EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS OF PUBLIC POWER CORPORATION S.A. (PPC S.A.) AND GROUP PPC ON THE RESULTS OF THE FISCAL YEAR 2006

Dear Shareholders,

We hereby submit the financial statements of the Parent Company, for the year ended 31.12.2006, as well as our comments on the previously mentioned statements, according to the Company's statutes, for your approval.

The Group's subsidiaries which are consolidated in the Group's financial statements are the following: "PPC Telecommunications S.A.", "PPC Renewables S.A.", "PPC Rhodes S.A" and "PPC Crete S.A.". "PPC Rhodes S.A" and "PPC Crete S.A." are under liquidation.

Based on L. 2190/1920 article 134, PPC S.A. prepared the financial statements for the year ended 31.12.2005 (fifth fiscal year), in accordance to International Accounting Standards (IAS).

According to L. 2773/1999 for the liberalization of the Greek energy market, Public Power Corporation, was transformed into a societe anonyme, effected on January 1, 2001 with share capital at December 31, 2006 amounted to Euro 1,067,200,000.00 divided in 232 million common shares of a nominal value of Euro 4.60, each.

Until the enactment of L. 2773/99 for the liberalization of the energy market, PPC was functioning as a wholly state owned utility whose objective was to develop the country's energy resources and to provide low cost electricity to support the development of the Greek economy. In August 2003, Law 3175 was enacted, which partially amended L. 2773/99 and partially incorporated the provisions of Directive 2003/54 EC into Greek Legislation.

Based on L. 3175/03, a generation authorization of a total capacity of 1,600 MW is granted to PPC for the renewal and replacement of older units' capacity. After their replacement, these units remain in cold reserve and their management is conducted in compliance with the Grid Code and is undertaken by the Hellenic Transmission System Operator (HTSO) on the basis of contracts concluded between HTSO and PPC, exclusively for the provision by HTSO of ancillary services and reserve power.

In the context of implementing the provisions of L. 2773/99 and L. 3175/03 the Ministry of Development issued in May 2005, the Grid Control and Power Exchange Code for Electricity.

Finally in December 2005, L. 3426 (acceleration of the procedures for the liberalization of the Greek energy market and further definition of PPC'a unbundling obligations) was enacted, whose main provisions, are the following:

- Competition in power generation and supply will be introduced through the granting of generating and supply licenses to interested entities, with the exception of micro-isolated networks which are part of non-interconnected islands (under the condition that such granting will be approved by the European Union). As far as the above mentioned micro-isolated non-interconnected islands are concerned, with the exception of generation from renewable energy sources, hybrid plants and auto producers, generation and supply licenses are granted exclusively to PPC. PPC is responsible for the supply of the micro-isolated networks and for the safeguarding of their long term operation.

- There will be a tender process by the HTSO for generation capacity contracts and adequate reserve power. Initially the maximum volume of generation capacity contracts is designated for up to a total of 900 MW and relates to capacity commissioned up to 31.12.2010. PPC may only participate for up to 50% of additional tenders, for additional capacity of up to 400 MW, which may be made during that time period. PPC may participate on equal terms in tenders for capacity above 1,300 MW (future tenders) and for units commissioned after 31.12.2010.

- Ownership of the national grid ("transmission system" and "distribution network") remains exclusively with PPC. PPC, as owner of the distribution network, accepts the applications for connecting to the network, operates, develops and maintains the network according to its planning and the directions of the Distribution System Operator and the Operator of the non-interconnected islands.

- Provides for the operational unbundling of PPC's activities in Generation, Transmission, Distribution and Supply.

- PPC, as owner of the Distribution Network, accepts the applications for connecting to the network, operates, develops and maintains the network according to its planning and the directions of the Distribution System Operator and the Operator of the non-interconnected islands.

- Until July 1st, 2007, the existing Transmission System Operator (HTSO), will be renamed into Hellenic Transmission and Distribution Systems Operator (HTDSO) and will undertake the operation of the Distribution system as well.

- PPC is appointed as the Operator for the non – interconnected islands. PPC is obliged to functionally unbundle its activities of generation, transmission, distribution and supply for the non – interconnected islands.

- All non-household consumers are considered eligible customers and are allowed to conclude supply contracts with energy suppliers on the basis of private agreements, with the exception of the micro isolated islands' consumers. As of July 1, 2007, all consumers will be considered eligible customers with the exception of micro isolated islands' consumers whose supply of energy will be done exclusively by PPC.

- The Minister of Development, by a Decision to be issued within six months from the publication of Law 3426/05, shall define Public Service Obligations, as well as the holders of licenses granted under the provisions of Law 2773/99, who shall be liable to provide them.
  The Minister of Development, by a Decision to be issued following a relevant opinion by RAE within 3 months from the issuance of the Decision mentioned in the previous paragraph, shall define the methodology for the calculation of the compensation due for the provision of public service obligations to the license holders that provide them.

  The amount of the above mentioned compensation due for providing public service obligations will be approved each year, by a Decision of the Minister of Development, after a relevant opinion by RAE and will be paid under the condition that, electricity companies will keep separate accounts depicting at least the compensation granted to them for providing public service obligations, as well as charges they impose to their customers relating to those services.

Turnover Analysis

Revenues of the Parent Company for the year 2006 amounted to Euro 4,787.4 million, approximately, presenting an increase of Euro 496.5 million or 11.6%, compared to 2005.

In particular, revenues from energy sales for 2006 amounted to Euro 4,442.6 million compared to Euro 3,965.3 million in 2005, with an increase of 12.0%. The quantities of energy sold amounted to 53,754 GWH compared to 50,827 in 2005 presenting an increase of 2,927 GWH or 5.2% compared to 2005.

The Parent Company's income from energy exports amounted to Euro 47.4 million.

As far as tariffs is concerned, the Ministry of Development has approved an average increase at the price of energy of 4.8% since August 1st, 2006 for all tariffs excluding individual tariffs for LARKO and ALUMINIUM .The Parent Company's clients exceeded 7 million.

Profit before tax for the Group amounted to Euro 42.0 million, approximately. The corresponding figure for the year ended December 31, 2005 amounted to Euro 195.5 million, approximately. The corresponding figures for the Parent Company amounted to Euro 76 million, approximately for the year ended December 31, 2006 and Euro 208.8 million, approximately for the year ended December 31, 2005.

Earnings for the Parent Company have been reduced due to a 22% increase in the expense for liquid fuel, a 33.5% increase in the expense for natural gas in comparison to 2005 and a 118.3% increase in the expense for energy purchases in comparison with 2005.
It must be noted that tariffs increased only by 4.8% in August 2005.

The issuance of the common Ministerial Decision 36028/1604 (Official Gazette 1216/B/01.09.2006) finalized the Greek National Allocation Plan for the first trading period 2005 – 2007. According to the above mentioned National Allocation Plan (NAP), PPC has been allocated for the period 2005 - 2007 emission allowances of 159,131 kt CO_2.
In January 2006, the competent authority has issued the permits for CO_2 emissions of twenty-nine (29) PPC's bound plants.
The annual CO_2 emissions reports verification for 2005 for PPC's bound plants has been completed successfully in March 2006 by accredited third party verifiers.
Consequently, there is a shortage of emission allowances for 2005 amounting to 364 kt CO_2.
The total CO_2 emissions from PPC's bound plants for 2006 that are under verification amounts to 50,483 kt CO_2.
The allocation of emission allowances will be considered final, both for years 2005 and 2006, after the Greek competent authority settles PPC's request for additional emission allowances to "Unknown New Entrance Units". There is no emission allowances allocated to these units in NAP 2005 – 2007, since these units operated urgently to cover summer peak demands.

It should also be noted that, PPC΄s active debt management through the substitution of more cost expensive existing financings from new borrowings with more favorable terms combined with the use of flexible financial tools, resulted in the decrease in financial expenses by Euro 5.3 million (4.1%) compared to 2005, from Euro 128.5 million in 2005 to Euro 123.2 million in 2006 , despite the increase in the level of debt from Euro 3,833 million in 2005 to Euro 3,847 million in 2006 and the beginning of the gradual increase of floating interest rates in Euro zone.

In 2006, the shareholders of the Parent Company received dividends that amounted to Euro 116 million (Euro 0.50 per share).

For the fiscal year 2006, the Board of Directors will propose to the General Shareholders' Meeting the approval of dividend payment Euro 0.16 per share, that amounted to Euro 37,120,000.

Debt Evolution

The Parent Company's debt was increased by Euro 14 million compared to 2005, from Euro 3,833 million to Euro 3,847 million in 2006, despite the decrease in profits and the significant increase of floating interest rates in Euro zone.

Accordingly, net debt (total debt minus cash & cash equivalents minus marketable securities) increased from Euro 3,754.8 million at 31.12.2005 to Euro 3.755.4 million at 31.12.2006, showing little change.

Consequently, net debt/equity ratio improved and reached 0.73.

The company in order to achieve low cost financing through the use of new financial instruments continued its activity in the bond market under the provisions of Law 3156/2003 by issuing 9 bonds with a total amount of Euro 550 million. The company at the same time issued a loan amounting to Euro 100 million concluded with the European Investment Bank.

Finally, the Company entered into 1 interest rate swap, from floating to fixed interest rate, totaling Euro 75 million. Such a swap is part of the Company's general policy for managing debt, the stabilization of its financing cost and the protection against the risk of further increases in the interest rates.

In July 2006 the Parent Company's Board of Directors decided that a guarantee would be issued in favour of Tellas, an associate company, in connection with a bond of Euro 50 million to be concluded by Tellas. The issue of the bond took place on July 31, 2006 and the proceeds were used for the full repayment of existing loans amounting to Euro 30 million, for which the Parent Company had originally provided its guarantee.

Capital Expenditure and Supplies' Rationalization

The Parent Company has continued the effort for rationalisation of its capital expenditure by proceeding, initially, with those investments included in its strategic planning and development, aiming at ameliorating the exploitation of the available resources.

Furthermore, the Company has continued the program of restructuring and reducing the elastic operating costs, by exploiting all the potentials in order to meet its goal for efficiency improvement.

The total capital expenditures of the year amounted to Euro 713.3 million and are distributed in Euro 98.7 million to Mines Sector, Euro 219.9 million to Production sector, Euro 101.6 million to Transmission Sector, Euro 282.9 million to Distribution Sector and Euro 10.2 million to activities of the in Headquarters Departments.

Mines Business Unit

Works for the opening of the new mine, named "Dimitrios Ypsilantis", and the conveyor belts distribution started during 2006.

Also, a major part of stream Soulou diversion of has been completed.
The development of "Klidi" mine is continued and lignite production is expected to begin during the second half of 2007
In the context of environmental rehabilitation, the infrastructure of the mined-out areas was completed, in order for the Ptolemais mines to acquire ISO certification.
The erection of the third branch of the conveyor belts in Mavropigi mine was completed.

Generation business unit

The construction of a new Combined Cycle Unit in Lavrion Power Plant, natural gas fired and 385,25 MW total power, was completed and put in commercial operation in April 2006.
The performance tests of the new Unit were completed successfully before the commencement of the Temporary Acceptance procedure.
The installation of two thermal electric Units of 46,6MW each is currently under development. The progress of the project is approximately by 50% completed.
The two new Units at Atherinolakkos Power Plant shall use heavy fuel oil of low sulfur content and will be capable of using natural gas as well.Efforts to expedite the progress of the construction project are expected to result to the commencement of the Commercial Operation of the first Unit by August 2007.
The international Tender for retrofitting of a flue gas desulphurization plant in Unit III at Megalopolis Power Plant was completed and the contract was awarded to Alstom Power Italia S.p.A.The Contract was signed in June 2006; the project is currently under development and is expected to be completed by 2008.
The installation of new electrostatic filters and the upgrade of existing ones in the Units I,II,III & IV in Ag. Dimitrios Power Plant is progressing as scheduled.Relevant works of the electrostatic filters of Units I,II are completed.
The construction of the hydro electric projects of Ilarion, Metsovitiko, Papadia Dam, Ag.Barbara and Smokovo are progressing as scheduled.
The Inquiry documents of the international open Tender for the new 370-420MW natural gas Combined Cycle Unit at Aliveri Power Plant have been completed and the Inquiry was published in August 2006.Offers were submitted on 01.11.2006 and their technical evaluation is in progress. The Contract is expected to be signed within the second trimester of 2007 and the Unit will be in operation by the summer of 2009.

Transmission Business Unit

Approximately 375 km of new transmission lines have been constructed and new high voltage substations have been developed.
Construction of the interconnection lines, between Greece and Turkey and Greece and FYROM, have begun and are already showing remarkable progress.
The program of replacing old substation equipment in order to improve the reliability of the Transmission system, is continued.
In order to ensure a safe and healthy working environment equipment that contains toxic materials is being removed.

Distribution Business Unit

Replacing of old metering devices for Medium Voltage Customers with new electronic ones, has been completed.
Upgrading and expansion of the existing networks is continued.

The Subsidies that the Company obtained for 2006 from the European Union or the Greek State, through the investment budget of the Hellenic Republic, amounted to Euro 8.5 million, out of which the amount of Euro 3 million was obtained through the 3rd EU Investment Program in order to fund the following projects : a) metering devices for Medium Voltage Euro 1.9 million, b) long distance system conducts for Generation and Transmission Euro 1 million and c) registering of transitional phenomenons Euro 2.6 million.

Significant events for the year 2006

- In April 2005, PPC participated in the tender process for the privatization of 3 power plants in Bulgaria. PPC has submitted offers for two out of the three companies (Bobov Dol and Varna) and was the highest bidder for the Bobov Dol power plant. After a legal dispute that stalled the tender procedure for the sale of Thermal Power Plant of Bobov Dol EAD for more than a year, the Privatization Agency of Bulgaria with its Decision No 3074-P of July 4, 2006 declared PPC as the winning bidder, for the Bobov Dol power plant and summoned PPC to negotiations in order to complete the deal. PPC, due to the amount of time elapsed, proceeded with a confirmatory due diligence, after which negotiations were repeated in order to conclude the Agreement, until September 12, 2006. Bulgaria's Privatization Agency rescheduled, in time, the above mentioned deadline for December 11, 2006. The deadline was further extended twice for February 9, 2007 and April 10, 2007. The negotiations are currently under way.

- As far as, the use of PPC's real estate property, is concerned, the full and systematic recording for the efficient use of PPC's real estate property, has been assigned to a group of advisors. Between others, there will be a study dealing with the problems resulting from the fragmentation of administrative and other divisions of the Company, with their relocation in new building areas, in order to achieve efficiency and reduction of rent payments.

- A tender is currently under way for Third Party Insurance of the members of Board of Directors, of Management Council and Directors and Officers liability. At the same time a process to select insurance companies that will carry out insurance on liabilities that may arise from its property, plant and equipment operations and liabilities against third parties.

- In the context of PPC's new Business Plan for the period 2006-2010, the Board of Directors approved, in July 2006, PPC's participation in a Societe Anonyme for investment, development and management of energy sector projects. The new company's object is the ownership, investment, operation, development and management of energy sector projects, including exploitation of mineral rights, in South East Europe, Italy, Turkey and selectively in the Mediterranean area. In addition, the Board of Directors approved, in July 2006, the Business Strategy Plan for the 2006 -2011 period for the Holding Company SENCAP S.A. ("SENCAP"), as well as the payment of an amount of Euro 5,030 million for PPC's initial participation in the SENCAP's share capital, in order to cover for operational costs by the end of 2007. Finally, in August 2006, the Board of Directors approved the new Shareholders' Agreement according to which PPC and Contour Global will each participate by 50% in the SENCAP's share capital, which will amount to Euro 600 million for the next five years with corresponding voting rights.

- In the context of PPC's right to replace old units with a capacity up to 1600 MW, its Board of Directors has decided for the Parent Company to take all necessary actions towards RAE and the Ministry of Development, in order to define the additional terms and prerequisites for a Combined Circle Unit with a capacity of 400 MW, using natural gas as a fuel, which will be implemented in Megalopolis Power Plant and which will be finished by the end of 2011.

- PPC's Board of Directors approved PPC's participation in the share capital increase of the National Bank of Greece, exercising its right as an existing shareholder in order to purchase 384,750 new common shares with a nominal value of Euro 22.11 per share, for which PPC paid Euro 8,507 in July 2006.

- In March 2006, PPC's Board of Directors approved the common participation of PPC and Contour Global, in the tender process for the privatization of one power plant and one mine, in Pljevlja in Montenegro, under the condition that the participation of PPC in the final phase of the tender will prove to be favourable after the completion of special audits. After the completion of these audits the Board of Directors with its resolution 114/22.5.2006 decided that PPC will not participate in the tender. As a result no binding offer was submitted.

- In November 2006, SENCAP signed an agreement with ENEL SpA, the Italian power company, thus creating a joint venture in order to commonly participate in a tender of the Ministry of Energy and Mines of Kossovo's Temporary Self Administration. The above mentioned Ministry was seeking participation of competent private investors for the preliminary stage of the tender. A common expression of interest was filed by late November 2006. The project of the above mentioned tender consists of the following: a) construction of a new power generating station with an installed capacity up to 2,100 MW, approximately, b) development of a new lignite mine for the existing power generating stations, c) development of a new mine in order to supply new generating stations and d) upgrading of the existing power generating station. By late December 2006, Kossovo's Ministry of Energy and Mines announced that the joint venture formed by SENCAP and ENEL SpA was among the four competitors, out of ten, pre-selected, thus will proceed to the next stage of the tender.

- SENCAP S.A. participated in the preliminary stage of a tender by FYROM's Ministry of Finance for a power station in Negotino and was preselected to the next phase. Fyrom's competent authorities wish to privatise the existing oil fired station with an installed capacity of 219 MW as well as the construction of a new power station with an installed capacity of 300, in the Negotino area, as well.

- The Parent Company's Board of Directors has accepted Chief Financial Officer, Mr. Grigoris Anastasiadis' resignation and has assigned Financial Manager Mr. Georgios Angelopoulos to temporarily replace him, until the new Chief Financial Officer is appointed. In December 2006 the Parent Company's Board of Directors has ratified the election of Mr. Georgios Angelopoulos as Chief Financial Officer.

- In November 2006, the Parent Company's Board of Directors has ratified the election of Mr. Grigorios Antonopoulos as General Manager for Human Resources and Organization.

- In May 2006, PPC's Board of Directors approved the Company's Business Plan for the five year period 2006 – 2010, as well as a Study for the enhancement of performance and the rationalization of costs for the same period. The basic axis of PPC's Business Plan is the Conversion Programme under the name "HERCULES".

- In September 2006, the Parent Company's Board of Directors has approved PPC's participation in a tender for the lease of research and exploitation of mineral rights in a public extractive area, which is located in Vevi, in the Florina prefecture. The Parent Company has submitted its offer and the evaluation process is continued.

- PPC's Board of Directors, by its Decision 2/10.01.2006, approved lump sum payments of up to 20 monthly wages to employees who would retire voluntarily until December 31, 2006, subject to terms specified in the above mentioned Decision. In the period ended December 31, 2006, 139 employees filed application for voluntary retirement and the total amount recognized in the statement of income amounted to Euro 12,5 million, approximately.

- Contracts that ensured a favorable pricing regime for the companies Alouminion and Larco have expired at March 31, 2006 and at March 30, 2006, respectively. From that date onwards and until December 31, 2006, both companies have been invoiced according to High Voltage A150 invoice. Alouminion has filed an injuction in order to continue with the above mentioned favorable pricing regime, which was heard before the court in September 29, 2006 and the court's decision, which was issued in January 2007, obliged PPC to return to the prior invoicing regime until Alouminion's case is heard before the courts. Larco continues to be invoiced according to High Voltage A150 invoice.

Athens, March 27, 2007

The Board of Directors