

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED BALANCE SHEET

MARCH 31, 2003 AND 2002 - (Unaudited)

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

(Expressed in thousands of Euro)

ASSETS	2003	2002*
Non-Current Assets:		
Property, plant and equipment, net	8.947.861	9.035.850
Intangible assets, net	1.880	3.383
Investments in associates	30.597	2.376
Other non-current assets	12.875	21.428
Deferred income tax assets	133.451	95.332
Total non-current assets	9.126.664	9.158.369
Current Assets:		
Materials, spare parts and supplies, net	570.462	556.678
Trade receivables, net	624.355	558.357
Other receivables, net	73.328	115.953
PPC Personnel Insurance Organisation	22.164	231.315
Other current assets	8.557	9.667
Derivative Assets	9.902	1.337
Marketable and other securities	9.020	23.578
Cash and cash equivalents	38.014	101.777
Total current assets	1.355.802	1.598.662
Total assets	10.482.466	10.757.031
LIABILITIES AND EQUITY		
EQUITY:		
Share capital	1.067.200	680.851
Share premium	106.679	106.679
Legal reserve	11.127	-
Revaluation Surplus	2.547.711	2.792.711
Reversal of fixed assets' statutory revaluation surplus	(947.342)	(531.777)
Reserves	204.890	215.692
Retained earnings (deficit)	397.932	55.903
Total equity	3.388.197	3.320.059
Non-Current Liabilities:		
Long-term debt, net of current portion	3.170.051	4.288.124
Provisions	431.551	191.678
Deferred subsidies & customers' contributions	1.208.839	1.118.715
Deferred income tax liability	31.225	105.547
Other non-current liabilities	350.460	336.711
Total non-current liabilities	5.192.126	6.040.775
Current Liabilities:		
Trade and other payables	524.838	485.234
Short-term borrowings	69.900	2.103
Current portion of long-term debt	832.500	516.586
Derivative liability	78.325	57.647
Income tax payable	262.359	165.711
Accrued and other current liabilities	134.221	168.916
Total current liabilities	1.902.143	1.396.197
Total liabilities and equity	10.482.466	10.757.031

*Adjusted for comparison and discussion purposes only

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002 - (Unaudited)

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

	<u>2003</u>	<u>2002*</u>
REVENUES:		
Revenue from energy sales	884.637	818.277
Other	<u>68.597</u>	<u>10.546</u>
	953.234	828.823
EXPENSES:		
Payroll cost	202.744	193.091
Lignite	126.120	119.217
Liquid fuel	109.189	98.023
Natural gas	47.245	65.122
Depreciation & amortization	102.013	102.874
Energy purchases	34.674	36.410
Materials and consumables	19.105	15.960
Transmission system usage	60.095	0
Utilities & maintenance	16.536	17.226
Third party fees	4.382	4.877
Taxes and duties	5.511	4.832
Provision for risks	3.496	5.870
Provision for slow-moving materials	5.920	8.190
Provision for doubtful accounts	1.863	2.137
Other expenses	10.076	9.982
PROFIT FROM OPERATIONS	<u>204.265</u>	<u>145.012</u>
Financial expenses	45.697	54.085
Financial income	4.335	9.375
Foreign currency gains, net	17.664	3.573
Other income, net	2.863	5.197
Share of loss in associated companies	9.107	0
PROFIT BEFORE TAX	<u>174.323</u>	<u>109.072</u>
Provision for income taxes	69.720	40.357
PROFIT AFTER TAX	<u>104.603</u>	<u>68.715</u>
Earnings per share, basic and diluted	<u>0,45</u>	<u>0,30</u>
Weighted average number of shares	<u>232.000.000</u>	<u>232.000.000</u>

*Adjusted for comparison and discussion purposes only

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR THREE MONTHS ENDED 31, 2003 AND 2002 - (Unaudited)
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
(Expressed in thousands of Euro)

	<u>2003</u>	<u>2002*</u>
Cash Flows from Operating Activities:		
Profit before tax	174.323	109.072
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & amortisation	153.677	152.255
Amortisation of subsidies and customers' participation	(24.217)	(20.933)
Fair value (gain)/ loss of derivative instruments	(3.380)	(13.072)
Share of loss in associated companies	9.107	0
Interest income	(2.094)	(576)
Sundry provisions	11.415	17.761
Unrealised foreign exchange differences on long-term debt	(14.379)	2.162
Unbilled revenue	(41.652)	(4.980)
Interest expense	43.489	51.802
Operating profit before working capital changes	<u>306.289</u>	<u>293.491</u>
(Increase)/ Decrease in:		
Accounts receivable, trade and other	(18.084)	(15.277)
Other current assets	(2.390)	(7.521)
PPC Personnel Insurance Organisation	39.130	(63.557)
Materials, spare parts and supplies	(14.755)	(3.762)
Other long-term assets	0	325
Increase/ (Decrease) in:		
Accounts payable	(57.372)	(15.851)
Other long-term liabilities	4.415	3.394
Accrued liabilities excluding bank loan interest	33.897	66.535
Net Cash from Operating Activities	<u>291.130</u>	<u>257.777</u>
Cash Flows from Investing Activities:		
Interest received	2.094	576
Capital expenditure for fixed assets and software	(118.000)	(148.476)
Disposal of fixed assets and software	1.227	34
Proceeds from subsidies and customers' contributions	37.909	37.050
Investments	(10.464)	(5)
Net Cash used in Investing Activities	<u>(87.234)</u>	<u>(110.821)</u>
Cash Flows from Financing Activities:		
Net change in short-term borrowings	(33.500)	0
Proceeds from long-term debt	24.965	3.352
Principal payments of long-term debt	(135.164)	(38.942)
Interest paid	(50.590)	(56.868)
Net Cash used in Financing Activities	<u>(194.289)</u>	<u>(92.458)</u>
Net (decrease)/ increase in cash and cash equivalents	9.607	54.498
Cash and cash equivalents at beginning of the period	<u>28.407</u>	<u>47.279</u>
Cash and cash equivalents at end of the period	<u><u>38.014</u></u>	<u><u>101.777</u></u>

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