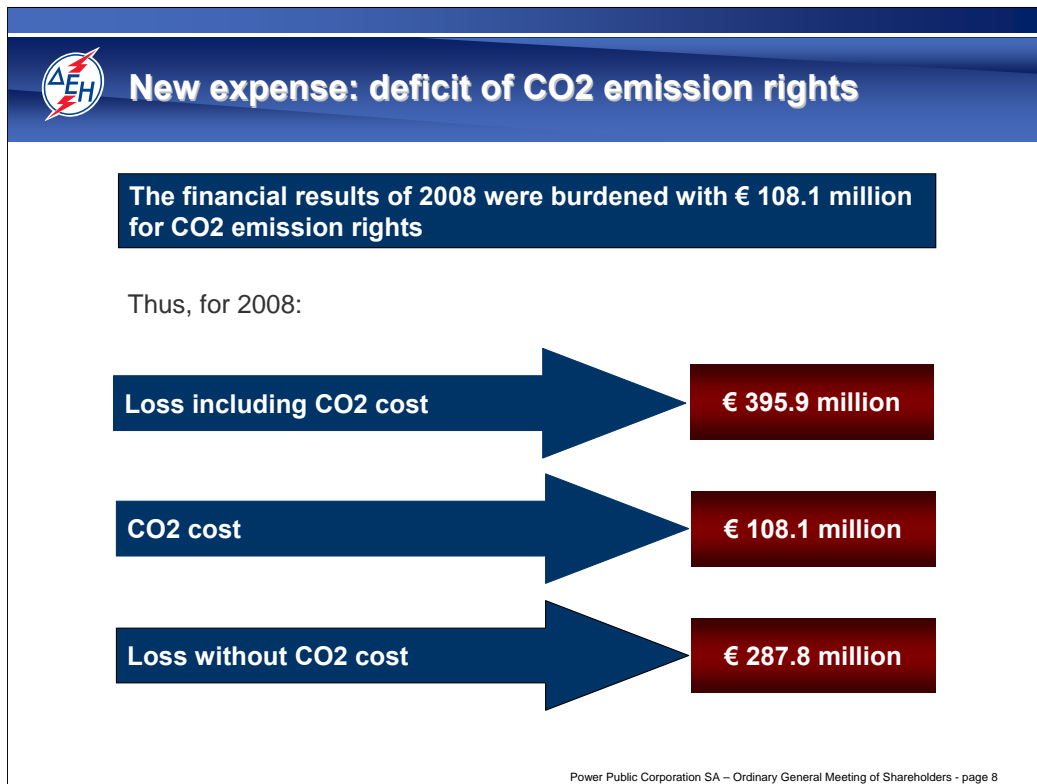


In 2008, the demand for electricity increased by 723 GWh or 1.2% vs 2007.

The generation from the lignite plants decreased by 1,223 GWh (mainly due to the March strike) and, thus, the increased demand was met with more expensive fuels and energy purchases.

More specifically, only 52.2% of the energy sold was generated from domestic “fuels” (lignite, hydro, renewable energy sources) compared to 55.1% in 2007.

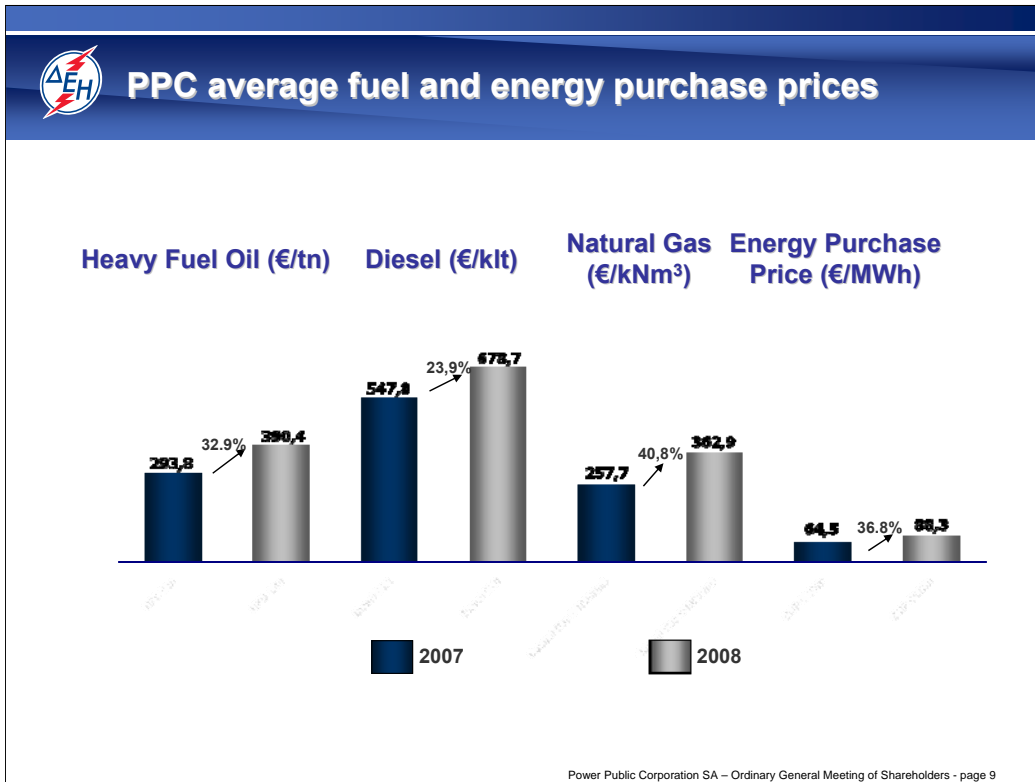
This fact in combination with the sharp rise in the fuel and energy purchase prices led to a € 921 mil increase in the energy balance expenses (including the expense for CO2 emission rights).



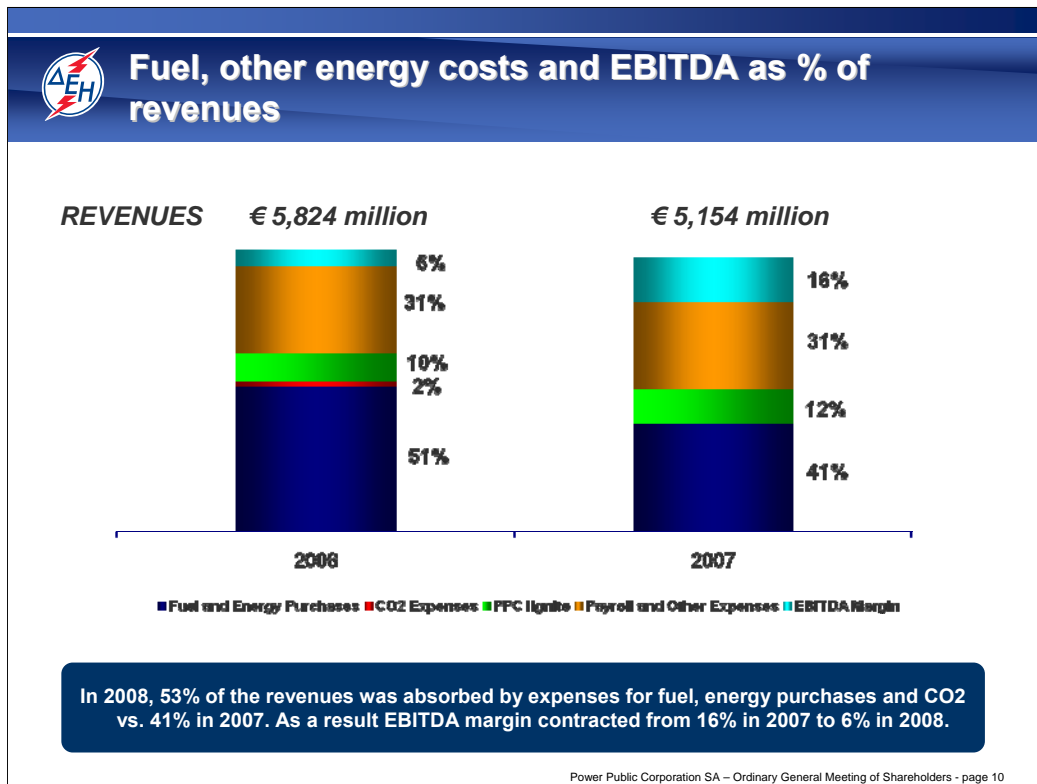
**The 2008 financial results were burdened with € 108.1 mil. for CO2 emission rights.**

**Without the abovementioned expense, the losses would have amounted to € 287.8 mil.**

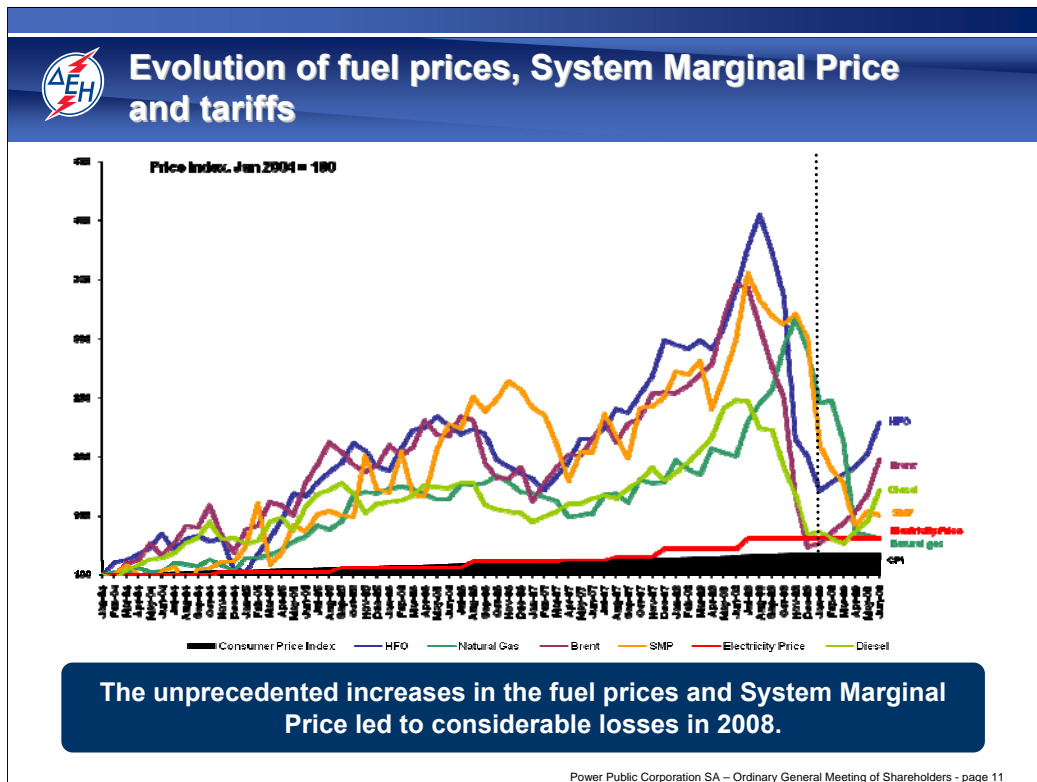




The expenses for liquid fuel, natural gas and energy purchases/ imports increased by 30% compared to 2007, mainly due to the unprecedented rise in the prices for fuel (33% for fuel oil, 24% for diesel, 41% for natural gas) and energy purchases (37%).

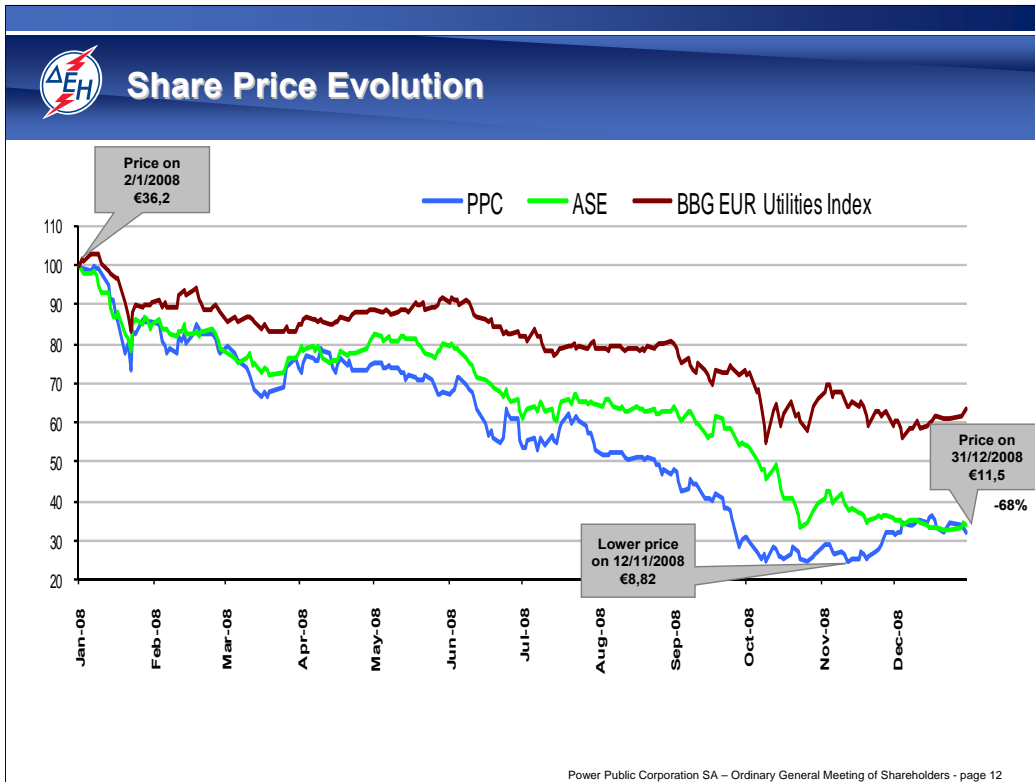


**In 2008, 53% of the revenues was absorbed by expenses for liquid fuel, natural gas, energy purchases and CO2, the prices of which are externally determined. The corresponding percentage in 2007 was 41%, lower by 12 percentage points. Thus, the EBITDA margin contracted from 16% to 6%.**




**The unprecedented increase in the prices of fuel and energy purchases in 2008 led to the contraction of profit margins and finally to losses.**

**The low fuel prices prevailing since the end of the year are the main factors that allow the Company to return to significant profitability in 2009.**




**During the year, the stock price dropped by 68.3% vs. 63.3% of the ASE General Index and 37.3% of the BBG EUR Utilities Index.**

**The lowest closing price was 8,82 Euro/Share on 12/11/2008.**

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**Let us now go through some of the most significant events that took place in 2008.**

**Regulatory Framework**


**Regulatory Developments**

- Activation of the second part (7%) of the total increase approved in November 2007 (7% +7%) from which 9 percentage points related to PPC compensation for Public Service Obligations (PSOs)
- Lifting of the high voltage tariffs regulation as of July 2008, with maximum permitted increase set at 10%

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**In July 2008, the second part (7%) of the total increase approved in November 2007 (7% + 7%), was activated. Out of a total increase of 14%, 9 percentage points related to PPC compensation for Public Service Obligations (PSOs).**

**Furthermore, the regulation for high voltage tariffs was lifted in July 2008, with maximum permitted increase set at 10%.**



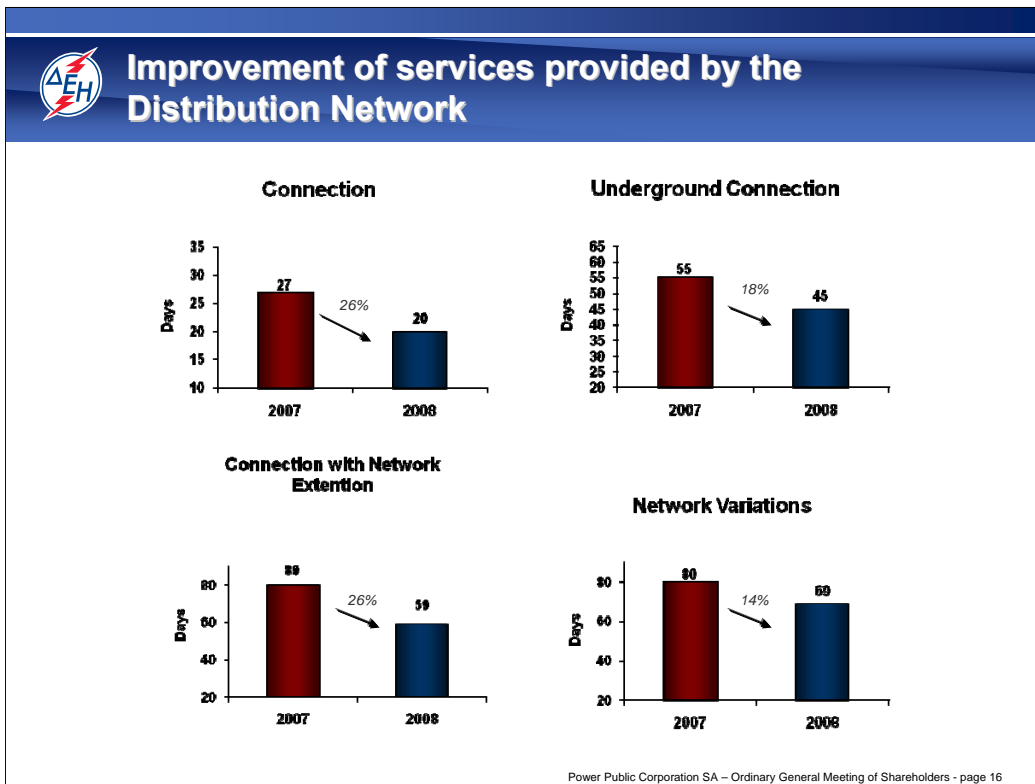
## Generation Projects

- A tender was announced for a 750 - 835 MW CCGT plant (Megalopolis V) and 4 bids were submitted
- A tender was announced for a 450 MW lignite plant (Meliti II)
- Two Steam-Electric Units with a total capacity of 100MW, burning low sulphur heavy fuel oil and with the capability of burning natural gas, started operating at the Steam-Electric Power Plant at Atherinolakkos, Crete
- Generation licenses were issued for two natural gas plants with a total capacity of 500MW in the new power station Korakia – Palei Galini, Crete
- A generation license was issued for additional capacity of 234MW in the other non-interconnected islands

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**The most significant developments in the generation investment program were the following:**

- **A tender was announced for the 750-835 MW Megalopolis V CCGT plant and 4 bids were submitted on 25.11.08.**
- **A tender was announced for the Lignite fired plant Meliti II, with a capacity of 450 MW.**
- **Two Steam-Electric Units with a total capacity of 100MW, burning low sulphur heavy fuel oil and with the capability of burning natural gas, started operating at the Steam-Electric Power Plant at Atherinolakkos, Crete.**
- **Generation licenses were issued for two natural gas plants with a total capacity of 500MW in the new power station at Palei Galini (Korakia), Crete, and for additional capacity of 234MW for the other non-interconnected islands (including the new power station in Lesvos).**




**In 2008, we improved the services provided by the Distribution to the consumers.**

**The average time for the study and construction of a simple customer's connection was reduced from 27 days in 2007 to 20 days in 2008.**

**The average connection time with network expansion was reduced to 59 days in 2008 compared to 80 in 2007.**



 **Renewable Energy Sources**

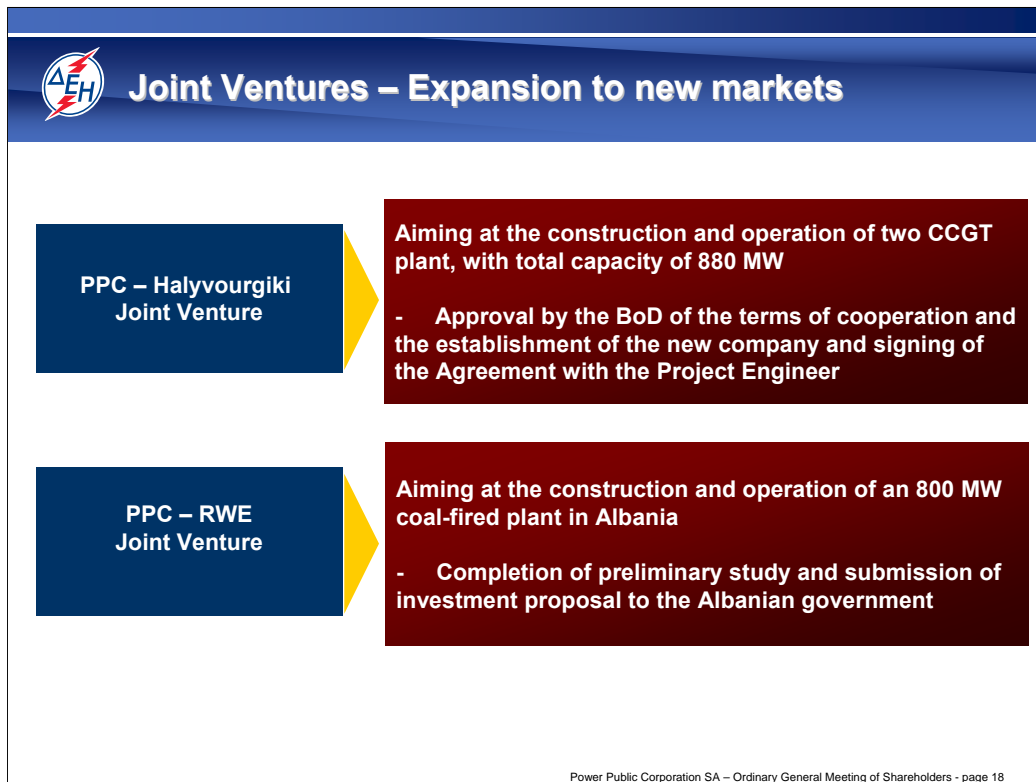
- Approximately 15 MW were added with the 3 Small Hydroelectric Power Plants of Smokovo (10MW), Aghia Varvara (0.9 MW) and, in partnership with Terna Energy, of Eleousa (3.2 MW).
- The construction of Small Hydroelectric Power Plants in Ilariona, Papadia and Mesohora and, in cooperation with Helliniki Technodomiki, Alatopetra Small Hydroelectric Power Plant continued. The total capacity amounts to 8.6 MW
- The construction of a 38MW wind farm in Viotia started in cooperation with EDF Energies Nouvelles
- Signed agreement for the construction of 9 wind farms on the islands: Paros, Lesvos, Sifnos, Crete (2), Lemnos, Rhodes and Samos (2), for a total capacity of 35 MW
- Installation license issued for the Mouzaki wind farm (30 MW capacity)
- Applications were submitted to the Regulatory Energy Authority for generation licenses for wind farms in Andros (133 MW) and Rodopi (150 MW), as well as for a complex of Small Hydroelectric Power Plants in the greater area of Ioannina (13.2 MW)

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**With respect to investments in Renewable Energy Sources, in 2008, approximately 15 MW were added with the 3 Small Hydroelectric Power Plants of Smokovo (10MW), Aghia Varvara (0.9MW) and, in partnership with Terna Energy, Eleousa (3.2MW); furthermore, we continued the construction of Ilarionas (4.2MW), Papadia (0.5MW) and Mesohora (1.6MW) Small Hydroelectric Power Plants and, in cooperation with Helliniki Technodomiki, the Alatopetra Small Hydroelectric Power Plant (2.3MW), a total capacity of 8.6MW.**

**The construction of the wind farm, 38MW, in Viotia started in cooperation with EDF Energies Nouvelles and an agreement was signed with Enercon for the construction of 9 wind farms on the islands, for a total capacity of 35 MW. More specifically, Paros 3.6MW, Lesvos 2.7MW, Sifnos 1.8MW, Crete (Akoumia) 7.2MW, Crete (Koprino) 9.3MW, Lemnos 1.8MW, Rhodes 5.4MW and Samos 1.8 and 0.9 MW.**

**An installation license was also issued for the Mouzaki wind farm, 30MW, and applications were submitted to RAE for Generation Licenses for wind farms in Andros, 133MW, Rodopi, 150MW and for the complex of Small Hydroelectric Power Plants in the greater area of Ioannina , with a total capacity of 13.2 MW.**




**Significant steps were also taken regarding the establishment of joint ventures for investments in Greece and expansion in new markets.**

**More specifically, in 2008**

**- the Board of Directors approved the terms of cooperation with Halyvourgiki for the construction and operation of two combined cycle natural gas fired units, with a capacity of 880MW, as well as the establishment of the new company and the signing of the Contract with the Project Engineer. In 2009, the Shareholders' Agreement was signed and the Joint Venture was also approved by the National Competition Commission.**

**-Furthermore, with respect to the joint venture with RWE for the construction and operation of an 800MW coal plant in Albania, the preliminary study was completed and the initiation of the main study was approved.**



## Training of executives and employees

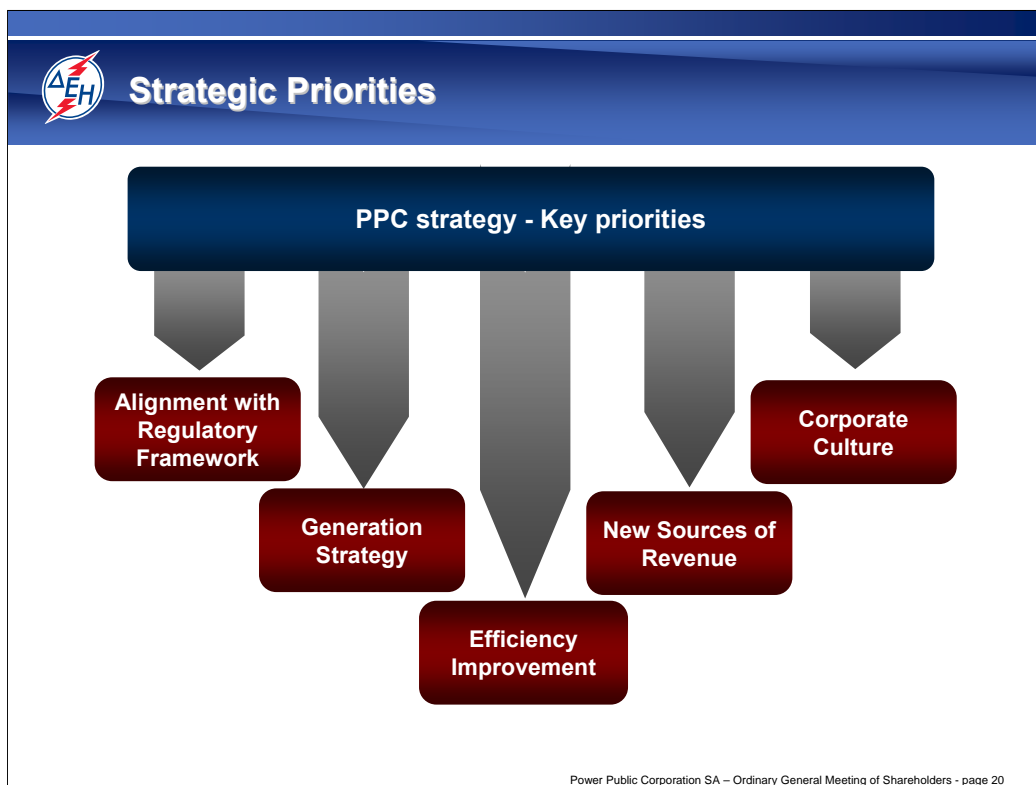
- Workshops for defining the business culture, vision and values that support the achievement of PPC strategy
- Organisation of “Managers’ Forum” for company’s executives
- Empowerment of abilities of higher staff in the evaluation of the suitability of candidates to be hired
- Programme initiation for the systematic development of administrative abilities for the executives

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**Particular attention was given not only to the development of the human resources as a whole, but also to the training of executives and staff, in 2008. Apart from the regular technical training of employees, the following actions have been undertaken :**

- **workshops in order to define the corporate culture, our vision and our values**
- **executives’ meetings and Managers’ Fora**
- **training, so as to strengthen the executives’ competences to evaluate applicants’ suitability for hiring, adopting a professional and robust methodology and practice**

**At the same time, a program of systematic managerial capability development has been initiated**



**At the end of 2007, we announced the five key strategic priorities of the company. These were:**

- **Alignment with the regulatory Framework**
- **Generation Strategy**
- **Efficiency Improvement**
- **New Sources of Revenues and**
- **Corporate Culture**

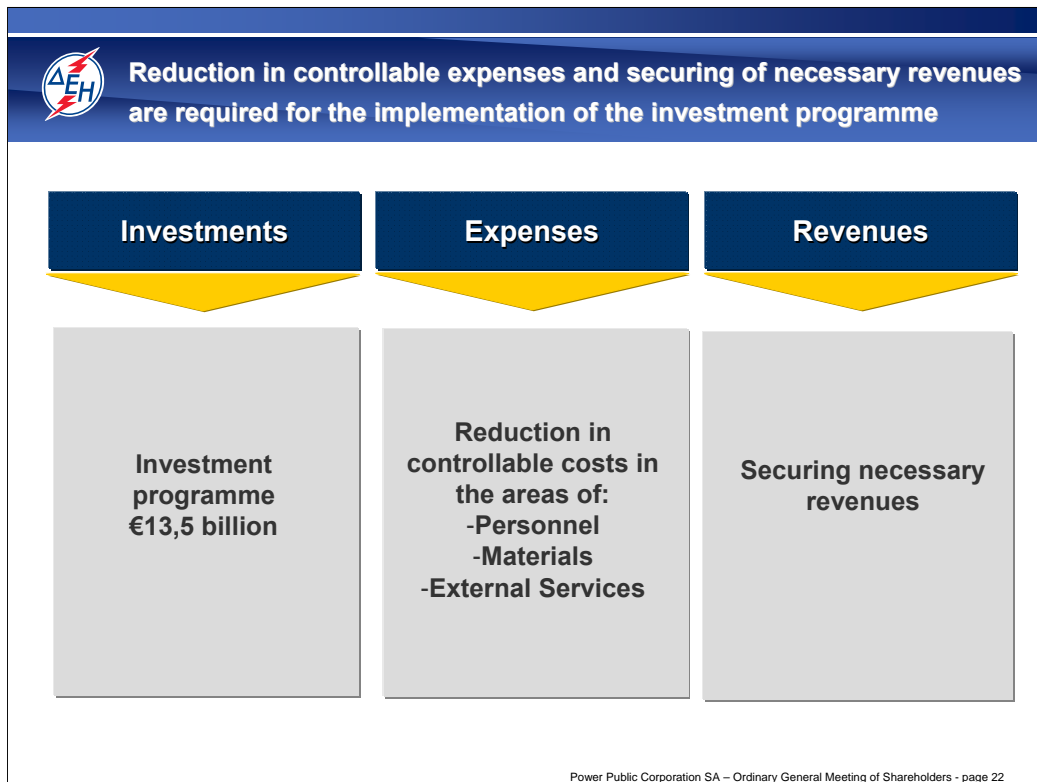


The 2009-2014 Business Plan, which was presented in November 2008, was drawn up on the basis of these strategic priorities.

The objectives of the Business Plan are:


- the establishment of a portfolio of power plants which will be efficient, reliable, competitive and will comply with the environmental standards
- the improvement of Services to the customers, that is, increase of reliability and improvement of the efficiency of the distribution and transmission networks
- achieving 20% market share in Renewable Energy Sources by being active in all fields:  
wind, solar, small hydroelectric power plants, geothermy

These objectives are supported with the implementation of the investment program of € 13.5 bln. both in our core activities as well as in new ones.




**In order to achieve the financing of this ambitious investment programme, the following are required:**

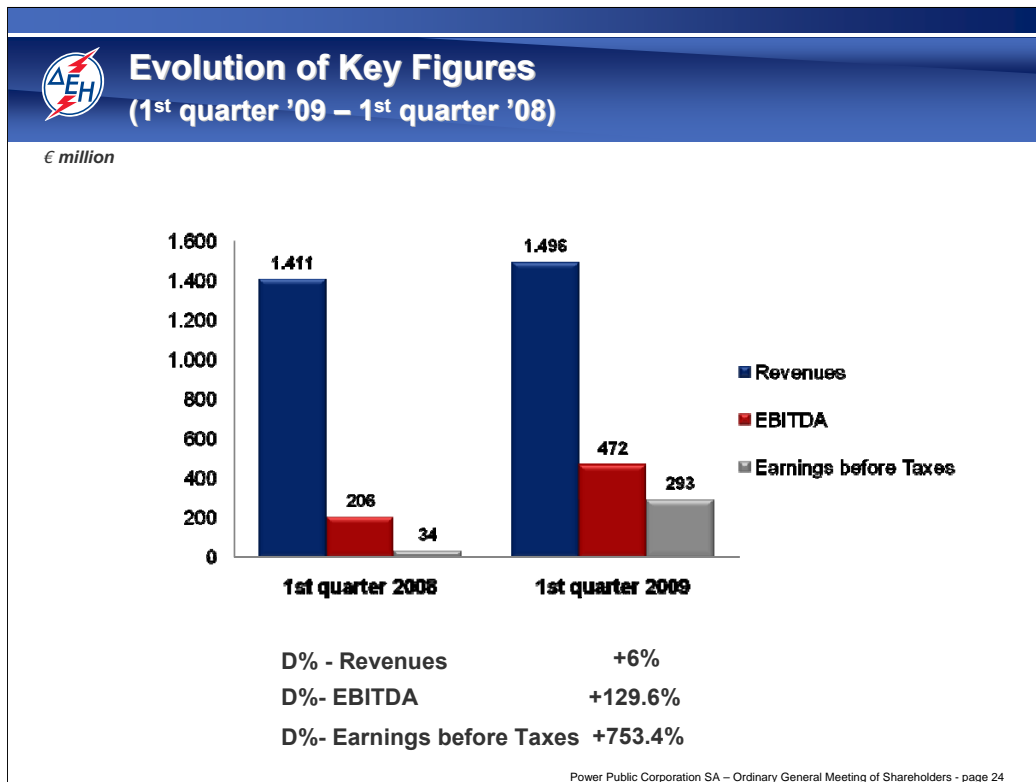
- **Reduction in controllable expenses in the areas of personnel, materials and third party services as well as**
- **Securing of necessary revenues**

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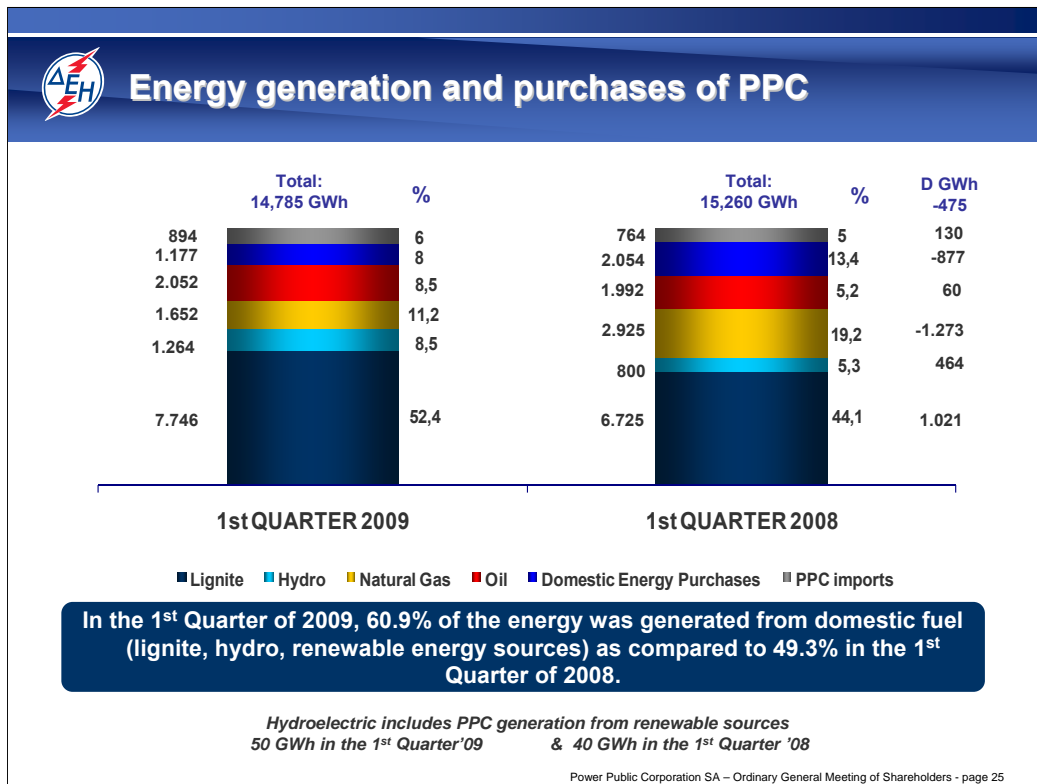
**I would like now to move on to discuss the financial results and important events of the 1<sup>st</sup> quarter of 2009.**



Contrary to 2008, when the losses were the result of unprecedented increases in the prices of fuels, energy purchases as well as the new cost for CO2 emissions, 2009 kicked off with quite positive perspectives as the earnings before taxes in the 1<sup>st</sup> quarter came up to € 293 mil. vs. € 34 mil, in the first quarter of 2008.

This significant increase in the profits is mainly due to external factors, that is, the drastic drop in the prices of oil and energy purchases and the increased hydroelectric generation as a result of significant rainfalls and snowfalls.

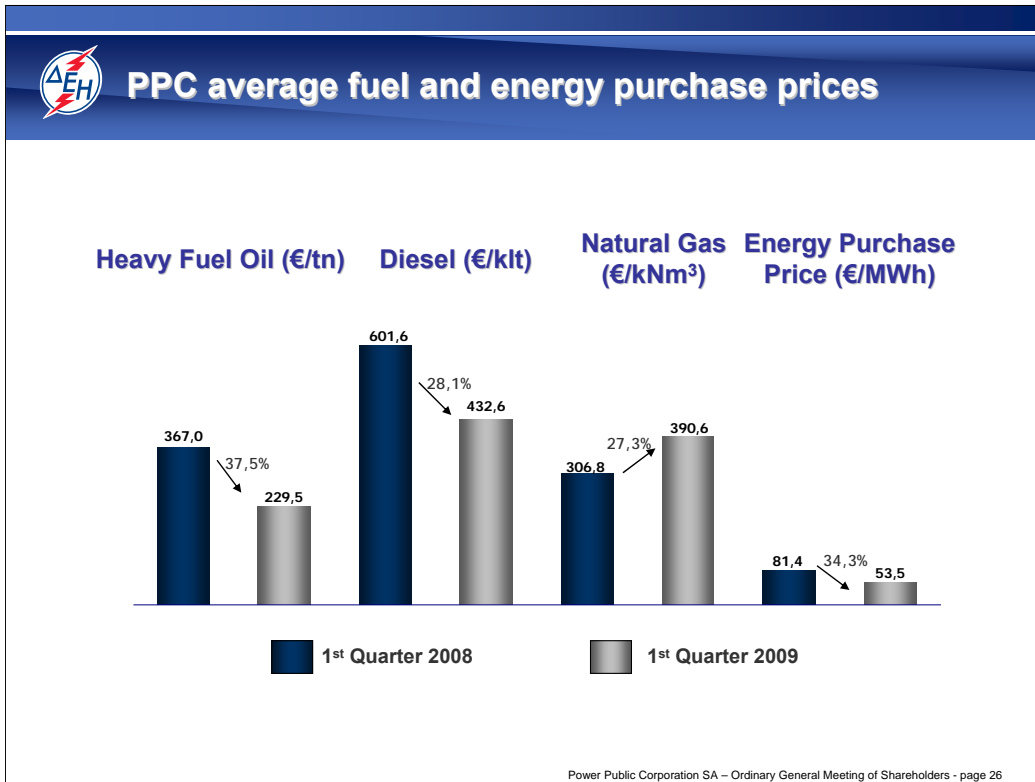




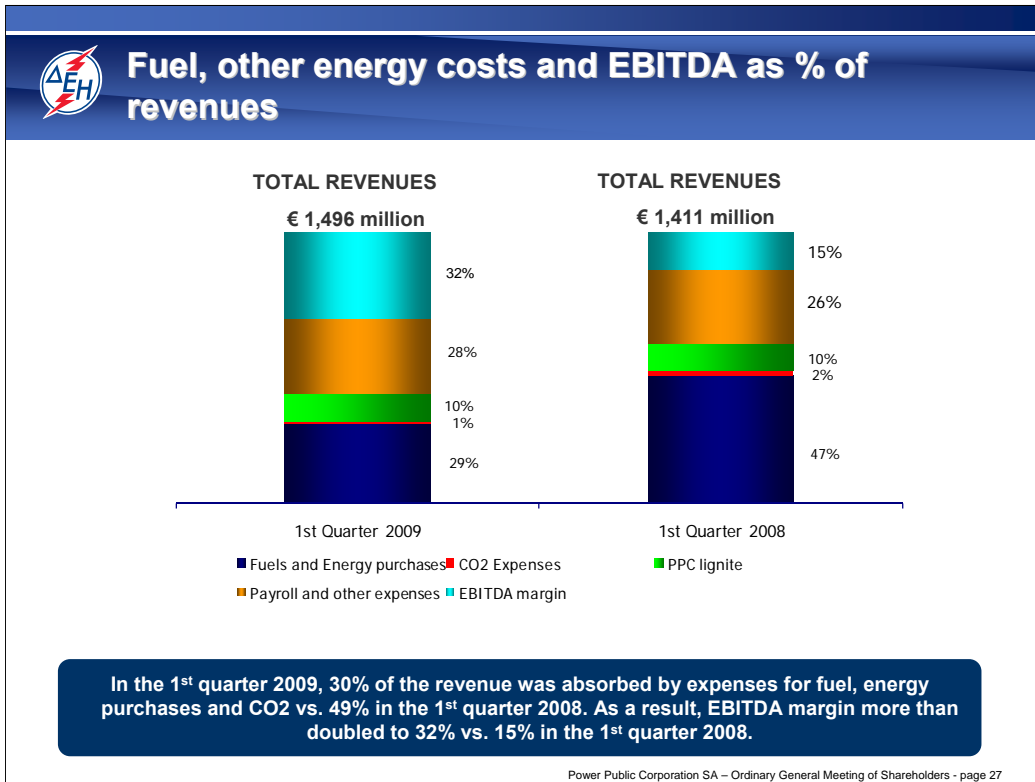
In the 1<sup>st</sup> quarter of 2009, the hydroelectric generation was higher by 464 GWh (58%) than the corresponding figure of the 1<sup>st</sup> quarter of 2008, which was a dry year, while the generation from lignite plants increased by 1,021 GWh (15.2 %).

The generation from Natural Gas was lower by 1,273 GWh (44%), as the price of natural gas remained at high levels in the 1<sup>st</sup> quarter.

As a result, 60.9% of the energy in the 1<sup>st</sup> quarter of 2009 was generated from domestic “fuels” (lignite, hydro, renewable energy sources) vs. 49.3% of the corresponding quarter of 2008.



The expenses for liquid fuel, natural gas and energy purchases declined by 36% (€ 232.8 mil.) compared to the 1<sup>st</sup> quarter of 2008, mainly due to the fall in the prices of fuel (37.5% for heavy fuel oil and 28.1% for diesel) and energy purchases (34.3%) and to the significant decrease in the generation from natural gas.



**In the 1<sup>st</sup> quarter of 2009, 30% of the total revenues was absorbed by the costs for fuel, energy purchases and CO2 emission rights vs. 49% in the 1<sup>st</sup> quarter of 2008.**

**As a result, EBITDA margin was at 32% vs. 15% in the 1<sup>st</sup> quarter of 2008.**

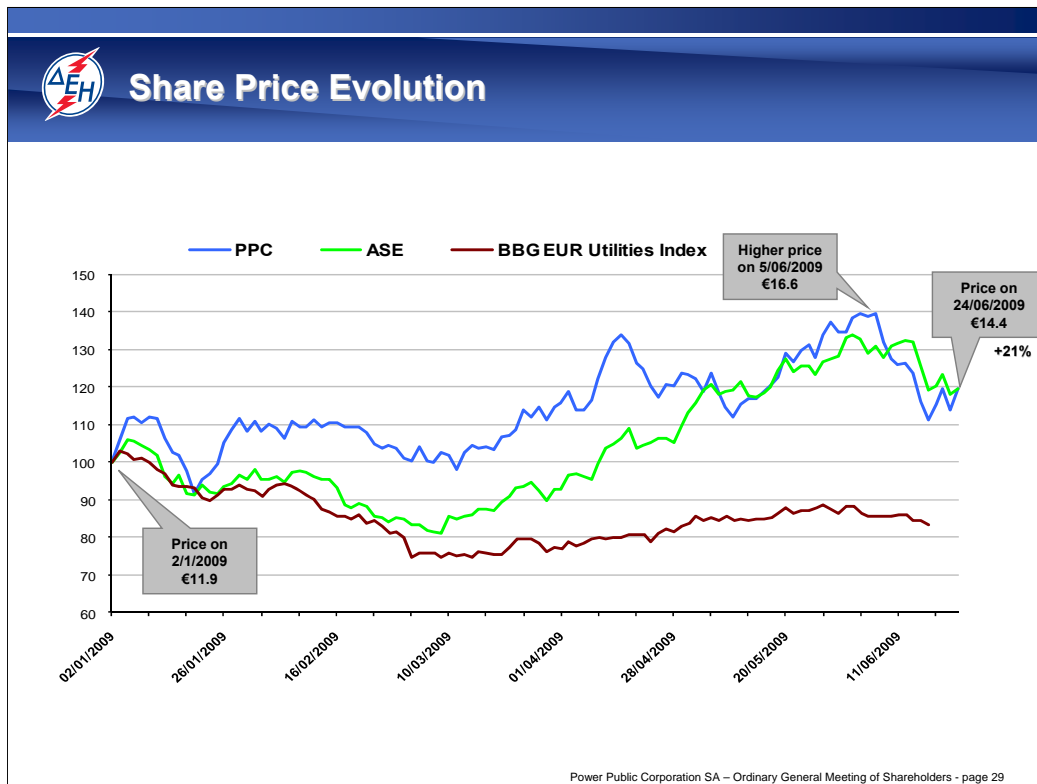


**In a very difficult financial environment we achieved to significantly improve our cash flow.**


**In March 2009, we repaid a Euro bond of € 500 mil. and in the end of the 1<sup>st</sup> quarter of 2009 we had secured committed credit lines of € 1.6 bln. The remaining redemptions for the rest of the year come up to € 646 mil.**

**The significant profitability and positive cash flows of the 1<sup>st</sup> quarter resulted in a decrease of debt by € 116 mil. vs. 31/12/2008**


**We are now in the process of setting up a European Medium Term Notes programme of € 2 bln, while the next major Euro bond maturity is in November 2010 and amounts to € 400 mil.**



**As of the beginning of the year, the stock price has increased by 20%, whereas the increase from the lowest closing price on November 12, 2008, is 61%.**


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**Ladies and Gentlemen,**

**In the last part of this presentation, I would like to discuss 2009 Outlook and the Next Steps we consider important for the Company going forward.**


 <b>2009 Budget</b>	
Revenues from Energy Sales	€ 5,740 million
Expenses for liquid fuels, natural gas and energy purchases/ imports	€ 2,097 million
EBITDA	€ 1,295 million
EBITDA margin	21%
Earnings before Taxes (EBT)	€ 531 million
Capital Expenditure	€ 1,253 million
Target controllable cost saving	€ 90 million
Target EBT (with cost saving)	€ 621 million
Generation from lignite power plants	31,000 GWh

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In February, 2009, we announced our financial targets for 2009 and our assumptions for the price of oil and exchange rate, that is, Brent \$55/bbl and 1.25 \$/€ .

We set as a target to achieve a cost saving of € 90 mil. vs. the approved budget in the context of gradually implementing our business plan. Thus, our estimate for the earnings before taxes in the budget was € 531 mil. and by achieving the cost saving € 621 mil.

I would like to update you now on our performance in relation to these targets, based on the results of the first five months of 2009.

 <b>Key developments in the five month period of 2009</b>	
<b>Revenues</b>	- Energy sales (in GWh) and revenues were below budgeted levels by 6.7% and 5% respectively
<b>Generation Mix</b>	- Hydro output was 76% (842 GWh) higher than budgeted level - Generation from lignite power plants on budget
<b>Fuel and Energy costs</b>	- Liquid fuel and energy purchases expenses were decreased in relation to the budget by 25%, mainly due to lower oil prices and energy purchases prices and due to the lower demand and the generation decrease from natural gas.
<b>Controllable Costs</b>	- Controllable expenses were contained below budgeted levels by 4.5%. Savings amount to app. € 39 million and is mainly due to the delays of planned new hirings and the reduction of subcontracting activity and overtime.
<b>Profitability</b>	- The EBITDA margin for the five month period stands at app. 30% compared to 11.5% last year and 22% in the budget (for the respective period).

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The main developments in the first five months of 2009 were the following:

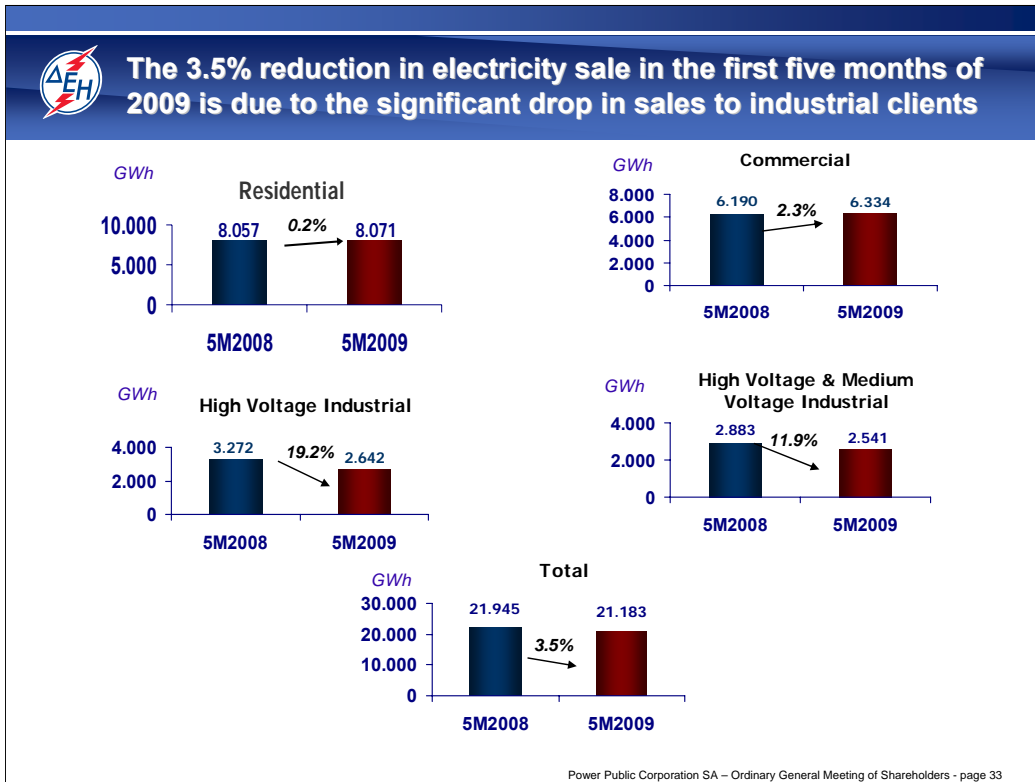
- The energy sales (in GWh) declined by 3.5% compared to last year and were 6.7% lower than budgeted.
- The revenues increased by 5.3% compared to 2008, while they were 5% lower than budgeted.
- The hydro generation was 76% (842 GWh) higher than the budget.
- The generation from the lignite power stations was at the budgeted levels.

With regard to the evolution of expenses,

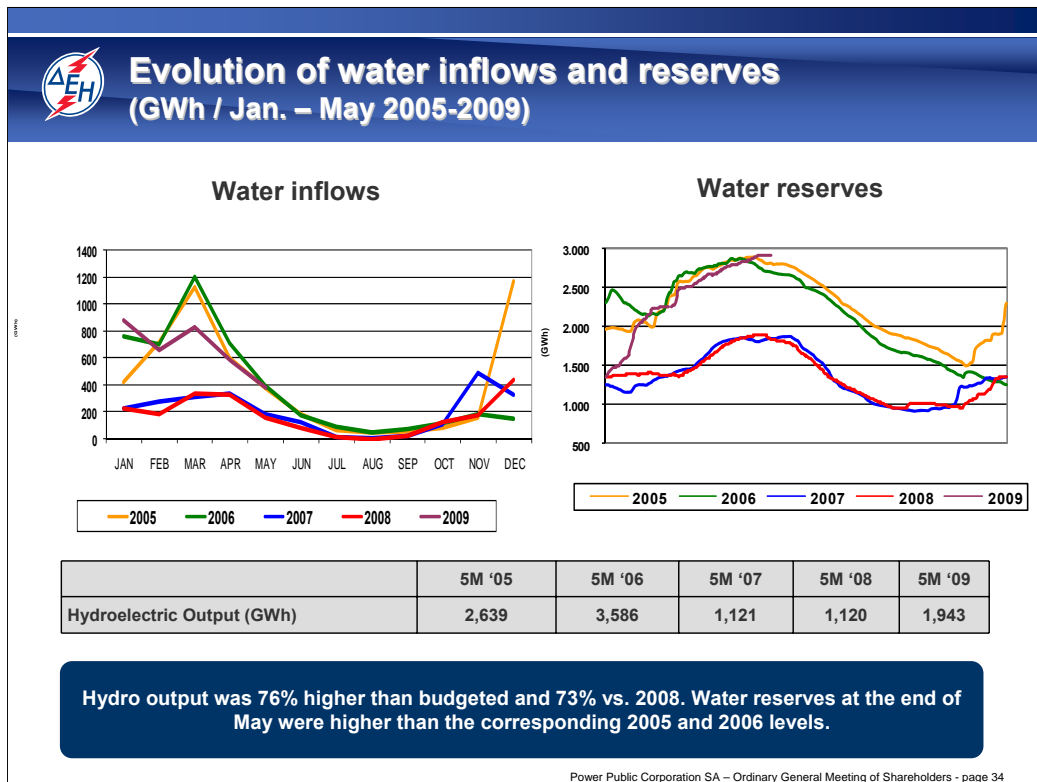
- Liquid fuel and energy purchase expenses were decreased in relation to the budget by approximately 25%, mainly due to the lower prices of oil and energy purchases as well as the lower demand for electricity and the reduction of generation from natural gas.
- The controllable expenses were 4.5% lower than budgeted levels. The reduction comes up to € 39 mil. and is mainly due to the delay in hiring and the reduced costs for subcontracting work and overtime spend.

EBITDA margin in the five months stands at approximately 30% compared to 11.5% last year and 22% in the budget.





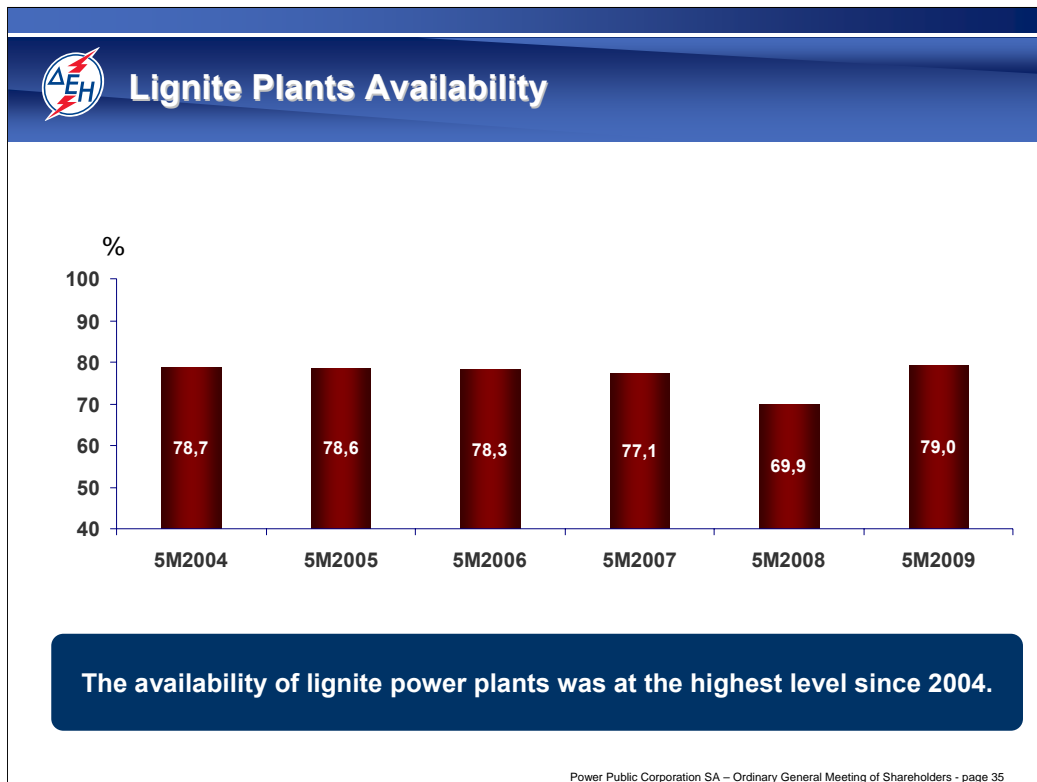
**With respect to demand evolution, energy sales in the first five months of 2009 declined by 3.5% (762 GWh), mainly due to the significant drop in the demand of industrial customers by 15.8% (972 GWh).**



Despite the fact that the water reserves at the beginning of the year were low, the increased inflows resulted in the considerable increase of hydroelectric generation as of February.

The total hydroelectric generation for the first five months of 2009 came up to 1,943 GWh, 76% higher than the budgeted one and 73% increased compared to 2008.

The water reserves at the end of May exceeded the corresponding levels of 2005 and 2006 which were good years with regard to snowfalls and precipitations.

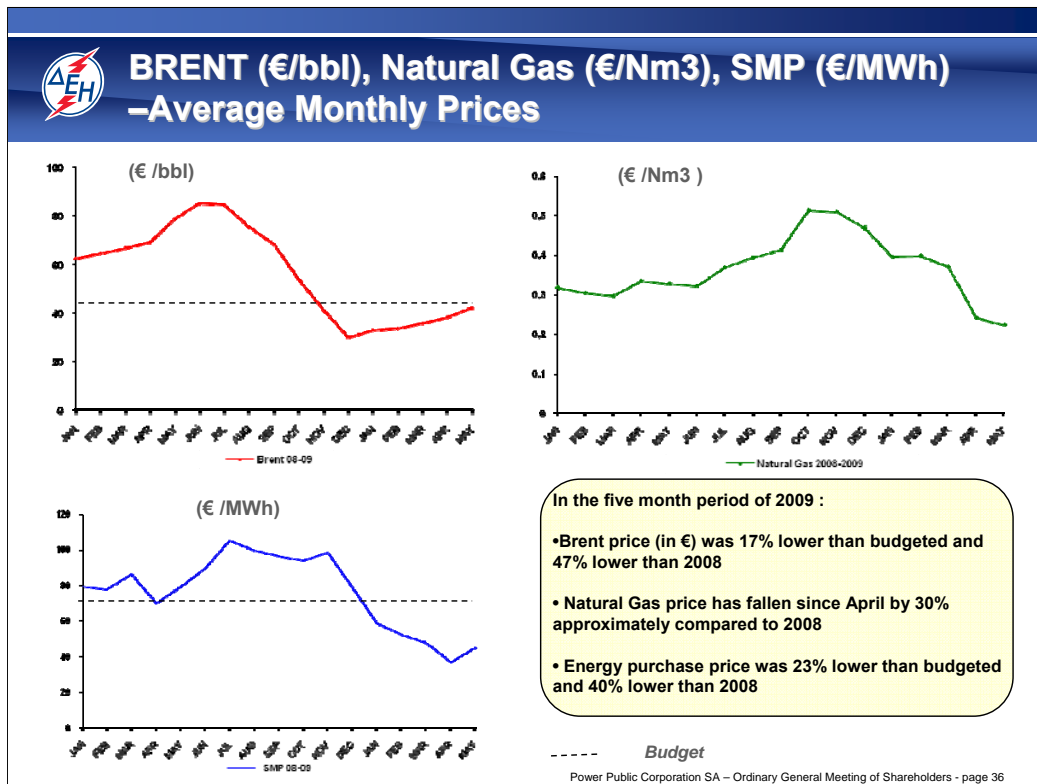


**The generation from lignite plants is an important factor concerning the energy balance cost.**

**In the first five months of 2009, the generation from lignite plants was higher than the corresponding period of 2008 by 1,075 GWh (as last year generation was also impacted by the March strike), leading to a positive contribution to the total cost of the generated energy.**

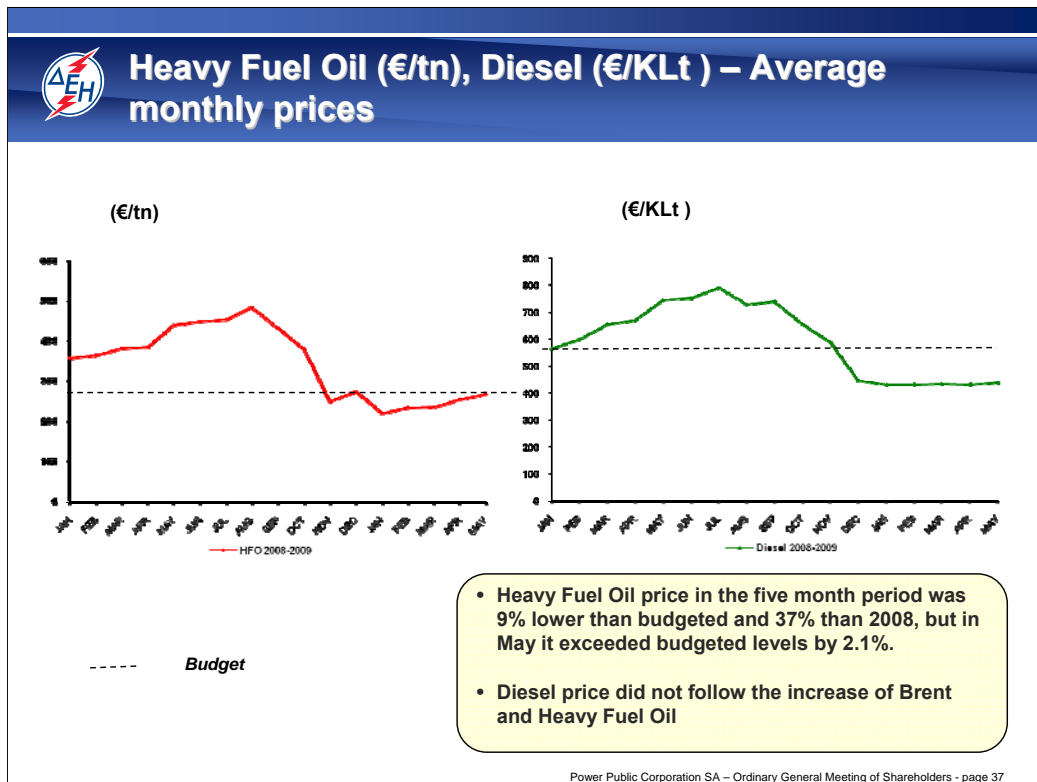
**As I mentioned before, this year's lignite generation is at the budgeted level.**

**We also note that the availability of the lignite plants was not only better than last year, but it was also at the highest level since 2004.**



As regards the prices of fuel and energy purchases, the following are noted in the 5M period of 2009:

- The Brent price (in €) was 17% lower than the budgeted one and 47% than 2008, while in May it reached the budgeted levels.
- The price of Natural Gas has dropped by approximately 30% as of April vs. 2008 reflecting the low prices of oil in the 4<sup>th</sup> quarter of 2008 and the 1<sup>st</sup> quarter of 2009.
- The price of energy purchases was approximately 23% lower than the budgeted and 40% lower compared to 2008.



With regard to the price evolution of the fuel used by PPC, that is, heavy fuel oil and diesel, we note that:

- The price of heavy fuel oil (in €) was 9% lower than the budgeted one and 37% lower than 2008, while in May it exceeded the budgeted levels by 2.1%.
- The price of diesel (in €) did not follow the increase of Brent and heavy fuel oil and remained even in May at lower levels than the budgeted (by 15% approximately).

The heavy fuel oil/diesel ratio (consumption in tn) in the energy generation in the first five months of 2009 was approximately 85% - 15%.

**2009 Outlook**

<b>Sales</b>	- Based on current trends, we expect energy sales volume to decline by 3-4% compared to 2008.
<b>Generation Mix</b>	- Increased participation of hydro output in the generation mix, with the assumption that water inflows in the reservoirs will be at the budgeted levels for the rest of the year.
<b>Fuel and Energy Costs</b>	- It is estimated that they will be at lower levels than the budgeted ones due to: increased hydro output, lower demand and lower than budgeted prices for fuel and energy purchases in the first five months.
<b>Profitability</b>	- We reiterate our estimate for the EBITDA margin for the year at the level of app. 26% compared to 21% in the budget, with the assumption that the prices for liquid fuel for the remainder of the year will be at the budgeted levels.

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With respect to our estimates for the year, the following are noted:

- **The year- to- date demand data do not support the budget assumption for a 1.5% increase in the energy sales (in Gwh). On the basis of the current trends, it is estimated that the sales will actually decline by 3-4% on an annual basis.**
- **The participation of hydroelectric generation in the energy generation mix is estimated to increase compared to the budgeted one with the assumption that the water inflows in the reservoirs will be at the budgeted levels for the rest of the year.**
- **This fact in combination with the demand drop and the lower than the budgeted prices for liquid fuels and energy purchases of the first five months is expected to lead to lower energy balance costs compared to those budgeted.**
- **We retain the estimate for the EBITDA margin for the year at the level of 26% compared to 21% in the budget, with the assumption that the prices for liquid fuel for the rest of the year will be at the budgeted levels.**
- **Despite the fact that the estimated return of capital employed for 2009 is expected to be higher than the budgeted (5.7%), it is still short of the long-term target set in the Business Plan (10%), the achievement of which is a prerequisite for the implementation of the ambitious investment programme aiming at achieving competitiveness, security of supply, high quality services and environmental protection.**

**Challenges and Next Steps**

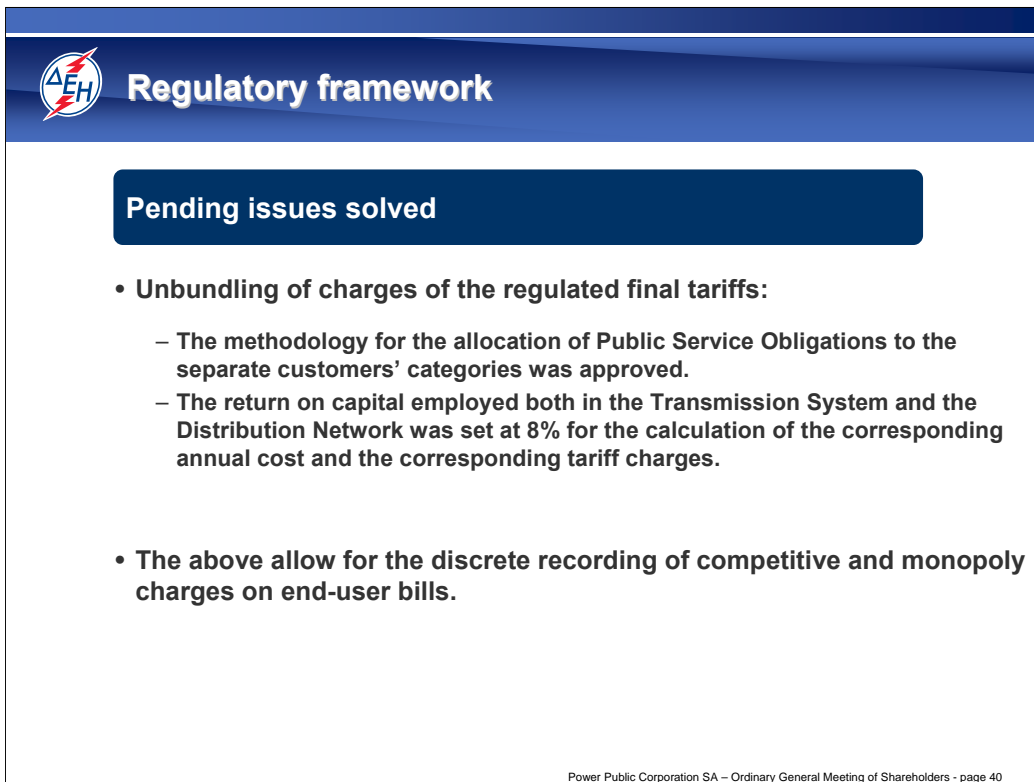
- Regulatory framework**
  - tariff unbundling
  - new regulated tariffs
- Organic Growth and Joint Ventures**
  - generation strategy
  - renewable energy sources
  - joint ventures – expansion to new markets
  - natural gas
- Efficiency Improvement**
- Human Resources Development**

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**The Company is facing unique challenges both with respect to the internal as well as the external environment in which it is active. This is mainly related to the changes in the regulatory framework of Greece and the European Union and the evolution in the energy market.**

**Our next steps focus on:**

- the gradual elimination of distortions so that the deregulation of the energy market will advance on a healthy basis;
- the implementation of the generation investments in order to replace the polluting units;
- the improvement of the efficiency of networks and provided services;
- the promotion of investments in renewable energy sources;
- the development and expansion to new markets, through the establishment of joint ventures;
- the achievement of the required revenue sources in order to finance these investments; and
- the improvement of the efficiency and development of human resources.



The slide features a blue header with the ΔΕΗ logo and the text 'Regulatory framework'. Below this, a dark blue box contains the title 'Pending issues solved'. The main content area lists three bullet points regarding unbundling of charges and capital return. At the bottom right, there is a small footer: 'Power Public Corporation SA – Ordinary General Meeting of Shareholders - page 40'.

**Regulatory framework**

**Pending issues solved**

- **Unbundling of charges of the regulated final tariffs:**
  - The methodology for the allocation of Public Service Obligations to the separate customers' categories was approved.
  - The return on capital employed both in the Transmission System and the Distribution Network was set at 8% for the calculation of the corresponding annual cost and the corresponding tariff charges.
- The above allow for the discrete recording of competitive and monopoly charges on end-user bills.

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**Regarding the regulatory framework, I am pleased to inform you that important pending issues were recently resolved.**

- **The allocation methodology of public service obligations to the separate customers' categories was approved.**
- **The annual return of capital employed both of the Transmission System as well as the Distribution Network was determined at 8% for the calculation of the corresponding annual cost and the corresponding tariff charges for their use.**

**The above allow for the unbundled presentation of the competitive and monopoly charges in the tariffs.**





The slide features a blue header with the ΔΕΗ logo and the text 'Regulatory framework'. Below the header, a dark blue box contains the text 'Submission of proposals for:'. This is followed by a bulleted list of two items. At the bottom right of the slide, there is a small footer text: 'Power Public Corporation SA – Ordinary General Meeting of Shareholders - page 41'.

**Regulatory framework**


**Submission of proposals for:**

- **New regulatory control tariffs, for the lifting of distortions between and inside the tariffs so that the competition in the retail market can be developed on a healthy bases**
- **The compilation of a smaller number of tariffs**

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**Furthermore, we are in process of drawing up and submitting proposals for:**

- **new regulatory control tariffs, for the lifting of distortions between and within the tariffs so that the competition in the retail market will be developed on healthy basis; and**
- **a smaller number of tariffs**

 <b>Organic Growth: Installation of Thermoelectric Power Plants in the Interconnected System</b>				
Power Stations	Fuel	Installed Capacity (MW)	Commissioning Year	Stage
Aliveri V	Natural Gas	417	2011	Under construction
Megalopolis V	Natural Gas	750-835	2012	Tender in progress
Ptolemaida V	Lignite	550-660	2016	Preparation of Tender
Meliti II	Lignite	450	2016	New Tender
Aliveri VI	Coal	800		Review
Larymna	Coal	800		Review

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The Business Plan includes the schedule for the installation of new thermoelectric units, which today is facing delays, and we are in the process of updating.

The delays are due to specific reasons related both to external factors as well as to weaknesses of the Company.


With regard to Aliveri V, due to finding antiquities, a new position was determined for the Power Station, which was finalized on 07.03.2009. The procedures for the issuance of a building permit continue and it is expected to be completed in the next few days.

With regard to Megalopolis V, the process for the technical evaluation of the four bids submitted on 25.11.2008 was concluded and two were found technically acceptable.

With regard to Ptolemaida V, after the recent decision of the BoD (on 19.05.09) on the change of firing technology and the power of the Unit (from 450MW to 650MW), the tender issues have been completed and we are ready to advance to the tender upon securing the conditions for the smooth conclusion of the necessary expropriation of Pantokomi and Mavropigi settlements.

No bids were submitted in the tender for the lignite unit of Meliti II (450MW). Our decision both for the initial call as well as for the second call for the Unit is related to the long expected decision of the State as regards the assignment of exploitation of Vevi mine. The beginning of exploitation of this mine is necessary so that PPC can effectively exploit its own deposit in the same region that will feed the new Unit along with Kleidi Mine.

After the State's intention to exclude coal from the country's energy mix, PPC re-examines the best fuel mix for its energy planning.

 <b>Organic Growth: Installation of Hydroelectric Units in the Interconnected System</b>				
Power Station	Unit	Installed Capacity (MW)	Commissioning Year	Stage
Mesohora	I,II	160	2011	In completion phase
Ilarionas	I,II	153	2011	Under Construction
Metsovitiko	I,II	29	2012	New Tender


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**PPC is also implementing a construction programme for Hydroelectric Power Plants with a total capacity of 346 MW in the interconnected system.**

**Mesohora Hydroelectric Power Plant is ready and the relevant law on the compensations for the flooded areas has been voted, so that the reservoir can be filled.**

**Furthermore, the construction of structural and electromechanical works in Ilarionas Hydroelectric Power Plant continues.**

**The tender for the completion of the construction of Metsovitiko Power Plant will soon be issued.**

 <b>Organizational Development: Installation programme for Power Plants on the Islands</b>				
Power Plants	Fuel	Installed Capacity (MW)	Commissioning year	Stage
Palei Galini, Crete	Natural gas/ Diesel	250	2015	Preliminary phase
Palei Galini, Crete	Natural gas/ Diesel	250	2015	Preliminary phase
Atherinolakkos, Crete	Low sulphur fuel oil/ Natural gas	100	2012	Invitation to tender
Rhodes	Low sulphur fuel oil	115	2011	Contract signing
Lesvos	Low sulphur fuel oil	120	2012	Under licensing

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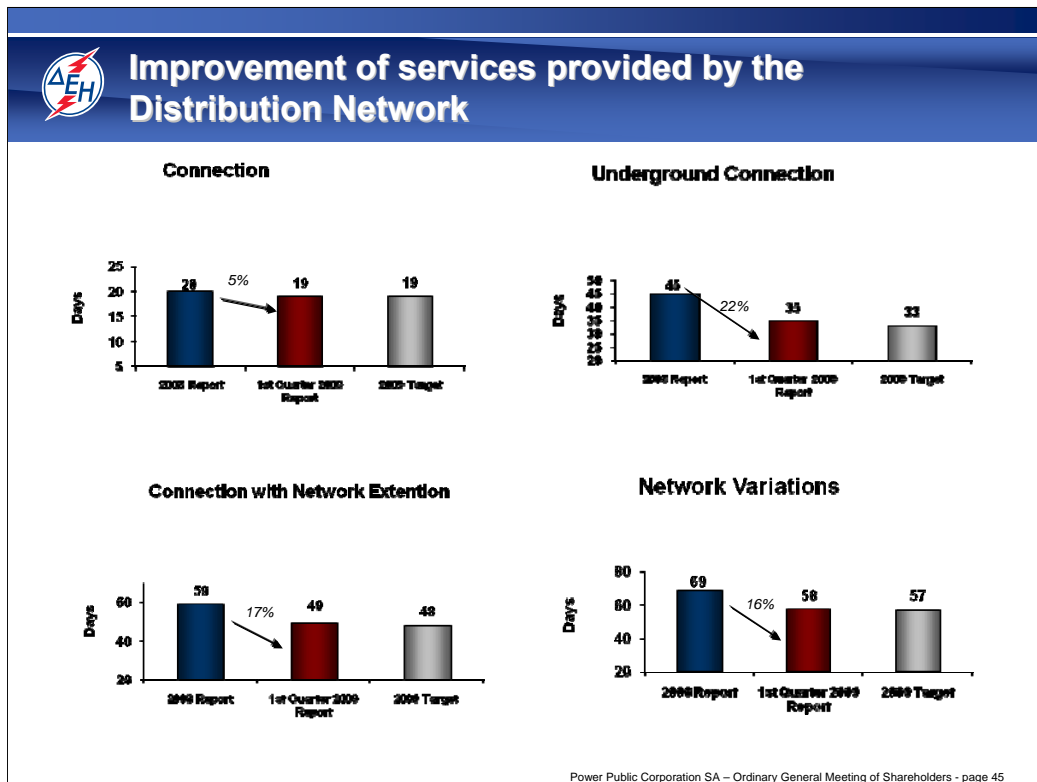
**The installation programme for units on the islands continues.**

**In Crete, after issuing the generation license for new natural gas units of 500MW total capacity, actions are taken in order to acquire the necessary land and to examine alternative natural gas feeding procedures, that is, liquid (LNG) or compressed (CNG).**

**Furthermore, the Public Consultation of the Tender Issues for the 100MW Atherinolakkos thermal power plant burning heavy fuel oil with low sulphur content and capability of firing natural gas, was concluded. The Tender is expected to be called in July, 2009.**

**In April 2009, the construction of the 115MW South Rhodes power plant burning heavy fuel oil with low sulphur content, was awarded.**


**The Regulatory Authority for Energy has issued a positive opinion on the construction of a new power plant burning heavy fuel oil with low sulphur content on Lesvos with a capacity of 120MW.**



In the 1<sup>st</sup> quarter of 2009, we managed to further improve the services provided by the Distribution to the consumers and we have set higher targets for the year.

The average time for the study and construction of a simple connection for a customer decreased from 20 days in 2008 to 19 days in the 1<sup>st</sup> quarter of 2009, while for the underground connection, the decrease is from 45 days in 2008 to 35 days in the 1<sup>st</sup> quarter of 2009, aiming at 33 days to be achieved in the rest of the year.

The average time of connection with network expansion was reduced to 49 days in the 1<sup>st</sup> quarter of 2009 compared to 59 days in 2008. The target is to achieve 48 days in the rest of the year.



## PPC Renewables continues to be active in the RES sector with vigour and innovation

- **Wind Farms**
  - Viotia Wind Farm, 38 MW (in cooperation with EDF EN) – Completion in summer 2009
  - 9 Wind Farms on islands (35 MW) – Construction to begin within 2009
  - Makronesos Wind Farm, 100 MW, Andros, 133 MW (in cooperation with Ailoliki Andros) and Rodopi, 150 MW – Application to the Regulatory Energy Authority
  - North Aegean Islands Wind Farms, 706 MW (in cooperation with Iberdrola) – In early development
- **Small Hydroelectric Power Plants**
  - Ikaria Hybrid, 6.5 MW – Under construction, an innovative project on a pan-European scale which combines wind power, hydro power and pumped storage
  - 8 further projects by 2011 (18 MW)
- **Geothermy**
  - Milos complex (in cooperation with S&B) – In early development
  - Nisiros Geothermal Field– Application to the Regulatory Energy Authority, potential to cover baseload power for 9 islands
  - Lesvos & Methana – Continuation of geotechnical analyses and exploratory drilling
- **Solar**
  - Photovoltaic (PV) panels on roofs
  - PV Park Megalopolis 50 MW – Construction expected to begin in 2010
  - Concentrated Solar Power (CSP) – W. Macedonia 50 MW

**PPC Renewables (a wholly-owned subsidiary of PPC) has 105 MW total installed capacity and a further 89 MW under construction**

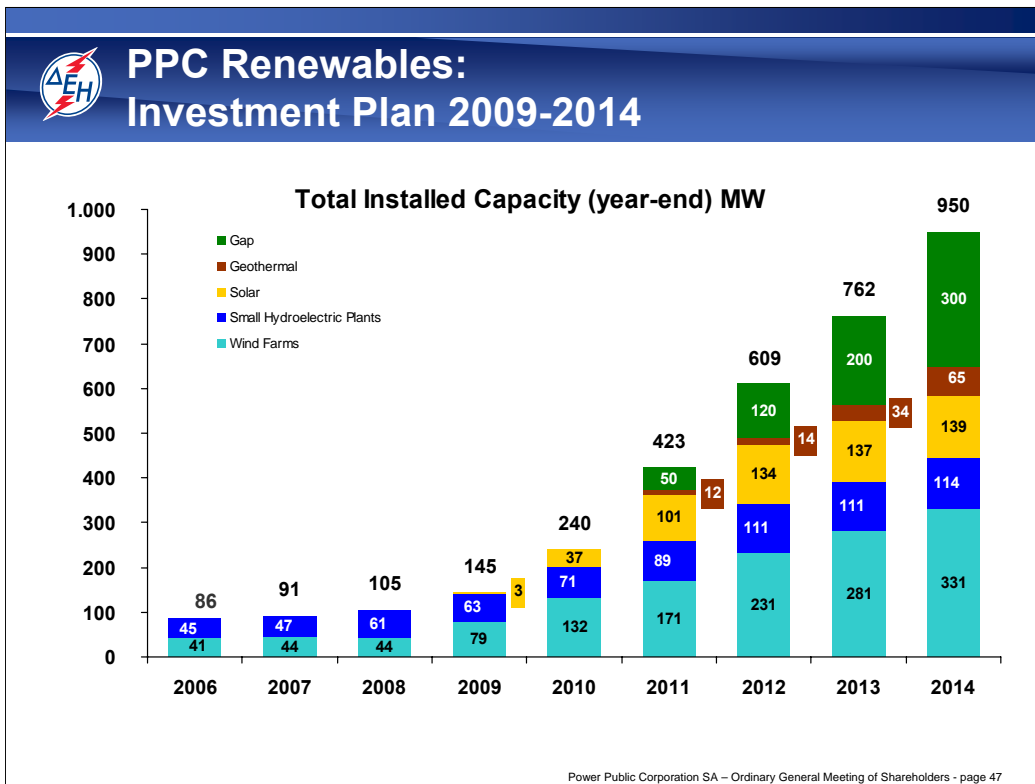
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The Wind Park in Viotia will become operational in the summer of 2009, whereas the construction of 4 Wind Parks in Rhodes, Paros, Lesvos and Lemnos will start in autumn, in order to start operating by the end of the year. Furthermore, we continue studying large projects such as Makronesos, Andros and Rodopi Wind Parks, total capacity 383MW, and, in cooperation with Iberdrola, the N. Aegean Islands Wind Parks, 706 MW.

Upon starting the construction of Ikaria Hybrid Plant, we expect the Small Hydroelectric Power plant of Papadia to start operating within 2009 and 8 more Small Hydroelectric Power Plants, total capacity 18 MW, to become operational until 2011, including the following: Ilarionas, Alatopetra, Mesohora, Ladonas, Kalamas, Makrochori II, Pournari III and Imaret.

We continue our efforts for the development of the geothermal fields of Milos (in cooperation with S&B), Nisiros, Lesvos and Methana for the construction of power units. In April an application was submitted to RAE for a Generation License for a pilot 5MW unit in Nisiros. The exploratory borings continue in Lesvos and the necessary geophysical studies for the better determination of the geothermic potential start again in Methana.

In the photovoltaic sector, in the framework of recent legislation, we have developed an action programme for photovoltaic on the roofs, which has already been implemented in the stations of Greek Thermal Buses SA (ETHEL) and Athens Piraeus Electric Railways (ISAP). The construction of Megalopolis Photovoltaic Park will start when it is disengaged from the State Council. Finally, we are expanding in the wider sector of solar energy with new (for Greece) applications such as Concentrating Solar Power (CSP) for which we are already studying a project of 50 MW power in W. Macedonia.



**The total capacity of the scheduled projects until 2012 comes up to 490 MW. We aspire to achieve approximately 120 MW more until 2012, mainly through joint ventures and acquisitions.**

**Beyond 2012, the company will continue to grow at the same pace with the Renewable Energy Sources Market, aiming at achieving 950 MW until 2014.**



**We signed three new Memoranda of Understanding.**

**More specifically:**


**With the Spanish company Urbaser for the development of projects in relation to energy production from waste, and, in general, the management of urban and industrial waste water.**

**With Restis Group for the:**

**Participation in the tender launched by the government of Montenegro for the partial sale and share capital increase of the state electric utility,  
Development, construction and operation of lignite mines and lignite power plants in Montenegro; and  
Development, construction and operation of RES projects in Greece and Southeast Europe**

**With Bank of Cyprus and Quantum Corporation for the feasibility study for the construction and operation of power plants in Bosnia-Herzegovina.**





**Natural Gas**

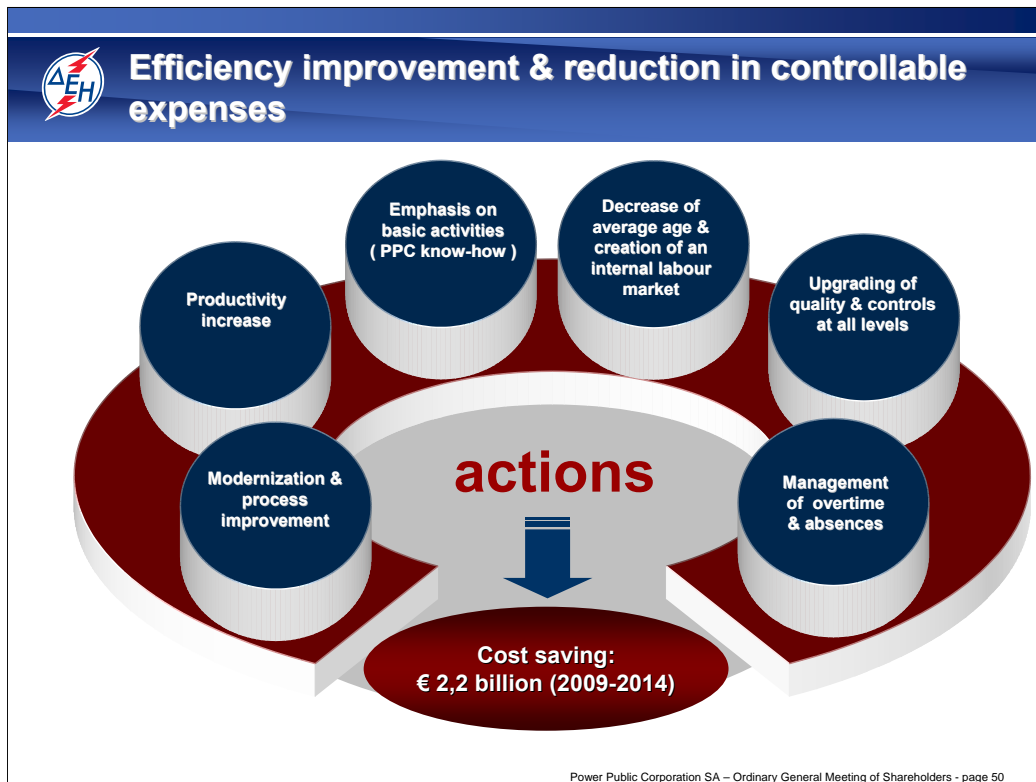
- In 2008, PPC, with 1.966 MW installed capacity in natural gas units, consumed approximately 2.4 bcm of natural gas. This corresponds to approximately 60% of the total domestic consumption.
- In the future, PPC will consume up to 4 bcm of natural gas according to the business plan
- As a result, also following the example of many other electricity producers in Europe, PPC aims at playing an important role in the natural gas market, starting with its expressed interest in exercising its option in DEPA

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**In 2008, PPC, with 1,966 MW installed capacity of natural gas units, consumed approximately 2.4 bln. cubic meters of gas. This corresponds to approximately 60% of the total domestic consumption.**

**PPC in the future will consume up to 4 bln. cubic meters of natural gas in accordance with its business plan.**

**As a result, following the example of many other electricity producers in Europe, PPC aims at playing an important role in the natural gas market starting with its expressed interest for exercising its option in DEPA (Public Gas Corporation SA).**




The cost savings target of 2.2 billion € by 2014 is a fundamental prerequisite in order to ensure that our investment program will be realized. Among the actions that will ensure this are :

- Process reengineering, productivity increase and identification of PPC core activities where there is a competitive know how advantage
- Lowering the age average, by implementing a recruitment scheme of 4.600 people in the near future
- Create an internal labor market, through employee transfer from simple standardized tasks to core activities that add value to the external or internal client
- Manage overtime, absenteeism and other variable payroll components

We have also defined and set out gradual implementation of organizational and functional initiatives that will lead us to efficiency increases and reduction of controllable expenses.

Each PPC Business Unit has a specific cost saving target, together with an action plan of functional initiatives to achieve it. There are also transversal organizational actions affecting the whole Company, such as procurement and material management processes improvements.



## Development of Human Resources

- Establishing a performance management system and setting targets for each manager in line with the Company's business plan
- Application of post rotation for the managers in order to increase the internal efficiency of the Company and to facilitate continuous improvement and development of human capital
- Enhancing managers' abilities in the evaluation of their subordinates
- Establishing a relocation policy for managers

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**In parallel, we apply processes that will assist us to better manage and develop our human resources. Particularly:**

**-Establishing performance management processes for all executives, and setting individual goals for each one of them, in order to support the Business Plan**

**- Implementing job rotation for the executives, so as to increase the internal efficiency and to ensure continuous improvement and development of our executives' potential**

**- Strengthening the executives' competences to improve performance management skills**

**- Defining a job transfer policy, so as to achieve, the overall development for the executives and the transplanting of best practices among the Company units**



**All the things that were implemented in 2008 as well as the ones to be implemented in 2009 are, indeed, very small steps towards the implementation of our vision: to become the most admired energy company in Europe. We envisage PPC as a National Champion, with significant presence in Southeast Europe.**

**We will continue to work hard in order to acquire the dynamics and become able to conquer such a challenging position. Our goal is to achieve sustainable development, by satisfying at the same time the demands of all interesting parties in a balancing way.**

**PPC must become a dynamic, modern and competitive enterprise with customer-centric orientation.**

**The intended cost reduction will contribute to the financing of our investments and will make the improvement of the services provided to our customers feasible, securing over time low energy prices.**

**Thank you for your attention.**



## DISCLAIMER

***Some of the information contained herein includes forward-looking statements. It is noted that the Company is subject to various risks, which, among other, relate to \$/€exchange rate, oil, natural gas and electricity prices as well as the price of CO2 emission rights that could cause actual results to differ materially from those anticipated in the forward-looking statements.***