PUBLIC POWER CORPORATION S.A.

Interim Condensed
Consolidated and Separate
Financial Statements

September 30, 2014

In accordance with
International Financial Reporting Standards
adopted by the European Union

The attached interim condensed separate and consolidated financial statements have been approved by the Board of Directors of Public Power Corporation S.A. on November 27th, 2014 and they are available on the web site of Public Power Corporation S.A. at www.dei.gr.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN AND DEPUTY CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	ACCOUNTING DEPARTMENT DIRECTOR
ARTHOUROS C. ZERVOS	KONSTANTINOS D. DOLOGLOU	GEORGE C. ANGELOPOULOS	EFTHIMIOS A. KOUTROULIS

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PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE INCOME STATEMENT
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014
(All amounts in thousands of Euro – except share and per share data)

		GROUP				COMPANY			
	Note	01.01.2014-30.09.2014	(reclassified) 01.01.2013-30.09.2013	01.07.2014-30.09.2014	(reclassified) 01.07.2013-30.09.2013	01.01.2014-30.09.2014	(reclassified) 01.01.2013-30.09.2013	01.07.2014-30.09.2014	(reclassified) 01.07.2013-30.09.2013
REVENUES :									
Revenue from energy sales		4,287,023	4,348,919	1,540,190	1,492,446	4,278,154	4,336,515	1,536,306	1,489,388
Other		137,842	144,954	51,054	50,222	98,202	114,460	35,378	42,315
		4,424,865	**4,493,873**	**1,591,244**	**1,542,668**	**4,376,356**	**4,450,975**	**1,571,684**	**1,531,703**
EXPENSES:									
Payroll cost	11	681,463	700,280	221,772	229,918	439,668	459,188	142,317	152,010
Fuel	11	958,582	871,464	402,101	401,377	958,582	871,464	402,101	401,377
Depreciation and amortization	11	448,036	458,992	151,439	153,872	398,775	411,030	134,989	138,490
Energy purchases	11	1,128,327	1,260,095	437,279	449,619	1,148,476	1,278,265	444,908	457,055
Transmission system usage		-	-	-	-	152,972	169,459	49,199	56,111
Distribution system usage		-	-	-	-	311,250	316,488	100,700	106,200
Emission allowances		164,832	147,417	60,044	41,265	164,832	147,417	60,044	41,265
Provisions		304,071	270,557	54,993	81,577	311,571	268,939	56,259	86,869
Financial Expenses		209,867	198,474	69,534	67,878	189,754	177,561	62,879	60,599
Financial income		(44,207)	(34,951)	(10,971)	(11,910)	(68,405)	(41,862)	(12,513)	(19,841)
Other (income)/expense,net	11	393,144	562,978	168,352	244,194	272,977	434,872	121,960	204,074
Share of Loss /(Profit) of associates and joint ventures		(1,183)	(1,632)	(40)	(146)	-	-	-	-
Impairment loss/(gain) of marketable securities		1,600	4,245	360	(482)	1,600	4,245	360	(482)
Foreign currency (gains)/losses, net		884	(962)	(463)	(1,200)	899	(962)	(452)	(1,200)
PROFIT/ (LOSS) BEFORE TAX		**179,449**	**56,916**	**36,844**	**(113,294)**	**93,405**	**(45,129)**	**8,933**	**(150,824)**
Income tax expense	5	(57,623)	(50,255)	(11,329)	(7,155)	(29,290)	(37,555)	(2,564)	5,339
NET PROFIT / (LOSS)		**121,826**	**6,661**	**25,515**	**(120,449)**	**64,115**	**(82,684)**	**6,369**	**(145,485)**
Attributable to:									
Owners of the Parent		**121,826**		**25,515**					
Non – controlling interests		**-**		**-**					
Earnings / (Losses) per share, basic and diluted		0.53	0.03	0.11	(0.52)				
Weighted average number of shares		232,000,000	232,000,000	232,000,000	232,000,000				

Certain amounts have been reclassified and differ from the published interim condensed consolidated and separate financial statements of September 30, 2013, and reflect amendments which are presented in note 11 of the interim condensed financial statements.
The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014
(All amounts in thousands of Euro)

	GROUP				COMPANY			
	01.01.2014-30.09.2014	**01.01.2013-30.09.2013**	**01.07.2014-30.09.2014**	**01.07.2013-30.09.2013**	**01.01.2014-30.09.2014**	**01.01.2013-30.09.2013**	**01.07.2014-30.09.2014**	**01.07.2013-30.09.2013**
Profit/(loss) for the period	**121,826**	**6,661**	**25,515**	**(120,449)**	**64,115**	**(82,684)**	**6,369**	**(145,485)**
Other Comprehensive income / (loss) for the period								
Other Comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods								
Profit/(Loss) from change of fair values of available for sale financial assets during the period	-	249	-	-	-	249	-	-
Net Other Comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	-	**249**	**-**	-	-	**249**	**-**	**-**
Items not to be reclassified to profit or loss in subsequent periods								
Actuarial gains/(losses)	**-**	(7,939)	**-**	(2,646)	**-**	(3,446)	**-**	(1,148)
Deferred taxes due to the change of the income tax rate of fixed assets' revaluation surplus	-	(78,044)	-	-	-	(61,387)	-	-
Net Other Comprehensive income / (loss) not being reclassified to profit or loss in subsequent periods	**-**	**(85,983)**	**-**	**(2,646)**	**-**	**(64,833)**	**-**	**(1,148)**
Other Comprehensive income / (loss) for the period after tax	**-**	**(85,734)**	**-**	**(2,646)**	**-**	**(64,584)**	**-**	**(1,148)**
Total Comprehensive income / (loss) after tax	**121,826**	**(79,073)**	**25,515**	**(123,095)**	**64,115**	**(147,268)**	**6,369**	**(146,633)**
Attributable to :								
Owners of the Parent	**121,826**		**25,515**					
Non- controlling interests	**-**		**-**					

The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2014
(All amounts in thousands of Euro)

		ΟΜΙΛΟΣ		ΕΤΑΙΡΕΙΑ	
	Σημ.	30.09.2014	(reclassified) 31.12.2013	30.09.2014	(reclassified) 31.12.2013
ASSETS					
Non-Current Assets:					
Property, plant and equipment, net		12,813,458	12,931,720	11,054,462	11,150,928
Intangible assets, net		57,975	22,174	54,546	21,618
Available for sale financial assets		3,320	4,920	3,320	4,920
Other non - current assets	11	111,288	37,458	1,219,670	1,124,706
Total Non-Current Assets		**12,986,041**	**12,996,272**	**12,331,998**	**12,302,172**
Current Assets :					
Materials, spare parts and supplies, net		745,718	785,325	555,848	588,186
Trade and other receivables, net and other current assets		2,273,662	1,609,148	2,108,388	1,530,001
Restricted cash		152,581	161,693	152,581	161,693
Cash and cash equivalents		333,905	260,278	155,104	185,513
Total Current Assets		**3,505,866**	**2,816,444**	**2,971,921**	**2,465,393**
Total Assets		**16,491,907**	**15,812,716**	**15,303,919**	**14,767,565**
EQUITY AND LIABILITIES					
Equity:					
Share capital		1,067,200	1,067,200	1,067,200	1,067,200
Share Premium		106,679	106,679	106,679	106,679
Fixed assets' statutory revaluation surplus included in share capital		(947,342)	(947,342)	(947,342)	(947,342)
Revaluation Surplus		4,163,616	4,186,763	3,455,770	3,478,917
Reserves		141,909	140,510	217,873	216,474
Retained Earnings		993,337	849,763	1,486,983	1,401,121
		5,525,399	**5,403,573**	**5,387,163**	**5,323,049**
Non – Controlling Interests		92	-	-	-
Total Equity		**5,525,491**	**5,403,573**	**5,387,163**	**5,323,049**
Non-Current Liabilities :					
Interest bearing loans and borrowings, net of issuance fees	9,11	4,765,661	3,008,893	4,625,317	2,863,820
Provisions		610,812	616,223	370,016	372,412
Other non-current liabilities		2,744,060	2,788,620	2,555,604	2,620,176
Total Non-Current Liabilities		**8,120,533**	**6,413,736**	**7,550,937**	**5,856,408**
Current Liabilities:					
Trade and other payables and other current liabilities		2,121,928	2,012,808	1,945,144	1,916,184
Dividends payable		147	154	147	154
Income tax payable		77,473	46,977	77,260	39,294
Short – term borrowings	9	97,015	97,285	50,000	50,000
Current portion of interest bearing loans and borrowings, net of issuance fees	9,11	549,320	1,838,183	293,268	1,582,476
Total Current Liabilities		**2,845,883**	**3,995,407**	**2,365,819**	**3,588,108**
Total Liabilities and Equity		**16,491,907**	**15,812,716**	**15,303,919**	**14,767,565**

Certain amounts have been reclassified and differ from the published annual consolidated and separate financial statements of December 31, 2013, and reflect amendments which are presented in note 11 of the interim condensed financial statements
The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements

PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEPTEMBER 30, 2014
(All amounts in thousands of Euro)

						Other reserves						
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Fair value of available for sale financial assets	Tax-free and Other Reserve	Other Reserves Total	Retained Earnings	Total Equity	Non-Controlling Interest	Total Equity
Balance, January 1, 2013	**1,067,200**	**106,679**	**107,491**	**4,284,610**	**(947,342)**	**(249)**	**24,523**	**24,274**	**1,039,337**	**5,682,249**	**-**	**5,682,249**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	6,661	6,661	-	6,661
Other comprehensive income/(loss) for the year recognized directly in equity	-	-	-	(78,044)	-	249	(7,939)	(7,690)	-	(85,734)	-	(85,734)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**(78,044)**	**-**	**249**	**(7,939)**	**(7,690)**	**6,661**	**(79,073)**	**-**	**(79,073)**
Transfers from retirements of fixed assets	-	-		(16,698)	-	-	-	-	16,698	-	-	-
Dividends	-	-	-	-	-	-	-	-	(5,800)	(5,800)	-	(5,800)
Other	-	-	-	-	-	-	-	-	6	6	-	6
Balance, September 30, 2013	**1,067,200**	**106,679**	**107,491**	**4,189,868**	**(947,342)**	**-**	**16,584**	**16,584**	**1,056,902**	**5,597,382**	**-**	**5,597,382**
Balance, January 1, 2014	**1,067,200**	**106,679**	**107,491**	**4,186,763**	**(947,342)**	**-**	**33,019**	**33,019**	**849,763**	**5,403,573**	**-**	**5,403,573**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	121,826	121,826	-	121,826
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**121,826**	**121,826**	**-**	**121,826**
Transfers from retirements of fixed assets	-	-	-	(23,147)	-	-	-	-	23,147	-	-	-
Transfers to non taxable reserves	-	-	-	-	-	-	1,399	1,399	(1,399)	-	-	-
Incorporation of Subsidiary	-	-	-	-	-	-	-	-	-	-	92	92
Other	-	-	-	-	-	-	-	-	-	-	-	-
Balance, September 30, 2014	**1,067,200**	**106,679**	**107,491**	**4,163,616**	**(947,342)**	**-**	**34,418**	**34,418**	**993,337**	**5,525,399**	**92**	**5,525,491**

The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
SEPTEMBER 30, 2014
(All amounts in thousands of Euro)

						Other reserves				
	Share Capital	**Share Premium**	**Legal Reserve**	**Revaluation Surplus**	**Fixed Assets Statutory Revaluation Surplus**	**Fair value of available for sale financial assets**	**Tax-free and Other Reserve**	**Other Reserves Total**	**Retained Earnings**	**Total Equity**
Balance, January 1, 2013	**1,067,200**	**106,679**	**107,491**	**3,559,308**	**(947,342)**	**(249)**	**118,496**	**118,247**	**1,690,976**	**5,702,559**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	(82,684)	(82,684)
Other comprehensive income/(loss) for the year recognized directly in equity	-	-	-	(61,387)	-	249	(3,446)	(3,197)	-	(64,584)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**(61,387)**	**-**	**249**	**(3,446)**	**(3,197)**	**(82,684)**	**(147,268)**
Transfers from retirements of fixed assets	-	-		(16,698)	-	-	-	-	16,698	-
Dividends	-	-	-	-	-	-	-	-	(5,800)	(5,800)
Other	-	-	-	-	-	-	-	-	(60)	(60)
Balance, September 30, 2013	**1,067,200**	**106,679**	**107,491**	**3,481,223**	**(947,342)**	**-**	**115,050**	**115,050**	**1,619,130**	**5,549,431**
Balance, January 1, 2014	**1,067,200**	**106,679**	**107,491**	**3,478,917**	**(947,342)**	**-**	**108,983**	**108,983**	**1,401,121**	**5,323,049**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	64,115	64,115
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**64,115**	**64,115**
Transfers from retirements of fixed assets	-	-	-	(23,147)	-	-	-	-	23,147	-
Transfers to non taxable reserves	-	-	-		-	-	1,399	1,399	(1,399)	-
Other	-	-	-	-	-	-	-	-	(1)	(1)
Balance, September 30, 2014	**1,067,200**	**106,679**	**107,491**	**3,455,770**	**(947,342)**	**-**	**110,382**	**110,382**	**1,486,983**	**5,387,163**

The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

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

	GROUP		**COMPANY**	
	01.01.2014-30.09.2014	**01.01.2013-30.09.2013**	**01.01.2014-30.09.2014**	**01.01.2013-30.09.2013**
Cash Flows from Operating Activities				
Profit / (loss) before tax	179,449	56,916	93,405	(45,129)
Adjustments :				
Depreciation and amortization	505,127	516,094	451,898	464,033
Amortization of customers' contributions and subsidies	(57,091)	(57,102)	(53,123)	(53,003)
Interest expense	190,648	181,188	171,383	161,274
Other adjustments	55,005	226,973	46,260	220,118
Changes in assets	(794,131)	(120,229)	(720,051)	(150,313)
Changes in liabilities	92,700	(129,180)	2,793	(61,543)
Net Cash from Operating Activities	**171,707**	**674,660**	**(7,435)**	**535,437**
Cash Flows from Investing Activities				
Capital expenditure/(disposal) of fixed assets and software	(437,973)	(483,455)	(371,040)	(401,900)
Proceeds from customers' contributions and subsidies	5,918	2,213	5,917	2,144
Interest and dividends received	44,207	34,951	49,398	33,381
Investments	(1,093)	(3,258)	(21,900)	(3,044)
Net Cash used in Investing Activities	**(388,941)**	**(449,549)**	**(337,625)**	**(369,419)**
Cash Flows from Financing Activities				
Net change in short term borrowings	(270)	(70,029)	-	(60,000)
Proceeds from interest bearing loans and borrowings	1,049,363	285,000	1,049,363	285,000
Principal payments of interest bearing loans and borrowings	(544,276)	(276,782)	(539,432)	(272,009)
Loans' issuance fees	(33,878)	-	(33,878)	-
Interest paid	(180,071)	(177,829)	(161,395)	(161,121)
Dividends paid	(7)	(5,821)	(7)	(5,821)
Net cash used in Financing Activities	**290,861**	**(245,461)**	**314,651**	**(213,951)**
Net increase/ (decrease) in cash and cash equivalents	73,627	(20,350)	(30,409)	(47,933)
Cash and cash equivalents at the beginning of the period	260,278	279,427	185,513	221,208
Cash and cash equivalents at the end of the period	**333,905**	**259,077**	**155,104**	**173,275**

The accompanying notes are an integral part of these interim condensed consolidated and separate financial statements.

1. CORPORATE INFORMATION

Public Power Corporation S.A. ("PPC" or the "Parent Company") was established in 1950 in Greece for an unlimited duration as a State owned and managed corporation for electricity generation, transmission and distribution throughout Greece.

In 1999, the Hellenic Republic enacted Law 2773/1999 ("the Liberalization Law"), which provided for, among other provisions, the transformation of PPC into a société anonyme. PPC's transformation to a société anonyme was effected on January 1, 2001, by virtue of Presidential Decree 333/2000 and its duration was set for 100 years.

Effective December 2001, PPC's shares are listed on the Athens and the London Stock Exchanges.

In 2007 the Parent Company proceeded to the spin- off of its RES activity and its contribution to its wholly owned subsidiary PPC Renewables S.A.
On 01.12.2011 the Parent Company proceeded to the spin – off of its General Division of Transmission and the contribution to its wholly owned subsidiary "Independent Power Transmission Operator" (IPTO S.A.).
On 01.05.2012 the spin –off of the General Division of Distribution was completed by its contribution to PPC's wholly owned subsidiary "Hellenic Electricity Distribution Network Operator" (HEDNO S.A.).
The accompanying financial statements include the separate financial statements of PPC and the consolidated financial statements of PPC and its subsidiaries ("the Group").

PPC headquarters are located at 30, Chalkokondili Street, Athens, 104 32 Greece.

At September 30, 2014, the number of staff employed by the Group was 18,766 (2013: 19,531).
At September 30, 2014, 103 employees of the Group (2013: 106), have been transferred to several State agencies (ministries, organizations, etc.) out of which, 99 were compensated by PPC (2013: 98). The total payroll cost of such employees, for the nine month period ended September 30, 2014 amounted to Euro 2,767 (2013: Euro 3,126).
Additionally, PPC's transferred employees in TAYTEKO-KAP/DEI amounted to 367 for whom payroll at September 30, 2014, amounted to Euro 11,756.

PPC Group generates electricity in its own 62 power generating stations of the Parent Company and from the additional stations which belong to its wholly owned subsidiary PPC Renewables, facilitates the transmission of electricity through its own power lines of approximately 12,179 kilometres (out of which 11,230 kilometres is owned by its wholly owned subsidiary Independent Power Transmission Operator (IPTO S.A.) and distributes electricity to consumers through its own distribution lines for Medium and Low voltage of 234,700 kilometres which are managed by its wholly owned subsidiary "Hellenic Distribution Network Operator (HEDNO S.A.)" (Medium and Low voltage).

Lignite consumed by the Parent Company's lignite-fired power stations is extracted, mainly, from its own lignite mines.

The Group PPC has also constructed approximately 2,000 kilometres of fibre optics network along its transmission lines, approximately 161.6 kilometres of urban underground fibre optics network and approximately 17 kilometres of underwater fibre optics network.

2. LEGAL FRAMEWORK

GENERAL PROVISIONS FOR THE INTERNAL ELECTRICITY MARKET – NINE MONTH PERIOD 2014

- On May 7, 2014 RAE, has submitted into public consultation its proposal for the creation of a regulated forwards market for the access of Suppliers to energy from lignite and hydro generation. According to RAE's specific proposal, the forward products will be available through a regulated process of auctions, and will correspond to energy accounting to 25-30% of the total annual lignite and hydro generation of PPC. Owners of supply license, except of PPC, will be eligible to participate in the auctions only to serve the domestic load. After the completion of the first public consultation, RAE completed and published the second and final consultation, the main points of which are as follows: differentiation of the products' price resulting from the auction, depending on the customer group to be served as well as on the bid offered by electricity suppliers, possibility through regulatory procedures of reselling or repurchasing for amounts of energy of those products, the possibility of reselling the excess of the product to PPC in a price increased by 20%, ex post verification of each supplier's rights

2. CHANGES IN LEGAL FRAMEWORK (continued)

- By the Ministerial Act 15/24.7.2013 (OG A 168/24.07.2013) the restructuring and privatization of PPC was approved, which includes three main steps :
  1. Ownership unbundling of IPTO SA.
  2. Creation of a new integrated electricity company (providing in detail the process of selling).
  3. Further decrease of the Hellenic State's participation in PPC's share capital.

- The law 4237/2014 on the ownership unbundling of IPTO SA was voted by the Hellenic Parliament on 06.02.2014 and was published in OG A' 36/12.2.2014. Certain provisions of the original Decree have been amended to simplify the process of the full ownership separation of IPTO SA by PPC SA and the acquisition by the Greek government of 34% of the shares of the company is specified by ensuring registered minority. The signing of sale and purchase of shares representing 66 % of the shares issued by IPTO SA (Share Sale and Purchase Agreement or SPA) with the preferred investor that would have been chosen, would have taken place in the second quarter of 2014. This time limit has already been abolished by art. 14 of L. 4273/2014 (OG A' 146/11.07.2014). Finally, it is noted that the amount for the acquisition of the shares representing 34% that will revert to the Greek government may be paid by offsetting due taxes, fees or other requirements of the Greek State from PPC, from any cause they arise, including future claims and rights.

- In April 2014, the Parent Company's BoD approved the publishing of an expression of interest (EoI) for the acquisition of 66% of IPTO's shares. In May 2014, the Parent Company announced that the first phase of the tender process for the acquisition of the 66% of the share capital of IPTO has been completed. Five (5) expressions of interest (EoI) were submitted, of which only one of them was rejected. In the second phase the selected investors have the opportunity to perform a full due diligence, which is in a fairly advanced stage in order for them to evaluate whether they would file binding financial offers for the acquisition of 66% of IPTO's share capital. Since July 2014, a virtual data room is in operation where the drafts of the fundamental papers (Shareholders' Agreement and Share Sale and Purchase Agreement) regarding the sale procedure are posted while the first IPTO's management presentations have already taken place to the four selected investors. Based on PPC BoD's Decision, which was taken after September 30, 2014 there is a provision for the commissioning of an internationally acknowledged financial firm for the preparation of an independent valuation report for the acceptable range of IPTO's value. Also, according to PPC's BoD decision, if required, a fairness opinion will be requested on the price offered by the preferred bidder. HSBC Bank Plc, Citigroup Global Markets Ltd and NBG Securities are acting as financial advisors while KLC and Norton Rose Fullbright as legal advisors and PricewaterhouseCoopers as tax – accounting advisors of PPC in the tender process for IPTO.

- According to Law 4273/2014 (OG A' 146/11.07.2014), the creation of a new vertically integrated electricity company in terms of assets, liabilities, human resources and customer base is foreseen. Its activity will be extended in all electricity market sectors, i.e. generation, supply and trading. To the new company, the following of PPC's production capacity elements will be transferred:
  a) the Amyntaion Power Station (Generation Units I & II) with a generation capacity of 600 MW, the Meliti I Power Station with a generation capacity of 330 MW and the license for the future Meliti II Power Station with a generation capacity of 450 MW all of which are lignite power plants
  b) all PPC's mining rights on the lignite concession rights of the Amyntaion (including the Lakkia mine), Kleidi, Lofoi Melitis, the Komnina I & II and the Vevi mines
  c) the Platanovrisi (116 MW), the Thesavros (384 MW), the Agras (50 MW), the Edesseos (19 MW) and the Pournari I & II (334MW) hydro-power plants and
  d) the Komotini natural gas power Plant with a generation capacity of 485 MW.

  The new company will also be granted with PPC's electricity supply contracts, together with the ancillary legal relationships and other Supply assets, without the consent of its customers and without the need for these contracts to be drawn up in writing. PPC will be required for a six month period after the completion of the spin – off to refrain from any form of cherry picking policy in re – attracting the customers whose electricity supply contracts were granted to the new company. No electricity supply contracts under the "Supplier of Last Resort" and the "Supplier of Universal Service" regimes as well as those with customers in the Non Interconnected Islands will be granted to the new company. It is noted that the supply contracts to be granted are defined by a decision of PPC's BoD, issued on the basis of a relevant study of experts, in order for them to account for 30% of the total supplied energy to PPC's client base and approximately a 30% of the total of supply contracts per basic and special client category.

2. CHANGES IN LEGAL FRAMEWORK (continued)

PPC SA will sell all issued shares of the new company to the interested persons who will be elected through an open, international and by the highest bid tender. The price to be achieved through the tender process for the sale, by PPC SA, of the issued shares shall be at least equal to the total book value of the assets transferred, as determined by the international accounting standards, in the first balance sheet to be prepared by the company after the contribution of the sector.

With the completion of the spin-off and, where appropriate, the establishment of a new company, the transfer of assets takes place automatically with near universal succession and the new company shall automatically assume all rights and obligations of PPC relating to the assets and liabilities of the contributed sector.

PPC posted on its website an RfP for the selection and appointment of an advisor, that will support the Parent Company in designing and implementing the business sector spin – off.

- The decision of the Interministerial Committee for Restructurings and Privatization was published (Decision 249 – OG B 864/8.4.2014) for the transfer, at no consideration, from the Hellenic State to the HRADF SA , of PPC SA 39,440,000 common shares with voting rights, which corresponds to about 17% of the total paid share capital of the company.

- Law 4254 was entered into force which, among other, rectifies significant changes to the RES regulatory framework, with the most important of them to be as follows :
  - Redefinition of the compensation amount for the electricity sold by the operating RES and CHP stations, depending on the connection quarter, the installed capacity, the implementation of the investment by using public or non-public aid and on the technical criteria (i.e CHP stations).
  - Removal of the existing provisions for readjustment of sales prices based on values of the consumer price index rate values.
  - HEMO / HEDNO will adjust, where necessary, the compensation prices for the energy produced by the entry into force of this Act and will establish a relevant table within four months, which will be notified to RAE and the Ministry of Environment.
  - Finally, it is noted that the generation licences and the connection terms offers suspension for the new P/V stations, which had been imposed by the Minister of Environment and Climate Change in August 2012, is withdrawn.

- The specific regulatory measures of limited duration are still in force (Decisions 338/2013 and 339/2013), being the following :
  a) Immediate withdrawal of the margin of the variable cost recovery mechanism, i.e. from 10% today to 0% whilst the mechanism itself was fully repealed on 1st July 2014. Although market participants and mainly independent power producers expressed their fear for stability problems in the System resulting from the abolition of the mechanism, RAE decided not to extend its validity. At the same time it decided the daily monitoring, by IPTO, of the market so that it can, at any time, take decisions for facing potential problems, either by the activation of the variable cost recovery mechanism even for one day or by other appropriate measures. It has also asked IPTO and LAGIE to express their views on the critical question of the System stability problem.
  b) Removal, from 1st January 2014, of the 30% rule on the bidding of the plants.
  c) Immediate reorganization of the capacity assurance transitional mechanism, while the existing mechanism remains in force, with important differences and amendments of the Grid Control Code, until the 31st of December 2014 (RAE Decision 474/2014).

  These measures, as already noted, will be applied until the new mechanisms and measures that already have been proposed and specified by the RAE, under the initiative of the overall reorganization of the domestic electricity market, will replace them.

- In relation to the specification by RAE of the new measures, as mentioned above, a joint study by RAE, LAGIE and IPTO was prepared entitled : “Basic Principles of the Design and Roadmap for the adaptation of the domestic electricity market to the requirements of the target model”. In the context of the work group, the international consultant ECCO International Inc prepared the above study which contains three phases for the complete redesign of the domestic wholesale market and the proposals for the detailed roadmap. The results of that joint study were recently submitted to a public consultation by RAE. The general pillars of the proposed solution by the study are indicatively :

2. CHANGES IN LEGAL FRAMEWORK (continued)

- the creation of a forward products market,
- the possibility for bilateral contracts between producers and suppliers out of the daily market,
- keeping the central scheduling and allocation in real time of the units by the System Operator,
- the change of rules for the daily market,
- the change of the Day Ahead Scheduling resolving methodology, and
- the creation of an intraday market.

- RAE, with its Decision 111/2014, defined that PPC's Units: Ptolemais 1, Megalopoli 1 and 2, Lavrio-Keratea I, Aliveri 3 and 4 and LIPTOL 1 and 2 as the units corresponding to the new units Lavrio-Keratea V and Aliveri V decided the final decommissioning of Megalopoli units 1 and 2 and LIPTOL units 1 and 2, after PPC's proposal and IPTO's agreement, according to to the provisions of L. 4001 and the Grid Control Code. The position in cold reserve of the units Aliveri 3 and 4 and Lavrio-Keratea was still being examined.
  With a later Decision (343/2014) it announced that the units Aliveri 3 and 4 and Lavrio-Keratea 1 are being placedin cold reserve status by the end of 2015, according to the provisions of the Grid Control Code because of their necessity for the supply security of the System. IPTO will manage each unit in cold reserve through contracts to be concluded with PPC S.A.

- RAE submitted in public consultation an initial plan for the reorganization of the Capacity Assurance Mechanism. RAE's proposal contains the establishment of a mechanism based on the estimated needs of the System (as those will be reflected in a detailed and specialized adequacy capacity study prepared by IPTO) compensating the producers covering those needs (in the extent they do it) and assessing each producer depending on the capability of providing the required availability.
  The Mechanism in Greece should meet two basic requirements :
  - To provide the means for the assurance of a long term availability of sufficient electricity generation capacity and the long term commitment of the suppliers, by imposing capacity obligations on the consumption and to any market participant creating further needs for the capacity availability assurance.
  - To provide the means to address the weaknesses and failures of the market, due mainly to the existing structure and the degree of concentration in the wholesale as well as in the retail market, and in particular in the absence of other mechanisms which would address those failures and would optimize the market operation.

HELLENIC ELECTRICITY TRANSMISSION SYSTEM (HETS)

- The Ten-Year Development Program of the Hellenic Electricity Transmission System for the period 2014-2023 was approved (RAE's Decisions 560/2013/OG B' 3297/24.12.2013 and 77A/2014/OG B΄556/05.03.2014, respectively).

- The Annual Report for 2013 of the Compliance Officer of the IPTO, concerning the new measures taken by IPTO SA on the implementation of the Compliance Program was approved.
  The conditions in which that report is published shows the specificity of the impending change in the ownership of the company provided by L.4237/2014, with the sale of most of the shares of the parent company PPC SA to a private investor (66%) and to the State (34%). Once the transfer of ownership is completed, the company will no longer be a subsidiary of a vertically integrated company and therefore will not be subjected, according to Directive 2009/72/EC, to the Independent Transmission Operator (ITO) model. The Supervisory Board and the Compliance Officer are not foreseen by the Directive and may be repealed by the new law regulating the Operator status under the new ownership.
  This report is structured in four axes :
  - The independence of the company against the shareholder, as well as the trade relations with PPC group, for which special arrangements are provided for.
  - The compliance measures taken by the company, the Compliance Program and the proposed reforms.
  - The main functions of the company, emphasizing on the points that require special attention in terms of the compliance.
  - The conclusions and recommendations for significant improvements

- The amounts of guarantees for 2014 were approved, according to art. 179 of the Grid Control Code and the Market Manual (RAE's Decision 44/2014).

2. CHANGES IN LEGAL FRAMEWORK (continued)

- RAE has approved the calculation basis for the cost of losses proposed by the Transmission Operator and defined the Losses Unit Cost in the context of the of the ITC implementation, for the year 2014, to 65€/MWh (OG B' 501/2014)

- The transmission system use charges were defined for the year 2014 (RAE's Decision 195/2014). The new charges, which are in effect from June 1st 2014, result into the following changes per customer category :
  - A reduction of 4.9% for the High Voltage (large industries) unit charges compared to current rates
  - A decrease of 29% for the Medium Voltage (medium- sized industries , large and medium-sized commercial and small business) unit transmission charges, compared to current rates
  - An increase of 0.5% and 0.8% (for both System and Network usage fees) for the Low Voltage (households) charges, compared to current rates

  Furthermore the rate of return on the Regulated Asset Base (nominal, pre-tax) was increased to 8,5% versus the older 8%.

- The calculation methodology for the required revenue of the Operator of the Hellenic electricity transmission system as well as the relevant articles amendments of the grid control Code were defined, among others, by RAE's Decisions 339/2014 and 340/2014, the definition of the regulatory period, the parameters defining the required revenue, the establishment of the regulatory asset base and the motivation mechanisms for the calculation of the regulated charges are described.

HELLENIC ELECTRICITY DISTRIBUTION NETWORK (HEDN)

- The operation code of electrical systems of the Non- Interconnected Islands (NII Code) was adopted by RAE's Decision (OG B' 304/11.02.2014). It's application was predicted to occur gradually through a 5 year transitional phase, which was considered necessary for the gradual development and installation of the necessary infrastructure and the appropriate and adequate staffing of the NII Operator.

- Following a public consultation RAE has published the calculation methodology of the compensation for PSOs in the Non- Interconnected islands (RAE Decision 14/2014, OG B' 270/07.02.2014) (2013: Euro 811,278)

- The fair return on the value of the regulated asset base was also defined, based on the nominal pre-tax interest rate in applying the methodology of calculation of the compensation for covering the PSO provision cost in the NII as well as on the Contracts between HEDNO and PPC as a supplier and generator of conventional units in NII. The fair rate of return for the generation activity in NII for the years 2012 and 2013 was established to be the nominal pre-tax rate of 8%. For the year 2014 (and till the readjustment of the fair rate of return for the monopolistic activities of transmission and distribution systems) the nominal pre-tax rate of 8 % will be applied as the fair rate of return for the same methodology implementation, for the Contracts and for the participation of the producers in the NII.

- By RAE's Decision 82/2014 the terms and restrictions of the Exclusivity License for HEDN granted to PPC, according to Art. 122 of L.4001/2011, were defined while by RAE's Decision 83/2014 HEDNO was awarded HEDN's Management License according to art.126 of L. 4001/2011.

- The budgeted weighted variable cost of the conventional units electricity generation in the non-interconnected islands was defined for the first half of 2014, at 170.04 €/MWh (RAE's Decision 138/2014), while the prior year average variable cost of the energy generated from conventional units in the non-interconnected islands for 2013 was defined at 177,34 €/MWh (RAE Decision 313/2014).

- Following RAE's Decision 665/2013 and HEDNO's S.A. Final Proposal for the improvement and the redesign of the "Guaranteed Services" Program, RAE approved HEDNO's S.A. "Guaranteed Services" Program for the first period from 01.04.2014-31.12.2015 with being entry into force at 01.04.2014 (Decision 165/2014)

2. CHANGES IN LEGAL FRAMEWORK (continued)

- The distribution network use charges were defined for the year 2014 (RAE's Decision 196/2014). The new charges, which will apply from June 1st 2014, result into the following changes per customers categories :
  - For customers connected to the medium voltage (medium-sized industries, large and medium-sized commercial and small business), the use of network charges are decreased by 1.8% for the energy part and are increased by 3.4% for the capacity part.
  - For household customers at low voltage, the total increase (cumulatively for the System and the Network) is between 0.5% and 0.8%.

  Furthermore the rate of return on the Regulated Asset Base (nominal, pre-tax) was increased to 8,5% versus the older 8%.

- RAE announced that the charge of the Suppliers operating in a specific NII system for the RES / CHP energy absorbed from the network by their customers will be calculated by the average variable cost of generation of the conventional units of that specific system, as defined by Article 190 of the NII Code (RAE Decision 553/2014). That cost shall be calculated during the full implementation of the Code as well as in the interim period of application and shall equal the weighted average variable cost of conventional units generation operated on each NII system in each settlement month. The required approval of RAE occurs during the annual final NII market settlement when also the settlement in the approved generation cost takes place.
  RAE's Decision 1186/2010 "Amendment of the Methodology for calculating the average variable cost of PPC's generation in the NII ceases to be valid, pursuant to the provisions of article 40 par. 3 of L.2773 / 1999 (OG B' 1372 / 02.09.2010).

- By the European Commission Decision 2014/536/EU
  - a two years derogation was granted for the non- interconnected islands, until the 17th of February 2016 or until the full installation of the infrastructure required for the creation of the NII registers, which are a necessary condition for the NII market opening. The above mentioned derogation stops to be valid on February 17th 2019, taking into account that the NII Operator is obliged to have completed all the infrastructure and to have taken care to fully implement all provisions of the NII Code within five years after entry into force of the Code.
  - A derogation by January 1st 2021 was granted for the licences concerning renovation, upgrading and extension of the existing contracted capacity in isolated microgrids, which can be administered directly to PPC SA.
  - The derogations provided in that Decision shall cease to be valid for the small isolated grids by the time they are connected to the interconnected system.

CODES AND MANUALS

- LAGIE announced to the participants that under Article 25 of the Power Exchange Code, from January 1st 2014, and especially for the first step of the stepwise function of the thermal units energy injection priced bid, the submission of energy price lower than the administratively defined minimum energy offer price will not be allowed for energy quantity not exceeding 30% of the total amount of energy available to an allocation period (paragraphs 1 and 2 of Article 25 of the Power Exchange Code not valid anymore).

- The calculation of the hours of the increased probability of Loss of Load concerning the Capacity Adequacy obligation was defined (RAE Decision 459/2014). According to the Decision, those hours should preferably be sufficient in number and should be spread over several days of the year and several months in order for small and random events to be smoothed and systemic factors affecting the system backup to be taken into account. The "Hours of increased probability of Loss of Load" are defined as the hours for the calculation of the Capacity Adequacy Obligation of Load Representatives in the dispatch periods during an assurance year. The dispatch periods for which the available reserve is less than zero are considered as "Hours of increased probability of Loss of Load".

PUBLIC SERVICE OBLIGATIONS (PSOs)

- To ensure public service obligations supply (PSOs) in the electricity sector, a legislative regulation was published (L.4067/2012 - OG A' 79 / 9.4.2012) according to which, from 1.1.2012 the persons liable for the PSOs are the respective users of each electricity supply, in order for the electricity suppliers to be able to provide electricity continuously and without impediments.

2. CHANGES IN LEGAL FRAMEWORK (continued)

The PSO charge is paid to the above mentioned suppliers with a distinct charge to the bills they issue. By the effect date of the above mentioned Law the Ministerial Decision of the Ministry for the Environment, Energy and Climate Change 1.17/2123/2857/2010 and RAE's Decision 1527/2011 are abolished. In article 36 para. 2 of the same Law the complete compensation for the PSOs provision cost by the Suppliers, was established since it is defined that "From the revenues of the special account a full compensation is paid to the Supply Licenses' holders that provide PSOs".

- The part of the quarterly electricity day consumption not exceeding the 10.000KWh for the beneficiaries of the Solidarity Services tariff is exempted from of the PSOs charges.(L.4296/2014 – OG A 214/2.10.2014). Furthermore, LAGIE (in IPTO's place) is set responsible for the issuance and control of the guarantees of origin for the electricity supplying the System, directly or through the network.

- The maximum limit of the annual customer charge per consumption point, for covering the PSOs charges for the year 2014, was defined to Euro 803.977 (Decision 84/2014).

- Based on the methodology that was defined for the annual accountably calculation of the compensation for providing PSOs in the non-interconnected islands (NII), the final compensation for this service was defined in order for the relevant settlements to take place : a) the annual compensation amounts for 2012 and 2013, per NII system, owed to the sole supplier PPC SA are Euro 783.974 and Euro 771.201 respectively, b) the annual compensation amounts for the large families tariffs for 2012 and 2013 are Euro 11.480 and Euro 10.900 respectively and c) the annual compensations for the social household tariffs for 2012 και 2013 are Euro 15.092 and Euro 33.633 respectively (RAE Decision 356/2014 – OG B 1873/10.7.2014). For these amounts to be reflected in the electricity bills, a legislative act is required.

- The provision of a return equal to Euro 33,164 to PPC SA was approved for its services as Provider of Universal Service for the period 25.01.2012 – 30.04.2013 and will be included in the PSO charges. No other additional return for that service will be available to PPC due to further periodical or final settlements for the specific period.

PPC TARIFFS

- On RAE's opinion, a new special tariff in the context of Social Household Tariff was established, which will cover the vulnerable customers taking part on common meals organized by Municipalities, Church and Prefectures (integrated in social and welfare facilities) on November 1st 2013, and who have been disconnected from the power grid, due to arrears to their supplier. The tariff will concern the free provision of electricity, as for its competitive part. There will a charge only for the regulated charges, third parties (municipalities, NERIT) charges and taxes. Any arrears will remain valid and will not be written off. The inclusion in the new special tariff will be valid for a four month period. The free consumption limit for the four months will be the amount of 800 kWh (RAE Opinion 1/2014).
- A new class of beneficiaries, persons being unemployed for a time period less than the one covered by SHT, was established to meet the need to provide cheaper electricity. The beneficiaries of this class are directly controlled by the Employment Agency for the quarterly period of continuous unemployment, but retrospectively for whether their income meets the criteria, so that there will be a direct response to the real needs. After one year of inclusion, that class will be merged with the already existing SHT class. Moreover, the institutional framework is created to cover vulnerable consumers who are disconnected from the distribution network due to debts, in order to be reconnected in the status of a reduced tariff for covering their basic energy needs (OG B 1657/23.6.2014 - Modification of 16027 Ministerial Decision for the Implementation of the Social Household Tariff, which puts it into force.

- In order to be harmonized with European rules PPC SA proceeded with new cost reflective tariffs in certain categories, applied as from July 25, 2014. The adjustments are based on the reduction of cross-subsidies and lead to a more proportional pricing of the consumption based on the cost.

  In summary, the changes in PPC electricity tariffs concern :
  - For the professional invoice Γ21, for the vast majority of professionals, including public spaces, the weighted average reduction is 3.4% in the total bill.
  - For the professional invoice Γ22, the weighted average reduction is 1% in the total bill.
  - For the professional invoice Γ23, the weighted average reduction is 2.2% in the total bill.
  - The removal of the household billing scale consumption up to 800 KWh for a four month period and its integration to the next scale, which in turn leads to a weighted average increase of 11.1% in the total bill.

2. CHANGES IN LEGAL FRAMEWORK (continued)

- The tariffs of all other household customers who consume more than 800 KWh/ a four month period remain unchanged, as well as the night tariff which is used internationally and widely, to promote the rational use of energy.
- The total number of vulnerable consumers and those integrated into the SHT are not affected.

ETMEAR – SPECIAL FEE FOR THE REDUCTION OF CO2 EMISSIONS (ex RES Fee)

- According to RAE's Decision 175/2014 the new weighted readjustment of ETMEAR was defined at 19,73€/MWh, valid from 1st April 2014, so as to achieve the by Law 4111/2013 mandatory target of achieving a zero deficit at the end of 2014. Similarly the allocation coefficients of the Special Fee revenues, the final amounts of the allocated required revenue by the Special Fee and the charges of the Special Fee per Customer category were also defined. For the accurate determination of the amount of the readjustment it was taken into account, inter alia, the following: a) the voting of L.4254/2014, where additional provisions are introduced for the improvement of the Special Account, through which an additional saving is achieved, and b) the calculation of the required revenue from ETMEAR for the period April - December 2014 at 781.57 million €, according to the last Monthly Bulletin of the Special Account of RES & CHP of LAGIE SA).

- By voting L.4254 and until the completion of the pending procedure for assessing its impact on the sustainability of the special account (which is expected to be completed in late September 2014), RAE considered appropriate to maintain the same level of ETMEAR unit charges for all categories of customers, according to the decision 175/2014 (RAE Decision 355/2014). Simultaneously it continues to monitor the progress of the procedures integration for the implementation of Law 4254/2014 and the assessment of the effects of the implementation, taking into account the data and the Monthly Bulletin Monitoring of the Special Account of LAGIE SA, by monthly calculating and publicizing the inputs and outputs progress in relation to the balance of the Special Account. Based on these data, within the second half of 2014 it will take a new decision on the level of ETMEAR unit charges, if necessary and at levels that will be finalized in the same Decision of the Authority, in case the measures for the final settlement of the above obligation of balancing the special Account have not sufficiently worked.

- According to the ministerial Decision 4123/5.3.2014 of the Minister of Environment and Climate Change the calculation methodology of ETMEAR was modified so that the ETMEAR charge for medium voltage customers with a total consumption of more than 13 GWh per supply will correspond to the High Voltage ones.

- Furthermore the maximum annual Customer charge per consumption of ETMEAR was determined in the amount of Euro 991 for 2014 (RAE's Decision 85/2014).

OTHER ISSUES

- RAE's Decisions were published a)regarding the approval of the Annual Load Balancing Planning of the natural gas transmission System for the Year 2014 and the approval of the capacity part of ESFA bound by DESFA SA for the load balancing for the Year 2014 (Decision 637/2013), b) the approval of amendments of the Annual Load Balancing Planning for the Year 2013 and the approval of the capacity part of ESFA bound by DESFA SA for the load balancing for the Year 2013 (Decision 636/2013).

- The annual compensatory fees for RAE were readjusted for 2014 according to the rate change of the Consumer Price Index for the year 2013, applicable to those participating in the electricity market. For the licensed Generators, the amount is set at 8,26 €/MW, while for the licensed Suppliers is set at 0,07 € / MW (RAE Decision 101/2014).

- RAE submitted to the Ministry of the Environment, Energy and Climate Change its final proposal for the modification of L. 4001/2011 aiming at the implementation of the necessary provisions concerning the a) activity of operating the charging infrastructure for electric vehicles and b) the activity of charging the electric vehicles.

- By the Law 4278/2014 it was decided that the debts to PPC by the entities of the General Government of Attica, resulted from electricity consumption for lighting of streets and other public spaces and from the operation of traffic lights, for the period up to 31.12.2013 have to be paid off. The amounts per year and per entity as well as the procedure for the payment of the related costs will be specified in a ministerial decree. L. 4281/2014 provided that the repayment of the debts refers to all prefectures of the country and not just the prefecture of Attiki for the period up to 31.03.2014 instead of 31.12.2013.

2. CHANGES IN LEGAL FRAMEWORK (continued)

- LAGIE announced the sign of the contract by which it shall act as Auctioneer for the auction of all GHG allowances of the Hellenic State according to the Regulation EU 1031/2013, starting on October 12th 2014.

- The principles and rules of the assets and liabilities allocation for the preparation of the unbundled financial statements of "PPC" for the year 2014 and onwards were approved (RAE Decision 266/2014).

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

3.1. BASIS OF PREPARATION

Basis of preparation of financial statements

The accompanying interim condensed consolidated and separate financial statements ("financial statements") for the nine month period ended September 30, 2014 have been prepared in accordance with IAS 34 "Interim Financial Reporting" which defines the form and the content of the interim financial statements. The accompanying financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the latest annual financial statements as at December 31, 2013 made publicly available.
The accompanying financial statements have been prepared under the historical cost convention (except for tangible assets, financial assets "held – for – sale" and derivative financial assets that have been measured at fair value), assuming that PPC and its subsidiaries will continue as a going concern. The financial statements are presented in thousands of Euro and all values are rounded to the nearest thousand, except when otherwise indicated.

Approval of Financial Statements: The Board of Directors approved the accompanying financial statements for the nine month period ended September 30, 2014, on November 27th, 2014.

3.2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group as of 1 January 2014:

- IAS 28 Investments in Associates and Joint Ventures (Revised)
- IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities
- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets
- IFRIC Interpretation 21: Levies

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
  As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. This revision has no impact on the Group's financial position or results.

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
  These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. This revision has no impact on the Group's financial position or results.

3.2 CHANGES IN ACCOUNTING POLICIES (continued)

- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**
  IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were set in IAS 27. This revision has no impact on the Group's financial position or results.

- **IFRS 11 Joint Arrangements**
  IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This revision has no impact on the Group's financial position or results.

- **IFRS 12 Disclosures of Interests in Other Entities**
  IFRS 12 includes all of the disclosures that were previously included in IAS 27 relating to the consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This revision has no impact on the Group's financial position or results.

- **IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting**
  Under the amendment there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The IASB made a narrow-scope amendment to IAS 39 to permit the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument. This revision has no impact on the Group's financial position or results.

- **IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets**
  These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognized or reversed during the period. This revision has no impact on the Group's financial position or results.

- **IFRIC Interpretation 21: Levies**
  The Interpretations Committee was asked to consider how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. This Interpretation is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This revision has no impact on the Group's financial position or results.

In addition to those standards and interpretations that have been disclosed in the financial statements for the year ended 31 December 2013, the following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted from the Group:

3.2 CHANGES IN ACCOUNTING POLICIES (continued)

- **IAS 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortization**
  The amendment is effective for annual periods beginning on or after 1 January 2016. The amendment provides additional guidance on how the depreciation or amortization of property, plant and equipment and intangible assets should be calculated. This amendment clarifies the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IAS 19 Defined Benefit Plans (Amended): Employee Contributions**
  The amendment is effective from 1 July 2014. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IAS 27 Separate Financial Statements (amended)**
  The amendment is effective from 1 January 2016. This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and will help some jurisdictions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors. This amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IFRS 9 Financial Instruments: Classification and Measurement and subsequent amendments to IFRS 9 and IFRS 7-Mandatory Effective Date and Transition Disclosures; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39**
  The new Standard is effective for annual periods beginning on or after January1st, 2018. IFRS 9 reflects IASBs work on the replacement of IAS 39 and is being published in three phases. Phase 1 applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurement of financial liabilities. In phases 2 and 3, IASB will address hedge accounting and impairment of financial assets, introducing additional accounting requirements for financial instruments, though a substantial revision of hedge accounting allowing entities to better reflect their risk management activities in the financial statements, as well as changes on the so-called 'own credit' issue treatment. This standard and subsequent amendments have not yet been endorsed by the EU.
  The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IFRS 11 Joint arrangements (Amendment): Accounting for Acquisitions of Interests in Joint Operations**
  The amendment is effective for annual periods beginning on or after 1 January 2016. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions. The amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

3.2 CHANGES IN ACCOUNTING POLICIES (continued)

- **IFRS 14 Regulatory Deferral Accounts**
  The standard is effective for annual periods beginning on or after 1 January 2016. The aim of this interim standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities, whereby governments regulate the supply and pricing of particular types of activity. This can include utilities such as gas, electricity and water. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognize such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This standard has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IFRS 15 Revenue from Contracts with Customers**
  The standard is effective for annual periods beginning on or after 1 January 2017. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard has not been yet endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

  The **IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of those amendments on the Group's financial statements.

  - ***IFRS 2 Share-based Payment:*** This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').
  - ***IFRS 3 Business combinations:*** This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.
  - ***IFRS 8 Operating Segments:*** This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
  - ***IFRS 13 Fair Value Measurement:*** This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.
  - ***IAS 16 Property Plant & Equipment:*** The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
  - ***IAS 24 Related Party Disclosures:*** The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
  - ***IAS 38 Intangible Assets:*** The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

(All amounts in thousands of Euro, unless otherwise stated)

3.2 CHANGES IN ACCOUNTING POLICIES (continued)

The **IASB has issued the Annual Improvements to IFRSs 2011 – 2013 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of those amendments on the Group's financial statements.

- ***IFRS 3 Business Combinations:*** This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
- ***IFRS 13 Fair Value Measurement:*** This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
- ***IAS 40 Investment Properties:*** This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

3.3. CHANGES IN ACCOUNTING METHODS

In the nine month period ended September 30, 2014 the Parent Company has amended the method for estimating the provision for trade receivables. Due to this amendment there was a positive impact of Euro 57.9 mil. in the Group and the Parent Company's statement of income.

4. SEASONALITY OF OPERATIONS

The Company's operations are subject to seasonality due to the increased demand for electricity during the summer and winter months, a trend which might not be reflected in its operating results as these are affected by external factors (fuel prices, hydrological conditions etc.).

5. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	30.09.2014	**30.09.2013**	**30.09.2014**	**30.09.2013**
Current income taxes	44,204	6,377	37,723	-
Deferred income tax	13,175	39,057	(8,677)	32,734
Additional taxes	244	4,821	244	4,821
Total income tax expense	**57,623**	**50,255**	**29,290**	**37,555**

Based on the provisions of L. 4110/2013 the tax rate for legal entities is set to 26% for income acquired from 01.01.2013 onwards and therefore companies of the Group that have their residence in Greece are subject to an income tax of 26%.

Tax returns for companies with residence in Greece are filed annually but profit or loss declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the company and a final assessment is issued. The Group forms a provision when necessary, per case and per company, in anticipation of future tax charges that might be imposed by the tax authorities.

Based on the applicable Income Tax Code, from the financial year 2011, certified auditors issue an "Annual Tax Conformity Report" after conducting a tax audit at the same time with the financial audit. The tax audit is conducted on particular tax areas, specified by an audit program, according to the provisions of the tax law. Audit matters which are not covered by the above mentioned decision are dealt in accordance to the ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information". The Group's companies that are subject to the above mentioned provisions are : PPC S.A., IPTO S.A., HEDNO S.A., and PPC Renewables S.A.

(All amounts in thousands of Euro, unless otherwise stated)

5. INCOME TAXES (CURRENT AND DEFERRED) (continued)
The tax audit for the Parent Company for the year 2013 was completed by its auditors that issued a tax conformity report with an "unmodified opinion".
In addition by January 2014, the Centre for Auditing Big Companies is executing a tax audit for the years 2009, 2010 and 2011, which is underway.
Finally, in the year 2014 the tax audit for HEDNO S.A was concluded for the years 2002 up to 2011 (which pertained were exclusively regarding the preexistent of HEDNO company PPC Rhodes S.A.) as well as the audit for PPC Renewables S.A. for the years 2010 and 2011, by the competent tax authorities.

Tax unaudited years for the Parent Company and the subsidiaries of the Group:

Company	Country	Unaudited years since
- PPC (Parent Company)	Greece	2009
- PPC Renewables S.A.	Greece	2012
- HEDNO S.A.	Greece	2012
- IPTO S.A	Greece	2007
- Arkadikos Ilios Ena S.A.	Greece	2007
- Arkadikos Ilios Dio S.A.	Greece	2007
- Iliako Velos Ena S.A.	Greece	2007
- Iliako Velos Dio S.A.	Greece	2007
- SOLARLAB S.A.	Greece	2007
- Iliaka Parka Ditikis Makedonias Ena S.A.	Greece	2007
- Iliaka Parka Ditikis Makedonias Dio S.A.	Greece	2007
- PPC FINANCE PLC	United Kingdom	2009
- PPC QUANTUM ENERGY LTD	Cyprus	-
- PPC BULGARIA JSCo	Bulgaria	2014
- PPC Elektrik Tedarik ve Ticaret A.S.	Turkey	2014
- PHOIBE ENERGIAKH S.A.	Greece	2007

As at 31.12.2013, the Parent Company recognized a deferred tax liability on the difference between the accounting and tax basis of the value of its investment in the subsidiary IPTO S.A., after Law 4237/2014 was voted on February 4 , 2014 relating to the ownership unbundling of the subsidiary IPTO S.A. More precisely, the value of the investment in PPC's tax books amounts to Euro 38.444, while the respective value in the accounting books amounts to Euro 916.376. By applying on the difference of Euro 877.932 the current income tax rate of 26%, a deferred tax liability of Euro 228.262 is derived.
Part of this surplus value arising in the tax books, of an amount of Euro 589.615, originates from the reserve of Law 2941/2001 relating to the spanned off Transmission segment which was transferred to IPTO S.A. in its capacity as a sole successor. In accordance to paragraph 3, case (6), of article 98 of Law 4001/2011, all tax or accounting transactions which were conducted by PPC and related to the segment and which relate to future benefits or liabilities, are transferred to IPTO S.A.
Consequently, upon the disposal of IPTO S.A. and the payment by the Parent Company of the respective income tax derived from the difference between the sale consideration and the tax book value, the reserve of Law 2941/2011 (Euro 589,615) is considered as taxed and thus IPTO S.A. in its capacity as a sole successor of PPC S.A., is eligible to transfer this reserve to retained earnings and thus making it available for distribution without payment of any additional income taxes

6. INVESTMENTS IN SUBSIDIARIES

The Parent Company's subsidiaries are as follows:

	Company	
	30.09.2014	**31.12.2013**
IPTO S.A	916,376	916,376
HEDNO S.A.	56,982	56,982
PPC Renewables S.A.	155,438	135,899
PPC FINANCE PLC	59	-
PPC BULGARIA JSCo	522	-
PPC ELEKTRİK TEDARİK VE TİCARET A.S	687	-
PPC Quantum Energiaki Ltd	-	-
Total	**1,130,064**	**1,109,257**

(All amounts in thousands of Euro, unless otherwise stated)

6. INVESTMENTS IN SUBSIDIARIES (continued)

Payments for share capital increases

PPC Finance Plc
In May 2014 the payment for the increase of PPC Finance Plc's share capital of a total amount of Euro 65.6, was completed by its shareholders. In particular, PPC S.A. paid the amount of Euro 59 (90%) while PPC Renewables paid the amount of Euro 6.6 (10%).

PPC ELEKTRİK TEDARİK VE TİCARET ANONİM ŞİRKETİ
In the current period the Parent Company has proceeded to two payments of a total amount of Euro 687 for the increase of the share capital of its wholly owned subsidiary PPC ELEKTRIK TEDARIK VE TİCARET ANONİM ŞİRKETİ.

PPC BULGARIA JSCo
In June 2014 the Parent Company has proceeded to the payment of Euro 522 for the increase of the share capital of PPC BULGARIA JSCo, its subsidiary by 85%.

PPC Renewables S.A.
In the current period the Parent Company has proceeded to four payments of a total amount of Euro 19.5 mil. for the increase of its wholly owned subsidiary PPC Renewables' share capital.

The consolidated financial statements include the financial statements of PPC and its subsidiaries. The subsidiaries included in the consolidation are the following (full consolidation):

Name	Ownership Interest		Country and Year of Incorporation and activity	Principal Activities
	30.09.2014	31.12.2013		
PPC Renewables S.A.	100%	100%	Greece - 1998	RES
HEDNO S.A.	100%	100%	Greece - 1999	HEDN
IPTO S.A.	100%	100%	Greece - 2000	HETS
Arkadikos Ilios Ena S.A.	100%	100%	Greece - 2007	RES
Arkadikos Ilios Dio S.A.	100%	100%	Greece - 2007	RES
Iliako Velos Ena S.A.	100%	100%	Greece – 2007	RES
Iliako Velos Dio S.A.	100%	100%	Greece – 2007	RES
Solarlab S.A.	100%	100%	Greece – 2007	RES
Iliaka Parka Ditikis Makedonias Ena S.A.	100%	100%	Greece – 2007	RES
Iliaka Parka Ditikis Makedonias Dio S.A.	100%	100%	Greece – 2007	RES
PPC Finance PLC	100%	100%	UK - 2009	Financing Services
PPC Quantum Energy Ltd	51%	51%	Cyprus, 2011	Engineering, construction and operation of a power plant
PPC BULGARIA JSCo	85%	-	Bulgaria - 2014	Supply of power
PPC Elektrik Tedarik ve Ticaret A.S.	100%	-	Turkey - 2014	Supply of power
PHOIBE ENERGIAKI S.A	100%	100%	Greece -2007	RES

(All amounts in thousands of Euro, unless otherwise stated)

7. INVESTMENTS IN ASSOCIATES

The Group and the Parent Company's associates on 30.09.2014 and 31.12.2013 are as follows (equity method):

	Group		Company	
	30.09.2014	**31.12.2013**	**30.09.2014**	**31.12.2013**
Larco S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	2,315	2,225	-	-
PPC Renewables TERNA Energiaki S.A.	2,067	1,988	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,057	2,264	-	-
PPC Renewables MEK Energiaki S.A.	1,926	1,936	-	-
PPC Renewables ELTEV AIFOROS S.A.	2,189	2,166	-	-
PPC Renewables EDF EN GREECE S.A.	10,681	10,925	-	-
Good Works Real Estate and Development S.A.	85	86	-	-
Aioliko Parko LOYKO S.A.	-	-	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	-	-	-	-
Aioliko Parko KILIZA S.A.	-	-	-	-
Aioliko Parko LEFKIVARI S.A.	1	8	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	-	2	-	-
Renewable Energy Applications LTD	27	27	-	-
WASTE SYCLO S.A.	34	-	162	49
PPC Solar Solutions A.E.	977	-	980	-
	22,359	**21,627**	**1,142**	**49**

In May and June 2014, the Parent Company has proceeded to the payment of Euro 480 and Euro 500, respectively for the increase of PPC Solar Solutions' share capital.

The full list of the Group's and the Parent Company's associates are as follows:

Name	Note	Ownership Interest 30.09.14	Ownership Interest 31.12.13	Country and year of Incorporation	Principal Activities
Larco S.A.		11.45%	11.45%	Greece – 1989	Metallurgical
PPC Renewables ROKAS S.A.		49.00%	49.00%	Greece - 2000	RES
PPC Renewables TERNA Energiaki S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables NANKO Energy – MYHE Gitani S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables MEK Energiaki S.A.		49.00%	49.00%	Greece - 2001	RES
PPC Renewables ELTEV AIFOROS S.A.		49.00%	49.00%	Greece – 2004	RES
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece – 2007	RES
EEN VOIOTIA S.A.	1	46.60%	46.60%	Greece – 2007	RES
Good Works Real Estate and Development S.A.		49.00%	49.00%	Greece – 2005	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko MAMBO VIGLIES S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko KILIZA S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko LEFKIVARI A.E.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko AGIOS ONOUFRIOS S.A.		49.00%	49.00%	Greece - 2008	RES
Renewable energy applications LTD		49.00%	49.00%	Cyprus - 2010	RES
Waste Syclo S.A.		49.00%	49.00%	Greece - 2011	Waste Management
PPC Solar Solutions S.A.		49.00%	-	Greece - 2014	RES

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.

(All amounts in thousands of Euro, unless otherwise stated)

8. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of September 30, 2014 and December 31, 2013 are as follows:

	September 30, 2014		December 31, 2013	
	Receivable	**(Payable)**	**Receivable**	**(Payable)**
Subsidiaries				
- IPTO S.A.	-	(686,600)	-	(619,057)
- PPC Renewables S.A.	4,427	(827)	10,872	(827)
- HEDNO S.A.	-	(156,582)	-	(150,546)
- PPC Finance Plc	-	(14,716)	-	-
	4,427	**(858,725)**	**10,872**	**(770,430)**
Associates				
LARCO (energy, lignite and ash)	233,214	-	197,854	-
WASTE SYCLO S.A.	-	-	150	-
	233,214	**-**	**198,004**	**-**

PPC's transactions with its subsidiaries and its associates are as follows:

	30.09.2014		30.09.2013	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
- IPTO S.A.	456,607	(1,600,043)	528,404	(1,773,597)
- PPC Renewables S.A.	2,565	-	990	-
- HEDNO S.A.	1,089,931	(1,599,414)	326,224	(896,954)
- PPC Finance Plc	-	(24,572)	-	-
	1,549,103	**(3,224,029)**	**855,618**	**(2,670,551)**
Associates/Joint Ventures				
LARCO S.A.	61,399	(7,473)	58,282	(4,539)
WASTE SYCLO S.A.	-	-	-	-
	61,399	**(7,473)**	**58,282**	**(4,539)**

Guarantee in favor of the subsidiary PPC Renewables S.A.
As of 30.09.2014, the Parent Company has guaranteed total loans of Euro 8 mil., through account credit agreements. As of 30.09.2014 PPC Renewables S.A. has used Euro 428, concerning letters of guarantee.

Guarantee in favor of the subsidiary IPTO SA
At December 31, 2013 the Parent Company had provided guarantees for bilateral loans amounting to Euro 325 mil.
In addition, in March 2014, PPC's Board of Directors has decided to provide an additional guarantee of Euro 12.1 mil. on an existing loan agreement between IPTO and a commercial bank, which until then was not covered by a guarantee, thus resulting on September 30, 2014 the Parent Company to have provided its guarantee for the subsidiary's bilateral loans of a total amount Euro 337.1 mil.
The Parent Company receives commission for rendering this service.
In April 2014, PPC's Board of Directors decided to provide guarantee in favor of IPTO for the issuance of a medium term syndicated loan amounting to Euro 337.1 mil. which will refinance the total of the above mentioned bilateral loans. According to PPC's BoD decision, PPC's guarantee will apply for the period that PPC holds the 100% of IPTO's shares.

(All amounts in thousands of Euro, unless otherwise stated)

8. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions and balances with other government owned entities
The following table presents purchases and balances with government owned entities Hellenic Petroleum ("ELPE") and National Gas Company ("DEPA"), which are PPC's liquid fuel and natural gas suppliers, respectively and into which the Hellenic Republic participates. Furthermore, transactions and balances with the Electricity Market Operator ("LAGIE"), are presented.

	Purchases		Balance	
	30.09.2014	**30.09.2013**	**30.09.2014**	**31.12.2013**
ELPE, purchases of liquid fuel	113,164	117,741	13,449	10,222
DEPA, purchases of natural gas	249,763	234,795	39,718	75,519
	362,927	**352,536**	**53,167**	**85,741**

	30.09.2014		31.12.2013	
	Receivable	**(Payable)**	**Receivable**	**(Payable)**
EMO S.A.	164,527	(89,220)	478,585	(478,615)

	30.09.2014		30.09.2013	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
EMO S.A.	1,644,769	(2,123,167)	1,208,778	(1,470,300)

Further to the above, PPC enters into transactions with many government owned both profit and nonprofit oriented entities within its normal course of business (sale of electricity, services received, etc.). All transactions with government owned entities are performed at arm's length terms.

Management compensation
Fees concerning management members (Board of Directors and General Managers) for the nine month period ended September 30, 2014 and 2013 have as follows:

	GROUP		COMPANY	
	30.09.2014	**30.09.2013**	**30.09.2014**	**30.09.2013**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	198	116	43	43
- Non-executive members of the Board of Directors	55	75	-	-
- Compensation / Extra fees	-	83	-	-
- Contribution to defined contribution plans	38	45	-	-
- Other Benefits	64	79	64	77
	355	**398**	**107**	**120**
Compensation of Deputy Managing Directors and General Managers				
- Regular compensation	513	485	470	442
- Contribution to defined contribution plans	166	163	151	148
- Compensation / Extra fees	-	-	-	-
	679	**648**	**621**	**590**
Total	**1.034**	**1.046**	**728**	**710**

Compensation to members of the Board of Directors does not include standard payroll, paid to representatives of employees that participate in the Parent Company's Board of Directors. Also, it does not include the benefit for the electricity supply based on the PPC personnel invoice to the Board of Director members, the Deputy Managing Directors and the General Managers.
Since 01.01.2014 and based on L.4110/2013 the above mentioned compensation to members of the Board of Directors is considered as income from wages and is taxed accordingly.

(All amounts in thousands of Euro, unless otherwise stated)

9. NET BORROWING

In the nine month period ended September 30, 2014, the Parent Company disbursed Euro 114.4 mil. from the Euro 739 million bond loan, for the partial financing of the construction costs of the new lignite – powered unit "PRTOLEMAIDA V", contracted with a syndication of foreign banks and supported by the German Credit Export Agency "Euler Hermes".

In March 2014 PPC disbursed the proceeds of the first contract of Euro 235 mil. that was signed, as part of the Euro 415 mil. financing line approved by EIB (a contract guaranteed by the Greek State) , for investments and upgrades in the Hellenic Electric Distribution Network of the mainland and the islands for the period 2013 – 2015.

In April 2014 the Parent Company concluded the refinancing of its whole loan portfolio with the Greek lending commercial banks by signing a five year syndicated loan of an amount of Euro 2.23 bil. with a five year tenor.

In May 2014, the Parent Company through its subsidiary PPC Finance Plc, has priced an offer of Euro 700 mil. Senior Notes. The offer consists of a combination of Euro 200 mil. Senior Notes due 2017 and Euro 500 mil. due 2019, at a fixed coupon of 4.75% and 5.50% per annum, respectively.

During the nine month period from January to September of 2014, the Group proceeded to debt repayment amounting to Euro 544.5 mil. (Parent Company: Euro 539.4 mil. including Euro 452 mil. from the senior notes issued in May 2014 for the equal partial prepayment of the Syndicated Loan with the Greek Banks, from the senior notes issued achieving a cost reduction of 50 bps (0.50%) on the outstanding amount).

In July 2014, PPC's BoD approved a new funding in the form of an overdraft facility amounting to Euro 75 mil., from which no disbursement has been made up to 30.09.2014.
Moreover, negotiations of its subsidiary IPTO S.A. are in progress with all of its lending commercial bank, in order for IPTO to refinance its medium term loan obligations through the issuance of a syndicated loan of Euro 337.1 mil.

The loan obligations of the Parent Company and the Group as of 30.09.2014 are presented at the following table:

	GROUP		PARENT COMPANY	
		(reclassified)		(reclassified)
	30.09.2014	**31.12.2013**	**30.09.2014**	**31.12.2013**
Bank Loans	2,264,947	2,087,963	2,158,477	1,976,654
Bonds Payable	3,095,150	2,765,983	2,805,038	2,475,871
Unamortized portion of loan issuance fees	(45,116)	(6,870)	(44,930)	(6,229)
Total	**5,314,981**	**4,847,076**	**4,918,585**	**4,446,296**
Less current portion				
- Bank Loans	133,431	119,338	104,317	90,233
- Bonds Payable	416,976	1,720,675	189,924	1,493,621
Unamortized portion of loan issuance fees	(1,087)	(1,830)	(973)	(1,378)
Total current portion of loans and borrowings	**549,320**	**1,838,183**	**293,268**	**1,582,476**
Non-current portion of loans and borrowings	**4,765,661**	**3,008,893**	**4,625,317**	**2,863,820**
Short term borrowings	97,015	97,285	50,000	50,000
Total loans and borrowings	**5,411,996**	**4,944,361**	**4,968,585**	**4,496,296**

(All amounts in thousands of Euro, unless otherwise stated)

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

The following tables compare the carrying amount of the Group's and the Company's financial instruments that are carried at amortized cost to their fair value:

	Carrying amount		Fair value	
Group	**30.09.2014**	**31.12.2013**	**30.09.2014**	**31.12.2013**
Financial Assets				
Trade receivables	1,861,474	1,305,579	1,861,474	1,305,579
Restricted cash	152,581	161,693	152,581	161,693
Cash and cash equivalents	333,905	260,278	333,905	260,278
Financial Liabilities				
Long-term borrowings	4,765,661	3,008,893	4,761,780	3,008,893
Trade payables	1,578,122	1,698,259	1,578,122	1,698,259
Short term borrowings	97,015	97,285	97,015	97,285
Current portion of long term borrowings	549,320	1,838,183	549,320	1,838,183

	Carrying amount		Fair value	
Parent Company	**30.09.2014**	**31.12.2013**	**30.09.2014**	**31.12.2013**
Financial Assets				
Trade receivables	1,754,273	1,248,364	1,754,273	1,248,364
Restricted cash	152,581	161,693	152,581	161,693
Cash and cash equivalents	155,104	185,513	155,104	185,513
Financial Liabilities				
Long-term borrowings	4,625,317	2,863,820	4,625,317	2,863,820
Trade payables	1,494,957	1,690,098	1,494,957	1,690,098
Short term borrowings	50,000	50,000	50,000	50,000
Current portion of long term borrowings	293,268	1,582,476	293,268	1,582,476

The fair value of investments available for sale, trade receivables, restricted cash, cash and cash equivalents, trade accounts payable and financial derivative instruments approximate their carrying amounts. The fair value of the remaining financial assets and financial liabilities are based on future cash flows discounted using either direct or indirect observable inputs and are within the Level 2 of the fair value hierarchy.

As at September 30, 2014, the Group and the Parent Company held the following financial instruments measured at fair value:

	Fair value		Fair value Hierarchy
Group and Parent Company	**30.09.2014**	**31.12.2013**	
Financial Assets			
Investments available for sale	3,320	4,920	Level 1
Financial derivative instruments	3,954	5,813	Level 1

(All amounts in thousands of Euro, unless otherwise stated)

11. AMENDMENTS AND RECLASSIFICATIONS

As of September 30, 2014 the Group and the Parent Company have proceeded to the reclassification of comparative items of the statement of income, as follows:

	Group			Group		
	01.01-30.09.13 published	Reclassification effect	01.01-30.09.13 reclassified	01.07-30.09.13 published	Reclassification effect	01.07-30.09.13 reclassified
Payroll Cost	539,612	160,668	700,280	178,256	51,662	229,918
Fuel	1,419,424	(547,960)	871,464	580,071	(178,694)	401,377
Depreciation and Amortization	353,360	105,632	458,992	118,126	35,746	153,872
Energy purchases	1,260,003	92	1,260,095	449,587	32	449,619
Other(income) / expenses	281,410	281,568	562,978	152,940	91,254	244,194

	Company			Company		
	01.01-30.09.13 published	Reclassification effect	01.01-30.09.13 reclassified	01.07-30.09.13 published	Reclassification effect	01.07-30.09.13 reclassified
Payroll Cost	298,520	160,668	459,188	100,348	51,662	152,010
Fuel	1,419,424	(547,960)	871,464	580,071	(178,694)	401,377
Depreciation and Amortization	305,398	105,632	411,030	102,744	35,746	138,490
Energy purchases	1,274,547	3,718	1,278,265	455,664	1,391	457,055
Other(income) / expenses	156,930	277,942	434,872	114,179	89,895	204,074

These reclassifications were made in order to provide improved information and mainly pertain to the presentation of lignite cost.

In addition, the Group and the Parent Company, as of September 30, 2014 have proceeded to the reclassification of certain amounts of the comparative period in the statement of financial position, as follows:

	Group			Company		
	31.12.2013 Published	Reclassification effect	31.12.2013 reclassified	31.12.2013 Published	Reclassification effect	31.12.2013 reclassified
Other non-current assets	44,328	(6,870)	37,458	1,130,935	(6,229)	1,124,706
Long term loans	3,013,933	(5,040)	3,008,893	2,868,671	(4,851)	2,863,820
Current portion of long term borrowings	1,840,013	(1,830)	1,838,183	1,583,854	(1,378)	1,582,476

All the above reclassifications had no impact on the Group's or Parent Company's equity or statement of income.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION

12.1. OWNERSHIP OF PROPERTY

Major matters relating to the ownership of the Group's assets, are as follows:

1. The Parent Company has completed the registration of its property through a fixed assets registry. These assets (almost entirely) are registered at the relevant land registries over the country and the cadastral application is monitored. The update of the existent in the company new integrated information system for fixed assets management is in progress.
2. In a number of cases, expropriated land, as presented in the expropriation statements, differs (in quantitative terms), with what the Parent Company considers as its property.
3. Agricultural land acquired by the Parent Company through expropriation in order to be used for the construction of hydroelectric power plants, will be transferred to the State at no charge, following a decision of The Parent Company's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by the Parent Company for the fulfilment of its purposes.

The property, plant and equipment of the Group are located all over Greece. Currently, the Group does not carry any form of insurance coverage on its property, plant and equipment, except for its information technology equipment, resulting to the fact that if a sizable damage is incurred to its property, might affect its profitability. Materials, spare parts as well as liabilities against third parties are not insured. The Group is currently evaluating the possibility – in the newly formed legal framework, to conduct a tender for the selection of an insurance company to cover for its assets as well as liabilities against third parties.

12.2. LITIGATION AND CLAIMS

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at September 30, 2014 amounts to Euro 2,361 mil. as further detailed below:

1. **Cl*aims with contractors, suppliers and other claims:*** A number of contractors and suppliers have raised claims against the Company.
   These claims are either pending before courts or under arbitration and mediation proceedings. The total amount involved is Euro 487 mil. In most cases the Group has raised counter claims, which are not reflected in the accounting records until the time of collection.

2. ***Fire incidents and floods***: A number of individuals have raised claims against the Company for damages incurred as a result of alleged electricity-generated fires and floods. The total amount involved is Euro 36 mil. and Euro 11 mil., respectively.

3. ***Claims by employees:*** Employees are claiming the amount of Euro 195 mil., for allowances and other benefits that according to the employees should have been paid by PPC.

4. **Litigation with PPC Personnel Insurance Organization (PPC-PIO) (in Greek it is "OAP-DEI" i.e. PPC's Social Security Fund):** Until September 30 2014, the PPC Personnel Insurance Organization (former "PPC PIO", TAYTEKO/IKA at present) had filed, before the courts, seven (7) lawsuits against PPC, claiming an amount in total of Euro 87,704,000 and particularly seeking to:
   (a) obtain the ownership of a building sold by PPC in 1999 for an amount of Euro 13,294,203. For this particular claim, a series of decisions have been issued, the latest being the Decision Nr. 4909/13 of the Multi-Member Court of Appeal of Athens (MMCAA), which reversed Decision Nr. 2579/05 of the Multi-Member Court of First Instance of Athens (MMCFIA), which had declared void the transfer of the building, thereby questioning the ownership of PPC over it,
   (b) obtain the ownership of the ground floor of the above mentioned building, owned by PPC and collect the rents amounting to Euro 2,999,642 earned by PPC over a specified period of time by renting out the particular property. The outcome of the case has been resolved with Decision Nr. 1760/2014 of the Multi-Member Court of First Instance of Athens (MMCFIA) in favour of PPC.
   (c) obtain the ownership of another building, of an estimated value of Euro 8,000,000. For the above mentioned case, there have been issued Decision Nr. 13/2010 of the PSSC and Decision Nr. 4841/13 of the MMCAA (The later reversed Decision Nr. 7420/07 of the MMCFIA, which had declared void the transfer of the building, thereby questioning the ownership of PPC over it).
   The above mentioned (a), (b) and (c) were based on Decision 13/2010 of the PSSC.
   (d) be compensated for securities and shares which became property of PPC, and part of which has been sold, as well as for related dividends collected by PPC for a total amount of Euro 59,392,823. For the above mentioned case Decisions 2666/09 MMCFIA and 668/12 MMCAA were issued, in favour of PPC, while a decision is pending on an appeal filed against Decision 668/12, which was heard on 24.11.2014.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

(e) to oblige PPC to render detailed accounts concerning management of bonds that PPC kept on behalf of PPC – PIO' of an amount of Euro 55.000. For the above-mentioned matter Decision 495/2008 of the Athens Multi Member Court, Decision 1459/2009 of the Athens Appeals' Court were issued, and a positive outcome is expected by the Supreme Court is expected.

(f) Finally, two (2) more lawsuits have been filed against PPC, before the MMCFIA with a total claim of 3,961,923 Euro, and which are to be discussed by November of this year.

The aforementioned cases (b) – (e) are strongly expected to be resolved in favour of PPC pursuant to the recently issued Decision No 13/2010 of the Plenary Session of the Supreme Court regarding the (a) case, according to which reversed Decision 2567/2007 of the Court of Appeals, that had originally accepted PIOs' action against PPC.
Under Decision No. 13/2010 by the Supreme Court, the Court reached inter alia the decision that the prohibition of conveyance or any kind of freezing or change of Insurance Fund´s "Insurance Fund of Personnel" assets, provided for under art.5 par.3 Law No. 163/1975, extends from the application (20.09.1975) of Law No 163/1975 until the repeal of the above mentioned Insurance Fund (taken place on 31.5.1985) and does not extend to time subsequent of the repeal, when PPC would become the assets holder under art.5 par.1 Law No. 163/1975, PPC remains the asset holder also for the establishment of PPC/PIO according to Law No 2773/1999, as in force.
The abovementioned Decision of the Plenary Session remitted the case to the Court of Appeals, which in turn issued Decision 4909/13 MMCAA and Decision 4841/13 MMCAA, in favour of PPC. The aforementioned Decision 13/2010 creates a precedent in relation to all other abovementioned pending cases (b) to (e) and therefore the established provision on December 31, 2009 was reversed within 2010 fiscal year.

5. General Federation of PPC Personnel (GENOP DEI/KHE) and PanHellenic Federation of Retirees' (POS DEI) lawsuit against PPC

GENOP DEI/KHE and POS DEI have filed a lawsuit against PPC in the Multimember Court of First Instance in Athens. By the above mentioned lawsuit they pursue that PPC will be obliged to pay to third parties, who are not litigants, in particular the insurance funds of IKA – ETAM and TAYTEKO the amount of Euro 634.8 mil. plus interest, for the coverage of the resource, which according to the lawsuit, the State did not pay to the above mentioned insurance funds for the years 2010 and 2011. The lawsuit is scheduled to be heard in the Multimember Court of First Instance in Athens on September 18th, 2014 but it was postponed for February 23, 2017. In view of the fact that the above mentioned lawsuit is based on admissions which are in contrast with the provisions of Decision 13/2010 of the Supreme Court and Decision 668/2012 of the Athens Court of Appeals, the Parent Company considers that the possibilities of a positive outcome for the lawsuit in question are minimal and therefore, has not formed a provision.

6. PPC's lawsuit against ETAA (former TSMEDE)

ETAA (former TSMEDE) by its Decision 7/2012 has imposed on PPC the amount of Euro 27.4mil. in application of article 4 of L. 3518/2006, as employer contributions due to the Main pension Branch for the period 01.01.2007 – 30.04.2012 and pertaining to the engineers insured before 01.01.1993 to the above mentioned Insurance Fund, that have been employed by PPC for the above mentioned period.
Against the above mentioned 7/2012 decision of the Insurance Fund in question, PPC has filed the 05.09.2012 appeal to the Athens Administrative Court of First Instance. The date for the discussion of the appeal has been postponed by the court for discussion on 03.11.2014. The discussion of the appeal took place and the issuance of a decision is expected.
Since its employees – who are engineers- are insured mandatorily to PPC's Insurance Fund based on L. 4491/1966, thus resulting to PPC paying on their behalf to the above mentioned Insurance Fund the corresponding employer contributions while insurance for the above mentioned engineers in ETAA is optional and is done by choice, with them paying the corresponding insurance contributions provided for engineers that are independently employed, the Parent Company considers that the possibilities of a negative outcome of its appeal are minimal and therefore has not established a provision.

7. Lawsuits against PPC – HEDNO

The companies "KENTOR" (former "ENERGA") and "NEW APPLICATION" (former "HELLAS POWER") have filed lawsuits before the MMCFA against PPC, to be discussed on 12.02.15 and 19.02.15 respectively, by which they claim amounts of Euro 520.8 mil. and Euro 361.3 mil., respectively. The subject matter of the abovementioned lawsuits regards the Network, i.e. HEDNO. By the review of the documents and the assessment of the individual amounts reported in them, it is accrued that the lawsuits in question contain many undetermined amounts which are deemed, legally or otherwise, unfounded. Thus the above mentioned lawsuits have little chance of success. For that reason, a provision has not been formed.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

8. **Annulment requests against the request for proposal (RFP) by PPC S.A. for the sale of 66 % IPTO's shares**
   Two annulment requests have been filed (one of them includes an application of interim measures) against PPC's RfP for the sale of 66% of IPTO's (PPC's subsidiary) shares. The first request has been filed by five trade unions and the second has been filed by the PanHellenic Federation of Retirees' (POS DEI). The above mentioned requests will be discussed in front of the Supreme Court's Plenary Session on December 5, 2014. The Parent Company, having already filed a judicial memo, considers that the annulment requests will not thrive. It is noted that apart from the above mentioned annulment requests, a relevant lawsuit is pending in the civil courts with a court date of 11/05/2016 (the interim measures hearing has taken place on October 14, 2014 for which the issuance of a decision is pending) for the annulment of PPC's BoD decision concerning the RfP.

For the above amounts the Group and the Parent Company have established adequate provisions, which as at September 30, 2014 amounted approximately to Euro 153 mil. and 75 mil., respectively (2013: 174 mil. for the Group and 87 mil. for the Parent Company), which are considered adequate for the expected losses which will derive by the final judgement.

PPC's relation to its personnel's Social Security Funds
Despite the fact that under the current legislation the Group does not have any obligation to cover in the future any deficit whatsoever between income and expenses (deficit) to PPC's personnel Social Security Funds, there can be no assurance that this regime will not change in the future.

Litigation Risk
PPC Group is one of the largest industrial groups in Greece, with complex activities and operations across the country. In the ordinary course of Group's business, from time to time, competitors, suppliers, customers, owners of property adjacent to Group's properties, media outlets, activists, and ordinary citizens, raise complaints (even to public prosecutors) about Group's operations and activities, to the extent they feel that Group's activities and operations cause or are likely to cause economic damage to their views and/or interests, businesses or properties and, in the context of advancing those complaints, they often file criminal complaints against the Group with the public prosecutor on a variety of grounds and allegations or make public allegations in the press, which the public prosecutor is obligated to investigate further before they decide further actions, including the closing of the case for lack of any conclusive evidence. These practices have intensified during the recent economic crisis, as public prosecutors and the general public have generally become more sensitive to similar allegations, especially against companies in which the Hellenic Republic is a major shareholder and are viewed as operating in the public interest.
As a result, the Group, and Group's officers and directors, are presently and from time to time, and could be in the future, subject to various criminal or other investigations at various stages of procedural advancement on a variety of grounds arising in connection with Group's activities in the ordinary course of business. These investigations and legal proceedings may be disruptive to our daily operations to the extent the officers and directors involved need to spend time and resources in connection therewith. They may also adversely affect Group's reputation. To date, none of the proceedings initiated against the Group, Group's officers or directors has resulted in any criminal convictions.

"Alouminion of Greece" (ALOUMINION)

1. On 31.10.2013 with a majority of two to one (2/1) Decision No. D1/1/2013, the Permanent Arbitration Court of RAE decided the price for the supply of electricity to ALOUMINION S.A. at Euro 40,7/MWh for the period 01.07.2010 until 31.12.2013. At the abovementioned price both the fixed and variable energy costs are included, as well as System Use Charges, Ancillary Services Charges, Public Service Obligation, and state fees on behalf of RAE and HTSO/EMO, although Renewable Energy/Gaseous Pollutants special fees/ETMEAR Special Electricity Tax, DETE and other taxes imposed are not included. The burden on the financial results of the third quarter of 2013 imposed by the above mentioned Decision, as far as the supply of electricity to ALOUMINION is concerned, for the period 01.07.2010 until 30.9.2013 amounted to Euro 105.5 mil.
   As the abovementioned Decision compels PPC to sell at a loss, PPC filed an action for invalidity against it, which is scheduled to be heard on 04.12.2014, and, in addition, submitted a complaint for state aid before the European Commission (December 2013).

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

The Commission by a letter in June 2014, has notified PPC that it does not intend to further examine the complaint, given that, according to the Commission, the complaint in question pertains to amounts which were defined following an arbitration by an arbitrary court to which the parties resorted to mutually and therefore it cannot constitute a "vehicle" of state aid, since it is not a state entity. PPC has challenged the above mentioned Commission's decision in front of the General Court of the European Union.

2. The amount due by the State aid :

   On 27.07.2011 PPC received notification of the Decision No. E (2011) 4916/13.07.2011 of the European Commission, following an investigation on the existence of state aid (C2/2010) in favor of ALOUMINION of Greece and its successor ALOUMINION, addressed to the Hellenic Republic, according to which, the Commission decided that state aid amounting to Euro 17.4 mil. was granted in favor of ALOUMINION of Greece. According to this Decision, the Hellenic Republic should have ensured the recovery of the state aid's amount within four months from the date of the notification of the Decision.

   According to the Decision, the state aid was granted in the form of reduced electricity tariffs, available to ALOUMINION of Greece from PPC for the time period from January 2007 up to March 2008. The above mentioned aid, according to the Commission's Decision, should be refunded to PPC SA plus statutory interest, in accordance with the law on state aid. Subsequently, the Athens Court of First Instance has issued a Payment Order N. 13601/04.07.2012 for ALOUMINION to pay to PPC the amount of the state aid of Euro 17,375,849.48, plus interest amounting to Euro 3,041,126.93 plus interest of Euro 1,696.22 on the total amount of the illegal state aid and the compounded interest, for each passing day. Subsequently, ALOUMINION filed an appeal concerning the Payment Order with an additional request for the temporary suspension of its execution (article 632, para 3, of the Code of Civil Procedure). The Hellenic Republic was invited to file third party intervention proceedings, before the same Court, in favor of PPC as per the above referred hearings. The Court issued the Decisions No. 723/2014 and 724/2014 which recalled the Decisions of the same Court, respectively and validated the payment order No. 13601/2012. The above Decisions and the payment order along with a check to order for the payment of the amount of Euro 20,563,831.33 plus statutory interest were served to ALOUMINION on 25.2.2014.

   Following the above actions, PPC, on 31.3.2014 proceeded to seize on a third party (against ALUMINION) to Banks, as well as EMO (LAGIE) and IPTO up to the amount of its claim.

   ALOUMINION, on 24.3.2014 filed an appeal against decisions 860/2013 and 724/2014 of the Court of First Instance, the date of hearing set for 16.10.2014 on the Court of Appeals, asking, among others, for the suspension of the execution of the payment order until the hearing of its appeal. The request for the suspension of the payment order was rejected. The discussion of the appeal was postponed for October 15, 2015.

   After the abovementioned Court decision, ALOUMINION proposed to PPC to pay the amount of the state aid partly through a check deposit and the remaining amount to be paid through the concession to PPC of ALOUMINION's past due claims against EMO and the (simultaneous) netting off of PPC's past due obligations towards EMO. Subsequently, on April 2014, the amount of Euro 21,276,766.43 was received, including both the amount of the recovered state aid as well as the respective interest amount for the time period up to 04.04.2014. PPC informed the Ministry of Finance as well as the competent Ministries of Foreign Affairs and Environment – Energy and Climate Change for the recovery of the state aid.

   On October 8, 2014, the European General Court's decision for case T-542/2011 was issued, which concerned the recourse by ALOUMINION (by 06.10.2011) on the General Court of the EU against the above mentioned Decision (by 13.07.2011) of the European Commission concerning the state aid case in which PPC had exercised a third party intervention in favor of the European Commission. The Court ruled in favor of ALOUMINION, and has proceeded to cancel the above mentioned Decision (212/339/EU) of the committee, on July 13, 2011, regarding the state aid SA 26117-C2/210 (former 62/2009) that Greece has granted to Alouminium of Greece. PPC will file a recourse to that decision in front of the European General Court.

3. On 26.02.2014 PPC was served an appeal dated 19.02.2014 by ALOUMINION regarding the electricity supply bills of ALOUMINION of December 2013 and January 2014, for the amounts of the abovementioned bills regarding the Special Consumption Tax (dispute relating to the partial annulment of these bills) before the Athens Administrative Court of Appeals.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

Old Bank of Crete

The dispute with the old "Bank of Crete" is dating back to 1989, when the bank was under liquidation. More precisely, by a mandatory action of the then trustee of the Bank, PPC's deposits were mandatorily converted to stake-holding in the share capital of the Bank and to obligatory credit to the Bank. PPC by its July 22, 1991 lawsuit against the bank asked to be compensated for GRD 2.2 billion approximately, (Euro 6.5 mil.) for the reason that the above mentioned Act of the trustee of the Bank was held invalid.

Moreover, PPC had outstanding loan balances, received under six (6) loan agreements for which it was agreed upon to be repaid gradually. On June 10, 1991, although PPC has paid the overdue installments, the Bank has terminated all of the above mentioned loan agreements and thus on that date the claim against PPC became overdue for the whole amount of the loans.

For that reason, against PPC's above mentioned lawsuit, the Bank has proposed an offset of its claim resulting by the above mentioned loans, amounting to GRD 4 bil. approximately, and furthermore has asked the payment of this amount by PPC by its lawsuit dated 28.12.1995. The Court of First Instance has postponed the hearing of the Bank's lawsuit against PPC until the final outcome of the hearing, which started with PPC's lawsuit against the Bank.

The action was rejected by the Multimember Court of Athens and PPC appealed against the said Decision of the Court which was also rejected by the Athens Appeal Court.

The above mentioned decision was brought to review by PPC before the Supreme Court, which accepted it and in consequence the case was again brought to trial before the Court of Appeals, which held that an expert report should take place. After the said expert report the Court's decision was held partially in PPC's favor (Court of Appeals decision 2005).

However, a petition for review before the Supreme Court was filed against the aforementioned Decision which was then accepted by the Supreme Court and then was resubmitted to the Court of Appeals which by its inconclusive decision (Nr 4093/2009) ordered the completion of the expert report.

The official expert report was completed at the end of May 2012.

Following that, the hearing of the case would take place on October 25, 2012, but it was postponed for September 26, 2013, due to the strike of both judges and lawyers. The case was heard on the abovementioned date and decision 3680/2014 of the Court of Appeals was issued, which only partially accepts PPC's lawsuit while essentially accepts the results of the ordered by the Court above mentioned official expert report, as following :

a) The amount owed by the Bank of Crete to PPC at the time of the filing of the lawsuit by PPC on 22.07.1991 amounted to GRD 1,268,027,987 and
b) The amount owed by PPC to the Bank of Crete on 01.07.1991 due to the loan amounts becoming overdue by the Bank and after the suggested by the Bank set off of its counterclaim against the above-mentioned PPC's claim, amounted to GRD 2,532,936,698.

PPC intends to appeal against the above mentioned decision. It is noted that until the final judgment on the appeal, the discussion of the aforementioned (28 December 1995) lawsuit of the Bank of Crete against PPC is pending.

In case that the Supreme Court accepts PPC's annulment, then it will judge the case anew and the decision which it will issue will be irrevocable. In case of a positive outcome for PPC, for which there are increased probabilities, then the case of the Bank against PPC might be rejected.

Complaint against the European Commission's Decision regarding lignite extraction rights

On May 13th, 2008, PPC filed before the General Court of the European Union (General Court), an application for annulment of the Commission's decision of March 5, 2008 regarding the granting by the Hellenic Republic of lignite extraction rights.

The Greek State has intervened before the aforementioned Court in favour of PPC, while two undertaking companies – competitors of PPC – have intervened in favour of the European Commission. Furthermore, on August 4, 2009, the European Commission issued a decision (which was notified to PPC on August 7, 2009), in which the measures for the compliance with the decision of March 5, 2008 were defined as obligatory for the Hellenic Republic.

The Commission's Decision defined as obligatory for the Hellenic Republic the launching of public tender procedures for the concession of lignite rights for the mines of Drama, Ellassona, Vevi and Vegora to third parties excluding PPC, with the exception of those cases where there are no other valid and binding offers.

The Hellenic Republic was also obliged to assure that the third parties that would be awarded the relevant extraction rights would not sell to PPC the extracted lignite from the specific mines with the exception of those cases where there would be no other valid and binding offers.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

PPC submitted an application for annulment of the said decisions of the Commission before the CFI of the European Communities. Furthermore, the Hellenic Republic has intervened before the CFI in the said proceedings, in favour of PPC. The hearing of the cases took place before the General Court on February 2, 2012. The General Court of the European Union on 20.9.2012 issued decisions for both cases.
In particular, as far as case **T-169/08** is concerned, the Court has ruled the following:

- State measures, which were in effect prior to the liberalization of the energy market, are preserved and continue to affect the lignite supply market, although PPC is not responsible for other companies failing to gain access to lignite reserves.
- PPC's part in the lignite's supply market was limited to the exploitation of reserves for which extraction rights were granted.
- The Commission did not support that PPC exploited its dominant position in the above mentioned market.
- The Commission did not prove that the advantageous access to lignite was capable of creating a situation, in which PPC, simply by exercising its lignite extraction rights would abuse its dominant position in the energy wholesale supply market or could be led to such abusive conduct.

  The Commission by simply noting that PPC still has a dominant position does not define or adequately prove the abuse.
- It is not clear, that PPC is in an advantageous position opposite its competitors, in consequence of a state measure which constitutes an abuse of dominant position.
- It is not clear that, in order to admit the existence of a violation of article 86, para. 1 EC combined with article 82 EC, is adequate, in order to prove that a state measure falsifies competition by creating a situation of inequality of opportunities, between businesses without demanding definition of abuse of dominant position. Therefore it decided that granting to PPC the specific rights is not against European Union's law [art.106 para.1(special or exclusive rights to public companies) combined with art. 102 (abuse of dominant position) of the Treaty for the operation of the European Union)].

As far as case **T-421/09** is concerned the Court has annulled as obsolete the above mentioned Commission's Decision of August 4, 2009, following the annulment of the Commission's decision of March 5, 2008, given that, it pertained to the executive part of the violation ascertained in the decision of March 5, 2008.
The Commission appealed for the revision of the relevant decisions before the General Court of the European Union before the European Court of Justice (Cases C-553/12 and C-554/12). The abovementioned appeals have been notified to PPC on December 19, 2012.
On March 25, 2013 the companies "MYTILINEOS S.A – GROUP OF COMPANIES", "PROTERGIA S.A." and "ALOUMINION S.A." filed before the European Union Court, an intervention petition in favor of the European Union and against PPC, for the annulment of the above mentioned Decision of the Court of September 20th, 2012. The hearing of the case took place on October 3, 2013.
On July 17, 2014, the Court of the European Union has issued a decision on the annulment requests for the Commission, by accepting them. In particular the Court of the European Union, by citing cases, has accepted that for the application of the directives in question of the union law it is required (but also enough) the adoption of a measure, by which a member state exclusively grants rights to a public company, creates an inequality of opportunities between companies and thus it is able to drive the company to an abuse of dominant position. The European Union's Court has not accepted the Commission's request to judge the case in its substance following the injunction of the decision in the first degree but referred the case again to the General Court of the European Union, in order for it to deliver a decision on the remaining annulment reasons, which, although PPC had invoked in front of the Court, the General Court had not examined. PPC has submitted a Memo with its observations in front of the Court within the legal deadline.

Alleged claims of EMO (LAGIE), against PPC S.A.

- **Implementation of methodology for the payments allocation due to deficits of the Day Ahead Schedule (DAS)**

  It is noted that following the issuance of RAE's Decision 285/2013, EMO sent a letter to PPC, according to which an amount of Euro 96.6 million is seemingly allocated to PPC, based on the finalization of the methodology for fair allocation of payments to cover deficits in the Day Ahead Schedule (DAS) created by third party suppliers during 2011 and 2012. In continuation to this letter, EMO allocating the total amount of Euro 96.6 mil. in seven installments starting by August 2013 sent to PPC the relating briefing notes amounting to Euro 13.8 mil., each. PPC considers that EMO's alleged claim violates fundamental principles of law, while simultaneously neither the amount nor the reasons for this claim are substantiated. In addition, the relevant RAE Decision has been contested in court.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

In particular, PPC has already filed an application for annulment of RAE's Decision 285/2013, before the Council of State, as well as, an action for suspension of such Decision, until a final judgment is issued by the Council of State. The hearing for the application for the annulment took place on March 18, 2014, and the decision is pending. In the meantime, the Council of State has issued an interim Decision (n. 62/2014), which suspended the payment of 50% of the amount of Euro 96.6 mil., which is attributable to PPC.

In spite of the assessment that there are reasonable chances for a favorable outcome, following the intermediate decision of the Supreme Court, PPC has recognized in its books a provision of 50% of the amount of Euro 96.6 mil. due to the uncertainty of the recoverability of this amount.

- **Offsets of Photovoltaic Systems Producers in buildings**

  Moreover, the above mentioned Decision 285/2013 of RAE which does not permit the netting of amounts that PPC owes to LAGIE based on DAS settlement, including energy generated by PVs on rooftops, with the amounts that PPC is contractually obliged to pay directly to the generators in question, based on the feed - in tariff, leads to delays in recovering the latter amounts from LAGIE.

  Non implementation of an offset does not impact the results but will have a negative effect on our cash flows, due to the increased working capital needs, since PPC is obliged to await payments in cash from LAGIE through the relevant special RES account. The issue in question concerns amounts which range from Euro 11 mil. to Euro 31 mil. per month and the total amount to be recovered could reach approximately Euro 120 mil. based on an estimated eight-month waiting period. LAGIE has already filed both a claim and an application for interim measures before the Court of First Instance of Athens against PPC. On the application for interim measures Decision 6022/2014 of the Multimember First Instance Court of Athens was issued, ordering a temporary injunction on offsetting of liabilities of DAS with liabilities of other causes at a rate of 50% of these liabilities. The hearing is scheduled for January 12, 2017, nonetheless it is estimated that the matter will be settled legislatively.

Corrective settlements of IPTO, concerning the Special Account of art. 143, of Law 4001/2011

According to L.4152/2013, RES energy purchases are disbursed though the market operation, on the higher amount of either their income from DAS and Imbalances settlements or the value of energy they inject to the system multiplied by the weighted average variable cost of the conventional thermal power plants. This amendment started being applied from 14.08.2013, when RAE's Decision 366/2013 was published in OG, amending the relevant articles of the Power Exchange Code and specifying the methodology of calculations, with which the provision of law was implemented. In October 2013, IPTO has sent to PPC S.A. corrective clearing statements for May, June, July and part of August of 2013, totaling an amount of Euro 48.2 m, which derives from the retrospective application of the relevant methodology. For this amount, PPC considers that retrospective application is not included in the relevant provisions of the Law and thus has not recorded any relevant provision.

12.3. ENVIRONMENTAL OBLIGATIONS

Key uncertainties that may influence the final level of environmental investment which the Group will be required to undertake, over the forthcoming decade, include:

1. **HPP Messochora (161.6 MW)**

   According to Greek Law 3481/2006, the environmental terms for the continuation, completion and operation of the projects of the Acheloos River Diversion Scheme to Thessaly, in which Messochora HPP is included, were approved and their fulfilment is a prerequisite for the implementation of the projects and for which responsibility lies with the administrator, responsible for construction and operation of the respective projects.

   Following the publication of the Law for Public Projects, as well as PPC's projects that have been auctioned and constructed or are under construction and are related to projects of the Acheloos River Diversion Scheme to Thessaly and energy projects are allowed to operate or be completed, according to the approved Administration Plan and the above-mentioned environmental terms.

   Based on the above-mentioned terms the continuation of the project was allowed for the completion and operation of Messochora HPP as well as the completion of the construction project of the tunnel, which are already been completed and are finally delivered by 17.06.2010.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

After the publication of Law 3734/2009, matters concerning the Messochora Hydroelectric Project matters concerning Messochora HEP were arranged, which pertained to the obligatory expropriation of the Messohora HEP Reservoir, to the obligatory expropriation of areas of the Pindeon Municipality and arrangement of compensations. All the above mentioned expropriations are declared for public utility reasons of great importance which are necessary for the completion of the Messohora HEP and in particular ensuring the rest of the territories needed for the completion of the Project and the operation of the Messochora Power Plant.

Following the ruling No 141/2010 by the competent Suspension Committee of the Council of State, the immediate cease of all works has been ordered at all relevant projects, as well as the cease of operation of all completed projects. Further developments, namely the final judgment, will be issued by the Plenary of the Council of State after taking into consideration the (11.09.2012) Decision of the European Court of Justice, to which relevant preliminary questions had been addressed referring to the compatibility of the provisions of the Law 3481/2006 with the European legal framework. The Council of State by its recent Decision 26/2014 has decided to annul the 567/14.09.2006 letter by EYDE/OSYE, by which and according to the Court's Decision 3053/2009, it has been allowed, under the provisions of L. 3481/2006, and the approved environmental terms, the continuation of the diversion scheme in total. The above mentioned decision by the Council of State resulted to the inability to continue, complete and operate HEP Messochora.

The Parent Company (PPC S.A.), considerıng that the Hydroelectric Plant of Messochora is independent from the Acheloos River Diversion to Thessaly Scheme and therefore it should not be affected from the abovementioned issues and examining the possibility to disengage Messochora Power Plant from the overall Acheloos River Diversion Scheme, so that the Project can be dealt with as an independent unit and have its own environmental terms, i.e. independently from the other Projects of the Diversion Scheme, proceeded to the review and the updating of the Environmental Impact Assessment for HEP Messochora. After the completion of the approval process and the publication, by the relevant OG (9.2014), of the Decisions for the approval of Management Plans for River basins of the Western Sterea Hellas Water District and the Thessaly Water District, there are promoted the procedures for the Decision of the relevant Ministers regarding the Environmental Terms for the Project, which is estimated to be fulfilled in the first quarter of 2015.

After the publication of the Environmental Terms Decision, the construction of the remaining works and the procedure for expropriation of the remaining land will proceed, in order to make it possible to start the operation of the Project, which is estimated to be in operation in the first quarter of 2017.

On September 30, 2014 the aggregate amount for HPP Messochora amounted to Euro 279.7 mil. and is expected to require an additional amount Euro 123.7 million to complete and operate the project, which is estimated to operate in 2017.

2. Under IPPC (Integrated Pollution Prevention and Control) Directive, the Reference Document on Best Available Techniques for Large Combustion Plants (with a thermal capacity greater than 50 MW) was issued on July 2006 and is currently under revision. After the finalization of the revision process additional to the already foreseen investments at PPC's larger thermal power plant stations may be required. In accordance with European Directive 2001/80/EC, a pollutants emissions reduction plan for existing Large Combustion Plants has been approved by the Parent Company's Board of Directors, was submitted to the authorities and has been incorporated in the National Emissions Reduction Plan of the country for the period 2008-2015, according to the provisions of the aforementioned Directive.

   After the issue (August 2008) of the Common Ministerial Decision for the National Emissions Reduction Plan, the environmental permits of SES Ptolemaida, Kardia, Amyntaio, Liptol, Agios Georgios, Lavrio and Aliveri were renewed. The same is expected within 2014 for the remaining thermal power plants as well. In December 2010, the new Directive (2010/75/ EC) was issued for industrial emissions (Industrial Emissions Directive – IED), which is effective from 06.01.2011 and which amends Directives IPPC and 2001/80/ EC. Following the provisions of Article 32 of Directive 2010/75/EU, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was elaborated and officially submitted by the country to the EU at the end of 2012. The TNERP was approved by the EU on November 26, 2013. On December 2013, PPC submitted to the competent authority an application for several changes to the TNERP, along with its declaration to use the limited life-time derogation (Article 33) for certain Power Plants. After the approval of the competent authority the revised TNERP was resubmitted on March 18, 2014 by the country and was approved by the EU on July 07, 2014. Finally, according to the above, SES Agios Dimitrios, Meliti and Megalopolis A' and B' are included in the NERP, while SES Amyntaion and Kardia will use the limited life-time derogation.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

3. The extent of land contamination has to be assessed for many of PPC's installations, following to the provisions of art. 22 of Directive 2010/75/EU. At present, there appears to be no requirement for large-scale remediation projects at PPC's sites in the short term, and it is unlikely that this will be required at the mining areas or at the lignite-fired power stations for the foreseeable future. Remediation, however, may be required, at some of the company's oil-fired power stations and depots, in the future.

4. PPC has performed limited studies on the presence of asbestos-containing materials, at its premises. Upon submission by PPC of a full environmental impact assessment study, the Ministry of Environment issued in May 2004 the environmental permit for the construction and operation from PPC, in its premises in Ptolemaida area of an environmentally – controlled landfill site for the management and final disposal of asbestos containing construction materials, from the plants of the Northern System.

5. During the operation of the Transmission Lines, Substations and Hyperhigh Voltage Centers, there is no electromagnetic radiation, but two separate fields, the magnetic and the electric field. At places where the public or the Company's personnel might find themselves close to the above mentioned lines and substations, the values for those fields are substantially less than the limits. Those limits were established by the International Commission on Non Ionizing Radiation Protection (ICNIRP) in collaboration with the World Health Organization (WHO). The above mentioned limits have also been adopted by the European Union as well as the Greek State. It must be noted though, that the limits stated in the above regulations for both fields do not constitute dangerous values, but rather contain large safety factors, in order to cover for some vagueness due to the limited knowledge about both the magnetic and electric fields' influence in order to fulfil the requirement for the prevention of any adverse impacts.

6. The Ministerial Decision 34394/1059/09.07.2014 according to which the environmental permit is awarded for the construction of the new conveyor belt for the transportation of ash from the Ag. Dimitrios thermal plant to the Ptolemaida Mines as well as the modification of the operation of depositing of the Mavropigi mine, was issued.

7. The Environmental Permit for Klidi Mine is expected to be issued.

8. Furthermore the Parent Company's Mine Environmental Department carried out all required procedures, for the renewal of Environmental Permit for Amyntaio and Megalopolis Mines.

CO_2 Emissions

During March and May 2013, CO_2 emission licenses have been issued for all 31 PPC installations, for the 3rd implementation phase of the European Union Emissions Trading System (EU ETS phase III, from 1 January 2013 to 31 December 2020).

By the end of March 2014, the verification of the annual emissions reports for 2013 by accredited third party verifiers was completed successfully and the reports were promptly submitted to the Competent Authority. The total verified emissions of all 31 bound plants of PPC for 2013 amount to 41.3 Mt CO_2.

EMISSION ALLOWANCES (CO2)

According to the current European and National legislation, during the 3rd implementation phase of the EU ETS (period 2013-2020), PPC is not entitled to free allocation of emission allowances, with the exception of allowances allocated for emissions corresponding to the generation of thermal power for district heating.

In accordance with its verified 2013 CO_2 emissions, the emission allowances that PPC surrendered to the Greek part of the EU Greenhouse Gas Emission Allowances Trading Registry (EU Registry) to fulfil its compliance obligations for the year 2013 amount to 41.3 Mt. During 2013, PPC has been allocated with about 0.77 Mt allowances for district heating emissions.

Based on provisional ex-post data, for the year 2014 the CO_2 emissions of the Parent Company's bound plants for the period 01.01.2014–30.09.2014 amount to 30.17 Mt. In addition, PPC's emissions for the rest of the year (01.10.2014–31.12.2014) are estimated at 9.97 Mt. It should be noted that the emissions of 2014 will be considered final by the end of March 2015, when the verification of the annual emissions reports by accredited third party verifiers is completed. Consequently, the total CO_2 emissions that PPC will have to surrender for compliance purposes for the period 01.01.2014–31.12.2014 are estimated at 40.14 Mt.

12.4. INVESTMENTS

Combined cycle natural gas fired power plant of a 416,95 MW in Aliveri

The initial firing of the Gas-turbine was effected on 09.03.2013 and it was put in operation on 15.03.2013. On 12.08.2013 the Unit was put contractually in Commercial Operation, which was completed on 04.11.2013.
In February 2014, the Unit was registered in both the Units' Register and IPTO's Allocated Units' Register .
The work of the Committee for the Temporary and Final Acceptance of the Project is in progress.
On 30.09.2014 the total expenditure for the project amounted to Euro 298.7 mil.

A new Steam Electric unit 660 MW in Ptolemaida

The International tender was announced on April 20, 2010. The total budget of the Project amounts to Euro 1.32 bil. In September 2010 the Ministry of Environment and Climate Change has issued the relative Generation License as well as the Distribution of Thermal Energy license.
On June 28, 2011, the following two bids were submitted:

- The bid from TERNA S.A
- The bid from the Consortium led by Alstom Power Systems S.A and including also ALSTOM Power Systems GmbH, ALSTOM Hellas S.A, METKA S.A and DAMCO Energy S.A.

In November 2011, the Board of Directors of PPC decided to award the project to the successful bidder company "Terna SA".
On 11.12.2012, PPC's Board of Directors decided, that the Contract of said Project would be signed.
The above mentioned contract was signed in Ptolemaida on March 9, 2013 and according to a relevant term it is subject to the resolutive condition of the approval of PPC' s General Shareholders' Meeting. The final contractual price amounts to Euro 1.39 bil.
On 29.03.2013, the General Meeting of PPC'S S.A. Shareholders approved the realization of the investment for the construction of the Unit as well as the relevant Contract. The realization of the project will be accomplished in two stages.
In the first stage, with a duration of 20 months by the entry into force of the contract, the study for the licensing of the project as well as the licensing itself, will be realized. The contractor will also conduct the study for the licensing as well as the construction of the building for PPC's inspection unit.
In the second stage, with a duration of 50 months by the issuance of the building permit, the project's study will be completed as well as the construction and the commercial operation of the unit.
On 23.09.2013, PPC S.A. announced the signing of a Bond Loan of an amount up to Euro 739 mil. with a syndicate of foreign banks, in order to finance part of the construction of the above mentioned unit. The loan with annual all – in – costs of close to 5% has a duration of 15 years and will be supported by the German Credit Insurance Organization Euler Hermes. In December 2013 the final insurance coverage was issued by Euler Ermes while all the prerequisites for the drawdown of the loan were satisfied
There is being in progress the drawing up by the Contractor of the studies for the Project licensing and their submission to the Corporation for review. There have been also submitted requests for the necessary opinions of the pertinent Bodies, which opinions are prerequisites for the submission to the authority for urban planning of the municipality of Eordaia of the request for the approval of building permit.
On 30.09.2014 the total expenditure for the project amounted to Euro 92.9 mil.

A new diesel engine Power Plant 115,4 MW in South Rhodos burning of heavy fuel oil with low sulphur content

After an international tender, the Project was assigned to the successful bidder company (TERNA S.A.). In July 2009, the relevant Contract was signed. The Contract price is Euro 182.8 mil.
In September 2010, the Decision of the Ministry of Environment Energy and Climate Change for the modification of the Generation License concerning the power (115.439 MW) and the number of units (7 generating sets) was issued.
On 01.12.2010, the Common Ministerial Decision Approval of Environmental Terms was issued.
On June 29, 2011, the relevant contract for the purchase of the land of the main Station was signed.
In September 2011, the Installation License was issued and was modified on January 20, 2012.
On January 25th, 2011 the Building Permit (6/2011) was issued and on February 16th, 2011 the construction of a temporary warehouse begun.
On February 2nd, 2012 the Building Permit (25/2012) regarding earthworks has been issued and on March 26rd, 2012 begun the relevant works at the plot of the main facilities of the station.
On August 3rd, 2012 the building permit (184/2012) was issued for the main facilities of the station.
On August 20th, 2012 the certificate for the land uses was issued and the building terms for the coastal facilities were approved. After that, the procedure for the purchase of the land of the coastal facilities was started.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

In the context of the implementation of the Contract two supplements were issued until today.
By Supplement No 1 (15.12.2010) certain articles of the contract were modified. By Supplement No 2 (22.06.2012) certain subjects regarding the transfer of equipment, the assignment of the study and construction of the temporary site warehouse, the surveyors' building as well as the guesthouse, were adjusted.
On February 15th, 2011 the society called "Citizen's initiative for environmental protection and development of Southern Rhodos" filed an application for a stay of execution with the Council of State by application number 119, for the following:

a) Of the Environmental Impact Assessment 162761/12-2010 for the new diesel engine power plant and
b) The No 6/2011 Building Permit which was granted to PPC for the construction of the temporary site warehouse at the plot for the construction of the new power plant.

In implementation of the Temporary Order of the Council of State the competent authority for urban planning has issued the 2276/06.04.2012 suspension of construction for the 25/2012 building permit.
The Council of State with its Decision No 4413/12 annulled the Act of Approval of Environmental Conditions for the installation and the operation of the new Thermoelectric Power Plant in South Rhodes and the building permit for the temporary warehouse at site, considering that the Act of Approval of Environmental Conditions was not in accordance with the those defined in Art 6 par 3 of the Directive 92/43/EEC (for the conservation of natural habitats and of wild fauna and flora).
Since March 27th, 2011 the delivery of equipment for the project to warehouses in the port of Elefsina has started.
On 31.07.2012, the Parent Company's Board of Directors approved the payment to the Contractor of the amount of Euro 4.250., as a result of Amicable Settlement, for the full settlement of Contractor's claims for the time period until 31.01.2012 due to the delay of Project Permission.
The Ministry of Environment, Energy and Climatic Change, in response to PPC's relative letter on 21.01,2013 , notified PPC S.A. that there have not been changed the needs for which the Generation and Installation Licenses were granted, and therefore asked for the completion of the Environmental Impact Assessment and the Specific Ecological Evaluation. Thereafter, PPC has already proceeded to the award to Consultant of the drawing up of the Specific Ecological Evaluation.
Subsequently. PPC proceeded to the preparation of the following studies:

- Special ecological study
- Land planning study
- Environmental Impact Assessment study
- AOGregate study of evaluation of social impact.

The Environmental Impact Assessment study has already been concluded and it was submitted to the Ministry for the Environment and Climate Change, on 17.05.2013, including all the above mentioned studies.
The Ministry of Environment, Energy and Climatic Change forwarded on 03.07.2013 the Environmental Impact Assessment study to the Regional Council of S. Aegean in order to make it public to the competent Bodies for their relevant opinions. Following the relative opinions of the appropriate Bodies, the Ministerial Decision of the Approval of Environmental Conditions of the Power Station, as well as the ancillary projects (a substation of 150/20KV and a new road to the coastal installations of 1 km) was issued on November 5, 2013.
On 30.08.2013, there were published in the Government's Gazette, the land use decisions for the coastal public property, necessary for the erection of the on-shore installations.
The Secretary General of the Regional Administration of Aegean has signed, on 08.01.2014, the "Land Purchase Contracts" for the coastal public property, necessary for the erection of the on-shore installations.
On 03.01.2014, there was submitted to the Ministry for the Environment and Climate Change the Envelope for the reissuance of the Installation License for said Project.
On 19.03.2014, the Installation License of the Project was issued.
As we have been informed in April 2014, following the issuance of the above new Environmental conditions, the society called "Citizen's initiative for environmental project and development of Southern Rhodos" had appealed, in January 2014, to the Council of the State, submitting:

- Application for the annulment of the new Environmental conditions with which the Environmental Impact Assessment study was approved
- Application for the annulment of the new Installation License
- Application for the Suspension of the Works and for the issuance of Preliminary Injunction.

For the first two applications, there was appointed by the Council of the State trial date on 26.11.2014, which was postponed for 10.06.2015.
The Council of the State investigated the application for the suspension of the works and with its Decision No. 150/2014, rejected the Application for Suspension.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

After the issuance of the new Environmental conditions, PPC proceeded promptly to the recommencement of the licensing procedures of the new Power Plant and thus in June 2014 there were approved:

- The Building Permit for the plot of the main facilities, and
- The Technical Environmental Study for the deposition of the excavated soil at the areas of the nearby Military Exercising Field.

In September 2014, there were started the Civil Works at the area of main facilities of the Power Station in accordance with the Environmental Impact Assessment study
PPC and the Contractor continue the preventive maintenance of engines, generators and transformers, which are temporarily stored in Elefsis port.
On 30.09.2014 the total expenditure for the project amounted to Euro 97.8 mil.

A new combined cycle unit at Megalopolis 811 MW

On August 25, 2009 the Board of Directors of Parent Company approved the award of the Project to the successful bidder Consortium METKA S.A. and ETADE S.A. Furthermore, the contractor has accepted that no claims will be raised related to eventual delay up to 13 months, due to unavailability of Transmission Network of 400 kV or/and Natural Gas. This time interval of 13 months starts, for the delay of supply of natural gas in the Unit, 26 months as from the date of signing of the Contract and for the delay of connection with the network 400 KV, 24 months as from the date of signing of the Contract.
On November 13, 2009, the relevant Contract for the implementation of the Project was signed and the contract price amounts to Euro 499.5 million.
In November 2010, PPC accepted the terms for the connection of the above Unit with the System following a relative correspondence with HTSO.
On May 31, 2011 the Contract for the Long Term Maintenance of the Unit was signed with the company METKA S.A.
On July 8, 2011, the Building Permission of the above Unit was issued.
On October, 17, 2011, after a related request from the Contractor Joint Venture «METKA S.A. – ETADE S.A.», the Board of Directors of the Parent Company approved the substitution of the above Joint Venture from the Joint Venture «METKA S.A. – TERNA S.A.»
The related Supplement No1 came into force on December, 12, 2011.
On May 8, 2012, the Board of Directors of the Parent Company approved the assignment of additional works related to the water supply of the Unit V amounting to Euro 1.82 mil. On 10.10.2012 the relevant Supplement No 2 to the Contract was issued. On 10.05.2012 the connection agreement to the National Natural Gas System was signed.
Civil works construction, as well as, installation is at the final stage. Commissioning of the electromechanical equipment is in progress.
The Unit is expected to enter commercial operation within the first six months of 2015, provided that the natural gas pipeline construction by DESFA is completed by the end of 2014.
On 30.09.2014 the total expenditure for the project amounted to Euro 478.2 mil.

HPP ILARION (157 MW)

In July 2012, PPC SA announced the successful tapping of the diversion tunnel of the Ilarionas Hydroelectric Project and the start of the Reservoir impoundment. The works in the Substation, as well as the remaining works in the riverbed area downstream of the Dam, have been completed, the Units tests have been finished and the procedure in order to register in the Independent Power Transmission Operator's Units Registry, which is to be completed within the fourth quarter of 2014.
The Plant is expected to be set in commercial operation in the first quarter of 2015.
The total installed capacity of the plant is 157 MW and it is expected to generate, on an annual basis, approximately 330 GWh of "clean" electricity.
On 30.09.2014 the total expenditure for the project amounted to Euro 296.2 mil.

12.5. PPC RENEWABLE (PPCR)

Construction of nine (9) new Wind Parks from PPC Renewables S.A.

Until today the construction and interconnection of the Wind Parks, in Paros, Lesvos, Rhodes, Samos (Marathokampos), Crete (Akoumia) and Limnos, of total installed power 22.5 MW.
In November 2014 by the Council of State Decision 401/2014 the suspension of the installation and operation for three out of eleven wind turbines of the wind park Koprino in Rethumno, therefore the Decentralised Administration of Crete has decided to issue a partial operation license for the eight out of eleven wind turbines of the project, of a total capacity 7.2 MW. The Wind Park is expected to be electrified by the end of 2014.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

Hybrid Project in Ikaria

The project of 6.85 MW of total power, combines two renewable energy sources, Wind and Hydroelectric. The hybrid project in Ikaria is expected to be completed in 2014 while commencing operation by the first half of 2015.

Megalopolis Photovoltaic (PV) Plant

In April 2014, the Council of State has decided to reject an application regarding the cancellation of licenses related to the 39.42 MW PV Plant of ARKADIKOS ILIOS ENA S.A in the municipal of Megalopolis Arcadia.
In May 2014, by decision of the Decentralized Administration of Peloponnese, Western Greece and Ionian, the Installation Permits of "ARKADIKOS ILIOS ENA S.A." and "ARKADIKOS ILIOS DIO S.A." have been revived up to 1 November 2014. Following that, the two companies have timely submitted applications to further extend the installation licenses.

Exploitation Rights of the geothermal fields

By decisions of the Deputy Minister for Environment, Energy and Climate Change the Public International Bidding Contest (tender date 07.09.2011) for the lease of rights of exploitation of geothermal fields in the following areas:
a)Sousaki in the Corinthos prefecture, b) the Sperhios basin in the Fthiotida prefecture, c) Akropotamos in the Kavala prefecture and d) the island of Ikaria, was awarded. The BoD has approved the acceptance of leases, however, the notarial deeds have not been signed by the Ministry yet. The deadline for signing the above notarial deeds leases has been extended until December 31, 2014.

Ilarionas SHPP

The construction of the SHPP Ilarionas of 4.2 MW total capacity has been completed and commenced operation in September 2014.

Production Licenses of two (2) new Wind Parks in Rodopi

In October 2014, the Regulatory Authority of Energy has issued the production licenses for two new PPC Renewables' wind parks of 106 MW total capacity and Euro 127.2 mil. in Rodopi region.

Construction of six (6) new Wind Parks in Aegean islands

In October 2013, PPC Renewables approved the construction of six (6) new wind parks of total installed capacity 13.5 MW, in Aegean islands with a total budget of Euro 16.2 mil.
PPC Renewables issued a public international tender for the above mentioned project in April 2014 as well as in August 2014 but no bids were filed on both occasions. The company is examining alternative solutions in order to implement the projects.

Repowering of SHPP Louros

In March 2014, PPC Renewables issued a public tender concerning the assignment of the project of the modernization and renovation of SHHP LOUROS, of 8.84 MW nominal capacity, with a budget of Euro 6.4 mil. and a submission deadline of June 24, 2014.
Four companies took part in the tender and their offers are currently under evaluation. The selection of a contractor and the contract signature is expected within Q4 2014.

Construction of one (1) new Wind Park in Crete

In June 2014, PPC Renewables approved the construction of one (1) new wind park of total installed capacity 7.5 MW and a budget of Euro 9.0 mil., plus an option of Euro 3.96 mil. in Iera Moni Toplou region, in Sitia, Crete and the conduct of an international public tender for the project. The tender was issued while the new submission deadline was set for the 29th September 2014. No offers have been submitted. The company is examining alternative solutions in order to implement the project.

Business Plan 2014 -2018

On February 20, 2014, PPC's Board of Directors approved the five-year Business Plan 2014 -2018 of PPC Renewables. By completing the implementation of its Business Plan, PPCR is expected to have more than double its Installed Capacity Portfolio and to increase significantly its market share. As provided for in Business Plan 2014 – 2018, total investments shall equal to Euro 398.24 mil and installed capacity to 331 MW by the end of 2018.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

New Law 4254/2014

In April 2014, Law 4254/2014 was entered into force which, among other, rectifies significant changes to the RES regulatory framework, with the most important of them to be as follows:

- Redefinition of the compensation amount for the electricity sold by the operating RES and CHP stations, as well as by the RES and CHP stations which either turn into operational status or their interconnection is activated after the Law has entered into force. The new Feed-in Tariff (FIT) framework is differentiated according to the RES type, the installed capacity, the connection quarter and the system. Additionally, the FIT is increased in case the investment is established without using state aid. Moreover, a removal of the existing provisions for readjustment of sales prices based on values of the consumer price index rate takes place. Furthermore, The HEMO / HEDNO will adjust, where necessary, the compensation prices of the energy produced by the entry into force of this Act and will establish a relevant table within four months, which will be notified to RAE and the Ministry for Environment and Climate Change
- Producers of RES are required to issue a credit invoice concerning a discount on the total amount of injected energy for the year of 2013. The percentage of the discount provided ranges from 20% to 37.5% for P/V stations, depending on the installed capacity and the connection quarter, while for the other RES types and CHP stands at 10%. The credit invoice issued by the PPC Renewables SA amounted to Euro 2.94 mil.
- The extraordinary solidarity levy on producers of electricity from RES and CHP, which had been imposed by the Law 4093/2012 is repealed. As far as 2014 is concerned, the imposed tax charged to the results of PPC Renewables amounted to Euro 0.47 mil.
- Finally, it is noted that the generation licenses and the connection terms offers suspension for the new P/V stations, which had been imposed by the Minister of Environment in August 2012, is withdrawn.

12.6. IPTO S.A.

New investments by IPTO in the Energy Transmission System

- **Electrical Interconnection of "NEA MAKRI - POLYPOTAMOS"**
  The electrical interconnection of Nea Makri with Polypotamos – which has been characterized as project "of an overall significance for the country's economy" in L. 3175/2003- is in the final stage of its implementation. The submarine cables have already been immersed in the maritime area between Evia and Nea Makri.
  The construction of the project completes the efforts of the Greek State, governmental bodies as well as RES investors, which spanned several years, and whose realization has been undertaken by IPTO S.A., thus contributing to the effort for the attraction of investments.
  The interconnection cost is more than Euro 80 mil. while the RES investments, which are directly connected to the project are more than Euro 700 mil.
  With the completion of the overhead cable connecting Polypotamos to South Evia and the installation of the subterranean cables up to Nea Makri's High Voltage Center, the project is expected to be completed and be ready for electrification by the end of February 2015. It should be noted though, that there is already a significant delay in the installation of the subterranean cables by the limits of the former American Base to Nea Makri's High Voltage Center, due to considerable reactions by the Municipality of Marathonas (former Municipality of N. Makri). The excavation license was granted by the Marathonas municipality in the beginning of March 2014 was revoked by the above mentioned Municipality on June 12, 2014 but following that and by a decision of the General Secretary for the Decentralized Administration of the Aegean Region in July 27, 2014 the Municipality June's decision was held invalid and the works for the subterranean cables, through the city of Nea Makri begun again in September 2014. The excavations works continue slowly due to the continuous reaction by part of the citizens of Nea Makri as well as town councilors. Additionally, there are delays in the necessary expropriations relating to the 150 kV transmission lines from the Evia Estate Authorities.

- **High Voltage Center (HVC) in Aliveri and interconnection transmission line of 400 kV in Evia**
  The construction of Aliveri's (GIS) HVC, which will be serving new thermal power units and RES generators in Evia, has been recently concluded. In February 2013 it was electrified for the first time while in April 2013 the first circuit of the 400kV line, which connects the new Aliveri HCV with the backbone of the national 400 kV transmission system in the Viotia area, was put under load. The second circuit was electrified and put under load at the end of August 2013. The line which consists of two circuits, with overhead and subterranean parts, with a length of 56 and 13.5 kilometres, respectively, has already received injections of electricity by PPC's new natural gas unit in Aliveri which by February 7, 2014 is an allocated unit and is in proper operation.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

- **High Voltage Center (HVC) in Megalopolis and interconnection transmission line of 400 kV and 150 kV**
  Within a time frame of only two years, IPTO constructed the new High Voltage Center (HVC) in Megalopolis. The 150 kV side of the circuit was electrified in April 2013 while the 400Kv side has also been electrified in August 2013. The new HVC is ready to receive injection of electricity by generators in the greater area, including PPC's new natural gas unit (Megalopolis V), when the said unit is completed. The construction of the 150 kV interconnecting transmission lines of the HVC as well as both 400 kV transmission lines connecting the HVC with the new natural gas unit of Megalopolis V, has been concluded.
  As far as the construction of the 400 kV interconnection lines of the Megalopolis HVC to the Patra area and from there through submarine and overhead transmission lines to the 400 kV Mainland System, the approval of Environmental Terms was granted at May 23, 2014. It must be noted that there is a recourse by the Ministry of Environment in the State Council against the annulment of the obligatory land expropriations in the Antirio area. At the same time the relevant preliminary construction works for the abbreviation of the project's materialization.

- **Interconnection of Cyclades to the Mainland Transmission System**
  IPTO has proceeded with re-declaring the tender for the interconnection of the Cyclades Islands with the Hellenic Power Transmission System with a total budget of Euro 240 mil., following the conclusion of the public consultation. The complete project has been concluded and the appropriate contracts have been signed by September 10, 2014 with the four (4) contractors..
  The above mentioned project is characterized as one of extreme interest and general importance for the country's economy and aims to the reliability of the interconnected islands' power supply, in the achievement of the maximal possible reduction in Public Services Obligations' cost, due to the operation of oil thermal units as well as the reduction of CO_2 emissions. The islands' interconnection with the mainland system as well as with each other will be realized through submarine cable connections.

- **Interconnection of Crete to the Mainland Transmission System**
  IPTO has proceeded to preliminary actions for the implementation of the project which aims to achieve the interconnection within the current decade. In the abovementioned context in the first quarter of 2014 a preliminary study of the seabed with the collaboration of the University of Patras has been conducted for the immersion of submarine cables. At the same time several places that have been deemed appropriate for the construction of terminal stations are examined, in Crete. A letter has been sent by July 2014 to Crete's prefect, pointing out five positions for the cables' installation across the seashore and the installation of the conversion station, asking for the provision of the Prefecture assistance to the selection of the appropriate position, although until now there has been no reply, thus rendering the subsequent actions out of date. The cables' installation across the seashore and the installation of the conversion station in Attica is to be finalized.

Ten Year Network Development Plan (TYNDP) of the subsidiary IPTO S.A. for the period 2014-2023.
By its Decision 560/2013 which was published in OG B 3297/24.12.2013, RAE has approved the Ten Year Network Development Plan (TYNDP) of the subsidiary IPTO S.A. for the period 2014-2023, after having imposed some amendments concerning the schedule for the Cyclades Interconnection (3rd phase). The approved TYNDP 2014-2023 was published in OG B 556/05.03.2014 based on RAE's Decision 77A/2014/18.02.2014. From February 17, 2014 until March 17, 2014 IPTO has put in public consultation the preliminary draft of TYNPD 2015-2024. Following that and after taking under consideration the results of the above mentioned public consultation, IPTO submitted the Ten Year Network Development Plan (TYNDP) for the period 2015-2024 to RAE following Decision 34/20.05.2014 of IPTO's BoD. On June 16, 2014 RAE has submitted the TYNPD 2015-2024 to a new public consultation, in the context of the approval process with a deadline of July 18, 2014.

Approval of the Aggregate Annual Cost for the Hellenic Transmission System for 2014
By RAE's Decision 195/29.04.2014 has defined the Aggregate Annual Cost for 2014 to Euro 256,765, as well as the required HETS revenue for 2014 to Euro 205,497. Following that, RAE by its Decision 572/2014 has approved the allowed revenue for the regulated period 2015-2017 to Euro 254,653, 250,201 and 260,966 per year, respectively, as well as the requested revenue for the year 2015 amounting to Euro 215,108.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

Use of Congestion Income, from the country international interconnections access rights, for the year 2014 - 2015.

With its 170/2014 decision, RAE approved the use of Euro 30million from the Reserves Account (Interconnections Transfer Capacity Allocation according to article 178 of the Greek Grid Control Code For Electricity) that IPTO keeps for the reduction of the Transmission Use of System Annual Cost for the year 2014. On September 30, 2014 IPTO S.A. has partially recognized the revenue of Euro 22.5 mil. Additionally, RAE with its Decision 571/2014 has approved the amount of Euro 24,954 from the same account for the reduction of the Annual Transmission use charges for the year 2015.

12.7. BUSINESS COLLABORATION

PPC's Participation in waste management tenders.

Waste Syclo, is a joint company by PPC S.A. and Terna Energy, with Terna Energy owning 51% and PPC 49% of the share capital, responsible for the study, construction of projects, provision of all types of services related to waste management in general, electricity generation from waste management, and urban and industrial waste water treatment, within the territory of Greece.

Waste Syclo submitted in May 6th 2014, an Expression of Interest in Phase A' of the tender published by the municipality of Corfu for the construction of an integrated solid waste management facility of Corfu, and has been preselected to continue to Phase B' when it will be tendered.

PPC collaboration with Terna Energy for Attica Waste Tenders

In January / February 2013 PPC in collaboration with TERNA ENERGY, submitted Expressions of Interest in the tenders of the Integrated Waste Management Facilities of Attica Region, through a Public Private Partnership (4 tenders). The JV has been preselected in three tenders and has recently participated in Phase B I of the competitive dialogue for the North Western Attica tender which was completed in January 2014. At the moment the announcements for Phase B II - Submission of Bids for North Western Attica, as well as the announcement of Phase B I - competitive dialogue for the rest of the tenders (Ano Liosia and Fyli) are not offered until now, while the Attica Prefecture has announced on October 02, 2014, its intention to cancel the above mentioned tenders, although no official decision has been made.

Kosovo Energy Project

PPC is participating in the project since March 2010. The project, according to the new RfP published in April 29, 2014, includes the construction and operation of a new electric power generation plant with estimated installed capacity of 2X320 MW. PPC is examining its participation in the next phase of the tender, based on the amendments of the tender.

International public tender in FYROM

The tender which was published on January 30, 2014 involved the design, financing, construction, operation and maintenance of the new hydro power plant Cebren (333 MW), as well as operation of the existing hydro power plant Tikves (92 MW). PPC has submitted a binding offer on June 30, 2014. On September 18, 2014t FYROM's Conceding Authority sent in September 18 2014, its official decision by which it announced that the procedure for awarding the Project, was terminated.

Business Collaboration with Quantum Corporation Ltd and the former Bank of Cyprus

PPC - QUANTUM ENERGY LTD, a company founded by PPC, Quantum Corporation LTD and the former Bank of Cyprus, with share capital participation 51%, 40% and 9% respectively. This company has been appointed as the contractor for the "EuroAsia Interconnector" Project, according to the regulatory provisions of the European Regulation 347/2013. On November 11, 2014, following IPTO's letter of intent for the acquisition of 51% of PPC's participation in PPC QUANTUM ENERGY LTD, the Parent Company's Board of Directors decided to initially accept pending the fulfilment of certain commitments posed by IPTO S.A., by the abovementioned letter of intent.

Establishment of a Societe Anonyme jointly with DAMCO ENERGY SA

Following the 7th of August 2013 PPC BoD's decision "PPC Solar Solutions S.A." was established on February 28, 2014, jointly with DAMCO ENERGY S.A. in which PPC S.A. participates with 49%.

The objective of "PPC Solar Solutions S.A." will be the promotion, through a national franchising network, of integrated solutions for household photovoltaic systems and energy efficiency technologies, the provision of energy services, as well as the provision of services to PPC's customers. The establishment of the above Societe Anonyme was approved by the Competition Commission by its Decision 587/2014.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

Option for acquisition of DEPA shares

PPC had acquired an option for the acquisition of a number of DEPA shares, based on L. 2593/1998, in accordance with a relevant contract signed between the Greek State and PPC S.A.

Following PPC's Extraordinary Shareholders' Meeting on October 4, 2012, approved the Private Agreement between PPC and HRADF by virtue of which the parties agree that PPC waives its right on the option in DEPA, following the compensation payment of Euro 32,9 mil. as resulted by the evaluation of the independent financial advisor Citibank. The waiver of PPC's right is subject to the completion of the privatization process and to the fulfillment of the compensation payment due to PPC by HRADF.

Expansion of the activities of PPC abroad and establishment of commercial subsidiaries

A joint venture contract was signed between PPC and Alpiq Central Europe Ltd for the establishment of a commercial subsidiary company in Bulgaria, under the name PPC Bulgaria (PPC BG) and based in Sofia.

PPC S.A. holds a 85% stake of the share capital of the joint venture company and Alpiq Central Europe Ltd holds 15%.

The procedures for the submission of a request for the granting of a supply license by the Bulgarian authorities, are underway.

Through this partnership, PPC seeks to penetrate neighboring electricity markets, to expand its cross-border activity beyond Greek borders and also το achieve synergies on know-how in regards to trading in multiple electricity markets, by acting together with an established company with presence in many European countries and significant experience in cross-border electricity trading.

In addition the establishment of a wholly owned subsidiary in Turkey was concluded, based in Constantinople, under the name "PPC ELEKTRIK TEDARIK VE TICARET ANONIM SIRKETI", in order for the Group to establish itself in the fast growing Turkish Market, and the cross – border trade in electricity to and from Turkey. In July 2014, the supply license was granted to the subsidiary, by the Turkish Regulatory Authority.

Collaboration framework with DEPA S.A.

PPC covers its needs for natural gas by the new contract signed October 29th, 2012 with DEPA which pertains to the procurement and transportation through the Hellenic Natural Gas System (HNGT).

Following DEPA's commitments, which were accepted by the Competition Commission by its decision on November 13, 2012, PPC has already proceeded with the readjustment of the Annual Contractual Quantity for the years 2013 and 2014 while according to the contractual provisions, PPC has already exercised its right to reduce it to 75% for the year 2014.

For the year 2013 - and until today – DEPA has proceeded to a unilateral determination of the provisions on the contract between DEPA - PPC, of the implementation of the new DESFA tariffs, as far as the usage cost of borders' entry points is concerned as well as invoicing purchases of natural gas. The abovementioned charges have not been accepted by PPC and the relevant amounts of the invoices issued by DEPA, have not yet been paid. Both parties are in contact in order to settle the abovementioned matter.

As far as the 2013 settlement is concerned, the certification of the relevant calculation formulae by an independent verifier, in accordance with the data by the long term contracts between DEPA and its suppliers.

Moreover, following the publication of the revised Operational Code for the National Gas System and according to the contractual provisions and DEPA's commitments to the Competition Commission, the latter has send to PPC, on February 5, 2014 a draft of the contract for the supply of natural gas without the inclusion of transportation through the national natural gas system. The draft in question is being examined by the Parent Company.

Following the agreement between DEPA and Gazprom for the reduction on the supply price of natural gas, there was a official notification of the Parent Company by DEPA in April 2014 for the revision of the contractual supply price with a retrospective effect since 01.07.2013. The reduction of the border price of natural gas the Parent Company is supplied with amounts to 10% in relation to the previous price. Consequently and due to the above mentioned agreement Euro 23.4 mil., for the second half of 2013 and Euro 6.6 mil. for the first couple of months of 2014, were returned to the Company. The effect appears in the Income Statement in Other (income)/expense and as a deduction to fuel cost in the first quarter of 2014.

Special Consumption Tax on Electricity

The Custom House's audit in relation to the special consumption tax on electricity for the period May 2010 to September 2012 has been concluded as far as exemptions for certain customer classes are concerned. The audit regarding energy self-consumptions is still underway.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

Return of payment of ascertained tax

By its Decision 5677/2013 the Athens Administrative Court has accepted PPC's Appeal against the Greek State and has annulled the Audit report of the competent Tax Authority which had ascertained additional tax to the Parent Company due to the rejection of an amount related to the reduced energy tariffs for its personnel. The amount to be returned to PPC amounts to Euro 17.9 mil. and the procedure will be completed through offsets with tax obligations of the Parent Company.

PPC is subject to certain laws and regulations generally applicable to companies of the broader public sector

As long as the Hellenic Republic, as the major shareholder of PPC, holds 51% of its share capital, the Company shall, in some sectors, continue to be considered as a public sector company in Greece. Therefore, its operations shall continue to be subject to certain laws and regulations generally applicable to public sector companies in Greece, affecting thus specific procedures, including but not limited to personnel salaries, maximum level of salaries, recruitments of employees, as well as the procurement policies etc. The said laws and regulations, particularly within the framework of the current financial conjecture and the relevant decisions of the Central Administration, which are not expected to be applicable to the Parent Company's current and future competitors, may limit the Parent Company's operational flexibility and may also have significant negative impact on its financial results, cash flow and on business risk management.

It should be noted that the Group has a limited possibility to attract and hire experienced personnel in the range of its business activities while, today's average personnel age is approximately 47 years. The Group's inability to recruit specialized personnel negatively affects the ability of the new PPC Group to elaborate and implement its strategy in the new competitive and financial environment, as well as to adequately staff basic supportive operations at the level of new subsidiaries. Finally, there is a risk of losing managers and experts to competition mainly because of restrictions on remuneration policies. The viability and development of PPC Group in the new business environment notably depend on the ability to attract and maintain skilled and specialized personnel and executives. According to L.4057/2012, concerning all kinds of recruitment, the approval of an Interministerial Committee is necessary. Potential denial or delay of the aforementioned approval will create critical lack of personnel and managers and may have negative impact on the implementation of the Groups' activity. The above mentioned issues bear an even greater significance for a company which is under privatization in the new environment formed by the provisions of the updated Memorandum (July 2013 and April 2014).

Organization and Risk Management

The Group has defined risk as an occurrence of uncertain and non-predictable conditions that may negatively affect its overall operations, business activity, financial performance, as well as the execution of its strategy and the achievement of its goals.

The Parent Company has established but hasn't staffed the Risk Management Department yet, due to constraints in hiring. Till today its line management, on a case by case basis, is engaged in identifying and primarily assessing risks in order to submit recommendations to the Executive Committee and Board of Directors regarding the design and approval of specific risk management procedures and policies. We can provide no assurance that such procedures and policies provide full protection against risks faced by the Company.

13. SIGNIFICANT EVENTS

Extraordinary General Meeting of PPC's Shareholders

PPC's Board of Directors decided to convene an Extraordinary General Meeting of PPC's Shareholders on the 31.01.2014, according to the invitation posted on 07.1.2014.

The items on the agenda that were discussed by The Extraordinary General Meeting of the Shareholders were as follows :

1st Item : Pricing of "ALUMINIUM OF GREECE S.A." as of 1.1.2014 – Submission for approval of actions taken by the Board of Directors"

2nd Item : Approval of the capacity of a Member of the Board of Directors.

3rd Item : Approval of the appointment, pursuant to article 37 of L. 3693/2008, of a Member of the Audit Committee.

With regard to the 1st Item, the Hellenic State submitted, by virtue of article 39, par. 3 of Codified Law 2190/1920, the following request for postponement of the relative discussion : "Given that the Hellenic State has to ensure a) as PPC shareholder, the long-term interests of the company, b) as responsible for shaping the energy and industrial policy, the sustainability and the competitiveness of the market, and therefore, based on these priorities and roles, requested the postponement of decision taking on the 1st item on the Agenda of the Extraordinary General Meeting of the Shareholders, so as to allow sufficient time for consultation with all interested parties for the settlement of technical issues with regard to electricity pricing". Therefore the discussion on the 1st item was postponed for Friday, February 28th, 2014.

13. SIGNIFICANT EVENTS (continued)

Repetition of the Extraordinary General Meeting of PPC's Shareholders

On February 28, 2014 the postponed Extraordinary General Shareholders Meeting was repeated, where the representative of the Majority Shareholder, namely the Hellenic Republic, proposed and the General Shareholders Meeting approved an extraordinary tariff discount of 10% to PPC;s approved tariffs for High Voltage customers with the duration of one year plus one by 01.01.2014. Especially for companies with an annual consumption larger than 1,000 GWh, there will be a further volume reduction of 10% in addition to the above mentioned discount.

Additionally, as a motive for increasing consumption during the zone of minimum consumption (nights and weekends) a further 25% discount on the A4 tariff for all High Voltage will be granted to customer except to those of an annual consumption more than 1,000 GWh and for their time of operation in the above mentioned zone.

Finally, the Shareholders General Meeting approved the up to now actions of the Company's Management regarding the ALUMINION case.

On March 27, 2014, The Parent Company's BoD by its Decision has defined the implementation of the above mentioned decision of the General Shareholders' Meeting, concerning the tariffs for High Voltage customers while on April 23, 2014, they were invited, through letters to sign supply contracts, providing at the same time information about their implementation.

In this context meetings are conducted with High Voltage customers for a) the provision of clarifications and explanations on the Shareholders' General Meeting's decision and b) for the settlement of overdue amounts, should they exist.

In particular, out of twenty four (24) High Voltage clients – which represent in consumption more than 99% for the total of High Voltage customers – fifteen (15) supply contracts have already being signed and seven (7) more are underway.

Credit rating

In April 2014, the rating house Standard and Poor's (S&P) upgraded the Parent Company's credit rating from CCC to B with stable outlook. Moreover in May 2014, the rating house ICAP S.A. upgraded the Parent Company's credit ratings by two notches from D to B.

12th Annual General Shareholders' Meeting

PPC's 12th Annual General Shareholders' Meeting took place on June 20th, 2014, according to the invitation published according to the law and the Parent Company's statutes on May 29, 2014 and was posted on its website. The General Assembly has approved the non-distribution of dividend for the year 2013

14. SUBSEQUENT EVENTS

Interest bearing loans, bonds and borrowings

During the period 1/10/2014 – 27/11/2014, the Group proceeded to debt repayments amounting to Euro 28,4 million (Euro 20 million Parent Company)

In October 2014, PPC's BoD approved the extension for two years of the maturity of a bond loan Euro 107,7 mil initially maturing in December 2014 and a new credit line in the form of an overdraft facility amounting to Euro 50 mil. from which no disbursement has been made up to the date of approval of the current financial statements .

Furthermore, in November 2014, EIB approved a financing line of € 190 mil for Power Projects on the non-interconnected Islands.

Refund of advance paid concerning income tax.

The Parent Company has submitted a request to the Athens Tax Office for the Societes Anonymes, in order to receive a refund concerning the income tax advance payment for the fiscal year 2013, since there was a tax damage in the fiscal year 2014. The abovementioned Tax Office, following an audit, has approved the refund of Euro 40.7 mil.

Appraisal of tangible assets 2014

In accordance to the accounting policy choice of the Group and the Parent Company, tangible assets are measured at their fair value less any accumulated depreciation and impairment (with the exception of mines and lakes), based on fair value estimates which are undertaken periodically (every 3-5 years) by independent appraisers, with the last revaluation having been performed as at 31.12.2009. It should be mentioned that the new appraisal is already in progress, the results of which will be accounted for in the financial statements as at 31.12.2014.

14. SUBSEQUENT EVENTS (continued)

Extraordinary event in the Ptolemaida Thermal Plant

On November 9, 2014, a fire has occurred in the premises of the Unit 4 of the Ptolemaida Thermal Plant, which expanded in the common area of the Control rooms for Units 3 and 4, resulting in the unavailability of the above mentioned units. The Parent Company has already implemented the necessary procedures in order to both investigate the causes and evaluate the consequences of the event

(All amounts in thousands of Euro, unless otherwise stated)

15. SEGMENT INFORMATION

Sales and inter segment results are as follows:

	Sales		Results	
	01.01.2014 - 30.09.2014	**01.01.2013 - 30.09.2013**	**01.01.2014 - 30.09.2014**	**01.01.2013 - 30.09.2013**
Interconnected system				
Mines	572,333	573,578	(27,363)	(19,450)
Generation	1,748,904	1,456,317	156,916	(58,383)
Distribution Network	246,690	271,503	98,352	123,199
Supply	4,579,865	4,341,909	(173,530)	(84,177)
	7,147,792	**6,643,307**	**54,375**	**(38,811)**
Creta Network				
Generation	382,500	307,086	21,120	(52,872)
Distribution Network	17,679	17,318	8,244	5,991
Supply	505,912	272,118	(26,642)	36,055
	906,091	**596,522**	**2,722**	**(10,826)**
Non-Interconnected Islands System				
Generation	391,637	320,263	33,592	(58,775)
Distribution Network	20,312	23,246	833	8,405
Supply	486,002	244,969	(18,210)	54,878
	897,951	**588,478**	**16,215**	**4,508**
Parent Company Eliminations	(4,575,478)	(3,377,332)	20,093	-
Total (Parent Company)	**4,376,356**	**4,450,975**	**93,405**	**(45,129)**
IPTO S.A.	1,712,517	1,802,907	81,345	74,529
HEDNO S.A.	1,681,517	973,932	18,247	22,077
Other Subsidiaries - Affiliates	44,330	23,200	9,422	9,434
Group Eliminations	(3,389,855)	(2,757,141)	(22,970)	(3,995)
Group Income tax	-	-	(57,623)	(50,255)
Grand total (Group)	**4,424,865**	**4,493,873**	**121,826**	**6,661**

Figures and Information

PUBLIC POWER CORPORATION S.A.

Company's number 786301000 of the General Electronic Commercial Registry(former Company's Reg. No: 47829/06/B/00/2)
Chalkokondyli 30 - 104 32 Athens

FINANCIAL DATA AND INFORMATION FOR THE PERIOD
January 1, 2014-September 30, 2014

In accordance with the Decision 4/507/28.04.2009 of the Hellenic Capital Market Commission
(All amounts in thousands of Euro, unless otherwise stated)

The purpose of the following data is to provide users with general financial information about the financial condition and the results of operations of "Public Power Corporation S.A." and PPC Group. Therefore, we recommend users that, before proceeding to any kind of investing activity or transaction with the Company, to access the company's web site where the financial statements and the auditor's review report, when is required are published.

Web site address:	www.dei.gr
Date of approval by the Board of Directors:	November 27, 2014

DATA FROM STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
ASSETS	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Tangible assets	12.813.458	12.931.720	11.054.462	11.150.928
Intangible assets, net	57.975	22.174	54.546	21.618
Other non- current assets	111.288	37.458	1.219.670	1.124.706
Materials, spare parts and supplies	745.718	785.325	555.848	588.186
Trade receivables	1.861.474	1.305.579	1.754.273	1.248.364
Other current assets	412.188	303.569	354.115	281.637
Available for sale financial assets	3.320	4.920	3.320	4.920
Restricted cash	152.581	161.693	152.581	161.693
Cash and cash equivalents	333.905	260.278	155.104	185.513
TOTAL ASSETS	**16.491.907**	**15.812.716**	**15.303.919**	**14.767.565**
EQUITY AND LIABILITIES				
Share capital	1.067.200	1.067.200	1.067.200	1.067.200
Share premium	106.679	106.679	106.679	106.679
Other equity items	4.351.520	4.229.694	4.213.284	4.149.170
Equity attributable to shareholders of the parent (a)	5.525.399	5.403.573	5.387.163	5.323.049
Non-controlling interests (b)	92	0	0	0
Total Equity (c)=(a)+(b)	5.525.491	5.403.573	5.387.163	5.323.049
Interest bearing loans and borrowings	4.765.661	3.008.893	4.625.317	2.863.820
Provisions / other non current liabilities	3.354.872	3.404.843	2.925.620	2.992.588
Short term borrowings	646.335	1.935.468	343.268	1.632.476
Other current liabilities	2.199.548	2.059.939	2.022.551	1.955.632
Total liabilities (d)	10.966.416	10.409.143	9.916.756	9.444.516
TOTAL EQUITY AND LIABILITIES (c) + (d)	**16.491.907**	**15.812.716**	**15.303.919**	**14.767.565**

DATA FROM STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Total equity at beginning of the period (01.01.2014 and 01.01.2013, respectively)	5.403.573	5.682.249	5.323.049	5.702.559
Total comprehensive income after tax	121.826	(79.073)	64.115	(147.268)
Dividends	0	(5.800)	0	(5.800)
Incorporation of subsidiary	92	0	0	0
Other	0	6	(1)	(60)
Equity at the end of the period (30.09.2014 and 30.09.2013, respectively)	**5.525.491**	**5.597.382**	**5.387.163**	**5.549.431**

ADDITIONAL DATA AND INFORMATION

1. The Group's companies which are included in the interim condensed consolidated and separate financial statements, their country, the Group's participating interest (direct and indirect), the method of consolidation, and their unaudited tax years are presented in Notes 5, 6 and 7 of the nine month Financial Report.
2. The accounting policies adopted in the preparation of the financial statements are presented in Note 3 of the nine month Financial Report and are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2013, except from these which are presented in Note 3.2 of the nine month Financial Report.
3. No burdens exist on the Parent's and the Group's fixed assets.
4. Adequate provisions have been established for all litigation.
5. Provisions of the Group and the Parent Company as of September 30, 2014 are as follows:

	Group	Company
a) Provision for litigation and arbitration	(5.699)	(3.284)
b) Tax provisions	(1.399)	(1.399)
c) Other provisions	309.770	314.855

6. Total payrolls of the Group and the Parent Company number 18.766 and 10.638 as of September 30, 2014 (2013: 19.531 and 11.100 respectively). Further information is presented in Note 1 of the nine month Financial Report.
7. Sales and purchases of the Group and the Parent Company for the period ended September 30, 2014 as well as receivables and payables as of September 30, 2014 of the Group and the Parent Company, according to IAS 24 are as follows:

	Group	Company
a) Sales	61.399	1.610.502
b) Purchases	7.473	3.231.502
c) Receivables from related parties	233.214	237.641
d) Payables to related parties	0	858.725
e) Key management personnel compensations	1.034	728
f) Receivables from key management personnel compensations	0	0
g) Payables to key management personnel compensations	0	0

8. Capital expenditure of the Parent Company and the Group for the period ended September 30, 2014 amounted to Euro 339,3 million and to Euro 406,3 million respectively.
9. Other Comprehensive income / (loss) after tax which was recognized directly in equity of the Group and the Parent Company for the period ended September 30, 2014 amounts to zero.
10. Information regarding ALOUMINION S.A. is presented in Note 12 of the nine month Financial Report.
11. Information regarding RAE's Decision 285/2013 – «Implementation of the methodology for the allocations of payments due to shortages in the Day Ahead Schedule (DAS)» is presented in Note 12 of the nine month Financial Report.
12. Information regarding the Offsets of Photovoltaic Systems Producers in buildings and the corrective settlements of IPTO concerning the Special Account of art. 143 of Law 4001/2011 is presented in Note 12 of the nine month Financial Report.
13. Information regarding the Plan for the reorganization and the privatization of PPC is presented in Note 2 of the nine month Financial Report.
14. A reclassification of comparative items of the statement of income and the financial position has been made, with no impact on the equity or the results of the Group and the Parent Company. This reclassification is presented in Note 11 of the nine month Financial Report.

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

GROUP	01.01-30.09.2014	01.01-30.09.2013	01.07-30.09.2014	01.07-30.09.2013
Sales	4.424.865	4.493.873	1.591.244	1.542.668
Gross operating results	687.072	749.153	194.502	329.105
Profit / (Loss) before tax, financing and investing activities	346.410	222.090	95.264	(59.154)
Profit / (Loss) before tax	179.449	56.916	36.844	(113.294)
Profit / (Loss) after tax (a)	121.826	6.661	25.515	(120.449)
Distributed to:				
- Owners of the Parent	121.826	6.661	25.515	(120.449)
- Non-controlling interests	0	0	0	0
Other comprehensive income after tax (b)	0	(85.734)	0	(2.646)
Total comprehensive income after tax (a)+(b)	121.826	(79.073)	25.515	(123.095)
Distributed to:				
- Owners of the Parent	121.826	(79.073)	25.515	(123.095)
- Non-controlling interests	0	0	0	0
Earnings / (Loss) per share, basic and diluted (in Euro)	0,5251	0,0287	0,1100	(0,5192)
Profit before tax, financing and investing activities and depreciation and amortisation	794.446	681.082	246.703	94.718

COMPANY	01.01-30.09.2014	01.01-30.09.2013	01.07-30.09.2014	01.07-30.09.2013
Sales	4.376.356	4.450.975	1.571.684	1.531.703
Gross operating results	529.504	622.432	125.774	274.851
Profit / (Loss) before tax, financing and investing activities	217.253	93.853	59.207	(111.748)
Profit / (Loss) before tax	93.405	(45.129)	8.933	(150.824)
Profit / (Loss) after tax (a)	64.115	(82.684)	6.369	(145.485)
Other comprehensive income after tax (b)	0	(64.584)	0	(1.148)
Total comprehensive income after tax (a)+(b)	64.115	(147.268)	6.369	(146.633)
Profit before tax, financing and investing activities and depreciation and amortisation	616.028	504.883	194.196	26.742

DATA FROM STATEMENT OF CASH FLOW

	GROUP		COMPANY	
Cash Flows from Operating Activities	01.01-30.09.2014	01.01-30.09.2013	01.01-30.09.2014	01.01-30.09.2013
Profit / (Loss) before tax	179.449	56.916	93.405	(45.129)
Adjustments:				
Depreciation and amortisation	505.127	516.094	451.898	464.033
Devaluation of fixed assets	1.348	0	0	0
Amortisation of customers' contributions and subsidies	(57.091)	(57.102)	(53.123)	(53.003)
Provision for CO_2 emission rights	0	25.767	0	25.767
Impairment loss of marketable securities	1.600	4.245	1.600	4.245
Fair value (gain) / loss of derivative instruments	(1.859)	(1.135)	(1.859)	(1.135)
Share of loss / (gain) of associates	(1.183)	(1.632)	0	0
Interest income	(44.207)	(34.951)	(68.405)	(41.862)
Sundry provisions	303.579	270.181	319.275	268.806
Unrealised foreign exchange losses (gains) on interest bearing loans and borrowings	1.054	129	1.054	117
Unbilled revenue	(213.917)	(47.331)	(213.917)	(47.331)
Retirement of fixed assets and software	8.590	11.700	8.512	11.511
Amortisation of loan origination fees	9.427	5.376	8.972	4.561
Interest expense	181.221	175.812	162.411	156.713
Working capital adjustments:				
(Increase) / Decrease in:				
Accounts receivable, trade and other	(713.600)	(105.137)	(653.779)	(137.765)
Other current assets	(113.822)	(48.070)	(91.007)	(21.144)
Materials, spare parts and supplies	33.291	32.978	24.735	8.596
Increase / (decrease) in:				
Trade and other payables	(120.137)	(253.488)	(195.141)	(207.459)
Other non-current liabilities	(6.347)	3.538	(8.690)	4.625
Accrued / other liabilities excluding interest	223.084	140.600	206.624	152.578
Income tax paid	(3.900)	(19.830)	0	(11.287)
Net Cash from Operating Activities (a)	**171.707**	**674.660**	**(7.435)**	**535.437**
Cash Flows from Investing Activities				
Interest and dividends received	44.207	34.951	49.398	33.381
Capital expenditure of fixed assets and software	(437.973)	(483.455)	(371.040)	(401.900)
Proceeds from customers' contributions and subsidies	5.918	2.213	5.917	2.144
Investments in subsidiaries and associates	(1.093)	(3.258)	(21.900)	(3.044)
Net Cash used in Investing Activities (b)	**(388.941)**	**(449.549)**	**(337.625)**	**(369.419)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	(270)	(70.029)	0	(60.000)
Proceeds from interest bearing loans and borrowings	1.049.363	285.000	1.049.363	285.000
Principal payments of interest bearing loans and borrowings	(544.276)	(276.782)	(539.432)	(272.009)
Loans' issuance fees	(33.878)	0	(33.878)	0
Interest paid	(180.071)	(177.829)	(161.395)	(161.121)
Dividends paid	(7)	(5.821)	(7)	(5.821)
Net Cash used in Financing Activities (c)	**290.861**	**(245.461)**	**314.651**	**(213.951)**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**73.627**	**(20.350)**	**(30.409)**	**(47.933)**
Cash and cash equivalents at the beginning of the period	**260.278**	**279.427**	**185.513**	**221.208**
Cash and cash equivalents at the end of the period	**333.905**	**259.077**	**155.104**	**173.275**

Athens, November 27, 2014

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