PUBLIC POWER CORPORATION S.A.

Financial Report

for the six-month period ended June 30, 2011

The attached Financial Report for the six month period ended June 30th, 2011, has been established according to article 5 of Law 3556/2007, has been approved by the Board of Directors of "Public Power Corporation S.A." on August 30th, 2011, and is available for the investors, on the internet, at the web site address www.dei.gr, for at least the next 5 (five) years.

Public Power Corporation S.A.
Registration No 47829/06/B/00/2
Chalkokondyli 30 - 104 32 Athens

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I. Statement of the members of the Board of Directors

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS
(According to article 5, par.2 of Law 3556/2007)

1. Arthouros Zervos, Chairman and C.E.O. of P.P.C. S.A.
2. Evaggelos Petropoulos, Vice Chairman BoD,
3. Apostolos Baratsis, Member of the Board of Directors and Deputy CEO,

hereby

declare

that, to the best of our knowledge:

a) the accompanying Condensed Financial Statements of the Parent Company and the Group, for the six month period ended June 30, 2011, which were prepared according to the International Accounting Standards – currently in effect- as adopted by the European Union, are truthfully depicting assets, liabilities, equity and the statement of income of Public Power Corporation S.A., as well as the companies included in the consolidation, according to the provisions of the paragraphs 3 to 5 of article 5 of Law 3556/2007 and,

b) the accompanying Board of Directors' Report, truthfully depicts the development, the performance and the status of Public Power Corporation S.A. and the companies included in the consolidation, as well as a description of the confronted major risks and uncertainties.

Athens August 30, 2011

Chairman and C.E.O.	Vice Chairman BoD	Member of the Board and Deputy CEO
Arthouros Zervos	Evaggelos Petropoulos	Apostolos Baratsis

II. Report of the Board of Directors

PUBLIC POWER CORPORATION S.A.
SIX MONTH REPORT OF THE BOARD OF DIRECTORS
FOR THE PERIOD 1.1.2011 -30.6.2011
(In accordance with the provisions of Law 3556/2007, article 5 par. 6)

This is a condensed report of financial information of “Public Power Corporation S.A.” (the Parent Company) and its subsidiaries (the Group) for the first half of the current financial year, as well as, the major events of the period and their effect on the six month financial statements. There is, also, a description of the main risks and uncertainties that the Group might face in the second half of the financial year, the outlook for this semester, as well as, the balances and transactions between PPC and its related parties.

<u>FINANCIAL DATA FOR THE FIRST HALF 2011</u>

- EBITDA amounted to € 603.8 m in 1H2011 compared to € 821.1 m in 1H2010, reduced by € 217.3 m (-26.5%). EBITDA margin reached 22.2%, compared to 28.4% in 1H2010.

- Total electricity demand in Greece, increased in 1H2011 by 67 GWh (+0.2%) to 29,334 GWh vs 29,267 GWh in 1H2010. Excluding exports and pumping, electricity demand decreased by approximately 1.8% (529 GWh).

- PPC’s total electricity sales, including exports, decreased by 1,323 GWh (-5.3%) to 23,600 GWh, while the corresponding revenues declined by 6.9% compared to 9% in the first quarter of 2011. The rate of the revenue decline has slowed down in the second quarter, mainly due to a more favorable sales mix and the reduced demand in low margin customer categories, whereas the market share loss rate is stabilizing.

- PPC’s electricity sales and revenues in the domestic retail market decreased by 6.2% (1,533 GWh) and by 7.4% (€ 192.2 m) respectively.

- Turnover reached € 2,719.1 m, vs € 2,894.5 m in 1H2010, a reduction of € 175.4 m (-6.1%). Turnover includes an amount of € 59 m reflecting network users’ contributions for connections to the network (1H2010: € 101.3 m).

- In 1H2011, PPC’s electricity generation and imports, covered 70.5% of total demand, while the corresponding percentage in 1H2010 was 78%, a reduction of 2,153 GWh. This result was also impacted by the June strike.

- PPC imports decreased to 827 GWh from 1,002 GWh in 1H2010 (-17.5%).

- Concerning RES generation, in 1H2011 PPC RENEWABLES generated 120 GWh compared to 133 GWh in 1H2010, a decrease of 13 GWh, mainly due to reduced hydro generation by 15.6%. Pre tax profits of PPC RENEWABLES amounted to € 5.4 m versus € 5.8 m in 1H2010.

- Hydro generation compared to 2010, which was the best year, in hydro terms, of the last decades, decreased by 45% (1,557 GWh), whereas in the 2nd quarter of 2011, hydro generation was approximately at the same level of last year’s respective period.

- On a semiannual basis, electricity generation from lignite remained almost at the same levels compared to 1H2010 (13,073 GWh vs 13,060 GWh respectively). In 2Q2011, electricity generation from lignite was reduced by 806 GWh (-12% compared to the respective period of the last year), out of which, 625 GWh is estimated to be associated to the June strike.

- In 1H2011, 37.4% of the Company’s total revenues were expensed for fuel, energy purchases and CO2 emission rights compared to 30.4% in 1H2010. On the contrary, despite the decrease in total revenues, payroll expense absorbed 20.5% of total revenues compared to 22.3% in 1H2010.

- The expenditure for liquid fuel, natural gas and energy purchases increased by € 148.8 m, an increase of 17.7% compared to 1H2010, mainly driven by the higher expense for energy purchases (€ 123.5 m) and the increase of the Special Consumption Tax on diesel (€ 32.4 m).

- The total reduction of payroll cost, including capitalized payroll, between the two periods amounts to approximately € 98 m (-13.4%), as the impact of the relevant legislation started being reflected in the Group’s accounts as of 2Q2010.

- Total payroll expense was reduced to a large extent (€ 63.3 m.), due to the net decline in the number of permanent employees on payroll by 668 to 21,288 on 30/6/2011 from 21,956 on 30/6/2010. The net decline in 1H2011 amounts to 557 employees on payroll. In addition, the reduction in overtime and shifts expense by € 18 m, as a result of the decrease by 11.3% in the respective hours, despite the lower number of personnel contributed also to the decrease of payroll expense.

- EBT in 1H2011 amounted to € 185.4 m, compared to € 463.6 m in 1H2010, a decrease of € 278.2 m (-60%), while net income amounted to € 128.8 m, versus € 347.9 m respectively, a reduction of € 219.1 m (-63%).

- Cash flow from operating activities decreased by € 208 m, compared to the corresponding figure in 1H2010.

MAJOR EVENTS OF THE PERIOD

Significant events for the six month period of 2011 are analytically presented in Note 13 of the Financial Statements.

MAJOR RISKS - UNCERTAINTIES

The Group's activities are subject to various risks. Specifically:

Interest rate risk and foreign currency risk: The Group's principal financial liabilities comprise bank loans, bonds and overdrafts. It is the Group's policy to hedge, solely for protection purposes, through derivatives the risk arising from the fluctuation of the floating interest rates and the foreign currency exchange rates of its debt portfolio. The existing derivatives transactions refer to specific, interest rate swaps (conversion of floating rate liabilities to fixed rates liabilities) and forward currency contracts, in order to manage the relative risks. The main risk arising from managing the Group's debt liabilities is focused in the financial results and cash flows, mainly as a consequence of the fluctuation of interest rates and, to a minimum extent, on foreign currency exchange rates fluctuation, considering that 99% of the existing debt is denominated in Euro. On the contrary, the fluctuation of € / $ exchange rate constitutes a risk concerning the Parent Companys' liabilities arising from fuel purchases. In order to cover the foreign currency risk from liquid fuel purchases, the Board of Directors of the Parent Company approved in 2010, the framework policy for hedging transactions. The abovementioned policy is implemented in 2011. It should be noted that, hedging transactions may not provide full protection against the above mentioned risks.

Market risk: The Parent Company is exposed to the risk of increase in prices (commodity prices) of oil, natural gas, electricity purchased from the System and the Network, CO2 emission rights as well electricity prices of direct PPC imports. The Parent Company has hedged volatility of liquid fuel prices for 2009, 2010 and 2011. Furthermore, the Parent Company has fully covered the estimated CO_2 deficit for the period 2008-2012, therefore, has covered the relevant price volatility risk. On the contrary, the Parent Company has not established a hedging policy against the risk arising from the volatility of natural gas prices. In terms of the risk arising from the price volatility of electricity purchases, it is to a some extent offset since PPC acts as an electricity generator and supplier.

Merchandise price risk: Prices for the main materials that the Group uses, including fuel, for its operation and development are defined by the international merchandise markets resulting to the Group's exposure to the risk of the fluctation of the relevant prices**.**

Credit risk: For its commercial receivables the Group is not exposed to substantial credit risk, since there is diversification of electricity sales to a large customer range, with a wide spectrum of economic activity. Despite that, the general financial conjecture has, to some extent, a negative impact in liquidity due to the difficulty of payments from customers. Due to that, the Parent Company is taking measures to limit the impact. The Parent Company is systematically monitoring outstanding receivables aiming at:

- facilitating customers to repay their debts by installments,
- proceeding via the Network services to interruption of electricity to customers that do not cooperate.
- securing revenues, among other actions, underwritings and guarantees.

The Group has no significant concentrations of credit risk with respect to derivative transactions, due to the fact that it monitors the credit ratings of counterparties and the level of contracts it enters into with any counterparty. The Parent Company has established a policy to protect against credit risk arising from depositing the available liquidity. The Group has imposed limits on the amount of exposure at each counterparty.

Liquidity risk: Liquidity risk is connected with the need for adequate financing for the operation and development of the Group. The Group manages its liquidity risk by monitoring continuously and programming its policy for fulfilling its cash flows liabilities, ensuring sufficient credit lines and cash deposits, while aiming at the same time at the extension of the average maturity of its debt and the diversification of its funding sources.

Risk of exposure in competition: The competition that the Group is facing, has increasing intensity and extent, both in the field of the Wholesale as well as in the Retail Market. As far as the wholesale market is concerned, the market loss is continuously increasing due to the entry of new generating units from independent generators, as well as due to the increasing penetration in the System from third parties RES. As far as the retail market is concerned, the loss of market share in customers categories with large profit margins as well as PPC's role as "last resort", has a negative impact in the Company's' profitability.

The Parent Company believes that, the approval by the Ministry of Environment and Climate Change of the new unbundled and cost-reflective tariffs that apply from January 1, 2011, have already a positive effect on the Medium Voltage customers' movement and will limit the originally disproportionate negative impact in the Parent Company's financial results, due to the existing market distortions. The abovementioned risk, could be further minimized with the implementation of the second phase of the new unbundled and cost-reflective tarrifs that it is estimated that it will remove the largest part of the market distortions of the regulated tariffs including the Low Voltage segment.

The Memorandum signed on 6th, August 2010 between the Greek Government, the European Union, the European Central Bank and the International Monetary Fund, provides for the adaption from the Greek Government of a plan for the, gradual and based on cost, access of third parties in lignite fired generation.
The Hellenic Republic is in discussions with the European Union in order to implement the respective commitment undertaken in the Memorandum, examining in parallel, together with other measures, the sale of lignite generation units.

Risk of not having Fixed Asset insurance: The Parent Company does not insure the fixed assets in use (with the exception of the information technology equipment), with a consequence that if a potential significant damage occurs that would possibly have a respective adverse impact on PPC's profitability, given the fact that PPC has self-insurance. Also, the material and spare parts, as well as, the liabilities against third parties are not insured. The Parent Company is examining the possibility to proceed to a competitive bidding process for the selection of an insurance company, for the insurance cover of its property, plant and equipment operations, as well as liabilities against third parties, taking into consideration and the legal unbundling of Transmission and Distribution Activities.

Credit Rating Risk: After the international financial crisis, Rating Agencies apply stricter criteria in the area of liquidity adequacy, having as a result even if a company has ensured, among other, a reliable coverage plan for its capital needs, to face the risk of a rating downgrade if the company does not fulfill the new stricter criteria.

In June 2011, following the downgrade of the Hellenic Republic to CC, S & P downgraded PPC' s credit rating to B- with negative credit watch.

Hydrologic Conditions: The evolution of the hydrologic conditions is a completely unpredictable factor and has a very significant impact in the Company's profitability.

Availability of lignite reserves: The Parent Company believes that lignite reserves are adequate to cover medium term levels of supply required for energy generation by lignite-fired thermal power plants.

Tariff risk: Since retail tariffs remain regulated, there is always the risk that these tariffs for 2011, which by a Ministerial Decision remain stable for the whole year, do not reflect adverse changes in the cost of the wholesale market. It should be noted that from August 1st 2010 the implementation of the fuel clause mechanism was suspended, while RAE has issued an opinion for the necessity of establishing a mechanism of tariff adjustments, according to the wholesale market volatility. Finally, in the revised memorandum singed in July 2011, it is provided that further measures will be adopted to ensure that the energy component of regulated tariffs for households and small enterprises reflects, at the latest by June 2013, wholesale market prices, except for vulnerable consumers.

CO_2 Emission allowances: In December 2008 the Greek National Allocation Plan for the period 2008 – 2012 was approved. PPC buys systematically CO_2 emission rights in order to cover the deficit between the allocated rights and the actual CO_2 emissions. This deficit, according to the prevailing conditions, (electricity demand, new power units, hydrologic conditions etc), is estimated to vary between 15 to 18 million tons of CO_2 emissions during the five year period 2008-2012, while the deficit for the period 2011-2012, is approximately estimated to 2 million tons for the basic scenario, fluctuating between zero million tons (minimum) to 3 million tons at the most (extreme emissions scenarios). In the 2008-2010 period the deficit amounted to 15 million tons approximately.
From the abovementioned deficit, 23 million tons (fully covering the period 2008-2012, with a surplus for 2013-2020) have been fully secured against price volatility risk as follows:

(a) part of them has already been contracted through Carbon Funds for deliveries of CERs, in predetermined prices, up to the year 2012,

(b) the rest has already been covered by purchases of EUAs mainly through Stock Exchanges.

Based on current data, the impact in generation cost due to CO2 emission right deficit is estimated to be approximately €11 million per year for the period 2011-2012 according to the basic emission scenario, with the possibility to fluctuate between a range of at least zero cash payments up to € 17m at the most according to the extreme emissions scenarios. In case the deficit exceeds the abovementioned estimates due to unforeseen circumstances, it will lead to a negative impact to generation cost and, as a consequence, to the Parent's Company financial results. In addition, any change in the environmental legislation will affect the Group's financial results.

Regulatory Risk: Potential modifications and/or additions in the regulatory framework of the electricity market, according to the provisions of EU legislation and the implemantion of the MOU signed between the Greek State, EU and IMF, might have a significant impact in the operation, the contractual commitments and the financial results of the Group. The implementation of the Directive 2009/72 is leading to the change of PPCs' organisational structure, with the legal unbundling of the Transmission and Distribution activities. The relevant legislation from the State has already been adopted.

Risk from Potential Undertaking of Social Security Liabilities: Despite the fact that, under current legislation the Parent Company does not has the obligation to cover any deficit between income and expenses to PPCs' personnel Social Security Funds, there can be no assurance that this regime will not change in the future.

Litigations Risk: The Group is a defendant in several legal proceedings, whereas any adverse outcome against PPC will have a significant impact on the financial results.

Risk from tax and other regulations: Any potential enforcement or/and alteration in tax and other regulations, might have a negative impact on the Groups' financial results.

Risk from regulated rate of return on Network activities: The regulated rate of return on the Network investments may have a negative impact in the Groups' profitability, if it does not cover the reasonable return in the invested capital.

Risk from providing Public Service Obligations (PSOs): According to the existing methodology for PSOs calculation, the Group might not be fully compensated for providing Public Service Obligations. More specifically, as far as the cost of electricity generation in the Islands is concerned, the recent changes in the framework of Fuel Taxation are not reflected in the current methodology of PSO's calculation. This risk is intensified after the increases of Special Consumption Tax on Diesel and Mazut. With the end of the first implementation period of the existing methodology of 2011, PPC is pursuing the implementation of a new methodology that will allow PPC to have a better recovery of PSOs.

PPC is subject to certain laws and regulations generally applicable to companies of the broader public sector: As long as the Hellenic Republic holds at least 51% of its share capital, the Company will, in some respects, continue to be classified as a public sector company in Greece. As a public sector company, it will be subject to certain laws and regulations generally applicable to public sector companies in Greece affecting some aspects of its business, including but not limited to salaries, maximum level of salaries, hiring, firing and compensation of employees as well as the procurement policies. These laws and regulations, particularly in the present financial conjecture and the relevant decisions of the Central Management, which are not applied to our current and future competitors, may limit the Companys' operational flexibility and may also have a material adverse impact to the financial results. Specifically, the implementation of the provisions of art. 2 of L.3833/2010 might has a significant adverse consequences in the operation of the Company.
It should be noted the fact that, the Group does not have the possibility to hire or keep its experienced personnel in all aspects of its business activities and, additionally, the Groups' inability to hire experts, has a negative impact on the ability of the new, under formation, PPC Group to develop and implement its strategy in the new competitive and financial environment. Finally, there is a risk of losing managers and experts from competitors.

Revised Memorandum
In the fourth revised Memorandum published in July 2011, the following actions for the energy sections are foreseen:

Government finalises the remedies to ensure the access of third-parties to lignite-fired electricity generation. **[Q2-2011]**

Legislation is adopted to award the hydro reserves management to an independent body. **[July 2011]**
To ensure that network activities are unbundled from supply activities,

- the law on the unbundling modalities of the Transmission System Operator (TSO) and the Distribution System Operator (DSO) is adopted, in compliance with the third energy liberalisation package; [**July -2011]**
- the TSO is established as a legal entity [**July -2011]**. All necessary transfers of staff and assets are completed; [**Q3 2011]**
- the DSO is established as a legal entity [**July -2011].** All necessary transfers of staff are completed. **[Q1-2012]**

All regulatory powers assigned to EU energy regulators in the third energy liberalisation package (licensing, network access, network charges, market monitoring, etc.) are transferred to the Regulatory Authority for Energy (RAE). **[July -2011]**

Measures are adopted to ensure the independence of RAE, i.e. impartial and transparent nomination of board, management authority with regard to budget and personnel, etc. in line with the third energy liberalisation package. **[July -2011]**

Government starts implementing the measures ensuring the access by third parties to lignite-fired electricity generation. **[Q3-2011]**

Detailed plans are presented for ensuring a maximum market opening as regards the non-interconnected system, covering among others, access of suppliers to the non- interconnected system markets in particular in Rhodes and Crete. Government submits a request for derogation under certain conditions of Art 44 Directive 2009/72 for small isolated systems. **[Q3-2011]**

Hydro reserves are effectively and fairly managed by an independent body. **[Q3-2011]**

The unbundling of the TSO (for electricity and gas) and DSO (for electricity) is effectively completed. **[Q1-2012]**

Government removes regulated tariffs for customers except households and small enterprises (as defined in the second and third energy liberalisation packages). **[Q4-2011]**

Further measures are adopted to ensure that the energy component of regulated tariffs for households and small enterprises reflects, at the latest by June 2013, wholesale market prices, except for vulnerable consumers. **[Q4-2011]**

Government completes the implementation of the measures to ensure access by competitors of PPC to lignite-fired electricity generation. Third parties can effectively use lignite-fired generation in the Greek market. **[Q2-2012]**

The medium term fiscal strategy 2012-2015
According to the Privatization Program of Law 3985 (O.G. A' 151) the sale of 17% of PPC's share capital, currently owned by the Greek State, in the third quarter 2012 is provided.
In Law 3986 (O.G. A'152) is stipulated that the sale will go through the National Wealth Fund.

Risk Management
The Group has defined risk as an occurrence of uncertain or non-predictable conditions that may affect its overall operations, business activity, financial performance as well as the execution of its strategy execution and its goals achievement.

The Group has not established yet a concrete Risk Management Organizational structure. Until now, its line management is engaged in a continuous process of identifying and primary assessing risks in order to suggest to the Board of Directors the design and the approval of specific risk management procedures and policies.

The Company faces strikes
Most of the Company's employees are members of labour unions. Extensive labour unrest could have a significant negative impact in the Company's business activity.

2H 2011 OUTLOOK

For the full year, we expect the decline in revenues from electricity sales to be contained to 3.5% - 4% compared to 2010, with turnover marking app. a 3 % decline.

Assuming Brent oil price of $110/bbl and €/$ exchange rate of 1.37, EBITDA margin is estimated to be in the range of 19%-20%, mainly as a result of a worse energy mix and higher energy costs.

BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of June 30, 2011 and December 31, 2010 are as follows:

	June 30, 2011		**December 31, 2010**	
	Receivable	**Payable**	**Receivable**	**Payable**
Subsidiaries				
- PPC Telecommunications S.A.	218	-	198	-
- PPC Renewables S.A.	20,564	-	12,773	-
- PPC Rhodes S.A.	31	-	29	-
- Arkadikos Ilios Ena S.A.	3	-	3	-
- Arkadikos Ilios Dio S.A.	1	-	1	-
	20,817	**-**	**13,004**	**-**
Associates/Joint ventures				
PPC Renewables ROKAS S.A.	-	(130)	-	(250)
PPC Renewables NANKO MYHE Gitani S.A.	-	-	1	-
- Larco (energy and ash)	86,750	-	90,407	-
- Sencap S.A.	137	-	137	-
	86,887	**(130)**	**90,545**	**(250)**
	426,657	(387,921)	448,516	(413,189)
	426,657	**(387,921)**	**448,516**	**(413,189)**

PPC's transactions with its subsidiaries and its associates for the period ended June 30, 2011 and 2010 are as follows:

	30.06.11		30.06.10	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
- PPC Telecommunications S.A.	19	-	19	-
- PPC Renewables S.A.	2,255	(3,593)	2,947	(3,269)
- PPC Rhodes S.A.	5	-	4	-
- Arkadikos Ilios Ena S.A.	-	-	-	-
- Arkadikos Ilios Dio S.A.	-	-	-	-
	2,279	**(3,593)**	**2,970**	**(3,269)**
Associates/ Joint ventures				
PPC Renewables ROKAS S.A.	-	(663)	-	(927)
EEN VOIOTIA S.A.	16	-	-	-
PPC Renewables NANKO MYHE Gitani S.A.	-	-	1	-
Larco GMM S.A.	37,556	(2,691)	27,751	(3,243)
	37,572	**(3,354)**	**27,752**	**(4,170)**
Other				
- HTSO	45,889	(434,677)	10,386	(277,820)
	45,889	**(434,677)**	**10,386**	**(277,820)**

On June 30th, 2011 the Parent Company has secured a short term loan amounting to Euro 8.5 million for a subsidiary.

Procurement of lignite from LARCO S.A.: On August 24, 2007 the Parent Company signed a contract for the procurement of lignite from LARCO S.A. for a total amount of 1.2 million tones (with a right to increase up to 15%) for a period of four years and a total amount of Euro 25.8 million. Given the fact that at the time of signing the contract LARCO S.A. had outstanding payables of an equal amount to PPC from the supply of electricity, payments for the procurement of lignite will be settled against the abovementioned receivable from LARCO S.A. PPC had made a provision for the abovementioned receivables, which was reversed in 2007, due to the fact that the collection of the amount was secured not only by the abovementioned contract, but also by a guarantee bond that LARCO S.A. raised in favour of PPC, covering the total duration of the contract and the total contractual amount. In the first semester 2011 LARCO has invoiced lignite deliveries of Euro 3.3 mil. approximately. Taking under consideration the worth of lignite deliveries in July 2011 and the invoicing for August 2011 for the revised lignite prices for the deliveries of the period 01.01.2010 – 31.12.2010, the payment in full of LARCO's old debt, through the 2007 contract is considered to be completed.

LARCO S.A. is liable for sums due and payable to PPC related to the consumption of electric energy since December 2008. For all sums due to PPC for the period November 1, 2008 until April 30, 2009, an action has been filed by PPC before the competent Multimembered Court of Athens (for a sum of Euro 24.2 m.) whereas, for the sums due to PPC for the period May 2009 – October 2009 (for a total sum of Euro 18.8 m.) an action has been filed against the said Company, the hearing of the case having been set for November 14, 2013. In July 2010 the Board of Directors of the Parent Company approved an agreement for the settlement of new debts incurred by LARCO's electricity consumption for the period 1.11.2008 to 31.05.2010. The above mentioned framework agreement was already approved by LARCO's Board of Directors.
As foreseen in the above mentioned agreement, a new framework agreement for the settlement of LARCO's new debts will be conducted, part of which will be paid by concluding a new lignite procurement contract, following the pattern set by the existing one, which is estimated to be completed until July 2011. As far as payment of the rest of the debt is concerned, LARCO will disburse predetermined amounts, on a monthly basis, based on the fluctuation of nickel's stock market price.
In addition with the aforementioned contract frame, LARCO is binded to pay in time the electricity bills for the consumption for the period following June 1st, 2010. In this framework, LARCO has paid in time bills concerning electricity consumption for the months July 2010 to June 2011 and therefore there are no new overdue receivables during the aforementioned period.

The process of completing the contract for the settlement of new debts as well as the new contract for the procurement of lignite which depict the above mentioned framework agreement, was completed and approved by the Parent Company's Board of Directors in July 2011. The new procurement of lignite contract, which has been signed by LARCO on August 1st 2011, provides for the initiation of deliveries on July 1st, 2011.

The above mentioned decision also provided for the inclusion of LARCO's electricity bill concerning June 2010. It is noted that in view of the materialisation of the above mentioned contract for the settlement of new debts, LARCO has paid Euro 1 mil., in April 2011 and Euro 1 mil., in May 2011, and thus the final debt amounts to Euro 76.5mil. (principal not including interest). For LARCO's debts PPC has established a provision.

Transactions and balances with other government owned entities: The following table presents purchases and balances with government owned entities Hellenic Petroleum ("ELPE") and National Gas Company "DEPA", which are PPC's liquid fuel and natural gas suppliers, respectively.

	Purchases		Balance	
	30.06.2011	**30.06.2010**	**30.06.2011**	**31.12.2010**
ELPE, purchases of liquid fuel	66,972	98,970	9,976	16,468
DEPA, purchases of natural gas	137,181	232,429	89,977	45,227
	204,153	**331,399**	**99,953**	**61,695**

In August 2010, the Parent Company's Board of Directors decided to proceed to the cash payment of 85% of the amount invoiced by DEPA for the procurement of natural gas, along the lines of the existing contract, given that PPC considers, in principle, that this reduced payment is reflecting the material change of circumstances, which define PPC's contractual obligation, beginning with the invoices concerning the consumption of July 2010. In the Parent Company's financial statements, the cost for natural gas reflects the full charge (100%) by DEPA S.A. For the abovementioned issue, DEPA, resorted to arbitration, as provided for in the PPC-DEPA Contract, requesting the payment in full of the invoiced amounts, plus interest. In January 2011, DEPA sent a letter to PPC regarding the commitment that arises from not receiving the minimum contractual quantities (take or pay). The Parent Company has requested additional data from DEPA, in the context of L. 3175/2003, in order to further evaluate DEPA's submitted request. Consequently, it is not possible, for now, to define whether a take-or-pay obligation by PPC to DEPA exists and therefore to estimate the amount of the abovementioned obligation. Finally, PPC has also resorted to arbitration for the existing contract between PPC and DEPA requesting a compensatory return according to article 25 of the same Contract. The deadline for the issuance of a decision by the Arbitrator for the implementation of article 25 expires on the 14.09.2011, unless it is postponed after a mutual agreement of the interested parties. Finally it should be noted that PPC and DEPA are currently renegotiating the terms of the already existing contract for the procurement of natural gas.

Further to the above, PPC enters into transactions with many government owned or- nonprofit oriented entities within its normal course of business (sale of electricity, services received, etc.). All transactions with government owned entities are performed at arm's length terms.

Management compensation: Fees concerning the Group's management members (Board of Directors and General Managers) for the six month period ended June 30, 2011 and 2010, have as follows:

	GROUP		COMPANY	
	30.06.11	**30.06.10**	**30.06.11**	**30.06.10**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	125	228	70	122
-Non-executive members of the Board of Directors	80	77	64	53
- Other Benefits	6	4	6	4
	211	**309**	**140**	**179**
Compensation of Vice Managing Directors and General Managers				
- Regular compensation	669	865	669	865
-Contribution to defined contribution plans	120	97	120	97
	789	**962**	**789**	**962**
Total	**1,000**	**1,271**	**929**	**1,141**

Compensation to members of the Board of Directors does not include standard payroll, paid to representatives of employees that participate in the Parent Company's Board of Directors and related contributions to social security funds. Also, it does not include the electricity benefit based on the PPC personnel invoice to the Board of Director members, the Vice Managing Directors and the General Managers.

Athens, August 30, 2011

THE BOARD OF DIRECTORS

III. Certified Auditors’ Accountants’ Review Report

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
11th Km National Road Athens-Lamia
144 51 Athens, Greece

Tel: +30 210.2886.000
Fax: +30 210.2886.905
www.ey.com/eyse

THIS REPORT HAS BEEN TRANSLATED FROM THE GREEK ORIGINAL

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

To the Shareholders of Public Power Corporation S.A.

Introduction

We have reviewed the accompanying interim condensed separate and consolidated statement of financial position of Public Power Corporation S.A. (the "Company") and its subsidiaries (" the Group") as at 30 June 2011, the related condensed consolidated and separate statements of income, comprehensive income, changes in equity and cash flows of the Company and the Group for the six-month period then ended, as well as the selected explanatory notes (the "interim financial information") which is an integral part of the six-month financial report of article 5 of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as endorsed by the European Union and apply to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal and regulatory requirements

Our review has not identified any inconsistency between the other information contained in the six-month financial report prepared in accordance with article 5 of Law 3556/2007 with the accompanying financial information.

Athens, August 30, 2011

THE CERTIFIED AUDITOR ACCOUNTANT

PANOS PAPAZOGLOU
S.O.E.L. R.No. 16631

ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A.
11TH KLM. NATIONAL ROAD ATHENS – LAMIA144 51 METAMORFOSI
S.O.E.L. R.No. 107

IV. Interim Condensed Financial Statements

PUBLIC POWER CORPORATION S.A.

Interim Condensed
Consolidated and Separate
Financial Statements

for the six month period
from January 1, 2011 to
June 30, 2011

in accordance with
International Financial
Reporting Standards,
adopted by the
European Union

The attached interim condensed consolidated and separate financial statements were approved by Public Power Corporation Board of Directors on August 30th, 2011 and they are available in the web site of Public Power Corporation S.A. at www.dei.gr.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
ARTHOUROS ZERVOS	EVAGGELOS PETROPOULOS	GEORGE C. ANGELOPOULOS	EFTHIMIOS A. KOUTROULIS

Public Power Corporation S.A.
Registration No 47829/06/B/00/2
Chalkokondyli 30 - 104 32 Athens

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PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF INCOME
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011
(All amounts in thousands of Euro - except share and per share data)

	GROUP				PARENT COMPANY			
	01.01.2011-30.06.2011	**01.01.2010-30.06.2010**	**01.04.2011-30.06.2011**	**01.04.2010-30.06.2010**	**01.01.2011-30.06.2011**	**01.01.2010-30.06.2010**	**01.04.2011-30.06.2011**	**01.04.2010-30.06.2010**
REVENUES:								
Revenue from energy sales	2,428,836	2,607,461	1,196,196	1,253,493	2,421,290	2,598,589	1,192,308	1,249,344
Other	290,329	286,992	146,831	149,741	290,329	286,992	146,831	149,741
	2,719,165	2,894,453	1,343,027	1,403,234	2,711,619	2,885,581	1,339,139	1,399,085
EXPENSES:								
Payroll cost	426,208	486,160	208,970	220,200	425,102	483,819	208,583	219,064
Fuel	949,234	893,567	470,985	475,883	949,234	893,567	470,985	475,883
Depreciation and Amortization	246,927	236,996	119,381	118,630	244,756	234,900	118,324	117,568
Energy purchases	454,196	330,710	259,436	197,845	457,789	333,979	261,262	199,398
Transmission system usage	156,186	141,525	81,874	71,733	156,186	141,525	81,874	71,733
Emission allowances	325	14,611	(11,203)	827	325	14,611	(11,203)	827
Provisions	53,841	61,374	8,159	25,985	53,817	61,326	8,135	25,964
Financial expenses	105,340	78,683	54,978	40,507	105,267	78,655	54,943	40,484
Financial income	(23,624)	(17,634)	(12,695)	(10,664)	(23,509)	(17,570)	(12,614)	(10,621)
Other (income)/expense, net	163,926	200,045	96,727	139,362	160,037	197,196	94,326	137,676
Share of loss/(profit) of associates and Joint Ventures	(1,349)	(1,023)	(951)	(389)	-	2,764	-	2,764
Foreign currency (gains)/losses, net	2,552	5,848	3,370	3,347	2,552	5,848	3,370	3,347
PROFIT BEFORE TAX	185,403	463,591	63,996	119,968	180,063	454,961	61,154	114,998
Income tax expense	(56,599)	(115,736)	(28,496)	(29,575)	(55,779)	(114,335)	(28,173)	(28,851)
PROFIT AFTER TAX	128,804	347,855	35,500	90,393	124,284	340,626	32,981	86,147
Earnings per share, basic and diluted	0.56	1.50	0.15	0.39				
Weighted average number of shares	232,000,000	232,000,000	232,000,000	232,000,000				

The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011
(All amounts in thousands of Euro - except share and per share data)

	GROUP				PARENT COMPANY			
	01.01.2011-30.06.2011	**01.01.2010-30.06.2010**	**01.04.2011-30.06.2011**	**01.04.2010-30.06.2010**	**01.01.2011-30.06.2011**	**01.01.2010-30.06.2010**	**01.04.2011-30.06.2011**	**01.04.2010-30.06.2010**
Profit for the period	**128,804**	**347,855**	**35,500**	**90,393**	**124,284**	**340,626**	**32,981**	**86,147**
Other Comprehensive income / (loss) for the period								
Profit / (Loss) from fair value available for sale valuation	(3,833)	(16,077)	(4,568)	(10,605)	(3,833)	(16,077)	(4,568)	(10,605)
Valuation of Derivatives	(6,615)	(180)	1,888	(7,422)	(6,615)	(180)	1,888	(7,422)
Other Comprehensive income / (loss) for the period, after tax	(10,448)	(16,257)	(2,680)	(18,027)	(10,448)	(16,257)	(2,680)	(18,027)
Total Comprehensive income / (loss) for the period after tax	**118,356**	**331,598**	**32,820**	**72,366**	**113,836**	**324,369**	**30,301**	**68,120**

The accompanying notes are an integral part of these interim consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED BALANCE SHEETS
AS OF JUNE 30, 2011
(All amounts in thousands of Euro- except share and per share data)

	GROUP		PARENT COMPANY	
	30.06.2011	**31.12.2010**	**30.06.2011**	**31.12.2010**
ASSETS				
Non – Current Assets:				
Property, plant and equipment, net	13,420,627	13,354,142	13,292,209	13,236,285
Intangible assets, net	91,075	89,146	90,988	89,040
Available for sale financial assets	18,241	22,073	18,241	22,073
Other non- current assets	72,177	41,547	144,551	114,665
Total non-current assets	**13,602,120**	**13,506,908**	**13,545,989**	**13,462,063**
Current Assets:				
Materials, spare parts and supplies, net	925,119	849,971	924,276	849,182
Trade and other receivables, net and other current assets	1,362,261	1,223,071	1,375,128	1,242,937
Cash and cash equivalents	772,485	620,449	768,162	617,040
Total Current Assets	**3,059,865**	**2,693,491**	**3,067,566**	**2,709,159**
Total Assets	**16,661,985**	**16,200,399**	**16,613,555**	**16,171,222**
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	1,067,200	1,067,200	1,067,200	1,067,200
Share premium	106,679	106,679	106,679	106,679
Fixed assets' statutory revaluation surplus included in share capital	(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus	5,003,253	5,013,103	4,967,023	4,976,962
Reserves	294,854	305,302	294,854	305,302
Retained earnings	1,182,411	1,224,586	1,190,961	1,237,533
Total Equity	**6,707,055**	**6,769,528**	**6,679,375**	**6,746,334**
Non-Current Liabilities:				
Interest bearing loans and borrowings	3,535,733	3,885,625	3,535,640	3,885,413
Provisions	457,803	461,210	456,595	460,078
Other non-current liabilities	2,842,788	2,881,892	2,839,240	2,877,826
Total Non-Current Liabilities	**6,836,324**	**7,228,727**	**6,831,475**	**7,223,317**
Current Liabilities:				
Trade and other payables and other current liabilities	1,241,708	1,075,285	1,232,101	1,068,288
Dividends payable	183,426	171	183,426	171
Income Tax payable	136,135	159,515	142,965	166,213
Short term borrowings	198,122	250,250	185,000	250,000
Current portion of interest bearing loans and borrowings	1,359,215	716,923	1,359,213	716,899
Total Current Liabilities	**3,118,606**	**2,202,144**	**3,102,705**	**2,201,571**
Total Liabilities and Equity	**16,661,985**	**16,200,399**	**16,613,555**	**16,171,222**

The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011
(All amounts in thousands of Euro- except share and per share data)

						Reserves				
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of Revaluation Gains	Marketable Securities Valuation Surplus	Tax - free and other Reserves	Reserves Total	Retained Earnings /Accumulate Deficit	Total Equity
Balance, December 31, 2009	**1,067,200**	**106,679**	**80,165**	**5,026,614**	**(947,342)**	**10,637**	**207,987**	**218,624**	**909,374**	**6,461,314**
Net income for the period	-	-	-	-	-	-	-	-	347,855	347,855
Other Comprehensive income / (loss) for the period recognized directly in equity	-	-	-	-	-	(16,077)	(180)	(16,257)	-	(16,257)
Total Comprehensive income / (loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(16,077)**	**(180)**	**(16,257)**	**347,855**	**331,598**
Transfers	-	-	-	(6,578)	-	-	-	-	8,222	1,644
Dividends	-	-	-	-	-	-	-	-	(232,000)	(232,000)
Other	-	-	-	-	-	-	-	-	(597)	(597)
Balance, June 30, 2010	**1,067,200**	**106,679**	**80,165**	**5,020,036**	**(947,342)**	**(5,440)**	**207,807**	**202,367**	**1,032,854**	**6,561,959**
Balance, December 31, 2010	**1,067,200**	**106,679**	**107,491**	**5,013,103**	**(947,342)**	**(10,176)**	**207,987**	**197,811**	**1,224,586**	**6,769,528**
Net income for the period	-	-	-	-	-	-	-	-	128,804	128,804
Other Comprehensive income / (loss) for the period recognized directly in equity	-	-	-	-	-	(3,833)	(6,615)	(10,448)	-	(10,448)
Total Comprehensive income / (loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(3,833)**	**(6,615)**	**(10,448)**	**128,804**	**118,356**
Transfers	-	-	-	(9,850)	-	-	-	-	12,424	2,574
Dividends	-	-	-	-	-	-	-	-	(183,280)	(183,280)
Other	-	-	-	-	-	-	-	-	(123)	(123)
Balance, June 30, 2011	**1,067,200**	**106,679**	**107,491**	**5,003,253**	**(947,342)**	**(14,009)**	**201,372**	**187,363**	**1,182,411**	**6,707,055**

The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED SEPARATE CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011
(All amounts in thousands of Euro- except share and per share data)

	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of Revaluation Gains	Reserves: Marketable Securities Valuation Surplus	Reserves: Tax - free and other Reserves	Reserves: Reserves Total	Retained Earnings /Accumulate Deficit	Total Equity
Balance, December 31, 2009	**1,067,200**	**106,679**	**80,165**	**4,990,473**	**(947,342)**	**10,637**	**207,987**	**218,624**	**933,426**	**6,449,225**
Net income for the period	-	-	-	-	-	-	-	-	340,626	340,626
Other Comprehensive income / (loss) for the period recognized directly in equity	-	-	-	-	-	(16,077)	(180)	(16,257)	-	(16,257)
Total Comprehensive income / (loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(16,077)**	**(180)**	**(16,257)**	**340,626**	**324,369**
Transfers	-	-	-	(6,578)	-	-	-	-	8,222	1,644
Dividends	-	-	-	-	-	-	-	-	(232,000)	(232,000)
Other	-	-	-	-	-	-	-	-	24	24
Balance June 30, 2010	**1,067,200**	**106,679**	**80,165**	**4,983,895**	**(947,342)**	**(5,440)**	**207,807**	**202,367**	**1,050,298**	**6,543,262**
Balance, December 31, 2010	**1,067,200**	**106,679**	**107,491**	**4,976,962**	**(947,342)**	**(10,176)**	**207,987**	**197,811**	**1,237,533**	**6,746,334**
Net income for the period	-	-	-	-	-	-	-	-	124,284	124,284
Other Comprehensive income / (loss) for the period recognized directly in equity	-	-	-	-	-	(3,833)	(6,615)	(10,448)	-	(10,448)
Total Comprehensive income / (loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(3,833)**	**(6,615)**	**(10,448)**	**124,284**	**113,836**
Transfers	-	-	-	(9,939)	-	-	-	-	12,424	2,485
Dividends	-	-	-	-	-	-	-	-	(183,280)	(183,280)
Other	-	-	-	-	-	-	-	-	-	-
Balance, June 30, 2011	**1,067,200**	**106,679**	**107,491**	**4,967,023**	**(947,342)**	**(14,009)**	**201,372**	**187,363**	**1,190,961**	**6,679,375**

The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011
(All amounts in thousands of Euro)

	GROUP		PARENT COMPANY	
	01.01.2011 – 30.06.2011	**01.01.2010 – 30.06.2010**	**01.01.2011 – 30.06.2011**	**01.01.2010 – 30.06.2010**
Cash flows from operating activities				
Profit before tax from continuing operations	185,403	463,591	180,063	454,961
Adjustments:				
Depreciation and amortization	372,914	329,299	370,504	326,982
Amortization of customers' contributions and subsidies	(37,404)	(37,297)	(37,188)	(37,095)
Interest expense	98,519	73,421	98,446	73,389
Other adjustments	48,087	109,493	49,423	113,144
Changes in assets	(306,225)	(243,869)	(299,405)	(236,934)
Changes in liabilities	85,154	(45,132)	83,527	(47,346)
Net Cash from Operating Activities	**446,448**	**649,506**	**445,370**	**647,101**
Cash Flows from Investing Activities				
Capital expenditure/ (disposal) of fixed assets and software	(462,138)	(489,387)	(449,182)	(485,485)
Proceeds from customers' contributions and subsidies	644	1,446	647	1,942
Interest and dividends received	23,624	16,474	23,509	16,410
Investments	(30)	-	(30)	(8,000)
Net Cash used in Investing Activities	**(437,900)**	**(471,467)**	**(425,056)**	**(475,133)**
Cash Flows from Financing Activities				
Net change in short term borrowings	(52,128)	(63,500)	(65,000)	(63,500)
Proceeds from interest bearing loans and borrowings	593,000	896,000	593,000	896,000
Principal payments of interest bearing loans and borrowings	(301,421)	(684,073)	(301,302)	(684,057)
Interest paid	(95,938)	(56,536)	(95,865)	(56,508)
Dividends paid	(25)	(8)	(25)	(8)
Net Cash used in Financing Activities	**143,488**	**91,883**	**130,808**	**91,927**
Net increase/(decrease) in cash and cash equivalents	152,036	269,922	151,122	263,895
Cash and cash equivalents at beginning of the period	620,449	480,042	617,040	471,782
Cash and cash equivalents at the end of the period	**772,485**	**749,964**	**768,162**	**735,677**

The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements.

SELECTED EXPLANATORY NOTES

1. CORPORATE INFORMATION

Public Power Corporation S.A. ("PPC" or the "Parent Company") was established in 1950 in Greece for an unlimited duration as a State owned and managed corporation for electricity generation, transmission and distribution throughout Greece. In 1999, the Hellenic Republic enacted Law 2773/1999 which provided for, among other provisions, the transformation of PPC into a société anonyme. PPC's transformation to a société anonyme was effected on January 1, 2001, by virtue of Presidential Decree 333/2000 and its duration was set for 100 years. Effective December 2001, PPC's shares are listed on the Athens and the London Stock Exchanges.

The accompanying condensed financial statements include the separate financial statements of PPC and the consolidated financial statements of PPC and its subsidiaries ("the Group").

PPC headquarters are located at 30, Chalkokondili Street, Athens, 104 32 Greece. At June 30, 2011 and 2010, the number of staff employed by the Group was approximately 21,288 and 21,956, respectively, excluding employees engaged in Hellenic Electricity Transmission System Operator ("HTSO"), and for which PPC is compensated.

At June 30, 2011 and 2010, 169 and 175 employees, respectively have been transferred to several State agencies (ministries, organizations, etc.) out of which, 146 and 147, payroll is paid by PPC.

As a vertically integrated electric utility, PPC generates electricity in its own 63 power generating stations (39 additional stations belong to PPC's wholly owned subsidiary, PPC Renewables), facilitates the transmission of electricity through approximately 12.1 thousand kilometres of high voltage power lines and distributes electricity to consumers through approximately 228,000 kilometres of distribution network.

Lignite for PPC's lignite-fired power stations is extracted mainly from its own lignite mines.

PPC has also constructed, along its transmission lines, approximately 1,900 kilometres of fibre-optic network, almost 200 kilometres of urban underground fibre optics network and almost 17 kilometres of underwater fibre optics network.

2. CHANGES IN LEGAL FRAMEWORK

Amendments to the legislative framework of the Electricity Market
Law 4001 (O.G. A 179/22.08.2011) «Operation of Electricity and Natural Gas Energy Markets» (implementation of Directives 2009/72/EC and 2009/73/EC), which was ratified on August 2nd, 2011, includes among others the following provisions :

- Adoption of the ITO (Independent Transmission Operator) model for the Electricity Transmission System Operator as follows :
- Transfer of a wholly owned subsidiary under the name "Independent Transmission System Operator" (ITSO) of the activities of management, operation, development and maintenance of the Greek Electrical Energy Transmission System. The total of assets and personnel of PPC's General Division of Transmission is transferred through spin off in the new subsidiary as well as the activities of the HTSO apart from the operation of the Energy Market. The operation of the Energy Market and in particular of the "Daily Energy Schedule" is conducted by an Independent company under the name of "Energy Market Operator" (EMO).
- The Independent Electricity Transmission System Operator has to be verified by the Regulatory Authority for Energy (RAE) as ITO till 3 March 2012.
- Transfer to a wholly owned PPC subsidiary under the name of the Greek Distribution System Operator (GTSO) of the activities of l Distribution as well as all PPC's receivables and payables related to the above mentioned activities with the exception of the Distribution System's assets, fixed assets and facilities which will remain in PPC's ownership.

Other provisions of the above mentioned law include among others:
- The expansion of the jurisdiction as well as the reinforcement of RAE's independence
- Measures that will protect the consumer from unfair practices
- Measures for the liberalization of the natural gas market

2. CHANGES IN LEGAL FRAMEWORK (CONTINUED)

Legislation concerning the determination of the quantity of emission allowances to be auctioned and the submitted offers of CO2 emissions costs to the Day-Ahead Electricity Market.
In 2011 there were legislative initiatives for the determination of the quantity of emission allowances that are available for auctioning according to the National Allocation Plan of greenhouse gas allowances (GHG) for the period between 2008-2012. The Ministerial Decision **186310** was published in **OG B' 574/11.04.2011**, according to which 10,000,000 greenhouse gas emission allowances will be auctioned.

The terms and the procedure for the auctioning of the GHG emission allowances within the Community from New-entrants Depository, for the period 2008-2012 are defined in, **OG B' 575/11.04.2011**, 95% of the revenues resulting from the auctions will be allocated to the Hellenic Transmission System Operator and the 5% to the Public Entity under the name "Green Fund".

RAE, with the **Decision 643/2011** (13.05.2011) announced the methodology for the CO_2 emissions cost implementation in the injection offers that the thermal units submit to the Daily Ahead Electrical Market. The implementation of this methodology includes two phases :

a) The transitional phase, from 1.6.2011 till 31.12.2012, during which the CO_2 emissions cost will represent the cost for covering the deficit that occurs if the predicted annual emissions of a unit exceed its free annual emissions allowances. If the predicted annual emissions of a unit are less than its free annual allowances, then the CO_2 emissions cost will be zero.
b) The full implementation phase, starting on 1-1-2013, during which there will be no longer free emissions allowances and therefore the CO_2 emissions cost of a unit will represent the full cost of its emissions and not the cost of covering the deficit.

The methodology is unified, so that the transition phase will be a special case of the full implementation phase. The implementation of the above mentioned methodology starts from the dispatch day of Wednesday 8th June 2011.

Settings concerning the Power Wholesale Market and its regulative texts.

The Ministerial Decision published in OG **B' 129/09.02.2011,** which amends a previous Decision concerning Grid Control and Power Exchange Code include the following provisions:

i) The calculation formulas of the constrained payments provided in article 189 are amended
ii) A new paragraph is added in article 335 which defines that the settlement and the return of any financial imbalances resulting from the transactions of article 189 par (2), will take place within 6 months since 1/1/2011 and up to the completion of the necessary software by HTSO, the latest.
iii) Wordings of the GCPEC are rephrased.

RAE, at its regular meeting on 21 May 2011, issued the **Decision 654/2011**, eliminating Decision 470A/2011, for the determination of the numerical values of unit charges, the uplift coefficients and other parameters of Non-Compliance charges due to non- lawful offers and declarations for the calendar year 2011.

There also was a modification in Article 28 of the Grid Control and Power Exchange Code for the maximum daily energy injection to the System, according to RAE **Decision 767/2011** (20.6.2011) so that the hydro unit production license holder may use the element of "max daily energy injection to the System" of paragraph 10 of the specific Article, even if the water reserves at the beginning of the non-available thermal production period are considered secure. For the implementation of that limitation, the penalty rates in the table of Article 3.2.2.4 of the market operation Manual are modified, for each violation of the relevant variable of the Daily Ahead Scheduling.

Tariff Policy
In the beginning of 2011 the **OG B' 322/28.02.2011** was published, according to which the applications for the use of Social Household Tarif (SHT) will be submitted every year within the period between 1.10. up to the 15.12 of the previous year. For the initial implementation (incorporation in 2011) applications will be submitted from 01.10.2010 until 31.03.2011. For those applications for which the verification has been completed after the 01.01.2011 or will be completed after the entry into force of this OG, there will be a retrospective incorporation from 01.01.2011.

In the framework of the present adverse economic conjecture, RAE issued **Opinion 9/2011** so that higher elasticity is provided a) concerning the upper limits of the quarterly consumption for all of the categories of the beneficiaries included in the current ministerial decision and b) concerning the income criteria especially for category D (handicapped individuals) in relation to the tax-free threshold, as they are determined in the existing provisions.

2. CHANGES IN LEGAL FRAMEWORK (CONTINUED)

On April 6, 2011 RAE issued the **Opinion 13/2011** sent to the Ministry for the Environment, Energy and Climate Change for conservation and non-escalation of the table in paragraph 1 of Article 13 of Law 3468/2006 (Invoices for absorption of electricity produced by a Producer or Self-Producer through post electricity production from Renewable Energy Sources (RES) or Cogeneration/Combined Heat and Power (CHP), excluding the price of photovoltaic power plants), as is in effect, for the years 2010 and 2011.

In RAE's **Opinion 14/2011** sent to the Ministry for the Environment, Energy and Climate Change was also proposed the definition of a threshold equal to 0.25 (25%) for the parameter "Coefficient of utilization" included in the calculation of owed demand invoices in the medium voltage regulated invoices of PPC S.A., according to the Ministerial Decision of 28.12.2010 (OG B' 2031/29.12.2010), applicable to all accounts which will be issued from 01.06.2011, regardless of the consumption period.

RAE, at the meeting of April 14 2011, found that according to information available so far, there is no violation of the legislative framework and in particular of the provisions of Article 29 paragraph 4 of Law 2773/1999, by PPC S.A, pertaining to the plaffond of Public Services Obligations (PSOs) in its customers tariffs, as well as to its obligation to maintain separate accounts for these charges. These findings were expressed in RAE **Decision 514/2011** entitled "Exceeding maximum annual charge limit per power supply due to PSOs."

On June 2011 (06/06/2011) the RAE **Decision 692/2011** was announced stating the basic principles of electricity tariffs invoicing. RAE may revise these principles, taking into account the evolving market conditions and to monitor the application of these principles, the violation of which could result in administrative penalties of Article 33 of L.2773 / 1999.

In order for the average variable cost of production of PPC for the Non-Interconnected Islands to be determined under the provisions of Article 40 paragraph 3 of Law 2773/1999, accountably for the year 2010, RAE issued the Decision **736/2011** (17/06/2011).

Other Provisions.
RAE issued **Decision 771/2011** (23.06.2011) concerning the basic principles and general standards of fair trade promotions and sale of electricity supply, giving directions a) so that the advertising and promotion of electricity supply services to be carried out in compliance with the legislation on advertising concerning consumers protection and use of personal data, as applicable, b) for the behavior of partners and staff during trade practices, c) for the prior information of the consumer and d) for the foreseen administrative penalties.

In **Law 3979** (OG A' 138, 16/06/2011) on e-Government and other provisions, the regulations for economic issues of Local Authorities were published and particularly the procedures for the charging of the municipal taxes for cleaning, lighting, electrifying sites and property, which are co-collected by PPC S.A or the alternative electricity supplier. There is also reference to a) the penalties imposed in case of non-payment of the co-collected amounts by the debtor and b) the obligations of the distribution electricity network Operator and PPC S.A, who are required to provide to the alternative suppliers the tariff information and in general the data related to the counterparties of these suppliers and are followed for the co-collection of the above amounts.

3. BASIS OF PRESENTATION FOR THE INTERIM CONDENSED FINANCIAL STATEMENTS

3.1. BASIS OF PREPARATION

Basis of preparation of financial statements: The accompanying interim condensed consolidated and separate financial statements ("financial statements") for the six month period ended June 30, 2011 have been prepared in accordance with IAS 34 "Interim Financial Reporting" which defines the form and the content of the interim financial statements. The accompanying financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the latest annual financial statements as at December 31, 2010 made publicly available.
The accompanying financial statements have been prepared under the historical cost convention except for certain assets that have been measured at fair value, assuming that PPC and its subsidiaries will continue as a going concern.
The financial statements are presented in thousands of Euro and all amounts are rounded to the nearest thousand, except when otherwise stated.

3.1 BASIS OF PREPARATION (CONTINUED)

Approval of Financial Statements: The Board of Directors approved the accompanying financial statements for the six month period ended June 30, 2011, on August 30th, 2011.

3.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies applied to the separate and consolidated financial statements are the same as those applied to the annual separate and consolidated financial statements for the year ended December 31, 2010 except for the adoption of the following new and amended IFRS and IFRIC interpretations which became effective for the accounting periods beginning January 1, 2011.

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**
- **IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amended)**
- **IAS 32 Classification on Right Issues (Amended)**
- **IAS 24 Related Party Disclosures (Revised)**

In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording

- **IFRS 3 Business Combinations**
- **IFRS 7 Financial Instruments: Disclosures**
- **IAS 1 Presentation of Financial Statements**
- **IAS 27 Consolidated and Separate Financial Statements**
- **IAS 34 Interim Financial Reporting**
- **IFRIC 13 Customer Loyalty Programs**

The adoption of the above new and amended IFRS and IFRIC interpretations does not have an impact on the financial statements or performance of the Group or the Company.

<u>Standards that have been issued but are not effective in the current accounting period and that the Group and the Parent Company have not adapted earlier.</u>

The following new and amended IFRS and IFRIC interpretations have been issued but are not effective for the financial year beginning January 1, 2011. The Group and the Company are in the process of assessing their impact, if any, on the financial statements:

- **IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended)** The amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements of IFRSs and US GAAP. This amendment has not yet been endorsed by the EU.

- **IAS 12 Deferred tax: Recovery of Underlying Assets (Amended)** The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU.

- **IAS 1 Presentation of Financial Statements (amended).**
  The amendment is effective for annual periods beginning on or after 1 July 2012. This amendment changes the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. This amendment has not yet been endorsed by the EU.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- **IFRS 9 Financial Instruments – Phase 1 financial assets and financial liabilities, classification and measurement:**
  The new standard is effective for annual periods beginning on or after January 1, 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets and financial liabilities. Early adoption is permitted. This standard has not yet been endorsed by the EU.

- **IFRS 10 Consolidated Financial Statements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and, therefore, are required to be consolidated by a parent. Examples of areas of significant judgment include evaluating de facto control, potential voting rights or whether a decision maker is acting as a principal or agent. IFRS 10 replaces the part of IAS 27 *Consolidated and Separate Financial Statements* related to consolidated financial statements and replaces SIC 12 *Consolidation — Special Purpose Entities*. This standard has not yet been endorsed by the EU

- **IFRS 11 Joint Arrangements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 11 eliminates proportionate consolidation of jointly controlled entities. Under IFRS 11, jointly controlled entities, if classified as joint ventures (a newly defined term), must be accounted for using the equity method. Additionally, jointly controlled assets and operations are joint operations under IFRS 11, and the accounting for those arrangements will generally be consistent with today's accounting. That is, the entity will continue to recognize its relative share of assets, liabilities, revenues and expenses. IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers.* This standard has not yet been endorsed by the EU.

- **IFRS 12 Disclosures of Interests in Other Entities**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, investments in associates and structured entities into one comprehensive disclosure standard. A number of new disclosures also will be required such as disclosing the judgments made to determine control over another entity. IFRS 12 replaces the requirements previously included in IAS 27, IAS 31, and IAS 28 *Investments in Associates.* This standard has not yet been endorsed by the EU.

- **IFRS 13 Fair Value Measurement**
  The new standard is effective for annual periods beginning on or after 1 January 2013. The main reason of issuance of IFRS 13 is to reduce complexity and improve consistency in application when measuring fair value. It does not change when an entity is required to use fair value but, rather, provides guidance on how to measure fair value under IFRS when fair value is required or permitted by IFRS. IFRS 13 consolidates and clarifies the guidance on how to measure fair value and also to increase convergence with USGAAP which has also been amended by FAASB. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU.

- **IAS 27 Separate Financial Statements (amended)**
  This amendment is effective for annual periods beginning on or after 1 January 2013.As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to contain accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 Separate Financial Statements requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments. Earlier application is permitted. This amendment has not yet been endorsed by the EU.

- **IAS 28 Investments in Associates and Joint Ventures (amended)**
  The Standard is effective for annual periods beginning on or after 1 January 2013. As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to prescribe the accounting for investments in associates and set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. Earlier application is permitted. This amendment has not yet been endorsed by the EU.

(All amounts in thousands of Euro, unless otherwise stated)

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- **IAS 19 Employee Benefits (amended)**
  The amendment is effective for annual periods beginning on or after 1 January 2013. The amended IAS 19 proposes major changes to the accounting for employee benefits, including the removal of the option for deferred recognition of changes in pension plan assets and liabilities (known as the "corridor approach"). The result is greater balance sheet volatility for those entities currently applying the corridor approach. These amendments will limit the changes in the net pension asset (liability) recognised in profit or loss to net interest income (expense) and service costs. Expected returns on plan assets will be replaced by a credit to income based on the corporate bond yield rate. In addition, the revised standard requires immediate recognition of past service costs as a result of plan amendments (in the income statement) and requires termination benefits to be recognised only when the offer becomes legally binding and cannot be withdrawn. Early application is permitted. This amendment has not yet been endorsed by the EU.

4. SEASONALITY OF OPERATIONS

The Company's operations are subject to seasonality due to the increased demand for electricity during the summer and winter months, a trend which is not reflected in its operating results as these are affected by external factors (fuel prices, hydrological conditions etc.).

5. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	30.06.2011	**30.06.2010**	**30.06.2011**	**30.06.2010**
Current income taxes	45,492	121,796	44,519	120,330
Deferred income taxes	5,727	(13,457)	5,935	(13,331)
Provision for additional taxes	5,380	7,397	5,325	7,336
Total income tax expense	**56,599**	**115,736**	**55,779**	**114,335**

Companies of the Group that have their residence in Greece are subject to an income tax of 20%.

Tax returns are submitted annually, although declared profits or losses are considered temporary, until the tax authorities audit the company's books and returns and the final audit report is released. Tax losses, to the extent that are recognized by the tax authorities, can offset future earnings for five years, from the year in which they incurred.

Since May 13th, 2011 the Parent Company is been audited for the year 2009. The final audit reports of the Company's tax audit for the years 2006 – 2008, as far as Income Tax is concerned were released on July 28th 2011 and the Athens Intraperipheral Audit Center construed, after a relevant decision of the Ministry of Finance that electricity benefit from the personnel tariff to the Parent Company's employees and pensioners "constitutes a generosity on behalf of the Company and cannot be deducted from its gross revenue". The Parent Company has not formed any adequate provisions for the accounting differences while is in the process of examining its options.

Tax unaudited years:

Company	Country	Unaudited years
- PPC S.A. (Parent Company)	Greece	2009-2010
- PPC Renewables S.A.	Greece	2009-2010
- PPC Rhodes S.A.	Greece	1999-2010
- PPC Telecommunications S.A.	Greece	2007-2010
- Arkadikos Ilios Ena S.A.	Greece	2007-2010
- Arkadikos Ilios Dio S.A.	Greece	2007-2010
- Hliako Velos Ena S.A.	Greece	2007-2010
- Hliako Velos Dio S.A.	Greece	2007-2010
- SOLARLAB S.A.	Greece	2007-2010
- Iliaka Parka Ditikis Makedonias Ena S.A.	Greece	2007-2010
- Iliaka Parka Ditikis Makedonias Dio S.A.	Greece	2007-2010
-HPP OINOUSA S.A.	Greece	2010
- PPC FINANCE PLC	United Kingdom	-
-WASTE SYCLO S.A.	Greece	-

(All amounts in thousands of Euro, unless otherwise stated)

6. INVESTMENTS IN SUBSIDIARIES

The direct subsidiaries of PPC are as follows:

	Group		Company	
	30.06.2011	**31.12.2010**	**30.06.2011**	**31.12.2010**
PPC Telecommunications S.A.	-	-	4,441	4,441
PPC Rhodes S.A.	-	-	838	838
PPC Renewables S.A.	-	-	85,799	85,799
PPC FINANCE PLC	-	-	-	-
Total	**-**	**-**	**91,078**	**91,078**

The consolidated financial statements include the financial statements of PPC and the subsidiaries listed bellow:

Subsidiaries	Ownership Interest		Country and Year of Incorporation	Principal Activities
	30.06.2011	**31.12.2010**		
PPC Renewables S.A.	100%	100%	Greece - 1998	RES
PPC Rhodes S.A.	100%	100%	Greece - 1999	Engineering, construction and operation of a power plant
PPC Telecommunications S.A.	100%	100%	Greece - 2000	Telecommunication services
Arkadikos Ilios Ena S.A.	100%	100%	Greece - 2007	RES
Arkadikos Ilios Dio S.A.	100%	100%	Greece - 2007	RES
Iliako Velos Ena S.A.	100%	100%	Greece – 2007	RES
Iliako Velos Dio S.A.	100%	100%	Greece – 2007	RES
Solarlab S.A.	100%	100%	Greece – 2007	RES
Iliaka Parka Ditikis Makedonias Ena S.A.	100%	100%	Greece – 2007	RES
Iliaka Parka Ditikis Makedonias Dio S.A.	100%	100%	Greece – 2007	RES
HPP Oinoussa S.A.	100%	100%	Greece – 2010	RES
PPC FINANCE PLC	100%	100%	UK - 2009	General Commercial Company

In June 2006, the Annual Shareholders' General Assembly for "PPC RHODES S.A." decided to dissolve the aforementioned company and to initiate the appropriate procedures on July 1, 2006, according to national commerce law. In November 2010, the Annual General Meeting of the subsidiary decided to revive of "PPC RHODES SA".

"PUBLIC POWER CORPORATION FINANCE PLC" (PPC FINANCE PLC) was incorporated on 21 January 2009 and its shareholders are PPC S.A. and PPCs' by 100% subsidiary PPC RENEWABLES S.A. PPC FINANCE PLC has its registered office in London, UK, and its main corporate purpose is to carry on business as a general commercial company. The authorised share capital of PPC FINANCE PLC is Euro 65.6, divided into 65,600 shares of Euro one (€ 1.00) each. PPC S.A. holds 59,040 shares (representing 90% of the entire issued share capital) and PPC RENEWABLES S.A. holds 6,560 shares (representing 10% of the entire issued share capital). PPC FINANCE PLC obtained a certificate issued by Companies' Registry on 27 July 2009, which entitles PPC FINANCE PLC, as a public company, to do business and borrow in accordance with applicable laws.

7. INVESTMENTS IN ASSOCIATES

	Group		Company	
	30.06.11	**31.12.10**	**30.06.11**	**31.12.10**
LARCO GMM S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	1,646	1,476	-	-
PPC Renewables TERNA Energiaki S.A.	3,017	2,560	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,772	2,552	-	-
PPC Renewables MEK Energiaki S.A.	966	962	-	-
PPC Renewables ELTEV AIFOROS S.A.	1,061	1,071	-	-
PPC Renewables EDF EN GREECE S.A.	8,595	8,736	-	-
Good Works S.A.	219	145	-	-
Aioliko Parko LOYKO S.A.	7	16	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	7	9	-	-
Aioliko Parko KILIZA S.A.	11	12	-	-
Aioliko Parko LEFKIVARI A.E.	8	9	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	13	15	-	-
Waste Syclo S.A	15	-	-	-
	18,337	**17,563**	**-**	**-**

(All amounts in thousands of Euro, unless otherwise stated)

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

Data concerning the above mentioned associates as well as the Group's ownership interest in them as at June 30, 2011 and December 31, 2010 are as follows:

Associates		Ownership Interest 30.06.11	Ownership Interest 31.12.10	Country and year of Incorporation	Principal Activities
Larco S.A.		11.45%	11.45%	Greece – 1989	Metallurgical
PPC Renewables ROKAS S.A.		49.00%	49.00%	Greece - 2000	RES
PPC Renewables TERNA Energiaki S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables NANKO Energy – MYHE Gitani S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables MEK Energiaki S.A.		49.00%	49.00%	Greece - 2001	RES
PPC Renewables ELTEV AIFOROS S.A.		49.00%	49.00%	Greece – 2004	RES
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece – 2007	RES
EEN VOIOTIA S.A.	1	46.60%	46.60%	Greece – 2007	RES
Good Works S.A.		49.00%	49.00%	Greece – 2005	RES
ORION ENERGIAKI S.A.	2	49.00%	49.00%	Greece – 2007	RES
ASTREOS ENERGIAKI S.A.	2	49.00%	49.00%	Greece – 2007	RES
PHOIBE ENERGIAKH S.A.	2	49.00%	49.00%	Greece – 2007	RES
IAPETOS ENERGIAKI S.A.	2	49.00%	49.00%	Greece – 2007	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko MBAMBO BIGLIES S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko KILIZA S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko LEFKIVARI A.E.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko AGIOS ONOUFRIOS S.A.		49.00%	49.00%	Greece - 2008	RES
Renewable Energy Applications LTD		49.00%	49.00%	Cyprus -2010	RES
Waste Syclo S.A.		49.00%	-	Greece-2011	Waste Management

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.
2. They are consolidated by the associate company Good Works S.A. as they participate by 100% in their share capital.

The medium term fiscal strategy, for the period 2012-2015, of Law 3985 (O.G. A' 151, 01.07.2011) and especially the Privatization Programme 2011-2015, provides for the sale of a 55.2% of Larco's share capital owned by the Greek State, by the 4th quarter of 2011.

The acquisition cost of PPC's share in Larco on June 30, 2011 amounts to Euro 46.8 m. The above mentioned cost was fully impaired during 2008. However, given that PPC participates in Larco's Board of Directors considers that it exercises an important influence and maintains the investment in its associates.

8. INVESTMENTS IN JOINT VENTURES

At June 30, 2011 PPC's share in assets, liabilities, income and expenses of SENCAP was as follows:

	June 30, 2011	December, 31 2010
Assets	123	136
Liabilities	(221)	(216)
Equity	98	80
Income	-	-
Loss after taxes	(19)	(40)
Loss recognized in the consolidated income statement	-	-

SENCAP's General Extraordinary Shareholdres' Meeting on August 5th, 2011 has unanimously decided to dissolve the Company and initiate the appropriate procedures.

(All amounts in thousands of Euro, unless otherwise stated)

9. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of June 30, 2011 and December 31, 2010 are as follows:

	June 30, 2011		December 31, 2010	
	Receivable	**Payable**	**Receivable**	**Payable**
Subsidiaries				
- PPC Telecommunications S.A.	218	-	198	-
- PPC Renewables S.A.	20,564	-	12,773	-
- PPC Rhodes S.A.	31	-	29	-
- Arkadikos Ilios Ena S.A.	3	-	3	-
- Arkadikos Ilios Dio S.A.	1	-	1	-
	20,817	**-**	**13,004**	**-**
Associates/Joint ventures				
PPC Renewables ROKAS S.A.	-	(130)	-	(250)
PPC Renewables NANKO MYHE Gitani S.A.	-	-	1	-
- Larco (energy and ash)	86,750	-	90,407	-
- Sencap S.A.	137	-	137	-
	86,887	**(130)**	**90,545**	**(250)**
Other				
- HTSO	426,657	(387,921)	448,516	(413,189)
	426,657	**(387,921)**	**448,516**	**(413,189)**

PPC's transactions with its subsidiaries and its associates for the period ended June 30, 2011 and 2010 are as follows:

	30.06.11		30.06.10	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
- PPC Telecommunications S.A.	19	-	19	-
- PPC Renewables S.A.	2,255	(3,593)	2,947	(3,269)
- PPC Rhodes S.A.	5	-	4	-
- Arkadikos Ilios Ena S.A.	-	-	-	-
- Arkadikos Ilios Dio S.A.	-	-	-	-
	2,279	**(3,593)**	**2,970**	**(3,269)**
Associates/ Joint ventures				
PPC Renewables ROKAS S.A.	-	(663)	-	(927)
EEN VOIOTIA S.A.	16	-	-	-
PPC Renewables NANKO MYHE Gitani S.A.	-	-	1	-
Larco GMM S.A.	37,556	(2,691)	27,751	(3,243)
	37,572	**(3,354)**	**27,752**	**(4,170)**
Other				
- HTSO	45,889	(434,677)	10,386	(277,820)
	45,889	**(434,677)**	**10,386**	**(277,820)**

On June 30th, 2011 the Parent Company has secured a short term loan amounting to Euro 8.5 million for a subsidiary.

Procurement of lignite from LARCO S.A.: On August 24, 2007 the Parent Company signed a contract for the procurement of lignite from LARCO S.A. for a total amount of 1.2 million tones (with a right to increase up to 15%) for a period of four years and a total amount of Euro 25.8 million. Given the fact that at the time of signing the contract LARCO S.A. had outstanding payables of an equal amount to PPC from the supply of electricity, payments for the procurement of lignite will be settled against the abovementioned receivable from LARCO S.A. PPC had made a provision for the abovementioned receivables, which was reversed in 2007, due to the fact that the collection of the amount was secured not only by the abovementioned contract, but also by a guarantee bond that LARCO S.A. raised in favour of PPC, covering the total duration of the contract and the total contractual amount. In the first semester 2011 LARCO has invoiced lignite deliveries of Euro 3.3 mil. approximately. Taking under consideration the worth of lignite deliveries in July 2011 and the invoicing for August 2011 for the revised lignite prices for the deliveries of the period 01.01.2010 – 31.12.2010, the payment in full of LARCO's old debt, through the 2007 contract is considered to be completed.

(All amounts in thousands of Euro, unless otherwise stated)

9. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

LARCO S.A. is liable for sums due and payable to PPC related to the consumption of electric energy since December 2008. For all sums due to PPC for the period November 1, 2008 until April 30, 2009, an action has been filed by PPC before the competent Multimembered Court of Athens (for a sum of Euro 24.2 m.) whereas, for the sums due to PPC for the period May 2009 – October 2009 (for a total sum of Euro 18.8 m.) an action has been filed against the said Company, the hearing of the case having been set for November 14, 2013. In July 2010 the Board of Directors of the Parent Company approved an agreement for the settlement of new debts incurred by LARCO's electricity consumption for the period 1.11.2008 to 31.05.2010. The above mentioned framework agreement was already approved by LARCO's Board of Directors.
As foreseen in the above mentioned agreement, a new framework agreement for the settlement of LARCO's new debts will be conducted, part of which will be paid by concluding a new lignite procurement contract, following the pattern set by the existing one, which is estimated to be completed until July 2011. As far as payment of the rest of the debt is concerned, LARCO will disburse predetermined amounts, on a monthly basis, based on the fluctuation of nickel's stock market price.
In addition with the aforementioned contract frame, LARCO is binded to pay in time the electricity bills for the consumption for the period following June 1st, 2010. In this framework, LARCO has paid in time bills concerning electricity consumption for the months July 2010 to June 2011 and therefore there are no new overdue receivables during the aforementioned period.
The process of completing the contract for the settlement of new debts as well as the new contract for the procurement of lignite which depict the above mentioned framework agreement, was completed and approved by the Parent Company's Board of Directors in July 2011. The new procurement of lignite contract, which has been signed by LARCO on August 1st 2011, provides for the initiation of deliveries on July 1st, 2011.
The above mentioned decision also provided for the inclusion of LARCO's electricity bill concerning June 2010. It is noted that in view of the materialisation of the above mentioned contract for the settlement of new debts, LARCO has paid Euro 1 mil., in April 2011 and Euro 1 mil., in May 2011, and thus the final debt amounts to Euro 76.5mil. (principal not including interest). For LARCO's debts PPC has established a provision.

Transactions and balances with other government owned entities: The following table presents purchases and balances with government owned entities Hellenic Petroleum ("ELPE") and National Gas Company "DEPA", which are PPC's liquid fuel and natural gas suppliers, respectively.

	Purchases		Balance	
	30.06.2011	**30.06.2010**	**30.06.2011**	**31.12.2010**
ELPE, purchases of liquid fuel	66,972	98,970	9,976	16,468
DEPA, purchases of natural gas	137,181	232,429	89,977	45,227
	204,153	**331,399**	**99,953**	**61,695**

In August 2010, the Parent Company's Board of Directors decided to proceed to the cash payment of 85% of the amount invoiced by DEPA for the procurement of natural gas, along the lines of the existing contract, given that PPC considers, in principle, that this reduced payment is reflecting the material change of circumstances, which define PPC's contractual obligation, beginning with the invoices concerning the consumption of July 2010. In the Parent Company's financial statements, the cost for natural gas reflects the full charge (100%) by DEPA S.A. For the abovementioned issue, DEPA, resorted to arbitration, as provided for in the PPC-DEPA Contract, requesting the payment in full of the invoiced amounts, plus interest. In January 2011, DEPA sent a letter to PPC regarding the commitment that arises from not receiving the minimum contractual quantities (take or pay). The Parent Company has requested additional data from DEPA, in the context of L. 3175/2003, in order to further evaluate DEPA's submitted request. Consequently, it is not possible, for now, to define whether a take-or-pay obligation by PPC to DEPA exists and therefore to estimate the amount of the abovementioned obligation. Finally, PPC has also resorted to arbitration for the existing contract between PPC and DEPA requesting a compensatory return according to article 25 of the same Contract. The deadline for the issuance of a decision by the Arbitrator for the implementation of article 25 expires on the 14.09.2011, unless it is postponed after a mutual agreement of the interested parties. Finally it should be noted that PPC and DEPA are currently renegotiating the terms of the already existing contract for the procurement of natural gas.

Further to the above, PPC enters into transactions with many government owned or- nonprofit oriented entities within its normal course of business (sale of electricity, services received, etc.). All transactions with government owned entities are performed at arm's length terms.

(All amounts in thousands of Euro, unless otherwise stated)

9. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Management compensation: Fees concerning the Group's management members (Board of Directors and General Managers) for the six month period ended June 30, 2011 and 2010, have as follows:

	GROUP		COMPANY	
	30.06.11	**30.06.10**	**30.06.11**	**30.06.10**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	125	228	70	122
-Non-executive members of the Board of Directors	80	77	64	53
- Other Benefits	6	4	6	4
	211	**309**	**140**	**179**
Compensation of Vice Managing Directors and General Managers				
- Regular compensation	669	865	669	865
-Contribution to defined contribution plans	120	97	120	97
	789	**962**	**789**	**962**
Total	**1,000**	**1,271**	**929**	**1,141**

Compensation to members of the Board of Directors does not include standard payroll, paid to representatives of employees that participate in the Parent Company's Board of Directors and related contributions to social security funds. Also, it does not include the electricity benefit based on the PPC personnel invoice to the Board of Director members, the Vice Managing Directors and the General Managers.

10. DIVIDENDS

For the financial year 2010, the Annual General Shareholders' Meeting on June 30, 2011, announced that, dividends amount to 0.79 euro (seventy nine cents) per share. The net payable dividend after retaining a tax of 21% according to L.3943/2011, amounts to 0.62 euro/share and it was paid on July 12th, 2011.

11. LOAN AGREEMENTS – REPAYMENTS

Within the six months period ended June 30, 2011 the Parent Company issued four (4) bond series for a total amount of € 243 mil, repayable within the period 2012 – 2016, bearing interest at EURIBOR plus a margin.

Furthermore, PPC reimbursed a second tranche of Euro 350 mil of a loan agreement with 15 year duration out of the total financing line of Euro 950 mil from EIB, for the Project Transmission – Distribution V which was approved by the Board of Directors in 2009.

At June 30, 2011 the total available short term financing lines amounted to Euro 275 mil out of which Euro 185 mil were disbursed.

The loan repayments for the six month period ended June 30, 2011 amounted to Euro 301.5 mil.

Foreign currency hedging transactions.
Within the six month period ended June 30, 2011 the Company hedged approximately 70% of the foreign currency exposure (fluctuations of €/$ exchange rate) for the estimated liquid fuel purchases for 2011.

Liquid fuel hedging transactions.
In May 2011, the Company hedged approximately 28% and 41% of the Fuel Oil 1% and the ULSD 10 ppm respectively for the estimated consumption for the non-Interconnected system for the period from June to September 2011.

Interest rate SWAP transaction.
In April 2011, the Company entered into an interest rate swap transaction from floating to fixed rate of an outstanding loan amounted to € 50 mil., maturing December 2015.

12. COMMITMENTS AND CONTINGENCIES

Ownership of Property

Major matters relating to the ownership of PPC's assets, are as follows:
1. Public Power Corporation S.A. is the legal successor to all property rights of the former PPC legal entity. Its properties are for the most part held free of encumbrances. Although all property is legally owned, legal title in land and buildings will not be perfected and therefore title may not be enforced against third parties until the property is registered at the relevant land registry in PPC's name. PPC is in the process of registering this property free of charge at the relevant land registries following a simplified registration procedure. This process is not yet finalised.
2. In a number of cases, expropriated land, as presented in the expropriation statements, differs (in quantitative terms), with what PPC considers as its property.
3. Agricultural land acquired by PPC through expropriation in order to be used for the construction of hydroelectric power plants, will be transferred to the State at no charge, following a decision of PPC's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by PPC S.A. for the fulfilment of its purposes.

Litigation and Claims

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at June 30, 2011 amounts to, Euro 705 m, as further analysed below:

1. Cla*ims with contractors, suppliers and other claims:* A number of contractors and suppliers have raised claims against the Company, mainly for disputes in relation to the construction and operation of power plants. These claims are either pending before courts or in arbitration and mediation proceedings. The total amount involved is Euro 374 m. In most cases the Group has raised counter claims, which are not reflected in the accounting records until the time of collection.
2. *Fire incidents and floods***:** A number of individuals have raised claims against the Company for damages incurred as a result of alleged electricity-generated fires and floods. The total amount involved is Euro 48 m and Euro 9 m, respectively.
3. *Claims by employees:* Employees are claiming the amount of Euro 195 m, for allowances and other benefits that according to the employees should have been paid by PPC.
4. *Litigation with PPC Personnel Insurance Organization (PPC-PIO) (in Greek it is "OAP-DEI" i.e. PPC's Social Security Fund):* Until June 30, 2011, the PPC Personnel Insurance Organization (former "PPC PIO", TAYTEKO/IKA at present) had filed, before the courts, seven (7) lawsuits against PPC, claiming an amount in total of Euro 87,704 and, aiming to: (a) obtain the ownership of a building sold by PPC in 1999 for an amount of Euro 13,294, (b) obtain the ownership of certain properties owned by PPC and collect the rents earned by PPC over a specified period of time, for an amount of Euro 6,962 (three actions), these cases have been resolved with a decision of the Plenary Session of the Supreme Court (13/2010), (c) obtain the ownership of a building, of estimated value of Euro 8,000, (d) be compensated for securities and shares which became property of PPC, and part of which has been sold, as well as for related dividends collected by PPC for a total amount of Euro 59,393 and (e) to oblige PPC to render detailed accounts concerning management of bonds that PPC kept on behalf of PPC – PIO' of an amount of Euro 55.
   The aforementioned cases are finally resolved with the recent issued Decision of the Plenary Session of the Supreme Court regarding the (a) case, according to which invalidates the 2007 Decision of the Court of Appeal, that had originally accepted PIOs' action against PPC.
   Under Judgment by the Supreme Court No. 13/2010, the Court reached inter alia the decision that the prohibition of conveyance or any kind of freezing or change of Insurance Fund´s "Insurance Fund of Personnel" (IFP / ΤΑΠ ΗΕΑΠ-ΕΗΕ) assets, provided for under art.5 par.3 Law No. 163/1975, extends from the application of Law No 163/1975 until the repeal of the above mentioned Insurance Fund (taken place on 31.5.1985) and does not extend to time subsequent of the repeal, when PPC would become the assets holder under art.5 par.1 Law No. 163/1975.
   The abovementioned Decision of the Plenary Session remitted the case to the Court of Appeal for the typical final resolution of the said dispute. The aforementioned Decision creates a precedent in relation to all other abovementioned pending cases (b) to (e) and therefore the established provision on December 31, 2009 was reversed within the second semester of the 2010 fiscal year.

   For the above amounts the Group has established provisions, which at June 30, 2011 totalled approximately Euro 156 m.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

"Alouminion of Greece" (ALOUMINION)

There are pending actions before the Athens Multimembered Court of First Instance of ALOUMINION versus PPC (the hearing day of the said action of ALOUMINION after many postponements, has been set for the December 15th, 2011), as well as, of PPC versus ALOUMINION. ALOUMINION claims thatinitial contract between the parties is still valid and binding between the parties, whereas PPC claims, among others, the amounts regarding to the differences in tariffs. In particular PPC has filed, an action before the competent Multimembered Athens Courts against "ALOUMINION" for all sums related to the consumption of electric energy due and payable to PPC by "ALOUMINION" for the period from July 2008 until the end of September 2008, for an amount of Euro 4.3 m which responds to the increase of 10% by n. 23860/30.11.2007 Decision of the Minister of Development and a lawsuit for amounts from energy consumption for the period Euro 48.9 mil. plus an amount of Euros 414 (for interest due to PPC by the "ALOUMINION" for four (4) electricity bills within the year 2009) .The date of the hearing of the said cases was set initially for the 29.4.2010 and it was then postponed for October 11th 2012 and there are many possibilities of an favorable outcome.

On February 23, 2010 a decision has been issued by the Arbitration Court in relation to the application of the terms of the 23860/30.11.2007 t ministerial decision which held:

- That there was a valid contract as between PPC and ALOUMINION, which was valid before the date on which the relevant increase of 10% was introduced (in consequence, before the 1st of July 2008) (tariff A-150).
- That the obligation to negotiate vis a vis ALOUMINION concerned only the percentage pertaining to the said increase (0%-10%), limited at the lowest, in all cases, to the plafond of the tariff of A-150, currently in force.
- That the relevant obligation to negotiate with ALOUMINION, was under the condition that PPC would in all cases, respect, even on a unilateral basis, and not necessarily vis a vis each and every one of the different consumers, the general principles of good faith and of bonos mores, of free competition as well as the principle of the protection of the consumers and consequently has defined the limits of the tariff for ALOUMINION.

In August 2010, PPC's Board of Directors by its Decision No 177/03.08.2010 approved a framework agreement between PPC S.A. and ALOUMINION S.A. for the out of court settlement of their disputes. The abovementioned framework agreement was accepted by ALOUMINION S.A. and is the basis that the two counterparties agreed to use in order to proceed to the signing of the new contract of electricity supply.

According to the framework agreement, the following are in force until 31/12/2013:

1. PPC S.A. will supply electricity to ALOUMINION S.A. for the hours that are within the off peak demand zone, including Saturdays, Sundays and holidays, with a charge of € 40.70/MWh, which corresponds to A 150 tariff, as it was valid at 30.06.2008 plus 10% increase for the hours of off peak demand zone.
2. ALOUMINION S.A. will cover its electricity needs as self-supplied from the Pool for the rest hours of the day.
3. In addition, and under the same framework agreement, the financial disputes that had arisen in the past, are settled and specifically, the repayment of the remaining debt for the electricity consumption for the period 01.07.08 – 30.06.10, which is determined after compromise at the amount € 82.6m.

Since then ALOUMINION S.A. has made monthly payments regarding in one hand, capital (the cap of the amount of which depends on the current stock-exchange price of aluminium) as well as interest and the contracted amount of downpayment amounting to € 20 m., against old debts and also for amounts owed to PPC S.A. for current consumption for the time period as from 1/7/2010 and thereafter. As a consequence of the foregoing, the initial debt of ALOUMINION S.A. has been decreased from an initial amount of € 82.6 m. to the amount of € 49.6m. until 30.06.2011.The provisions of the above mentioned Agreement are implemented in that part that does not exist differences between the two companies(a dispute exists between the parties on sharing certain fees and charges).
PPC, in its letter to RAE, has requested RAE's comments on both the Contract being drafted and the existing disputes between the parties on sharing certain fees and charges, as described below. RAE has issued a Decision (RAE 692/6.6.2011), through which its requests the harmonization of the tariff provisions of the PPC – Alouminion Agreement with the "Basic Principles of Electricity Pricing" (RAE 798/30.06.2011), as these were stated on the occasion of PPC's proposal for the new tariffs concerning High Voltage Clients. PPC by its letter dated 07.07.2011 has invited ALOUMINION to sign the relevant contract in agreement with the legal and regulatory framework. Recently ALOUMINION doubts the above mentioned framework agreement.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Today, there are still outstanding debts of Aluminion S.A. which concern on the one hand, the above mentioned amount of 49.6m. euro and on the other hand, an amount of Euro 25 mil, which is being disputed by Aluminion and concerns various fees and charges, specifically Special Tax for Consumption, Fees for Execution of Custom Works (Special fee), Fees for Renewable Energy Sources and other charges (Charges for Use of Transmission System, Capacity Assurance Mechanism, Uplift Accounts, Public Services Obligation etc.) for the period from July 2010 until today.
Up to June 30th 2011, Aluminion has been paying the amounts resulting from the mutual Agreement, excluding certain fees and charges.
Recently, on 27.07.2011 PPC received notification of the Decision No. E (2011) 4916/13.07.2011 of the European Commission after investigation on whether state aid (C2/2010) exists in favor of Aluminion of Greece and its successor Aluminion S.A., addressed to the Hellenic Republic, with which the Commission decided that state aid of the amount of Euro 17.4 million was granted in favor of Aluminum of Greece. According to this Decision, and the Hellenic Republic shall ensure that this recovery takes place within four months from the date of the notification of the Decision. According to the Decision, the state aid was granted in the form of reduced electricity tariffs, which the state-controlled PPC supplied to Aluminion of Greece from January 2007 up to March 2008, and which provided an unjustified advantage to Aluminion of Greece Company, thus violating EU state aid regulations. It is noted that, according to the Decision, the Hellenic Republic must keep the European Commission informed and provide specific information (detailed description of the amounts including interest, and measures taken for the implementation of the Decision of the European Commission within a two month period from the date of its notification to the Hellenic Republic).
The above mentioned aid will have to be returned to PPC, with the legal interest, according to the law regarding state aids. PPC intends to claim the reimbursement of the above mentioned amount by any legal action.

Bank Of Crete
The dispute with the old "Bank of Crete" is dating back to 1989, when the bank was under liquidation due to serious legal violations revealed at that time. More precisely, by an action filed on July 22, 1991 as against the Bank of Crete, PPC claimed an amount amounting to GRD 2.2 billion (Euro 6.5 million) due to the fact that transverse of the claims of PPC to stake-holding in the share capital of the Bank and to obligatory credit to the Bank, introduced by virtue of the 21/9.6.1989 Act of the trustee of the Bank was held invalid. The action was withdrawn by nr 9004/1996 Decision of the Multimember Court of Athens. PPC appealed against the said Decision of the Court which was also rejected by Decision Nr 4613/1997 of the Athens Appeal Court.
Said decision was brought to review by PPC before the Supreme Court and appellate Decision was quashed by Decision Nr 746/1998 of the Supreme Court. In consequence the case was brought to trial before the Court of Appeals, which by its Decision Nr 5514/1999 held that an expert report should take place. After said experts report, a Decision (Nr 7956/2005) was held partially in PPC's favour. Awarding in favour of PPC the amount of almost GRD 1,936 billion (Euro 5.7 million).
However, a petition for review before the Supreme Court was filed against the aforesaid Decision which was accepted by Decision Nr 1968/2007of the Supreme Court, was resubmitted to the Court of Appeals for a new trial. The decision issued by the Court of Appeals (Nr 4093/2009) postponing the final decision ordered the completion of the expertise report concerning the requested amount of the compound interest by PPCs' lawsuit. The Decision seems to accept almost in its entirety the lawsuit of PPC, so that after the completion of the expertise report, with the issuance of the final Decision, there may be a decrease of the requested compound interest amounts. It should be noted that, on the 4th of February 2010, an application made by the Bank was heard before the Athens Court of Appeals by which, the Bank asked that it should be taken additionally into account within the context of the Decision of the said Court of Appeals Decision Nr 4093/2009, so that the Experts Report should also include a counterclaim by the Bank offered by the Bank an amount of GRD 100 m. (Euro 293) approximately, as against the claim of PPC on trial As a consequence thereof, the addition of the Expert Report already decided by Decision Nr 4093/2009, is further postponed until the issuing of a final judgement of the same Court on the said application for an addition made by the Bank. The aforementioned application of the Bank for an addition in a final judgement of the Athens Court of Appeals was rejected with the Decision 1732/2010 of the said Court. Thus, the court for the above mentioned lawsuits is continued and the issuance of the abovementioned supplementary expert report is expected.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Complaint against the European Commission's Decision regarding lignite extraction rights
On May 13th, 2008, the parent Company filed before the General Court of the European Union (General Court), an application for annulment of the Commission's decision of March 5th 2008 regarding the granting by the Hellenic Republic of lignite extraction rights . The Greek State has intervened before the aforementioned Court in favour of PPC, while two undertaking– competitors of PPC – have intervened in favour of the European Commission. On February 19, the Hellenic Republic submitted its observations before the General Court. Furthermore, on August 4th, 2009, the European Commission issued a second decision (which was notified to PPC on August 7,2009), in which the measures for the compliance with the decision of March 5th, 2008 were defined as obligatory for the Hellenic Republic. The Commission's Decision defined as obligatory for the Hellenic Republic the launching of public tender procedures for the concession of lignite rights for the mines of Drama, Ellassona, Vevi and Vegora to third parties excluding PPC, with the exception of those cases where there are no other valid and binding offers. The Hellenic Republic was also obliged to assure that the third parties that would be awarded the relevant extraction rights, would not sell to PPC the extracted lignite from the specific mines with the exception of those cases where there would be no other valid and binding offers. With regard to the above mentioned mines, the Decision of August 4 2009, defined that the tender procedures should be launched within six (6) months from the notification of the decision and the extraction rights should be awarded to the successful bidders within twelve (12) months from the date of notification of the decision. PPC timely (on 19/10/09) and lawfully submitted an application for annulment of the said decision of the Commission before the CFI of the European Communities. Furthermore, the Hellenic Republic has timely intervened before the CFI in the said proceedings in favour of PPC. The date was set for the discussion of Case T-169/2008 PPC replied timely to the said request. Finally the hearing of the Case T-169/2008 (regarding the a.m. Decision of the Commission of 5 March 2008-PPC S.A., "the Hellenic Republic as intervening party *versus* The Commission of the European Communities, "Energeiaki Thessalonikis s.a." and "HE&DSA" as intervening parties" was set for April 6, 2011 . The hearing of the case took place before the General Court on the scheduled date, namely on April 6, 2011 with a cross hearing of all litigant parties. The Decision of the Court is expected within 2011. Similarly, after a relevant summons of the Secretary of the EU General Court, on the scheduled date of hearing on 13th of July 2011, the application for the annulment of the Commission's Decision dated 4th of August 2009 regarding the above case [C (2009) 6244] was tried after a hearing before the General Court in Luxembourg and the relevant decision is expected to be issued.

Third Party Access to electricity generation from lignite
In addition to the above mentioned and in the framework of the Memorandum signed in August 2010 between the Greek Government, the European Union, the European Central Bank and the International Monetary Fund, it provides for the adaption from the Greek Government of a plan for the, gradual and based on cost access, of third parties in lignite fired generation.
The Hellenic Republic in its capacity as shareholder and legislator is in discussions with the DG Competition of the EU in order to implement the respective commitment undertaken in the Memorandum, examining in parallel, together with other measures, the selling of lignite units.
PPC is examining its options in the new environment.

Environmental Obligations

Key uncertainties that may influence the final level of environmental investment which the Group will be required to make over the forthcoming decade, include:

1. Following the issuance of Environmental Permits, by Common Ministerial Decisions, for all Hydroelectric (H/E) Plants, environmental permits are still pending, only for "Plastiras" H/E Plant and the national transmission network, for which the Environmental Impact Assessment Studies have already been submitted to the Ministry for the Environment.

According to Greek Law 3481/2006, the environmental terms for the continuation, completion and operation of the projects of the Acheloos River Diversion Scheme to Thessaly, in which Messochora HP is included, were approved and their fulfilment is a prerequisite for the implementation of the projects and for which responsibility lies with the administrator, responsible for construction and operation of the respective projects.

Public Projects, as well as PPC's projects that have been auctioned and constructed or are under construction and are related to projects of the Acheloos River Diversion Scheme to Thessaly and energy projects are allowed to operate or be completed, according to the approved Administration Plan and the above-mentioned environmental terms.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Based on the above-mentioned terms the continuation of the project was allowed for the completion and operation of Messochora HP as well as the completion of the construction project of the tunnel, which are already been completed and are finally delivered from 17.06.2010.

After the publication of Law 3734/2009, matters concerning the Messochora Hydroelectric Project are arranged, with which the completion and operation of the Project becomes possible. These matters concern expropriation of areas in the Messochora HEP Reservoir, expropriation of the Messochora Village and of the areas where it will be relocated and arrangement of compensations to the affected inhabitants. All the above mentioned expropriations are declared for public utility reasons of great importance and their settlement will allow the completion of the Project and the operation of the Messochora Power Plant.

Following the ruling No 141/2010 by the competent Suspension Committee of the Council of State, the immediate cease of all works has been ordered at all relevant projects, as well as the cease of operation of all completed projects, until the final judgment is issued by the Plenary of the Council of State. Further developments, namely the final judgment, will be issued by the Plenary of the Council of State after taking into consideration the ruling of the European Court of Justice in relevant preliminary questions, already addressed to this Court, referring to the compatibility of the provisions of the Law 3481/2006 with the European legal framework.

PPC S.A. considers that the Hydroelectric Plant of Messochora is independent from the Acheloos River Diversion to Thessaly Scheme and therefore it should be not affected from the abovementioned issues. PPC S.A. examines the possibility to disengage Messochora Power Plant from the overall Acheloos River Diversion Scheme, so that the Project can be dealt with as an independent unit and have its own environmental terms, i.e. independently from the other Projects of the Diversion Scheme. For this purpose, PPC waits for the completion of the Water Management Study, ordered by the Ministry of Environment and Climate Change, related to the compilation of the Water Management Plan of the Catchment Areas in the water territories of the Western Central Greece, Epirus and Thessaly, in which the Catchment Area of the River Acheloos is included. These studies are expected to be completed in March 2012. Here after, the process for the issue of the WATER MANAGEMENT PLANS by the Ministry will follow, which, taking into account the necessary-provided by law-consultation period, is expected to be completed around May 2012. On June 30, 2011 the aggregate amount for HEP Mesochora is amounted to Euro 284.4million, which according to the above is considered to be fully recoverable and is expected to require further Euro 125.5 million to complete the project, estimated in 2014.

2. Under IPPC (Integrated Pollution Prevention and Control) Directive, the Best Available Techniques for Large Combustion Plants (with a thermal capacity greater than 50 MW) have been defined on July 2006 at a European level. These may: (a) require additional to the already foreseen investments at PPC's larger thermal power plant stations, (b) reduce the permitted hours of operation of its oil fired power stations. In accordance with European Directive 2001/80/EC, a pollutants emissions reduction plan for existing Large

Combustion Plants has been approved by PPC's Board of Directors, and this includes, among others, the following measures:

(i) Units I and II of Megalopolis A plant will enter the status of limited hours of operation (20,000 hours both of them as one installation) from January 1, 2008 until December 31, 2015 at the latest.
(ii) Until the end of 2007, all measures for facing the operational problems of the flue gas desulphurisation plant in unit IV of Megalopolis B plant, should have been completed.
(iii) Until the end of 2007, all measures for the installation and continuous operation of the flue gas desulphurization plant in Unit III of Megalopolis A plant, should have been completed.
(iv) Until the end of 2007, all necessary modifications for using low sulphur heavy fuel oil, in all the existing oil fired plants included in the pollutants emissions reduction plan, should have been implemented.

PPC's emission reduction plan was submitted to the authorities and has been incorporated in the National Emissions Reduction Plan of the country, according to the provisions of the aforementioned Directive. For the Linoperamata Steam Electric Station, the use of low sulphur heavy fuel oil has already started from January 1st, 2007. From October 2007, all oil fired power plants which use heavy fuel oil, are supplied with low sulphur heavy fuel oil, as requested in measure (iv). The aforementioned measure (ii) was completed during the first semester of 2008, while about measure (iii) on 29.03.2010 its commercial

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

operation period was finished. The relative performance tests were started on April 2010 and were completed on August 11, 2010. Based on the results of performance tests' valuation report submitted by the assigned third party (TUV AUSTRIA), the guaranteed parameters of the project have been accomplished.The Temporary Acceptance Protocol was signed on 03.03.2011, having 30.03.2010 as valid Temporary Acceptance date. The project is now in guarantee period, while the approval of the Temporary Acceptance Protocol was accomplished on 19.07.2011.

The renewal of certain thermal power plants' environmental permits is expected within 2011, after the issue (August 2008) of the Common Ministerial Decision for the National Emissions Reduction Plan (Directive 2001/80/EC). In December 2010, the new Directive (2010/75/EK) was issued for industrial emissions (Industrial Emissions Directive – IED), which is effective from 06.01.2011 and which amends Directives IPPC and 2001/80/EK. Additional investments that might be required to the already existing units will be assessed, taking into account remaining operational life of the units.

3. The extent of land contamination has yet to be assessed for many of PPC's installations. At present, there appears to be no requirement for large-scale remediation projects at PPC's sites in the short term, and it is unlikely that this will be required at the mining areas or at the lignite-fired power stations for the foreseeable future. Remediation, however, may be required, at some of the company's oil-fired power stations and depots, in the future.

4. PPC has performed limited studies on the presence of asbestos-containing materials, at its premises. Upon submission by PPC of a full environmental impact assessment study, the Ministry of Environment issued in May 2004 the environmental permit for the construction and operation of an environmentally – controlled landfill site for the management and final disposal of asbestos containing construction materials, existing in its premises located in Northern Greece.

5. During the operation of the Transmission Lines, Substations and Hyperhigh Voltage Centers, there is no electromagnetic radiation, but two separate fields, the magnetic and the electric field. At places where the public or the Company's personnel might find themselves close to the above mentioned lines and substations, the values of those fields are substantially less than the limits. Those limits were established by the International Commission on Non Ionizing Radiation Protection (ICNIRP) in collaboration with the World Health Organization (WHO). The above mentioned limits have also been adopted by the European Union as well as the Greek State. It must be noted though, that the limits stated in the above regulations for both fields do not constitute dangerous values, but rather contain large safety factors, in order to cover for some vagueness due to the limited knowledge about both the magnetic and electric fields' influence in order to fulfil the requirement for the prevention of any adverse impacts.

6. In the year 2011, the issuance of permits for the Ptolemais lignite mine is expected, which was revised in June 2010, in order for the updated mining plan to be authorized, the sterile component of lignite and ash, produced by burning coal in power stations in the region of Ptolemais and a waste management plan in accordance with KYA 39624/2209/E103/25.09.2009 (GG V/2076/25.09.2009) on Waste Management Extractive Industry. Expected in 2011, the renewal of environmental licensing of the activity "Management of solid waste from burning coal in power stations Megalopolis lignite mine, in the homonymous mine (the depleted mine of Thoknias).

CO2 Emissions

In November 2007, PPC submitted 31 applications to the competent authority for the issuance of the emissions permits for its bound power plants, concerning the period 2008-2012. In December 2007, the competent authority approved the submitted Monitoring Plans and issued the respective permits for the second trading period 2008-2012. In December 2008 the Greek National Allocation Plan for the period 2008 – 2012 was approved. According to the final allocation, 44.2 Mt CO_2 allowances have been allocated to the 31 existing bound plants of PPC for 2010. Additional annual allowances 0. 54 Mt CO_2 were allocated to PPC's new entrance units for the year 2010 (extension to the installed capacity of existing plants – 0.39 Mt CO_2 to new entrance of year 2008, 0.12 MtCO_2 to new entrance of year 2009 and 0.03 MtCO_2 to new entrance of year 2010)). By the end of March 2011, the verification of the annual emissions reports, for all 31 bound plants, by accredited third party verifiers was completed successfully and the reports were promptly submitted to the Competent Authority. The total verified emissions of all 31 bound plants of PPC for 2010 amount to 46.4 Mt CO_2.According to the allocation of CO_2 emissions allowances and the final CO_2 emissions from PPC's bound plants, PPC exhibited a CO_2 emission rights deficit of 1.7 Mt CO_2 for 2010.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

According to the temporary results, the CO_2 emissions of PPC's bound plants for the period 01.01.2011 – 30.06.2011 amounts to 22.1 Mt CO_2. According to recent projections, the CO_2 emissions for the period 01.07.2011 – 31.12.2011 are estimated to 23.3 M CO_2 t, thus the total CO_2 emissions for 2011 are estimated to 45.4 Mt CO_2, approximately. It should be noted that the emissions of 2011 will be considered final by the end of March 2012, when the verification of the annual emissions reports by accredited third party verifiers will be completed. According to CMD 52115/2970/E103/2008 (Official Gazette/B/2575/ 19.12.2008) 43.7 Mt CO_2 allowances have been allocated to the 31 existing bound plants of PPC for 2011, while respective emission rights amounting to 0.6 Mt CO_2 were allocated to PPC for the year 2011 due to new entrance units of years 2008-2010.
According to the above, it is estimated that PPC will exhibit a shortage of emission allowances for 2011 amounting to 1.1 Mt CO_2 out of which 0.55 Mt CO_2 respond to the period from 01.01.2011 to 30.06.2011.
It is noted that the exact amount of the deficit for year 2011 will be finalised only after the arrangement of the allocation of the additional emission rights due to new entrance units in the non - interconnected islands for the year 2011. The results for the six month period ended on June 30, 2011 have been burdened with an expense amounting to Euro 6.1 million for the coverage of the estimated emission allowances' deficit for 2011 (2010 : Euro 14.3 million).
On December 31st, 2010 there was an emission allowances' deficit, for the years 2009-2010 amounting to Euro 31.5 million, valued at prices of December 31st, 2010. In the six month period ended on June 30, 2011, a positive influence of Euro 8.2 million was recognised from the finalization of the 2010 deficit and its valuaton in current prices on June 30, 2011. In addition for the current period an impairment loss of Euro 1.8 million was recognised, for acquired CO_2 emission allowances.

Combined cycle natural gas fired power plant of a 416.95 MW in Aliveri

After an international tender, the Project "Study, supply, transportation, installation and putting in operation of a 41.,95 MWnet combined cycle natural gas fired Unit V at Aliveri" was awarded to the successful bidder company (Metka S.A.). The contract for the construction of the Project was signed in October 2007, the contractual price is Euro 219 million and the contractual deadline for completion was 27 months after the contract is signed.
In July 2009, the Building Permission was issued, which was also revised twice within 2010 for arrangement of urban-planning pendencies, new works etc. In September 2009, the construction began, with a revised time schedule which anticipates the completion of the Project within 24 months (September 2011).
In May 2010, the Supplement No 2 of the Contract was signed, according to which PPC shall pay the Contractor the amount of 31,15 million Euro for the delay of the Project, due to antiquities found on the construction site and difficulties about the progress of the permissions, as well as for additional works.
In June 2010, the Common Ministerial Decision Approval of Environmental Terms was modified with reference to the delimitation and regulation of existing stream, in the watercourse of which the pump room cooling sea water will be placed.
In October 2010, the Supplement No3 of the Contract was signed, according to which the valid period of guarantee of the Project and consequently of the Equipment is extended for 2 months with the payment to the Contractor of the amount of Euro 1,8 million and according to the provisions of the Supplement No2.
In December 2010, PPC submitted a request to Hellenic Transmission System Operator S.A. for a Connection Offer of the Unit . In January 2011, Hellenic Transmission System Operator S.A. sent to PPC the Connection Offer. In February 2011, PPC accepted the terms of the connection for the above Unit.
In January 2011, the Board of Directors of the Parent Company approved the additional extension of the new guarantee period of the Project and consequently of the Equipment, for 8 months, according to the provisions of Supplement No3, with the payment to the Contractor of the amount of 7,2 million Euro and according to the provisions of Supplement No2. In February 2011, the Supplement No4 of the Contract was signed.
The civil works, the delivery of electromechanical equipment and the preparation of the studies for the Project have been almost completed. The installation of main electromechanical equipment is ongoing.

International tender for the construction of the new lignite station in Florina

In July 2008, an international tender regarding the "Study, procurement, transportation, installation and putting in operation of the Steam-Electric Unit II in Meliti Power Station, with a power of 420-450 MW, using pulverized lignite as fuel and with the capability of providing thermal energy of 70 MWth for district heating" was announced. The budgeted cost for the new unit was 675 million Euro. The new Unit will be fully equipped with modern and up-to-date antipollutive systems and with a provision of space for future installation of CO_2 emissions' capture system. The above mentioned Project had been defined to be completed within 52 months, commencing with the signing of the contract. Due to the fact that no offer was submitted, the basic technical and commercial parameters of the Project are in reconsideration, so that a new international tender shall be announced.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commission of study, procurement of equipment and construction of a "closed type" GIS substation in Soroni, Rhodes

In June 2008, PPC S.A. concluded a tender regarding the project "Design, Procurement of equipment, construction and commission of a "closed type" GIS substation in Soroni, Rhodes" and awarded it to ABB, who offered the lowest price, amounting to Euro 12.3 m, approximately. The project was scheduled to be completed in two phases. According to the timetable the building phase A of the substation was to be completed by April 2010, so the generating units would have been put in operation for the summer of 2010. But, due to the delay of issuance of the building permit, which originally was expected to be issued by March 2009, but was finally issued in April 2011, the new contractual completion of phase A is transferred in September 2012 and the completion of the whole transition of the Substation to 150 kV (including both Power Plant Units and Transmission Lines), B' phase, is estimated to be achieved by April of 2014. The works of Substation have started and proceed according to the revised time schedule.

International tender for the construction of a new Steam Electric unit in Ptolemaida

In May 2009, in the frame of modification of a previous Decision, the Board of Directors of PPC decided that the new Steam Electric unit in Ptolemaida shall be of pulverized lignite technology, instead of fluidized bed, and with an installed capacity of 550-660 MW, instead of 450 MW, with the capability of providing thermal energy of 140MWth, instead of 120 MWth, for district heating.
The International tender was announced on April 20, 2010. The announcement was published on the Supplement to the Official Journal of the European Union and Greek press, on April 23, 2010, and the date for offers' submission was on September 01, 2010. The total budget of the Project amounts to Euro 1.320 million and the Project is expected to be completed within 70 months as from the signing of the contract.
According to the Supplement No1, issued in August 2010, the deadline for the offers submission was extended to 15.12. 2010.
In September 2010, the Ministry of Environment Energy and Climate Change issued the permission for electricity production and the permission for the distribution of thermal energy.
In October 2010, the Study of Environmental Impacts of the Unit was submitted to the Ministry of Environment Energy and Climate Change.
In the period from November 2011 until April 2011 the Supplements no 2 to 7 were issued.
According to Supplement No8, issued in May 2011, there are modifications and additions to certain terms of the Inquiry.
PPC S.A. announces that, in relation to the Tender for the "engineering, supply, transport and installation of a Lignite Unit, with an installed capacity of 550-660 MWel in SES Ptolemaida (Ptolemaida V), burning pulverized lignite and with the capability of providing up to 140 MWth for district heating", with a total budget of Euro 1.32 bln, the following 2 bids were submitted on 28.06.2011 and were accepted in this phase :

1. The bid from TERNA S.A. with the following subcontractors: Hitachi Power Europe GmbH, Hitachi Ltd Japan and Hamon Environmental GmbH.

2. The bid from a Group of Companies led by Alstom Power System S.A. and including Alstom Power Systems GmbH, Alstom Hellas S.A., METKA S.A. and DAMCO Energy S.A., as well as the following subcontractors: Alstom Power Systems GmbH, Alstom Power Steam Turbines, Alstom Power India and Alstom Power Italia.

From the submitted guaranteed environmental data for both offers it is concluded that the new unit will adhere to the strictest environmental conditions for emissions that are provided for in the European Legislation.
The new unit will have an equipment of the utmost modern technology and will substitute old, polluting and operationally costly units, thus highly contributing to the amelioration of the Company's environmental profile and the country's environmental performance.

A new diesel engine Power Plant 115.4 MW in South Rodos burning heavy fuel oil with a low sulphur content

After an international tender, the Project "Construction of a diesel engine Power Plant 115.4 MW in South Rodos burning heavy fuel oil with low sulphur content" was assigned to the successful bidder company (TERNA S.A.). On July 2009, the relevant Contract was signed. The Contract price is Euro 182.8 million.

In September 2010, the Decision of the Ministry of Environment Energy and Climate Change for the modification of the Generation License concerning the power (115,439 MW) and the number of units (7 generating sets) was issued.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

On 01.12.2010, the Common Ministerial Decision Approval of Environmental Terms was issued.
On March 30, 2011, the definitive study for the building facilities of the new Plant was approved by the Ministry of Culture and Tourism.
The construction will start after the completion of the permission issuance procedure, which is still in progress.
The main equipment of the project (engines and generations) is ready, but its transportation from the manufacturer had been postponed until the completion of the construction of a temporary storage room by the Contractor. The aforementioned construction has already begun. On March 27 and 28, 2011, the aforementioned equipment was transported for temporary storage to place in the seaport of Elefsina.
In March 2010, the lease contract for the land was signed between Public Land Corporation and PPC. However, due to the fact that the lease of land creates difficulties with the progress of the Licenses procedure, PPC has commonly agreed with Public Land Corporation the purchase of the above land.
On June 29, 2011, the relevant contract for the purchase of the above land was signed.

A new combined cycle unit in Megalopolis
In August 2009 the Board of Directors of PPC approved the award of the Project "Study, supply, transportation, installation and operation of a new 811MWnet, in reference conditions, combined cycle unit at Megalopolis" to the successful bidder, the Consortium METKA S.A. and ETADE S.A. Furthermore, the contractor has accepted that he will not raise any claims related to eventual delay up to 13 months, due to unavailability of Transmission Network of 400 kV or/and Natural Gas. This time interval of 13 months starts, for the delay of supply of natural gas in the Unit, 26 months as from the date of signing of the Contract and for the delay of connection with the network 400 KV, 24 months as from the date of signing of the Contract.
On November 13, 2009, the relevant Contract for the implementation of the Project was signed and the contract price amounts to € 499.5 million.
The preparation of studies by the Contractor for the permission procedure of the Project is in progress. Moreover, the geotechnical investigation was completed and the relevant study was submitted in July 2010.
In March 2010, PPC submitted a request to Regulatory Authority of Energy for the modification of the current Generation Licence (850 MW) concerning the final net power, in reference conditions (811MW).
In May 2010, the Common Ministerial Decision Approval of Environmental Terms was issued.
In July 2010, PPC submitted a request to Hellenic Transmission System Operator S.A. for the Connection Offer of the Unit.
In September 2010:
- The permission of space configuration for the addition of the Unit to SES Megalopolis B' was issued.
- There was positive opinion by Regulatory Authority of Energy for the modification of Generation License.
- Hellenic Transmission System Operator S.A. sent to PPC the offer for the connection of the Unit with the System.

In November 2010, PPC accepted the terms for the connection of the Unit with the System.
In January 2011 the Ministry of Environment Energy and Climate Change issued a Decision modifying the Generation License as concerns the capacity of the Unit (845 MW, max net power, in ISO conditions).
In January 2011, the folder of the techno-economical study for capture, transport and storage of CO_2 was submitted to the Ministry of Environment Energy and Climate Change.
In March 2011, the Installation License was issued.
In May 2011, were issued a) the decision for the approval of height deviation was issued by the relevant Department, b) the decision for the approval of the final architectural study by the Archaeological Department and c) the Contract for the Long Term Maintenance of the Unit was signed with the company METKA S.A.
In July 2011, the Building Permission of the above Unit was issued.
The civil works and the delivery of electromechanical equipment have already started.

Option for acquisition of DEPA shares
PPC maintains its option for the acquisition of a number of DEPA shares, based in L. 2593/1998, in accordance with a relevant contract between the Greek State and PPC S.A.. It is noted that PPC's Board of Directors, in October 2007, has decided to exercise the above mentioned option, which, on January 7th, 2008, notified to the Ministry of Finance.
In the medium term fiscal strategy 2012-2015, described in L. 3895/2011 (O.G. A' 151/01.07.2011) and specifically in the Privatization Program 2011-2015, provides for, among others, the sale of 55% of DEPA's share capital out of 65% currently owned by the Greek State, in the 4th quarter of 2011.
It also provides for the sale of 31% of DESFA out of 65% currently owned by the Greek State in the same period. Consequently PPC in collaboration with its advisors is examining its next actions, awaiting the progress of developments in relation to the Privatization of DEPA in 2011, regarding its option for the acquisition of a number of DEPA shares, in view of the goal for the privatization of DEPA in 2011.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Joint venture between PPC S.A. and URBASER S.A. – Participation in DIADYMA'S tender.
PPC and the Spanish company Urbaser agreed in April 2009 on a "MoU", providing for the development of projects in Waste Management sector. In April 2010, the Board of Directors of PPC S.A. approved the signing of the Shareholders Agreement for the establishment of a joint company between PPC S.A. and Urbaser S.A. The Shareholders Agreement was signed by both parties in June 2010, with Urbaser owning 51% of the share capital of the new corporate form and PPC 49%.
Establishment of the Joint Company "Waste Syclo"
Following the positive opinion of the Directorate General for Competition of the European Commission in December 2010, regarding the formation of the company, PPC S.A. and Urbaser S.A concluded in February 2011 the corporate establishment procedure of the joint company, with the distinct name 'Waste Syclo Waste Management Services SA'. The initial paid in share capital of the company is Euro 60.000.
The joint company is responsible for the study, performance of projects and the rendering of all types of services related to:

- waste management in general,
- electricity generation from waste management, and
- urban and industrial waste water treatment, within the territory of Greece.

Waste Syclo, submitted on March 15th, 2011, an Expression of Interest in the Tender launched by DIADYMA (Waste Management System of Western Macedonia S.A.) for the Project of "construction and operation of a Waste-treatment plant, a Waste disposal site, Refuse disposal and treatment transport services" in Kozani, and was successfully pre-selected in Phase A of the tender in June 23rd 2011.

Business Collaboration with Quantum Corporation Ltd and the Bank of Cyprus - PPC's participation in a public tender in Republic of Srpska of Bosnia- Herzegovina.
Since July 2009, PPC has signed a "MoU" with Bank of Cyprus and Quantum Corporation Ltd for developing, constructing and operating power plants in the Republic of Srpska in Bosnia-Herzegovina. In July 2011, following the approval of the Board of Directors, the "Articles of Association" was signed for the establishment of a subsidiary company with the distinct name "PPC - QUANTUM ENERGY S.A.". PPC S.A. owns 51% of the share capital, Quantum 40% and Bank of Cyprus 9%. The objectives of the company will be, amongst other, study, design, founding, constructing, operating, managing and exploiting of power plants in the region of the Republic of Srpska in Bosnia-Herzegovina.

In August 2010, the government of Republic of Srpska of Bosnia-Herzegovina announced a public invitation for the submission of a "Letter of Interest" in the pre-qualification phase of a tender, for the research, construction and exploitation of four new hydro plants in the upper Drina. In September 2010, PPC submitted a "Letter of Interest" to the government of Republic of Srpska. In June 2011, the public invitation for the submission of a "Letter of Interest" in the pre-qualification phase of this tender was republished. In July 2011, PPC submitted again a "Letter of Interest" to the government of Republic of Srpska for this project. It is noted that the deadline for participation in the tender expired on August 11th, 2011 and that except PPC, RWE has also submitted an offer.

Kosovo Energy Project
In December 2009, the Ministry of Energy and Mining of Kosovo announced a request for expression of interest for the pre-qualification phase of a new tender, redefining the object of the Energy Project (development of the allocated portion of the Sibovic Lignite Field, rehabilitation of Kosovo B and the construction of a new electric power generation plant with estimated installed capacity of 600 MW). On February 26th 2010, PPC and Contour Global have jointly submitted an Expression of Interest. On March 5th 2010, it was announced that the consortium, together with another three (3) competitive consortiums, have been short-listed to participate in the second phase of the forthcoming international tender.
In August 2010, the Draft RfP (Request for Proposals) was issued and sent to the prequalified bidders, in order to make their comments before the issuance of the final RfP, which was expected to be issued in December 2010. On December 12th, 2010, governmental elections were held, leading to a delay of the tender procedures, until today. Further to these developments, Contour Global has decided no to pursue further the Kosovo tender. PPC S.A. continues the evaluation of the project awaiting for the reenactment of the process, without the collaboration of Contour Global.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction of new RES production plants from PPCR S.A.

In February 2009, PPCR S.A. announced the construction of nine new Wind Parks, of total installed power 35.1MW, in the Greek islands and more particularly two in Crete (Akoumia and Koprino), two in Samos (Marathokampos and Pythagoreio) and one in Paros, Lesvos, Rhodes, Sifnos and Limnos respectively, a total investment of € 64m. The company ENERCON GmbH has been appointed as the contractor for the construction of the nine Wind Farms. The installation process of the Wind Farms in Paros, Lesvos, Samos (Marathokampos) and Crete (Akoumia) was completed in December 2010, whilst the connection of the first three to the network is due to be completed within 2011 and the connection of the wind farm in Akoumia during 2012.

Hybrid Project in Ikaria

The hybrid project in Ikaria is under construction and is expected to be completed end 2012. The project is comprised of two small hydro power plants (SHPP of Proesperas, with an installed capacity of 1.05 MW and SHPP of Kato Proesperas with an installed capacity of 3.1 MW), a pumping station (with 12 pumps of 250 KW each) and a wind farm with three wind turbines with a total installed capacity of 2.7 MW, combining these two renewable energy sources.

Public Tender Procedure for the construction of Megalopolis Photovoltaic (PV) Plant

In June 2010, PPCR S.A. announced an open Public Tender, for the procurement, transfer, installation and operation of Megalopolis PV Plant, with total installed power 50MW and a total projected investment of €140m. Upon its completion, this plant will be one of the largest PV plants in Europe. The Megalopolis PV plant will be situated in an area of 2,000,000m2 and is due to enter operation within 2012. The closing date of the bidders' final submission to the Public Tender Procedure was on December 7th, 2010.

Partnership agreement between EP Global Energy Ltd and PPCR S.A. – Establishment of joint venture.

PPCR S.A., in the context of implementing its business plan, has signed a shareholders' agreement with EP Global Energy Ltd to jointly establish a holding company aiming at the development of RES projects in the Balkans and Middle East regions. In November 2010, PPC S.A. announced the signing of a Shareholders Agreement between PPCR S.A. and EP Global Energy Ltd (EPGE) for the establishment of a Portfolio Joint Venture, whose business objective is the development of projects related to:

a) the acquisition of RES production units,
b) the development, including the financing, of units using RES, and
c) the electricity production through the operation and maintenance of RES units in the Balkans and Middle East regions.

The Joint Venture's initial share capital is €60K with PPCR S.A. and EPGE's shares being 49% and 51% respectively.

In the context of the aforementioned partnership, PPCR S.A. and EPGE have jointly established REA Ltd., with headquarters based in Cyprus, aiming at the development of RES projects and the implementation of their mutual collaboration agreement.

Approval of the partnership's framework between EDF Energies Nouvelles and PPCR S.A.

In September 2010, PPC S.A. has approved the framework of the partnership between the EDF Group (EDF Energies Nouvelles), EDF EN GREECE, Group PPC (PPC S.A. and PPCR S.A)., to jointly develop RES projects in Greece. This partnership based on the know-how and experience of the two Groups, targets at the joint development and exploitation of large-scale, complex and technologically advanced RES projects. In the context of this partnership, the two Groups are due to jointly develop important projects in the RES sector. Priority will be given to the development of Wind Farms of at least 250MW in the Florina region, as well as in a Hybrid Power Plant in Crete, which combines Wind Farms of installed power 90MW with a pumped storage hydro plant. By signing this agreement, PPC S.A. and EDF Energies Nouvelles further strengthen their partnership in Greece, as they have already collaborated successfully in the past for the development and operation of a Wind Farm of installed power 38MW in the prefecture of Voiotia.

13. SIGNIFICANT EVENTS

Signing a Memorandum of Understanding (MoU) with ELIKA S.A.

PPCR S.A. and ELIKA S.A., signed a MoU aiming at the joint development of RES projects. Such a project is ELIKA's large-scale Wind Farms in Crete which combines the development of Wind Farms of total installed power ~850MW, which have already obtained a Production License from RAE and whose design includes interconnection to the mainland Grid.

13. SIGNIFICANT EVENTS (CONTINUED)

PV Megalopolis NER 300 – 40MW
In February 2011, PPCR S.A. submitted a request for financing of a PV park of 40 MW in Megalopolis, through the European program NER300. The proposal is currently under evaluation from the European Investments Bank (EIB). The application for generation license has been submitted in April 2011.

Diversification of PPC's portfolio of natural gas supply sources.
Taking into account the new legal framework for the liberalization of the natural gas market in Greece, the Group is renegotiating the existing contract with DEPA and also the Group is exploring other opportunities for natural gas sourcing. Within the context of differentiation of PPC's portfolio of natural gas supply sources, the Parent Company has already purchased during the second semester of 2010 and during the first semester 2011 a number of LNG cargos as well as LNG from a pipe for the two months of July and August in competitive prices.

Implementation of energy measures in Western Macedonia, including the development of Photovoltaic (PV) power stations 200 MW
In February 2011, after the application for a Generation License to RAE, PPC S.A., PPCR S.A. and Iliako Velos I (a PPCR S.A.'s wholly owned subsidiary) announced an Expression of Interest (EoI) process to find a strategic partner for the joint implementation of RES projects in Western Macedonia. These plans include, besides the development of the PV plant, the construction and operation of a PV equipment factory, as well as other energy ventures with a strong local impact.
This investment is estimated at about €600m and will be situated on an approximately 5,300,000m2 area within Western Macedonia Lignite CenterThe PV plant's net annual production is estimated at 260 GWh, which covers the electricity consumption of about 55,000 households and contributes towards the "post-lignite" era of the energy center in the area of Ptolemaida. Another important benefit of the PV plant's operation will be the annual reduction in the CO_2 emissions by 300,000 tons CO_2.
In May 2011, PPC Group announced the completion of the invitation for expression of interest procedure for the selection of a long-term strategic partner in the RES field. The procedure was completed with the submission of 21 proposals. PPC group applied to INVEST IN GREECE, for the "fast-track" process in order to accelerate the licensing procedure.

International public tender in FYROM
In January of 2011, the Ministry of Economy of the FY Republic of Macedonia (FYROM), published an invitation for Prequalification Applications for granting a water concession for water usage for generation of electricity from Hydro Plants on Crna River and participating in Public – Private Partnership with ELEM (State Company for electricity generation of FYROM).
This involves the design, financing, construction, operation and maintenance of new hydro power plants Cebren (333 MW) and Galiste (193.5 MW) as well as operation of the existing hydro power plant Tikves (116 MW). The qualified bidder will enter into a partnership with the state company Macedonian Power Plants (ELEM).
In March 2011, PPC submitted prequalification application in order to participate to this tender procedure.
In April, 2011, and according to the relevant announcement issued by the Government of FYROM, PPC S.A. has been pre-qualified at the international tender for the construction of the hydro plants Cebren and Galiste at Crna River. After the given extension, the deadline for submitting bids is September 30, 2011.

Revision of PPC's outlook by rating agencies.
In April 2011 the rating agency S&P lowered PPC's credit rating from BB+ with negative credit watch to BB- retaining rating in negative credit watch. In May 2011, S&P proceeded to a new downgrade to B with negative credit watch. In June 2011, S&P proceeded to a further downgrade to B- with negative credit watch.

Taxation of Dividends
According to L.3943/7.4.2011, from the year 2011 onward the tax rate on dividends will increase from 21% to 25%.

Strategic Partnership with Sinovel Wind Group Co Ltd
In April 2011, PPC Group and the Chinese company Sinovel Wind Energy Group Co Ltd, the second largest wind generators' constructor globally, announced the signing of a Strategic Partnership in order to develop wind parks as well as construct a plant for the production of wind generators in Greece. The above mentioned partnership includes the development of wind energy in the country with an indicative project being the construction of a 200-300 MW wind park in the interconnected system, as well as the construction of a plant producing wind generators.

13. SIGNIFICANT EVENTS (CONTINUED)

Business Collaboration between PPC S.A. and the Renewable Energy Saving Center, for investments in order to improve energy efficiency, in the residential sector.
In April 2011 PPC'S Board of Directors approved a business collaboration with the Centre for Renewable Energy Saving for investments in order to improve energy efficiency in households.

Construction of a new plant in the Sarakina area, of Mandamados, in the island of Lesvos.
In April 2011, PPC'S Board of Directors approved the initiation the procedure of acquiring the license for building a new power plant and port facilities in the Sarakina area of Mandamados, a municipality in the island of Lesvos, with a total capacity of 120 MW and authorized a committee to investigate and negotiate the purchase of the required land (300 acres) in the above position.

Rights of the exploitation of the geothermal fields
In June and July 2011 the rights of exploitation of the geothermal fields of Lesvos, Nisiros and Milos-Kimolos-Polyegos transferred to PPCR S.A. while the rights of the geothermal field of Methana are expected to be transferred in August 2011.

Application for wind parks of 1.34GW
In June 2011, PPCR S.A. applied for the production license for a number of wind farms with a total installed capacity of 1,339 MW in Crete, Kassos, Karpathos and Rhodes.

Disclosure of the Cyclades Interconnection project inquiry
In June 2011, the inquiry for the bid selection concerning the Cyclades Interconnection project was published in the Greek press. In addition and in the official paper of the European Union. Bids are expected to be submitted by October 13th of 2011.

Excise duty on fuel
After the ratification, on June 30, 2011, of the emergency measures for the application of the medium term fiscal strategy 2012-2015, an new excise tax is imposed on natural gas, amounting to 1.5 Euro/GJ and effective since September 1st, 2011 while the already existing excise tax on fuel oil was doubled, from 19 Euro/Mt to 38 Euro/Mt with a retrospective effect since June 27, 2011.

14. SUBSEQUENT EVENTS

Bonds
The company renewed a bond series amounted to Euro 50 mil., with a maturity in August 2011, for one more year and issued one bond series amounted to Euro 20 mil. with bullet redemption in 2018.
The debt repayments for the period 1.7.2011-31.8.2011 amounted to Euro 235mil.
Furthermore, in July 2011, the Parent Company prepaid a bond loan amounted to Euro 20mil, initially repayable in 2015.

European Investment Bank (EIB)
In July 2011 the Parent Company signed two (2) loan agreements with 15 year duration with EIB, one amounted to €160 mil. as a third reimbursement for the Project Transmission – Distribution V, out of the total financing line of an amount of € 950 mil and a second one amounted to € 150 mil for the Project Megalopolis Plant V CCGT, out of the total financing line of an amount of €280 mil.

TRANSMISSION – DISTRIBUTION SPIN OFF
The Parent Company considers that during the preparation of Financial Statements as of June 30st, 2011 IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" cannot be implemented given that it does not meet the Standard's criteria in relation to the classification and measurement of the activities of Transmission and Distribution as "available for sale". Law 4001 (O.G. A' 179/22.08.2011) which defines the structure and the activities for both the new subsidiaries was put into effect after the Group's six month Financial Statements reporting date. The Parent Company is currently evaluating the effect of the Law's provisions.

Implementation of energy measures in Western Macedonia, including the development of Photovoltaic (PV) power stations 200 MW
In July 2011, PPC Group announced the completion of the 1st phase of the Invitation for Expression of Interest procedure for the selection of a long-term strategic partner. 15 out of the 21 groups that submitted proposals in the Invitation for Expression of Interest procedure met the acceptance criteria of the 1st phase.

(All amounts in thousands of Euro, unless otherwise stated)

14. SUBSEQUENT EVENTS (CONTINUED)

PPC Renewables, in cooperation with its technical and legal advisors is preparing the 2nd phase of the Tender, the Invitation for submission of proposals, and in the coming period will invite these groups to submit offers to be selected as the strategic partner.

Public Tender Procedure for the construction of Megalopolis Photovoltaic (PV) Plant
Following the evaluation of the technical components of the Bids, in August the financial bids were opened. The lowest offer was that of J&P Avax.

PV Atherinolakkos park in Crete
In July 2011, PPCR S.A. signed with Solarise S.A. the contract for the construction of the PV park of 0.5 MW, in Atherinolakkos, Crete. Construction is expected to be completed in the second half of 2011.

The medium term fiscal strategy 2012-2015
In June 2011and in application of the medium term fiscal strategy, the Privatization program of Law 3985 (O.G. A’ 151) provided for the sale of 17% of PPC’s share capital, currently owned by the Greek State, by the third quarter 2012. In Law 3986 (O.G. A’152) is stipulated that the sale will go through the national wealth fund.

Establishment of a subsidiary based in Constantinople, Turkey.
In August 2011, the Parent Company’s Board of Directors has approved the expansion of PPC’s commercial activities in Turkey, by authorizing the incorporation of a subsidiary based in Constantinople. The main reason for PPC’s expansion out of the Greek dominion, is the pursuit of new business opportunities in the expanding markets of neighboring countries, resulting in financial benefits which will offset an expected loss of the domestic market share.

15. SEGMENT INFORMATION

Sales and inter segment results are as follows:

	Sales		Results	
	30.06.2011	**30.06.2010**	**30.06.2011**	**30.06.2010**
Interconnected system				
Mines	437,594	421,929	11,665	21,499
Generation	1,231,166	1,503,900	225,703	436,332
Transmission	140,277	141,876	69,903	62,332
Distribution Network	410,993	464,813	152,471	189,593
Supply	2,293,427	2,404,187	(151,354)	(201,721)
	4,513,457	**4,936,705**	**308,388**	**508,035**
Creta Network				
Generation	189,434	160,874	(13,066)	(15,227)
Distribution Network	25,193	39,681	5,674	15,627
Supply	143,036	143,746	5,876	25,213
	357,663	**344,301**	**(1,516)**	**25,613**
Non – Interconnected Islands System				
Generation	165,707	144,799	(23,118)	(26,497)
Distribution Network	24,203	32,667	(4,182)	3,768
Supply	122,138	123,472	9,822	30,332
	312,048	**300,938**	**(17,478)**	**7,603**
Operator of Island Network	**325,432**	**379,866**	**-**	**-**
Operator of connected network	**400,556**	**352,123**	**-**	**-**
Eliminations	(3,189,991)	(3,419,480)	-	-
Financial expenses	-	-	(105,340)	(78,683)
Subsidiaries and related parties	-	-	1,349	1,023
Income tax	-	-	(56,599)	(115,736)
Grand total	**2,719,165**	**2,894,453**	**128,804**	**347,855**

V. Figures and Information

PUBLIC POWER CORPORATION S.A.

Reg. No : 47829/06/B/00/2

Chalkokondyli 30 - 104 32 Athens

FINANCIAL DATA AND INFORMATION FOR THE PERIOD
January 1, 2011 - June 30, 2011

In accordance with the Decision 4/507/28.04.2009 of the Hellenic Capital Market Commission

The purpose of the following data is to provide users with general financial information about the financial condition and the results of operations of Public Power Corporation S.A. and PPC Group. Therefore, we recommend users that, before proceeding to any kind of investing activity or transaction with the Company, to access the company's web site where the financial statements and the auditor's review report, when is required are published.

Company's Web site :	www.dei.gr
Date of approval of financial statements from the Board of Directors:	August 30, 2011
Certified auditor accountant:	Papazoglou Panagiotis
Auditing company:	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Type of auditors' report:	Unqualified Opinion

STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Euro

	GROUP		COMPANY	
ASSETS	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Tangible assets	13.420.627	13.354.142	13.292.209	13.236.285
Intangible assets, net	91.075	89.146	90.988	89.040
Other non - current assets	72.177	41.547	144.551	114.665
Materials, spare parts and supplies	925.119	849.971	924.276	849.182
Trade receivables	1.110.306	1.022.736	1.106.678	1.021.295
Other current assets	251.955	200.335	268.450	221.642
Available for sale financial assets	18.241	22.073	18.241	22.073
Cash and cash equivalents	772.485	620.449	768.162	617.040
TOTAL ASSETS	**16.661.985**	**16.200.399**	**16.613.555**	**16.171.222**
EQUITY AND LIABILITIES				
Share capital	1.067.200	1.067.200	1.067.200	1.067.200
Other equity items	5.639.855	5.702.328	5.612.175	5.679.134
Equity attributable to shareholders of the parent (a)	6.707.055	6.769.528	6.679.375	6.746.334
Minority interests (b)	0	0	0	0
Total Equity (c)=(a)+(b)	6.707.055	6.769.528	6.679.375	6.746.334
Interest bearing loans and borrowings	3.535.733	3.885.625	3.535.640	3.885.413
Provisions / other non current liabilities	3.300.591	3.343.102	3.295.835	3.337.904
Short term borrowings	1.557.337	967.173	1.544.213	966.899
Other current liabilities	1.561.269	1.234.971	1.558.492	1.234.672
Total liabilities (d)	9.954.930	9.430.871	9.934.180	9.424.888
TOTAL EQUITY AND LIABILITIES (c) + (d)	**16.661.985**	**16.200.399**	**16.613.555**	**16.171.222**

STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of Euro

	GROUP		COMPANY	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Total equity at beginning of the period (01.01.2011 and 01.01.2010, respectively)	6.769.528	6.461.314	6.746.334	6.449.225
Total comprehensive income after tax	118.356	331.598	113.836	324.369
Dividends	(183.280)	(232.000)	(183.280)	(232.000)
Other	2.451	1.047	2.485	1.668
Equity at the end of the period (30.06.2011 and 30.06.2010, respectively)	**6.707.055**	**6.561.959**	**6.679.375**	**6.543.262**

STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands of Euro

	GROUP			
	01.01-30.06.2011	01.01-30.06.2010	01.04-30.06.2011	01.04-30.06.2010
Sales	2.719.165	2.894.453	1.343.027	1.403.234
Gross operating results	544.594	807.502	299.093	352.249
Profit / (Loss) before tax, financing and investing activities	268.322	529.465	108.698	152.769
Profit / (Loss) before tax	185.403	463.591	63.996	119.968
Profit / (Loss) after tax (A)	128.804	347.855	35.500	90.393
Distributed to:				
- Owners of the Parent	128.804	347.855	35.500	90.393
- Minority interests	0	0	0	0
Other comprehensive income after tax (B)	(10.448)	(16.257)	(2.680)	(18.027)
Total comprehensive income after tax (A) + (B)	118.356	331.598	32.820	72.366
- Owners of the Parent	118.356	331.598	32.820	72.366
- Minority interests	0	0	0	0
Earnings / (Loss) per share, basic (in Euro)	0,5552	1,4994	0,1530	0,3896
Profit before tax, financing and investing activities and depreciation and amortisation	603.809	821.101	276.138	297.976

	COMPANY			
	01.01-30.06.2011	01.01-30.06.2010	01.04-30.06.2011	01.04-30.06.2010
Sales	2.711.619	2.885.581	1.339.139	1.399.085
Gross operating results	540.655	802.705	297.253	350.462
Profit / (Loss) before tax, financing and investing activities	264.373	524.658	106.853	150.972
Profit / (Loss) before tax	180.063	454.961	61.154	114.998
Profit / (Loss) after tax (A)	124.284	340.626	32.981	86.147
Distributed to:				
- Owners of the Parent	124.284	340.626	32.981	86.147
- Minority interests	0	0	0	0
Other comprehensive income after tax (B)	(10.448)	(16.257)	(2.680)	(18.027)
Total comprehensive income after tax (A) + (B)	113.836	324.369	30.301	68.120
- Owners of the Parent	113.836	324.369	30.301	68.120
- Minority interests	0	0	0	0
Earnings / (Loss) per share, basic (in Euro)	0,5357	1,4682	0,1422	0,3713
Profit before tax, financing and investing activities and depreciation and amortisation	597.689	814.198	273.236	295.117

CASH FLOW STATEMENT

Amounts in thousands of Euro

	GROUP		COMPANY	
	01.01- 30.06.2011	01.01- 30.06.2010	01.01- 30.06.2011	01.01- 30.06.2010
Cash Flows from Operating Activities				
Profit / (Loss) before tax from continuing operations	185.403	463.591	180.063	454.961
Adjustments:				
Depreciation and amortisation	372.914	329.299	370.504	326.982
Amortisation of customers' contributions and subsidies	(37.404)	(37.297)	(37.188)	(37.095)
Provision for CO_2 emission rights	5.963	13.952	5.963	13.952
Share of loss / (gain) of associates	(1.349)	(1.023)	0	2.764
Interest income	(23.624)	(16.474)	(23.509)	(16.410)
Sundry provisions	54.644	76.726	54.542	76.523
Unrealised foreign exchange losses (gains) on interest bearing loans and borrowings	(821)	3.096	(843)	3.096
Unbilled revenue	0	20.153	0	20.153
Retirement of fixed assets and software	13.274	13.063	13.270	13.066
Amortisation of loan origination fees	2.742	2.507	2.742	2.503
Interest expense	95.777	70.914	95.704	70.886
Working capital adjustments:				
(Increase) / Decrease in:				
Accounts receivable, trade and other	(199.804)	(196.771)	(192.976)	(189.886)
Other current assets	(33.917)	(9.234)	(34.003)	(9.208)
Materials, spare parts and supplies	(72.504)	(37.864)	(72.426)	(37.840)
Increase / (decrease) in:				
Trade and other payables	112.348	(38.236)	109.751	(42.058)
Other non-current liabilities	(3.840)	(5.294)	(3.841)	(5.294)
Accrued / other liabilities excluding interest	49.420	50.647	49.407	51.477
Income tax paid	(72.774)	(52.249)	(71.790)	(51.471)
Net Cash from Operating Activities (a)	**446.448**	**649.506**	**445.370**	**647.101**
Cash Flows from Investing Activities				
Interest received	23.624	16.474	23.509	16.410
Capital expenditure of fixed assets and software	(462.138)	(489.387)	(449.182)	(485.485)
Proceeds from customers' contributions and subsidies	644	1.446	647	1.942
Investments in subsidiaries and associates	(30)	0	(30)	(8.000)
Net Cash used in Investing Activities (b)	**(437.900)**	**(471.467)**	**(425.056)**	**(475.133)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	(52.128)	(63.500)	(65.000)	(63.500)
Proceeds from interest bearing loans and borrowings	593.000	896.000	593.000	896.000
Principal payments of interest bearing loans and borrowings	(301.421)	(684.073)	(301.302)	(684.057)
Interest paid	(95.938)	(56.536)	(95.865)	(56.508)
Dividends paid	(25)	(8)	(25)	(8)
Net Cash used in Financing Activities (c)	**143.488**	**91.883**	**130.808**	**91.927**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**152.036**	**269.922**	**151.122**	**263.895**
Cash and cash equivalents at the beginning of the period	**620.449**	**480.042**	**617.040**	**471.782**
Cash and cash equivalents at the end of the period	**772.485**	**749.964**	**768.162**	**735.677**

ADDITIONAL DATA AND INFORMATION

All amounts in thousands of Euro, unless otherwise stated

1. The Group's companies with their respective addresses and participation percentages, as well as their unaudited tax years, that are included in the consolidated financial statements are listed below:

Full consolidation method:

Company	% participation	Country of incorporation	Unaudited tax Years
PPC S.A.	Parent Company	Greece	2009-2010
PPC RENEWABLE SOURCES S.A.	100%	Greece	2009-2010
PPC RHODES S.A.	100%	Greece	1999-2010
PPC TELECOMMUNICATIONS S.A.	100%	Greece	2007-2010
ARKADIKOS ILIOS 1 S.A.	100%	Greece	2007-2010
ARKADIKOS ILIOS 2 S.A.	100%	Greece	2007-2010
ILIAKO VELOS 1 S.A.	100%	Greece	2007-2010
ILIAKO VELOS 2 S.A.	100%	Greece	2007-2010
SOLARLAB S.A.	100%	Greece	2007-2010
ILIAKA PARKA DITIKIS MAKEDONIAS 1 S.A.	100%	Greece	2007-2010
ILIAKA PARKA DITIKIS MAKEDONIAS 2 S.A.	100%	Greece	2007-2010
HPP OINOUSA S.A.	100%	Greece	2010
PPC FINANCE PLC	100%	UK	-

Equity method:

Company	Note	% participation	Country of incorporation	Unaudited tax years
LARCO S.A.		11.45%	Greece	2002-2010
SENCAP S.A.		50%	Greece	2006-2010
WASTE SYCLO S.A.		49%	Greece	-
PPC RENEWABLES ROKAS S.A.		49%	Greece	2010
PPC RENEWABLES – TERNA ENERGIAKI S.A.		49%	Greece	2010
PPC RENEWABLES – MEK ENERGIAKI S.A.		49%	Greece	2010
PPC RENEWABLES NANKO ENERGY – MYHE GITANI S.A.		49%	Greece	2007-2010
PPC RENEWABLES ELTEV AIFOROS S.A.		49%	Greece	2008-2010
GOOD WORKS S.A.		49%	Greece	2005-2010
PPC RENEWABLES EDF EN GREECE S.A.		49%	Greece	2008-2010
EEN VOIOTIA S.A.	1	46.60%	Greece	2007-2010
ORION ENERGIAKI S.A.	2	49%	Greece	2007-2010
ASTREOS ENERGIAKI S.A.	2	49%	Greece	2007-2010
PHOIBE ENERGIAKI S.A.	2	49%	Greece	2007-2010
IAPETOS ENERGIAKI S.A.	2	49%	Greece	2007-2010
AIOLIKO PARKO LOUKO S.A		49%	Greece	2008-2010
AIOLIKO PARKO BABO VIGLIES S.A.		49%	Greece	2008-2010
AIOLIKO PARKO LEFKIVARI S.A.		49%	Greece	2008-2010
AIOLIKO PARKO AGIOS ONOUFRIOS S.A.		49%	Greece	2008-2010
AIOLIKO PARKO KILIZA S.A.		49%	Greece	2008-2010
RENEWABLE ENERGY APPLICATIONS LTD		49%	Cyprus	-

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.
2. They are consolidated by the associate company Good Works S.A. as they participate by 100% in their share capital.

In May 2011, the tax audit of the Parent Company for the fiscal year 2009 began. Further information for the unaudited tax years of the Parent Company as well as Group's companies, is presented in Note 5 of the six month Financial Report.

2. The accounting policies adopted in the preparation of the financial statements are presented in Note 3.2 of the six month Financial Report and are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2010, except from them who are presented in Note 3.2 of the six month Financial Report.
3. No burdens exist on the Group's fixed assets.
4. Adequate provisions have been established for all litigation.
5. Provisions of the Group and the Parent Company as of June 30, 2011 are as follows :

	Group	Company
a) Provision for litigation and arbitration	(4,210)	(4,210)
b) Provision for unaudited fiscal years by tax authorities	276	221
c) Other provisions	58,051	58,027

6. Total payrolls of the Group and the Parent Company number 21,288 employees and 21,956 employees as of June 30, 2011 and 2010 respectively. Further information is presented in Note 1 of the six month Financial Report.
7. Sales and purchases of the Group and the Parent Company for the period ended June 30, 2011 as well as receivables and payables as of June 30, 2011 of the Group and the Parent Company, according to IAS 24 are as follows:

	Group	Company
a) Sales	83,461	85,740
b) Purchases	438,031	441,624
c) Receivables from related parties	513,544	534,361
d) Payables to related parties	388,051	388,051
e) Key management personnel compensations	1,000	929
f) Receivables from key management personnel compensations	0	0
g) Payables to key management personnel compensations	0	0

8. Capital expenditure of the Parent Company and the Group for the period ended June 30, 2011 amounted to Euro 444.2 million and of Euro 457.4 million respectively.
9. Other Comprehensive income / (loss) after tax which was recognized directly in equity for the period ended June 30, 2011 are as follows :

	Group	Company
Profit / (Loss) from fair value available for sale valuation	(3,833)	(3,833)
Hedging	(6,615)	(6,615)
Total	(10,448)	(10,448)

10. In August 2010, PPC's Board of Directors approved a framework agreement between PPC S.A. and "ALOUMINION S.A.", which concerns the out of court settlement of their differences. Further information is presented in Note 12 of the six month Financial Report.
11. In August 2010, the Parent Company's Board of Directors decided to proceed to the cash payment of 85% of the amount charged by DEPA S.A. for the procurement of natural gas, along the lines of the existing contract, given that PPC S.A. considers, in principle, that this reduced payment is reflecting the material change of circumstances, which define PPC's contractual obligation, beginning with the invoices concerning the consumption of July 2010. In the Parent Company's financial statements, the cost for natural gas reflects the full charge (100%) by DEPA S.A. Further information is presented in Note 9 of the six month Financial Report.
12. In July 2010 the Board of Directors of the Parent Company approved an agreement for the settlement of new debts incurred by LARCO's electricity consumption for the period 01.11.2008 to 31.05.2010. The process of completing the contract for the settlement of new debts as well as the new contract for the procurement of lignite which depict the above mentioned framework agreement, was completed and approved by the Parent Company's Board of Directors in July 2011. Further information is presented in Note 9 of the six month Financial Report.
13. On 22nd August 2011, was published to the O.G (O.G. A 179/22.08.2011) the Law 4001 «Operation of Electricity and Natural Gas Energy Markets» for the Energy, which implements the Directives 2009/72/EC in Domestic law. Further information is presented in Note 2 and 14 of the six month Financial Report.

Athens, August 30, 2011

CHAIRMAN & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
ARTHOUROS ZERVOS	**EVAGGELOS PETROPOULOS**	**GEORGE C. ANGELOPOULOS**	**EFTHIMIOS A. KOUTROULIS**