

## PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (unaudited)  
 IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS  
 MARCH 31, 2002 AND 2001  
 (Expressed in thousands of Euro)

	(Q1) 2002	(Q1) 2001
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
Cash and cash equivalents	101,777	96,184
Marketable and other securities	23,578	59,190
Trade receivables, net	558,357	489,365
Other receivables, net	115,953	95,833
Materials, spare parts and supplies, net	556,678	595,557
PPC Personnel Insurance Organization	231,315	346,807
Other current assets	9,667	13,156
<b>Total current assets</b>	1,597,325	1,696,092
<b>Non-Current Assets:</b>		
Property, plant and equipment, net	6,304,389	5,899,472
Intangible assets, net	3,383	3,345
Deferred tax assets	95,332	100,535
Other non-current assets	25,141	82,705
<b>Total non-current assets</b>	6,428,245	6,086,057
<b>Total assets</b>	8,025,570	7,782,149
 <b><u>LIABILITIES AND EQUITY</u></b>		
<b>Current Liabilities:</b>		
Trade and other payables	485,234	481,138
Income tax payable	184,928	57,171
Accrued and other current liabilities	168,916	153,548
Short-term borrowings	2,103	67,921
Current portion of long-term debt	516,586	582,969
<b>Total current liabilities</b>	1,357,767	1,342,747
<b>Non-Current Liabilities:</b>		
Long-term debt, net of current portion	4,288,124	4,631,063
Provisions	191,678	179,805
Deferred income tax liability	105,547	103,733
Deferred subsidies & customers' contributions	1,118,715	1,003,562
Other non-current liabilities	394,358	392,553
<b>Total non-current liabilities</b>	6,098,422	6,310,716
<b>Equity:</b>		
Share capital	680,851	645,635
Share premium	106,679	0
Reversal of fixed assets' statutory revaluation surplus, included in share capital	(531,777)	(531,777)
Reserves	215,692	226,069
Retained Earnings/(Deficit)	97,936	(211,241)
<b>Total equity</b>	569,381	128,686
<b>Total liabilities and equity</b>	8,025,570	7,782,149

## PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (unaudited)  
 IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS  
 FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001  
 (Expressed in thousands of Euro - except per share data)

	(Q1) 2002	(Q1) 2001
<b>REVENUES:</b>		
Revenue from energy sales	818,277	727,542
Other	10,546	8,763
	828,823	736,305
<b>EXPENSES:</b>		
Payroll cost	193,091	188,052
Fossil fuel	100,674	99,488
Liquid fuel	98,023	96,993
Natural gas	65,122	81,415
Depreciation and amortization	60,167	54,858
Utilities and maintenance	17,226	12,006
Materials and consumables	15,960	17,440
Energy purchases	36,410	23,584
Third party fees	4,877	3,222
Taxes and duties	4,832	5,922
Provision for risks	5,870	1,467
Provision for slow-moving materials	8,190	4,051
Provision for doubtful accounts	2,137	1,930
Other expenses	9,982	10,154
	622,561	600,582
<b>COST OF ENERGY SOLD</b>		
<b>PROFIT FROM OPERATIONS</b>	206,262	135,723
Financial expenses	(54,085)	(71,393)
Financial income	9,375	3,032
Foreign currency gains (losses), net	3,573	6,657
Other income (expense), net	5,197	10,634
	170,322	84,653
<b>PROFIT BEFORE TAX</b>		
Provision for income taxes	(59,574)	(31,039)
<b>PROFIT AFTER TAX</b>	110,748	53,614
<b>Earnings per share, basic and diluted</b>	0.48	0.24
<b>Weighted average number of shares</b>	232,000,000	220,000,000

## PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)  
 FOR THE THREE MONTHS ENDED MARCH 31, 2002  
 IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS  
 (Expressed in thousands of Euro)

	Share Capital	Share Premium	Reversal of Revaluation Gains	Reserves			Accumulated Deficit	Grand Total
				Marketable Securities Valuation Surplus	Tax Free and Other Reserves	Total		
<b>Balance, December 31, 2001</b>	680,851	106,679	(531,777)	15,018	204,379	219,397	(12,812)	462,338
Net income for the period	-	-	-	-	-	0	110,748	110,748
Valuation of marketable securities	-	-	-	(3,705)	-	(3,705)	-	(3,705)
<b>Balance, March 31, 2002</b>	<u>680,851</u>	<u>106,679</u>	<u>(531,777)</u>	<u>11,313</u>	<u>204,379</u>	<u>215,692</u>	<u>97,936</u>	<u>569,381</u>

## PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)  
 FOR THE THREE MONTHS ENDED MARCH 31, 2001  
 IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS  
 (Expressed in thousands of Euro)

	Share Capital	Share Premium	Reversal of Revaluation Gains	Reserves			Accumulated Deficit	Grand Total
				Marketable Securities Valuation Surplus	Tax Free and Other Reserves	Total		
<b>Balance, December 31, 2000</b>	645,635	-	(531,777)	22,965	204,379	227,344	(221,309)	119,893
Net income for the period	-	-	-	-	-	0	53,614	53,614
Effect of adopting IAS 39	-	-	-	-	-	0	(43,546)	(43,546)
Valuation of marketable securities	-	-	-	(1,275)	-	(1,275)	-	(1,275)
<b>Balance, March 31, 2001</b>	<u>645,635</u>	<u>0</u>	<u>(531,777)</u>	<u>21,690</u>	<u>204,379</u>	<u>226,069</u>	<u>(211,241)</u>	<u>128,686</u>

## PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)  
 FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001  
 IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS  
 (Expressed in thousands of Euro)

	<b>(Q1) 2002</b>	<b>(Q1) 2001</b>
<b>Cash Flows from Operating Activities:</b>		
Net income for the year	110,748	53,614
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	91,005	81,652
Amortization of subsidies and customers' participation	(20,933)	(19,850)
Fair value loss/(gain) of derivatives	(13,072)	3,422
Interest income	(576)	(652)
Provision for risks	17,761	7,623
Unrealized foreign exchange differences on long-term debt	2,162	(7,114)
Unrealized gain from distribution network retirements	(1,096)	(3,537)
Provision for unbilled revenue	(4,980)	(9,356)
Provision for income taxes	59,574	31,039
Interest expense	51,802	65,177
Operating profit before working capital changes	292,395	202,018
(Increase) Decrease in:		
Accounts receivable, trade and other	(15,277)	12,373
Other current assets	(7,521)	39,727
PPC-Personnel Insurance Organization	(63,557)	(74,238)
Materials, spare parts and supplies	(2,666)	(23,853)
Other non-current assets	325	1,614
Increase (Decrease) in:		
Accounts payable, trade and other	(15,851)	(69,749)
Other non-current liabilities	3,394	(6,624)
Accrued liabilities excluding bank loan interest	66,535	64,682
<b>Net Cash from Operating Activities</b>	<b>257,777</b>	<b>145,950</b>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditure for property and equipment and software	(148,476)	(201,036)
Disposal of fixed assets and software	34	226
Proceeds from subsidies and customers' contributions	37,050	52,141
Interest received	576	652
Investment in affiliates	(5)	(293)
<b>Net Cash used in Investing Activities</b>	<b>(110,821)</b>	<b>(148,310)</b>
<b>Cash Flows from Financing Activities:</b>		
Net change in short-term borrowings	0	38,151
Proceeds from long-term debt	3,352	174,154
Principal payments of long-term debt	(38,942)	(48,866)
Interest paid	(56,868)	(78,847)
<b>Net Cash from (used in) Financing Activities</b>	<b>(92,458)</b>	<b>84,592</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>54,498</b>	<b>82,232</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>47,279</b>	<b>13,952</b>
<b>Cash and cash equivalents at end of year</b>	<b>101,777</b>	<b>96,184</b>