Energy for everyone

Public Power Corporation S.A.

1st Quarter 2016
Trading Update

Athens, May 27, 2016

Agenda

Trading Update

George Angelopoulos, CFO

Recent Developments

Emmanuel Panagiotakis, Chairman and CEO

Agenda

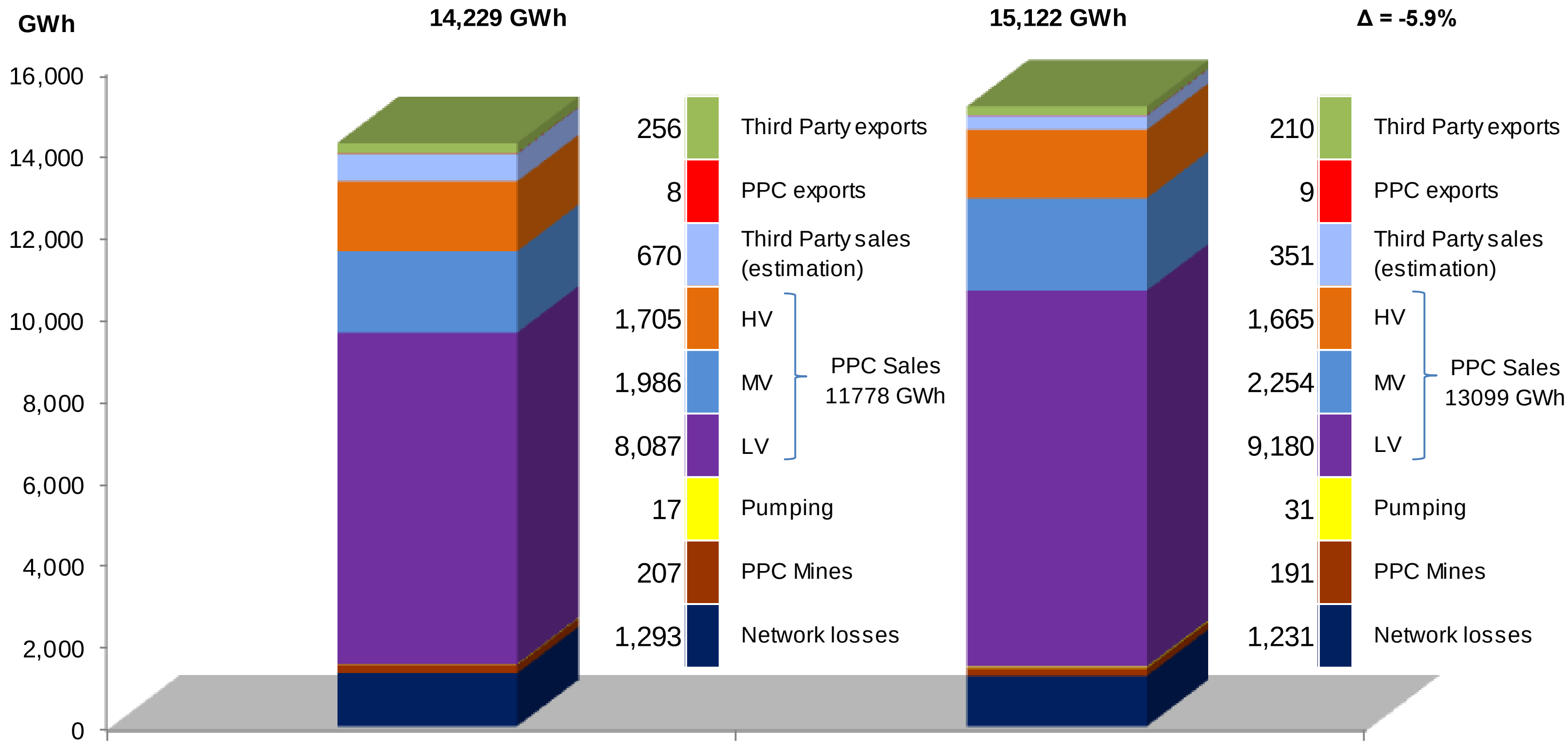
Trading Update

1.1.2016 – 31.3.2016

George Angelopoulos

Chief Financial Officer

Electricity Demand 1Q2016 / 1Q2015



PPC domestic sales :	11,778 GWh
Annual Average Market Share (est.):	94.6%

PPC domestic sales :	13,099 GWh
Annual Average Market Share (est.) :	97.4%

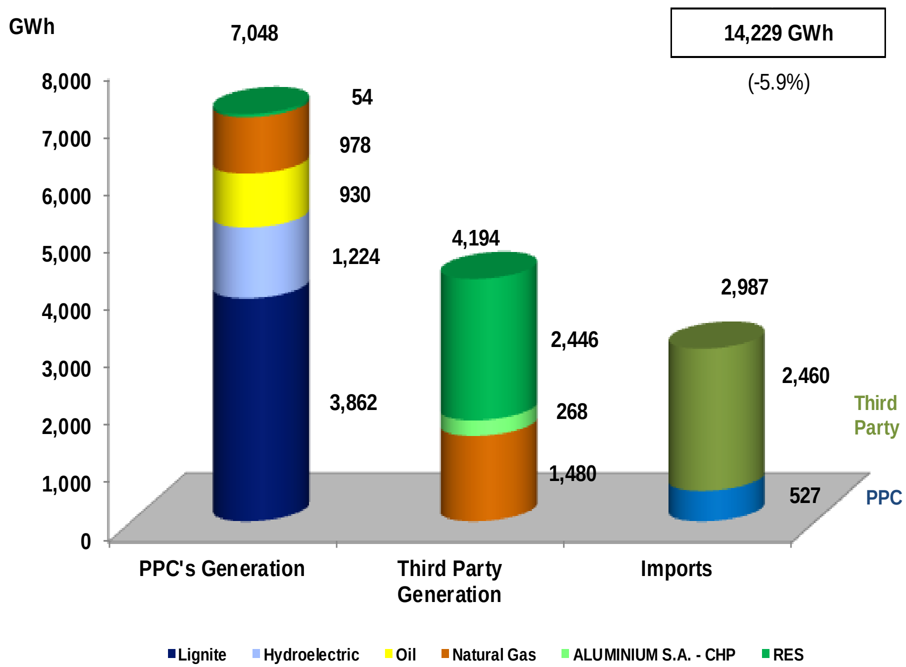
PPC exports:	8 GWh
Annual Average Market Share :	3.0%

PPC exports:	9 GWh
Annual Average Market Share :	4.1%

Electricity demand, excluding pumping and exports, decreased by 6.2% (924 GWh). However, PPC's domestic sales decreased by 10.1% (1,321 GWh), as the average market share was reduced by 2.8 percentage points.

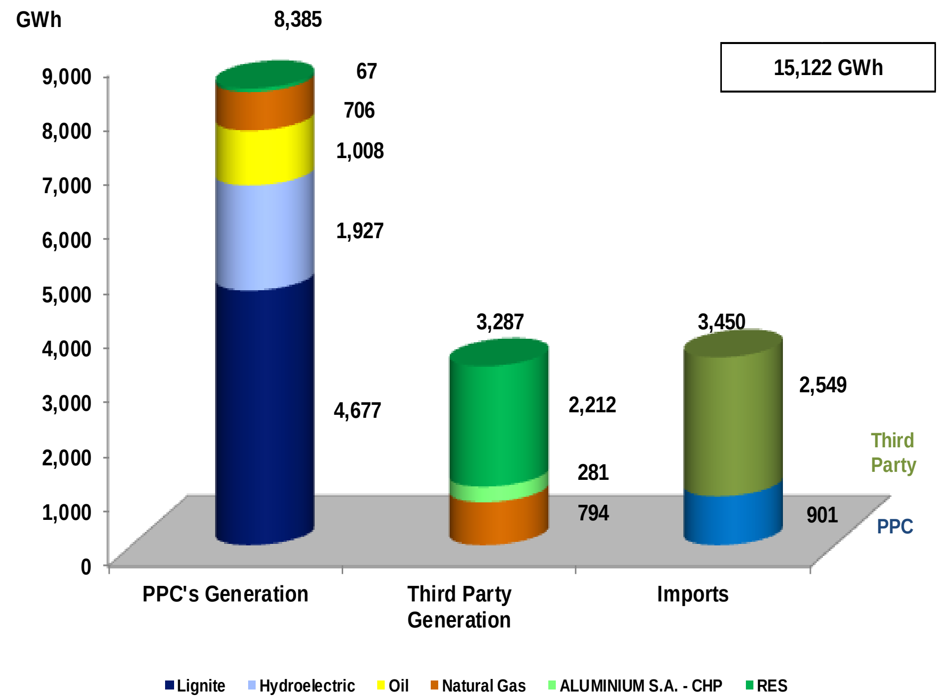
Electricity Generation and Imports 1Q2016 / 1Q2015

1Q2016



PPC generation:	7,048 GWh	PPC imports:	527 GWh
Average Annual Market Share:	62.7%	Average Annual Market Share:	17.6%

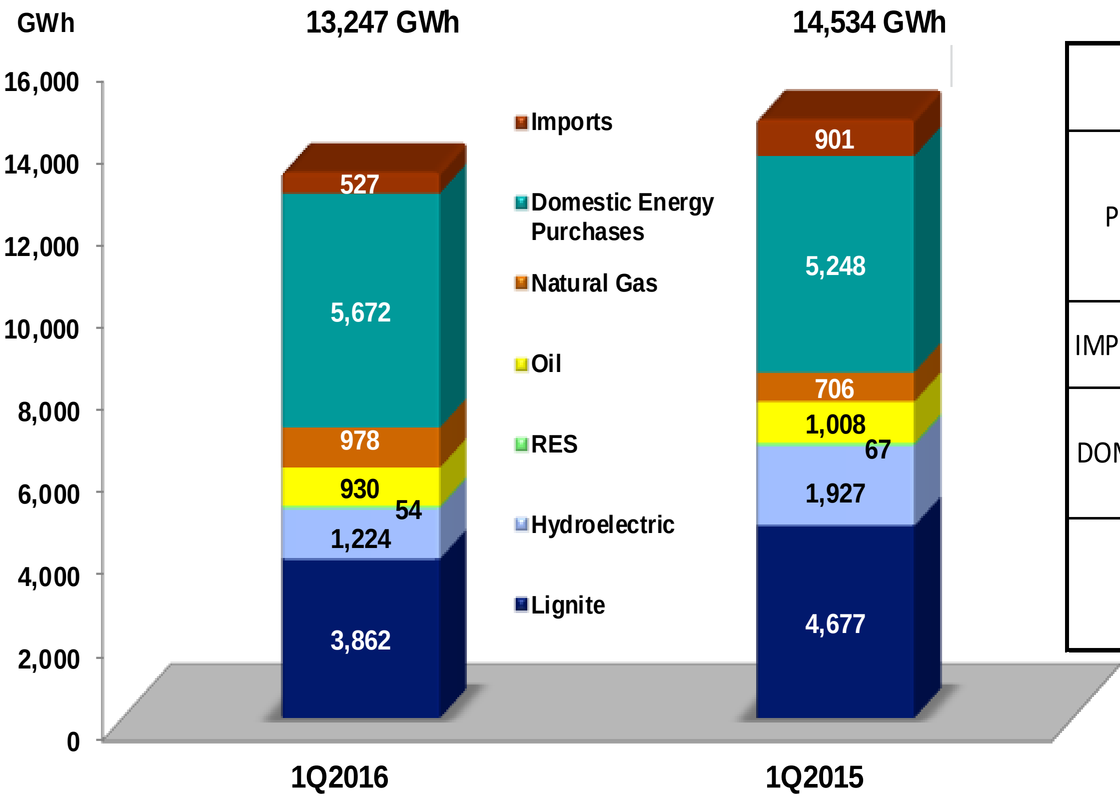
1Q2015



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

In 1Q2016, PPC’s electricity generation and imports, covered 53.2% of total demand (50.6% in the Interconnected System) , while the corresponding percentage in 1Q2015 was 61.4% (59.4% in the Interconnected System).

PPC/ Energy Generation and Purchases (GWh) 2015 / 2014



	TOTAL	Δ GWh	Δ %	% Participation	
		-1,287	-8.9%	1Q2016	1Q2015
PURCHASES	Imports	-374	-41.5%	4.0%	6.2%
	Domestic Energy Purchases	424	8.1%	42.8%	36.1%
IMPORTED FUELS	Natural Gas	272	38.5%	7.4%	4.9%
	Oil	-78	-7.7%	7.0%	6.9%
DOMESTIC FUELS	RES	-13	-19.4%	0.4%	0.5%
	Hydroelectric	-703	-36.5%	9.2%	13.3%
	Lignite	-815	-17.4%	29.2%	32.2%
TOTALS	PURCHASES			46.8%	42.3%
	IMPORTED FUELS			14.4%	11.8%
	DOMESTIC FUELS			38.8%	45.9%

In 1Q2016, electricity generation from lignite decreased by 17.4% (815 GWh) compared to 1Q2015. In the same period the percentage participation of lignite in PPC's total energy mix, decreased to 29.2% from 32.2% in 1Q2015. Natural gas-fired generation increased by 38.5% settling at 978 GWh. Energy purchases (excluding PPC's imports) from the System and the Network increased by 8.1% (424 GWh), while hydro generation decreased by 36.5% to 1,224 GWh.

Key financial figures for 1Q2016

(in € mln.)	1Q2016	1Q2015	Δ
Turnover	1,412.6	1,548.6	*-8.8%*
EBITDA	345.2	313.9	*10%*
EBITDA margin	24.4%	20.3 %	
Pre-tax profits	122.3	77.2	*58.4%*
Net income	85.6	55.7	*53.7%*

Bad debt provisions of PPC S.A. (in € mln)

1Q2016	4Q2015	1Q2015
163.3	203.4	186.4

Capex - Debt Evolution

- Capital expenditure in 1Q2016 amounted to € 127.5 m. compared to € 98.4 m. in 1Q2015, while, as a percentage of total revenues it amounted to 9% from 6.4%. This increase is mainly associated with the construction of the first phase of the Cyclades interconnection, as well as important generation projects such as the new lignite unit “Ptolemais V”, the new thermal plant in Rhodes and the hydro power plant of Metsovitiko.

- Net debt amounted to € 4,651.9 m., a reduction of € 313.6 m. compared to 31.3.2015 (€ 4,965.5 m) whereas compared to 31.12.2015 (€ 4,788.9 m.) it was reduced by € 137 m.

Comments on Financial Results & Recent Developments

Emmanuel Panagiotakis

Chairman and CEO

Public Power Corporation S.A.

Comments on financial results

- The profitability of PPC Group in the first quarter of 2016 has improved compared to the respective period of 2015 and is mainly attributed to the increased profitability of the Parent Company by € 25.7 m or by 10.3% at EBITDA level, with the respective margin settling at 19.9% compared to 16.3% last year.
- This positive development is attributed to the reduction of energy mix expenses – driven by the significant decline of fuel prices - and the containment of bad debt provisions, despite turnover reduction.
- The declining trend in bad debt provisions that was recorded in the fourth quarter of 2015, continued also in the first quarter of 2016, as a result of the settlements plan, which was put in place in June 2015.

Collection of receivables

Improvement of receivables collection is a strategic priority for us. We are optimistic that the following factors will contribute to addressing the issue:

1) The expected stabilization of the domestic economic environment following the conclusion of the first review of the last program for the support of the Greek Economy and the disbursement of the relevant tranches.

2) The potential of the Greek State to finally pay its debt to PPC, which on 31.3.2016, amounted to € 100 m for the Central Government and to € 161 mln for the broader public sector.

3) The new settlements plan, based on which, more than € 430 mln of overdue debt has been settled up to date from approximately 145,000 customers. We estimate that the number of settlements will increase in the next period. The implementation of this settlements plan not only helps improving collection, but it also contributes to the creation of a healthy market, a development which is necessary in light also of the considerable opening up of the market, as it was recently legislated.

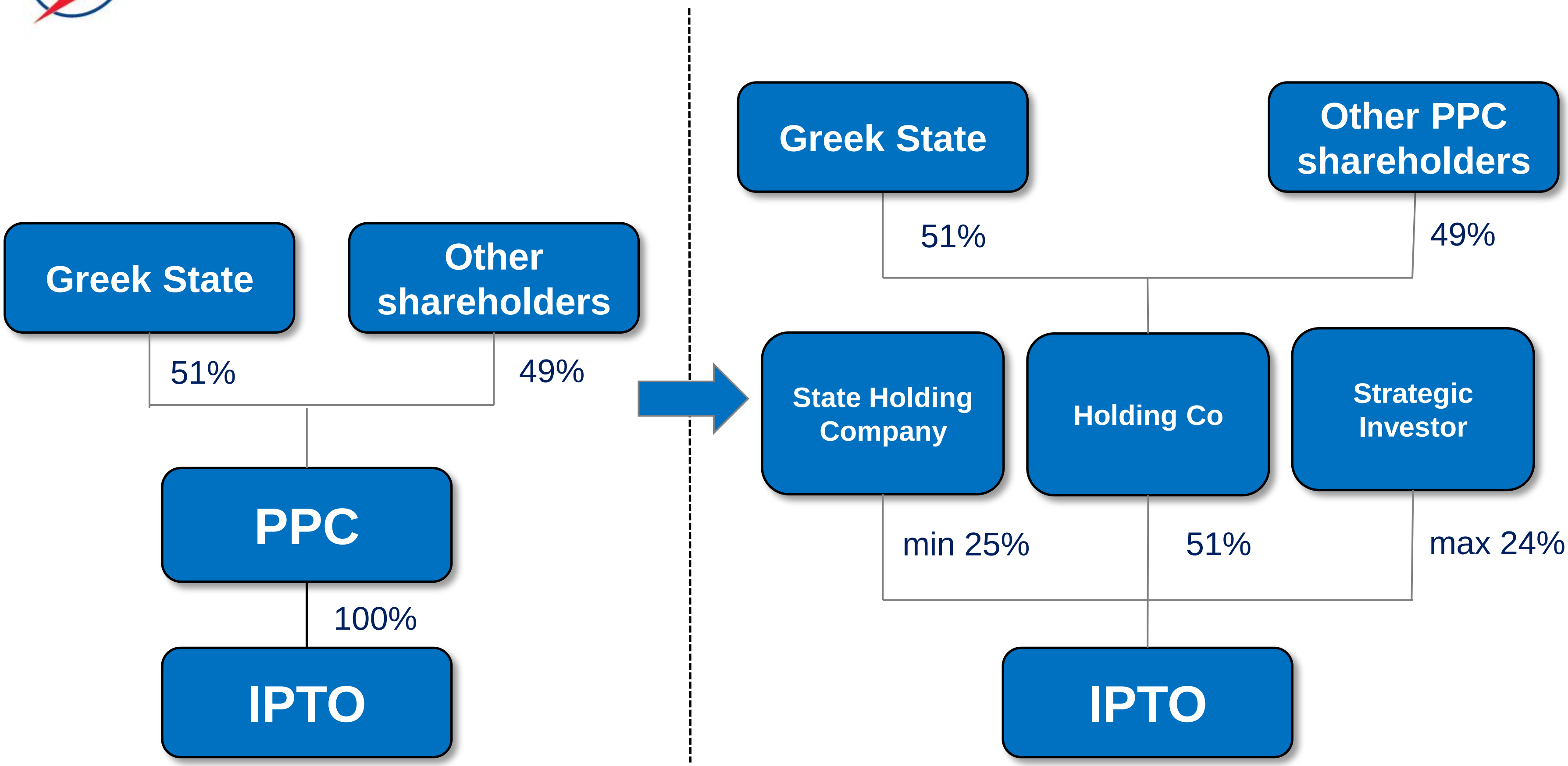
4) The intensification of PPC's efforts for the improvement of collection, which are expected to escalate in the coming period.

The recent decision of the Environment and Energy Minister regarding the ability of a customer with overdues to switch supplier is expected to have a positive effect.

Main legislative provisions for the electricity market

- Provisions for the full ownership unbundling of IPTO S.A. from PPC S.A., with the State retaining control over IPTO S.A.
- Abolition of the provisions of Law 4237/2014 regarding the ownership unbundling of IPTO S.A.
- Establishment of a mechanism for the auctioning of electricity by PPC
- Establishment of a Transitory Capacity Payment Mechanism
- Abolition of the Special Consumption Tax on natural gas used for electricity generation
- Abolition of the provisions of Law 4273/2014 regarding the creation of a new vertically integrated electricity company ("Small PPC")

Ownership unbundling of IPTO S.A. from PPC S.A.



- Capital return from IPTO to PPC through capitalization of reserves.
- Sale of at least 25% of IPTO’s share capital to a State Holding Company.
- Sale of max 24% of IPTO’s share capital to a strategic investor.
- Contribution of 51% of IPTO’s share capital to a Holding Company (“Holding Co”) - with PPC as the initial shareholder and spin-off of this company to PPC’s shareholders, while listing it to the Stock Exchange.

Transitory Capacity Payment Mechanism

- **Duration**: 12 months at most
- **Amount of compensation**: € 45,000 per MW of available capacity with a maximum remuneration fee of € 15 mln per generation unit.
- **Eligible units**: All natural gas fired units (both open and combined cycle) and limited capacity of dispatched hydro units.

Outlook

- The aforementioned legislative provisions form a completely new environment for the electricity market in Greece. PPC needs to respond to this challenge efficiently by focusing on improving its competitiveness while taking initiatives in order to make sure that the opening up of the market will take place with fair competition rules, avoiding speculative phenomena.

- In conjunction to the above, we are examining opportunities for business initiatives, in order to diversify our activities in other markets and business segments, as well as develop joint ventures, aiming at offsetting any losses incurred due to domestic market share reduction and strengthening Company's position.

- Our activities in the Renewables sector remain a top priority. Towards this end, we are proceeding with the reorganization and appropriate staffing of our subsidiary PPC Renewables, while at the same time we are implementing a targeted capex plan and we are looking into acquisition targets aiming at positioning the group into the league table of the Renewables sector.

- At the parent company level, we continue with the implementation of our capex plan for the renewal of our generation fleet, with the largest project currently being the construction of the new lignite unit "Ptolemais V".

  At the same time, IPTO is currently moving ahead with the Cyclades Interconnection, a project of significant importance for the country's economy which will contribute to the increase of supply reliability in the interconnected islands, the achievement of maximum cost savings which currently burden the Public Service Obligations, due to the operation of oil fired units, and the reduction of CO_2 emissions.

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 macroeconomic conditions, €/$ 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.