Public Power Corporation SA

Financial Results
9 months 2012

Athens, November 27, 2012

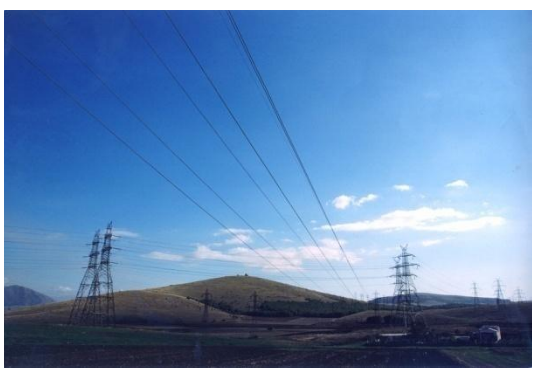
Agenda

Financial Results

George Angelopoulos, CFO

Business Update & Outlook

Arthouros Zervos, Chairman and CEO



Financial Results
9M 2012

George Angelopoulos

Chief Financial Officer

Summary Financial Results 9M2012 / 9M2011

Key Figures - Group (€ mln.)	9M2012	9M2011	Δ	Δ%
Total Revenues (*)	**4,563.7**	**4,199.8**	***363.9***	***8.7***
Revenues from Energy Sales	4,347.5	3,760.1	*587.4*	*15.6*
Energy Sales (GWh)	*39,947*	*37,414*	*2,533*	*6.8*
Payroll Expense	705.5	837.7	*(132.2)*	*(15.8)*
Liquid Fuel	743.9	622.9	*121.0*	*19.4*
Special Consumption Tax	*140.3*	*137.9*	*2.4*	*1.7*
Natural Gas (**)	370.6	325.5	*45.1*	*13.9*
Special Consumption Tax	*43.0*	*5.0*	*38.0*	
Energy Purchases	1,331.4	751.8	*579.6*	*77.1*
Variable cost recovery mechanism	*211.6*	*88.7*	*122.9*	*138.6*
Transmission System Charges (*)	77.3	229.4	*(152.1)*	*(66.3)*
Other Operating Expenses (controllable)	419.5	422.8	*(3.3)*	*(0.8)*
Provisions	229.5	95.5	*134.0*	*140.3*
One-off settlement of outstanding issues with DEPA up to 31.12.2011	191.7			
EBITDA	**813.8**	**794.7**	***19.1***	***2.4***
EBITDA MARGIN (%)	**17.8%**	**18.9%**		
Depreciation	480.8	505.5	*(24.7)*	*(4.9)*
Net Financial Expenses	176.7	129.9	*46.8*	*36.0*
Financial expenses	*208.2*	*164.8*	*43.4*	*26.3*
Financial income	*31.5*	*34.9*	*(3.4)*	*(9.7)*
EBT	**156.7**	**138.4**	***18.3***	***13.2***

(*) The transaction between Parent Company and IPTO concerning Transmission System Charges is an intragroup transaction and is cleared, thus affecting Total Revenues as well as Transmission System Charges. This does not apply to 9M2011 figures, as the spin-off of the Transmission segment had not been finalised at that time.

(**) The positive impact in 9M2012 of the new supply contract with DEPA amounts to € 14.1 m,

The increase in revenues from energy sales by 15.6%, the decrease in payroll expense by 15.8%, coupled with the one-off settlement of outstanding financial issues with DEPA up to 31.12.2011, led to a 2.4% increase in EBITDA, despite the increase in the energy balance cost by 31.4%.

Summary Financial Results 3Q2012 / 3Q2011

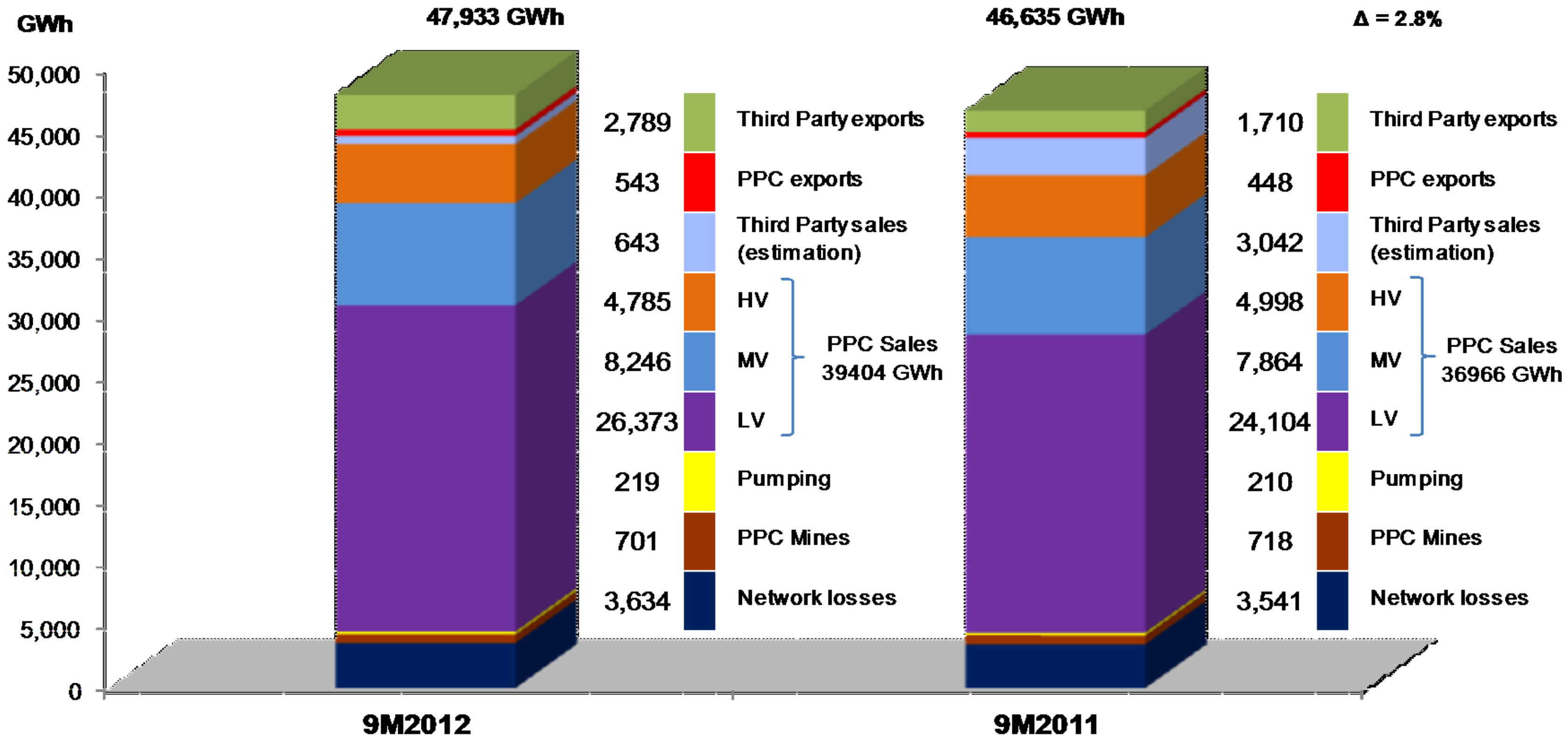
Key Figures - Group (€ mln.)	3Q2012	3Q2011	Δ	Δ%
Total Revenues (*)	**1,625.7**	**1,488.3**	***137.4***	***9.2***
Revenues from Energy Sales	1,545.0	1,331.3	*213.7*	*16.1*
Energy Sales (GWh)	*14,937*	*13,814*	*1,123*	*8.1*
Payroll Expense	226.9	280.3	*(53.4)*	*(19.1)*
Liquid Fuel	306.0	284.9	*21.1*	*7.4*
Special Consumption Tax	*62.1*	*66.3*	*(4.2)*	*(6.3)*
Natural Gas (**)	114.6	128.3	*(13.7)*	*(10.7)*
Special Consumption Tax	*13.9*	*5.0*	*8.9*	
Energy Purchases	519.2	300.0	*219.2*	*73.1*
Variable cost recovery mechanism	*86.9*	*48.4*	*38.5*	*79.5*
Transmission System Charges (*)	47.8	78.4	*(30.6)*	*(39.0)*
Other Operating Expenses (controllable)	159.8	150.3	*9.5*	*6.3*
Provisions	87.1	41.7	*45.4*	*108.9*
One-off settlement of outstanding issues with DEPA up to 31.12.2011	191.7			
EBITDA	**330.4**	**190.9**	***139.5***	***73.0***
EBITDA MARGIN (%)	**20.3%**	**12.8%**		
Depreciation	161.4	170.0	*(8.6)*	*(5.1)*
Net Financial Expenses	59.8	48.2	*11.6*	*24.1*
Financial expenses	*69.7*	*59.5*	*10.2*	*17.1*
Financial income	*9.9*	*11.3*	*(1.4)*	*(12.4)*
EBT	**109.8**	**-47.0**	***156.8***	***(333.8)***

(*) The transaction between Parent Company and IPTO concerning Transmission System Charges is an intragroup transaction and is cleared, thus affecting Total Revenues as well as Transmission System Charges. This does not apply to 3Q2011 figures, as the spin-off of the Transmission segment had not been concluded at that point.

(**) The retroactive reduction as of 1.1.2012 of Natural Gas prices, has a positive impact of € 14.1 m, which was recorded in 3Q2012. The actual proportion of this amount for 3Q2012 is € 4.5 m.

Excluding the positive impact from the one-off settlement agreement with DEPA, 3Q2012 EBITDA is reduced by 27.3%, as the increase in total revenues was counterbalanced by the increase of the wholesale market cost (also due to distortions associated with the variable cost recovery mechanism) as well as and the increase of provisions.

Electricity Demand 9M2012 / 9M2011



PPC domestic sales :	39,404 GWh
Market share (estimation) :	98.4%

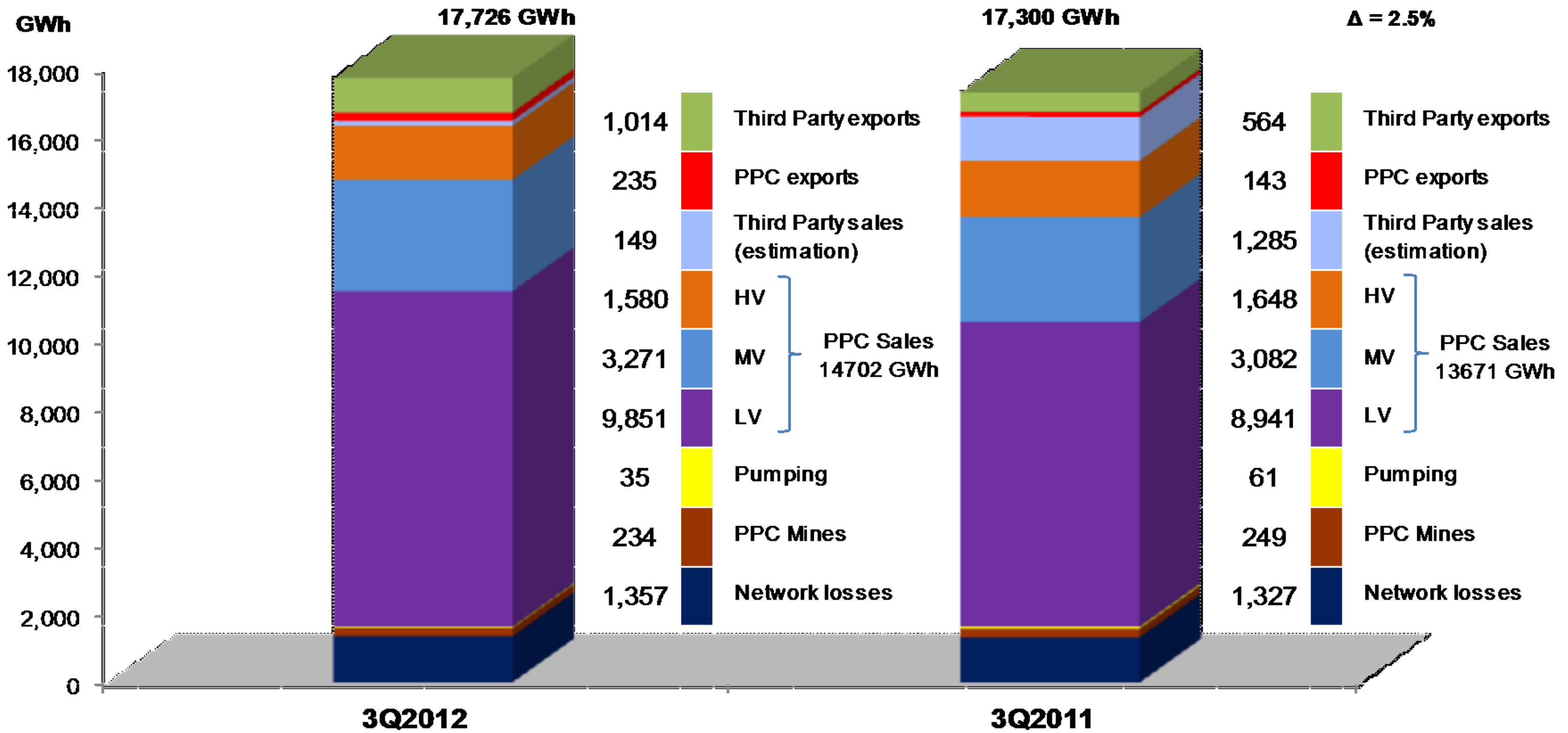
PPC domestic sales :	36,966 GWh
Market share (estimation) :	92.4%

PPC exports:	543 GWh
Market share on exports :	16.3%

PPC exports:	448 GWh
Market share on exports :	20.8%

Total electricity demand increased between the two periods by 2.8%. Excluding pumping and exports , the increase of electricity demand is limited to 0.3% % (115 GWh). The increased demand combined with PPC's market share recovery in the retail market by 6 percentage points, resulted in an increase in PPC's domestic sales by 6.6% (2,438 GWh).

Electricity Demand 3Q2012 / 3Q2011



PPC domestic sales :	14,702 GWh
Market share (estimation) :	99.0%

PPC domestic sales :	13,671 GWh
Market share (estimation) :	91.4%

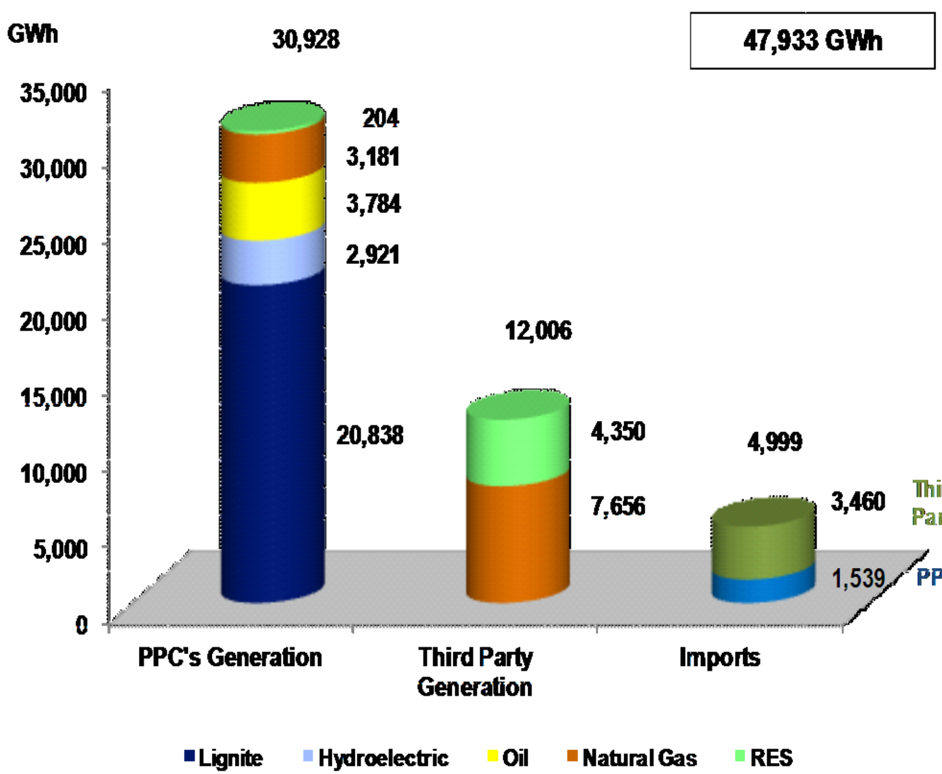
PPC exports:	235 GWh
Market share on exports :	18.8%

PPC exports:	143 GWh
Market share on exports :	20.2%

Total electricity demand increased by 2.5% between 3Q2012 and 3Q2011. Excluding pumping and exports, demand decreased by 0.5% (-90 GWh) driven by the sharp decrease in September 2012 compared to August 2012 by 19.5%. PPC's market share recovery in the retail market by 7.6 percentage points, resulted in an increase in PPC's domestic sales by 7.5% (1,031 GWh).

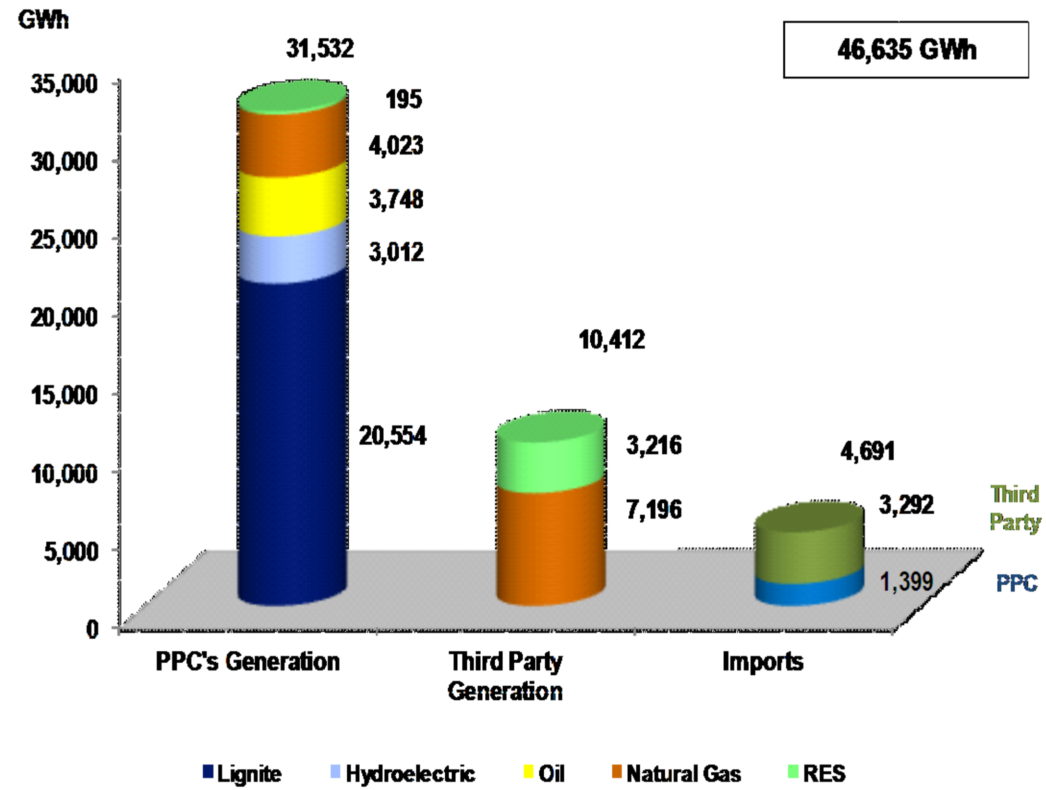
Electricity Generation and Imports 9M2012 / 9M2011

9M2012



PPC generation: 30,928 GWh	PPC imports: 1,539 GWh
Market share on generation: 72.0%	Market share on imports: 30.8%

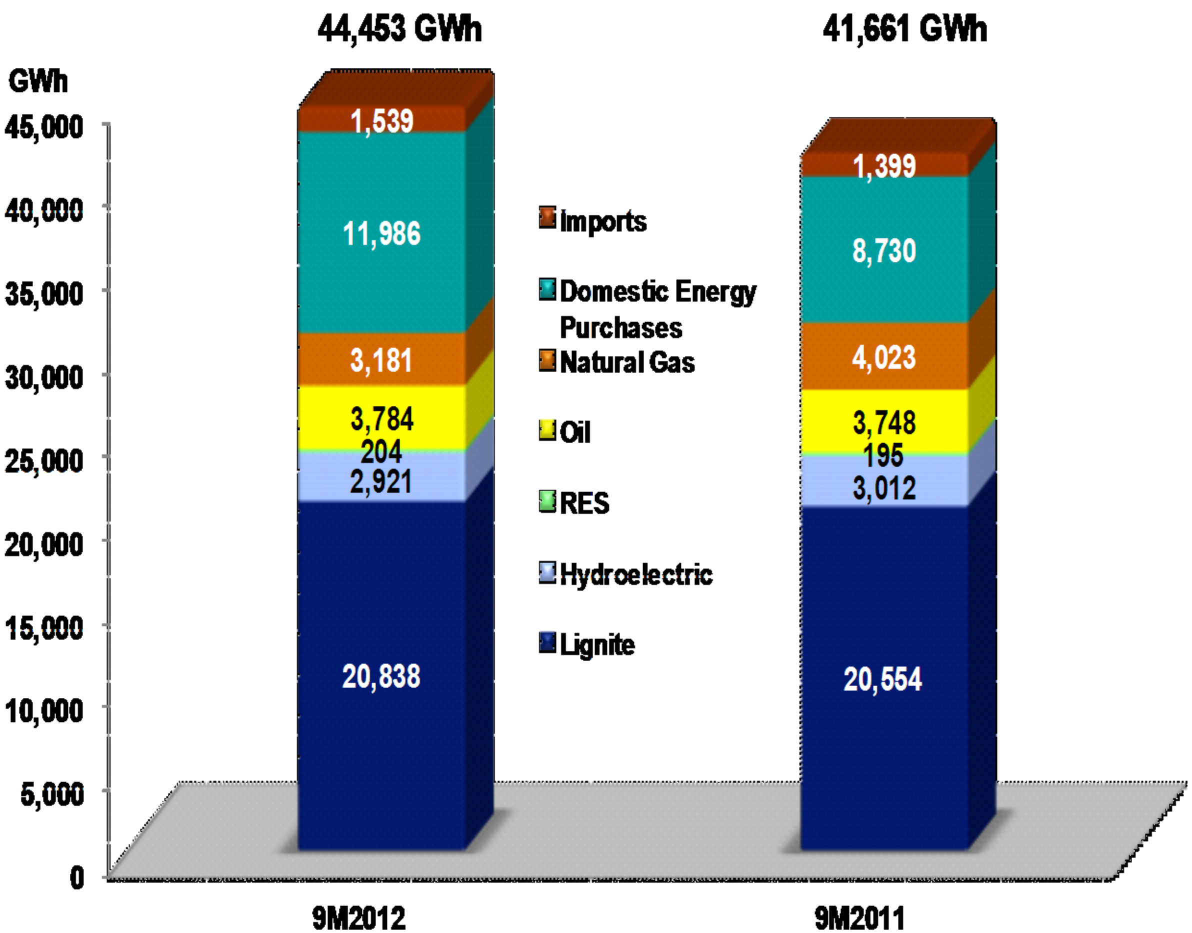
9M2011



PPC generation: 31,532 GWh	PPC imports: 1,399 GWh
Market share on generation: 75.2%	Market share on imports: 29.8%

In 9M2012, PPC's electricity generation and imports, covered 67.7% of total demand, while the corresponding percentage in 9M2011 was 70.6%.

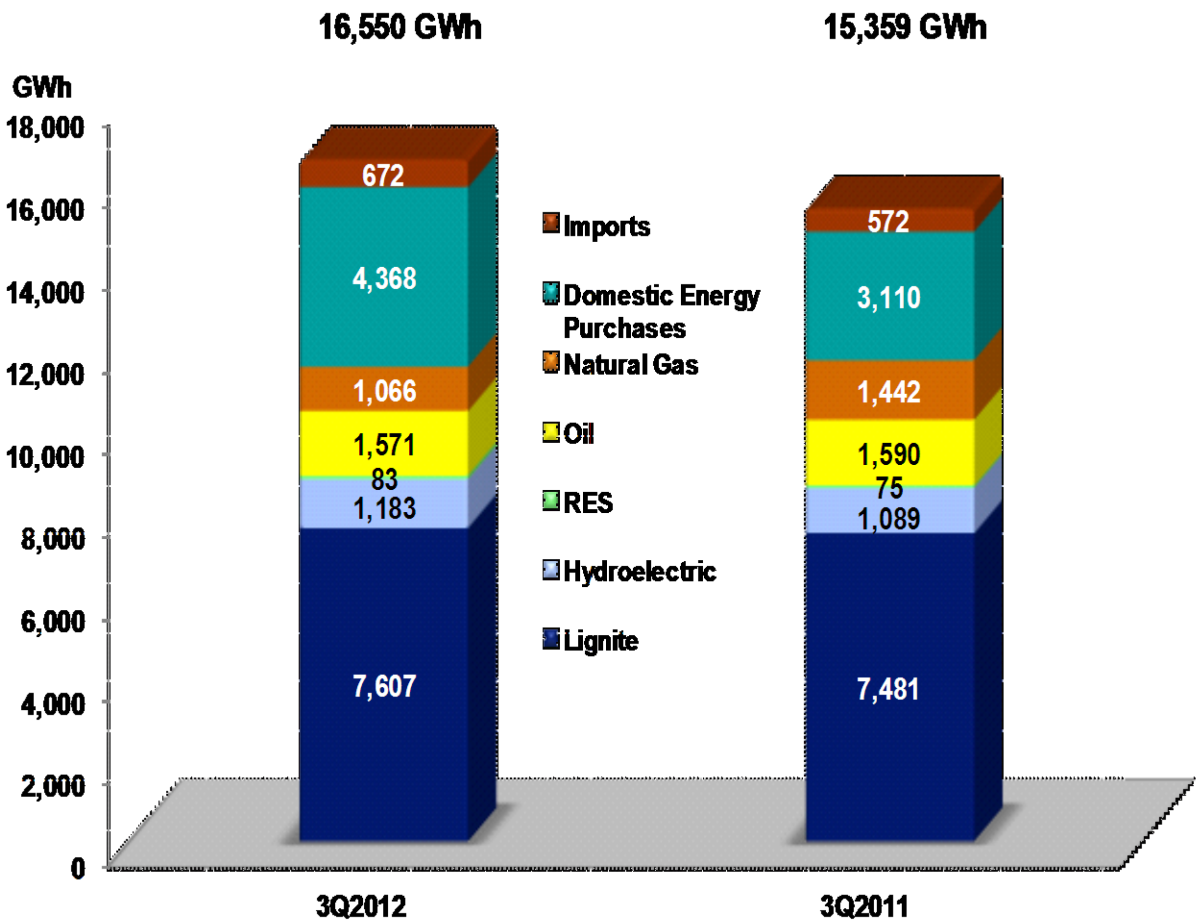
PPC/ Energy Generation and Purchases (GWh) 9M2012 / 9M2011



	TOTAL	Δ GWh	Δ %	% Participation	
		2,792	6.7%	9M2012	9M2011
PURCHASES	Imports	140	10.0%	3.5%	3.4%
	Domestic Energy Purchases	3,256	37.3%	27.0%	21.0%
IMPORTED FUELS	Natural Gas	-842	-20.9%	7.2%	9.7%
	Oil	36	1.0%	8.5%	9.0%
DOMESTIC FUELS	RES	9	4.6%	0.5%	0.5%
	Hydroelectric	-91	-3.0%	6.6%	7.2%
	Lignite	284	1.4%	46.9%	49.3%
TOTALS	PURCHASES			30.4%	24.3%
	IMPORTED FUELS			15.7%	18.7%
	DOMESTIC FUELS			53.9%	57.0%

Despite a very small increase of electricity generation from lignite by 1.4% (284 GWh), it must be noted that the percentage participation of lignite in PPC's total energy mix declined to 46.9% vs 49.3% for 9M2011.
Energy purchases from the System and the Network increased by 37.3% (3,256 GWh).
Hydro generation decreased by 3% (-91 GWh) between the two periods.

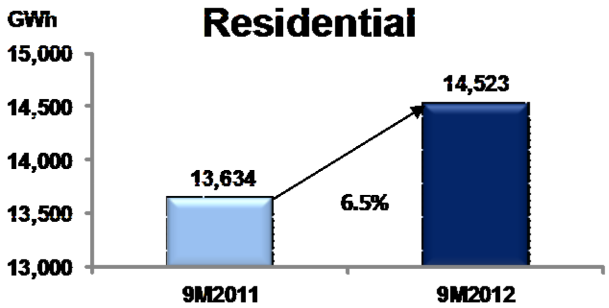
PPC/ Energy Generation and Purchases (GWh) 3Q2012 / 3Q2011

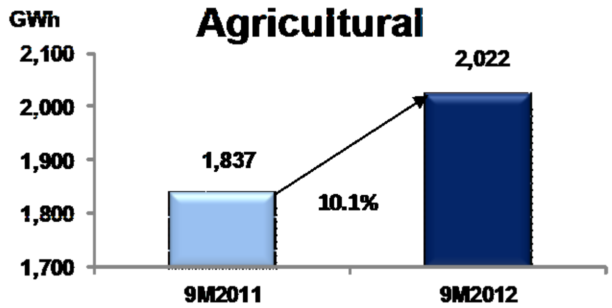


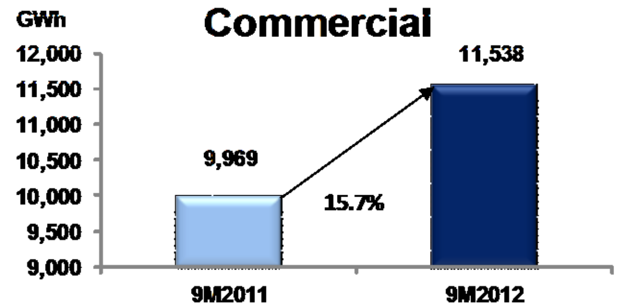
	TOTAL	Δ GWh	Δ %	% Participation	
		1,191	7.8%	3Q2012	3Q2011
PURCHASES	Imports	100	17.5%	4.1%	3.7%
	Domestic Energy Purchases	1,258	40.5%	26.4%	20.2%
IMPORTED FUELS	Natural Gas	-376	-26.1%	6.4%	9.4%
	Oil	-19	-1.2%	9.5%	10.4%
DOMESTIC FUELS	RES	8	10.7%	0.5%	0.5%
	Hydroelectric	94	8.6%	7.1%	7.1%
	Lignite	126	1.7%	46.0%	48.7%
TOTALS			PURCHASES	30.5%	24.0%
			IMPORTED FUELS	15.9%	19.7%
			DOMESTIC FUELS	53.6%	56.3%

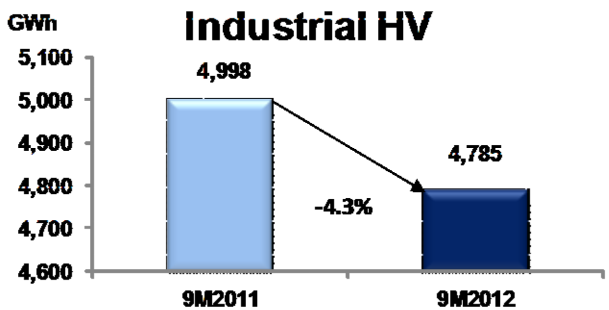
In 3Q2012, electricity generation from lignite increased by 1.7% (126 GWh) compared to 3Q2011. During the same period, the percentage participation of lignite in PPC's total energy mix amounted to 46% vs 48.7% for 3Q2011.
Energy purchases from the System and the Network increased by 40.5% (1,258 GWh).
Hydro generation increased by 8.6% (94 GWh) between the two periods.

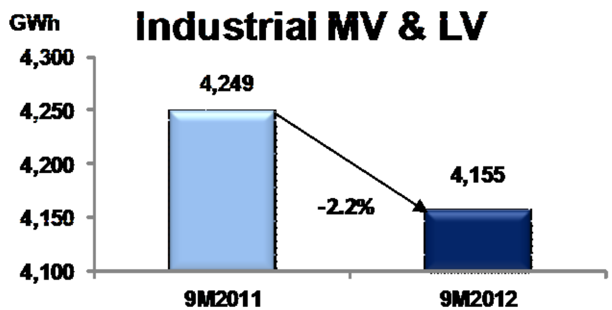
Electricity Sales (GWh) 9M2012 / 9M2011

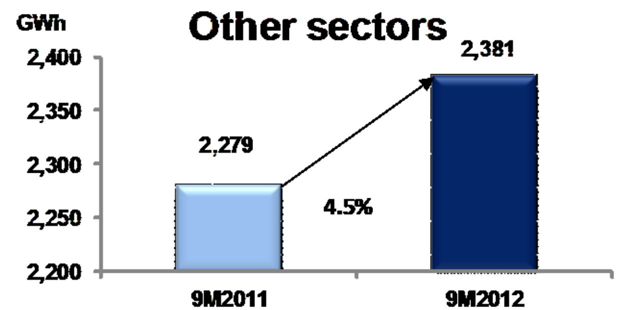


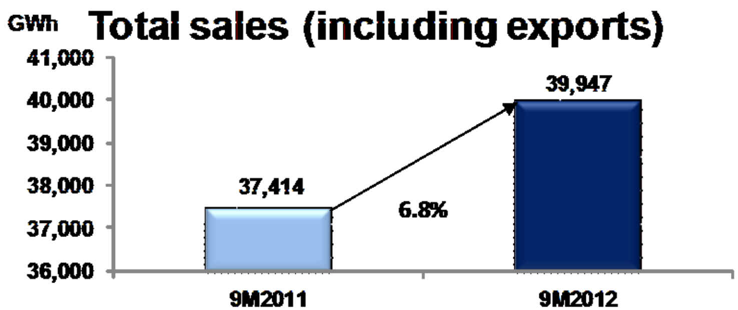






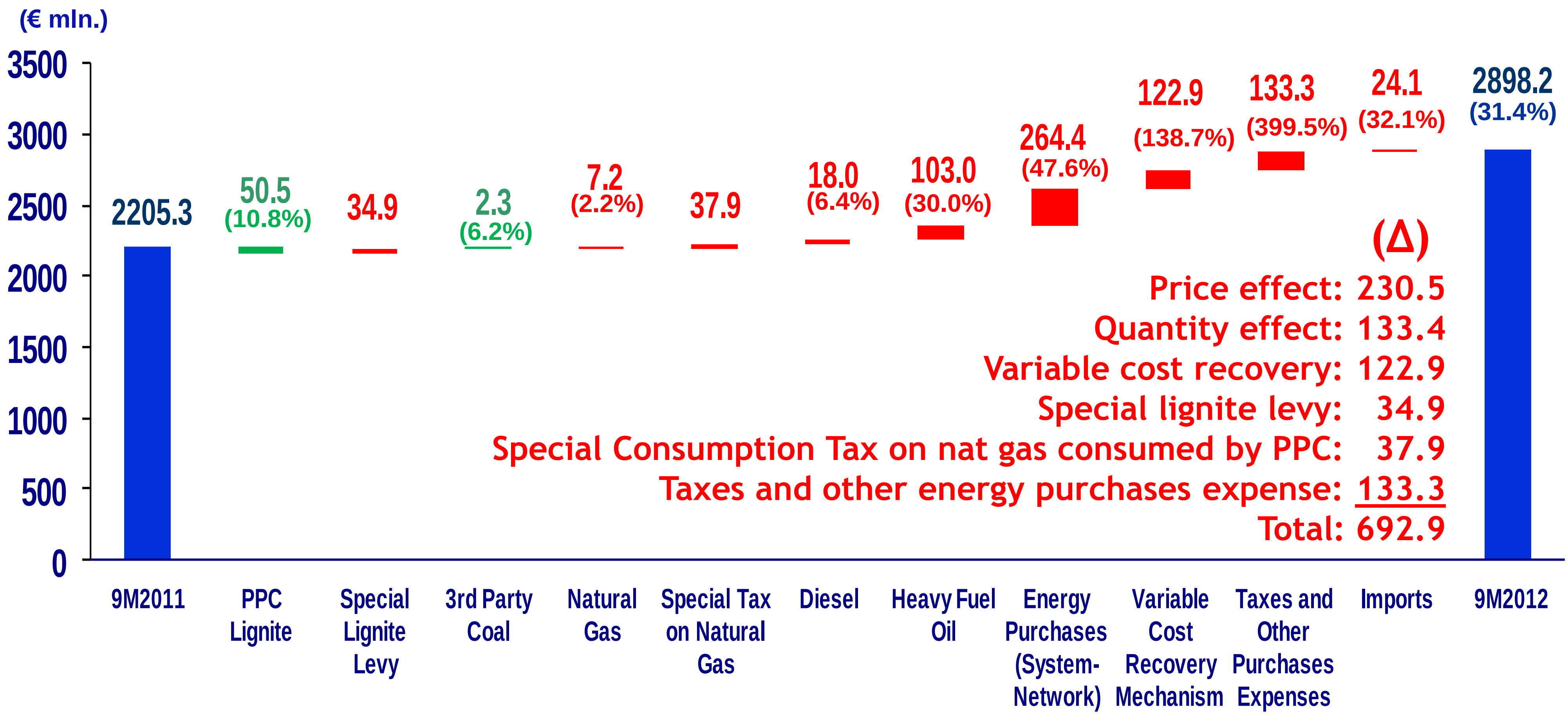






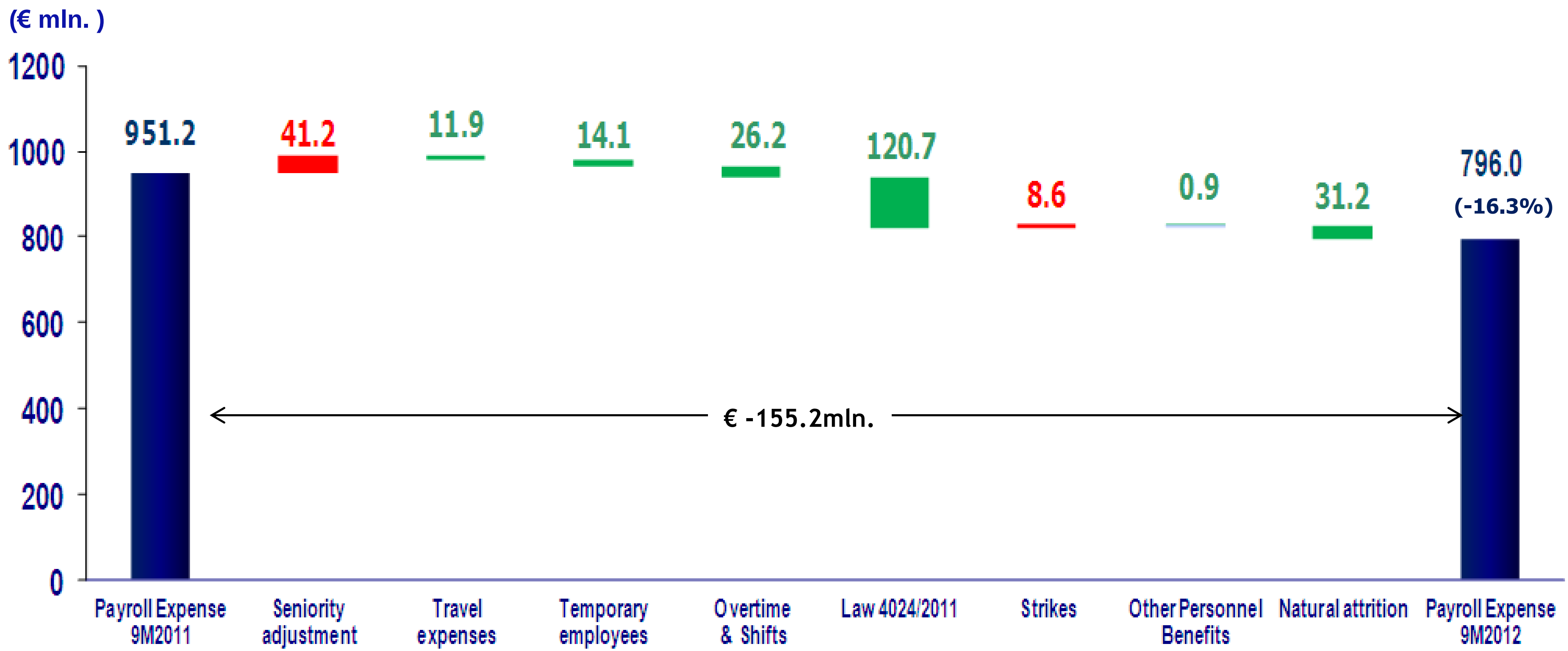
In 9M2012, PPC's electricity sales, including exports, increased by 6.8% (2,533 GWh) compared to the respective period of 2011. Excluding exports the increase amounts to 6.6% (2,438 GWh).

Total fuel and energy purchases expenditure 9M2012 / 9M2011



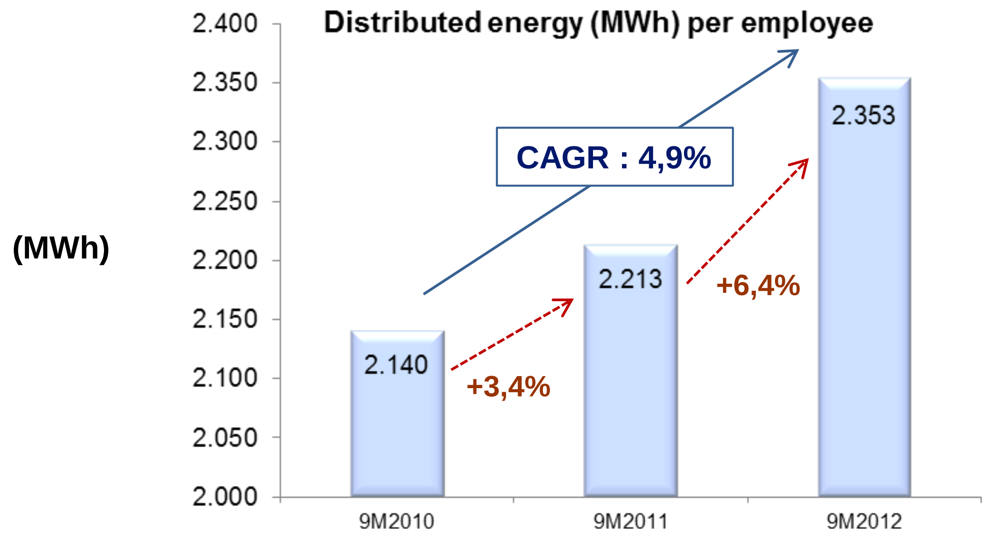
Total fuel and energy purchases expense increased by 31.4% compared to 9M2011, mainly driven by the higher expense for energy purchases and imports, including the negative impact form the variable cost recovery for third parties, the imposition of a Special Consumption Tax on natural gas since September 2011 and the imposition of the special lignite levy.

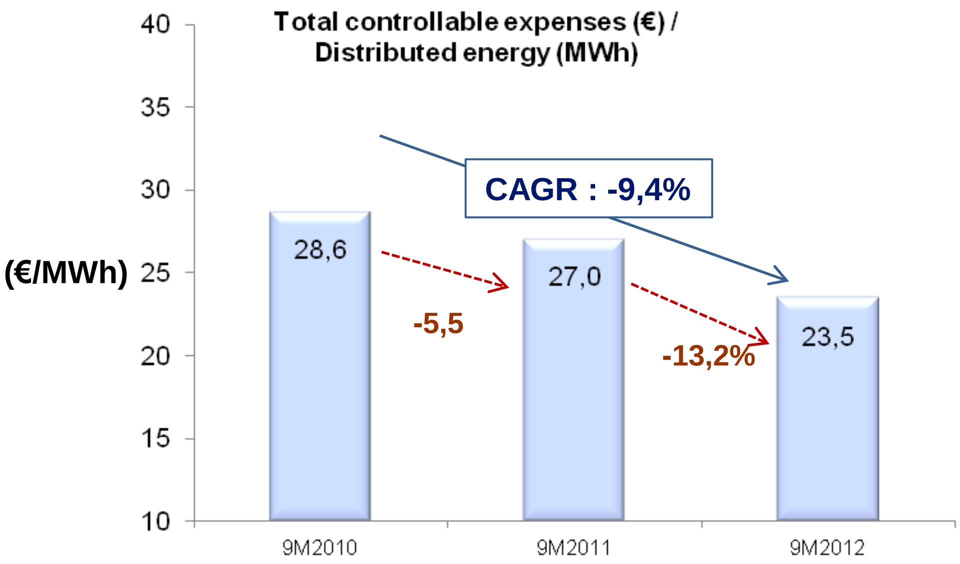
Total Payroll evolution (including capitalized payroll expenses)

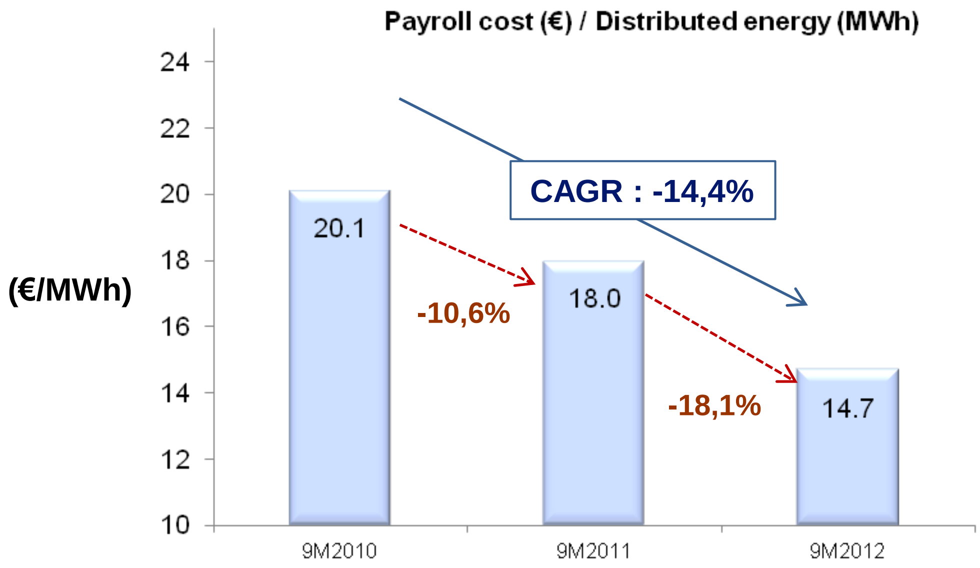


The total reduction of payroll cost, including capitalized payroll, between the two periods amounts to € 155.2 m (-16.3%).

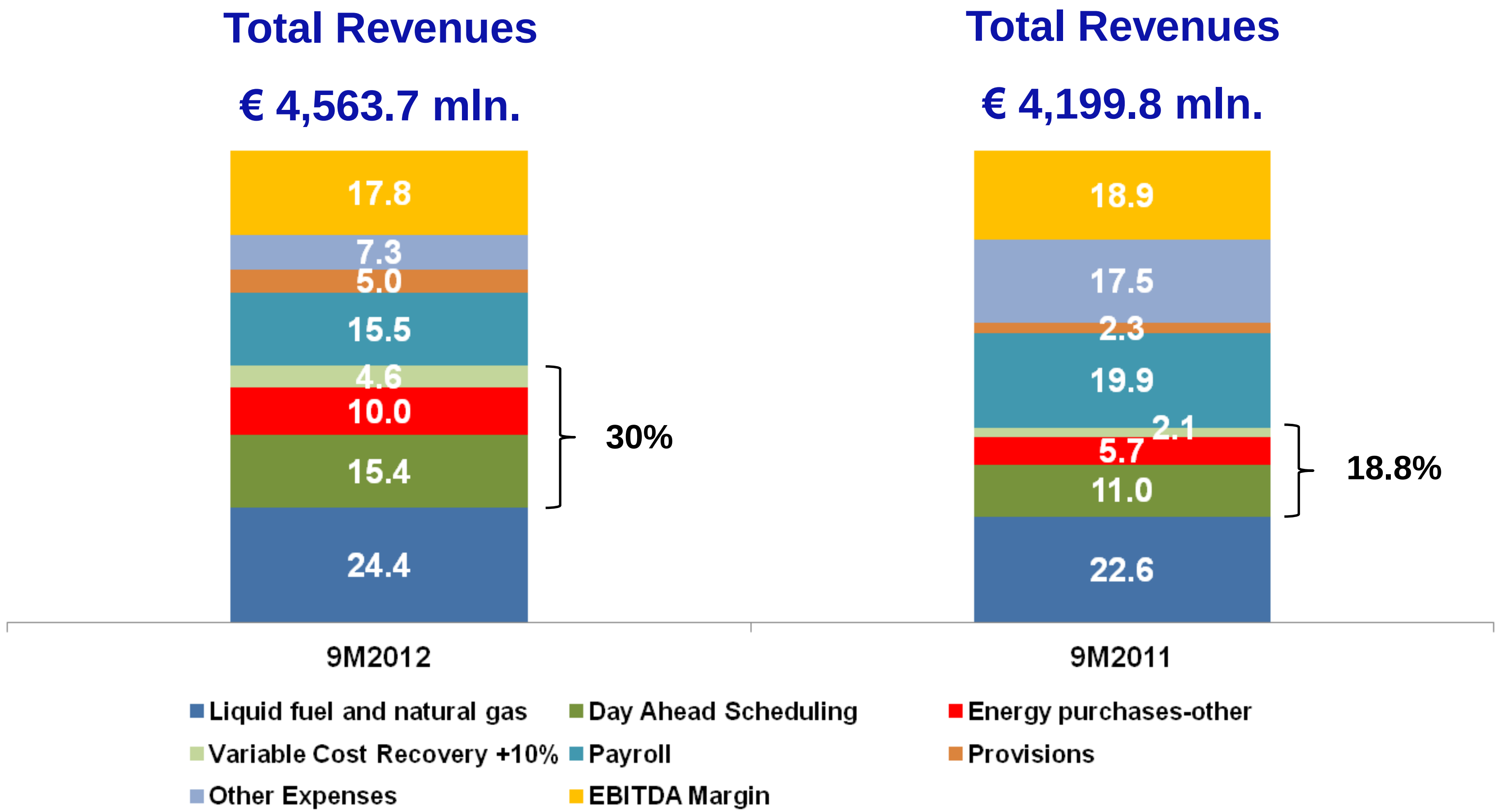
Productivity Improvement







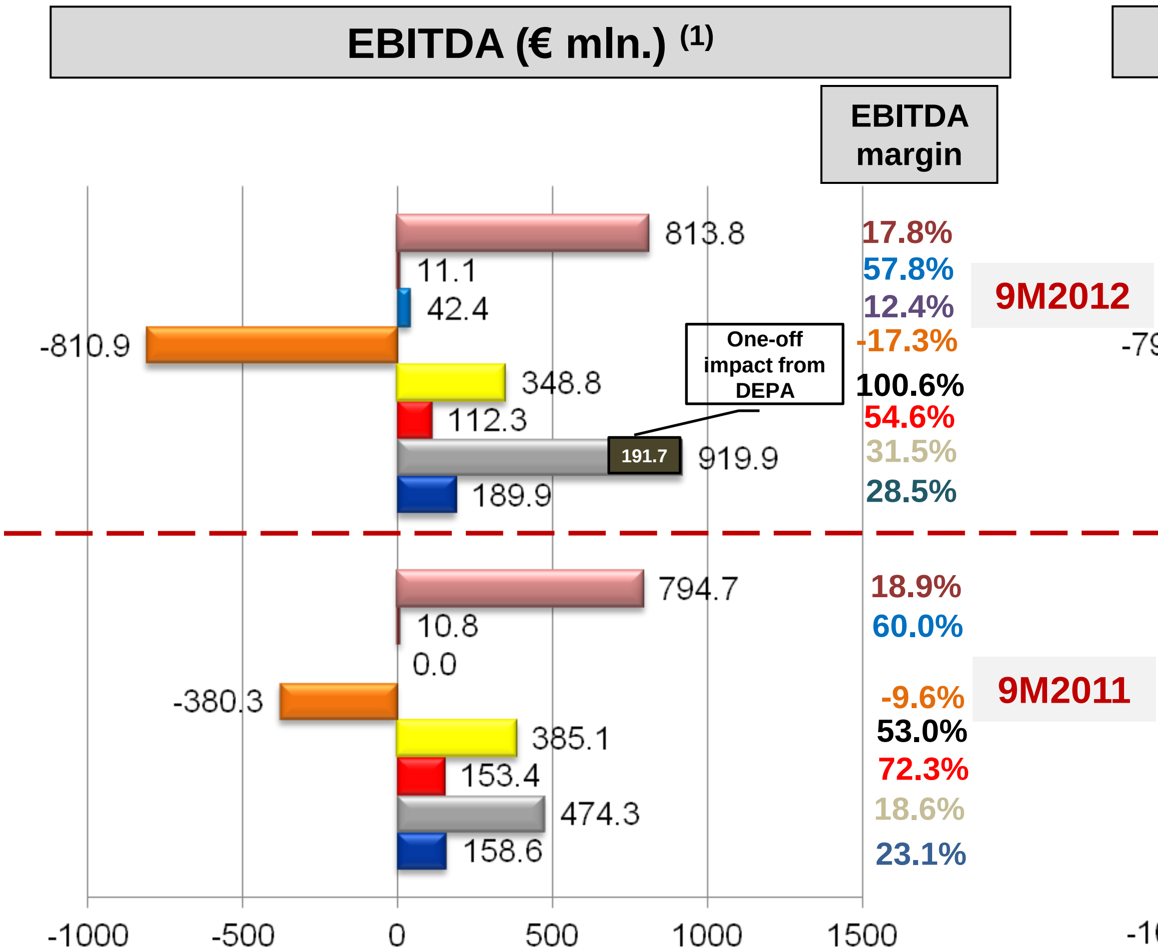
Fuel, CO2, other expenses and EBITDA as percentage of revenues (9M2012 / 9M2011)

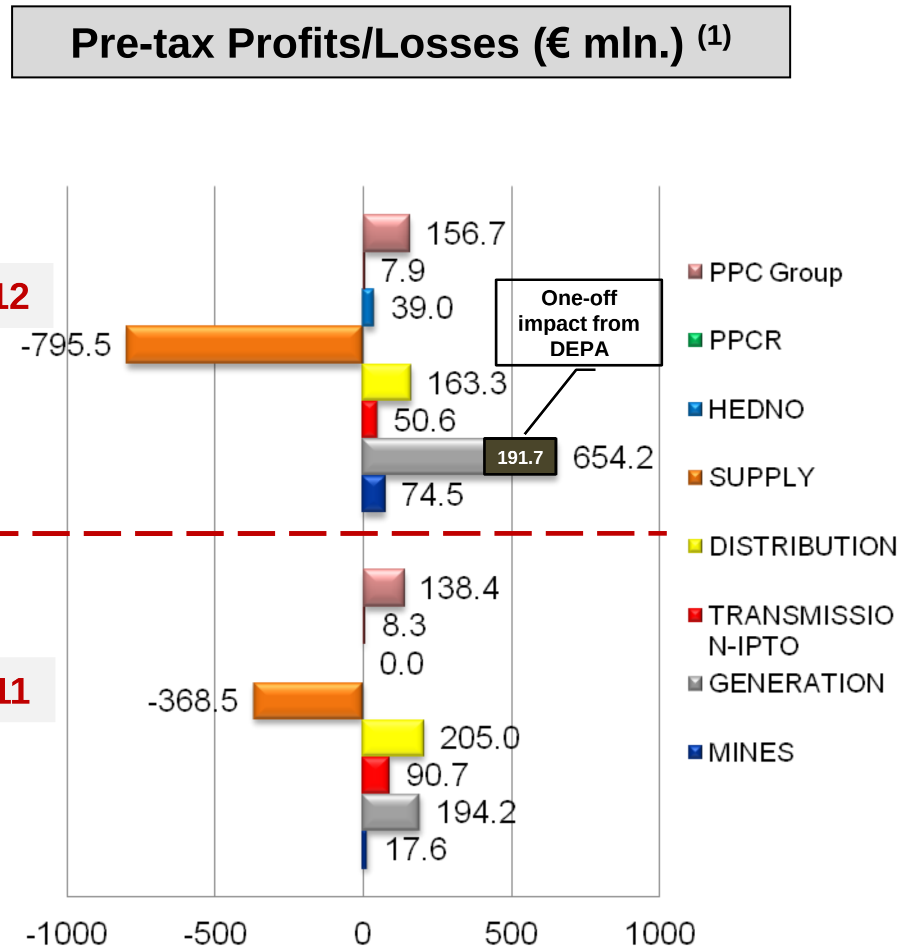


In 9M2012, 54.4% of the Company's total revenues were expensed for fuel and energy purchases compared to 41.4% in 9M2011. This increase is mainly due to the increase of the percentage of energy purchase expenses to 30% from 18.8%. Provisions, as a percentage of revenues, more than doubled in 9M2012, from 2.3% to 5%. On the contrary, payroll expense percentage was reduced to 15.5% compared to 19.9% in 9M2011. EBITDA margin deteriorated to 17.8% versus 18.9% in 9M2011.

- ***Other expenses of 9M2012 include the positive impact of € 191.7 m from the settlement with DEPA***

Financial results per activity





(1) Including the respective figures of the Distribution System Operator and the Operator of the non interconnected islands.

Capex – Net Debt Evolution – Liquidity

- **Capital expenditure in 9M2012 amounted to € 648.7 mln. compared to € 875.8 mln. in 9M2011, reduced by € 227.1 mln, while, as a percentage of total revenues there was a decline to 14.2% from 20.9%. Excluding network users' contributions for their connection to the network (€90.1 mln. and € 91.1 mln. in 9M2012 and 9M2011 respectively), which fund a part of distribution projects, capital expenditure amounted to 12.5% and 19.1% of total revenues in 9M2012 and 9M2011 respectively.**
- **Net debt amounted to € 4,706.6 mln., remaining practically at the same level compared to 31/12/2011 (€ 4,702.7 mln.).**
- **Debt repayment in 9M2012 amounted to € 190 mln. and debt refinancing amounted to € 832.5 mln.**
- **Available Lines as of 30/9/2012 : € 433 mln. On 22.11.2012, we signed a second finance contract with the European Investment Bank for the new CCGT unit under construction in Megalopolis.**
- **In addition, cash deposits : € 379.4 mln.**

Business Review
& Outlook

Arthouros Zervos

Chairman and CEO

Public Power Corporation S.A.

Major operational & legislative developments (1/2)

Judgments of the EU General Court on lignite case

- In September 2012, the General Court of the European Union annulled the two European Commission decisions of the "Greek lignite" case, concerning lignite exploitation rights.
- The main reason for the annulment of these decisions was that the European Commission did not prove that PPC abuses its dominant position in the market.
- As a result, no EU competition law infringement exists anymore, and thus no remedy is needed.
- The judgments of the General Court of the European Union are undoubtedly key milestones for the Greek electricity market and differentiate significantly the terms and the path for the further opening up of the electricity market.
- Further liberalisation of the Greek electricity market should be implemented by fully respecting the rule of Law and promote healthy competition amongst all participants as well as include all sectors of the electricity market (wholesale and retail), aiming at the benefit of the end-consumer and the economy.

Major operational & legislative developments (2/2)

DEPA

The Extraordinary General Assembly Meeting of the Company's Shareholders which was held on 4.10.2012 approved :

- **the new Gas Supply Contract between PPC S.A. and DEPA S.A. which allows for adjusted lower pricing valid retroactively from 1.1.2012.**
- **the Settlement Agreement of all pending disputes between PPC S.A. and DEPA S.A. and**
- **the Agreement between PPC and Hellenic Republic Asset Development Fund in relation to PPC's Option in DEPA S.A.**

Major developments – Regulatory issues

Public consultation for the reorganization of the wholesale electricity market

On 8.11.2012, the Regulatory Authority for Energy (RAE) set into public consultation until November, 30^{th}, 2012, the study for the reorganization of the wholesale electricity market, within the framework of the transition of the Greek electricity market towards the EU Target Model.

Amongst others, the study presents and evaluates 3 alternative options:

1) Adaptation of the current Greek model ("Adaptation Option")
   Adaptation of the current model of the wholesale electricity market, with the minimum required changes in order to be compliant with the Target Model.

2) The North Western European Power Exchange model ("NWE Option")
   Complete change of the current model of the wholesale electricity market, with the abolition of the Day Ahead Schedule (DAS), as well as of the Variable Cost Recovery Mechanism and the Capacity Assurance Mechanism. Transactions will be conducted only through bilateral contracts and through the operation of a balancing mechanism.

3) A Hybrid model ("Hybrid Option")
   Adoption of a hybrid model, eg like the one in Spain, with a voluntary pool, as a supplementary mechanism for the units that have not entered into bilateral contracts in order to have access to the market.

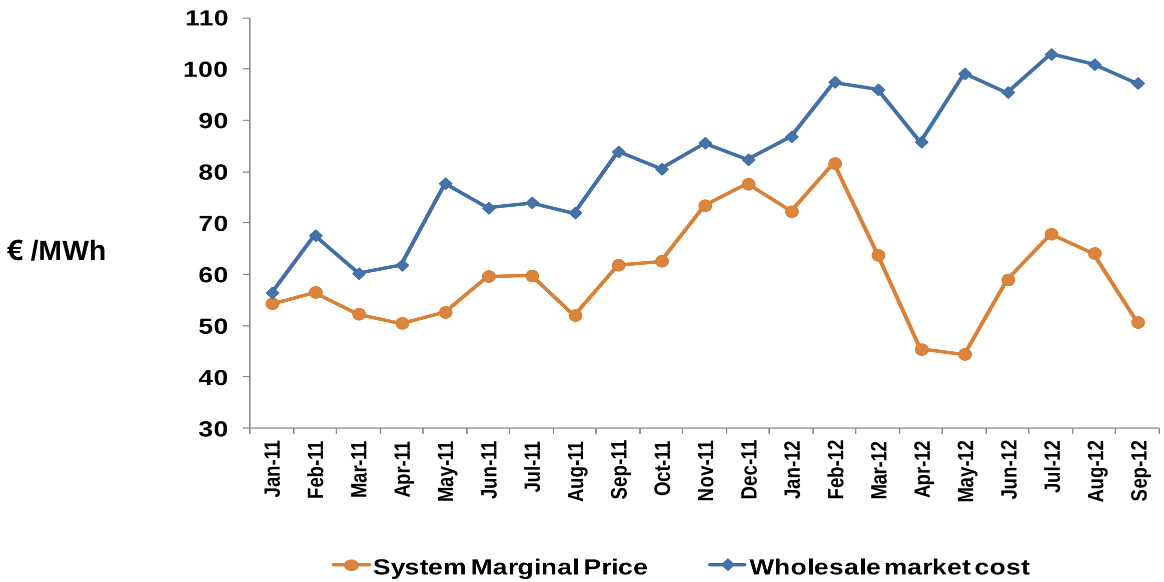
Comments on Financial results (1/2)

- ✓The financial results of the third quarter were positively impacted by €191.7 m. from the resolution of financial issues with DEPA that have been outstanding for more than four years, as well as € 14.1 m from the signing of the new natural gas supply contract which allows for adjusted lower pricing valid retroactively from 1.1.2012. Excluding the one-off positive impact from the settlement with DEPA, the Parent Company’s financial results are negative, as they continue to be significantly impacted by exogenous factors.

- ✓Total controllable operating expenses were further reduced by 10.2% compared to the third quarter of 2011, positively impacting financial results by € 43.9 m. Furthermore, total controllable operating expenses, as a percentage of total revenues, decreased to 23.8% versus 28.9% in the third quarter of 2011, while payroll cost per distributed KWh declined by 21%, following the further reduction of total payroll cost by € 155.2 m.

Comments on Financial results (2/2)

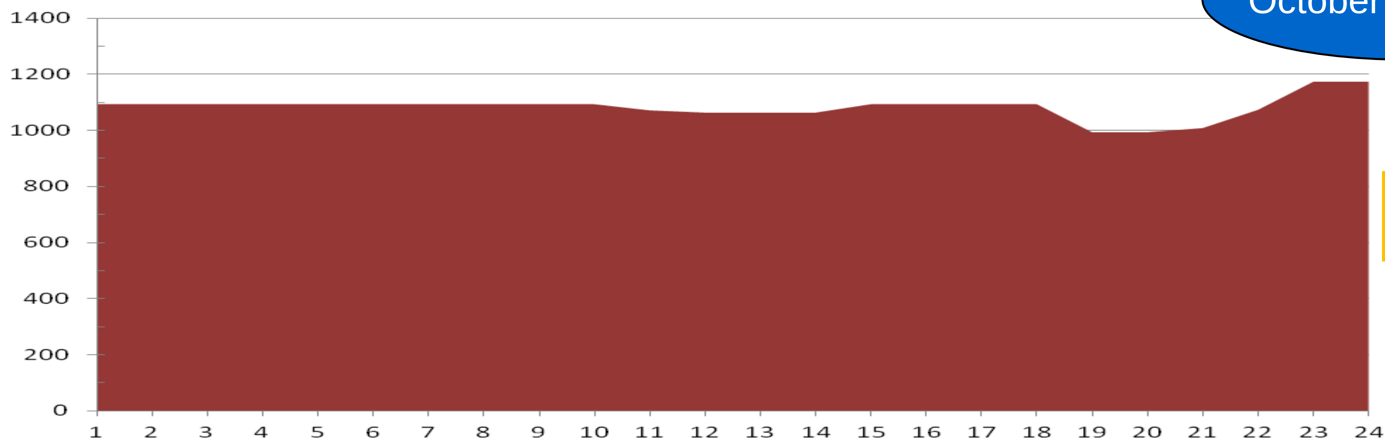
✓ **Despite the decrease in demand, which especially in September 2012 plunged by 19.5% compared to August 2012, the effective wholesale market cost proved inelastic due to the existence of distortions in the wholesale energy market operation. Specifically, energy purchases expense from the System remained at the level of August (€ 124.7 m in September compared to € 130.7 m in August), as the drop of the System Marginal Price due to the decline in demand, was counterbalanced by the increase of the compensation for IPPs from the variable cost recovery mechanism.**



Generation Units Dispatching in a typical day

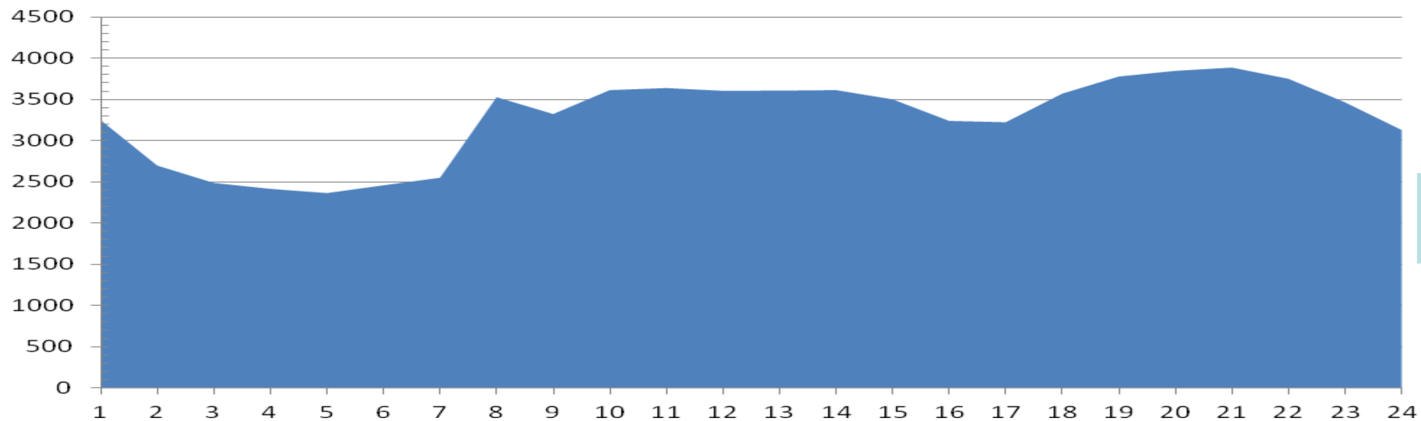
October 22th, 2012

Generation output of natural gas fired units of third parties



2400 MW net
Range ~150 MW (6%)

Generation output of lignite-fired units of PPC



3950 MW net
Range ~1300 MW (33%)

Energy Market Reorganization

The existence of inefficiencies and distortions, along with the dispatching model of generation units, lead to a sub-optimal operation of the electricity market and utilisation of the available resources, putting unnecessary burden on the national economy, as domestic fuels are substituted by imported natural gas. Furthermore, they lead to higher energy cost, which does not only negatively impact PPC's financial results but impairs the opening up of the market.

Thus, the reorganization of the electricity market is absolutely necessary and we are actively participating in the public consultation launched by RAE towards this end.

We believe that the reorganization should :

- **aim at the creation of a transparent market with long-term visibility for the attraction of new investments,**
- **reinforce the competitiveness of the Greek economy**
- **reduce the negative consequences in the trade balance deficit of the country, while at the same time**
- **ensure security of supply on a long term basis.**

Cost cutting

Our controllable cost structure has significantly improved over the last 3 years with payroll and other controllable expenses representing today 28.5% of our total cost base vs 47% in 2009. Specifically, payroll has been reduced to 17.9% of total operating expenses from 34% in 2009.

Total operating expenses 9M2012
€ 3,942 mln
(without the one-off impact from DEPA)

- 71.5% — **Non controllable expenses** *€ 2,817 mln*
- 28.5% — **Controllable expenses** *€ 1,125 mln*
  - 17.9% — **Payroll** *€ 706 mln*
  - 10.6% — **Other controllable expenses** *€ 419 mln*

We continuously strive to rationalize costs, and this is a strategic priority for us, but it is obvious that, following, the dramatic reduction on payroll, any further reduction on other controllable expenses can only lead to a minor reduction on overall cost as they represent just 10.6%.

Note: As percentage of total operating expenses

Going Forward – 2012 Outlook

For the full year, and taking into account:

- an average price for Brent oil at $109/bbl and an average €/$ exchange rate of 1.28, for the period October-December 2012,
- annual revenues from energy sales of € 5.7 bln and total annual revenues of € 6 bln,
- rising trend of provisions due to prolonged recession,
- positive impact of the new supply contract and settlement with DEPA,

we expect EBITDA margin to reach 17.5% - 18%, under the condition that the macroeconomic and regulatory environment will not deteriorate.

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.