

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2004

(All amounts in thousands of Euro)

ASSETS	2004	2003
Non-Current Assets:		
Property, plant and equipment, net	9.717.147	9.035.127
Software, net	8.281	11.257
Investments in associates	17.372	17.614
Other non-current assets	9.652	12.033
Deferred tax assets	87.487	104.422
Total non-current assets	9.839.939	9.180.453
Current Assets:		
Materials, spare parts and supplies, net	582.669	537.849
Trade receivables, net	660.437	596.711
Other receivables, net	68.789	79.150
Other current assets	7.781	6.766
Derivative asset	-	11.194
Marketable and other securities	28.439	19.802
Cash and cash equivalents	28.071	27.493
Total current assets	1.376.186	1.278.965
Total assets	11.216.125	10.459.418
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	1.067.200	1.067.200
Share premium	106.679	106.679
Legal reserve	33.319	21.116
Revaluation surplus	3.145.640	2.543.342
Reversal of fixed assets' statutory revaluation surplus included in share capital	(947.342)	(947.342)
Reserves	242.062	221.201
Retained earnings	577.851	471.558
Total equity	4.225.409	3.483.754
Non-Current Liabilities:		
Interest bearing loans and borrowings	3.107.427	3.115.646
Post retirement benefits	226.637	221.159
Provisions	216.396	223.346
Deferred customers' contributions and subsidies	1.421.145	1.276.680
Other non-current liabilities	386.794	357.564
Total non-current liabilities	5.358.399	5.194.395
Current Liabilities:		
Trade and other payables	793.669	693.247
Short-term borrowings	187.050	57.100
Current portion of interest bearing loans and borrowings	397.157	766.547
Derivative liability	28.475	47.821
Dividends payable	211	279
Income tax payable	120.845	141.264
Accrued and other current liabilities	104.910	75.011
Total current liabilities	1.632.317	1.781.269
Total liabilities and equity	11.216.125	10.459.418

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED STATEMENT OF INCOME

DECEMBER 31, 2004

(All amounts in thousands of Euro - except per share data)

	<u>2004</u>	<u>2003</u>
REVENUES:		
Revenue from energy sales	3.791.496	3.606.629
Other	303.517	290.890
	<u>4.095.013</u>	<u>3.897.519</u>
EXPENSES:		
Payroll cost	885.515	821.243
Lignite	611.664	541.066
Liquid fuel	427.175	455.430
Natural gas	306.665	296.356
Depreciation and amortization	461.797	447.881
Energy purchases	182.248	157.286
Materials and consumables	96.783	100.670
Transmission system usage	259.151	243.234
Utilities and maintenance	94.382	73.798
Third party fees	20.865	31.245
Taxes and duties	9.281	25.134
Provision for risks	220	17.111
Provision for slow-moving materials	562	7.722
Allowance for doubtful balances	4.684	26.283
Other expenses	79.293	60.383
PROFIT FROM OPERATIONS	<u>654.728</u>	<u>592.677</u>
Financial expenses	(165.817)	(175.857)
Financial income	35.212	41.039
Share of loss of associates	(8.242)	(26.906)
Foreign currency gains/ (losses), net	(10.360)	35.076
Other income/ (expense), net	(3.250)	9.221
PROFIT BEFORE TAX	<u>502.271</u>	<u>475.250</u>
Income tax expense	(209.145)	(170.622)
PROFIT AFTER TAX	<u>293.126</u>	<u>304.628</u>
Earnings per share, basic and diluted	<u>1,26</u>	<u>1,31</u>
Weighted average number of shares	<u>232.000.000</u>	<u>232.000.000</u>

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

December 31, 2004

(All amounts in thousands of Euro)

	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of Revaluation Gains	Reserves		Retained Earnings/ (Accumulated Deficit)	Total Equity	
						Marketable Securities Valuation Surplus	Tax-free and Other Reserve			
Balance, December 31, 2002	1.067.200	106.679	11.127	2.547.711	(947.342)	2.405	206.031	208.436	293.329	3.287.140
Valuation of marketable securities	-	-	-	-	-	7.235	-	7.235	-	7.235
Net gains and losses not recognised in the income statement	-	-	-	-	-	7.235	-	7.235	-	7.235
Net income for the year	-	-	-	-	-	-	-	-	304.628	304.628
Revaluation surplus of fixed assets disposed transferred to retained earnings	-	-	-	(4.369)	-	-	-	-	4.369	-
Transfers	-	-	9.989	-	-	-	5.530	5.530	(15.519)	-
Dividends	-	-	-	-	-	-	-	-	(116.000)	(116.000)
Other movements	-	-	-	-	-	-	-	-	751	751
Balance, December 31, 2003	1.067.200	106.679	21.116	2.543.342	(947.342)	9.640	211.561	221.201	471.558	3.483.754
Revaluation surplus of land, mines and buildings of fixed assets	-	-	-	620.805	-	-	-	-	-	620.805
Deferred tax on devaluation (note 28)	-	-	-	17.891	-	-	-	-	-	17.891
Tax on fixed assets revaluation surplus	-	-	-	(36.398)	-	-	-	-	-	(36.398)
Valuation of marketable securities	-	-	-	-	-	8.638	-	8.638	-	8.638
Net gains and losses not recognised in the income statement	-	-	-	602.298	-	8.638	-	8.638	-	610.936
Net income for the year	-	-	-	-	-	-	-	-	293.126	293.126
Revaluation surplus of fixed assets disposed transferred to retained earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	12.203	-	-	-	12.223	12.223	(24.426)	-
Dividends	-	-	-	-	-	-	-	-	(162.400)	(162.400)
Other movements	-	-	-	-	-	-	-	-	(7)	(7)
Balance, December 31, 2004	1.067.200	106.679	33.319	3.145.640	(947.342)	18.278	223.784	242.062	577.851	4.225.409

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS

DECEMBER 31, 2004

(All amounts in thousands of Euro)

	<u>2004</u>	<u>2003</u>
Cash Flows from Operating Activities		
Profit before tax	502.271	475.250
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortisation	668.833	645.325
Amortisation of customers' contributions and subsidies	(113.502)	(99.674)
Expense from revaluation of fixed assets	17.065	-
Fair value (gain)/ loss of derivative instruments	(8.152)	(14.893)
Share of loss of associates	8.242	26.906
Interest income	(15.132)	(16.877)
Sundry provisions	6.912	50.598
Gain on disposal of fixed assets	(7.362)	-
Reversal of provision for PIO fixed assets	-	(1.620)
Unrealised foreign exchange gains on interest bearing loans and borrowings	6.897	(20.769)
Unbilled revenue	(5.475)	(22.753)
Amortisation of loan origination fees	2.381	-
Interest expense	149.732	164.264
Operating profit before working capital changes	<u>1.212.710</u>	<u>1.185.757</u>
(Increase)/ Decrease in:		
Accounts receivable, trade and other	(36.142)	(19.679)
Other current assets	(1.015)	(600)
PPC Personnel Insurance Organisation	-	45.439
Materials, spare parts and supplies	(33.554)	27.041
Other non-current assets	-	10
Increase/ (Decrease) in:		
Accounts payable	52.201	107.766
Other non-current liabilities	29.230	13.130
Accrued liabilities excluding bank loan interest	30.067	(29.570)
Provisions	(7.822)	-
Income taxes paid	(189.927)	(217.916)
Net Cash from Operating Activities	<u>1.055.748</u>	<u>1.111.378</u>
Cash Flows from Investing Activities		
Interest received	10.272	11.347
Capital expenditure for fixed assets and software	(755.638)	(723.901)
Disposal of fixed assets and software	7.151	7.851
Proceeds from customers' contributions and subsidies	257.967	181.207
Investments	(8.000)	(15.280)
Net Cash used in Investing Activities	<u>(488.248)</u>	<u>(538.776)</u>
Cash Flows from Financing Activities		
Net change in short-term borrowings	129.953	(46.300)
Proceeds from interest bearing loans and borrowings	530.000	504.071
Principal payments of interest bearing loans and borrowings	(914.509)	(749.619)
Interest paid	(149.898)	(165.883)
Dividends paid	(162.468)	(115.820)
Other	-	35
Net Cash used in Financing Activities	<u>(566.922)</u>	<u>(573.516)</u>
Net decrease in cash and cash equivalents	578	(914)
Cash and cash equivalents at beginning of year	<u>27.493</u>	<u>28.407</u>
Cash and cash equivalents at end of year (Note 17)	<u>28.071</u>	<u>27.493</u>