Public Power Corporation SA

Financial Results
9M 2013

Athens, November 26, 2013

Agenda

Financial Results

George Angelopoulos, CFO

Business Update & Outlook

Arthouros Zervos, Chairman and CEO

Financial Results
9M 2013

George Angelopoulos

Chief Financial Officer

Summary Financial Results 9M2013 / 9M2012

Key Figures - Group (€ mln.)	9M2013	9M2012	Δ	Δ%
Total Revenues	**4,493.9**	**4,563.7**	***(69.8)***	***(1.5)***
Revenues from Energy Sales	*4,348.9*	*4,347.5*	*1.4*	*0.0*
Total Energy Sales (GWh)	*38,382*	*40,116*	*-1,734*	*(4.3)*
Domestic Energy Sales (GWh)	*37,550*	*39,573*	*-2,023*	*(5.1)*
Other revenues	*145.0*	*216.2*	*(71.2)*	*(32.9)*
Payroll Expense (*)	700.3	697.6	*2.7*	*0.4*
Liquid Fuel	624.9	743.9	*(119.0)*	*(16.0)*
Special Consumption Tax	*107.5*	*140.3*	*(32.8)*	*(23.4)*
Natural Gas	243.6	370.6	*(127.0)*	*(34.3)*
Special Consumption Tax	*31.1*	*43.0*	*(11.9)*	*(27.7)*
Expenditure for CO_2 emission rights	147.4	0.9	*146.5*	
Energy Purchases	1,225.9	1,355.0	*(129.1)*	*(9.5)*
Variable cost recovery mechanism	*304.2*	*211.6*	*92.6*	*43.8*
Other Operating Expenses (controllable)	452.9	419.5	*33.4*	*8.0*
Provisions (**)	270.5	229.5	*41.0*	*17.9*
EBITDA	**681.0**	**822.3**	***(141.3)***	***(17.2)***
EBITDA MARGIN (%)	**15.2%**	**18.0%**		
Depreciation	459.0	480.8	*(21.8)*	*(4.5)*
Net Financial Expenses	163.5	176.7	*(13.2)*	*(7.5)*
Financial expenses	*198.5*	*208.2*	*(9.7)*	*(4.7)*
Financial income	*35.0*	*31.5*	*3.5*	*11.0*
EBT	**56.9**	**165.2**	***(108.3)***	***(65.6)***

(*) 9M2013 payroll expense does not include an amount of € 8.2 m relating to the employees who work for various social security funds, which PPC has to recover from the organizations in question, according to the provisions of Law 4147/2013.

(**) 9M2012 includes a € 52.7 mln reversal of the provisions for the Attica region traffic lights and one off provisions of a total amount of € 43.9 mln. of IPTO and HEDNO regarding third party suppliers debt.

Adjusting 9M2013 EBITDA for the extraordinary negative impact of the Arbitration Decision for ALUMINIUM and 9M2012 EBITDA for the one-off positive impact of the financial settlement with DEPA, there is a 25.3% improvement in EBITDA (€ 159.4 mln) stemming mainly from the lower fuel and energy purchase expenses.

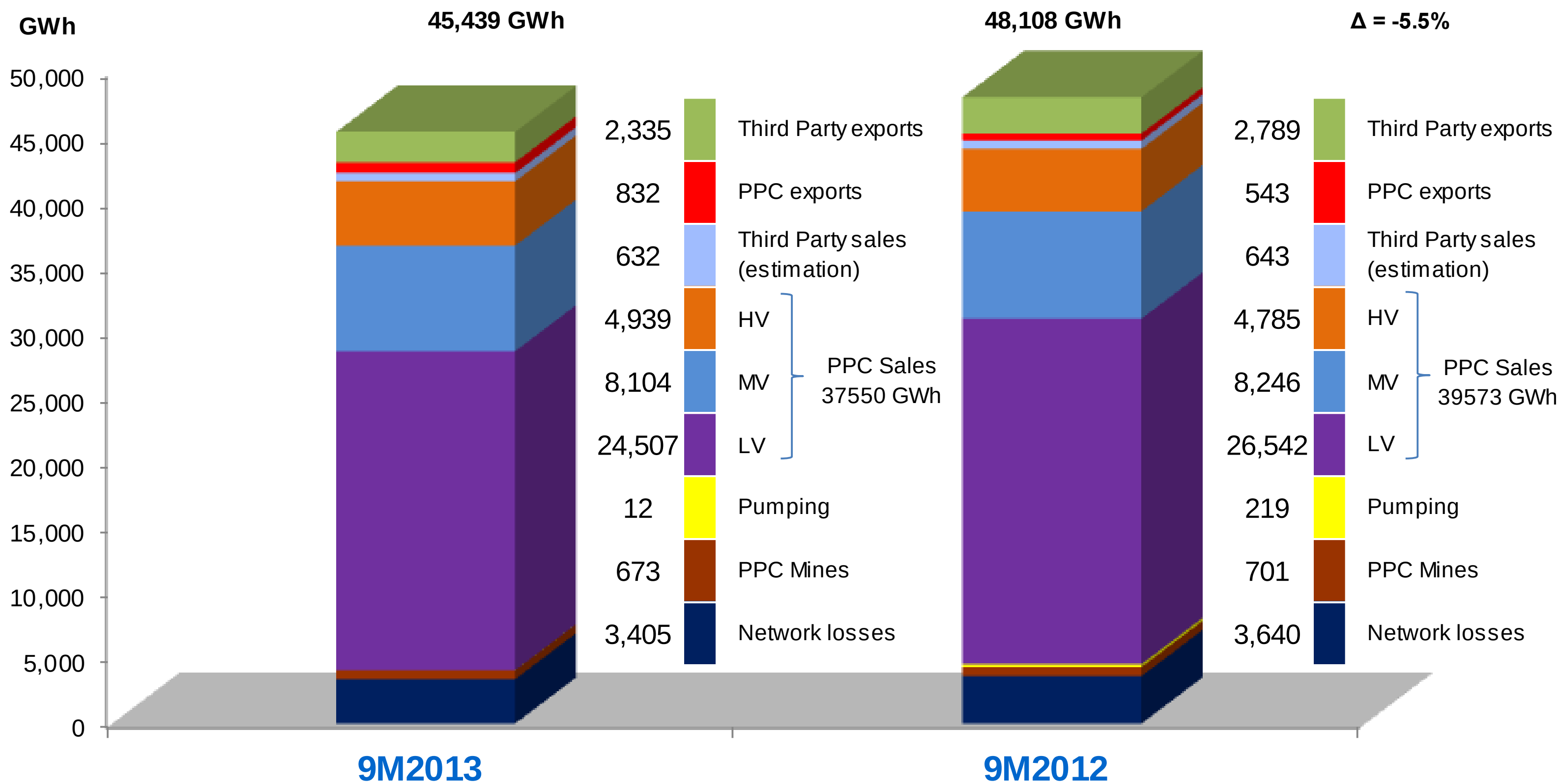
Summary Financial Results 3Q2013 / 3Q2012

Key Figures - Group (€ mln.)	3Q2013	3Q2012	Δ	Δ%
Total Revenues	**1,542.7**	**1,625.7**	***(83.0)***	***(5.1)***
Revenues from Energy Sales	*1,492.4*	*1,545.0*	*(52.6)*	*(3.4)*
Total Energy Sales (GWh)	*13,778*	*15,033*	*-1,255*	*(8.3)*
Domestic Energy Sales (GWh)	*13,491*	*14,798*	*-1,307*	*(8.8)*
Other revenues	*50.3*	*80.7*	*(30.4)*	*(37.7)*
Payroll Expense (*)	229.9	224.7	*5.2*	*2.3*
Liquid Fuel	256.0	306.0	*(50.0)*	*(16.3)*
Special Consumption Tax	*47.6*	*62.1*	*(14.5)*	*(23.3)*
Natural Gas	137.9	114.6	*23.3*	*20.3*
Special Consumption Tax	*18.3*	*13.9*	*4.4*	*31.7*
Expenditure for CO_2 emission rights	41.2	0.5	*40.7*	*8,140.0*
Energy Purchases	437.0	533.0	*(96.0)*	*(18.0)*
Variable cost recovery mechanism	*89.0*	*86.9*	*2.1*	*2.4*
Other Operating Expenses (controllable)	156.7	159.8	*(3.1)*	*(1.9)*
Provisions	81.5	87.1	*(5.6)*	*(6.4)*
EBITDA	**94.7**	**333.3**	***(238.6)***	***(71.6)***
EBITDA MARGIN (%)	**6.1%**	**20.5%**		
Depreciation	153.9	161.4	*(7.5)*	*(4.6)*
Net Financial Expenses	55.9	59.8	*(3.9)*	*(6.5)*
Financial expenses	*67.9*	*69.7*	*(1.8)*	*(2.6)*
Financial income	*12.0*	*9.9*	*2.1*	*21.2*
EBT	**-113.3**	**112.7**	***(226.0)***	***(200.5)***

(*) 3Q2013 payroll expense does not include an amount of € 2.2 mln relating to the employees who work for various social security funds, which PPC has to recover from the organizations in question, according to the provisions of Law 4147/2013.

Revenues in 3Q2013 marked a 5.1% decline, adversely impacted by lower demand. On the contrary, EBITDA, if adjusted for the one-off items related to ALUMINIUM and DEPA, posted a 43.9% improvement from € 141.6 m. to € 203.7 m., as a result of lower liquid fuel and energy purchase expenses.

Electricity Demand 9M2013 / 9M2012



PPC domestic sales :	37,550 GWh
Average Market share (estimation) :	98.3%

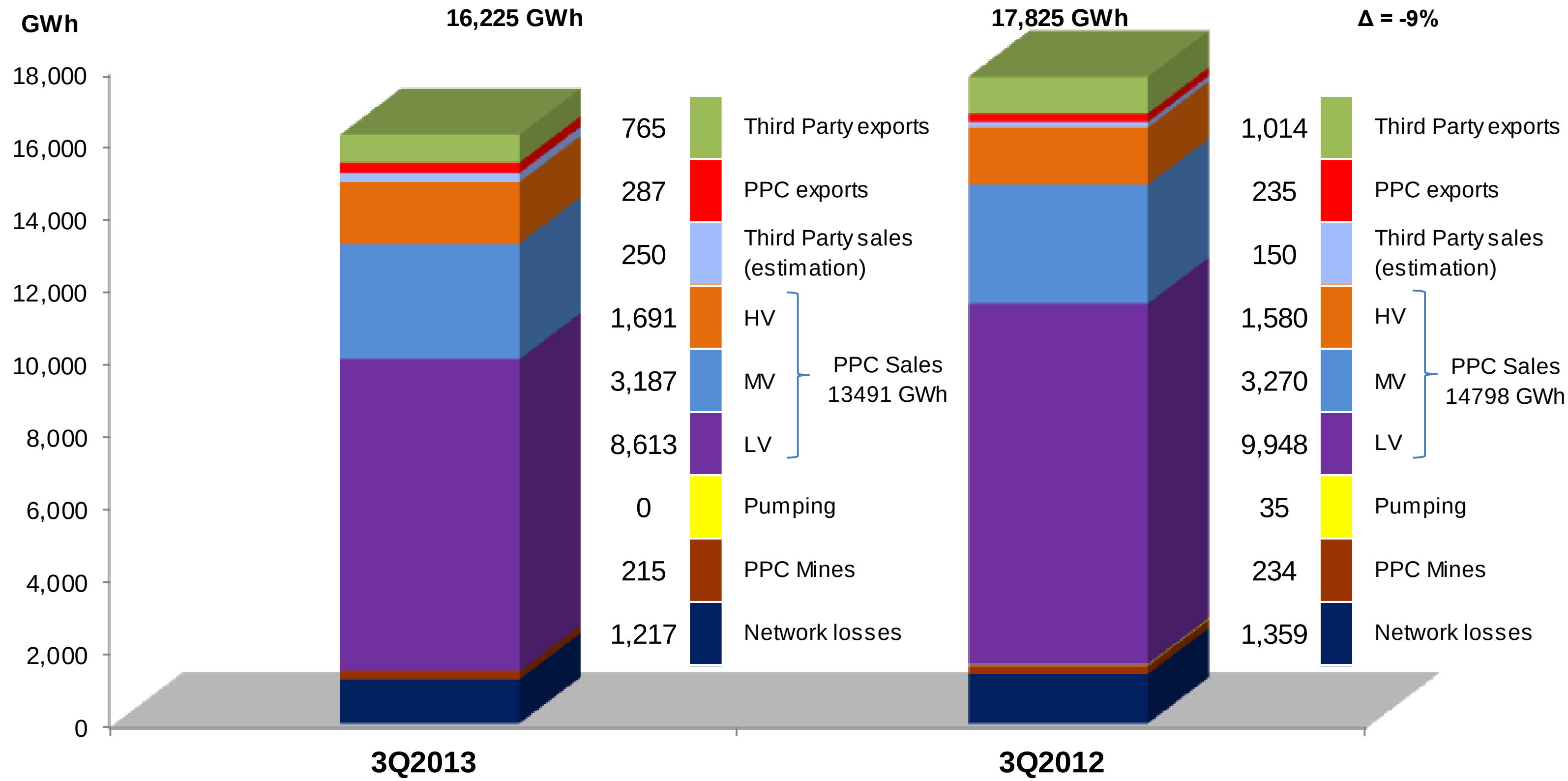
PPC domestic sales :	39,573 GWh
Average Market share (estimation) :	98.4%

PPC exports:	832 GWh
Average Market share :	26.3%

PPC exports:	543 GWh
Average Market share :	16.3%

Total electricity demand, excluding pumping and exports, decreased by 5.2% (2,297 GWh) between the two periods. PPC's domestic sales decreased by 5.1% (2,023 GWh).

Electricity Demand 3Q2013 / 3Q2012



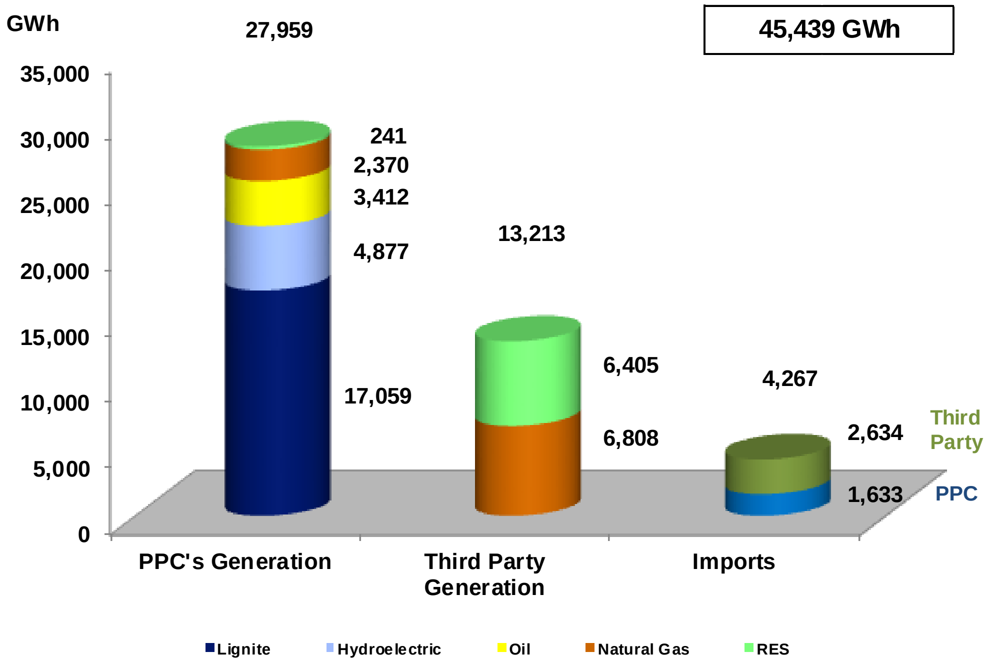
	3Q2013		3Q2012
PPC domestic sales :	13,491 GWh	PPC domestic sales :	14,798 GWh
Average Market share (estimation) :	98.2%	Average Market share (estimation) :	99.0%

	3Q2013		3Q2012
PPC exports:	287 GWh	PPC exports:	235 GWh
Average Market share :	27.3%	Average Market share :	18.8%

Total electricity demand, excluding pumping and exports, decreased by 9% (1,600 GWh) between the two quarters. Taking also into account PPC's market share reduction in the retail market by 0.8 percentage points, PPC's domestic sales decreased in 3Q 2013, by 8.8% (1,307 GWh), compared to 3Q2012.

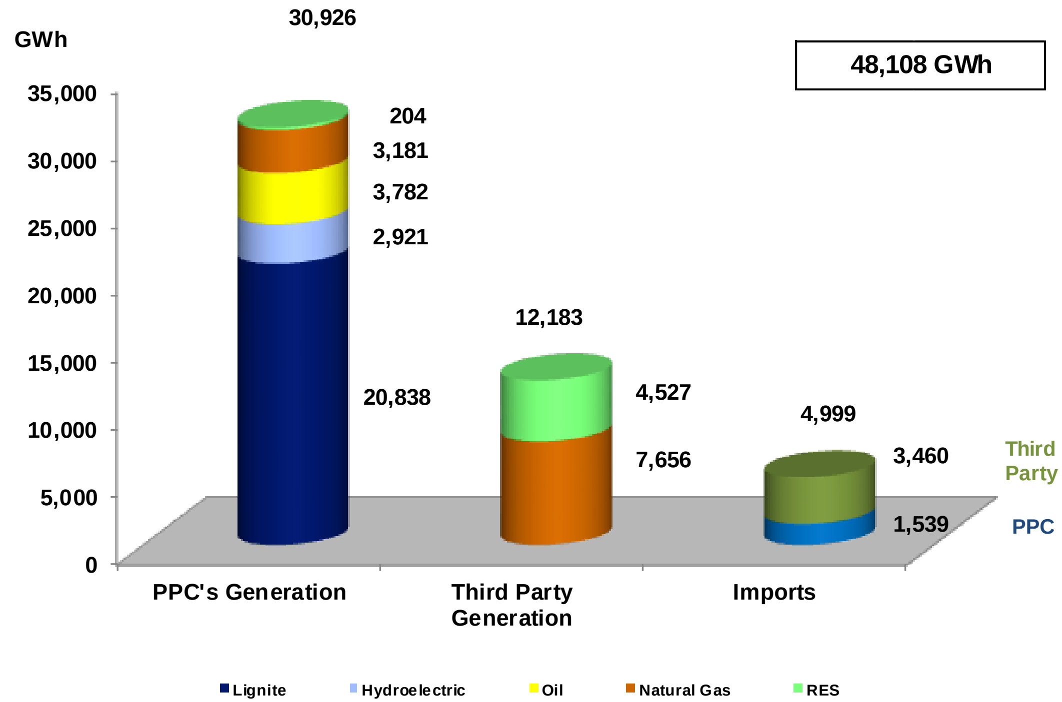
Electricity Generation and Imports 9M2013 / 9M2012

9M2013



PPC generation: 27,959 GWh	PPC imports: 1,633 GWh
Average Market share: 67.9%	Average Market share: 38.3%

9M2012

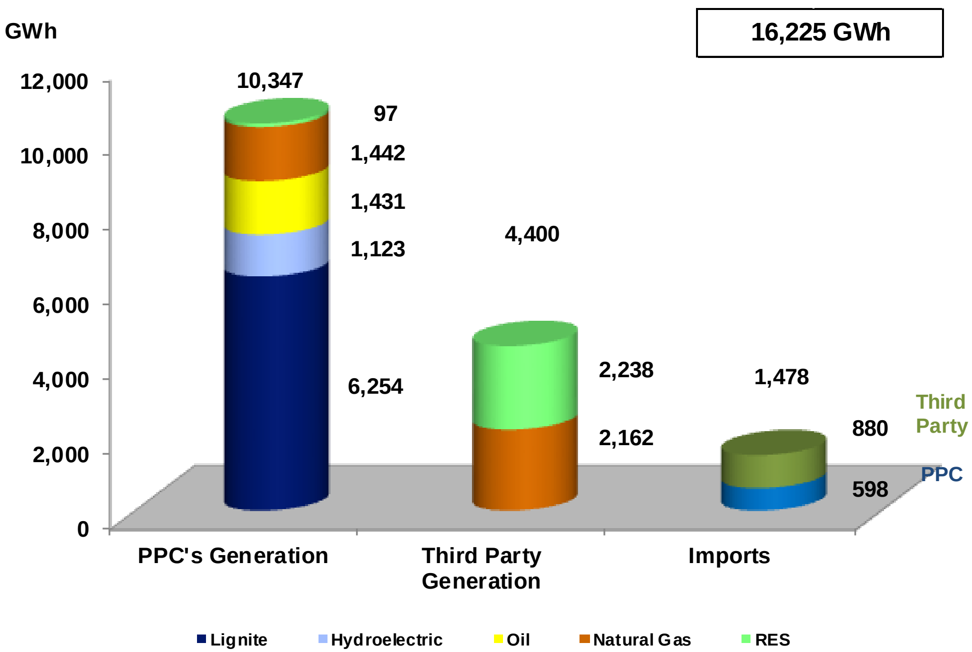


PPC generation: 30,926 GWh	PPC imports: 1,539 GWh
Average Market share: 71.7%	Average Market share: 30.8%

In 9M2013, PPC's electricity generation and imports, covered 65.1% of total demand, while the corresponding percentage in 9M2012 was 67.5%.

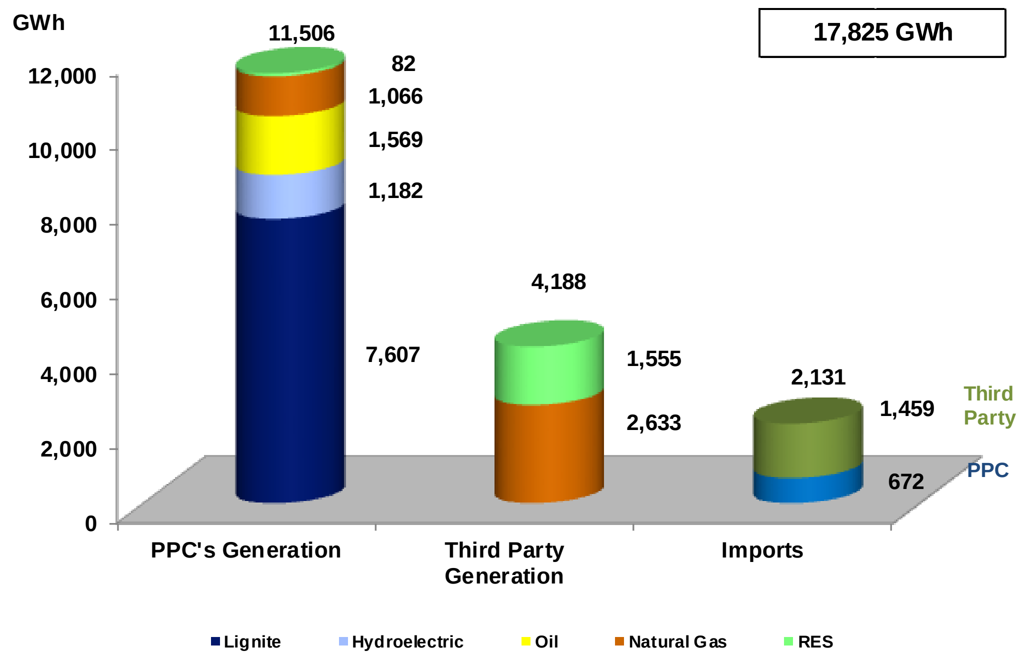
Electricity Generation and Imports 3Q2013 / 3Q2012

3Q2013



PPC generation: 10,347 GWh	PPC imports: 598 GWh
Average Market share: 70.2%	Average Market share: 40.5%

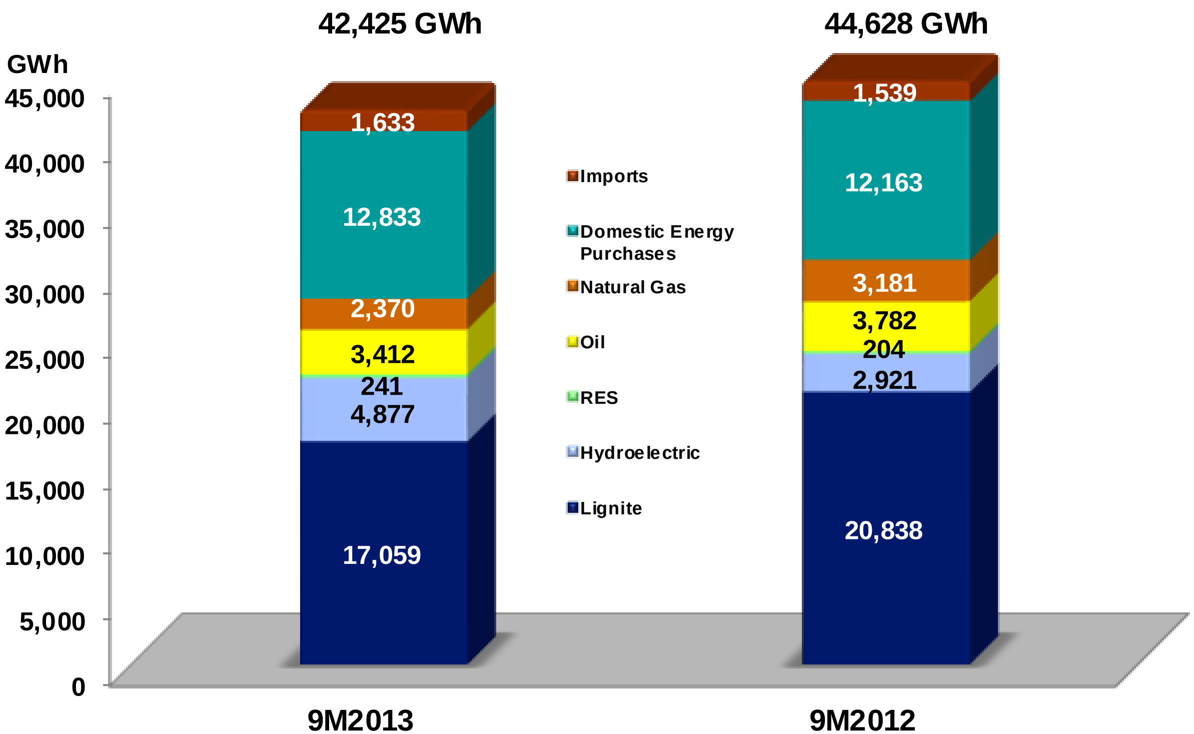
3Q2012



PPC generation: 11,506 GWh	PPC imports: 672 GWh
Average Market share: 73.3%	Average Market share: 31.5%

In 3Q2013, PPC's electricity generation and imports, covered 67.5% of total demand, while the corresponding percentage in 3Q2012 was 68.3%.

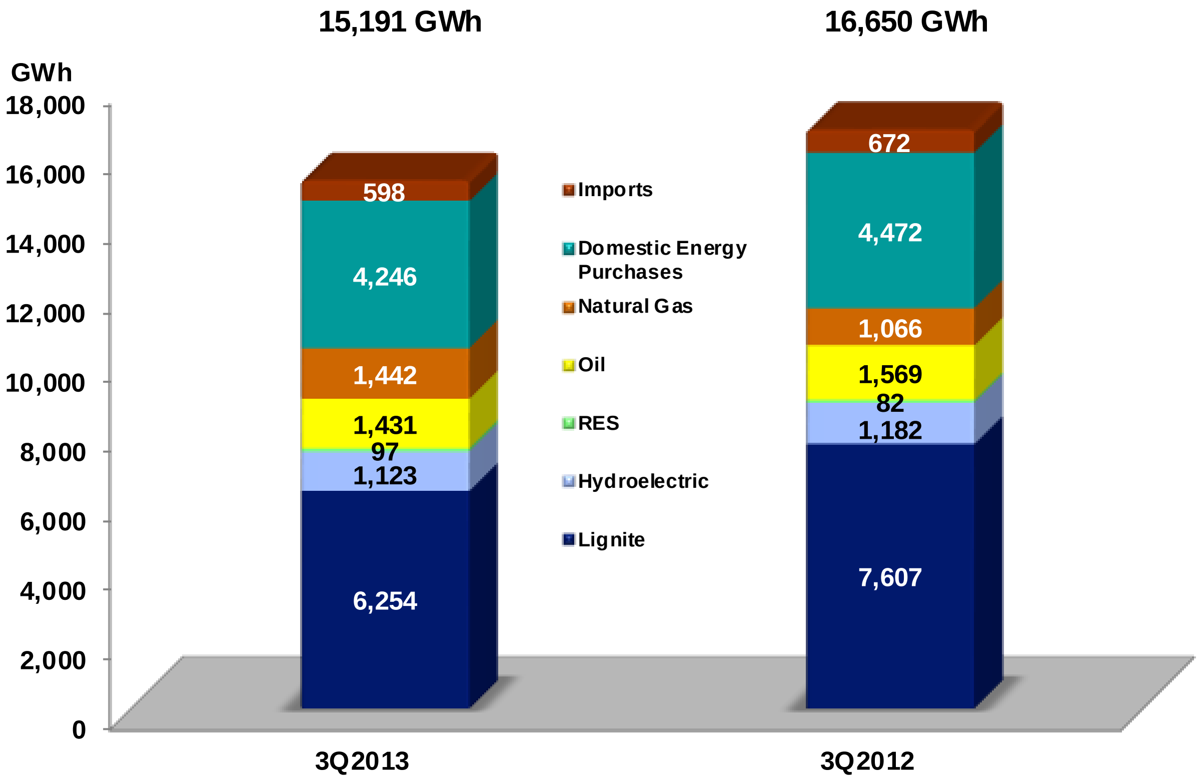
PPC/ Energy Generation and Purchases (GWh) 9M2013 / 9M2012



		Δ GWh	Δ %	% Participation	
	TOTAL	-2,203	-4.9%	9M2013	9M2012
PURCHASES	Imports	94	6.1%	3.8%	3.4%
	Domestic Energy Purchases	670	5.5%	30.2%	27.3%
IMPORTED FUELS	Natural Gas	-811	-25.5%	5.6%	7.1%
	Oil	-370	-9.8%	8.0%	8.5%
DOMESTIC FUELS	RES	37	18.1%	0.6%	0.5%
	Hydroelectric	1,956	67.0%	11.5%	6.5%
	Lignite	-3,779	-18.1%	40.2%	46.7%
TOTALS	**PURCHASES**			34.1%	30.7%
	IMPORTED FUELS			13.6%	15.6%
	DOMESTIC FUELS			52.3%	53.7%

In 9M2013, electricity generation from lignite decreased by 18.1% (3,779 GWh) compared to 9M2012.
In the same period the percentage participation of lignite in PPC's total energy mix, declined to 40.2% vs 46.7% for 9M2012.
The decrease in natural gas-fired generation was more pronounced, at 25.5% and its participation in PPC's total energy mix declined to 5.6% from 7.1%.
Energy purchases (excluding PPC's imports) from the System and the Network increased by 5.5% (670 GWh) due to the increase of third party RES generation.

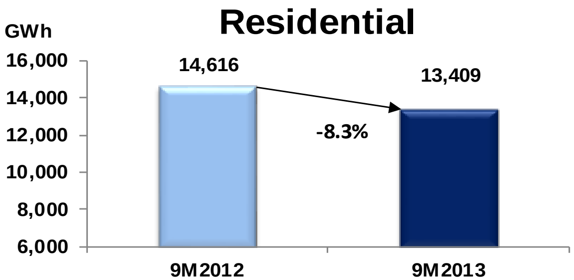
PPC/ Energy Generation and Purchases (GWh) 3Q2013 / 3Q2012

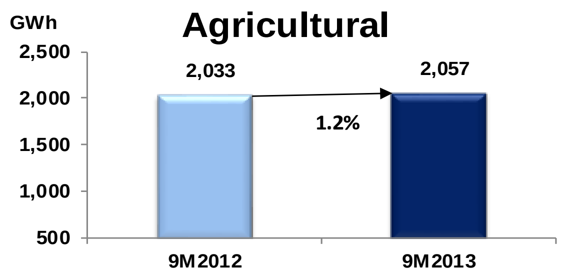


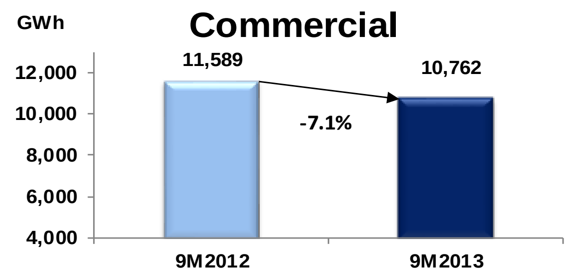
	TOTAL	Δ GWh	Δ %	% Participation	
		-1,459	-8.8%	3Q2013	3Q2012
PURCHASES	Imports	-74	-11.0%	3.9%	4.0%
	Domestic Energy Purchases	-226	-5.1%	28.0%	26.9%
IMPORTED FUELS	Natural Gas	376	35.3%	9.5%	6.4%
	Oil	-138	-8.8%	9.4%	9.4%
DOMESTIC FUELS	RES	15	18.3%	0.6%	0.5%
	Hydroelectric	-59	-5.0%	7.4%	7.1%
	Lignite	-1,353	-17.8%	41.2%	45.7%
TOTALS	PURCHASES			31.9%	30.9%
	IMPORTED FUELS			18.9%	15.8%
	DOMESTIC FUELS			49.2%	53.3%

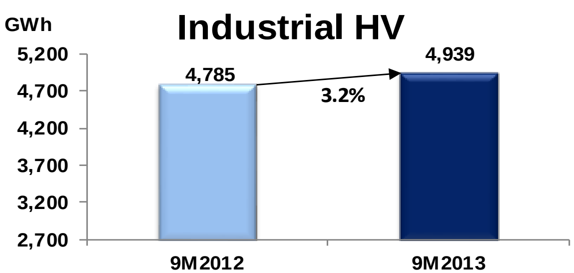
In 3Q2013, electricity generation from lignite decreased by 17.8% (1,353 GWh) compared to 3Q2012.
In the same period the percentage participation of lignite in PPC's total energy mix, declined to 41.2% vs 45.7% for 3Q2012.
Energy purchases from the System and the Network decreased by 5.1% or 226 GWh due to the fall of total demand by 9%.
However, third party RES generation increased by 43.9% (683 GWh).

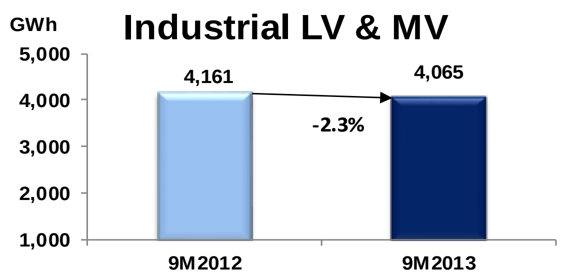
Electricity Sales (GWh) 9M2013 / 9M2012

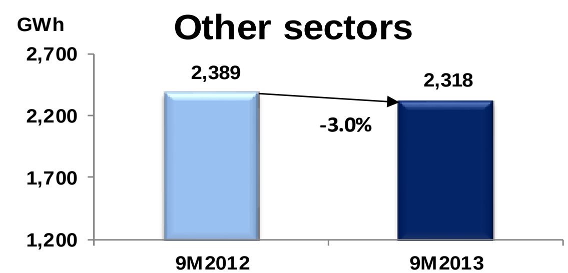


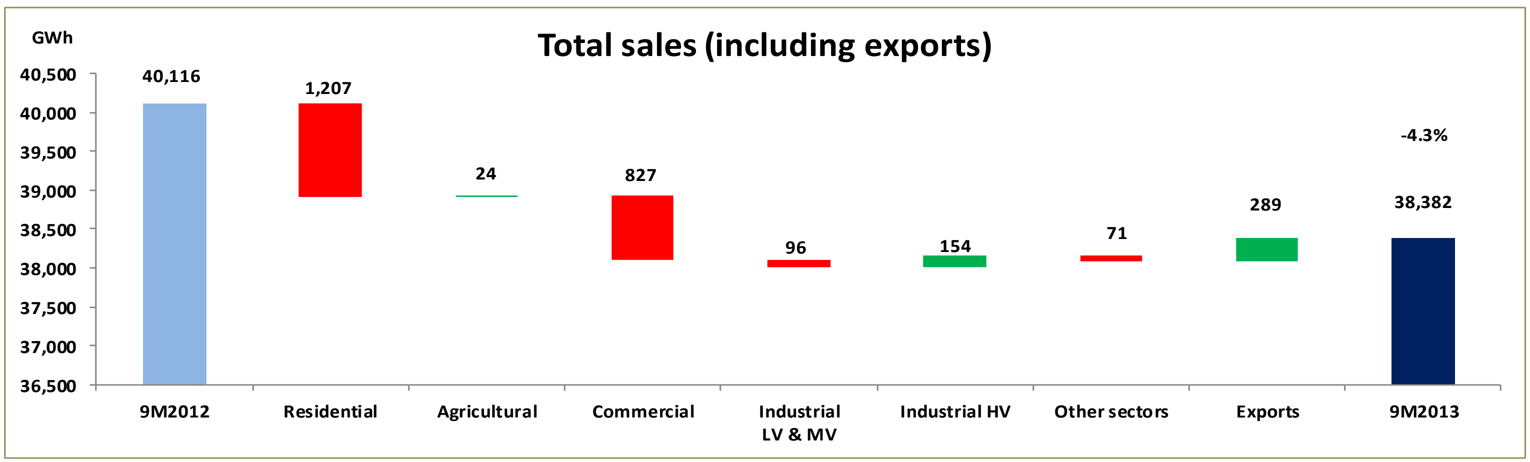






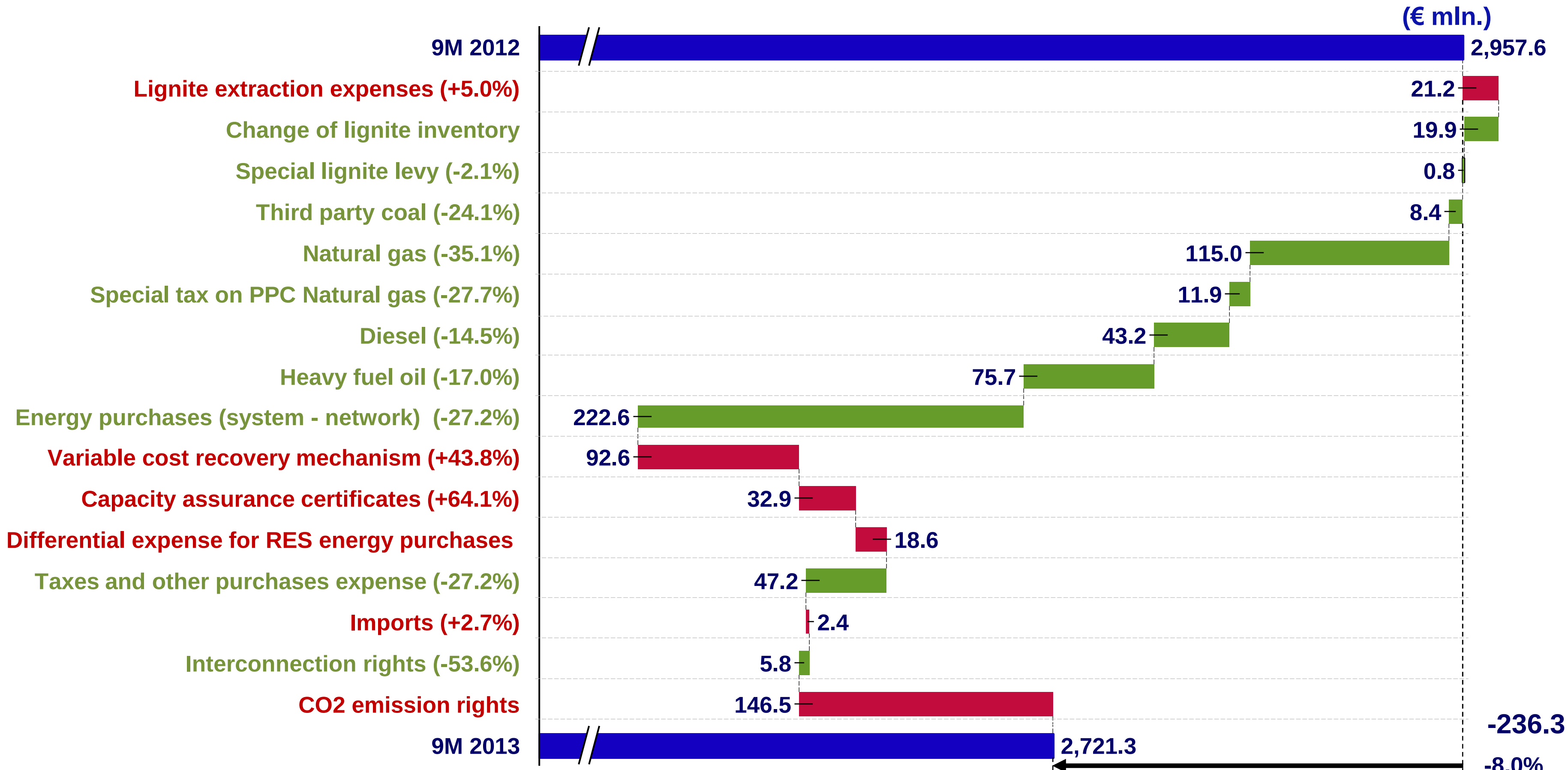






In 9M2013, PPC's electricity sales, including exports, decreased by 4.3% (1,734 GWh) compared to 9M2012, mainly due to lower sales to the residential sector by 1,207 GWh and to the commercial sector by 827 GWh. Excluding exports, which increased by 289 GWh, the decrease amounts to 5.1% (2,023 GWh).

Energy mix cost 9M2013 / 9M2012

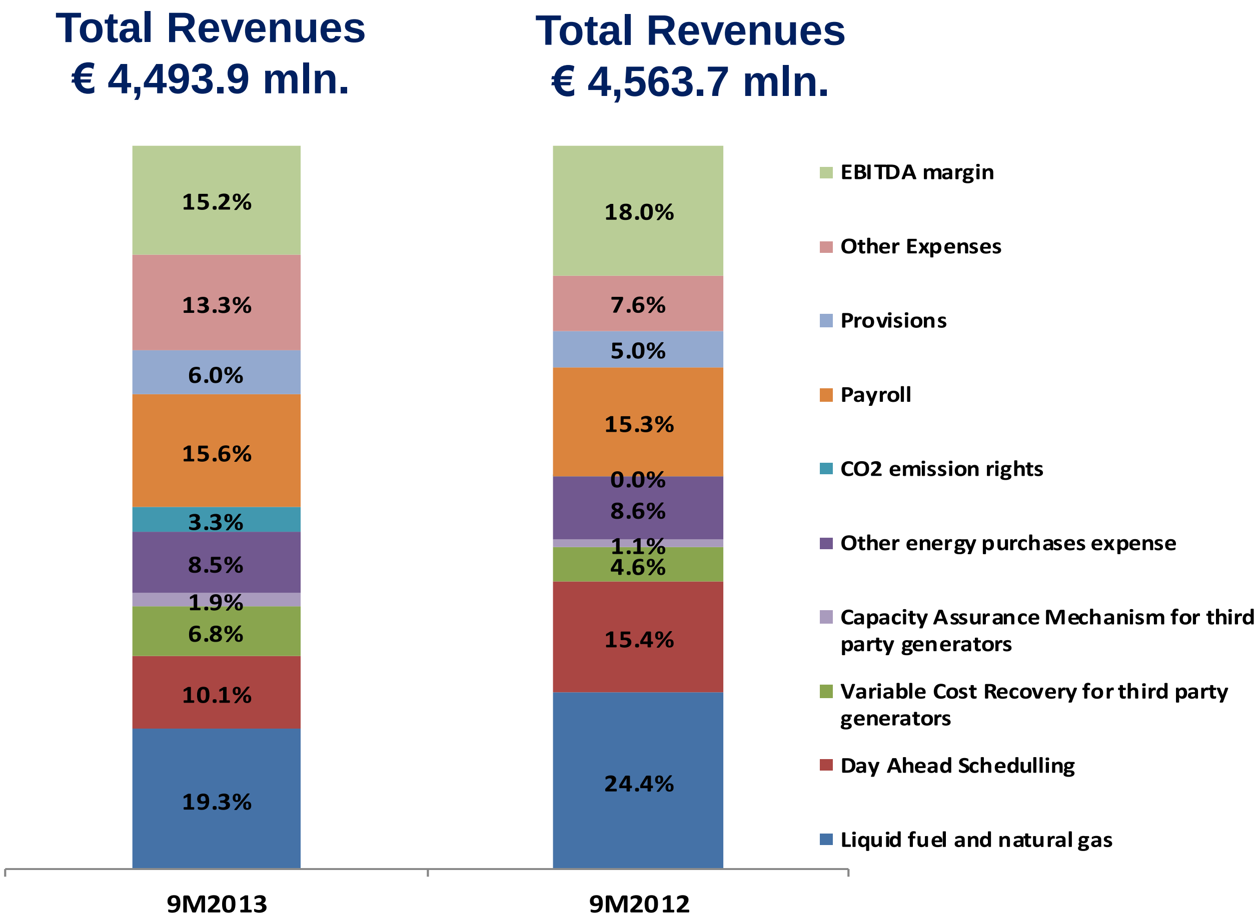


Despite the increased expenditure for CO_2 emissions by € 146.5 mln, the overall energy mix cost decreased by € 236.3 mln (8%).

(Δ)

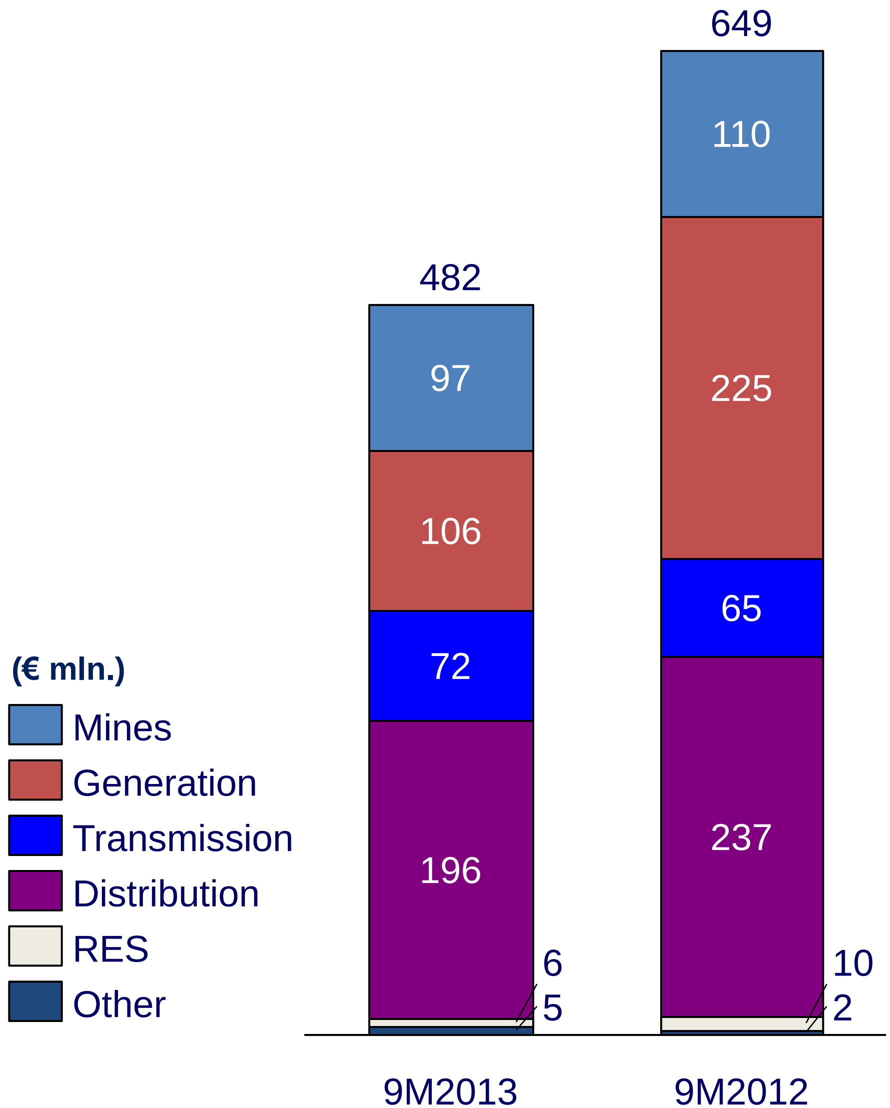
Price effect: 312.0
Quantity effect: 155.0
Variable cost recovery: 92.6
Special lignite levy: 0.8
Special Consumption Tax on nat gas consumed by PPC: 11.9
Taxes and other energy purchases expense: 4.3
CO_2 expense: 146.5
Total: 236.3

Fuel, CO_2, other expenses and EBITDA as percentage of revenues (9M2013 / 9M2012)



In 9M2013, 49.9% of total revenues were expensed for fuel, CO_2 and energy purchases compared to 54.1% in 9M2012. Although the share of liquid fuel and natural gas expenses dropped to 19.3% from 24.4% of total revenues, the Variable Cost Recovery and the Capacity Assurance Mechanism for third party generators increased to 8.7% from 5.7%.
CO_2 expense represented 3.3%. of total revenues, whereas the share of provisions increased to 6% compared to 5% in the respective period of 2012.

Capex



- **Capital expenditure in 9M2013 amounted to € 482 m. compared to € 648.7 mln. in 9M2012, reduced by € 166.7 mln, while, as a percentage of total revenues it declined to 10.7% from 14.2%.**
- **Excluding network users' contributions for their connection to the network (€ 65.9 mln. and € 90.1 mln. in 9M2013 and 9M2012 respectively), which fund a significant part of network projects, capital expenditure amounted to 9.4% and 12.5% of total revenues in 9M2013 and 9M2012 respectively.**

Debt Evolution

- Net debt amounted to € 4,648.4 mln, a reduction of € 58.2 mln. compared to 30.9.2012 (€ 4,706.6 mln.) and by € 30.6 mln compared to 31.12.2012 (€ 4,679 mln.).
- Debt repayments in 9M2013 amounted to € 346.7 mln.
- Current portion of long term debt to be repaid in the fourth quarter of the year amounts to € 89.1 mln.

Business Review
& Outlook

Arthouros Zervos

Chairman and CEO

Public Power Corporation S.A.

Comments on Financial Results

- **In the nine month 2013 Group results, turnover posted a small decrease of 1.5% mainly due to lower demand. Operating profitability (EBITDA) reached € 681 mln compared to € 630.6 mln in 2012 excluding the one-off positive impact from the financial settlement with DEPA in 2012, marking an 8% increase, despite the negative impact of €109 mln from the decision by the Permanent Arbitration at RAE relating to the supply of electricity to ALUMINIUM S.A.**

- **This Decision is totally unfair as it obliges PPC to sell electricity below cost. We have already requested IPTO to proceed within a reasonable time frame and, at the latest by 31.12.2013, with the implementation of our Board of Directors' decision to terminate the contract of ALUMINIUM S.A. and we will make use of all available means to protect the interests of PPC, its shareholders and its customers.**

Comments on Regulatory & Market Developments

- It is a fact that the domestic electricity market is in a restructuring phase in order to move towards the universal European model, namely the “target model”. During this process, a number of regulatory decisions have been issued which burden PPC in an asymmetric way vis-à-vis the other market participants.

- We believe in the necessity of the immediate abolition of all distortions and the development of healthy competition with fair rules, targeting the optimization of the market operation for the benefit of the end consumer.

Full Year Outlook

For the full year, and taking into account the financial impact of the recent decision for Aluminium S.A., while assuming average prices for Brent oil at $ 105/bbl, for €/$ exchange rate at 1.28 and for CO2 emission rights at € 4.8/tn, for the period October-December 2013, key financials are revised downwards as follows:

- **Revenues from energy sales: € 5.8 bln**
- **Total Revenues: € 6 bln**
- **EBITDA margin: 15.0% - 15.5% ***

**** Above projections do not include any negative impact from the allocation of the deficit in the Day Ahead Schedule created by third party suppliers in 2011-2012 and the retroactive application of the new methodology for the payment of energy generated from Renewables in the Interconnected System***

Major operational developments

South Rhodes Oil-fired plant (115.4 MW)

Environmental terms were approved on 5.11.2013 and construction works are expected to resume soon. The plant is scheduled to become operational at the end of 2016.

Cyclades Interconnection

Following the re-tendering of the project for the connection of Cyclades with the Hellenic Electricity Transmission System, IPTO is in the process of evaluating the offers received in October.

The budget of this project under tendering process is € 240 mln.

PPC Renewables

In October 2013, the General Assembly of PPC Renewables S.A. approved the construction of six new wind parks with a total capacity of 13.5 MW in the Aegean islands, of which 1.8 MW is new capacity and 11.7 MW replace existing capacity. PPC Renewables will proceed with an international tender. The total budget is € 17 mln.

Major operational developments

Ptolemais V
Bond Loan of € 739 mln with a syndicate of foreign banks

In September 2013, PPC signed a Bond Loan of an amount of € 739 mln with a syndicate of foreign banks, for the partial financing of the Ptolemais V lignite unit with an installed capacity of 660 MW and a total budget of € 1.4 bln.

The loan with annual all-in-costs of close to 5% has a duration of 15 years and will be supported by the German Export Credit Agency Euler Hermes.

Waste Syclo

The company is pursuing projects in the waste management sector in Greece through public tenders and is 49% owned by PPC.

On 24.10.2013, the Hellenic Competition Commission cleared the transfer of the 51% ownership of the company from Urbaser to Terna Energy.

PPC is currently participating, in collaboration with Terna Energy, in 3 tenders of the Waste Management Facilities of Attica Region, through a Public Private Partnership (NorthWest Attica, West Attica/Fyli, West Attica/Ano Liosia).

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 CO_2 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.