

PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED 31st DECEMBER, 2003 AND 2002
(Expressed in thousands of Euro - except per share data)

	December 31, 2003	December 31, 2002
	UNAUDITED	
REVENUES:		
Revenue from energy sales	3.606.628	3.318.430
Other	284.788	102.276
	3.891.416	3.420.706
EXPENSES:		
Payroll cost	821.465	767.445
Lignite	539.323	405.998
Liquid fuel	455.430	456.392
Natural gas	296.356	272.650
Depreciation and amortization	456.062	243.552
Utilities and maintenance	73.260	64.479
Materials and consumables	97.207	72.357
Transmission system usage	243.210	69.063
Energy purchases	157.309	149.345
Third party fees	19.144	15.668
Taxes and duties	25.536	22.516
Provision for risks	17.111	32.533
Provision for slow-moving materials	7.722	13.948
Allowance for doubtful balances	26.282	27.122
Other expenses	61.348	57.392
PROFIT FROM OPERATIONS	594.651	750.246
Financial expenses	(175.813)	(232.284)
Financial income	40.987	16.914
Loss from associates	(26.844)	-
Foreign currency gains/ (losses), net	35.008	43.434
Other income/ (expense), net	5.655	14.622
PROFIT BEFORE TAX	473.644	592.932
Income tax expense	(174.848)	(112.970)
PROFIT AFTER TAX	298.796	479.962
Earnings per share, basic and diluted (Euro)	1,29	2,07
Weighted average number of shares	232.000.000	232.000.000

PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31ST DECEMBER, 2003 AND 2002

(Expressed in thousands of Euro)

	December 31, 2003	December 31, 2002
	UNAUDITED	
Cash Flows from Operating Activities:		
Profit before tax	473.644	592.932
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	653.560	367.949
Amortization of customers' contributions and subsidies	(99.674)	(90.346)
Fair value (gain)/ loss of derivative instruments	(26.490)	2.421
Gain on sale of marketable securities and OAE bonds	-	(47)
Interest and other income	(16.335)	(16.025)
Sundry provisions	52.707	75.184
Unrealized foreign exchange differences on long-term debt	(32.806)	(24.897)
Unbilled revenue	(22.754)	(5.813)
Interest expense	163.226	204.212
Operating profit before working capital changes	1.145.078	1.105.570
(Increase)/ Decrease in:		
Accounts receivable, trade and other	18.897	8.768
Other current assets	(1.696)	(150)
PPC-Personnel Insurance Organization	45.439	88.857
Materials, spare parts and supplies	23.738	3.781
Other non-current assets	1.414	5.563
Increase/ (Decrease) in:		
Accounts payable	103.783	80.489
Other long-term liabilities	13.130	9.493
Accrued liabilities excluding bank loan interest	(33.448)	3.779
Income taxes paid	(215.686)	(5.250)
Net Cash from Operating Activities	1.100.649	1.300.900
Cash Flows from Investing Activities:		
Interest received	10.805	16.025
Capital expenditure for fixed assets and software	(717.768)	(626.206)
Disposal of fixed assets and software	7.956	9.108
Proceeds from customers' contributions and subsidies	181.311	182.896
Proceeds from OAE bonds	-	2.148
Investments	(14.423)	(26.942)
Net Cash used in Investing Activities	(532.119)	(442.971)
Cash Flows from Financing Activities:		
Net change in short-term borrowings	(46.300)	101.296
Proceeds from long-term debt	505.169	181.332
Principal payments of long-term debt	(749.997)	(867.489)
Financing fees	(1.099)	0
Interest paid	(164.501)	(203.878)
Dividends paid	(115.820)	(88.061)
Net Cash from/ (used in) Financing Activities	(572.548)	(876.800)
Net increase/ (decrease) in cash and cash equivalents	(4.018)	(18.871)
Cash and cash equivalents at beginning of period/ year	28.407	47.278
Cash and cash equivalents at end of year	24.389	28.407

PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31st DECEMBER, 2003 AND 2002

(Expressed in thousands of Euro)

<u>ASSETS</u>	December 31, 2003 UNAUDITED	December 31, 2002
Current Assets:		
Cash and cash equivalents	24.389	28.407
Marketable and other securities	19.801	12.567
Trade receivables, net	596.869	560.543
Other receivables, net	87.083	79.265
Materials, spare parts and supplies, net	534.695	558.433
PPC - Personnel Insurance Organisation, net	-	61.294
Derivative asset	11.126	8.740
Other current assets	7.862	6.166
Total current assets	1.281.825	1.315.415
Non-Current Assets:		
Investments in associates	21.006	29.240
Property, plant and equipment, net	9.029.368	8.987.619
Intangible assets, net	11.775	2.219
Deferred tax assets	136.659	138.300
Other non-current assets	12.034	13.448
Total non-current assets	9.210.842	9.170.826
Total assets	10.492.667	10.486.241
 <u>LIABILITIES AND EQUITY</u>		
Current Liabilities:		
Trade and other payables	684.939	581.434
Dividends payable	279	99
Income tax payable	153.180	200.269
Accrued and other current liabilities	83.391	108.703
Derivative liability	47.609	80.543
Short-term borrowings	57.100	103.400
Short-term derivative liability	20.495	-
Current portion of long-term debt	746.262	749.595
Total current liabilities	1.793.255	1.824.043
Non-Current Liabilities:		
Long-term debt, net of current portion	3.115.646	3.377.534
Provisions	444.504	429.530
Deferred tax liability	26.773	28.413
Deferred customers' contributions and subsidies	1.276.784	1.195.147
Other non-current liabilities	357.564	344.434
Total non-current liabilities	5.221.271	5.375.058
Equity:		
Share capital	1.067.200	1.067.200
Share premium	106.679	106.679
Legal reserve	11.127	11.127
Revaluation surplus	2.546.583	2.547.711
Reversal of fixed assets' statutory revaluation surplus included in share capital	(947.342)	(947.342)
Reserves	215.670	208.436
Retained earnings/ (accumulated deficit)	478.224	293.329
Total equity	3.478.141	3.287.140
Total liabilities and equity	10.492.667	10.486.241