Energy for everyone

Public Power Corporation S.A.

Financial Results
1st Quarter 2015

Athens, May 29, 2015

Agenda

Financial Results

George Angelopoulos, CFO

Priorities & Outlook

Emmanuel Panagiotakis, Chairman and CEO

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Financial Results

1^{st} Quarter 2015

George Angelopoulos

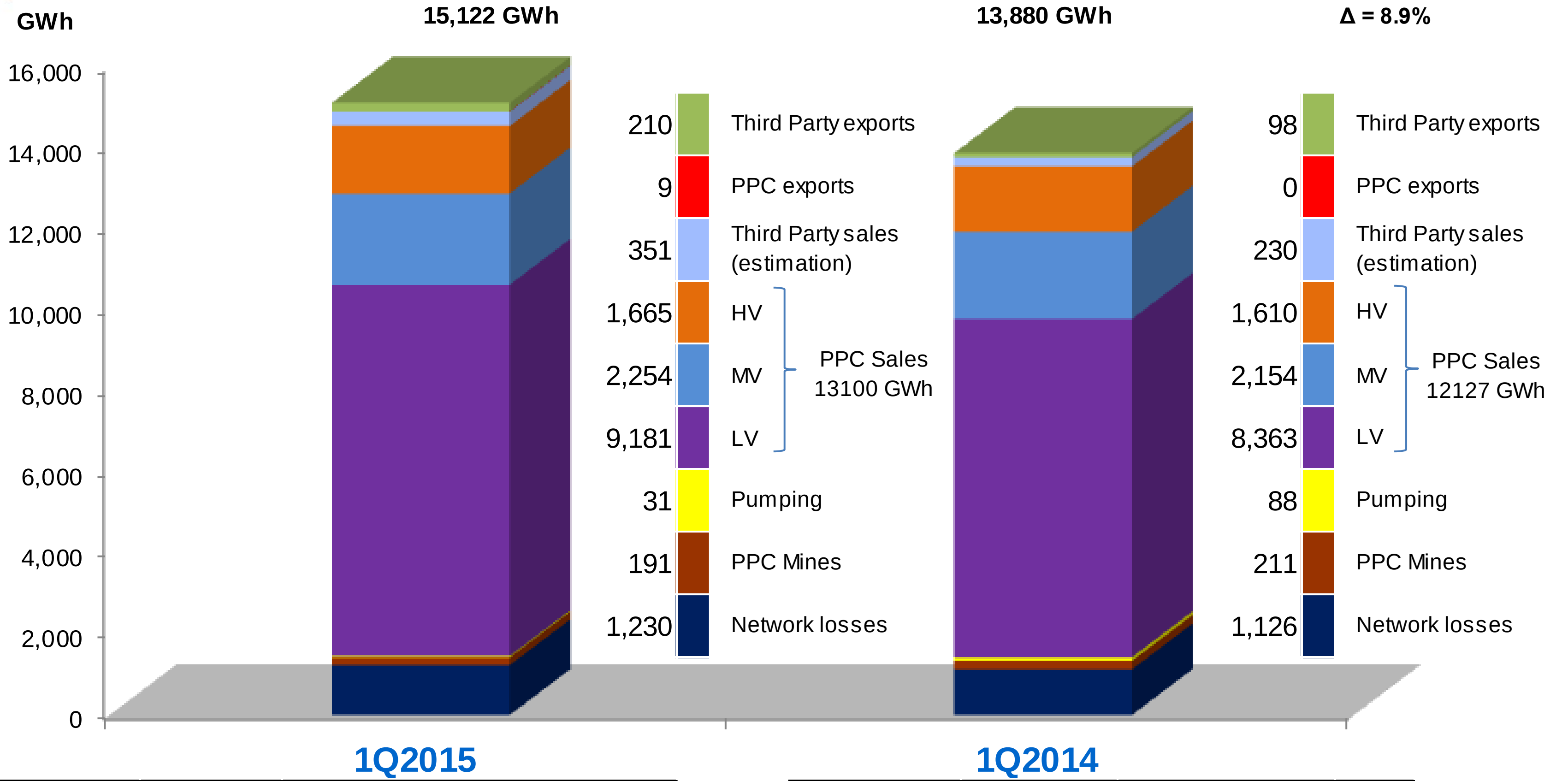
Chief Financial Officer

Summary Financial Results 1Q2015 / 1Q2014

Key Figures - Group (€ mln.)	1Q2015	1Q2014	Δ	Δ%
Total Revenues	**1,548.6**	**1,488.9**	***59.7***	***4.0***
Revenues from Energy Sales	1,507.1	1,451.6	*55.5*	*3.8*
Revenues from Domestic Energy Sales (in € mln)	*1,506.4*	*1,451.6*	*54.8*	*3.8*
Total Energy Sales (in GWh)	*13,109*	*12,127*	*982*	*8.1*
Domestic Energy Sales (in GWh)	*13,100*	*12,127*	*973*	*8.0*
Other revenues	41.5	37.3	*4.2*	*11.3*
Payroll Expense	215.5	228.1	*(12.6)*	*(5.5)*
Liquid Fuel	142.8	157.3	*(14.5)*	*(9.2)*
Special Consumption Tax	*32.8*	*26.1*	*6.7*	*25.7*
Natural Gas	62.5	102.0	*(39.5)*	*(38.7)*
Special Consumption Tax	*8.7*	*15.1*	*(6.4)*	*(42.4)*
Expenditure for CO_2 emission rights	55.0	49.6	*5.4*	*10.9*
Energy Purchases	417.3	356.5	*60.8*	*17.1*
Variable cost recovery mechanism	*0.0*	*11.4*	*(11.4)*	*(100.0)*
Capacity assurance mechanism	*24.5*	*43.4*	*(18.9)*	*(43.5)*
Differential expense for RES energy purchases	*7.1*	*12.5*	*(5.4)*	*(43.2)*
Special consumption tax on natural gas for IPPs	*8.6*	*9.8*	*(1.2)*	*(12.2)*
Special lignite levy	9.4	12.2	*(2.8)*	*(23.0)*
Other Operating Expenses	116.3	94.2	*22.1*	*23.5*
Provisions	192.2	147.9	*44.3*	*30.0*
EBITDA	**313.9**	**309.4**	***4.5***	***1.5***
EBITDA MARGIN (%)	**20.3%**	**20.8%**		
Depreciation and Amortisation	184.3	147.3	*37.0*	*25.1*
Net Financial Expenses	51.1	51.7	*(0.6)*	*(1.2)*
Financial expenses	*68.4*	*68.4*	*0.0*	*0.0*
Financial income	*17.3*	*16.7*	*0.6*	*3.6*
EBT	**77.2**	**109.3**	***(32.1)***	***(29.4)***

EBITDA in 1Q2015 increased by € 4.5 m. (or by 1.5%) compared to 1Q2014, with the respective margin settling at 20.3% compared to 20.8% in 1Q2014. Excluding the one-off items, 1Q2014 EBITDA amounts to € 268.8 m and the respective EBITDA margin at 18.1%, thus resulting to an increase of the operational profitability (EBITDA) by € 45.1 m in 1Q2015.

Electricity Demand 1Q2015 / 1Q2014



PPC domestic sales :	13,100 GWh
Average Market share (estimation) :	97.4%

PPC domestic sales :	12,127 GWh
Average Market share (estimation) :	98.1%

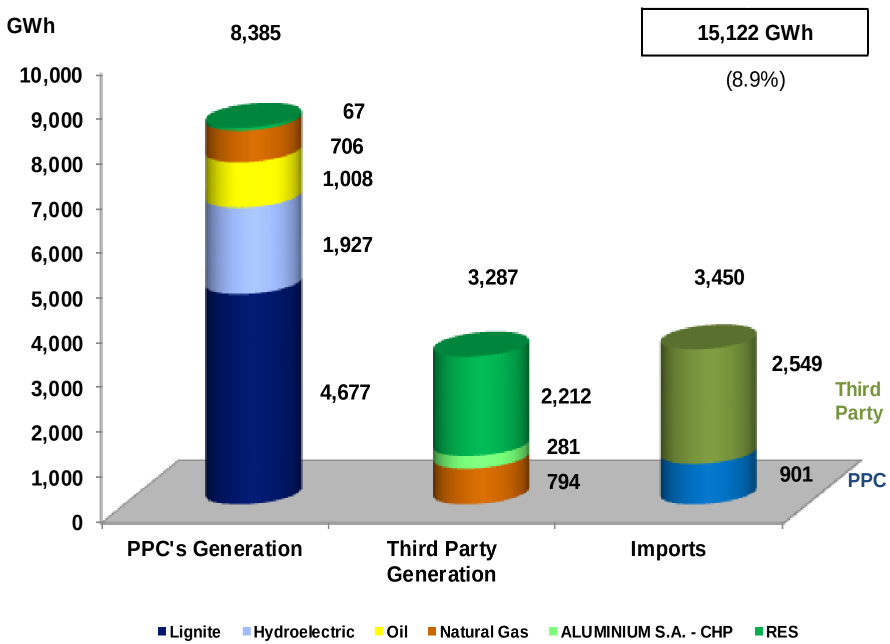
PPC exports:	9 GWh
Average Market share :	4.1%

PPC exports:	0 GWh
Average Market share :	0.0%

Electricity demand, excluding pumping and exports, increased by 8.6% (1,178 GWh).
PPC's domestic sales increased by 8% (973 GWh), as there was a market share reduction of 0.7 percentage points,

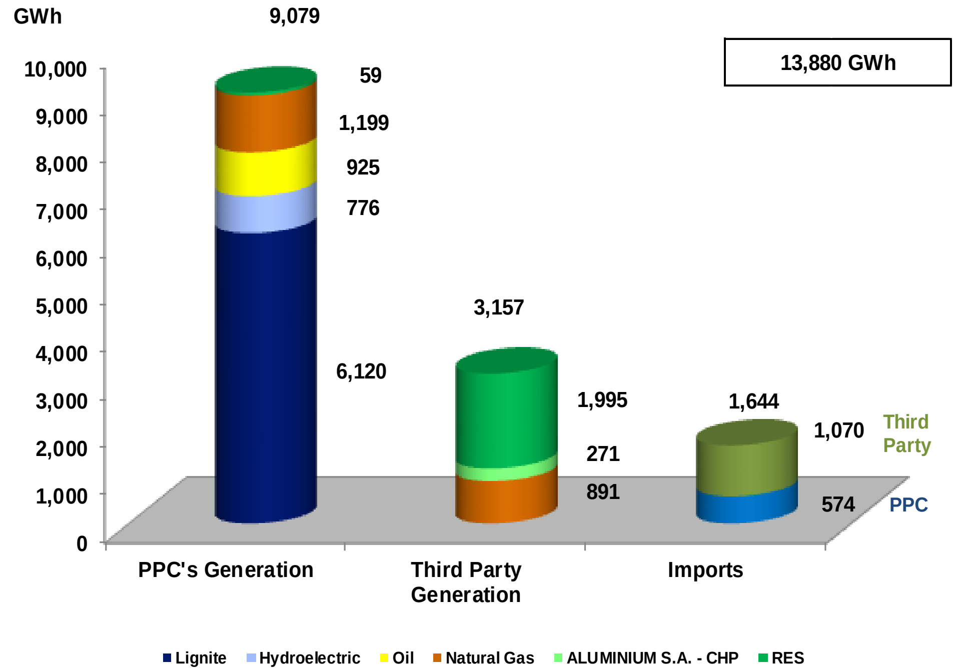
Electricity Generation and Imports 1Q2015 / 1Q2014

1Q2015



PPC generation: 8,385 GWh	PPC imports: 901 GWh
Average Market share: 71.8%	Average Market share: 26.1%

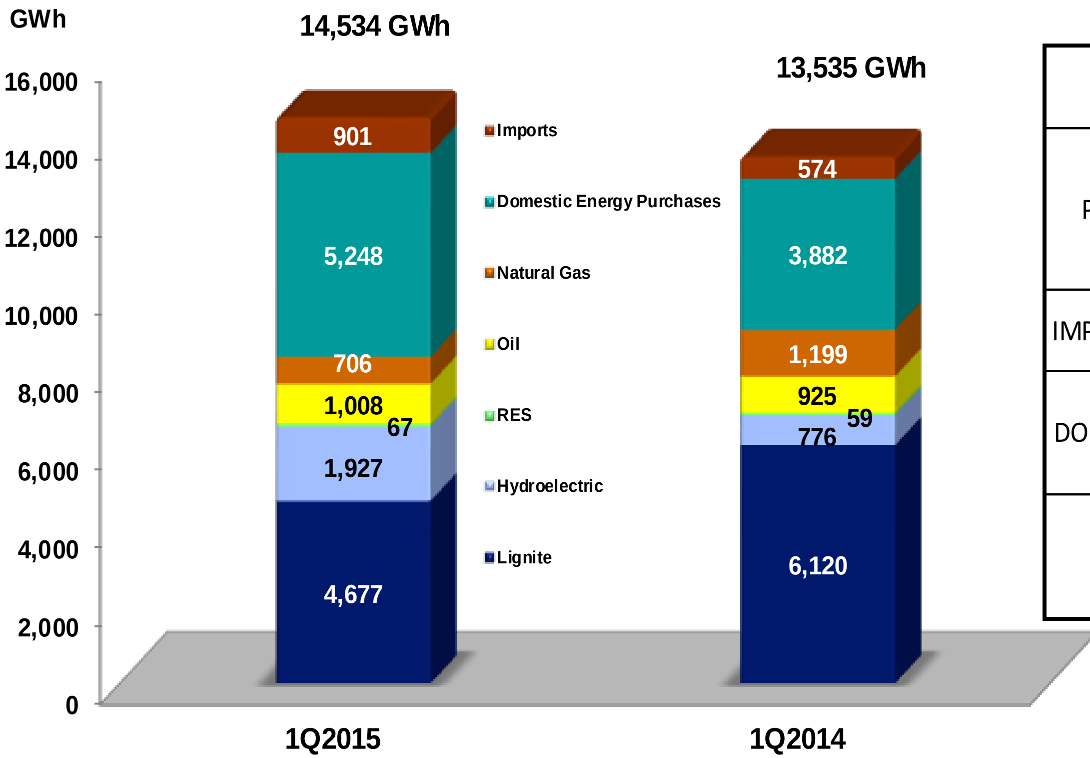
1Q2014



PPC generation: 9,079 GWh	PPC imports: 574 GWh
Average Market share: 74.2%	Average Market share: 34.9%

In 1Q2015, PPC's electricity generation and imports, covered 61.4% of total demand, while the corresponding percentage in 1Q2014 was 69.5%.

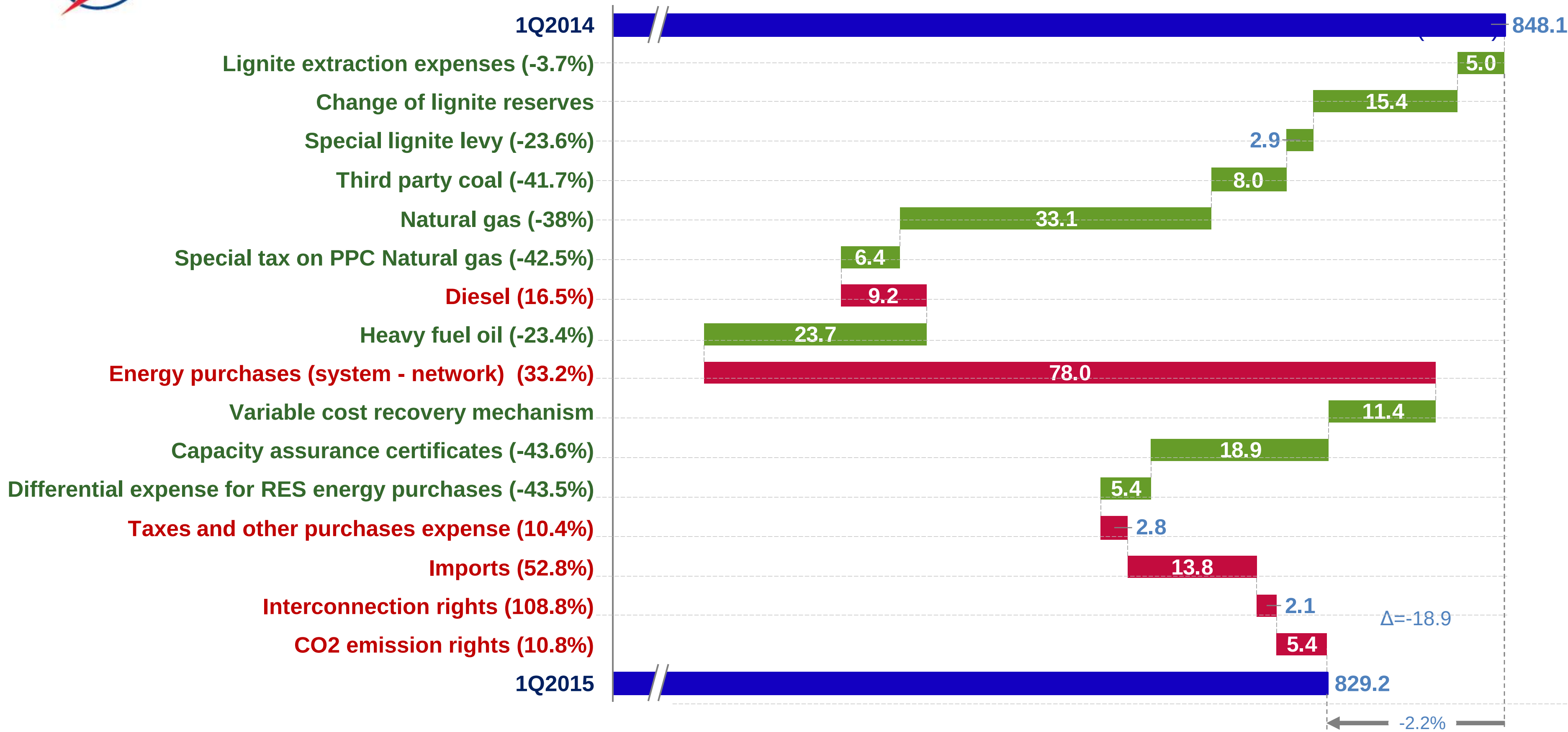
PPC/ Energy Generation and Purchases (GWh) 1Q2015 / 1Q2014



	TOTAL	Δ GWh	Δ %	% Participation	
		999	7.4%	1Q2015	1Q2014
PURCHASES	Imports	327	57.0%	6.2%	4.2%
	Domestic Energy Purchases	1,366	35.2%	36.1%	28.7%
IMPORTED FUELS	Natural Gas	-493	-41.1%	4.9%	8.9%
	Oil	83	9.0%	6.9%	6.8%
DOMESTIC FUELS	RES	8	13.6%	0.5%	0.4%
	Hydroelectric	1,151	148.3%	13.3%	5.7%
	Lignite	-1,443	-23.6%	32.2%	45.2%
TOTALS	PURCHASES			42.3%	32.9%
	IMPORTED FUELS			11.8%	15.7%
	DOMESTIC FUELS			45.9%	51.4%

In 1Q2015, electricity generation from lignite decreased by 23.6% (1,443 GWh) compared to 1Q2014. In the same period the percentage participation of lignite in PPC's total energy mix, decreased to 32.2% from 45.2% in 1Q2014. Natural gas-fired generation decreased by 41.1% settling at 706 GWh. Energy purchases (excluding PPC's imports) from the System and the Network increased by 35.2% (1,366 GWh), while hydro generation significantly increased to 1,927 GWh from 776 GWh in 1Q2014.

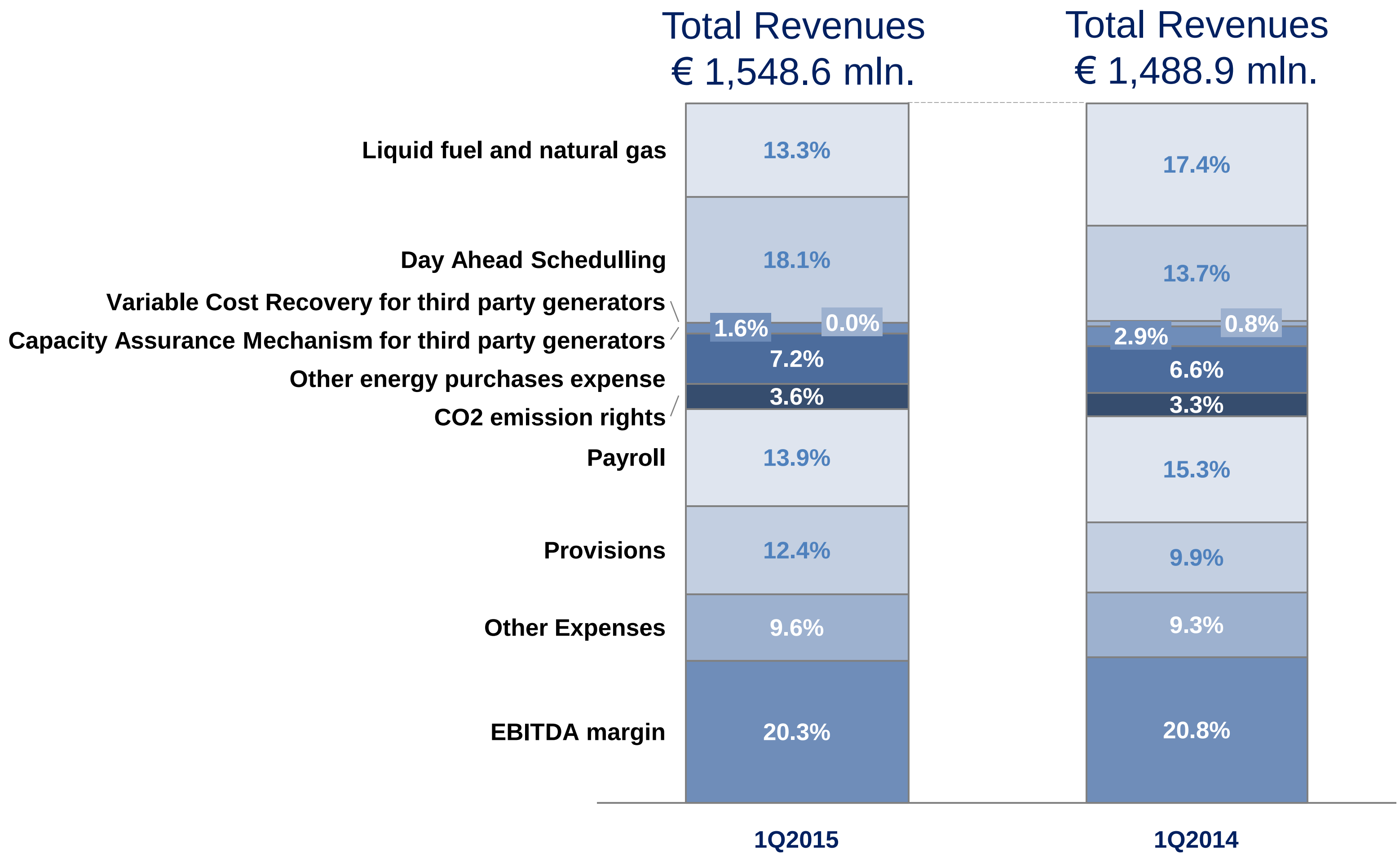
Energy mix cost evolution 1Q2015 / 1Q2014



The overall energy mix cost decreased by € 18.9 m. (-2.2%), mainly due to the reduction of the expense for natural gas and liquid fuel and (by € 54 m) as well as for Capacity Assurance Certificates and variable cost recovery mechanism (€ 30.3 m), which to a considerable extent was offset by the increased expenses for energy purchases (€ 78 m) and imports (€ 15.9 m)

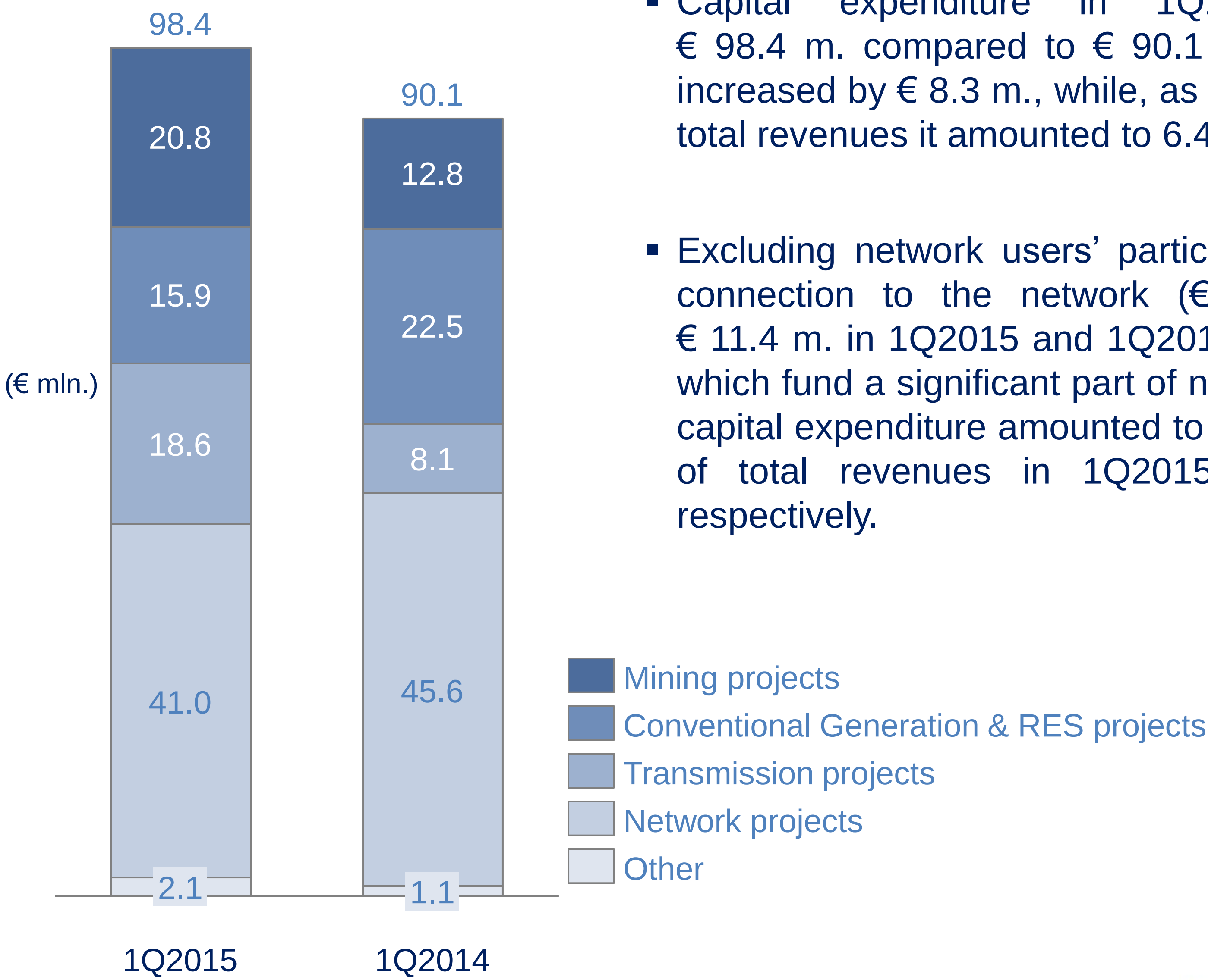
	(Δ)
Price effect:	5.8
Quantity effect:	29.1
Variable cost recovery:	11.4
Capacity assurance certificates:	18.9
Differential expense for RES energy purchases:	5.4
Special lignite levy:	2.9
Special Consumption Tax on natural gas consumed by PPC:	6.4
Taxes and other energy purchases expense:	2.8
Total:	18.9

Fuel, CO_2, other expenses and EBITDA as percentage of revenues (1Q2015 / 1Q2014)



In 1Q2015, 43.8% of total revenues were expensed for fuel, CO_2 and energy purchases compared to 44.7% in 1Q2014. It is noted that, energy purchases expense in 1Q2015 accounted for 26.9% of total revenues compared to 24% in 1Q2014. Regarding the evolution of provisions, these represent 12.4% of total revenues compared to 9.9% last year. The relevant percentage for payroll decreased at 13.9% in 1Q2015 compared to 15.3% in 1Q2014.

Capex



- Capital expenditure in 1Q2015 reached € 98.4 m. compared to € 90.1 m. in 1Q2014, increased by € 8.3 m., while, as a percentage of total revenues it amounted to 6.4% from 6.1%.

- Excluding network users' participation for their connection to the network (€ 10.9 m. and € 11.4 m. in 1Q2015 and 1Q2014 respectively), which fund a significant part of network projects, capital expenditure amounted to 5.7% and 5.3% of total revenues in 1Q2015 and 1Q2014 respectively.

Debt Evolution - Liquidity

- Net debt amounted to € 4,965.5 m., an increase of € 352.5 m. compared to 31.3.2014 (€ 4,613 m.), whereas compared to 31.12.2014 (4,991.9 m.) it was reduced by € 26.4 m.

- Debt repayments in 1Q2015 amounted to € 18.1 m.

- In addition, in 1Q2015, we proceeded with the drawdown of an overdraft facility of € 50 m.

Comments on Financial Results & Priorities – Outlook

Emmanuel Panagiotakis

Chairman and CEO

Public Power Corporation S.A.

Comments on financial results

- In the first quarter of 2015, PPC Group revenues increased by 4% and amounted to € 1,549 m, due to increased demand in most of our customer categories. Operational profitability (EBITDA) excluding one-offs, improves by € 45 m., out of which € 18 m. are attributed to the further reduction of payroll and other controllable expenses.

- During the period 2009-2014, total payroll had been already reduced by approximately € 700 m. on an annual basis, resulting to cumulative savings of € 2.8 bln for this period.

- First quarter results have been also positively affected by quite favorable hydrological conditions and the oil price decline.

- On the contrary, the increase of provisions for bad debt to € 187 m. from € 158 m. in the first quarter of 2014 had a negative impact.

Negative impact from customers' overdue receivables and market distortions

- The largest part of the savings from the reduction of payroll and controllable expenses, was wiped out from regulatory interventions, such as the Variable Cost Recovery Mechanism, the Capacity Assurance Certificate and other distortions of the electricity market, which are inconsistent with a rationally operating market.

- If the aforementioned savings had been passed on to customers through lower electricity tariffs, they would have positively impacted the already stressed economy and the receivables collection rate for PPC would have been significantly higher.

- The increase of provisions and overdues is also attributed to the substantial increase of the RES levy in 2014, which in terms of collection rate tends to have the same negative impact as the old Special Property Tax that was collected by PPC. Please note that the RES levy does not represent revenue for PPC, but it significantly burdens the final amount that the Greek consumers have to pay, thus leading to situations where even regularly paying customers face difficulty to pay their bills on time. On top of that, PPC is obliged to render the RES levy even if it has not collected it.

Main targets – Priorities (1/3)

✓ **Improvement of collection**

Focused actions to specific customer categories based on qualitative and quantitative criteria.

Qualitative & Quantitative criteria

- Financial status
- Overdue amount
- Ageing of overdue amount
- Consumption profile
- Behaviour pattern

Main targets – Priorities (2/3)

✓ **Reduction of the electricity cost**

Study to identify and eliminate factors that contribute to the increase in electricity costs

Main areas under consideration:

- Type of remuneration of generation units for their available capacity
- Possibility for the country to obtain free CO_2 emission rights
- Improvement of the conditions regarding the exploitation of Mines and the quality of lignite

Proposals for immediate and medium to long term measures for the redesigning and the rational operation of the electricity market aiming at the reduction of the electricity cost, which will contribute to the Greek Economy resuming its growth path

Main targets – Priorities (3/3)

✓ Implementation of our Strategic Capex Plan

Renewal of PPC's generation units portfolio aiming at improving efficiency and environmental footprint

Key projects:

- Start of testing operation of the new natural gas fired unit Megalopolis V, 811 MW
- Ptolemais V, 660 MW (new technology lignite unit with lower CO_2 emissions)
- South Rhodes power plant, 115.4 MW (modern diesel power plant burning low sulfur HFO)
- Hydro power plants, total capacity 191 MW
- Environmental upgrades (i.e. Ag. Dimitrios lignite units, total capacity 1,595 MW)

Implementation of projects in Renewables

Focus on:

- Wind power projects in Aegean islands, total capacity 161 MW
- Geothermal energy projects, total capacity 14 MW (Kimolos, Lesvos, Nisyros, Methana)

Transmission System and Distribution Network capex

- Cyclades interconnection
- Interconnection of Crete
- Reinforcement of Transmission System in Peloponnese
- Reinforcement of Distribution Networks
- Smart Meters

2015 Outlook

For 2015, based on assumptions for Brent oil at $65/bbl, €/$ exchange rate of 1.06 and price of CO_2 emission rights of € 7.7/tn for the period April-December 2015, the key financials are estimated to be as follows:

- Revenues from energy sales : € 5.7 bln.
- Total Revenues : € 5.9 bln.
- EBITDA Margin : 21% - 22%

It is noted that Group results are impacted, among other, by fluctuations in €/$ exchange rate, oil, natural gas, electricity prices and the price of CO_2 emission rights, as well as changes in the market, legal, regulatory and fiscal framework and bad debt evolution, which could cause deviations from the budgeted figures.

DISCLAIMER

Some of the information contained herein includes forward-looking statements. It is noted that the Group is subject to various risks, which, among other, relate to €/$ exchange rate, oil, natural gas, electricity prices and the price of CO_2 emission rights, as well as changes in the market, legal, regulatory and fiscal framework and bad debt evolution, that could cause actual results to differ materially from those anticipated in the forward-looking statements.