

PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31ST DECEMBER, 1998, 1999, 2000, AND 2001 AND 30TH JUNE, 2001 AND 2002

(Expressed in thousands of Euro)

ASSETS	Note	31 st December,				30 th June,	
		1998 *	1999	2000	2001	2001	2002
Current Assets:							
Cash and cash equivalents	6	57.297	74.814	13.952	47.278	356.607	40.827
Marketable and other securities	7	47.616	58.500	60.463	27.328	70.676	20.930
Trade receivables, net	8	480.517	489.449	501.257	537.938	503.862	541.946
Other receivables, net	9	204.913	209.335	89.104	114.339	101.394	121.724
Materials, spare parts and supplies, net	10	489.318	577.458	568.681	560.009	574.656	559.625
PPC - Personnel Insurance Organisation	21	0	0	272.569	167.759	105.294	151.597
Derivative asset	24	0	0	0	0	19.842	9.182
Other current assets	11	20.349	30.866	51.601	6.016	16.188	8.208
Total current assets		1.300.010	1.440.422	1.557.627	1.460.667	1.748.519	1.454.039
Non-Current Assets:							
Investments in associates	13	0	0	875	2.298	1.306	11.882
Property, plant and equipment, net	14	4.871.307	5.245.743	5.783.486	6.247.492	6.004.634	6.376.714
Intangible assets, net	15	1.409	1.332	3.709	3.941	3.102	2.950
Deferred tax assets	18	81.467	89.667	94.958	96.283	115.328	184.588
Other non-current assets	16	97.984	88.144	64.534	21.825	21.531	16.052
Total non-current assets		5.052.167	5.424.886	5.947.562	6.371.839	6.145.901	6.592.186
Total assets		6.352.177	6.865.308	7.505.189	7.832.506	7.894.420	8.046.225
LIABILITIES AND EQUITY							
Current Liabilities:							
Trade and other payables	17	429.020	445.646	551.300	501.044	521.228	483.146
Dividends payable	30	2.732	5.077	0	0	0	74.955
Income tax payable	18	0	18.662	22.670	126.676	63.777	235.493
Accrued and other current liabilities	19	72.713	93.928	102.435	107.445	117.685	134.767
Derivative liability	24	0	0	0	69.382	70.456	56.673
Short-term borrowings	22	103.756	64.554	29.770	2.104	21.805	55.302
Current portion of long-term debt	23	788.481	728.877	583.478	426.406	560.220	862.433
Total current liabilities		1.396.702	1.356.744	1.289.653	1.233.057	1.355.171	1.902.769
Non-Current Liabilities:							
Long-term debt, net of current portion	23	3.476.916	3.875.536	4.511.968	4.411.777	4.718.154	3.704.762
Provisions	20	151.043	164.329	178.163	184.872	181.186	445.847
Deferred tax liability	18	80.613	90.550	101.520	105.177	106.556	110.289
Deferred subsidies and customers' contributions	25	883.175	937.444	971.272	1.102.597	1.022.735	1.144.293
Other non-current liabilities	26	326.346	338.835	332.719	332.690	332.030	343.140
Total non-current liabilities		4.918.093	5.406.694	6.095.642	6.137.113	6.360.661	5.748.331
Equity:							
Share capital	27	0	0	645.635	680.851	645.635	679.760
State contributions	27	113.858	113.858	0	0	0	0
Share premium	27	0	0	0	106.679	0	106.679
Reversal of fixed assets' statutory revaluation surplus included in share capital	27	0	0	(531.777)	(531.777)	(531.777)	(531.777)
Reserves	28	193.778	235.957	227.343	219.397	225.307	216.238
Accumulated Deficit		(270.254)	(247.945)	(221.307)	(12.814)	(160.577)	(75.775)
Total equity		37.382	101.870	119.894	462.336	178.588	395.125
Total liabilities and equity		6.352.177	6.865.308	7.505.189	7.832.506	7.894.420	8.046.225

* The balance sheet as at 31st December, 1998 does not reflect a substantial liability to employees and pensioners. This liability was assumed by the Greek State in accordance with the provisions of Law 2773/99 enacted on 22nd December, 1999 (see note 21).

Exchange rate used for the convenience translation of amounts for years/ periods up to 31st December 2001: GRD 340.75 to Euro 1.00 (see note 5)

The accompanying notes are an integral part of these balance sheets.

PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED 31ST DECEMBER, 1998, 1999, 2000 AND 2001
AND FOR THE SIX MONTHS ENDED 30TH JUNE, 2001 AND 2002
(Expressed in thousands of Euro - except per share data)

	Note	31 st December,				30 th June,	
		1998 *	1999	2000	2001	2001	2002
REVENUES:							
Revenue from energy sales		2.465.092	2.632.587	2.835.759	3.052.957	1.456.317	1.600.762
Other		26.007	26.976	32.405	38.430	16.560	22.571
	32	<u>2.491.099</u>	<u>2.659.563</u>	<u>2.868.164</u>	<u>3.091.387</u>	<u>1.472.877</u>	<u>1.623.333</u>
EXPENSES:							
Payroll cost	33	637.673	680.373	684.948	731.034	359.918	390.620
Pension deficit	21	126.357	134.266	0	0	0	0
Lignite		377.001	382.125	407.031	398.539	193.984	195.279
Liquid fuel		304.596	321.444	485.632	435.090	200.455	205.009
Natural gas		53.326	111.915	274.717	314.163	157.004	134.222
Depreciation and amortisation	34	157.004	177.928	214.354	216.032	113.852	118.822
Impairment loss	4(i)	0	0	43.357	0	0	0
Utilities and maintenance		56.376	70.788	79.281	65.450	31.572	26.761
Materials		57.109	65.682	70.139	69.382	37.588	30.136
Energy purchases		46.597	17.180	31.322	122.988	41.957	76.258
Third party fees		10.175	12.860	18.098	31.795	9.837	11.523
Taxes and duties		13.526	14.603	15.375	21.092	10.659	10.904
Provision for risks		5.855	12.830	7.389	10.271	2.674	18.043
Provision for slow-moving materials		3.489	3.569	7.043	10.227	5.365	9.664
Allowance for doubtful balances	8, 21	7.795	14.312	8.340	8.875	4.135	20.419
Other expenses	35	43.545	43.375	71.721	48.053	20.200	22.128
PROFIT FROM OPERATIONS		<u>590.675</u>	<u>596.313</u>	<u>449.417</u>	<u>608.396</u>	<u>283.677</u>	<u>353.545</u>
Financial expenses	36	(490.107)	(387.002)	(337.000)	(268.569)	(141.570)	(120.405)
Financial income		37.902	45.083	33.535	19.639	8.657	8.616
Foreign currency gains/ (losses), net		(150.697)	(201.300)	(95.660)	7.686	(12.652)	16.957
Other income/ (expense), net	37	27.111	37.312	15.363	31.351	6.389	4.895
PROFIT BEFORE TAX		<u>14.884</u>	<u>90.406</u>	<u>65.655</u>	<u>398.503</u>	<u>144.501</u>	<u>263.608</u>
Income tax expense	18	(17.814)	(26.515)	(40.795)	(146.668)	(40.226)	(100.090)
PROFIT (LOSS) AFTER TAX		<u>(2.930)</u>	<u>63.891</u>	<u>24.860</u>	<u>251.835</u>	<u>104.275</u>	<u>163.518</u>
Earnings per share, basic and diluted (Euro)		<u>-0,01</u>	<u>0,29</u>	<u>0,11</u>	<u>1,14</u>	<u>0,47</u>	<u>0,70</u>
Weighted average number of shares		<u>220.000.000</u>	<u>220.000.000</u>	<u>220.000.000</u>	<u>220.657.534</u>	<u>220.000.000</u>	<u>232.000.000</u>

* The statements of income for the years ended 31st December, 1998 and 1999 do not reflect a provision for a substantial liability to employees and pensioners. This liability was assumed by the Greek State in accordance with the provisions of Law 2773/99 enacted on 22nd December, 1999 (see note 21)

Exchange rate used for the convenience translation of amounts for years/ periods up to 31st December 2001: GRD 340.75 to Euro 1.00 (see note 5)

The accompanying notes are an integral part of these statements.

PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31ST DECEMBER, 1998, 1999, 2000 AND 2001
AND FOR THE SIX MONTHS ENDED 30TH JUNE, 2001 AND 2002
(Expressed in thousands of Euro)

	31 st December,				30 th June,	
	1998	1999	2000	2001	2001	2002
Cash Flows from Operating Activities:						
Profit before tax	14.884	90.406	65.655	398.503	144.501	263.608
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortisation	248.922	277.655	323.724	346.817	168.865	181.411
Amortisation of subsidiaries and customers' participation	(70.348)	(75.871)	(80.475)	(86.169)	(41.353)	(43.600)
Impairment loss	0	0	43.357	0	0	0
Fair value (gain) /loss of derivative instruments	0	0	0	6.665	7.067	(21.891)
Gain on sale of marketable securities and OAE bonds	(2.556)	(8.487)	0	(179)	0	0
Interest income	(23.143)	(25.993)	(16.097)	(7.947)	(3.683)	(1.347)
Provision for derivatives and foreign exchange differences	0	0	0	0	0	28.363
Sundry provisions	17.552	31.164	49.942	31.663	12.522	50.530
Unrealised foreign exchange differences on long-term debt	115.158	152.340	66.591	(14.084)	11.800	(11.724)
Unbilled revenue	(13.843)	(7.310)	(10.782)	(30.770)	(6.040)	6.496
Interest expense	463.067	359.046	315.286	252.710	129.553	105.861
Operating profit before working capital changes	749.693	792.950	757.201	897.209	423.232	557.707
(Increase)/ Decrease in:						
Accounts receivable, trade and other	(12.918)	(20.361)	90.142	(40.420)	(12.988)	(21.979)
Other current assets	(3.190)	(12.493)	(22.624)	43.621	33.039	(1.663)
PPC-Personnel Insurance Organisation	0	0	(272.569)	104.810	167.272	161
Materials, spare parts and supplies	(33.669)	(82.700)	11.956	5.910	(5.529)	(5.630)
Other long-term assets	(2.028)	(1.517)	(305)	341	2.024	4.371
Increase/ (Decrease) in:						
Accounts payable	(11.701)	16.211	105.811	(50.131)	(30.087)	(18.044)
Other long-term liabilities	13.453	12.490	(6.119)	(5.881)	(687)	9.819
Accrued liabilities excluding bank loan interest	6.087	13.400	21.561	18.354	18.867	24.660
Income taxes paid	(12.640)	(6.116)	(31.108)	(40.332)	(14.453)	0
Other taxes paid	(3.698)	0	0	0	0	0
Net Cash from Operating Activities	689.389	711.864	653.946	933.481	580.690	549.402
Cash Flows from Investing Activities:						
Interest received	20.927	27.968	17.987	10.277	6.060	1.347
Capital expenditure for fixed assets and software	(714.239)	(661.373)	(917.881)	(822.656)	(395.478)	(314.162)
Disposal of fixed assets and software	161	358	461	4.135	261	44
Proceeds from subsidies and customers' contributions	128.795	130.131	114.315	217.494	92.816	85.295
Proceeds from OAE bonds	11.093	13.502	18.433	65.001	27.337	2.101
Proceeds from sale of marketable and other securities	3.577	9.787	29	0	0	0
Acquisition of marketable securities	0	(1.473)	0	0	0	0
Investments	0	0	(875)	(1.423)	(431)	(9.571)
Net Cash used in Investing Activities	(549.686)	(481.100)	(767.531)	(527.172)	(269.435)	(234.946)
Cash Flows from Financing Activities:						
Net change in short-term borrowings	(2.729)	(39.202)	(34.784)	(27.666)	(7.965)	53.198
Proceeds from long-term debt	1.135.375	1.021.793	1.153.605	474.574	335.240	7.140
Principal payments of long-term debt	(808.361)	(834.694)	(729.326)	(698.715)	(164.097)	(266.241)
Proceeds from issuance of new shares	0	0	0	141.896	0	0
Financing fees	(3.733)	(11.325)	(6.644)	0	0	0
Interest paid	(455.660)	(346.982)	(325.127)	(263.275)	(131.777)	(101.796)
Dividends paid	(5.189)	(2.732)	(5.077)	0	0	(13.205)
Other	(17)	(105)	76	203	(1)	(3)
Net Cash from/ (used in) Financing Activities	(140.314)	(213.247)	52.723	(372.983)	31.400	(320.907)
Net increase/ (decrease) in cash and cash equivalents	(611)	17.517	(60.862)	33.326	342.655	(6.451)
Cash and cash equivalents at beginning of period/ year (Note 6)	57.908	57.297	74.814	13.952	13.952	47.278
Cash and cash equivalents at end of period/ year (Note 6)	57.297	74.814	13.952	47.278	356.607	40.827

Exchange rate used for the convenience translation of amounts for years/ periods up to 31st December 2001: GRD 340.75 to Euro 1.00 (see note 5)

The accompanying notes are an integral part of these statements.

PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31ST DECEMBER, 1998, 1999, 2000 AND 2001
AND FOR THE SIX MONTHS ENDED 30TH JUNE, 2002
(Expressed in thousands of Euro)

	Reserves							Total Equity
	Share Capital	Share Premium	Reversal of Revaluation Gains	Marketable Securities Valuation Surplus	Tax Free and Other Reserves	Reserves Total	Accumulated Deficit	
Balance, 31st December, 1997	113.858	0	0	8.340	146.638	154.978	(237.828)	31.008
Net loss for the year	0	0	0	0	0	0	(2.930)	(2.930)
Dividends declared	0	0	0	0	0	0	(2.732)	(2.732)
Transfer to reserves	0	0	0	0	26.964	26.964	(26.964)	0
Transfer to taxes payable	0	0	0	0	(3.698)	(3.698)	0	(3.698)
Valuation of marketable securities	0	0	0	15.751	0	15.751	0	15.751
Other movements	0	0	0	0	(217)	(217)	200	(17)
Balance, 31st December, 1998	113.858	0	0	24.091	169.687	193.778	(270.254)	37.382
Net income for the year	0	0	0	0	0	0	63.891	63.891
Dividends declared	0	0	0	0	0	0	(5.077)	(5.077)
Transfer to reserves	0	0	0	0	36.593	36.593	(36.593)	0
Valuation of marketable securities	0	0	0	5.784	0	5.784	0	5.784
Other movements	0	0	0	0	(198)	(198)	88	(110)
Balance, 31st December, 1999	113.858	0	0	29.875	206.082	235.957	(247.945)	101.870
Net income for the year	0	0	0	0	0	0	24.860	24.860
Establishment of share capital	531.777	0	(531.777)	0	0	0	0	0
Valuation of marketable securities	0	0	0	(6.911)	0	(6.911)	0	(6.911)
Other movements	0	0	0	0	(1.703)	(1.703)	1.778	75
Balance, 31st December, 2000	645.635	0	(531.777)	22.964	204.379	227.343	(221.307)	119.894
IAS 39 transition adjustment (note 4)	0	0	0	0	0	0	(43.545)	(43.545)
Net income for the year	0	0	0	0	0	0	251.835	251.835
Share capital increase	35.216	0	0	0	0	0	0	35.216
Share premium	0	106.679	0	0	0	0	0	106.679
Valuation of marketable securities	0	0	0	(7.946)	0	(7.946)	0	(7.946)
Other movements	0	0	0	0	0	0	203	203
Balance, 31st December, 2001	680.851	106.679	(531.777)	15.018	204.379	219.397	(12.814)	462.336
Net income for the period	0	0	0	0	0	0	163.518	163.518
Valuation of marketable securities	0	0	0	(4.250)	0	(4.250)	0	(4.250)
Provision for post retirement benefits, net of deferred taxes	0	0	0	0	0	0	(138.319)	(138.319)
Interim Dividend	0	0	0	0	0	0	(88.160)	(88.160)
Translation of share capital to Euro	(1.091)	0	0	0	1.091	1.091	0	0
Balance, 30th June, 2002	<u>679.760</u>	<u>106.679</u>	<u>(531.777)</u>	<u>10.768</u>	<u>205.470</u>	<u>216.238</u>	<u>(75.775)</u>	<u>395.125</u>

Exchange rate used for the convenience translation of amounts for years/ periods up to 31st December 2001: GRD 340.75 to Euro 1.00 (see note 5)

The accompanying notes are an integral part of these statements.

PUBLIC POWER CORPORATION S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30TH JUNE, 2001
(Expressed in thousands of Euro)

	Reserves							Total Equity
	Share Capital	Share Premium	Reversal of Revaluation Gains	Marketable Securities Valuation Surplus	Tax Free and Other Reserves	Reserves Total	Accumulated Deficit	
Balance, 31st December, 2000	645.635	0	(531.777)	22.964	204.379	227.343	(221.307)	119.894
IAS 39 transition adjustment (note 4)	0	0	0	0	0	0	(43.545)	(43.545)
Net income for the period	0	0	0	0	0	0	104.275	104.275
Valuation of marketable securities	0	0	0	(2.036)	0	(2.036)	0	(2.036)
Balance 30th June, 2001	<u>645.635</u>	<u>0</u>	<u>(531.777)</u>	<u>20.928</u>	<u>204.379</u>	<u>225.307</u>	<u>(160.577)</u>	<u>178.588</u>

Exchange rate used for the convenience translation of amounts for years/ periods up to 31st December 2001: GRD 340.75 to Euro 1.00 (see note 5)

The accompanying notes are an integral part of this statement.