

**PUBLIC POWER CORPORATION S.A.**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003

## INCOME STATEMENT

(Expressed in thousands of Euro - except per share data)

	<b>September 30,</b>	
	<b>2003</b>	<b>2002</b>
<b>REVENUES:</b>		
Revenue from energy sales	2.725.423	2.486.333
Other	209.596	34.049
	<u>2.935.019</u>	<u>2.520.382</u>
<b>EXPENSES:</b>		
Payroll cost	623.752	580.963
Lignite	378.799	300.520
Liquid fuel	358.195	353.838
Natural gas	227.546	201.879
Depreciation and amortization	329.033	179.823
Transmission system usage	184.700	-
Energy purchases	113.446	115.598
Materials and consumables	66.911	48.570
Utilities and maintenance	51.577	44.173
Third party fees	13.395	18.379
Taxes and duties	17.852	16.243
Allowance for doubtful balances	20.177	22.340
Provision for slow-moving materials	11.250	13.947
Provision for risks	2.266	22.702
Other expenses	36.246	41.842
	<u>499.874</u>	<u>559.565</u>
<b>PROFIT FROM OPERATIONS</b>		
Financial expenses	(133.403)	(181.208)
Financial income	17.813	10.544
Loss from associates	(26.808)	-
Foreign currency gains/ (losses), net	34.178	25.705
Other income/ (expense), net	19.608	8.515
	<u>411.262</u>	<u>423.121</u>
<b>PROFIT BEFORE TAX</b>		
Income tax expense	(150.806)	(161.626)
	<u>260.456</u>	<u>261.495</u>
<b>PROFIT AFTER TAX</b>		
<b>Earnings per share, basic and diluted (Euro)</b>	<u>1,12</u>	<u>1,13</u>
<b>Weighted average number of shares</b>	<u>232.000.000</u>	<u>232.000.000</u>

# PUBLIC POWER CORPORATION S.A.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003

## BALANCE SHEET

(Expressed in thousands of Euro)

	September 30,	
	2003	2002
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	30.332	37.877
Marketable and other securities	15.448	15.137
Trade receivables, net	645.065	571.985
Other receivables, net	48.987	95.433
Materials, spare parts and supplies, net	545.215	557.768
PPC - Personnel Insurance Organisation, net	22.465	22.320
Derivative asset	9.021	5.884
Other current assets	11.035	8.411
<b>Total current assets</b>	<b>1.327.568</b>	<b>1.314.815</b>
<b>Non-Current Assets:</b>		
Investments in associates	14.510	11.882
Property, plant and equipment, net	9.007.569	6.401.930
Intangible assets, net	6.446	2.484
Deferred tax assets	139.313	186.477
Other non-current assets	12.770	14.155
<b>Total non-current assets</b>	<b>9.180.608</b>	<b>6.616.928</b>
<b>Total assets</b>	<b>10.508.176</b>	<b>7.931.743</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Trade and other payables	586.253	502.865
Dividends payable	463	139
Income tax payable	123.348	295.732
Accrued and other current liabilities	175.713	175.001
Derivative liability	75.725	80.051
Short-term borrowings	234.365	39.002
Current portion of long-term debt	509.353	890.860
<b>Total current liabilities</b>	<b>1.705.220</b>	<b>1.983.650</b>
<b>Non-Current Liabilities:</b>		
Long-term debt, net of current portion	3.303.471	3.396.411
Provisions	421.250	421.848
Deferred tax liability	35.217	113.464
Deferred customers' contributions and subsidies	1.244.936	1.175.178
Other non-current liabilities	362.857	353.885
<b>Total non-current liabilities</b>	<b>5.367.731</b>	<b>5.460.786</b>
<b>Equity:</b>		
Share capital	1.067.200	679.760
Share premium	106.679	106.679
Legal Reserve	11.127	-
Revaluation surplus	2.546.583	-
Reversal of fixed assets' statutory revaluation surplus included in share capital	(947.342)	(531.777)
Reserves	211.318	210.443
Retained earnings/ (accumulated deficit)	439.660	22.202
<b>Total equity</b>	<b>3.435.225</b>	<b>487.307</b>
<b>Total liabilities and equity</b>	<b>10.508.176</b>	<b>7.931.743</b>

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## STATEMENT OF CASH FLOWS

(Expressed in thousands of Euro)

	<b>September 30,</b>	
	<b>2003</b>	<b>2002</b>
<b>Cash Flows from Operating Activities:</b>		
Profit before tax	411.262	423.121
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	477.531	280.155
Amortization of customers' contributions and subsidies	(73.861)	(68.358)
Fair value (gain)/loss of derivative instruments	(5.099)	4.785
Interest and other income	(12.482)	(10.501)
Sundry provisions	42.668	62.465
Unrealized foreign exchange differences on long-term debt	(34.178)	(12.940)
Unbilled revenue	(36.669)	(6.468)
Interest expense	124.263	157.317
Operating profit before working capital changes	<u>893.434</u>	<u>829.576</u>
(Increase)/ Decrease in:		
Accounts receivable, trade and other	(35.148)	(15.498)
Other current assets	(4.869)	(1.866)
PPC-Personnel Insurance Organization	38.829	156.852
Materials, spare parts and supplies	13.218	(5.964)
Other long-term assets	-	5.565
Increase/ (Decrease) in:		
Accounts payable	4.819	(25.587)
Other long-term liabilities	18.423	19.192
Accrued liabilities excluding bank loan interest	38.243	51.819
Income taxes paid	(215.686)	-
<b>Net Cash from Operating Activities</b>	<u>751.263</u>	<u>1.014.089</u>
<b>Cash Flows from Investing Activities:</b>		
Interest received	6.952	10.501
Capital expenditure for fixed assets and software	(490.435)	(444.058)
Disposal of fixed assets and software	680	5.164
Proceeds from customers' contributions and subsidies	123.650	140.938
Proceeds from OAE bonds	-	2.101
Investments	(11.423)	(9.571)
<b>Net Cash used in Investing Activities</b>	<u>(370.576)</u>	<u>(294.925)</u>
<b>Cash Flows from Financing Activities:</b>		
Net change in short-term borrowings	130.965	36.899
Proceeds from long-term debt	355.169	7.140
Principal payments of long-term debt	(640.566)	(545.107)
Financing fees	(1.099)	-
Interest paid	(107.694)	(139.476)
Dividends paid	(115.537)	(88.021)
<b>Net Cash from/ (used in) Financing Activities</b>	<u>(378.762)</u>	<u>(728.565)</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	1.925	(9.401)
<b>Cash and cash equivalents at beginning of period/ year</b>	<u>28.407</u>	<u>47.278</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>30.332</u></u>	<u><u>37.877</u></u>