PUBLIC POWER CORPORATION S.A.

FINANCIAL REPORT
(January 1, 2011 – December 31, 2011)

The attached Financial Report of the fiscal year 2011, has been established according to article 4 of Law 3556/2007, has been approved by the Board of Directors of "Public Power Corporation S.A." on March 30th, 2012, and is available for the investors, on the internet, at the web site address www.dei.gr, for at least the next 5 (five) years.

Public Power Corporation S.A.
Registration No 47829/06/B/00/2
Chalkokondyli 30 - 104 32 Athens

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INDEX TO THE FINANCIAL STATEMENTS

A. STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

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STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS
(According to article 4, par.2 of Law 3556/2007)

1. Arthouros Zervos, Chairman and C.E.O. of P.P.C. S.A.
2. Ourania Ekaterinari, Member of the Board of Directors and Deputy CEO
3. Panagiotis Alexakis, Member of the Board of Directors,

hereby

declare

that, to the best of our knowledge:

a) the accompanying Financial Statements of the Parent Company and the Group, for the year ended December 31, 2011, which were prepared according to the International Accounting Standards – currently in effect- as adopted by the European Union, are truthfully depicting assets, liabilities, equity and the statement of income of Public Power Corporation S.A., as well as the companies included in the consolidation, according to the provisions of article 4 of Law 3556/2007 and,

b) the accompanying Board of Directors' Report, truthfully depicts the development, the performance and the status of Public Power Corporation S.A. and the companies included in the consolidation, as well as a description of the confronted major risks and uncertainties.

Athens March 30, 2012

Chairman and C.E.O.	Member of the Board and Deputy CEO	Member of the Board
Arthouros Zervos	Ourania Ekaterinari	Panagiotis Alexakis

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B. EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS

PUBLIC POWER CORPORATION S.A.
FINANCIAL STATEMENTS 31.12.2011

EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS OF PUBLIC POWER CORPORATION S.A. (PPC S.A.) AND GROUP PPC FOR THE FISCAL YEAR 2011

Dear Shareholders,

Following the end of the Public Power Corporation's tenth fiscal year as a Societe Anonyme, we have the honor to submit for approval, according to the Company's statutes, the financial statements for the year ended 31.12.2011, as well as, our comments on the respective statements. Furthermore we submit for approval the unbundled financial statements for the year 2011 (Appendix I of the annual financial statements) according to the provisions of L. 2773/1999, L. 3426/2005 and L. 4001/2011 and the approved by the Energy Regulatory Authority, methodology of accounting unbundling.

The Group's subsidiaries which are consolidated in the Group's financial statements are the following: "ITSO S.A.", "PPC Renewables S.A.", "Operator of the Greek Distribution Network SA or OGDN SA" (former PPC Rhodes S.A) "Arkadikos Ilios 1 S.A.", "Arkadikos Ilios 2 S.A.", "Iliako Velos Ena S.A.", "Iliako Velos Dio S.A.", "Solarlab S.A.", "Iliaka Parka Ditikis Makedonias 1 S.A.", "Iliaka Parka Ditikis Makedonias 2 S.A.", "HPP OINOUSA SA" and "PPC FINANCE PLC".

Based on L. 2190/1920 article 134, PPC S.A. prepared the financial statements for the year ended 31.12.2011 (tenth fiscal year), in accordance to International Financial Reporting Standards (IFRS),as endorsed by the European Union.

According to L. 2773/1999 for the liberalization of the Greek energy market, Public Power Corporation, was transformed into a societe anonyme, effected on January 1, 2001. Its share capital at December 31, 2011 amounted to Euro 1,067.2 million divided in 232 million common shares of a nominal value of Euro 4.60, each.

Until the enactment of L. 2773/99 for the liberalization of the energy market (as amended by L. 3175/2003, L. 3426/2005 and L. 3587/2007) known as the "liberalization law", PPC was functioning as a wholly state owned utility whose objective was to develop the country's energy resources and to support the development of the Greek economy.

In 1999, the Hellenic Republic enacted the Liberalization Law, which incorporated the provisions of Directive 96/92/EC of the European Parliament and of the Council of the European Union into Greek legislation and which liberalized the Greek electricity market. The Liberalization Law provided for, among other provisions, the transformation of PPC into a société anonyme from January 1, 2001 (by virtue of Presidential Decree 333/2000).

In August 2011, Law 4001 was published, which was the base for the decision, by which the contribution of the General Division of Transmission to its wholly owned subsidiary "Independent Transmission System Operator S.A.", was decided. This contribution was made in accordance with the directions of Laws 2190/20, 2166/93 and 4001/11. There is a specific reference in the Financial Statements 2011 for the Transmission's Division spin-off as well as its financial results that were transferred to ITSO S.A.

By L. 4001/2011 the spin – off of the activity of the General Division of Distribution, including the Non – Interconnected Islands Operator as well as assets by PPC along with its liabilities which fall under the above mentioned activity with the exception of fixed assets of the Distribution Network and the Non – Interconnected Islands' Network (herein the "Distribution Division of PPC" was decided and its contribution to a wholly owned subsidiary called "Operator of the Greek Distribution Network or OGDN S.A." was decided.

This contribution is in accordance with the directions of Laws 2190/20, 2166/93 and 4001/11.
It is noted that according to article 123 of L. 4001 (O.G. A 179/22.08.2011) PPC is obliged, in eight months by its effect date to accomplish the legal as well as the operational unbundling of the activity of the management of the OGDN by its other activities of its vertically integrated company, by contributing the Distribution Division in its subsidiary OGDN.

In November 2011 PPC's Board of Directors decided to set December 31st, 2011 (instead of January 1st, 2011) as the inventory date as well as the date for the financial position of PPC's Distribution Division.

In February 28th, 2012 PPC's Board of Directors has approved the spin off if the PPC's Distribution Division, as defined in article 123 of L. 4001/2011,as is in effect, and its contribution to its wholly owned subsidiary "PPC RHODOS S.A." (renamed by law to "Operator of the Greek Distribution Network or OGDN S.A.".
It also approved :

- PPC's Distribution Division's financial position as at December 31ST, 2011
- PPC's Distribution Division's Audit Report and verification of the assets and liabilities as well as
- The Spin-off contract draft of the above mentioned Distribution Division

The above mentioned was approved by PPC's Extraordinary General Shareholders' Meeting which took place on March 29th, 2012.
The Parent Company considers that during the preparation of Financial Statements as of December 31, 2011 IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" cannot be implemented given that according to the management's judgment the above mentioned transaction does not have a commercial value. The spin –off and the contribution will be recorded on the completion date of the transaction, which is the approval date by the authorities.

Amendments in the current legal framework during 2011

All the amendments in the current legal framework are analytically presented in Note 2 of the Financial Statements.

2011 Financial Data

- EBITDA amounted to € 769.4 m in FY2011 compared to € 1,497.7 m in FY2010, reduced by € 728.3 m (-48.6%). EBITDA margin reached 14%, compared to 25.8% in 2010.
- Total electricity demand remained practically at the same level between 2011 and 2010 at 61,834 GWh vs 61,817 GWh in 2010. However, excluding exports and pumping, electricity demand decreased by approximately 1.1% (622 GWh). On the other hand, and with respect to the fourth quarter, total demand increased by 2%, whereas excluding exports and pumping the increase was 2.2%.
- PPC's total electricity sales, including exports, decreased by 2,270 GWh (-4.4%) to 49,317 GWh, whereas the corresponding revenues declined by 6.8%. Despite the increased demand in 4Q2011, electricity sales decreased by 1.2%, mainly due to market share loss.
- PPC's electricity sales and revenues in the domestic retail market decreased by 4.7% (2,405 GWh) and by 7% (€ 367 m) respectively compared to 2010.
- Turnover reached € 5,513.6 m, compared to € 5,809.8 m in 2010, a reduction of € 296.2 m (-5.1%). Turnover includes an amount of € 140.6 m reflecting network users' contributions for connections to the network. The respective amount for 2010 was € 194.5 m.
- In 2011, PPC's electricity generation and imports, covered 70.1% of total demand, while the corresponding percentage in 2010 was 77.3%, a reduction of 4,451 GWh.
- PPC imports decreased to 1,846 GWh from 2,255 GWh in 2010 (-18.1%).
- Concerning RES generation in 2011, PPC RENEWABLES generated 248 GWh compared to 274 GWh in 2010, a decrease of 26 GWh, mainly due to reduced hydro generation by 20%.
- The expenditure for liquid fuel, natural gas and energy purchases increased by € 553.2 m, an increase of 31.1% compared to 2010, mainly driven by the higher expense for energy purchases and imports (+ € 406.5 m), the increase in international prices of heavy fuel oil, diesel and natural gas, the increase of Special Consumption Tax on heavy fuel oil and on diesel, and the imposition of Special Consumption Tax on natural gas since September 2011.
  Excluding the positive impact of an amount of € 37.3 m from previous years' settlements, which are included in energy purchases expense for 2010, the increase of the relevant expense amounts to € 369.2 m. This increase is on one hand, attributed to the increase of energy purchases quantities from the System by 24.6%, mainly due to the reduced hydro generation and the increased IPPs' output and, on the other hand, to the increase in energy purchase prices by 24.7% , whereas the impact from the variable cost recovery mechanism amounted to an additional expense of € 102.1 m compared to 2010.
- The total reduction of payroll cost, including capitalized payroll, between the two periods amounts to € 161m (-11.4%). This reduction is attributed to a large extent (€ 95 m) to the net decline in the number of permanent employees on payroll by 1,024 to 20,821 on 31/12/2011 from 21,845 on 31/12/2010. In addition, internal actions for the reduction in overtime and shifts expense by € 42 m. contributed significantly to the reduction of payroll cost. In this context, despite the lower number of personnel, overtime and shifts in hours decreased by 10.6%.
- During 2011, Transmission System charges decreased by € 8.3 m (from € 248.4 m in 2010 to € 240.1).
  Other expense concerning Transmission System usage, such as ancillary services, administrative expense of HTSO etc., were increased by € 39.9 m.
  As a result, total expense for Transmission System usage increased by € 31.6 m (from € 284.0 m in 2010 to € 315.6 in 2011), excluding the positive impact in 2010 from previous years' settlements, a total amount of € 37.7 m.
- In 2011, 43.6% of the Company's total revenues were expensed for fuel, energy purchases and CO2 emission rights compared to 32% in 2010. On the contrary and despite the decrease in total revenues, payroll expense is further reduced to 19.9% of total revenues compared to 21.4% in 2010.
- 2011 pre-tax losses amounted to €85.8 m, compared to pre tax profits of € 740.7m in 2010, a reduction of € 826.5 m. Pre-tax losses were impacted with an amount of € 25.6 m associated with the impairment of marketable securities. Excluding the abovementioned impact, pre-tax losses would have reached € 60.2 m. Furthermore, the parent company recorded a € 83.5 m. provision for receivables from third party suppliers, regarding rights for the use of network. Without taking into account this provision, the Group would report pre-tax profits in the order of € 23.3 m.
- Group results are burdened with taxes of € 63.1 m., leading to net losses of € 148.9 m., mainly due to tax obligations resulting from profits generated at the level of the subsidiaries IPTO S.A and PPC Renewables S.A. as well as provisions for tax unaudited years.
- No dividend will be distributed for the financial year 2011.

Dividend Policy

Within 2011, the dividends distributed, for the fiscal year 2010, to the Shareholders amounted to € 0.79 per share.

Given that PPC for the year 2011 has declared losses the possibility of distribution of an obligatory first dividend does not incur .

Debt Evolution

Net debt amounted to € 4,703.0 m, an increase of € 493 m compared to 31/12/2010 (€ 4.210,3 m). Consequently, net debt/equity ratio reached 0.73, as at 31.12.2011.

Capital Expenditure Programme of Business Units

Total capital expenditure for the Parent amounted to € 1,002.3 m. and allocated in € 144.0 m to Mines, € 453.2 m to Generation, € 401.6 m to Distribution, € 1.9 million to the Supply and € 1.6 million to activities of the Administrative Divisions. Capital expenditure for the Parent Company of the year 2011 are increased by € 163 million, compared to those of 2010, presenting an increase of 19.4%.

Total Capital expenditure of the Group for 2011 amounted to € 1,107.6 m. and includes Capital expenditure for PPC RENEWABLES S.A. amounting € 26.0 m. and ITSO S.A. amounting € 79.3 m. Capital expenditure for the Group of the year 2011 are increased by € 144.9 million, compared to those of 2010, presenting an increase of 15.1%.

Mines Business Unit

Capital expenditure amounted to € 144.0 m.

Megalopolis

- € 12.5 m. have been expended in Megalopolis, € 9.2 m. of which concern belt conveyor's elongation and improvement and 2.2 m. slope stability.
- Approval of the revised technical mining study for the exploitation of the mines of the Megalopolis Lignite Center issued by the Ministry of Environment, Energy and Climate Change.

Western Macedonia

- € 123.6 m. have been expended in Western Macedonia, € 20.6 m. of which concern belt conveyor's elongation, € 6.3 m. land expropriations, €6.5 m. for earthmoving works for the installation of the 3rd spreader line in Main Field, € 14.7 m. for first bench earthmoving works in South Field, € 4 m. for new Klitos mine and € 9.4 m. new distribution point in South Field, € 16.3 m for the opening up and extension of mine Mavropigis and € 6.8 m for the manufactured floorings in the sector of 7 in South Field and € 2.2 m. for earthmoving works in new "Lakkia" mine. The remaining expenses concerning smaller work as upgrades.
- Completion of excavation works and beginning of construction works for the operation of the new belt conveyors distribution point took place in South Field Mine of the West Macedonia Lignite Center.
- The installation of the eighth bucket wheel excavator and the corresponding belt conveyor system completed in Mavropigi Mine of the West Macedonia Lignite Center.
- The excavation works for the diversion of Soulou River that is necessary for the development of the West Field South Mine in West Macedonia Lignite Center were completed.
- Intensive excavation works carried out in the area of the new unit of Ptolemaida Power Plant (Unit V) in West Macedonia Lignite Center.
- Environmental Terms Approval issued by the Ministry of Environment, Energy and Climate Change, for the exploitation of lignite deposit and all the necessary support works to implement this project in an area of 147.925.860 sq.m in Ptolemais region.
- Modification of the Environmental Terms Approval issued by the co-competent Ministries, for the exploitation of lignite deposit in an area of 9.537.000 sq.m in Klidi mine.
- Approval of the revised technical mining study for the exploitation of the mines of the Western Macedonia Lignite Center issued by the Ministry of Environment, Energy and Climate Change

The total excavations in PPC Mines amounts to 348.7 m. cubic meters and the lignite production to 56.8 m. tones.

Generation Business Unit (GBU)

Total Capital expenditure for the Generation Sector amounted up to € 453.2 m.

Exploitation

- During 2011 total net production of Generation Division's (GD) Power Stations was 41.24 TWh being reduced by 8.9% in comparison with that of the year 2010. This reduction is due to demand reduction, mainly in the Interconnected System (IS), as well as to Third Parties' production increase (conventional and renewables Power Stations) and Imports – Exports Balance. In comparison with 2010 the observed total reduction of 4.02 TWh is attributed mainly to the reduction of power generation from Hydro Plants, by 3.02 TWh, and secondly to Natural Gas (NG) Power Stations.

- GD's Energy Balance cost, as it concerns NG and oil consumption, was increased during the year 2011, in comparison with that of 2010, by, approximately, 12.2% or € 138.1 m. (from € 1,129.7 m. in 2010 to € 1,267.8 m. in 2011). This increase is due to increased fuel prices (by € 260 m.) which was partially offset by reduced fuel quantities consumed (by € 121.8 m.). Quantities' reduction, apart from Market operation, is due to the nullification, practically, of HFO generation in the IS and the reduction of NG production (by 13.4%).

- Slight lignite generation increase is directly related to Market operation and Hydro generation reduction although lignite Power Stations' availability was reduced due, to a large extend, to personnel strikes.

- During the summer period the South System Power reserve was reinforced by hiring and installing, since 2008, Generating Sets (G/S), of 60 MW total net capacity, in Megalopolis B' Power Station.
  These G/S were transferred to Cyprus in order PPC S.A. to help Electricity Authority of Cyprus for the rest of 2011 summer period following the damages caused by explosions, on 11.07.2011, in "Evagelos Florakis" Nautical Base, in Zygi, to Vasilikos Power Station.

- In order to cover the increased summer demand of 2011 hired capacity of 25 MW, for Crete (Atherinolakkos), 20 MW, for Rhodes, and 15.3 MW, for other non – interconnected islands, was added.

- According to obsolete and polluting Units' Decommissioning Program Units I and II (125 MW each) of Megalopolis A' Power Station were decommissioned in September, 2011. Units' first year of operation was 1970 and they were running in opt-out mode during the last years.

Investments
Applying PPC S.A.'s Strategic Priorities Plan, GD has undertaken the implementation of Investment Projects in order to replace obsolete Units with new ones, environmentally friendly, with state of the art technology and higher performance. The progress of the projects in 2011 is as following:

- Thermal Units

  - *Combined Cycle Unit No V of Aliveri Station, 416 MW net capacity, of € 219.2 m. budgeted price:*

    In order to cover delays in Project's progression due to archaeological findings, difficulties faced during licensing procedure and extra works done as well as in order to extend guarantee period by 10 months a number of Supplements were issued according to which budgeted price raised to € 259 m.

    Civil Works, as well as electromechanical equipment installation, have already been finished.
    Unit's tests are expected to begin during summer 2012 provided that NG pipe and mainly its subsea part will be constructed on time.

  - *Megalopoli Natural Gas Combined Cycle Unit No V, 811 MW net capacity at reference conditions, of € 499.5 m. budgeted price.*

    Civil Works construction as well as arrival and installation of electromechanical equipment are in progress. Unit's construction is expected to be finished by end 2012.

    On 17.10.2011 PPC S.A.'s Board of Directors, following relevant request of "METKA S.A. – ETADE S.A." consortium, approved the substitution of this consortium by "METKA S.A. – TERNA S.A." consortium and a relevant Supplement was issued.

  - *Steam Electric Unit V, of Ptolemaida Station, installed capacity 550 - 660 MW (+ 140 MW_{th} for District Heating), of pulverized lignite fuel and € 1,320 m. budget.*

    On 28.06.2011, tenders submission date according to Supplement 8 of the Inquiry, two tenders were submitted. After technical and economic evaluation of the tenders submitted both of them were accepted.

    On 25.11.2011 PPC S.A.'s Board of Directors decided to award the contract of the Project to the lower bidder company "TERNA S.A." under the budgeted price of € 1,394.63 m.
    For the time being discussions are made with "TERNA S.A." for Contract's preparation and the necessary financing for the Project (prerequisite for signing the Contract) is sought.

    On 28.09.2011 the Ministry of Environment, Energy and Climate Change (MEECC) issued the Preliminary Environmental Assessment and Evaluation of the Unit and, on 10.11.2011, Unit's Environmental Impact Assessment was submitted to MEECC.
    The Project is expected to be completed within 70 months from the date that the Contract will be signed.

- *Hydros*
  - *Messochora Hydro Electric Plant (HEP):*

    After the issue of the Decision 141/2010 of Council of State's Suspension Committee all the works of the Contracts running, for Project's completion and operation, have been stopped. PPC S.A. is examining the possibility of disengaging this Project from Acheloos river diversion to Thessaly scheme in order to be faced as an autonomous one and be environmentally licensed (issue of Environmental Terms Approval Joint Ministerial Decision – ETA JMD) independently of other Projects related to diversion scheme.

  - *Metsovitiko HEP:*

    Evaluation of bidders' offers for Inquiry (Main Electromechanical Equipment) for finding the lowest bidder has been completed. Relevant Proposal for awarding the Contract is pending.
    At the same time an Inquiry for the remaining Civil Engineering Works, is programmed. The scheduled date for the Project operation is 2015.

  - *Ilarionas HEP:*

    Execution of waterproofing works in Elati basin and those of constructing bridges and new roads' parts in place of those flooded by Project's reservoir have been completed. Restoration of flooded watering and irritation networks has been added to relevant Contract's (ILH-4) items.

    Civil Works (Contract ILH-2) and Electromechanical Works (Contract ILH-3) are in progress according to a new approved Construction Timetable. After solving a number of pending issues (concerning the Archeological Service, environmental Works, expropriations etc.) tapping of Deviation Tunnel is programmed in mid-2012 while the whole Project Operation within the second Semester of 2013.

- *Non-Interconnected Islands (Crete, Rhodes, Other)*
  - *Diesel Units in Atherinolakkos Station, 95 -105 MW total installed capacity, € 135 mi budgeted price.*

    PPC S.A.'s Board of Directors decided, on 28.09.2011, to cancel relevant Inquiry due to changed Enterprise's priorities and needs (reduced demand, significant development of Renewables and examination of the possibility of interconnecting the Systems of Crete and Mainland in progress).
    For the time being re Tendering of the Project according to new data is examined.

  - *Two new Combined Cycle Units, 260 MW maximum Power each, to be constructed in the new Korakia Station.*

    After failing to achieve any agreement with landowners possessing the necessary field to be purchased, PPC S.A.'s Board of Directors decided, on 03.05.2011, to acquire the field needed by obligatory expropriation.

    The proposal for obligatory expropriation, according to the law, was announced in May 2011 and procedures concerning editing the Environmental Impact Study as well as all the actions and all other studies needed are in progress.

    Project's implementation as well as Units' technology are directly connected with State's final decisions taking into account that, for the time being, long term Energy Programming for the island of Crete has not been finalized and alternative solutions, like the one of interconnection with the mainland, are examined.

  - *New South Rhodes Station, 115.4 MW, consisting of seven similar G/S with four – stroke Diesel engines, and € 182.8 m. budgeted price.*

    In March, 2010 a hiring contract was signed between KED (Hellenic Public Real Estate Corporation) and PPC S.A. for the building site. Because simple hiring causes licensing troubles purchasing of this site was agreed upon between PPC S.A. and KED and on 29.06.2011 the relevant contract was signed.

    In September, 2011 Station's Instillation License was issued.

    Completion of licensing procedure for main Station's settlement is expected in the beginning of 2012.
    Studies and drawings submission by the Contractor, industrialization and arrival at Greece of main electromechanical equipment are in progress.

  - *Installation of G/S, 25 MW total installed capacity, in Rhodes' Soroni Station.*

    G/S have been installed since summer 2010 and are available to cover extra demand of the island until the commissioning of the new Rhode's Power Station. The procedure of temporary / final acceptance of the G/S, as well as this of facing relevant licensing pending issues, is in progress.

  - *Rhodes' peak demand needs coverage during summer 2011:*

    Tendering procedure for purchasing and installing of a new mobile Gas Turbine Unit of 20 -25 MW installed capacity (with two offers submitted) has been completed and, on April 13, 2011 relative contract with lowest bidder "EXPO Energy Systems S.A." was signed with a budget of € 18.98 m.

Commercial operation period of the Unit (23.6 MW capacity at ISO conditions) was completed in September, 2011. At the present time works of Unit's Temporary Acceptance Committee are in progress.
On 07.02.2011 the relevant Generation License was issued by MEECC.

- *Other Non Interconnected Islands*

  - Installation of 22.80 MW of power generation capacity in Samos (1 G/S x 8.25 MW), Kalimnos (1 G/S x 8.25 MW) and Mikonos (1 G/S x 5.88 MW) Autonomous Power Stations as well as in Megisti (2 G/S x 0.25 MW) Local Power Station has been completed.
  - Procedures for purchasing the land needed for building the new Lesvos Autonomous Power Station in the location "Sarakina" in Mandamados are in progress.

- *Environmental Management*
  As it concerns the improvement of GD's Power Generation Units environmental behavior during 2011 the following are noticed:

  - Megalopolis A' Unit III's flue gas desulfurization Project after approval of Temporary Acceptance Protocol (19.07.2011) and the expiration of guarantee period, on 13.12.2011, is about to be Finally Accepted. According to Performance Tests (TUV AUSTRIA) all guaranteed values were achieved.

  - During 2011 Environmental Management Systems (EMS) of Atherinolakkos SES and Acheloos River's Hydro were certified by Independent Certification Bodies. A total of 15 EMS, which are reevaluated annually, have by now been certified by Independent Certification Bodies.

  - As a result of the above mentioned effort GD has received the Management Award for Sustainable Development in this year's contest of Enterprises Greek Awards for the Environment (2011 – 2012).
    By receiving this award GD is automatically a candidate for the European Business Awards for the Environment which are given every two years by the European Committee.

  - Aghios Dimitrios SES certified, in 2011, its job Health And Security Management System according to ELOT – 1801 Standard. A similar certification exists also for Chania SES since 2010.

  - The new Directive 2010/75/EU for Industrial Emissions became active on 06.01.2011. In the context of updating Generation Strategy, for the time after 2015, alternative approaches for adapting existing Units' operation to the requirements of this Defective are examined.

Distribution Business Unit

Capital expenditure amounted to € 401.6 m.

Development & Exploitation of Distribution Network
1,300 km of new MV Network have been manufactured as well as 1,500 km of new LV Network and 2,600 new transformers were installed, while there were 5,700 network removals.

Including the above expansions, the MV Network came to 107,500 km, the LV Network to 121,400 km and the Substations arise to 154,700. Distribution Network Users came to 7,503,265 of which 10,147 are connected to MV.

With the actions mentioned above, Distribution has managed to reciprocate to the need for new connections and at the same time reinforce the credibility and improve the operation of the Distribution Network.
€ 5 m. of the investments were invested for the realization of big projects. The most significant ones are::
- The replacement of 150/20 kV, 100 MVA transformer in Egaleo HV Substation.
- The replacement of MV panels in N. Ionia and Chania HV Substations.

Improvement of Service Time
The service time (study – construction) of new connections was stabilized in the satisfactory levels of 2010. In particular, the average service time of simple connections is 14 days, while the average service time of connections that require network expansion and of network removals is 32 and 42 days respectively.

Environmental Issues
3,600 km of twisted conductor cables were installed, in view of the generalized use of twisted cables instead of conductors. This will have a positive impact to the environment.

Supply Business Unit

Investments of Supply Division have been amounted to € 1.9 m.

This amount was allocated as follows:

1. *New Software System for Billing & Customer Care (SAP-IBM)*
   Continuing "tailor made" preparation of the new IT system (SAP) in collaboration with IT Division, to improve the quality of services provided to customers.

2. *Shaping of Supply's stores network under the uniquely applied visual Corporate identity*
   Upgrade and approval of the Issue for visual Corporate identity guidelines in our Branch Network for:
   - Unique image that reflects the view of a contemporary store, based on customer-oriented philosophy.
   - Pleasant, comfortable environment, offering simultaneously qualitative and quick service.
   - Safety for employees as well as customers.
   - Implementation of Visual Corporate Identity in PPC's stores like: Athens, Kos, Veria, Central region of Thessaloniki and Volos.

3. *Installation of priority systems in customers' services.*
   Installation of priority systems after the completion of relevant bidding process , in the majority of stores, in order to improve effectiveness of customer services.

4. *PPC's stores security issues.*
   - Installation of several security systems such as: CCTV systems, alarm systems, and money safes with time-delay mechanism.
   - Further security measures like: installation of bullet-proof windows in counters.

Supply Division's actions for 2011 are focused on the following:

1. *Supply Division's modernization*

   1.1. Improvement of Services
   - Broadening of Call Center's information capacity, in Attica region, with an average of 86.000 incoming calls per month.
   - Full assistance to applicants for Social Domestic Tariff (KOT).
   - Restructuring of PPC's web site : (www.dei.gr) according to contemporary standards, customer-oriented, direct information for homes, industries, entrepreneurs, etc. as well as the relevant potential for providing due information to handicapped people. Expansion of provided services via smart phone.
   - Update of procedures as far as settlement of customers' liabilities is concerned: reforming of the basic guidelines and criteria, for provided specific predetermined charges criteria-based
   - Developing actions for the effective management of Special Levy on Real Estate Properties collection process, preserving the impact on customer service and the company's image, and ensuring the safety of employees and customers as well.

   1.2. Development of customers approaching actions.
   - Sending letters to 300.000 customers for the promotion of new tariffs.
   - Arrangement of predetermined appointments with major customers for effective understanding and satisfaction of their needs.
   - Optimization and systematization of the procedure for meetings with major customers.
   - Improvement of customers information in PPC's stores. Development of relevant campaign related to brochures exposure.

2. *New Businesses & Services*

   Development of new energy services
   In accordance to the requirements of Directive 2006/32 and Law No 3855/2010, General Division of Supply realizes, the Greek market opportunities in relation to services and products, intending to support the final consumer in proceeding to electric power saves. Towards this perspective, in April 2011, the Company's Board of Directors approved a Memorandum of Understanding between PPC and the Centre for Renewable Energy Sources and Saving (CRES), to promote investments for improving energy efficiency in the residential sector. PPC SA and CRES shortly intend to cooperate in designing and implementing of specific actions of the memorandum.

Significant events for the year 2011

Significant events for the year 2011 are analytically presented in Note 39 of the Financial Statements.

Outlook for 2012

According to the Group's budget for 2012, approved on 12.3.2012 by the Board of Directors, and based on assumptions for Brent oil at $109/bbl and a €/$ exchange rate of 1.30 respectively, the key financials are estimated to be as follows:

Revenues from energy sales : € 5.7 bln.
Total Revenues : € 6.2 bln.
EBITDA Margin : 17% - 18%

It is noted that Group results are impacted, among other, by fluctuations in €/$ exchange rate, oil, natural gas and electricity prices and the price of CO2 emission rights, as well as changes in the legal, regulatory and fiscal framework and bad debt evolution, which could cause deviations from the budgeted figures.
Recessionary pressures currently prevailing in the Greek economy and any prolongation of the recession had and may have in the future a negative impact on the business activity, the operational results and the financial position of the Company. In addition, financing cost and access to capital have been negatively impacted reflecting the economic crisis.

MAJOR RISKS - UNCERTAINTIES

The Group's activities are subject to various risks. Specifically:

Interest rate risk and foreign currency risk
The Group's principal financial liabilities comprise bank loans, bonds and overdrafts. It is the Group's policy to hedge, solely for protection purposes, through derivatives the risk arising from the fluctuation of the floating interest rates and the foreign currency exchange rates of its debt portfolio. The existing derivatives transactions refer to specific interest rate swaps (conversion of floating rate liabilities to fixed rates liabilities) and forward currency contracts, in order to manage the relative risks. The main risk arising from managing the Group's debt liabilities is focused in the financial results and cash flows, mainly as a consequence of the fluctuation of interest rates and, to a minimum extent, on foreign currency exchange rates fluctuation, considering that 99% of the existing debt is denominated in Euro. On the contrary, the fluctuation of € / $ exchange rate constitutes a risk concerning the Parent Company's liabilities arising from fuel purchases. In order to cover the foreign currency risk from liquid fuel purchases, the Board of Directors of the Parent Company approved in 2010 a framework policy for hedging transactions. Within this framework, hedging transactions were implemented in 2011. It should be noted that, hedging transactions may not provide full protection against the above mentioned risks.

Market risk
The Parent Company is exposed to the risk of an increase in prices (commodity prices) of oil, natural gas, electricity purchased from the System and the Network, CO_2 emission rights as well electricity prices of direct PPC imports. The Parent Company has hedged volatility of liquid fuel prices for 2009, 2010 and 2011. Furthermore, the Parent Company has fully covered the estimated CO_2 deficit for the period 2008-2012, and has therefore covered the relevant price volatility risk. On the contrary, the Parent Company has not established a hedging policy against the risk arising from the volatility of natural gas prices. In terms of the risk arising from price volatility of electricity purchases, this is hedged less and less by the vertical integration of the company (internal hedge), since PPC Generation share in the wholesale market by the end of 2011 amounted to 74.5%, while since January 25, 2012, PPC's Supply share in the retail market has exceeded 98%, given that PPC supplies with electricity as a Supplier of Last Resort all consumers, who were left without electricity supplier following the recent developments in the retail electricity market.

Merchandise price risk
The prices of the main materials (metals, etc.), apart from fuel, used by Group for its operation and development are defined by the international merchandise markets resulting to the Group's exposure to the risk of fluctuation of the relevant prices**.**

Credit risk
Despite the diversification of electricity sales to a large customer range, with a wide spectrum of economic activity, the general financial conjecture has, to a great extent, a negative impact on liquidity due to payments difficulties experienced by customers. In addition, during the recent period, there are delays or/and non payment of current bills by significant industrial customers.
The credit risk may intensify in the event of continuation or even deterioration of the recession, whereas the collection of the extraordinary special levy on property, through PPC's bills, may affect the rate of collection of electricity bills that are collected together with this levy . Within this context, the Parent Company is systematically monitoring outstanding receivables and is taking measures, in order to limit this impact, to the possible extent, also within the framework set by current legislation, aiming at:

- Informing customers about their debts and, on a case per case basis, appealing to extrajudicial means
- facilitating customers to repay their debts by installments,
- proceeding via the Network services to interruption of electricity to customers that do not settle their debts.
- securing revenues, among other actions, underwritings and guarantees.

The Group has no significant concentrations of credit risk with respect to derivative transactions, due to the fact that it monitors the credit ratings of counterparties and the level of contracts it enters into with any counterparty.

Liquidity risk
Liquidity risk is connected with the need to ensure adequate cash flow for the financing of the operation and the development of the Group. The Group manages its liquidity risk by continuously monitoring and programming its policy for fulfilling its cash flows liabilities, ensuring sufficient credit lines and cash deposits, while aiming at the same time at the extension of the average maturity of its debt and the diversification of its funding sources. As a matter of fact said risk is intensifying due to the general situation of the Greek economy and of the banking sector, where the liquidity is limited or almost inexistent. For a significant part of 2012 debt, mainly held by Greek banks, there are advanced discussions regarding refinancing.

Risk of exposure in competition
The competition that the Group is facing has increasing intensity and extent both in the field of the Wholesale as well as in the Retail Market. On the wholesale market level, the market share loss is continuously increasing due to the commissioning of new generation units from independent power producers, as well as due to the increasing penetration of third parties RES generators in the System. On the retail market level, the market share loss in customer categories with the largest profit margins has a negative impact on the profitability of the Company. In addition, the methodology for the calculation of PPC's compensation for any cost incurred by PPC SA for the provision of services as "last resort supplier", as well as the means for covering such compensation in accordance with L.4001/2011 have not been defined. Therefore, PPC's role as a last resort supplier has to be assessed and quantified accordingly, in order to avoid potential negative impact on its financial results.

Risk of not having Fixed Asset insurance
The Parent Company does not insure its fixed assets in use (with the exception of the information technology equipment), and therefore an eventual significant damage may possibly have a respective adverse impact on PPC's profitability, given the fact that PPC is self-insured. Moreover, materials and spare parts as well as liabilities against third parties are not insured. The Parent Company is examining the possibility to proceed to a Request for Tenders for the selection of an insurance company for the insurance coverage of its assets and liabilities against third parties, taking into consideration the legal unbundling of Transmission and Distribution Activities.

Credit Rating Risk
Following the international financial crisis, International Rating Agencies apply stricter criteria in the area of liquidity adequacy, and as a result even if a company has ensured, among other, a reliable coverage plan for its capital needs, it faces the risk of a rating downgrade in the event that it does not fulfill the new stricter criteria.

Hydrologic Conditions
The evolution of hydrologic conditions is a completely unpredictable factor and has a very significant impact on the Company's profitability.

Availability of lignite reserves
The Parent Company believes that lignite reserves are adequate to cover medium term levels of supply required for power generation by lignite-fired thermal power plants.

Tariff risk
Low Voltage tariffs remain regulated and do not reflect any unfavorable fluctuations of the cost of the wholesale market. It should be noted that from August 1st , 2010, the implementation of the existing fuel clause mechanism was suspended, while a mechanism for linking Low Voltage tariffs with the wholesale market prices has not be adopted. RAE has issued an opinion for the necessity of establishing a mechanism of tariff adjustments based on the wholesale market volatility, while, in the revised memorandum signed in February 2012, it is provided that further measures will be adopted to ensure that the energy component of regulated tariffs reflects, at the latest by June 2013, wholesale market prices, except for vulnerable consumers.
The same risk may apply for the year 2012, following the announcement of the new Low Voltage tariffs, effective as of 1.1.2012, (pursuant to the decision of the Ministry of the Environment, Energy and Climate Change).
As regards High Voltage tariffs, it is noted that there is risk of non timely implementation of these tariffs as of 1.4.2012, due to any possible additional regulatory intervention. The Company has set a deadline for the consultation procedure and shall proceed to the implementation of the provisions of the Supply Code in case the said procedure is not successful**.**

CO_2 Emission allowances
In December 2008, the Greek National Allocation Plan for the period 2008 – 2012 was announced. PPC buys systematically CO_2 emission rights in order to cover the deficit between the allocated rights and the actual CO_2 emissions. During the period 2008-2010, the deficit amounted to approximately 14.8 million tons. Based on current data, the deficit for 2011 is estimated in the order of 2.6 million tons CO_2, while for 2012 it is estimated to 4.2 million tons, according to the approved budget of 2012. In total for the five year period 2008-2012, the deficit is estimated to vary between 19 to 22 million tons of $CO_{2.}$
23 million tons (fully covering the period 2008-2012, with a surplus for 2013-2020) have been fully secured already against price volatility risk as follows:
(a) part of them has been contracted through Carbon Funds for deliveries of CERs, in predetermined prices, up to the year 2012,
(b) the rest has already been covered by purchases of EUAs mainly through Stock Exchanges.

Based on current data, the impact of CO_2 emission right deficit on the generation cost for the year 2012 is in the order of € 47 million. To the extent that the deficit exceeds the abovementioned estimates due to unforeseen circumstances, the impact on generation cost and, as a consequence, on the financial results of the Parent Company shall be bigger than predicted. In addition, any change in the environmental legislation may affect the Group's profitability.

Regulatory Risk

Potential modifications and/or additions in the regulatory and legislative framework of the electricity market, according both to the provisions of EU legislation and the implementation of the Memorandum signed between the Greek State, IMF, EU, and ECB may have a significant impact on the operation, the contractual commitments and the financial results of the Group. The implementation of the Directive 2009/72 is leading to the organizational restructuring of PPC with the legal unbundling of the Transmission and Distribution activities. The relevant legislation has already been adopted by the Greek State, while an independent 100% subsidiary company, "Independent Power Transmission Operator" (IPTO S.A.), has already been established.

Risk from Potential Undertaking of Social Security Liabilities

Despite the fact that under the current legislation the Parent Company 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.

Litigations Risk

The Group is defendant in several legal proceedings, whereas any adverse outcome against PPC will have a significant impact on the financial results.

Risk from tax and other regulations

Any potential enforcement or/and alteration in tax and other regulations, may have a negative impact on the Groups' financial results.

Risk from regulated rate of return on Network activities

The regulated rate of return on Network investments may have a negative impact on the Groups' profitability, if it does not cover the reasonable return on the invested capital.

Risk from providing Public Service Obligations (PSOs)

According to the existing methodology for PSOs calculation, the Group is not fully compensated for providing Public Service Obligations. In particular, as far as the cost of electricity generation in the Islands is concerned, the change which was made in the framework of Fuel Taxation is not reflected in the current methodology of PSO's calculation. This risk is intensified after the increase of Special Consumption Tax on Diesel and Mazut. Upon expiration of the first implementation period of the existing methodology in 2011, PPC will pursue the implementation of a new methodology that will allow PPC to fully recover PSOs.

To that end, for the estimation of the annual compensation of 2011 for providing PSOs that affects 2012 tariffs, the increase of the Special Consumption Tax on liquid fuels used in power generation in the non-interconnected islands was taken into account. However, factors affecting cost, such as the premium over the commodity price, as well as the cost of transportation of fuels to the islands are not taken into account yet.

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, 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 salaries, maximum level of salaries, recruitments and dismissal of employees, as well as the procurement policies. 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 applied to the Company's current and future competitors, may limit its operational flexibility and may also have significant negative impact on its financial results and on business risk management. Specifically, the implementation of the provisions set forth in art. 2 of L.3833/2010 may have significant negative consequences on the operation of the Company.

It should be noted that the Group does not have the possibility to recruit or keep its experienced personnel in the entire range of its business activities while, additionally, the Groups' inability to recruit specialized personnel has a negative impact on the ability of the new, under formation 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 from competitors.

Pursuant to L.4057/2012, concerning all kinds of recruitment, the approval of the Interministerial Committee is necessary. A possible denial to grant the relative approval may have a negative impact on the Company's business operation.

Memorandum of Economic and Financial Policies

The new Memorandum of Economic and Financial Policies included in L 4046/14.02.12 concerning energy matters provides for actions, the unsuccessful or non implementation of which may create significant risks for the Group:

Unbundling of network activities

The Government ensures that network activities are effectively unbundled from supply activities.

In particular, for electricity:

- all the necessary transfers of staff and assets of the transmission system operator (TSO) are completed; the TSO management, its supervisory body and the compliance officer are appointed in accordance with the Electricity Directive 2009/72/EC. **[February 2012]**
- all necessary transfers of staff and assets to the legally unbundled distribution system operator (DSO) are completed. **[Q1-2012]**
- the unbundled TSO is certified by the Greek energy regulator. **[Q2-2012]**

For gas:

- unbundling is implemented as provided for in Art. 9 of Directive 2009/73/EC on common rules for the internal market in natural gas. **[Q1-2012]**
- The unbundled TSO is certified by the Greek energy regulator. **[Q3-2012]**

The Government commits to launch the privatisation of PPC and DEPA following the unbundling of the TSOs in line with the commitments of this memorandum and monitors the process to ensure competition in the market.

The Government undertakes that whichever the outcome of the privatisation process the gas industry structure will be fully compliant with Directive 2009/73/EC.

Measures to increase competition on the generation of electricity

The Government finalises the remedies to ensure the access of third-parties to lignite-fired electricity generation. **[Q1-2012]**

The Government starts implementing the measures ensuring the access by third parties to lignite-fired electricity generation. **[Q2-2012]**

The implementation of the measures to ensure access by competitors of PPC to lignite-fired electricity generation is completed. Third parties can effectively use lignite-fired generation in the Greek market. **[November 2013]**

In the context of the privatization of PPC, the Government takes the necessary steps to be able to sell hydro capacity and other generation assets to investors. That sale is separate from the divestiture of lignite capacity provided for in the Commission's decision on the Greek lignite case. Nevertheless, investors may be given the possibility to buy hydro capacity / other generation assets jointly with the lignite capacity provided for in that decision. The sale of hydro capacity will i) not delay the sale of lignite assets beyond the time frame provided for in the relevant Commission Decision and ii) not prevent the sale of lignite assets without a minimum price.

Regulated tariffs

Further measures are adopted to ensure that the energy component of regulated tariffs for households and small enterprises reflects, at the latest by June 2013, wholesale market prices, except for vulnerable consumers. **[Q2-2012]**

The Government removes regulated tariffs for all but vulnerable consumers **[Q2-2013]**

Renewables

The Government completes the transposition and the implementation of the renewable energy Directive (2009/28/EC) and submits the progress report required by the Directive. **[Q1-2012**]

The Government prepares a plan for the reform of the renewable energy support schemes such that they are more compatible with market developments and reduce pressures on public finances. The plan should contain:

- a timetable scheduling meetings and stakeholder discussions on the reform of the support scheme.
- options for reform of the support scheme, including a feed in premium model, and specifying in each option the method of tariff calculation and the means of avoiding possible over compensation.
- current and expected trends in costs for all relevant technologies.
- consideration of the option of automatic tariff digression.
- measures for the development of wind and solar energy resources. **[Q1-2012]**

The Government pursues implementation of the renewable energy project 'Helios,' through legislation [**Q1-2012**], facilitation of licencing process [**Q2-2012**] and cooperation with other EU countries for the export of solar energy.

Other measures

The Government ensures that its regulatory framework for the energy sector fully complies with the provisions in the Electricity and Gas Regulation, in particular concerning transparency, congestion management and non-discriminatory and efficient allocation of capacity on gas and electricity networks. In particular, the Government commits to resolve all open issues regarding the infringement case 2009/2168 for non-compliance with the Electricity Regulation. This resolution will include the adoption by the Independent Regulatory Authority (RAE) of a modified electricity market code and establishing cross-border electricity trading procedures for the interconnectors with Bulgaria in line with the provisions of Regulation (EC) 714/2009 and its annexes. **[Q1 2012]**

The Government undertakes to:

- Establish a One-Stop Shop for the licensing and permitting of the following classes of infrastructure projects **[Q4-2012]**: LNG installations, natural gas storage and transmission pipeline projects and electricity transmission lines.
- Establish an LNG code, approved by RAE, which ensures transparency and non-discriminatory access to the Revithoussa LNG plant and the efficient allocation of unused capacities. **[Q3 2012]**

The medium term fiscal strategy 2012-2015

The Privatization Program as per Law 3985 (O.G. A' 151, 1-7-2011) provides for the sale of 17% of PPC share capital, currently owned by the Greek State, by the third quarter 2012.

In Law 3986 (O.G. A'152 1-7-2011) it is stipulated that the above sale shall be carried out through the Hellenic Republic Asset Development Fund (HRADF).

Organisation and Risk Management

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

The Group has not established yet a specific and discrete Risk Management Organizational structure. Till to date its line management is engaged in a continuous process of identifying and primarily assessing risks in order to submit its recommendation to the Board of Directors regarding the designing and approval of specific risk management procedures and policies.

The Company faces strikes

Most of the Company's employees are members of labour unions. Extensive labour unrest may have a significant negative impact on the Company's business activity.

The Measures that are included in L4046/2012 and concern the provisions governing labour relations may lead to strikes.

BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates for December 31, 2011 are as follows:

	December 31, 2011	
	Receivable	**Payable**
Subsidiaries		
- ITSO	2,422	(15,117)
- PPC Renewables S.A.	36,116	(1,215)
- OGDN (former PPC Rhodes S.A.)	-	-
- Arkadikos Ilios Ena S.A.	3	-
- Arkadikos Ilios Dio S.A.	1	-
	38,542	**(16,332)**
Associates		
PPC Renewables ROKAS S.A.	-	(195)
PPC Renewables TERNA Energiaki S.A.	-	-
PPC Renewables DIEKAT Energy S.A.	-	-
PPC Renewables MEK Energiaki S.A.	-	-
EEN VOIOTIA S.A.	-	-
- Larco (energy, lignite and ash)	99,344	-
- Sencap	137	-
	99,481	**(195)**

Other

	Parent Company	
	December 31, 2011	
	Receivable	**Payable**
- HTSO S.A.	413,384	(520,408)
	413,384	**(520,408)**

	Group	
	December 31, 2011	
	Receivable	Payable
- HTSO S.A.	507,774	(520,408)
	507,774	**(520,408)**

PPC's transactions with its subsidiaries and its associates for 2011 are as follows:

	2011	
	Invoiced to	Invoiced from
Subsidiaries		
- ITSO S.A.	2,422	(1,901)
- PPC Renewables S.A.	7,626	(8,705)
- OGDN (former PPC Rhodes S.A.)	11	-
- Arkadikos Ilios Ena S.A.	-	-
- Arkadikos Ilios Dio S.A.	-	-
	10,059	**(10,606)**
Associates		
PPC Renewables ROKAS S.A.	-	(1,538)
PPC Renewables TERNA Energiaki S.A.	-	-
PPC Renewables DIEKAT Energy S.A.	-	-
PPC Renewables MEK Energiaki S.A.	-	-
PPC Renewables ELTEV AEIFOROS S.A.	-	-
EEN VOIOTIA S.A.	27	-
Larco	74,607	(7,843)
Sencap S.A.	-	-
	74,634	**(9,381)**

Other

	Parent Company	
	December 31, 2011	
	Invoiced to	Invoiced from
- HTSO S.A.	83,700	(1,228,643)
	83,700	**(1,228,643)**

	Group	
	December 31, 2011	
	Invoiced to	Invoiced from
- HTSO S.A.	392,797	(1,228,643)
	392,797	**(1,228,643)**

In May 2011 the Parent Company has provided the guarantee for a short term loan amounting to Euro 8.5 million for its wholly owned subsidiary PPC Renewables. This short term loan was repaid in November 2011. In addition in November 2011, the Parent Company has provided the guarantee for a short term loan amounting to Euro 5 mil. for its wholly owned subsidiary PPC Renewables.

Procurement of lignite from LARCO S.A.: On August 24, 2007 the Parent Company signed a contract for the procurement of lignite from LARCO S.A. for a total amount of 1.2 million tonnes (with a right to increase up to 15%) for a period of four years and a total amount of Euro 25.8 million. Given the fact that at the time of signing the contract LARCO S.A. had outstanding payables of an equal amount to PPC from the supply of electricity, payments for the procurement of lignite will be settled against the abovementioned receivable from LARCO S.A. PPC had made a provision for the abovementioned receivables, which was reversed in 2007, due to the fact that the collection of the amount was secured not only by the abovementioned contract, but also by a guarantee bond that LARCO S.A. raised in favour of PPC, covering the total duration of the contract and the total contractual amount. Taking under consideration the worth of lignite deliveries until July 2011 and the invoicing for August 2011 for the revised lignite prices for the deliveries of the period 01.01.2010 – 31.12.2010, the payment in full of LARCO's old debt, through the 2007 contract is considered to be completed by July 2011.

LARCO S.A. is liable for sums due and payable to PPC related to the consumption of electricity since December 2008. For all sums due to PPC for the period November 1, 2008 until April 30, 2009, an action has been filed by PPC before the competent Multimembered Court of Athens (for a sum of Euro 24.2 m.) whereas, for the sums due to PPC for the period May 2009 – October 2009 (for a total sum of Euro 18.8 m.) an action has been filed against the said Company, the hearing of the case having been set for November 14, 2013. In July 2010 the Board of Directors of the Parent Company approved an agreement for the settlement of new debts incurred by LARCO's electricity consumption for the period 1.11.2008 to 31.05.2010. The above mentioned framework agreement was already approved by LARCO's Board of Directors.
As foreseen in the above mentioned agreement, a new framework agreement for the settlement of LARCO's new debts will be conducted, part of which will be paid by concluding a new lignite procurement contract, following the pattern set by the existing one,. As far as payment of the rest of the debt is concerned, LARCO will disburse predetermined amounts, on a monthly basis, based on the fluctuation of nickel's stock market price.

In addition with the aforementioned contract frame, LARCO is binded to pay in time the electricity bills for the consumption for the period following July1st, 2010. In this framework, LARCO has paid in time bills concerning electricity consumption for the months July 2010 to August 2011 and part of the consumption bills for September and October 2011 while the consumption bills for November and December 2011 as well as January 2012 are outstanding thus resulting to overdue receivables of Euro 30.9 mil. plus interest.

The process of completing the contract for the settlement of new debts as well as the new contract for the procurement of lignite which depict the above mentioned framework agreement, was completed and approved by the Parent Company's Board of Directors in July 2011. The above mentioned decision also provided for the inclusion of LARCO's electricity bill concerning June 2010.

It is noted that in view of the materialisation of the above mentioned contract for the settlement of new debts, LARCO has paid Euro 1 mil., in April 2011 and Euro 1 mil., in May 2011, and thus the final debt amounts to Euro 76.7mil. (principal not including interest). For LARCO's debts PPC has established adequate provision.

The above mentioned contract were signed on August 1st, 2011. In the context of the new contract for lignite procurement, deliveries of lignite amounting to a worth of Euro 6.5 m. have been made, by February 29th, 2012 as well as two payments of Euro 1 mil. which results to the old dbt of Euro 76.7 mil. to be reduced to Euro 68.2 mil. (principal not including interest) in March 16th, 2012. . It is noted that no payments have been made by LARCO for the two installments that come up based on nickel's stock market price for the months September 2011 and February 2012 of a total amount of Euro 2 mil. as well as interest. The immediate due debt of LARCO on March 16th, 2012 amount to Euro 32.9 mil (30.9 mil plus 2 mil.) plus interest. The total amount due by LARCO on March 16th, 2012 is Euro 99.1 mil. (68.2 mil. of old debt plus 30.9 mil.) plus interest.

PPC's Board of Directors decided on March 12, 2012, to address a Judicial Reminder of debtor's default to LARKO in accordance with the provision of article 11 par. 12 of the existing Code for Supply for the payment of sums due from LARKO to PPC. In case of non-payment within 20 days' time as of service of the same to LARKO PPC to proceed with discontinuation of the supply of electricity to the respective customer. Furthermore, it was decided upon to file interim measures as against LARKO as well as an action due to debtor's default in payment before the competent Courts in order to safeguard the payment of sums due to PPC. PPC served on 16-3-2012 a Judicial Statement- Protest- Reminder of debtor's default and Summoning to LARKO reserving all its rights, and hence, the abovementioned 20days term will expire on the 5th of April 2012.

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.

	Purchases		**Balance**	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
ELPE, purchases of liquid fuel	156,029	259,636	4,012	16,468
DEPA, purchases of natural gas	409,513	380,558	157,898	45,227
	565,542	**640,194**	**161,910**	**61,695**

In January, September and November 2011, DEPA sent letters to PPC regarding the commitment that arises from not receiving the minimum contractual quantities (take or pay) for the year 2010. The above mentioned letters do not include any relevant data that support the eligibility by law for the foundation of the payment of the take or pay clause for the year 2010.

PPC has resorted to arbitration according to the provision of article 23 of the 09.06.1994 Gas Supply Contract between DEPA and PPC requesting a compensatory return according to article 25 of the same Contract. Arbitration has already issued a decision fully in PPC's favor since the Court of Arbitration by its Decision 42/15.12.2011 recognized as valid PPC's right for the return of profits by DEPA, as described in article 25 of the above mentioned Contract and thus obliged DEPA to pay to PPC the amount of Euro 17.3 mil. plus interest by June 1, 2009 until its full payment. DEPA has filed an action for annulment of the said Decision before the Athens Court of Appeals since March 16, 2012, the hearing of which has been set for February 23, 2013.

In August 2010, the Parent Company's Board of Directors decided to proceed to the cash payment of 85% of the amount invoiced by DEPA for the procurement of natural gas, along the lines of the existing contract, given that PPC considers, in principle, that this reduced payment is reflecting the material change of circumstances, which define PPC's contractual obligation, beginning with the invoices concerning the consumption of July 2010.
In the Parent Company's financial statements, the cost for natural gas reflects the full charge (100%) by DEPA S.A. For the abovementioned issue, DEPA SA filed a petition for arbitration/writ of action dated 24.01.2011 against PPC SA before the Arbitration Court, by which DEPA SA requests to receive by PPC the total amount of Euro 22.1 mil. with additional statutory interest accrued on the dates specifically mentioned in the said petition. The above amount corresponds to 15% of the total amounts of PPC's gas consumption bills during the period from 1.7.2010 to 31.12.2010, which PPC SA has not paid to DEPA SA as it considers this amount as the reasonable amount PPC is entitled to deduct from the relevant monthly payments to DEPA SA, due to changes of the financial conditions of the Contract between the two parties.
Arbitration Decision 3/2012 has already been issued, since December 15, 2011 which has been notified to the related parties on January 30, 2012 PPC and which is partially in favor of PPC, by accepting that it is refundable to DEPA by PPC for the time of the above mentioned arbitration (August 2010 – November 2010) plus legal interest the amount of Euro 14.7 mil. against the requested amount by DEPA (for the above mentioned time) of Euro 22 mil.
In the context of the conclusion of a new contract for purchase of natural gas, the management of PPC and DEPA are in negotiation for the overall examination of their mutual claims which derive from the already existing purchase contract for natural gas, including the take or pay clause, for the period until 2011. PPC's management estimates that the final outcome will be positive for the Parent Company and the Group. Since the result of the above mentioned negotiations as well as both arbitrations is not yet finalized, PPC has not recognized any benefit in its accompanying financial statements.

Further to the above, PPC enters into transactions with many government owned or- 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 year ended December 31, 2011 and 2010 have as follows:

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	250	276	140	143
- Non-executive members of the Board of Directors	147	177	122	133
- Compensation / Extra fees	-	-	-	-
- Contribution to defined contribution plans	-	-	-	-
- Other Benefits	16	33	16	33
	413	**486**	**278**	**309**
Compensation of Vice Managing Directors and General Managers				
- Regular compensation	1,458	1,133	1,355	1,133
- Contribution to defined contribution plans	259	187	239	187
- Compensation / Extra fees	-	217	-	217
	1,717	**1,537**	**1,594**	**1,537**
Total	**2,130**	**2,023**	**1,872**	**1,846**

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 and related contributions to social security funds. Also, it does not include the electricity benefit based on the PPC personnel invoice to the Board of Director members, the Vice Managing Directors and the General Managers.

Statement of Corporate Governance

1. INTRODUCTION

Code of Corporate Governance of the Company
The Corporate Governance constitutes a system of principles, based on which the optimum organization, management and operation of the societe anonyme is pursued along with transparency in its relations with the shareholders and more generally the safeguarding of corporate interest.

The observance of the principles of corporate governance constitutes the major commitment and priority of PPC S.A. in view of its important role in the Greek Economy, as well of the public service character of its services.

It is noted that the Company is subject to specific laws and regulations applicable to companies of the wider public sector, as long as the Hellenic Republic, as the main shareholder, holds 51% of its share capital. Consequently, its business shall continue to fall under the laws and provisions applicable to companies owned by the Greek State and shall affect specific procedures such as those concerning, indicatively and not restrictively, the policy of personnel remuneration. The said laws and provisions, to which the current competitors of the Company are not expected to be subject, may restrict its operating flexibility and the implementation of the relevant best practices of corporate governance.

PPC has established and implements its own code of corporate governance, posted on the website of the company (www.dei.gr).

The basic axes of the Corporate Governance System of PPC are the following:

Governing Bodies
Composition, competence and functioning of the governing bodies. Committees of the Board of Directors and their competences.

Shareholders
Competence and functioning of the General Meeting of Shareholders, shareholders' rights, the concern for their briefing, as well as data required in accordance with article 10 par. 1 of Directive 2004/25/EC of the European Parliament.

Internal audit and risk management
Main characteristics of the Company's internal audit and risk management systems in relation with the procedure of financial statements' establishment.

2. Corporate Governance Practices implemented by PPC in addition to Law (article 2 par. 2 L. 3873/2010)

1) The prohibition applied to the members of the Board of Directors to perform competitive acts is valid for a period of two years following termination of any reason whatsoever of the term of office of the member of the BoD or his retirement from the Board of Directors. (article 14 par.2 of Articles of Incorporation).

2) The Board of Directors consists of different categories of members: 6 members elected by the main shareholder during a General Meeting where he is the only participant, 2 members elected by the minority shareholders in a Special General Meeting where only the minority shareholders participate, 2 members elected by GENOP-PPC and 1 member designated by the Economic and Social Committee (article 10 of Articles of Incorporation).

3) In case that the positions of Chairman and CEO are held by the same person, the Board of Directors shall elect a Vice Chairman (article 15 of Articles of Incorporation).

4) Apart from the Board of Directors and the CEO, the Governing Bodies of the Company include the Competitive and Corporate Functions Management Board and the Networks Management Board (article 9 of Articles of Incorporation and article 3 of Operation Regulation).
5) A Remunerations Committee has been established, consisting of three (3) non executive members of the Board of Directors, two of which at least are independent.
6) PPC and the CEO sign a management contract (article 17 of Articles of Incorporation).

7) By virtue of a special contract, the CEO may hire independent consultants in order to support him or the Deputy CEOs or the General Managers in carrying out their duties. The number of independent consultants shall not exceed 10 (article 24 of Operation Regulation).
8) By virtue of the Resolution of the Board of Directors no 38/23.02.2009 a Corporate Governance and Monitoring Committee of the subsidiary company of PPC S.A. under the trade name "PPC Renewables S.A." was established.

The said Committee, by virtue of the Resolution of the Board of Directors no 97/14.04.2010, consists of the Chairman of PPC Renewables S.A. Mr Arthouros Zervos, the CEO of PPC Renewables S.A. Mr. Ioannis Tsipouridis, the Deputy CEO of PPC S.A. Mrs. R. Aikaterinari, the General Manager of Finance of PPC S.A. Mr. G. Aggelopoulos and the General Counsel of PPC S.A. Mr. A. Oikonomou.
The above practices are posted on PPC website.

3. Description of internal audit and risk management systems in relation with the procedure of financial statements' drawing up

3.1 Safeguards at corporate level

In December 2010 the BoD of the Company decided the merger of the Internal Audit Entity and the Administration and Financial Control Department operating over decades and their transformation to the Internal Audit Department (IAD) which reports directly to the BoD. Its mission is the integrated audit coverage of all corporate risks of the Company. The IAD is supervised by the Audit Committee which consists of three independent-non executive members of the BoD, who have been appointed by the General Meeting of the Shareholders.
The members of the Audit Committee, in accordance with the Operation Regulation of the Company, assume the obligations provided for by the legislation concerning corporate governance, including:

- follow up of the financial information procedure,
- follow up of the effective operation of the internal audit system and the risk management system, as well as follow up of the proper operation of the IAD.

- follow up of the process of obligatory audit of individual and consolidated financial statements,
- review and follow up of issues relating to the existence and preservation of the objectivity and independence of chartered auditors-accountants concerning, in particular, other services rendered by them to the Company and its subsidiaries.

The annual audit plan of the IAD is drawn up based on the determination, updating and assessment of corporate risks of the Group and taking into consideration the strategic goals of the Company and all evolutions concerning the Company and its environment. The audit plan is submitted for approval by the BoD through the Audit Committee.

3.2 Safeguards for information systems

The Company has developed a Framework of Information Systems Security within which the policies concerning Information Systems Security are defined in regard with information classification, security in matters of personnel, physical and environmental security, management of communications and information systems operations, access control, development and maintenance of information systems, business continuity management, compliance with the obligations deriving from the regulatory-legislative framework.

Moreover, the roles and competencies concerning the information systems security are defined.

3.3 Safeguards for the procedure of drawing up financial statements and reports

The basic areas where safeguards concerning the drawing up of the Company's financial statements and financial reports are implemented, are the following:

- Allocation of Competencies
  The executives being involved have clearly defined roles and areas of responsibility, reinforcing thus the effectiveness of the Internal Audit System.
- Procedures for accounting monitoring and drawing up of financial statements
  Integrated policy principles for the operation of the Accounting Services of the Group.
  Procedures in relation to the issuing of financial statements and their consolidation at Group level.
  Regular follow up of the International Financial Reporting Standards, as these are adopted by the European Union, and respective adaptation of the accounting principles and policies of the Group, as required.
  A special approval by the top executives of the Company is required for the posting of accounting entries, which concern specialized, non recurrent accounting events.
  Controls are being carried out by the Information Department on the information subsystems data, before being integrated into General Accounting.
  Regular communication of the executives of the Finance Division with the Top Management and the Audit Committee for the ratification and recording of important events that influence financial statements.
  Regular communication of the Chartered Auditors with the Top Management and the Audit Committee with regard to the progress and the results of the Company's obligatory audit.
- Procedures for property safekeeping
  Implementation of safeguards for fixed assets, reserves, assets-cheques and client management information systems. Indicatively we mention the existence of analytical procedures and audit mechanisms for carrying out the annual materials inventory.
- Transaction approval limits
  The operation of the Services, at all management levels, as well as of the Company Bodies is governed by the Financial and Administrative Jurisdictions System by which the jurisdictions in matters of approvals by the Governing Bodies and the executives of the Company are defined.

4. Information required in accordance with article 10 par. 1 items c), d), f), g) and h) of Directive 2004/25/EC of the European Parliament and the Council, dated April 21st, 2004 concerning Takeover Bids - EXPLANATORY REPORT OF BOARD OF DIRECTORS (Article 4, paragraph 7 & 8 of L. 3556)

4.1 Share Capital Structure

The Company's share capital amounts to Euro 1,067,200,000 divided into 232,000,000 ordinary registered shares corresponding to 232,000,000 voting rights with a nominal value of Euro 4.60 each.

4.2 Restrictions in transferring Company shares

Pursuant to article 43 par.3 of L.2773/1999 the Greek State's percentage in PPC's share capital cannot be less than 51% of the shares with voting right of the Company following any increase of the share capital.

4.3 Significant direct or indirect participations within the meaning of articles 9 to 11 of L. 3556/2007

Major participant is the Greek State holding 51,12%.
Significant participation (over 5%) at December 31, 2011 had the Greek State and Silchester International Investors LLP.

8/9/2011	1. "Silchester International Investors LLP" in its capacity as investment manager for its clients: - Silchester International Investors International Value Equity Trust, - Silchester International Investors International Value Equity Taxable Trust, - Silchester International Investors International Value Equity Group Trust, - Silchester International Investors Tobacco Free International Value Equity Trust, - The Calleva Trust, - The Kiltearn Global Equity Fund, - The Silchester Global Equity (Ireland) Fund.	**10.02%**
13/9/2011	2. «Silchester International Investors LLP» in its capacity as investment manager for its client : - Silchester International Investors International Value Equity Trust.	**5.01%**
13/9/2011	3. "Silchester International Investors LLP" in its capacity as investment manager for its clients : - Silchester International Investors International Value Equity Trust, - Silchester International Investors International Value Equity Taxable Trust, - Silchester International Investors International Value Equity Group Trust, - Silchester International Investors Tobacco Free International Value Equity Trust, - The Calleva Trust, - The Kiltearn Global Equity Fund, - The Silchester Global Equity (Ireland) Fund	**10.21%**
30/11/2011	4. "Silchester International Investors LLP" in its capacity as investment manager for its clients : - Silchester International Investors International Value Equity Trust, - Silchester International Investors International Value Equity Taxable Trust, - Silchester International Investors International Value Equity Group Trust, - Silchester International Investors Tobacco Free International Value Equity Trust, - The Calleva Trust.	**13.02%**
8/12/2011	5. "Silchester International Investors LLP" in its capacity as investment manager for its clients : - Silchester International Investors International Value Equity Trust, - Silchester International Investors International Value Equity Taxable Trust, - Silchester International Investors International Value Equity Group Trust, - Silchester International Investors Tobacco Free International Value Equity Trust, - The Calleva Trust.	**13.80%**

4.4 Shares with special control rights

There are no shares granting special control rights, stricto sensu. It is hereby noted, the procedure of election of the members of the Board of Directors, (articles 10 and 20 of the Company's Articles of Incorporation), through two General Shareholders' Meetings. In the first one participates among the company's shareholders the majority shareholder – i.e. the Greek State –, while in the other participate only the minority shareholders.

4.5 Voting rights restrictions

- According to article 10 par.2 (a) of the Company's Articles of Incorporation in force, the minority shareholders are not entitled to participate in the General Meeting of shareholders [in which among others participate the majority shareholder (i.e. the Greek State)], by which six (6) members of the Board of Directors, the CEO included, are elected.
- According to article 20 of the Company's Articles of Incorporation in force, whenever an election of a minority representative to the Board of Directors is required (it is provided in article 10 par.2c that two minority representatives participate in the Board of Directors) a Special General Meeting is convened, which only the minority shareholders and not the Greek State- majority shareholder- are entitled to attend (participate and vote).

4.6 Agreements between Company shareholders

The Company has no knowledge of agreements existing between its shareholders.

4.7 Regulations on appointing and replacing members of the Board of Directors

According to article 10 of the Company's Articles of Incorporation in force, the Company's Board of Directors is composed of eleven (11) members, divided into executive and non executive members, among which:

- Six (6) members, including the CEO, are elected by the General Meeting of the majority shareholder (the Greek State) in which the minority shareholders are not entitled to participate.

- Two (2) members representing the Company's employees are elected by the members of the Most Representative Trade Union of the Company.
- Two (2) members are elected by a Special General Meeting of the minority shareholders (article 20 of the Company's Articles of Incorporation in force), in which the Greek State is not entitled to participate.
- One (1) member is designated by the Economic and Social Committee (ESC) who is involved in agencies performing activities similar to those of the Company.

In the event that, for any reason whatsoever, any representative of the employees or the representative of ESC is not elected or in the event any vacancy in the office of the aforesaid representatives is not promptly filled or/and in the event that the minority shareholders have not appointed their representatives in the Board of Directors or in the event they have not filled in the office of the said members, this shall not impede the Board of Directors´ constitution and functioning, without said members.

According to article 10 par. 5a of the Company's Articles of Incorporation in force, in case that, for whichever reason, there is a vacancy in the office of a member of the Board of Directors elected by the General Meeting of the majority shareholder (Greek State) (procedure per article 10 par. 2a of the Company's Articles of Incorporation in force), the remaining Board members shall elect another member for the balance of the term of the vacant member and such election shall be certified at the next meeting of the General Meeting.

According to article 20 par. 1 subpar. c)' of the Company's Articles of Incorporation in force, in case that, for whichever reason, there is resignation or a vacancy in the office of a member of the Board of Directors elected by the Special General Meeting of the minority shareholders, they shall be substituted by means of the same procedure applied for their election.

4.8 Duties of the Board of Directors with regard to the issuance of new or the purchase of own shares
According to article 7 par.3 of the Company's Articles of Incorporation in force, the Company may, by resolution of the Board of Directors, issue provisional share warrants, which shall be exchanged for the final ones upon their issue.
Article 16 of Codified Law 2190/1920, as amended and currently in force, provides for the Company's ability to purchase own shares, with the Board of Directors responsibility, under the requirements specifically indicated by the above article.
There is no provision in the Company's Articles of Incorporation in force, concerning specifically the Board of Directors' competence for the purchase of own shares.

4.9 Significant agreements that become effective are amended or terminated in the event of change of control
Many loan agreements provide that, in case of an alteration in ownership, if the participation of the Greek State in the Company's share capital is reduced to less than 51%, the fact is termed as an event of default.
In addition, the change in PPC's share capital, which will lead to change in control over the Company is a reason for dissolution of the shareholders' agreement between PPC and Contour Global, relating to SENCAP. Change in control over the Company is considered any case leading to the loss by a person or a legal entity of the ownership of the majority of shares in a company or loss of the possibility of appointing management or exercise material influence during important decision making by the controlled company. SENCAP has been dissolved and is currently under liquidation.
Finally, the change in PPC's share capital, which will lead to change in control over the Company is a reason for an "Accelerated Put/Call Event" according to the Shareholders Agreement between PPC S.A. and Urbaser, relating to WASTE SYCLO S.A., and will initiate the procedure of the "Accelerated Put/Call Notice", within a specific deadline. The Non Defaulting Party may require to purchase all the shares of the Defaulting Party according to the foreseen procedure in the Shareholders Agreement.

4.10 Agreements with members of the Board of Directors or Company Personnel.
There are no share distribution programmes to members of the Board of Directors and/ or employees of the Company.

PPC has signed employment contracts with the Chairman and Chief Executive Officer Mr. A. Zervos, with the Vice Chairman and Deputy CEO Mr. K. Theos and with the Deputy CEO Mrs R. Ekaterinari.

5. Information on the functioning of the General Meeting of the shareholders and its main powers, as well as description of the shareholders' rights and of their exercise

5.1 Competence of the General Meeting
1. The General Meeting of shareholders is the supreme authority of the Company and shall have the right to make decisions on all matters concerning the company, unless otherwise stipulated in the Articles of Incorporation, and more particularly to decide regarding:
   (a) Amendments of the Articles of Incorporation. Such amendments are also deemed to include the increase or reduction of the share capital, subject to the provisions of article 6 of the Company's Articles of Incorporation and article 34 par. 2 of Codified Law 2190/1920, as currently in force. The decisions concerning amendments to the Articles of Incorporation shall be valid, provided that the relevant amendment is not prohibited by an express provision of the Company's Articles of Incorporation or by law.
   (b) The election of members of the Board of Directors, pursuant to articles 10 and 20 of the Articles of Incorporation, of the Chief Executive Officer and of the regular auditors.
   (c) The approval of the balance sheet of the company.
   (d) The distribution of the annual profits.

(e) The issue of loan through bonds convertible into shares, subject to the provisions of article 6 of the Company's Articles of Incorporation. The issue of bonded loans not convertible to shares shall be permitted also by virtue of a decision of the Board of Directors.
(f) The merger, division (demerger), conversion, revival, extension of term or dissolution of the company; and
(g) The appointment of liquidators.

2. Any holder of fully-paid up voting shares shall participate in the General Meeting of shareholders of the company only to the extent of the number of shares which he holds, without prejudice to those set forth in Art. 8 of the Articles of Incorporation.

3. The Greek State shall, as shareholder of the company, exercise the rights conferred to it by the Articles of Incorporation and by the relevant provisions pertaining to sociétés anonymes.

4. The Greek State shall attend the General Meeting, being represented by the Minister of Finance or his lawful representative. The Minister of Environment, Energy and Climate change or his lawful representative may attend, without voting right, the General Meeting, particularly with respect to those issues, which fall within the competence of the General Meeting and are stated in paragraphs 2(a) and 5(a) of article 10 of the Company's Articles of Incorporation.

5. This article cannot be amended by resolution of the General Meeting.

5.2 Convocation of the General Meeting

1. The General Meeting of shareholders of the company shall be convened by the Board of Directors and shall meet at the seat of the company and/or at any other place outside such seat, in accordance with the provisions of article 25 of Codified Law 2190/1920, at least once a year, always within the first six (6) months following the termination of the financial year. The Board of Directors may convene an Extraordinary General Meeting of the shareholders, whenever this is prescribed by special provisions or whenever the BoD considers it appropriate.

2. Within ten (10) days from the submittal by the auditors of a request to the Chairman of the Board of Directors, the Board of Directors shall be bound to convene the General Meeting of shareholders having for items on the agenda those listed in the submitted request.

5.3 Invitation to the General Meeting

1. The Invitation to the General Meeting, with the exception of repeat General Meetings and of meetings regarded as such, shall clearly state, at least, the venue, date and time of the meeting, the items on the agenda, the shareholders entitled to participate, as well as precise instructions about the way the shareholders shall be able to participate in the meeting and exercise their rights in person or by proxy or, potentially, through remote attendance (from a distance), shall be posted in a prominent place at the registered office of the company and shall be published as follows:
(a) In the Bulletin of Sociétés Anonymes and Limited Liability Companies of the Official Gazette, in accordance with article 3 of Presidential Decree dated 16/22 January 1930 on "Bulletin of Sociétés Anonymes."
(b) In a daily newspaper published in Athens, which, according to the opinion of the Board of Directors, has a nation-wide circulation, selected from among the papers listed in article 3 of Legislative Decree 3757/1957 regarding "Prerequisites to Be Met by Newspapers Which Publish Material Referring to Sociétés Anonymes and Limited Liability Companies" (Official Gazette, volume A, issue no. 184), as currently in force.
(c) In a daily financial newspaper from among those designated in paragraph 2(c) of article 26 of Codified Law 2190/1920.
(d) In two newspapers with a wide circulation in Europe and the United States, provided that this shall be permitted by the standing legislation of the place of publication.

2. The General Meeting shall be convened at least twenty (20) days prior to the date set for the meeting, inclusive of days legally excluded (holidays). Publication in the Bulletin of Sociétés Anonymes and Limited Liability Companies of the Official Gazette shall be made at least ten (10) full days and in the other newspapers twenty (20) days prior to the said appointed date. In the event of repeat General Meetings, the time limits set forth herein are reduced by one half.

3. The day of publication of the notice of invitation to attend a General Meeting and the day on which such meeting shall be held are not counted.
Ten days prior to the Ordinary General Meeting shareholders may obtain from the company its annual financial statements, as well as the relevant reports of the Board of Directors and of the Auditors.

4. The invitation to the General Meeting contains information on the shareholders' rights, the voting procedure by proxy or by post or electronic means, the date of registration, the place where all documents of the General Meeting shall be available and the webpage where all information on the General Meeting shall be posted (article 3 of Law 3884/2010). A list with the names of shareholders with voting right at the General Meeting, with indication of their proxies, the number of shares and votes of each shareholder as well as the addresses of the shareholders and of their proxies shall be posted in a prominent place at the registered office of the company, 24 hours prior to the General Meeting. As of the date of publication of the invitation and until the date of General Meeting, at least the following information shall be posted on the webpage of the company: the invitation to the General Meeting, the total number of shares and voting rights on the date of the invitation,

the documents to be submitted to the General Meeting, a draft resolution for each item on the agenda or, in case that no resolution is submitted for approval, a comment by the Board of Directors for each item on the agenda, any draft decisions proposed by the shareholders right after their service to the company and the printed forms to be used for the exercise of the voting right by proxy (article 4 Law 3884/2010).

5.4 Participation in the General Meeting

Shareholders shall be entitled to participate and vote at the General Meeting without being required to block their shares or observe any other process that restricts them from selling or transferring their shares during the time period intervening between the record date and the date of the General Meeting. Shareholders participate and vote either in person or by proxy. A proxy holder holding proxies from several shareholders may cast votes differently for each shareholder. Legal entities participating in the General Meeting may appoint up to three natural persons as proxies. The appointment and recall of proxy holders shall be made in writing or through electronic means and shall be notified to the company according to the same procedure at least three (3) days prior to the General Meeting. Each shareholder may appoint up to three (3) proxy holders. Any person appearing as a shareholder in the registry of stock exchange which keeps the dematerialized securities of the Company shall be entitled to participate in the General Meeting. The shareholding capacity shall be evidenced by providing a relative written confirmation by the said body or alternatively electronically through online connection with the records of the latter. The shareholding capacity shall be valid on the commencement of the fifth day prior to the date of the General Meeting (record date). The relative written or electronic confirmation with regard to the shareholding capacity shall be serviced to the company at the latest the third day prior to the General Meeting. Shareholders may attend the Repeat General Meeting in accordance with the same formal requirements set out above. The shareholding capacity shall be valid on the commencement of the fourth day prior to the Repeat General Meeting (record date of the Repeat General Meetings). The relative written or electronic confirmation with regard to the shareholding capacity shall be serviced to the company at the latest the third day prior to the General Meeting. The participation and voting right shall be exercised only by those holding the shareholding capacity on the said registration date. In any other case, the shareholder may attend the General Meeting only upon authorization of the General Meeting. (article 6 of L.3884/2010).

5.5 Ordinary Quorum and Majority

1. A quorum of the General Meeting shall be deemed to be achieved for the proper discussion of the issues on the agenda, when shareholders representing at least one fifth (1/5) of the paid-up share capital are present or represented thereat.

2. If the quorum referred to in the preceding paragraph is not obtained, the General Meeting shall by held again within twenty (20) days from the date of the postponed meeting, by invitation being notified at least ten (10) days prior to the meeting date. For the postponed meeting, a quorum shall be deemed to be obtained in order to duly discuss the items set out in the original agenda, independently of the proportion of the paid-up share capital represented thereat.
A new notice of invitation is not required, in the event that the original notice of invitation states the venue and date of the repeat meetings provided for by the law, in case a quorum has not been reached, provided that ten (10) full-days intervene between the postponed meeting and the repeat one (article 7 of Law 3884/2010).
3. The resolutions of the General Meeting shall be made by absolute majority of the votes represented thereat.

5.6 Extraordinary Quorum and Majority

1. As an exception, for resolutions involving:

a) the change in the nationality of the company,
b) the modification of the object of the company,
c) the issuance of bonded loans convertible into shares, as stipulated by article 21 par. 1(e), of the Articles of Incorporation,
d) the increase of the shareholders' obligations,
e) the increase of the share capital, subject to the provisions of article 6 of the Articles of Incorporation, or unless it is imposed by law or is effected by capitalization of reserves,
f) the decrease of the share capital, with the exception of the case of art. 16 par. 6 of Codified Law 2190/1920, as currently in force, or with the exception of those cases which are regulated in a different manner according to a special law or to the Articles of Incorporation,
g) change in the manner of profits distribution,
h) the restriction or abolition of the preferential right of the old shareholders in all cases of increase of the share capital not effected by transfers in kind or by the issuance of convertible bonds,
i) the merger, division (demerger), conversion, revival, extension of term or dissolution of the company,
j) the granting or renewing of powers to the Board of Directors for the increase of the share capital or the issuance of bonded loan in accordance with the provisions of article 6 par. 2(b), of the Articles of Incorporation, and,
k) any amendment to the present article and in any other case provided for by the law, a quorum shall be deemed to be obtained for the proper transaction of the business set out in the agenda, when shareholders representing two thirds (2/3) of the paid-up share capital are present or represented at the relevant meeting.

2. If the said quorum is not obtained, a second General Meeting shall be held in accordance with the provisions of paragraph 2, article 25, of the Articles of Incorporation, a quorum of which shall be obtained for the proper transaction of the business set out in the original agenda, when at least one half (1/2) of the paid-up share capital is represented thereat. If such quorum is still not obtained, the General Meeting is held upon notice of invitation and convened as stipulated above, a quorum of which shall be obtained, when shareholders representing at least one fifth (1/5) of the paid-up capital, are

present or represented at said meeting. A new notice of invitation is not required, in the event that the venue and time of the repeat meetings, as provided for by law, are set by the initial invitation, for the cases quorum is not obtained, provided that ten (10) full-days intervene between each postponed meeting and the repeat one (article 7 of Law 3884/2010).

3. The resolutions stipulated in paragraph 1 of the article herein shall be made by a two-thirds (2/3) majority of the votes represented at the General Meeting.

5.7 Chairmanship of the General Meeting

1. The Chairman of the Board of Directors shall preside, provisionally, as chairman at the General Meetings. If unable to perform his duties, he shall be replaced by his substitute. Secretarial duties at the meetings shall be performed, provisionally, by a person appointed by the Chairman.

2. Following approval of the final list of shareholders with voting rights, the General Meeting shall proceed to the election of its Chairman and of one (1) Secretary, who shall also act as scrutineer.

5.8 Agenda – Minutes of the Meetings

1. The discussions and the resolutions of the General Meeting shall be limited to the items on the agenda published in accordance with article 23 of the Articles of Incorporation.

2. A summary of all the items discussed and resolved at the General Meeting shall be entered in a minute book signed by the Chairman and the Secretary. Following request, if any, by any shareholder, the Chairman shall record an exact summary of the said shareholder's opinion in the minutes. A list of shareholders attending in person or by proxy the General Meeting established in accordance with par. 2 of article 27 of Codified Law 2190/1920 shall be recorded in the said minutes. The results of the voting shall be posted on the company's webpage under the responsibility of the Board of Directors, within five (5) days at the latest as of the date of the General Meeting, stating for each resolution at least the number of shares for which valid votes were cast, the proportion of the share capital represented by such votes, the total number of valid votes as well as the number of votes cast in favour or against each resolution and the number of abstentions (art. 18 of L.3884/2010).

3. Copies of and extracts from the minutes of the General Meeting shall be certified by the Chairman of the Board of Directors or his substitute.

4. If only one shareholder is present at a meeting of the General Meeting, then a representative of the Ministry of Environment, Energy and Climate Change - Section of Supervision of Sociétés Anonymes or a notary public authorized to do business in the district where the seat of the Company is located, shall attend the said General Meeting and countersign the minutes thereof.

5.9 Discharge from Liability of the members of the Board of Directors and of the Auditors

Following the approval of the annual financial statements, the General Meeting shall decide by a special vote, taken by roll call, regarding the discharge of the members of the Board of Directors and of the auditors from any liability for damages. The said discharge shall be null and void in those instances provided by article 22 (a) of Codified Law 2190/1920, as currently in force.

5.10 Minority Rights

1. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be bound to convene an extraordinary General Meeting, setting the date of such a meeting, which shall not be later than forty five (45) days from the date of service of such request to the Chairman of the Board. The agenda items shall be stated in detail in the said request. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the service of the said request, the meeting is convened by the requesting shareholders at the expense of the company, upon decision of the Single-Member Court of First Instance at the company's registered seat, issued following the procedure of interim measures. The place and date of the meeting, as well as the items on the agenda, shall be defined by the said decision.
At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders in accordance with the provisions of article 27 par. 3 of Codified Law 2190/1920, at least six (6) days prior to the General Meeting any draft resolutions included in the agenda, provided that the said request is submitted to the Board of Directors at least seven (7) days prior to the General Meeting (article 12 of L.3884/2010).

2. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Director shall include on the agenda of the General Meeting that has already convened additional issues, if the request is received in the Board fifteen (15) days before the General Meeting. Additional issues to be published or communicated with the responsibility of the Board, according to article 26 Law 2190/1920, seven (7) days before the General Meeting. The request should be accompanied by a justification or a draft decision for adoption by the General Meeting and the revised agenda published in the same way as the previous agenda, thirteen (13) days before the date of the General Meeting and also made available to shareholders in the company's website, along with a justification or a draft decision submitted by the shareholders as provided in article 27, paragraph 3 of Law 2190/1920.

3. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Chairman of the General Meeting shall be obliged to postpone, only once, the decision making at an ordinary or extraordinary General

Meeting, setting at the same time, as date for the continuation of the meeting, the one specified in the request of the shareholders, which may not be later than thirty (30) days from the date of postponement. The General Meeting, which follows the postponement, is deemed to be in continuation of the previous one and no repetition of the formalities for the publication of the shareholders' invitation is required. New shareholders may also attend this meeting, by complying with the provisions of article 27 par. 2, 28 and 28a of Codified Law 2190/1920 (article 12 of L. 3884/2010).

4. a) At the request of shareholders representing one twentieth (1/20) of the paid-up share capital submitted to the company, the Board of Directors shall be bound to announce to the General Meeting of shareholders, provided it is an ordinary General Meeting, the amounts paid by the company, for whatever reason, within the last two (2) years, to members of the Board of Directors, to the General Managers, to the Managers or other employees of the company, as well as of any other benefit paid to the said persons or of any contract of the company concluded with the above mentioned persons for any reason whatsoever.
   b) At the request of any of the shareholders submitted to the company within five (5) full days prior to the General Meeting, the Board of Directors shall be obliged to provide the requested information with respect to the company affairs, to the extent that such information is useful for the actual evaluation of the agenda items.
   In both cases a) and b) above, the Board of Directors may refuse to provide the requested information, if sufficient material grounds exist, recording the reasons for such refusal in the minutes.

5. At the request of shareholders representing one fifth (1/5) of the paid-up share capital submitted to the company within the time limit referred to in the preceding paragraph, the Board of Directors shall be obliged to provide to the said shareholders, during the General Meeting or, if it prefers, before such meeting to their representative, and irrespective of whether they shall be represented on the Board of Directors, information on the progress of the affairs and on the financial condition of the company. The Board of Directors may refuse to provide the requested information, if sufficient material grounds exist, recording the reasons for such refusal in the minutes.

6. In the cases referred to in paragraphs 3a and 4 of the article herein, any issue in dispute over the validity of the reasons for such refusal by the Board of Directors shall be resolved by the Single-Member Court of First Instance at the company's registered seat, following the procedure of interim measures.

7. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, a resolution concerning any item on the agenda of the General Meeting shall be made by roll call.

8. In the cases referred to in paragraphs 1 up to 4 of the article herein, the shareholders submitting such a request are obliged to provide evidence of their shareholder's status, in accordance with article 24 of the Articles of Incorporation, as well as of the number of their shares granting them the above rights, from the date of service of their request up to the date of the General Meeting, and in the cases referred to in paragraphs 5, up to the date of issuance of the judgment by the appropriate court. Such evidence shall also be the deposit of shares in accordance with the provisions of article 28 of Codified Law 2190/1920 or the submittal of a certification issued by the body which keeps the securities of the company or the confirmation of the shareholders capacity through online connection of the company with the said body (article 12 of L. 3884/2010).

9. Shareholders of the company representing one twentieth (1/20) of the paid-up share capital, shall have the right to request by the Single-Member Court of First Instance of the company's registered seat the carrying out of an audit of the company. Such audit shall be ordered, if it is assumed that certain acts reported against the company, violate the provisions of the laws or the Articles of Incorporation or resolutions of the General Meeting. In all cases, the petitions requesting an audit must be filed within three (3) years from the date of approval of the annual financial statements of the financial year within which such reported acts took place.

10. Shareholders of the company representing one fifth (1/5) of the paid-up share capital shall have the right to request from the court referred to in the preceding paragraph the carrying out of an audit of the company, provided it is assumed from the general progress of the company affairs, that the management thereof is not carried out in accordance with the principles of honesty and prudence. The last period of paragraph 3 article 40 of Codified Law 2190/1920 shall not be applicable.

11. Shareholders, who make a request, in accordance with paragraphs 8 and 9 of the article herein, must provide evidence to the Court that they are in possession of the shares, as stipulated in article 24 of the Articles of Incorporation, granting them the right to request the audit of the company and submit the relevant auditing petition, until the issuance of the court judgment and, at any rate, for a period of time no less than thirty (30) days from the filing of the petition.

6. Composition and functioning of the Governing Bodies

6.1 Governing Bodies

The Governing Bodies of the company shall be:
(a) The Board of Directors.
(b) The Chief Executive Officer and
(c) The Competitive and Corporate Functions Management Board and the Networks Management Board.

1. The Board of Directors shall consist of eleven (11) members divided into executive and non executive members and elected for a three-year term. In order to ensure continuity in the administration of the affairs and the representation of the company, the term of office of each member may be extended ipso jure until the first Ordinary General Meeting to be held after the expiration of term of each member.
2. The Board of Directors shall consist of:

   a) Six (6) members, including the Chief Executive Officer, elected by the General Meeting of the shareholders of the company, in which, however, cannot participate the shareholders who are entitled to attend the General Meeting stipulated in article 20 of the Articles of Incorporation. The Board of Directors shall elect from among the said members its Chairman and Vice Chairman, pursuant to article 15 of the Articles of Incorporation.

   b) Two (2) members representing the employees of the company. These members shall be elected by direct, general ballot by means of the proportional representation system, within a time period of two (2) months from the relevant notification to the most representative trade union (ASOP). The election of the representatives of the employees to the Board of Directors shall be conducted by an election committee appointed by the most representative trade union of the company, in which (committee) at least one representative from the remaining trade unions of the company shall participate. The procedure of the said election, the appointment of the local election committees, the time and the details of the polling, as well as the counting of the votes and the announcement of the results thereof, shall be the job of said committee, which shall be presided over by a judicial functionary pursuant to the provision of article 11 of Law No. 1264/1982 concerning "Democratization of the Trade-union Movement – The Rights of the Unions" (Official Gazette, volume A, issue no. 79). The same procedure shall also apply to the appointment of the substitute members in replacement of the members of the Board elected in accordance with the procedure set forth in the paragraph herein. In case the substitute member resigns or leaves his office vacant, for any reason whatsoever, his position shall be occupied by his exact following substitute.

   c) Two (2) members representing the minority shareholders, pursuant to the provisions of article 20 of the Articles of Incorporation.

   d) One (1) member designated by the Economic and Social Committee (ESC) and coming from agencies relating to the activities of the company. The member designated by the ESC shall be proposed as a member within a time period of two (2) months as from the notification to the said Committee by the Minister of Environment, Energy and Climate Change and shall be appointed by virtue of Decision of the said Minister. The same procedure shall also apply to the substitution of the said member, in the event of resignation or vacancy in the office of said member, for any reason whatsoever, as well as to the revocation of said member.

3. In the event that, for any reason whatsoever, any representative of the employees or the representative of ESC is not elected or in the event any vacancy in the office of the aforesaid representatives is not promptly filled within the time limit of two (2) months, as from the notification to the agencies, this shall not impede the constitution and functioning of the Board of Directors.

4. In the event that, for any reason whatsoever, the minority shareholders shall not elect the members representing such minority or in the event they shall not fill any vacancy in the office of said members, this shall not impede the constitution and functioning of the Board of Directors.

5. (a) In case that, for whichever reason, there shall be a vacancy in the office of a member of the Board of Directors elected in accordance with the procedure set forth in paragraph 2(a) of the present article, the remaining members of the Board shall elect another member for the balance of the term of the member in the office of whom a vacancy has occurred, and such election shall be certified at the next meeting of the General Meeting.

   (b) In the event of a vacancy in the office of the Chief Executive Officer, for any reason whatsoever, the Chairman of the Board of Directors shall temporarily act as Chief Executive Officer, or if the posts of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors, appointed pursuant to article 15 par. 1, of the present Articles of Incorporation, shall act as Chief Executive Officer. In such instances, the Board of Directors shall call a meeting of the General Meeting of shareholders within the shortest possible time for the election of the new Chief Executive Officer.

   (c) In the event of a vacancy in the office of the Chairman of the Board of Directors, for any reason whatsoever, the Chief Executive Officer of the company shall temporarily act as Chairman, or if the posts of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors, appointed pursuant to article 15 par. 1, of the present Articles of Incorporation, shall act as Chairman. In the event of a vacancy in the office of both the Chairman and the Chief Executive Officer, and should no Vice Chairman of the Board of Directors have been elected, the Chairman shall be substituted by the senior member of the Board of Directors.

   (d) In the event that the Chief Executive Officer or the Chairman are absent or temporarily unable to perform their functions, the Vice Chairman, and, if there is no Vice President, a person designated by the Board of Directors among its members who have been elected by the General Meeting in accordance with Article 10 par. 2(a) of the Articles of Incorporation, shall substitute for them.

6. Failure to certify the election or the substitution of a member of the Board of Directors by the General Meeting shall not invalidate the resolutions of the Board of Directors taken with the participation of the said member.

6.2 Competence of the Board of Directors

1. The Board of Directors is the supreme governing body of the company, which shall formulate, primarily, its development strategy and policy, as well as supervise and exercise control over the management of its property. The Board of Directors

shall approve, upon recommendation of the Chief Executive Officer: (a) the Strategic Plan, which determines the strategic goals for the attainment of the purpose of the company; (b) the Business Plan of the company of a duration between three (3) and five (5) years, which specifies the goals of the Strategic Plan for each year of its duration; (c) the methods for the implementation of the Strategic Plan and the Business Plan for each year of their duration. The Board of Directors shall also follow up the implementation of both the Strategic and the Business Plan.

2. The Board of Directors shall represent the company and shall be vested with unlimited authority to decide on any act and to exercise full power concerning the management of the company, the management of its property and, in general, the fulfilment of its object, with the exception of those issues which, either by law or by the Articles of Incorporation, expressly fall within the jurisdiction of the General Meeting.

3. The Board of Directors shall, upon recommendation of the Chief Executive Officer, approve the annual budget of the company, prepare, approve and submit to the General Meeting for approval the annual financial statements of the company and prepare and submit to the General Meeting the annual report.

4. The Board of Directors shall, upon the recommendation of the Chief Executive Officer, decide on: a) the necessity of creating positions of Deputy Chief Executive Officers, as well as on their number and competences thereof, b) the basic organization of the Company divided into General Divisions, which constitute the highest administrative level of its organizational structure, c) the creation of positions of General Managers and their competences.

5. The Board of Directors may, upon recommendation of the Chief Executive Officer, delegate part of its competences, except for those which, pursuant to Codified Law 2190/1920 and to the Articles of Incorporation, require collective action, or fall within the exclusive jurisdiction of the Chief Executive Officer in accordance with Article 16 of the Articles of Incorporation, as well as the administration, management or supervision of the affairs or the representation of the company, to the Chairman, to the Chief Executive Officer, to the Deputy Chief Executive Officers, to one or more of its members, to the Competitive and Corporate Functions Management Board, to the Networks Management Board, to the General Managers, Managers or employees of the company. The aforesaid persons to whom the competences of the paragraph herein are delegated and who have not the capacity of member of the Board of Directors, carry the same responsibility towards the company as the members of the Board of Directors, pursuant to par. 6, article 22 of Codified Law 2190/1920, as currently in force, and article 13 of the Articles of Incorporation.

6.3 Convocation and Functioning of the Board of Directors

1. The Board of Directors shall meet at the seat of the company and/or outside its seat at the facilities of PPC SA at Kozani, Megalopolis and Aliveri, upon the call of the Chairman or his substitute on such day and hour as determined by him, whenever required following the needs of the company.

2. The Board of Directors may lawfully meet by way of teleconference upon invitation to the members of the Board of Directors, which includes all necessary information with respect to their participation in the meeting.

3. Upon application by two (2) members, the Chairman or his substitute shall be obliged to convoke the Board of Directors, setting the date of the meeting, which shall not be later than seven (7) days from the submission of the relevant application, in which (application) the Chairman or his substitute shall be obliged to include any proposed item on the agenda of the first meeting held following submission of the relevant application.

4. The agenda of the meetings shall be determined by the Chairman and its items shall be included in the notice sent to the members of the Board at least two (2) working days prior to the date of the meeting, otherwise the decision taking is permitted, only if all members of the Board of Directors are present or represented at the meeting and none of them objects to the taking of decisions.

5. A quorum of the Board shall be deemed to be present and the meeting shall be deemed valid if, pursuant to paragraph 6 of the present article, one more than half the number of members are present or represented. In no case, however, shall the number of members physically present be less than three (3). In determining the number required to form a quorum, fractions, if any, shall be ignored.

6 The Board of Directors shall take its decisions by absolute majority of the members present or represented. In case of equality of votes, the Chairman’s vote shall prevail.

7. A member of the Board may, following a written authorization, validly represent only one member thereof. The representative appointed may not be a person, who is not a member of the Board.

8. Minutes of the proceedings and decisions of the Board of Directors shall be kept in accordance with the Law (Article 20, par.6 Codified Law 2190/1920, as currently in force). The minutes are signed by the Chairman and the members of the Board present at the relevant meeting and certified at the next meeting of the Board of Directors.

9. The copies of and extracts from the minutes of the Board of Directors shall be signed by the Chairman, or, in the event he is absent or unable to perform his duties, by his substitute, without any other validation being necessary.

10. The General Counsel may attend the meetings of the Board of Directors without having the right to vote, except as otherwise decided by the Board of Directors.

11. The drawing up and signing of minutes by all the members of the Board of Directors or their representatives is equal to a decision of the Board of Directors, even if no meeting has proceeded.

6.4 Liability of the Members of the Board of Directors

1. The members of the Board of Directors shall be liable to the company for any fault committed by them during the performance of their duties, as specifically provided for under articles 22(a) and 22(b) of Codified Law 2190/1920, as currently in force.

2. The members of the Board shall be bound to keep absolute secrecy with regard to all confidential information in respect of the affairs of the company coming to their knowledge in their capacity as Board members.

3. The appointment and the dismissal for any reason whatsoever of the Board members and of the persons empowered to represent the company jointly or severally shall be subject to publicity, as stipulated by articles 7(a) and 7(b) of Codified Law 2190/1920, as currently in force, together with their identity particulars.

6.5 Prohibition of competition - Participation in the Board of Directors of subsidiary companies

1. The members of the Board of Directors, the Deputy Chief Executive Officers, the General Managers, the Managers, as well as the employees of the company shall not be permitted to perform, on occasion or by profession, without the authorization of the General Meeting of shareholders of the company, either on their own behalf or on behalf of third parties, acts falling within the object of the company, or be members of Boards of Directors, executives, employees or representatives of companies pursuing aims similar to those of the company. The subsidiary companies of the company or the companies in the capital of which the company participates shall not be subject to the abovementioned prohibition.

2. The prohibition referred to above shall be valid for a period of two (2) years following expiry, for any reason whatsoever, of the term of office of the member of the Board or his retirement from the Board or following retirement from the company of an officer or employee, who had participated in any Management Board of the company thereof or in the Board of Directors.

6.6 Chairman and Vice Chairman of the Board of Directors

1. The Board of Directors shall elect its Chairman, whose position may coincide with that of the Chief Executive Officer. In the event that the aforesaid positions shall coincide to the same person, the Board shall elect a Vice Chairman, too.

2. The Chairman shall represent the company and monitor the implementation of the decisions of the Board of Directors. He shall convene the Board, preside at the meetings thereof, determine the items on the agenda, conduct the meetings and put said items under vote. The Chairman shall also submit, at regular intervals, the reports regarding the conduct of business and the activities of the company stipulated by the provisions in effect and the Articles of Incorporation.

6.7 Chief Executive Officer

1. The Chief Executive Officer of the company shall be elected by the General Meeting of shareholders for a three-year term of office.

2. The Chief Executive Officer shall be the highest-ranking executive officer of the company, he shall be at the head of all the services thereof, conduct their activities, decide on the further organization of the company within the scope of the Articles of Incorporation and the relevant decisions of the Board of Directors, make the necessary decisions within the framework of the provisions governing the operation of the company, of the approved plans and budgets, of the Strategic Plan (S.P.), of the Business Plan (B.P.) and of the terms of the Management Contract he has entered into with the company pursuant to Article 17 of the Articles of Incorporation. The Chief Executive Officer shall represent the company within the limits of his duties on the basis of the Articles of Incorporation or of the decisions of the Board of Directors and may authorize or empower other persons, members of the Board or low-ranking or high-ranking executives of the company to represent him.

3. The Chief Executive Officer shall have the following duties under the Articles of Incorporation, as well as all other duties, which shall be delegated to him upon resolution of the Board of Directors. He shall:

(a) Submit to the Board of Directors of the company the proposals and recommendations required for the attainment of the company's objects, as specified in the Strategic Plan and the Business Plan.

(b) Make decisions on the conclusion of contracts of a value to be determined each time by decision of the Board of Directors.

6.8 Deputy Chief Executive Officers

1. The Deputy Chief Executive Officers report to the Chief Executive Officer and are at the head of wider business activities structured into General Divisions. They can be members of the Board of Directors, among those elected by the General Meeting of the shareholders of the company.

2. The number and duties of the Deputy Chief Executive Officers are determined by the Board of Directors upon recommendation of the Chief Executive Officer.

3. The Deputy Chief Executive Officers are selected through an open tender procedure, unless otherwise decided by the Board of Directors in special cases. The Deputy Chief Executive Officers are appointed by decision of the Chairman of the Board of Directors, upon the recommendation of the Chief Executive Officer. In the event that the positions of the Chairman and of the Chief Executive Officer coincide to the same person, the decision for their appointment is made by the Board of Directors. The Deputy Chief Executive Officers, in cases they are also members of the Board of Directors elected by the Shareholders' General Meeting, are appointed by decision of the Board of Directors and upon recommendation by the Chief Executive Officer. Their term of office shall be for three (3) years, their remuneration and other benefits shall be fixed by the Chief Executive Officer, who shall sign the relevant contract, with the restrictions of art. 18 of the Articles of Incroporation. The contract refers, among others, to their evaluation as provided for by the Regulation of Operation of the company.

6.9 Management Contract and follow-up of its implementation

1. A Management Contract shall be entered into by and between the company, represented by the Chairman and, in the event that the positions of Chairman of the Board and Chief Executive Officer shall coincide, by a specially authorized member of the Board designated by decision of the latter, and the Chief Executive Officer. By virtue of the said Contract, the goals which the Chief Executive Officer undertakes to achieve during his term of office shall be specified within the framework of the Strategic Plan and the Business Plan.

2. The Management Contract shall, in particular, include:
   (a) The terms and rules for the achievement of the goals of the Business Plan and the procedure of follow-up of its implementation.
   (b) The terms and conditions of its amendment, particularly in case of revision of the Business Plan.
   (c) Special occasions of material or moral reward to the Chief Executive Officer at the end of the financial year and/or at the expiry of his term of office. This reward is given in such cases where the annual or overall goals of the Business Plan have been achieved to a degree higher than the one provided for in the Management Contract thanks to his special skills, initiatives and diligence.
   (d) The grounds for its termination.
   (e) The indices of crucial financial figures, which might include indicatively indices of product manufacturing cost or of services furnishing, of productivity, of HR degree of development, of quality of manufactured products or of services rendered.
   (f) The total amount allocated annually for personnel expenditures in relation to the other basic financial data of the company.

3. The Management Contract shall be terminated by the Board of Directors on the grounds stipulated therein, in the event that there is a substantial deviation from the figures or from the deadlines set for the achievement of its goals, that cannot be sufficiently justified, or for any other important reason. The Chief Executive Officer shall have no voting right in the meeting for the adoption by the Board of Directors of the decision authorizing termination of the Management Contract. Upon termination of the Management Contract, the Chief Executive Officer shall be ipso jure removed from office and relieved from his capacity as member of the Board of Directors. As regards his substitution up until the election of a new Chief Executive Officer by the General Meeting, the provisions of article 10, par. 5(c), of the Articles of Incorporation shall be applicable.

6.10 Remuneration and Compensation of Members

Any remuneration or compensation paid, for any reason whatsoever, to members of the Board of Directors shall be deemed to be borne by the company, only if the relevant amount pertaining to each member is approved by special resolution of the Ordinary General Meeting of shareholders and is proportional to the time the members of the Board of Directors devote to either the meetings of the Board of Directors or any meetings of Committees except for the Board of Directors, and in general to the performance of their assigned duties, in accordance with the provisions of Codified Law 2190/1920 and Law 3016/2002 regarding corporate governance, as currently in force. All remunerations and compensations of the non executives members of the Board of Directors shall be stated in a separate category in the Appendix of the annual financial statements and the annual report of the company (remuneration report), which shall be also posted on the company website. The study and submission for approval of proposals to the Board of Directors regarding the determination of any kind of remunerations and compensations: a) of the members of the Board of Directors, and b) of the top executives of the company, in this case in cooperation with the Chief Executive Officer, are effected by the Remuneration Committee of the company (R.C.) which consists of three (3) non executive members of the Board, among which two (2) at least are independent.

6.11 General Managers

1. The General Managers are high-ranking executives of the company, at the head of independent sectors of the company's business activities. They report to the Chief Executive Officer or/and to the Deputy Executive Officers. In case of absence of the General Manager, for any reason whatsoever, the temporary execution of his duties may be assigned to another General Manager, who participates in the same Management Board.

2. The number and duties of the General Managers, as well as of the General Divisions, shall be determined by the Board of Directors upon recommendation of the Chief Executive Officer. The General Managers, who may or may not be employees of the company, are selected through an open tender procedure, unless otherwise decided by the Board of Directors in special cases. The General Managers are appointed for a five-year term of office by the Chief Executive Officer upon the recommendation of the competent Deputy Chief Executive Officer.

3. The General Managers shall conclude a special contract with the Chief Executive Officer, by which, among others, their remuneration, any benefits and matters related to their evaluation shall be determined. More specifically, their evaluation is regulated by the Regulation of Operation of the company.

6.12 Competitive and Corporate Functions Management Board – Networks Management Board

1. A Competitive and Corporate Functions Management Board (CCFMB) and a Networks Management Board (NMB) are formed within the company. The CCFMB is responsible for the management of issues and matters concerning the corporate activities and the activities exposed to competition (Mines-Generation and Energy Supply). The NMB is responsible for the activities which are not exposed to competition (Distribution Network).

2. The CCFMB is composed of the Chief Executive Officer who acts as its Chairman, the Deputy Chief Executive Officers, if any, and the General Managers who are responsible for the competitive activities of the Company, as well as those responsible for Financial Affairs and Functions and Human Resources.
The NMB is composed of the Chief Executive Officer, who acts as its Chairman, the Deputy Executive Officers, if there are any, and the General Managers who are responsible for the non competitive activities of the Company, as well as those responsible for Financial Affairs and Functions and Human Resources.
The General Counsel of the Company may attend their meetings at the discretion of the Chief Executive Officer.

3. The Management Boards operate in conformity with the decisions of the Board of Directors, ensuring the necessary collective handling of administrative and operational issues of the company, as well as the consistency in its operation, within their areas of responsibility. Within this framework, each Board is responsible for important matters concerning, inter alia, the productivity, the performance of the Company units, the organization and operation of activities within its area of responsibility, as well as for the budget, the Strategic and the Business Planning.
Moreover, said Boards decide on the conclusion of contracts concerning supplies, assignment of projects, furnishing of services and generally any kind of financial contract up to an amount fixed by the Board of Directors. The aforesaid Boards also make decisions and settle any matter pertaining to the execution of the said contracts.

4. Both Management Boards operate in accordance with their Rules of Operation, as approved by the Board of Directors upon recommendation by the Chief Executive Officer.

6.13 Representation of Minority Shareholders

1. Whenever election of a minority representative to the Board of Directors is required, the minority shareholders shall be invited by the Board to a special General Meeting at the seat of the company, having as sole item on the agenda the election of the members of the Board, who are entitled to elect the aforesaid representative. For the calling of said special meeting, articles 25, 26, 26a, 27, 28a and 30 of Codified Law 2190/1920 and articles 23 and 24 of the Company's Articles of Incorporation shall be applicable, and the decisions shall be made in accordance with the usual quorum and majority requirements, by applying, accordingly, the provisions of article 29 par. 1 and 2, of Codified Law 2190/1920. Every shareholder, who participates properly with the right to vote, shall be entitled to propose at least three (3) full days prior to the General Meeting and vote the members he wishes, irrespective of the number of shares held by him. In the event of resignation or vacancy of the office, for any reason whatsoever, of any member of the minority shareholders elected in accordance with the procedure set forth herein, the same election procedure is repeated, as provided under the present paragraph. The Greek State-shareholder shall be excluded from attending the said meeting.
2. In all other respects, the provisions of article 18 of Codified Law 2190/1920 shall apply accordingly or directly, as per case.

6.14 Management Board Committees

In compliance with the legislation in force as well as in line with best practices of corporate governance, an Audit Committee as well as a Remunerations Committee have been set up. Each Committee is composed of members of the Board of Directors of the Company.

The **Audit Committee** consists of at least two (2) non executive members and one independent non executive member of the Board of Directors, who shall have proven knowledge of accountancy and auditing. The members of the Audit Committee are appointed by the General Meeting of the Shareholders and, without altering or reducing their obligations as members of the Board of Directors, they undertake the obligations provided for by the law on corporate governance, including:

- the follow up of the financial information procedure,
- the follow up of the efficient operation of the internal audit system and of the risk management system, as well as the follow up of the proper operation of the Internal Audit Unit,
- the follow up of the process of obligatory audit of individual and consolidated financial statements,
- the review and follow up of issues related to the objectivity and independence of chartered auditors-accountants, particularly with regard to other services they provide to the Company and its subsidiaries.

The proposal of the Board of Directors to the General Meeting for the appointment of chartered auditors-accountants is submitted following the recommendation of the Audit Committee. The chartered auditors-accountants are obliged to report to the Audit Committee any issue regarding the process and results of the obligatory audit, as well as to submit a separate report on the weaknesses of the internal audit system, and in particular the weaknesses in the procedures concerning financial information and the drawing up of financial statements.

The Audit Committee consists of Mr. P. Alexakis, Mr. I. Antoniou and Mr. N. Vernikos.
In 2011 the Audit Committee, within the framework of its competences related to the monitoring of the Internal Audit Department (IAD) operation, met 15 times with executives of the said Department. In addition, the Audit Committee met 4 times for topics related to the Financial Department.
Mr. Konstantinos Panetas (member until 22/12/2011) participated in 19 meetings, Mr. Panagiotis Alexakis in 18 meetings and Mr. Ioannis Katsoulakos (member until 22/12/2011) in 6 meetings.
The aim of these meetings was to brief the Audit Committee about the findings and the results of the audits performed by the IAD, as well as the progress of the organizational and operational restructuring of the IAD. In addition, the Audit Committee was briefed about the annual and quarterly financial statements and the transfer of loans to ITSO, in the context of the Transmission Division spin-off.
Moreover, the Audit Committee met with the executives of the IAD and the Chartered Auditor in order to discuss the handling of problems related to the Internal Audit System of the Company, as these were identified by the Chartered Auditor.
The **Remunerations Committee** of the Company consists of three (3) non-executive members of the Board of Directors, out of which two (2) at least are independent. They are responsible for the study and submission of proposals to the Board of Directors on the determination of any remunerations and emoluments whatsoever: a. of the members of the Board of Directors and b. of the managers of the Company, with the collaboration of the Chief Executive Officer.
The Remunerations Committee consists of Mr. P. Alexakis, Mr. N. Vernikos and Mr. L. Theoklitos.
The Company is subject to specific laws and regulations which apply to the wider public sector companies as long as the Hellenic Republic, as the main shareholder, holds 51% of its share capital. PPC shall continue to be considered as a Public Sector company in certain areas. Consequently, its business shall continue to be subject to the laws and provisions which are applicable to the Greek Public Sector companies and shall affect specific procedures.
By virtue of L.3833/10 and L.3845/10, the remunerations of the members of the Board of Directors are not allowed to exceed the ceiling set forth by the said laws. As a result, the remunerations of the BoD members are clearly defined and the Remunerations Committee practically has not the power to perform its duties. That means that the establishment of the above remunerations directly by the Law renders inactive to a great extend the duties of the said committee. The Remunerations Committee was not convened within 2011.

6.15 Board of Directors' Members

PPC S.A. BOARD OF DIRECTORS

ZERVOS Arthouros	Chairman of the BoD - C.E.O. - Executive Member	As of 15/12/2009	Until and including 14/12/2012
THEOS Konstantinos	Vice Chairman of the BoD - Executive Member	As of 14/12/2011	Until and including 28/6/2013
Members			
EKATERINARI Ourania	Executive Member	As of 14/12/2011	Until and including 28/6/2013
ALEXAKIS Panagiotis	Independent - Non Executive Member / Representative of the Minority	As of 17/12/2009	Until and including 16/12/2012
ANTONIOU Ilias	Independent - Non Executive Member / Representative of the Greek Economic and Social Committee	As of 20/7/2010	Until and including 28/6/2013
VASSILOGEORGIS Charilaos	Independent - Non Executive Member	As of 14/12/2011	Until and including 28/6/2013
VERNIKOS Nikolaos	Independent - Non Executive Member	As of 14/12/2011	Until and including 28/6/2013
THEOKLITOS Leonidas	Independent - Non Executive Member	As of 14/12/2011	Until and including 28/6/2013
THOMOGLOU Pavlos	Independent - Non Executive Member / Representative of the Minority	As of 14/2/2012	Until and including 16/12/2012
KARAVASSILIS Ioannis	Non Executive Member/ Representative of Employees	As of 2/3/2010	Until and including 1/3/2013
BOUZOULAS Evangelos	Non Executive Member/ Representative of Employees	As of 2/3/2010	Until and including 1/3/2013

On December 31st 2011, the election of the second representative of minority shareholders, following the resignation of Mr. I. Katsoulakos (on 27/12/2011), was pending. Mr. P. Thomoglou was elected to the said position during the repeat Extraordinary Special Meeting of Minority Shareholders* (14/2/2012).

The Board of Directors has met 38 times within 2011. The participation frequency of each member at the BoD meetings is as follows:

A/A	MEMBERS	BoD Meetings
1	ZERVOS ARTHOUROS	38
2	PETROPOULOS EVANGELOS *(member until 14/12/2011)*	31
3	ALEXAKIS PANAGIOTIS	36
4	ANTONIOU ILIAS	37
5	KARAVASSILIS IOANNIS	38
6	KATSOULAKOS IOANNIS *(member until 27/12/2011)*	23
7	BARATSIS APOSTOLOS *(member until 14/12/2011)*	34
8	BOUZOULAS EVANGELOS	34
9	NELLAS GEORGIOS *(member until 14/12/2011)*	26
10	PANETAS KONSTANTINOS *(member until 14/12/2011)*	35
11	TSAROUCHAS IOANNIS *(member until 14/12/2011)*	35
12	THEOS KONSTANTINOS	3
13	EKATERINARI OURANIA	3
14	THEOKLITOS LEONIDAS	2
15	VASSILOGEORGIS CHARILAOS	2
16	VERNIKOS NIKOLAOS	3

Members of the Board CVs

Arthouros Zervos, *Chairman & CEO*

Mr Arthouros Zervos is a Professor at the National Technical University of Athens.

In 1974 he received his Bachelor of Science in Engineering and in 1975 his Master of Science in Engineering, both from the Department of Aerospace and Mechanical Sciences of Princeton University, U.S.A. He continued his studies at the Université P. et M. Curie in Paris, where he took his Diplôme d' Études Approfondies (D.E.A) de Mécanique Expérimentale des Fluides- Aérodynamique in 1978 and his Diplôme de Docteur - Ingénieur in 1981.

Professor Arthouros Zervos has more than 25 years of high-level expertise in policy, science, research and technology across the European renewable energy sector. He has led the key European renewable energy bodies. He has acted as policy advisor to Governments, EU Commission and other organisations.

As Faculty Member at the National Technical University of Athens since 1982, he has been teaching courses on wind energy, renewable energy sources and aerodynamics and he has led and implemented 76 R&D, demonstration, dissemination and training projects funded by the European Commission and Greek public authorities. He is responsible for the Wind Energy Specialization of the European Renewable Energy Master, organized by EUREC - Agency in collaboration with eight European Universities since 2003.

He is currently President of the European Renewable Energy Council (EREC), Chairman of the Global Wind Energy Council (GWEC) and President of the European Wind Energy Association (EWEA).

He is member of the Steering Committee of the European Wind Energy Technology Platform and of the Global Renewable Energy Policy Network (REN21).

During the period 1990-1995 he worked as a scientific officer in the Renewable Energy Unit of DG Research of the European Commission in Brussels.

He is the author of more than 130 publications in international magazines and conference proceedings and author, co-author of 50 scientific publications. He was the lead author of the White Paper on Renewable Sources of Energy of the EC in 1997.

He is member of the Advisory Board of the International Journal of Sustainable Energy and Editor of the Wind Energy Journal and of the IET Renewable Energy Generation Journal.

He has served as Chairman of 18 International conferences, has participated in more than 220 international conferences, in 170 of them as invited speaker. He has been Chairman of the scientific/ programme committees of ten international conferences, member of 25 scientific committees and of 60 Organising/Steering Committees.

Konstantinos Theos, *Vice Chairman, Deputy CEO*
Mr Kostas Theos was born in Athens in 1961.
He received his Diploma in Civil Engineering from NTUA (National Technical University of Athens) in 1985. He continued his studies at the École Nationale des Ponts et Chaussées in Paris, where he received the Diplôme d' Etudes Approfondies (D.E.A.) in 1989 and the Docteur Ingénieur Diploma in 1994.
He has worked as freelance consultant on EU issues, EU programmes and on development and investment issues in the private sector.
He served as Secretary General for Investments and Development in the Ministry of Economy & Finance with main responsibilities the coordination of EU structural funds programmes, the support to private investment and the National Public Investments Budget, as well as Advisor on EU Programmes in the Ministry of Development as well as in the Ministry of National Economy.
He worked as a columnist on economic and development policy issues at the “IMERISSIA” newspaper for 5 years.
Kostas Theos was Head of Strategic Planning of the Prime Minister’s Office during the period 2009-2011.
He has been a member of the Board of Directors of NIREUS AQUACULTURE S.A., Public Gas Company (DEPA) and Greek Exports S.A.

Ourania Ekaterinari, *Member, Deputy CEO*
Mrs Rania Ekaterinari is Deputy CEO of Public Power Corporation S.A. (‘’PPC’’) since January 2010. She is executive member of the Board of Directors. She is heading the activities of the Corporate Functions Divisions of Finance and Human Resources & Organisation.
Before working for PPC, she held various senior positions in corporate & investment banking in Athens and London for more than ten years, both at leading international and national financial institutions like BNP Paribas (2006-2010), Deutsche Bank (1999-2001) and EFG Eurobank. Prior to banking, in the 90s, she worked in the oil & gas industry in Texaco (now Chevron) in London for the development of major oil & gas investments in the Caspian Region (mainly in Kazakhstan). At the beginning of her career, she worked as an electrical engineer in Greece and in Denmark.
Mrs Ekaterinari is the first Greek woman to be announced member of the “Rising Talents Network” of the “Women’s Forum for the Economy and the Society” at the 2010 Global Meeting in France.
She is a Graduate from Aristotle University of Thessaloniki with a diploma in Electrical Engineering (specialisation in power) and also holds an MBA from City University Business in London. She is also member of the Technical Chamber of Greece (TEE) and has been Deputy Chairman of the Energy Committee of TEE.

Panagiotis Alexakis, *Member*
Mr Panagiotis Alexakis is a professor at Department of Economics, Managerial Economics and Finance Sector of the Athens University.
He was holder of an “Alexander Onassis Public Benefit Foundation” grant. He has also taught at the Department of Business Administration of the University of the Aegean and at the Hellenic Open University.
He has worked as a financial consultant and has held various managerial posts in industrial firms, banks, foreign exchanges, and non-bank financial institutions, indicatively: he undertook the organisation and operation of the organized derivatives market, May 1998-June 2004 (Athens Derivatives Exchange and Athens Derivatives Clearing House S.A), while he was appointed Chairman and CEO (Aug. 2000 - June 2004) of the Athens Stock Exchange S.A. and Chairman (2000-2003) and CEO (2000 - 2004) of the Hellenic Exchanges S.A.
He has been a member of the Board of Directors of the Hellenic Capital Market Commission (August 2000-September 2004), member of the Scientific Council of the Hellenic Banks Association (1994-2004), Advisor to the Cyprus Stock Exchange on Corporate Governance issues (Sept. 2004-Sept. 2007) . He was Advisor and member of the Board of Directors of the Investment Bank of Greece (Sept. 2004 - Jan. 2006) and Executive Vice Chairman of NIREUS AQUACULTURE S.A (2006-2009). Since 2010 he is member of the Board of Directors of TA.NE.O. S.A. Finally, he is member of the Scientific Council of the Entrepreneurship Club of Athens.

Ilias Antoniou, *Member*
Mr Ilias Antoniou was born in Athens in 1972. He graduated from the National University of Athens, School of Sciences, Department of Geology with specialization in the Geological Systems of Information in 1996. He worked at the respective laboratory of the Department of Geology. He participated in many researches and publications with various research groups. From 1998 to 2001 he cooperated with consulting firms specializing in Geological studies. In 2003 he was appointed General Secretary of the Youth organization of the Party of European Socialist, having its seat in Brussels. Since September 2005 he serves as employee at the University of Athens.

Charilaos Vassilogeorgis, *Member*
Mr Charilaos Vassilogeorgis was born in Thessaloniki in 1963. He is a graduate of the Law School of Aristotle University of Thessaloniki with Postgraduate Studies in Public Law, at the same University. He was admitted to the Thessaloniki Bar Association in 1990. He served as Special Legal Advisor on matters related to corporate law and practice of the Hellenic Ministry of Development and as legal counsel of Intern Bank. From 1999- 2008 he served as Head of the Legal Department of EFG Eurobank Ergasias for Northern Greece. From 2008 to 2011 he held a position at the Legal Department of EFG Eurobank Ergasias in Athens. In 2009 he was admitted at the Athens Bar Association. He is a senior partner and the founder of Vassilogeorgis and Partners Law Firm which emploes twelve lawyers and represents before the court or out of court many Greek and foreign companies. He specializes mainly in Civil, Commercial, Corporate, Bankruptcy and Banking Law. He has extensive experience in dispute resolution before the Courts and has been admitted to the Greek Supreme Court (Areios Pagos). He was member of the Board of Directors of numerous companies listed in the Athens Stock

Exchange, as well as of unlisted companies and was active in their business planning. From 1999 to 2000 he held the position of special collaborator on issues of development of companies of the Ministry of Development.

Nicolaos Vernicos, *Member*
Mr Nicolaos Vernicos was born in 1945. His island of origin is Sifnos. He has a M.Sc. in Economics from the Athens University of Economics (ASOEE).
He is President of the International Chamber of Commerce (ICC-Hellas), Member of the Board of Directors of the Hellenic Chamber of Shipping, Member of the Board of Directors of Piraeus Chamber of Commerce and Industry, President of the Shipping Activities Department, member of the Shipping and Transportation Committee of the Ministry of Shipping and Hon Consul of Mexico for Piraeus and the islands. At the same time he is president of the NICOLAS E. VERNICOS group of maritime companies founded in Constantinople in the 19th century, Vice President of VERNICOS YACHTS S.A., Vice President of EUROCORP S.A. Financial Services, Member of Conseil de Surveillance ASSYA Compagnie Financière, Paris and Member of the Board of Directors of Public Power Corporation (PPC).
He served as chairman and/or member of the Board of Directors of the following companies: Olympic Airways and subsidiaries; Hellenic Shipyards of Skaramanga; Hellenic Duty Free Shops; National Bank of Greece (France); Attica Group, MINION, etc. He has served as Prefectural Advisor of Attica and Piraeus for several years.
Lloyd’s Underwriting Member.
He represented Greece in OCDE and UNCTAD Conferences.
In addition to his business activities, Mr. Vernicos is very active in the sectors of culture and environment. He has served as Member of the Board of Director of the Hellenic Society for the Protection of the Environment and the Cultural Heritage, the European Cultural Centre of Delphi, the Association for the Creation of a New Building for the Greek National Opera and “Maria Callas” Academy and the Comité pour le Rapprochement de l’ Économie et de la Culture, and Founding Chairman of the Kastella Centre of Contemporary Art in Piraeus.

Leonidas Theoklitos, *Member*
Mr Leonidas Theoklitos was appointed Deputy CEO of NBG and member of its Board of Directors, in November 2010. He is a member of the NBG Executive Committee and has served as Group Chief Operating Officer from August 2010.
In March 2010 he was appointed Chairman of the Board at Ethniki Insurance Co. He also serves as Vice Chairman and CEO of Astir Palace Vouliagmeni S.A. and as Chairman of NBG PANGAEA REIC.
From 2005 to 2006 he served as Advisor to the Administration at EFG Eurobank, whereas during the years 2000-2004 he was appointed Executive Vice-President at TT Hellenic Postbank and Chairman at TT Hellenic Postbank-Hellenic Post AEDAK SA (TT ELTA AEDAK).
From 1998 to 1999 he served as Chief Executive Officer at the Bank of Central Greece and during the years 1994-1998 he was Deputy General Manager at Egnatia Bank. He started his career at National Investment Bank for Industrial Development (ETEBA S.A.) (1986-1994).
He has also served as a member of the Executive Committee of Hellenic Bank Association and also as a board member at Hellenic Exchanges S.A. (HELEX), Attica Bank S.A., National Investment Co SA (ETHNEX), Eurobank Properties S.A., Egnatia Finance S.A., Egnatia AEDAK SA, Anelixis Commercial S.A. and Sklavenitis J.&S. S.A.
He holds Bachelor’s degree in Chemical Engineering from the National Technical University of Athens and in Business Administration from the Athens University of Economics and Business, as well as a Master’s degree in Business Administration (MBA) from the Imperial College, University of London.

Thomoglou Pavlos, Member
Mr Thomoglou Pavlos was born in Athens in 1945. He is the owner of a Textile Dyeing and Finishing Plant and he is also active in New Technologies Applications for security systems. He graduated from Lycee Leonin and holds a bachelor’s degree in Economics and Business Administration and a master’s degree in Dyeing and Textile Technologies; he has written several articles and essays on Human Resource Management, Human Relationships, Sociology, etc. He speaks English and German. Since 1978 he has been an elective member of the Athens Chamber of Commerce & Industry. On December 2011, he won the elections and was appointed Vice President. He is also member of the Textile Industry Association of Greece, as well as member of the Industry Association of Central Greece.
He has also been Chairman of the Board of Industry Association of Viotia, member of the Board of Interinvest AEEX (Investment Company listed in ASE), member of the Board of Interproject S.A. (Investment Consultancy), as well as member of the Board of the Bank of Central Greece. From 1989 to 1993 he served as Vice President of the Industrial Department of Athens Chamber of Commerce & Industry. From 1994 to 2002 he served as Elective Regular Representative in Central Union of Greek Chambers, Athens Chamber of Commerce and Industry. He has also served as President of several Exporting Departments of Athens Chamber of Commerce & Industry and from 2002 to 2006 he served as President of the Industrial Department of Athens Chamber of Commerce & Industry.

Ioannis Karavassilis, *Member*
Mr Ioannis Karavassilis was recruited in 1981 at Kardia Power Plant of PPC as technician and has worked at the Control Room.
In 1990 he was elected to the Board of Directors of GENOP-DEH (General Federation of Employees of PPC) until 30.03.1997.
From 1989 to 1994 he has served as president of the TDE/ETE of Kardia Power Plant, and has participated in many GENOP-DEH conferences.
In 1997 he was appointed chairman of the Board of Directors of the Association "I ENOSI" until 30.03.2006.
On 20/5/2003 he was elected to the Board of Directors of the GSEE (Greek General Confederation of Labour) until today.

On 25/7/2005 he was appointed chairman of the INE (Institute for Employment and Labour) - GSEE (Greek General Confederation of Labour) - ADEDY (Supreme Administration of Greek Civil Servants) of West Macedonia.
Since 30/10/2006 he has been a member of the Association "SPARTAKOS" and has been representing the Association at various conferences of Labour Unions and GENOP-DEH.
He is very active in the trade union movement and has participated in many conferences in Greece, in the Balkans as well as in Europe with corresponding labour unions.

Evangelos Bouzoulas, *Member*
Mr Evangelos Bouzoulas was born in 1956 and has worked at different PPC power units. He has served as trainer at PPC's Technical Training Centers and has written books on related subjects and has introduced new technologies (LASER) in training.
He also served as professor at the Sivitanidios Public School of Trades and Vocations.
He was appointed member of the Supreme Committee for Occupational Health & Safety of the Ministry of Labour as representative of the GSEE (Greek General Confederation of Labour).
In 1992 he was elected to the Association of PPC Technicians, holding the positions of Organizing Secretary, Treasurer and Secretary General.
In 2004 he was elected Secretary General of GENOP-DEH KHE and has served in that post until he was appointed member of the Board of Directors of PPC S.A. as employees' representative, in 2010.
He is very active in the trade union movement and has participated in many conferences in Greece, in the Balkans, as well as in Europe with corresponding labour unions.

6.16 Outside Professional Engagements of the Members of the Board of Directors

NAME	PROFESSION	Participation as member in the BoD of other non profit Organizations (by any capacity e.g. Independent member, Executive member, Independent Non Executive member etc.)
ZERVOS ARTHOUROS	Professor at the National Technical University of Athens	BoD Chairman / PPC Renewables
		President of EWEA (European Wind Energy Association)
		President of EREC (European Renewable Energy Council)
THEOS KONSTANTINOS	Civil Engineer	-
EKATERINARI OURANIA	Electrical-Mechanical Engineer	Member of the BoD of Geotechnologiki A.T.E.
ALEXAKIS PANAGIOTIS	Professor at the University of Athens	TA.NE.O S.A. Independent Non Executive member
		Property Development and Management Company of the Athens University Independent Non Executive Member
ANTONIOU ILIAS	Geologist	-
VASSILOGEORGIS CHARILAOS	Lawyer	Independent Non Executive Member P.C.D.C. S.A.
VERNICOS NIKOLAOS	Economist - Shipowner	National Greek Committee of the International Chamber of Commerce ICC – Hellas (NGO) Chairman
		Hellenic Chamber of Shipping Member of the BoD
		Piraeus Chamber of Commerce & Industry Member of the BoD
		N.E. Vernicos Argonaftis Tugs & Salvage President

		VERNICOS YACHTS S.A. Vice President CONSORTIUM TRAVEL S.A. Vice President EUROCORP A.E.Π.Ε.Υ. Vice President ASSYA COMPAGNIE FINANCERIE PARIS Member of the Conseille de Surveillance
THEOKLITOS LEONIDAS	Chemical Engineer	NATIONAL BANK OF GREECE Deputy Chief Executive Officer Executive member of the BoD ETHNIKI INSURANCE Co. Chairman of the BoD Non Executive member ASTIR PAPACE VOULIAGMENI S.A. Vice Chairman and Chief Executive Officer Executive member of the BoD NBG PANGAE REIC Chairman of the BoD Non Executive member
THOMOGLOU PAVLOS	Economist - Businessman	Vice President of the Athens Chamber of Commerce & Industry
KARAVASILIS IOANNIS	PPC S.A. employee	-
BOUZOULAS EVANGELOS	PPC S.A. employee	-

6.17 Contracts with Members of the Board of Directors

PPC S.A. has concluded employment contracts with the Chairman and CEO Mr. Arthouros Zervos on 15.12.2009 terminating on 15.12.2012, with the Vice Chairman and Deputy CEO Mr. Konstantinos Theos on 1.1.2012 terminating on 31.12.2014 and with the Deputy CEO Mrs. Ourania Ekaterinari on 28.1.2010 terminating on 27.1.2013.

There is no provision for granting of shares, call options on the company stocks or other similar titles for the members of the BoD.

Nevertheless, there are other contractual provisions as regards the executive members of the Board of Directors, such as:
- ✓ Compensation for service termination in case that the Company decides to terminate the contract
- ✓ Personal use of company-provided vehicle including driver, maintenance, insurance and fuels.
- ✓ Expense benefit during the performance of their duties (travel expenses, mobile phone, restaurant bills, etc.) provided that these expenses are accompanied by the necessary receipts and are approved by the Company based on its policy.

In the past according to the policy of the company, the remunerations of the executive members and the members of the Board were determined as follows: a) firm part (basic fees-salary) and b) variable performance-related part (variable part of the remuneration). An annual bonus was provided for in the past, valid only for a short period.

By virtue of L.3833/10 and 3845/10, the remunerations of the executive members of the Board of Directors are not allowed to exceed the ceiling established by the said Laws. As a result, they are clearly defined and do not include variable performance related elements.

6.18 Information on the Deputy CEOs and the General Managers

On the date of issuance of the present statement, the Deputy CEOs and the General Managers of PPC S.A. are the following:

Kostas Theos, Vice Chairman, Deputy CEO supervising the Mines, Generation and Supply Divisions.

Ourania Ekaterinari, Deputy CEO supervising the Corporate Functions Divisions (Finance and Human Resources & Organization Divisions).

Prof. Nikolaos Hatziargyriou, Deputy CEO supervising the Distribution Division, the Islands Network Operations Department and the Research, Tests and Standards Centre.

Angeopoulos Georgios
General Manager of Finance Division, Economist.

Aravantinos Nikolaos,
General Manager of Distribution Division, Mechanical-Electrical Engineer.

Karalazos Lazaros,
General Manager of Supply Division, Electrical Engineer.

Kopanakis Ioannis,
General Manager of Generation Division, Electrical Engineer

Nikolakakos Panagiotis,
General Manager of Mines Division, Mining Metallurgical Engineer – Economist.

As of February 1st, 2012, the cooperation with Mr. George Triantafyllis, General Manager of Human Resources and Organization Division, was terminated by mutual agreement.

Athens, March 30, 2012

For the Board of Directors
The Chairman and CEO

Arthouros Zervos

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C. AUDITOR'S REPORT

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THIS REPORT IS A FREE TRANSLATION OF THE GREEK ORIGINAL

Independent Certified Auditor's Accountant's Report

To the Shareholders of
Public Power Corporation S.A.

Introduction

We have audited the accompanying separate and consolidated financial statements of Public Power Corporation S.A., and its subsidiaries, which comprise the separate and consolidated statements of financial position as at December 31, 2011, and the related separate and consolidated statements of income, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of Public Power Corporation S.A. and its subsidiaries as at December 31, 2011, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

We draw your attention to Note 3 to the financial statements, where it is described that as at December 31, 2011, the Group's and Company's total current liabilities exceeded their total current assets, and, accordingly, they may not be able to meet part of their contractual obligations if they do not proceed with the immediate refinancing of their short term loan obligations. As further described in Note 3, the Group is under negotiations with the lending banks for the refinancing of its loan obligations. In this context, the Group has received letters of intent from the majority of the lending banks for their participation in the refinancing based on the proposed term sheet as approved by the management. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The Board of Directors' Report is includes a statement of Corporate Governance, which provides the information required by paragraph 3d of article 43a of Codified Law 2190/1920.

We confirm that the information given in the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

We have also audited the Company's unbundled balance sheets as at December 31, 2011 and the unbundled statements of income before tax for the period from January 1, 2011 to December 31, 2011. Management is responsible for the preparation for these balance sheets and statements of income before tax ("the unbundled financial statements") in accordance with Law 4001/2011 and the unbundling methodology approved by the Regulatory Authority for Energy which is further discussed in detail in Appendix I in the accompanying notes.

The audit of the unbundled financial statements mainly includes the determination of whether the Company has properly applied the unbundling allocation rules and whether it has complied with its obligation for the avoidance of discriminations and cross-subsidizations among activities.

In our opinion, the unbundled financial statements presented in Appendix I in the accompanying notes have been prepared in accordance with Law 4001/2011 and the unbundling methodology approved by the Regulatory Authority for Energy.

Athens, March 30, 2012

The Certified Auditor Accountant

Panagiotis Papazoglou

S.O.E.L. No. 16631

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
11th KM NATIONAL ROAD ATHENS-LAMIA
14451 METAMORFOSI
S.O.E.L. R.N. 107

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PUBLIC POWER CORPORATION S.A.

Consolidated and Separate
Financial Statements

December 31, 2011

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

The attached separate and consolidated financial statements have been approved by the Board of Directors of Public Power Corporation S.A. March 30th, 2012 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	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
ARTHOUROS ZERVOS	KONSTANTINOS THEOS	GEORGE C. ANGELOPOULOS	EFTHIMIOS A. KOUTROULIS

D1. FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

		Group		Company	
	Note	**2011**	**2010**	**2011**	**2010**
REVENUES:					
Revenue from energy sales	4	4,878,586	5,233,232	4,864,280	5,215,577
Other sales	4,13	634,966	576,500	316,052	303,775
		5,513,552	**5,809,732**	**5,180,332**	**5,519,352**
EXPENSES:					
Payroll cost	5,13	834,705	950,500	763,634	879,502
Lignite		829,811	810,458	829,811	810,458
Liquid Fuel		803,746	667,772	803,746	667,772
Natural Gas		469,424	458,562	469,424	458,562
Depreciation and Amortization	8,13	512,354	503,811	452,390	442,689
Energy purchases	6	1,056,980	650,478	1,067,569	657,875
Materials and consumables		118,436	107,766	112,530	103,332
Transmission system usage	7	315,595	246,299	315,595	246,299
Utilities and maintenance		66,796	74,089	60,160	66,958
Third party fees		53,549	46,568	47,584	44,094
CO2 emission rights	16	9,322	6,122	9,322	6,122
(Decrease of provision) Provision for risks	33	(6.529)	(25,627)	(1,040)	(24,185)
Provision for slow – moving materials	21	7,688	14,186	7,766	12,949
Allowance for doubtful balances	22,23	222,706	190,906	221,774	190,906
Financial expenses	9,13	226,851	170,310	201,394	145,257
Financial income		(43,664)	(40,931)	(43,346)	(40,662)
Other (income)/expenses, net	11	96,481	236,591	83,774	211,203
Loss (impairment loss on Joint ventures)	18	-	-	97	2,764
(Gain) of associates and joint ventures, net	19	(194)	(1,437)	-	-
Impairment loss of available for sale financial assets	24	25,564	-	25,564	-
Foreign currency (gains)/loss, net		(269)	2,604	(269)	2,604
		5,599,352	**5,069,027**	**5,427,479**	**4,884,499**
(LOSS) /PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**(85,800)**	**740,705**	**(247,147)**	**634,853**
Income tax expense	14	(63,147)	(182,780)	(25,789)	(158,843)
(LOSS)/ PROFIT(AFTER TAX FROM CONTINUING OPERATIONS		**(148,947)**	**557,925**	**(272,936)**	**476,010**
PROFIT AFTER TAX FROM DISCONTINUING OPERATIONS	13	**-**	**-**	**113,890**	**70,511**
LOSS ON SPIN OFF OF TRANSMISSION OPERATIONS	13	**-**	**-**	**(113,890)**	**-**
NET PROFIT FROM DISCONTINUED OPERATIONS		**-**	**-**	**-**	**-**
NET (LOSS)/ PROFIT		**(148,947)**	**557,925**	**(272,936)**	**546,521**
Profit Earnings per share, basic and diluted		(0,64)	2,40		
Weighted average number of shares		232,000,000	232,000,000		

The accompanying notes are an integral part of these financial statements.

PUBLIC POWER CORPORATION S.A.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

	Group		Company	
	2011	**2010**	**2011**	**2010**
(Loss) / Profit for the period, net	**(148,947)**	**557,925**	**(272,936)**	**546,521**
Other Comprehensive income / (loss)				
(Loss) from change of fair values of available for sale financial assets during the year	(15,637)	(20,813)	(15,637)	(20,813)
Reclassification adjustments due impairment of available for sale financial assets included in income statement	25,564	-	25,564	-
Other comprehensive income /(loss) for the period after tax	9,927	(20,813)	9,927	(20,813)
Total Comprehensive income/(loss) for the period, after tax	**(139,020)**	**537,112**	**(263,009)**	**525,708**

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

PUBLIC POWER CORPORATION S.A.
BALANCE SHEETS
DECEMBER 31, 2011

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

	Note	Group		Company	
ASSETS		**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Non – Current Assets:					
Tangible Assets	15	13,702,609	13,354,142	11,885,466	13,236,285
Intangible assets, net	16	92,703	89,146	92,512	89,040
Investments in subsidiaries	17	-	-	816,610	91,078
Investments in joint ventures	18	-	-	-	-
Investments in associates	19	15,943	17,563	49	-
Available for sale financial assets	24	6,435	22,073	6,435	22,073
Other non- current assets		50,793	23,984	48,356	23,587
Total non-current assets		13,868,483	13,506,908	12,849,428	13,462,063
Current Assets:					
Materials, spare parts and supplies, net	21	847,585	849,971	793,809	849,182
Trade receivables, net	22	979,816	1,022,736	977,596	1,021,295
Other receivables, net	23	266,816	175,322	219,056	197,641
Income tax		102,981	-	94,302	-
Other current assets		59,795	25,013	27,274	24,001
Cash and cash equivalents	25	364,495	620,449	339,539	617,040
Restricted cash	25	154,833	-	154.833	-
Total Current Assets		2,776,321	2,693,491	2,606,409	2,709,159
Total Assets		16,644,804	16,200,399	15,455,837	16,171,222
EQUITY AND LIABILITIES					
EQUITY:					
Share capital	26	1,067,200	1,067,200	1,067,200	1,067,200
Share premium		106,679	106,679	106,679	106,679
Legal reserve	27	107,491	107,491	107,491	107,491
Fixed assets' statutory revaluation surplus included in share capital		(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus		4,984,663	5,013,103	4,211,132	4,976,962
Other Reserves	28	207,738	197,811	207,738	197,811
Retained earnings		922,266	1,224,586	1,547,147	1,237,533
Total Equity		6,448,695	6,769,528	6,300,045	6,746,334
Non-Current Liabilities:					
Interest bearing loans and borrowings	30	3,565,542	3,885,625	3,142,670	3,885,413
Post retirement benefits	32	241,152	242,256	228,213	242,237
Provisions	33	213,011	218,954	194,439	217,841
Deferred tax liabilities	14	456,960	449,348	199,444	451,562
Deferred customers' contributions and subsidies	34	1,867,078	1,925,305	1,725,286	1,919,084
Other non-current liabilities	35	498,250	507,239	498,190	507,180
Total Non-Current Liabilities		6,841,993	7,228,727	5,988,242	7,223,317
Current Liabilities:					
Trade and other payables	36	1,391,246	850,744	1,346,165	844,139
Short – term borrowings	37	233,735	250,250	224,000	250,000
Current portion of interest bearing loans and borrowings	30	1,429,201	716,923	1,335,066	716,899
Dividends payable	29	210	171	210	171
Income Tax Payable		26,577	159,515	-	166,213
Accrued and other current liabilities	38	270,074	224,541	259,036	224,149
Derivative liabilities	31	3,073	-	3,073	-
Total Current Liabilities		3,354,116	2,202,144	3,167,550	2,201,571
Total Liabilities and Equity		16,644,804	16,200,399	15,455,837	16,171,222

The accompanying notes are an integral part of these financial statements.

PUBLIC POWER CORPORATION S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
DECEMBER 31, 2011

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of Fixed Assets Statutory Revaluation Surplus	Other Reserves: Fair value of available for sale financial assets	Other Reserves: Tax - free and Other Reserve	Other Reserves: Other Reserves Total	Retained Earnings	Total Equity
Balance, December 31, 2009	**1,067,200**	**106,679**	**80,165**	**5,026,614**	**(947,342)**	**10,637**	**207,987**	**218,624**	**909,374**	**6,461,314**
Net profit for the year	-	-	-	-	-	-	-	-	557,925	557,925
Other Comprehensive income / (loss) after taxes for the year.	-	-	-	-	-	(20,813)	-	(20,813)	-	(20,813)
Total comprehensive income after tax	**-**	**-**	**-**	**-**	**-**	**(20,813)**	**-**	**(20,813)**	**557,925**	**537,112**
Transfers	-	-	27,326	(13,511)	-	-	-	-	(10,437)	3,378
Dividends	-	-	-	-	-	-	-	-	(232,000)	(232,000)
Other Movements	-	-	-	-	-	-	-	-	(276)	(276)
Balance, December 31, 2010	**1,067,200**	**106,679**	**107,491**	**5,013,103**	**(947,342)**	**(10,176)**	**207,987**	**197,811**	**1,224,586**	**6,769,528**
Net profit for the year	-	-	-	-	-	-	-	-	(148,947)	(148,947)
Other comprehensive income / (loss) after taxes for the year.	-	-	-	-	-	9,927	-	9,927	-	9,927
Total comprehensive income/(loss) after tax	**-**	**-**	**-**	**-**	**-**	**9,927**	**-**	**9,927**	**(148,947)**	**(139,020)**
Transfers	-	-	-	(28,530)	-	-	-	-	29,839	1,309
Dividends	-	-	-	-	-	-	-	-	(183,280)	(183,280)
Other Movements	-	-	-	90	-	-	-	-	68	158
Balance, December 31, 2011	**1,067,200**	**106,679**	**107,491**	**4,984,663**	**(947,342)**	**(249)**	**207,987**	**207,738**	**922,266**	**6,448,695**

The accompanying notes are an integral part of these financial statements.

PUBLIC POWER CORPORATION S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
DECEMBER 31, 2011

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

						Other Reserves				
	Share Capital	**Share Premium**	**Legal Reserve**	**Revaluation Surplus**	**Reversal of 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, December 31, 2009	**1,067,200**	**106,679**	**80,165**	**4,990,473**	**(947,342)**	**10,637**	**207,987**	**218,624**	**933,426**	**6,449,225**
Net profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	546,521	546,521
Other comprehensive income / (loss) after taxes for the year.	-	-	-	-	-	(20,813)	-	(20,813)	-	(20,813)
Total comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(20,813)**	**-**	**(20,813)**	**546,521**	**525,708**
Transfers	-	-	27,326	(13,511)	-	-	-	-	(10,437)	3,378
Dividends	-	-	-	-	-	-	-	-	(232,000)	(232,000)
Other Movements	-	-	-	-	-	-	-	-	23	23
Balance, December 31, 2010	**1,067,200**	**106,679**	**107,491**	**4,976,962**	**(947,342)**	**(10,176)**	**207,987**	**197,811**	**1,237,533**	**6,746,334**
Net profit for the year	-	-	-	-	-	-	-	-	(272,936)	(272,936)
Other comprehensive income / (loss) after taxes for the year.	-	-	-	-	-	9,927	-	9,927	-	9,927
Total comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**9,927**	**-**	**9,927**	**(272,936)**	**(263,009)**
Transfers from disposals of assets	-	-	-	(28.530)	-	-	-	-	28.530	-
Transfers	-	-	-	(737,300)	-	-	-	-	737,300	-
Dividends	-	-	-	-	-	-	-	-	(183,280)	(183,280)
Other Movements	-	-	-	-	-	-	-	-	-	-
Balance, December 31, 2011	**1,067,200**	**106,679**	**107,491**	**4,211,132**	**(947,342)**	**(249)**	**207,987**	**207,738**	**1,547,147**	**6,300,045**

The accompanying notes are an integral part of these financial statements.

PUBLIC POWER CORPORATION S.A.
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2011
(All amounts in thousands of Euro, unless otherwise stated)

	Group		Company	
	2011	**2010**	**2011**	**2010**
Cash flows from operating activities				
(Loss)/Profit before tax from continuing operations	(85,800)	740,705	(247,147)	634,853
Profit/ (Loss) before tax from discontinuing operations (note 13)	-	-	113.890	91.297
Adjustments:				
Depreciation and amortization	722,679	700,908	657,419	696,217
Impairment of CIP	11,001	10,000	10,374	10,000
Amortization of customers' contributions and subsidies	(75,725)	(74,536)	(70,429)	(74,113)
Impairment of available for sale financial assets	25,564	-	25,564	-
Provision for CO_2 Deficit and valuation	6,833	4,584	6,833	4,584
Fair value gain of derivative instruments	3,073	(88)	3,073	(88)
Impairment loss on associate	-	-	97	2,764
Share of loss / (profit) of associates	(97)	(1,437)	-	-
Interest income	(43,664)	(40,931)	(43,346)	(40,665)
Sundry provisions	222,358	202,258	227,055	202,203
Unrealized foreign exchange losses on interest bearing loans and borrowings	1,157	(5,458)	1,336	(5,225)
Unbilled revenue	(90,536)	75,667	(90,536)	75,667
Retirements of fixed assets and software	22,033	44,526	22,033	44,447
Amortization of loan origination fees	5,348	5,192	4,545	5,192
Interest expense	205,546	153,633	182,420	153,633
Operating profit before working capital changes	**929,770**	**1,815,023**	**803,181**	**1,800,766**
(Increase)/decrease in :				
Accounts receivable, trade and other	(231,340)	(308,132)	(301,346)	(307,006)
Other current assets	(34,782)	(721)	(4,849)	(715)
Materials, spare parts and supplies	(5,303)	(56,450)	(9,132)	(56,404)
Increase/(decrease) in :				
Trade and other payables	540,502	(73,562)	495,917	(78,359)
Other non – current liabilities	(8,989)	(13,134)	(8,990)	(13,134)
Accrued and other liabilities excluding interest	62,130	35,353	60,386	35,520
Income tax paid	(268,921)	(204,181)	(268,404)	(203,141)
Discontinued operations	-	-	174,807	-
Net Cash from Operating Activities	**983,067**	**1,194,196**	**941,570**	**1,177,527**
Cash Flows from Investing Activities				
Interest and dividends received	43,664	40,931	43,346	40,665
Capital expenditure of fixed assets and software	(1,130,904)	(983,888)	(1,027,959)	(949,225)
Proceeds from subsidies	17,498	10,844	17,518	12,139
Investments in subsidiaries and associates and other investments	1,649	(9,969)	(24,146)	(23,891)
Discontinued operations	-	-	(66,528)	-
Net Cash used in Investing Activities	**(1,068,093)**	**(942,082)**	**(1,057,769)**	**(920,312)**
Cash Flows from Financing Activities				
Net change in short term borrowings	(16,515)	36,750	(26,000)	36,500
Proceeds from interest bearing loans and borrowings	928,313	1,733,000	928,313	1,733,000
Principal payments of interest bearing bonds and borrowings	(692,108)	(1,493,081)	(513,001)	(1,493,081)
Interest paid and issuance fees paid	(207,377)	(156,545)	(182,420)	(156,545)
Dividends paid	(183,241)	(231,831)	(183,241)	(231,831)
Discontinued operations	-	-	(184,953)	-
Net Cash used in Financing Activities	**(170,928)**	**(111,707)**	**(161,302)**	**(111,957)**
Net (decrease)/ increase in cash and cash equivalents	(255,954)	140,407	(277,501)	145,258
Cash and cash equivalents at beginning of year	620,449	480,042	617,040	471,782
Cash and cash equivalents at the end of the year	**364,495**	**620,449**	**339,539**	**617,040**

The accompanying notes are an integral part of these financial statements.

D.2 NOTES TO THE 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.

The accompanying financial statements include the separate financial statements of PPC and the consolidated financial statements of PPC and its subsidiaries ("the Group"). In addition, based on L. 2773/1999, L. 3426/2005 and L. 4001/2011 the unbundled financial statements are presented in Appendix I, of the separate and consolidated financial statements.

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

At December 31, 2011, the number of staff employed by the Group and the Parent Company was 20,821 and 19,452 (2010: 21,845 and 21,845, respectively), excluding employees engaged in the Hellenic Transmission System Operator "HTSO" (now Hellenic Electricity Market Operator).
At December 31, 2011, 148 employees (2010: 169), have been transferred to several State agencies (ministries, organizations, etc.) out of which,128 were compensated by PPC (2010: 145). The total payroll cost of such employees, at December 31, 2011, amounted to Euro 4,596 (2010: Euro 6,648), and is included in the income statement.

PPC Group generates electricity in its own 63 power generating stations of the Parent Company and from the additional 46 stations which belong to its wholly owned subsidiary PPC Renewables, facilitates the transmission of electricity through its own power lines of approximately 12,178 kilometres and distributes electricity to consumers through its own distribution lines (Medium and Low voltage) of 228,901 kilometres, approximately.

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 1,900 kilometres of fibre-optic network along its transmission lines, approximately 200 kilometres of urban underground fibre optics network and approximately 17 kilometres of underwater fibre optics network.

For the year ended December 31, 2011, the Parent Company proceeded to the spin off and contribution of the General Division of Transmission to its wholly owned subsidiary "Independent Transmission System Operator (ITSO) S.A.". The spin off and contribution was realised according to the provisions of L. 2190/1920, L. 2166/1993, L. 4000/2011 with a spin –off date of January 1, 2011, while the transaction has been completed in November 2011 (note 2 and note 13).

2. LEGAL FRAMEWORK

The Law titled «Operation of Electricity and Natural Gas Markets, Hydrocarbon Research, Production and Transmission Systems and other regulations» was voted on August 2, 2011 (Law no.4001), incorporating in the National Law the provisions of the Directives 2009/72 and 2009/73. Its provisions include :

Independent Transmission Operator
- Adoption of the ITO (Independent Transmission Operator) model for the Electricity Transmission System Operator as follows :
- Transfer to a wholly owned subsidiary under the name "Independent Transmission System Operator" (ITSO) of the activities related to the management, operation, development and maintenance of the Greek Electrical Energy Transmission System. The total of assets and personnel of PPC's General Division of Transmission is transferred through spin off to the new subsidiary as well as all receivables and payables of PPC which are related to the above mentioned activities (note 13).
- Transfer of all activities of HTSO except the operation of the Electricity Market i.e. activities that relate to the management, operation , development and maintenance of the Transmission System.

2. LEGAL FRAMEWORK (Continued)

- The operation of the Electricity Market and in particular the "Daily Energy Programming" is undertaken by the independent company "Hellenic Electricity Market Operator (HEMO)"

Following the provisions of L.4001/2011, from February 1st ,2012, the Independent Transmission System Operator (ITSO S.A) and the Electricity Market Operator (HEMO) were put into operation, in place of the Hellenic Transmission System Operator (HTSO) which is repealed under the new Law. Thus, ITSO takes on the role of the Hellenic Electricity Transmission System Operator (HETSO) and mainly the operation, control, maintenance and development duties of the transmission system, ensuring the continuous electricity supply of the country according to the sustainable development and promoting the development of free competition in the Greek electricity market with transparency and equal access to all users. HEMO undertakes the daily operation of the Electricity Market. In 2012, RAE has also approved the composition of the Supervisory Board of ITSO (**Decision 55**/2012).
The final texts of the Power Exchange Code and the Grid Control Code of the Greek Electricity Transmission System were approved by RAE in January 2012 (**Decisions 56/2012 and 57/2012**), thus marking the transition of the Greek wholesale electricity market in the new organizational structure, as described in the provisions of L.4001/2011. Their effective date is February 1st 2012.

Operator of the Greek Distribution Network (OGDN)

Transfer to PPC's wholly owned subsidiary under the name "Operator of the Greek Distribution Network (OGDN)", of the activities of Distribution, as well as all receivables and payables of PPC which are related to the above mentioned activities, with the exception of fixed assets of the Distribution network, as well as the properties and facilities of Distribution which will remain in the Parent Company's ownership (note 12).

Other provisions of law 4001/2011 include among others:

- The expansion of the responsibilities of RAE as well as the reinforcement of RAE's independence
- Measures that will protect the consumer from unfair practices. In the context of that protection, the Supplier of last resort as well as the Universal electricity service Provider are established (PPC S.A being at the moment).
- Measures for the liberalization of the natural gas market

Regulations concerning the inclusion of the cost of CO2 emissions for the submission of offers of thermal units to the Day-Ahead Electricity Market.

RAE, with the **Decision 643/2011** (13.05.2011) announced the methodology for the CO_2 emissions cost implementation in the injection offers that the thermal units submit to the Daily Ahead Electricity Market. The implementation of this methodology includes two phases :

a) The transitional phase, from 1.6.2011 till 31.12.2012, during which free CO_2 emissions allowances are provided. In that phase the cost of covering the deficit of CO_2 emissions allowances is incorporated in the offers of the units. This implies only a small increase of the electricity wholesale price (System Marginal price or "SMP").
b) The full implementation phase, starting on 1.1.2013 (Directive 2009/29), during which there will be no longer free emissions allowances and therefore the CO_2 emissions cost of a unit will represent the full cost of its emissions. Therefore the full cost of CO_2 emissions will be passed on the offers of the thermal units. That implies a significant increase of the electricity wholesale price (SMP) depending on the stock market CO_2 emissions allowances.

Regulations concerning the Power Wholesale Market and its regulative texts

In December 2011, RAE launched a public consultation for a proposal to amend the provisions of the Grid Control and Power Exchange Code, as well as the related manuals, so that the natural gas consumption special tax, which was imposed by L. 3986/2011, to be excluded in the offers and the of techno-economic declarations of the natural gas units in the daily electricity market. RAE's intention was to minimize the additional costs to the end consumer by the imposition of the natural gas consumption special tax, and to eliminate the distortions created in the wholesale electricity market due to the asymmetric nature of that tax (it charges only one of the electricity generation fuels and artificially reduces its competitiveness against the rest). With this in mind and taking into account the results of public consultation, RAE issued the **Decision 1528** on December 15, 2011, amending and supplementing Articles 44 and 203 of the Grid Control and Power Exchange Code with an effect starting on January 18, 2012 by which it excludes the natural gas consumption special tax from the injection offers of the thermal units to the daily electricity market.

2. LEGAL FRAMEWORK (CONTINUED)

Pricing Policy for Electricity

RAE issued the **Opinion 36** (08.12.2011) concerning the "Average Allowable Revenue of the Competitive Activities of PPC S.A., per regulating tariff category, for the year 2012", for the Medium and Low Voltage. RAE also gives an opinion to the Minister of Environment, Energy and Climate Change for the market liberalization of the medium voltage tariffs and concludes to a reasonable average allowable revenue concerning Low Voltage, for the year 2012, of 78,65 €/MWh compared to the 81,69 €/MWh which was the initial PPC proposal (in particular : 89.8€/MWh household tariff, 93.7€/MWh commercial tariff and 77.9 €/MWh agricultural tariff etc.). Finally the establishment of a permanent readjustment mechanism, per semester, of the competitive part of the regulating tariffs of PPC S.A to the wholesale market cost is proposed. Based on that Opinion, the decision by the Minister of Environment, Energy and Climate Change "PPC S.A Supply Tariffs" was issued in **OG B' 3044** (30.12.2011), in which the average allowable revenue of the competitive activities per customers category is approved in the low voltage for year 2012 (78.6 €/MWh household tariff, 89.9 €/MWh commercial tariff and 61.5€/MWh agricultural tariff etc.)., while at the same time the PPC medium voltage tariffs are liberalised. The corresponding tariffs for the special categories of consumers (tariffs of large families, Social Household Tariff) are still applicable as they are. RAE's proposal for automatic readjustment of the tariffs every six months based on the wholesale cost is not reflected in the Ministerial Decision.

In relation to the annual return to cover the Public Service Obligations (PSOs) supply charges, RAE published the **Decisions 1525/2011, 1526/2011 and 1527/2011** (**OG B' 2991**/28.12.2011), with which the methodology for the calculation of the annual return to cover the Public Service Obligations (PSOs) supply charges is modified. The above mentioned Decisions define the annual return for Public Service Obligations for the year 2011, which are calculated to Euro 682 mil. compared to Euro 497 mil. during the previous year (i.e. an increase of 37% which is due to the increase of the coefficients of the special tax on liquid fuel)as well as the Allocation Coefficients of the annual return to cover the PSOs supply charges and the charges per customer category for the year 2012.

The weighted average readjustment of the special Renewable energy sources("RES") fee of article 143 par.2, case c' of Law 4001/2011, for the year 2012 was decided to be 5,43 €/MWh, (**RAE Decision 1453**/2011), as well as its allocation per customers category.

The existing System Use unit charges and the Distribution Use unit charges are maintained at the same levels as the ones approved by Ministerial Decisions for 2011 (**RAE Decision 1456 - OG' 3057)**. At the same time it was decided the thorough further examination and quantification of the parameters composing the annual cost of the transmission system and the distribution network.

Issues of energy interest, except the ones concerning the waste, are incorporated in the **L.4042/2012** entitled "criminal protection of the environment – Compliance with the Directive 2008/99/EC – Framework of waste production and management – Compliance with the Directive 2008/98/EC – YPEKA issues regulation". More specifically, the special coefficient for determining the guaranteed price of the energy production from cogeneration units is specified, while among others subjects like low voltage tariffs are regulated and a fee of 2 €/MW in the lignite energy generation is imposed.

In Law 4038/2012 entitled "Urgent provisions for the implementation of medium term fiscal strategy framework 2012-2015" and in accordance with Article 32, after the recent liberalization of tariffs in the medium voltage, the content of Article 195 is amended, so that supply tariffs of PPC S.A for low voltage until 30.6.2013 to be approved, after RAE's Opinion, with Decisions of the Minister for the Environment, Energy and Climate Change, which may have retroactive effect. "

Other Issues

RAE, after the recent developments in the electricity market, with the deletion of the two major alternative suppliers from the Participants Register and the automatic activation of PPC S.A as the last resort Supplier pursuant to Law 4001/2011, decided (**Decision 53/2012**) to amend the Grid Control and Power Exchange Code and the Measurements and Periodic Settlement Network Suppliers Handbook in order to include the appropriate settings for the Supplier of Last Resort. Corresponding changes were made also to the Customer Supply Code (**Ministerial Decision YPEKA Δ5-ΗΛ/Β/Φ.1.19/90/οικ.2402/31.1.2012**).

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

3.1. BASIS OF PREPARATION

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Approval of financial statements
The Board of Directors of the Parent Company approved the accompanying financial statements for the year ended December 31, 2011 on March 30th , 2012. These financial statements are subject to approval the Parent Company's General Assembly of shareholders.

Basis of preparation of financial statements
The accompanying financial statements (thereon "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.
The Group and the Parent Company, are reporting losses for the year ended December 2011 of approximately Euro 149 mil. and Euro 273 mil., respectively. Furthermore as at December 31, 2011 total current liabilities of the Group and the Parent Company exceed the total current assets by the amount of approximately Euro 578 mil. and Euro 561 mil., respectively, and they may not be able to meet part of their contractual obligations, if they do not proceed with the immediate refinancing of their short term loan obligations.
For this purpose as disclosed in Note 42, in January 2012 the Group proceeded to the renewal of loans of Euro 200 mil. (of which Euro 150 mil. related to the Parent Company) with an original maturity in the first quarter 2012 with gradual repayments on the amount of Euro 150 mil. during the period 2013 - 2015 and the remainder in July 2014. Moreover, in March 2012, PPC proceeded to renew a loan of Euro 15 mil. with an initial maturity in May 2012 for three additional years. Also, the Group is in the process of negotiations with lending banks for the refinancing of existing loan obligations. Specifically, the Board of Directors of the Parent Company has approved refinancing terms ("term sheet")of an amount of upto Euro 960 mil. in the form of a syndicated loan, which provides for the renewal of existing borrowings of a total amount of Euro 759 mil. with an initial maturity in 2012 for the next two to three years. For this refinancing, the Parent Company has received written letters of intent from six (6) banks covering 87% of this syndicated loan confirming their readiness to consider positively either their participation in the syndicated loan as described in the term sheet or on the basis of bilateral agreements with the Parent Company. Also, as mentioned in Note 30, short-term liabilities include an amount of Euro 150 mil. is included, which concerns a long term loan for which the bank reserves the right to early repayment for the period after October 2012. For this loan, the Parent Company has received a written letter of intent from the Bank confirming that it it is disposed to examine in good-will extending the non-exercise of this right until March 31, 2013.

In light of the above, the management of the Parent Company and the Group estimates that the above mentioned refinancings will be completed successfully and therefore the financial statements of the Parent Company and the Group have been prepared on the basis that PPC and its subsidiaries will continue as a going concern.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries, drawn up to December 31 each year. Subsidiaries (companies in which the Group directly or indirectly through other subsidiaries has an interest of more than one half of the voting rights or otherwise has power to exercise control over their operations) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary is accounted for as an equity transaction. All significant inter-company balances and transactions have been fully eliminated as well as unrealized inter – group gains and losses. Where necessary, the accounting policies of subsidiaries have been revised to ensure consistency with the policies adopted by the Group. Certain of the abovementioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests, prior to January 1, 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of net assets acquired were recognized as goodwill.

3.1. BASIS OF PREPARATION (CONTINUED)

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a biding obligation to cover these.

3.2. CHANGES IN ACCOUNTING POLICIES

The accounting policies applied to the separate and consolidated financial statements are the same as those applied to the annual separate and consolidated financial statements for the year ended December 31, 2010 with the exception of the following interpretations, that are valid as of 1 January 2011 onwards and which had no effect in the Group and the Parent Company for the reporting period :

- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- IAS 24 Related Party Disclosures (Amended)
- IAS 32 Classification on Rights Issues (Amended)
- Improvements to IFRSs (May 2010)
- In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Company and the Group.
- IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
- IAS 34 Interim Financial Reporting: This improvement requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements
- Other amendments resulting from Improvements to IFRSs to the following standards and interpretations did not have any impact on the accounting policies, financial position or performance of the Company/ the Group:
- IFRS 3 Business Combinations:
- IFRS 7 Financial Instruments - Disclosures:
- IAS 27 Consolidated and Separate Financial Statements:
- IFRIC 13 Customer Loyalty Programmes:

3.3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates. The principle judgments and estimates referring to events the development of which could significantly affect the items of the financial statements during the forthcoming twelve months period are as follows:

Post-retirement benefits
The Parent Company's employees and pensioners of the Group are entitled to supply of energy at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout their working period. The above mentioned obligations are calculated on the basis of financial and actuarial assumptions. Further details, according to the basic assumptions and estimates, are included in Note 32.

Fair value and useful lives of property, plant and equipment
The Group and the Parent Company carry their property, plant and equipment at revalued amounts (estimated fair values) as determined by an independent firm of appraisers. Revaluations are performed periodically (every three to five years). The determination of the fair values of property, plant and equipment requires from management to make assumptions, estimates and judgements with respect to the ownership, the value in use and the existence of any economic, functional and physical obsolescence of property, plant and equipment .The last revaluation of the fixed assets was conducted on December 31, 2009. The management of the Group estimates that any change in the fixed assets' fair values had not a significant impact on the accompanying

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)
financial statements of December 31, 2011. Furthermore, the Management has to make certain estimates with respect to the total and the remaining useful lives of depreciable assets, which are subject to a periodic review. The total useful lives, as appraised, are included in Note 3.4

Impairment of property, plant and equipment
The Group and the Parent Company assess at each reporting date whether there is an indication that an asset may be impaired. The determination of whether such indications exists, require assumptions and judgments with respect to external and internal factors that may affect the recoverability of its assets, as well as assumption on the determination of its cash generating units. The management of the company estimates that at the reporting date there are no impairment indications for their fixed assets for the activities of Transmission and Distribution while for the fixed assets of the Generation Activity it judges that there are no indicators of impairment.

Cost of dismantling of property, plant and equipment
Based on the provisions of IAS 16 "Property, plant and equipment" the cost of an item of property, plant and equipment includes, among others, the initial estimate of the costs required for the dismantling and removal of such an item. These costs are quantified and recognized in the financial statements in accordance with the provisions of IAS 37 "Provisions, contingent liabilities and contingent assets". The management estimates that the cost of dismantling may, especially in the cases of lignite fired power plants as well as gas fired stations, be funded by the proceeds of the materials that will be resulted from such a dismantling and, on that basis has not made any provision for such costs.

Provisions for risks
The Group is establishing provisions concerning claims by employees against companies of the Group and which might lead to an outflow of resources for their settlement. Provisions are established based on claim and the possible outcome of the trial.

Provisions for trade receivables
The provision for doubtful debts is established for high voltage customers on specific balances, when there are indications that the debts will not be collected. For medium and low voltage customers, the Company is establishing a general provision for the total of their outstanding balances of more than 3 and 6 months respectively, per customer. This policy is reviewed periodically in order to be readjusted accordingly the outstanding circumstances. Additional details are included in Note 22.

Provisions for income taxes
Current income tax liabilities for the current and prior years are measured at the amounts expected to be paid to the taxation authorities, using the tax rates that have been enacted by the balance sheet date. Provision for income taxes includes taxes reported in the respective income tax returns and potential additional tax assessments that may be imposed by the tax authorities upon settlement of the open tax years on the basis of the findings of prior tax audits. The final settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements. For the year 2011 the company is audited for tax purposes by the Certified Auditors Accountants in accordance with the provisions of Article 82 para 5 L. 2238/1994. This audit is ongoing and the related tax certificate will be issued after the publication of the financial statements for the year 2011. If, at the completion of the tax audit, additional tax liabilities result, we estimate that these will have no material effect on the financial statements.Deferred taxes are recognized on carried forward tax losses to the extent that it is probable that future taxable profits will be reported to offset carried forward tax losses. Deferred tax receivables that are recognized require Management to make assessments as to the time and level of realization of future taxable profits.

Accounting treatment of spin –off to a subsidiary
The management proceeds to significant judgments regarding the proper presentation of the spin –off and contribution of the segment by the Parent Company to the 100% subsidiary in exchange for shares, as the accounting treatment for similar transactions between companies under common control is not explicitly provided for in IFRS. More details on the accounting treatment are disclosed in note 13.

Provision for unbilled revenue
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from all types of electricity sales is accounted for on an accrual basis. Especially for the low voltage customers at each balance sheet date, unbilled revenue is recorded to account for electricity delivered and consumed by these customers but not yet billed. Unbilled revenue is estimated using certain assumption with respect
to quantities of electricity consumed, network losses and average electricity sale prices. Actual amounts finally billed may differ from those provided for.

3.4. PRINCIPAL ACCOUNTING POLICIES

Foreign currency translation
The functional and reporting currency of all the Group entities is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities that are denominated in other currencies are adjusted to reflect the current exchange rates. Gains or losses resulting from foreign currency adjustments are reflected in foreign currency gains (losses), net, in the accompanying statements of income.

Intangible assets
Intangible assets include software and CO_2 emission rights allowances

Software
Software programs are depicted at their acquisition cost minus accumulated depreciation and impairments. For all assets retired or sold, their acquisition cost and related depreciation are removed from the accounts. And any gain or loss is included in the statement of income. Software costs are amortized on a straight-line basis over a period of five years.

CO_2 Emissions Rights
The Parent Company acquires CO_2 emission rights in order to meet its obligation resulting from the shortage of allocated emission allowances as compared to actual emissions made. The Parent Company is implementing the net liability method, according to which a liability for emissions is recognized when the emissions are in excess from the allocated allowances and the acquired CO_2 allowances (taking into account the maximum allowed proportion between EUAs and CERs). This liability is accounted in fair values to the extent that PPC has the obligation to cover the CO_2 emission deficit through purchase (after the set of any acquired CO_2 emission rights). Emission rights purchased and additionally acquired are recognized as an intangible asset, at cost less any accumulated impairment losses.

Tangible Assets
Tangible assets (with the exception of mines and lakes which are valued at cost minus accumulated depreciation and eliminations) are valued at their fair values minus accumulated depreciation and eliminations. Estimations of fair values are performed periodically by independent appraisers (three to five years) in order to ensure that fair value does not differ significantly from the net value of the asset. The last assets' evaluation was completed December 31st 2009. Any valuation increase is credited to the revaluation surplus net of deferred taxes. At the date of revaluation, accumulated depreciation are offset against pre depreciation accounting values and net amounts are restated according to restated amounts. Any decrease is first offset against an earlier valuation increase in respect of the same fixed asset and thereafter charged to the income statement. Upon disposal of revalued tangible asset, the relevant portion of the revaluation surplus is released from the revaluation surplus directly to retained earnings. Repairs and maintenance are charged to expenses as incurred. Subsequent future expenditures are capitalized when they increase the asset's useful life, improve its productivity or decrease its operational cost. For all assets retired or sold, their acquisition cost and related depreciation are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the statement of income.

Borrowing costs
From January 1st, 2009, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that needs a substantial period of time to get ready for its intended use or sale, is capitalised as part of the cost of the relevant assets. The new accounting policy is implemented on fixed assets recognized from January 1, 2009 herein (new constructions). All the remaining borrowing costs are recognized as expenses in the period in which they are incurred.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.4 PRINCIPAL ACCOUNTING POLICIES (Continued)

Depreciation

Depreciation is calculated on a straight-line basis over the average estimated remaining useful economic life of the assets. The useful lives (in years) applied for the calculation of depreciation, have as follows:

Buildings and Civil Works	
Buildings of general use	50
Industrial buildings	40-50
Dams	50
Machinery and Equipment	
Thermal power plants	35-40
Gas Turbines	30
Mines	20-40
Hydro power plants	50
Autonomous diesel power plants	25
Transmission	
Lines	35
Substations	35
Distribution	
Substations	35
Low and medium voltage distribution network	35
Transportation assets	15
Furniture, fixtures and equipment	5-25

Mining activities

The Parent Company owns and operates open-pit lignite mines. Land acquisition (mainly through expropriation) and initial (pre-production) development costs relating to mines are capitalized and amortized (upon commencement of the mines' commercial operation) over the shorter of the life of the mine and 20 years. Exploration, evaluation and ongoing development costs are charged to the cost of lignite production as incurred. A provision for land restoration is established for the Group's estimated present obligation for restoration and is calculated based on the surface disturbed to date and the average cost of restoration per metric unit. It is accounted for at the present value of the related obligation to restore land back to a beneficial use and is included both in fixed assets (mines) and in provisions.

Investments in subsidiaries

In the separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses. The spin off and contribution of an activity from the Parent Company to a wholly owned subsidiary in exchange for shares, is accounted for as a transaction between companies under common control. In cases of such transactions the shares received are recognised as an addition to the cost of investment in the subsidiary with a value equivalent to the carrying value of the net assets contributed at the transaction date.

Investments in associates

These are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture of the Group. The Group's investments in associates are accounted for under the equity method of accounting. The investments in associates are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less possible provisions for any impairment in value. The income statement reflects separately the Group's share of the results of its associates, while amounts that are registered by the associates directly to their equity are recognized directly to the Group's equity. Non – realizable profit or loss resulting from the transactions of the Group with said associates are eliminated to the extent of the interest in the associates. The associates' accounting principles are adjusted, when necessary, in order to comply with those adopted by the Group. In the separate financial statements such investments are accounted for at cost less any accumulated impairment losses.

Investments in joint ventures

The Group has interests in joint venture which are jointly controlled entities with other companies with which the Group has a contract. In the consolidated financial statements, investments in joint ventures are accounted for under the equity method. The investments in joint ventures are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment value. The consolidated statement of income reflects the Group's share of the results of its joint ventures while amounts that are registered by the joint ventures directly to their equity are recognized directly to the Group's equity.

3.4 PRINCIPAL ACCOUNTING POLICIES (Continued)

Non – realizable profit or loss incurring from the transactions of the Group with those joint ventures are eliminated to the extent of the interest in the joint ventures. The joint ventures' accounting principles are adjusted, when necessary, in order to comply with those adapted by the Group. In the separate financial statements such investments are accounted for at cost less any impairment losses.

Impairment of assets

The Group and the Parent Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when the Group or the Parent Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. The fair value of sale (after the deduction of sales costs) is determined, in each case, according to the implementation of a revaluation model. Impairment losses of continuing operations are recognized to the income statement. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at revalued amounts in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Investments and other financial assets

Financial assets in the scope of IAS 39 are classified based on their nature and their characteristics in financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs. The Group and the Parent Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Group and the Parent Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets at fair value through profit and loss

This category includes financial assets classified as held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognized in income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Held - to - maturity investments

Financial assets with fixed payments and fixed maturity are classified as held - to - maturity, when the Parent Company or the Group has the intention and the ability to hold them to maturity. Held – to – maturity investments which are held for an infinite or non – defined maturity cannot be classified into this category.
Held – to – maturity investments are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the investments are derecognized or eliminated as well as through the amortization process.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are not classified in any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognized as a separate component of equity. On disposal, impairment or de-recognition of the

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.4 PRINCIPAL ACCOUNTING POLICIES (Continued)

investment, the cumulative gain or loss is transferred to the income statement. The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models. When the fair value cannot be determined reliably, the investments are measured at their acquisition cost.

Impairment of financial assets
The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost
If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in profit or loss. The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Available-for-sale financial assets
If an available-for-sale asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to the income statement. Impairment losses that have been recognized previously in the income statement and relate to investments in shares are not reversed through the profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

Inventories
Inventories include consumables, materials, lignite and liquid fuel.

Materials and consumables
Materials and consumables are stated at the lower of cost or net realizable value, the cost being determined using the weighted average method. These materials are recorded in inventory when purchased and then are expensed or capitalized to plant, as appropriate, when installed. A provision is established for write down to recoverable amount expected to be realized from their use.

Lignite (self-produced and purchased)
The cost of lignite inventories which have been excavated / purchased but not yet consumed at the date of the financial statements is depicted at the balance sheet. Lignite inventories are stated at the lower of production cost / purchase cost and net realizable value, the cost being determined using the weighted average production / purchase cost method. Production / purchase cost mainly consists of expenses incurred in order for lignite inventories to be brought to its present location. Consumption of lignite is separately reflected in operating expenses in the accompanying statement of income.

Liquid fuel
Liquid fuel is stated at the lower of cost and net realisable value. The cost of liquid fuel reflects purchase price plus any taxes (other than VAT), levies and other costs necessary to bring it to its present location and condition and is determined using the weighted average method for the period. Liquid fuel costs are expensed as consumed and are separately reflected in the accompanying statements of income.

3.4 PRINCIPAL ACCOUNTING POLICIES (Continued)

Cash and cash equivalents
The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents.

Share capital
Share capital represents the par value of shares fully issued and outstanding. Any proceeds in excess of par value are recorded in share premium. Expenses related directly to new shares issuance are recognized directly to Equity net of proceeds.

De-recognition of financial assets and liabilities
Financial Receivables
A financial receivable (or, where applicable a part of a financial receivable or part of a group of similar financial receivables) is derecognized where: (1) the rights to receive cash flows from the asset have expired, (2) The Group / Parent Company retain the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement and (3) The Group / Parent Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Where the Group / Parent Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group / Parent Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group / Parent Company could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group / Parent Company’s continuing involvement is the amount of the transferred asset that the Group / Parent Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group / Parent Company’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of financial assets and liabilities
Financial assets and liabilities are offset and the net amount is presented in the balance sheet only when the Group / Parent Company has a legally enforceable right to set off the recognized amounts and intends to either to settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously.

Interest bearing loans and borrowings
All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs.

Provisions for risks and expenses, contingent liabilities and contingent claims
Provisions are recognised when the Group / Parent Company has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

Post- retirement benefits
The Parent Company employees and pensioners of the Group are entitled to supply of energy at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.4 PRINCIPAL ACCOUNTING POLICIES (Continued)

earning retirement benefit rights steadily throughout the working period. Retirement obligations are calculated on the basis of financial and actuarial assumptions. Net costs for the period are included in the payroll cost in the statements of income and consist of the present value of the benefits earned in the year, decreased by the benefits offered to the pensioners. The retirement benefit obligations are not funded. Unrecognized gains or losses that exceed 10% of the projected benefit obligation at the beginning of each period are recognized over the average remaining service period of active employees and included as a component of net pension cost for a year.

Subsidies for fixed assets
The Group obtains subsidies from the Hellenic Republic and from the European Union (through the investment budget of the Hellenic Republic) in order to fund specific projects executed through a specific time period. Subsidies are recorded upon collection and are reflected as deferred income in the accompanying balance sheets. Amortization is accounted for in accordance with the remaining useful life of the related assets, and is included in depreciation and amortization in the accompanying statements of income.

Customers and producers contributions in the construction of fixed assets and Contributions of fixed assets from customers and producers
Customers and producers, who are connected with the transmission and distribution network, are required to participate in the initial network connection cost (metering devices, lines, substations, etc.) or other type of infrastructure, through the deposit of institutionally defined amounts or through fixed assets contribution. Until December 31, 2008, due to the lack of detailed accounting guidance under current IFRS, the Group / Parent Company has elected to record upon collection of contribution from customers and producers., for the construction of assets needed for their connection with the network, and were reflected in the Balance Sheet as deferred income. Their amortization was accounted for in accordance with the remaining useful life of the related financed assets and was included in the depreciation and amortisation of the income statement (the Group / Parent Company implemented the accounting policy used for contributions). From January 1st, 2009, the Group / Parent Company implementing earlier the Interpretation 18 “Transfers of Assets from Customers” recognize the cash and the assets received from customers and producers needed for their connection with the network, in fair values in the Income Statement. For cash received until December 31st, 2008, the Group / Parent Company used the previous adopted accounting policy.

Derivative financial instruments and hedging
The Parent Company uses derivative financial instruments to hedge its risks associated with interest rate, of foreign currency and liquid fuel prices consumed by the Parent Company fluctuations. Such derivative financial instruments are measured at fair value at the balance sheet date. The fair value of such derivatives is determined by reference to market values for similar instruments and it is confirmed with the respective financial institutions. The effective part of hedges that qualify for hedge accounting is recognized directly to equity if it is related to cash flow hedges while the ineffective part is charged to the separate and consolidated income statement. If the hedge is related to effective fair value hedges, the gain or loss from remeasuring the derivative hedging instrument at fair value is recognized in profit or loss and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss. Under cash flow hedge accounting, when the hedged firm commitment results in the recognition of non-financial asset or a non-financial liability, then, at the time the asset or liability is recognized the associated gains or losses that had previously been recognized in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognized in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the year.
Certain derivatives, although characterized as effective hedges based on Group policies, do not meet the criteria for hedge accounting in accordance with the provisions of IAS 39 and, therefore, gains or losses are recognized in the statements of income.

Income taxes (current and deferred)

Current Income Taxes:
Current income tax expense consists of income taxes for the current year based on the Parent Company’s profits and on the other companies of the Group as adjusted in its tax returns and, provisions for additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted or substantively enacted tax rates.

3.4 PRINCIPAL ACCOUNTING POLICIES (Continued)

Deferred Income Taxes

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities. Deferred income tax liabilities are recognized for all taxable temporary differences. Except where the deferred income tax liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is possible that taxable profit will be available against the deductible temporary differences and the carried forward of unused tax credits and unused tax losses can be utilized. Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; the deferred tax assets are reviewed at each balance sheet date and reduced at the time where it is not considered as possible that enough taxable profits will be presented against which, a part or the total of assets can be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of income.

Defined contribution plans

The Parent Company and the Group recognize as an expense the contribution for the employees' services payable to PPC Personnel Insurance Organization and as a liability the amount that has not been paid yet.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from all types of electricity sales is accounted for on an accrual basis. At each balance sheet date, unbilled revenue is recorded to account for electricity delivered and consumed by customers but not yet billed. Deductions from reduced consumption of electricity as defined by specific return policies of the Company/Group are accounted when they can reliably be estimated (based on historical data, if available or on prior year's data. Revenue from rendering of services is recognized based on the stage of completion of the service rendered and to the extent that the related receivable will be collected. Revenue from interest is recognized within the period incurred and revenue from dividends is recognized when the Group's right on such dividends is approved by the respective bodies of the companies' that declare them.

Electricity

Electricity costs are expensed as purchased and separately reflected in the accompanying statements of income.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right or use the asset.

Group as a lessee

Leases, which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight line basis over the lease term.

Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as revenue in the statement of income on a straight line basis over the lease term.

Earnings/ (Losses) per share

The basic and diluted earnings per share, are computed by dividing net income by the weighted average number of shares outstanding during the relevant year. The weighted average number of shares is derived by adding the existing shares, that the share capital is divided, with the rights that the Parent Company owns and potentially could exercise.

Subsequent events

Post period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes.

3.4 PRINCIPAL ACCOUNTING POLICIES (Continued)

Non-current Assets Held for Sale and Discontinued Operations :
The Group classifies a non-current asset (or disposal group) as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In sale transactions, all exchanges of non – current assets for other non – current assets are included, if the transaction has commercial value.

The basic preconditions to classify a non-current asset (or a disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets / groups and its sale must be highly probable.
Immediately, before the original classification of the non - current asset or disposal group as held for sale , the current asset or disposal group is evaluated based on the appropriate per case IFRS.
Non - current assets (or disposal group) classified as held for sale will be measured at the lower of its carrying amount and fair value less costs to sell and any possible resulting impairment losses will be recognized in the income statement. Any subsequent increase in fair value will be recognized, but not in excess of the cumulative impairment loss which was previously recognized.
While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale it should not be depreciated or amortized.

Operating Segment
According to L. 2773/1999, L. 3426/2005 and L. 4001/2011, the Company is obliged to prepare and integrate in its financial statements, accounting unbundled financial statements for each sector. These include PPC's activities in the Sectors of Mines, Generation, Distribution, Supply to Eligible Customers, Supply to non – eligible customers and Management of the Non-Interconnected Islands. In addition following the spin – off of the former General Division of Transmission, presents the activity of Transmission as one of the Group's subsidiaries. As a result, information disclosures by operational sector as well as the principles of segment as presented in IFRS 8 "Operating Segment" are stated in the Appendix 1.

3.5. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The new standards, amendments / improvements of standards or Interpretations listed below, were issued but have not been adopted in the accounting period, beginning in January 1, 2010:

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**
  The amendment is effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance. This amendment has not yet been endorsed by the EU. PPC is in the process of assessing the impact of this amendment on its financial position or performance.
- **IAS 12 Income Taxes (Amended) – Recovery of Underlying Assets**
  The amendment is effective for annual periods beginning on or after 1 January 2012. The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group
- **IAS 19 Employee Benefits (Amended)**
  The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Early application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.5. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (Continued)

- **IAS 27 Separate Financial Statements (Revised)**
  The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group..
- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
  The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 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. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.
- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after 1 January 2014.This amendment clarifies the meaning of "currently has a legally enforceable right to set-off" and also clarifies 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. The amendments to IAS 32 are to be retrospectively applied. Earlier application is permitted. However, if an entity chooses to early adopt, it must disclose that fact and also make the disclosures required by the IFRS 7 Offsetting Financial Assets and Financial Liabilities amendments. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements**
  The amendment is effective for annual periods beginning on or after 1 July 2011. The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment has only disclosure effects. The Group does not expect that this amendment will have an impact in the financial statements.
- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after 1 January 2013.The amendment introduces common disclosure requirements. These disclosures would provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity's financial position. The amendments to IFRS 7 are to be retrospectively applied. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact in the financial statements.
- **IFRS 9 Financial Instruments - Classification and Measurement**
  The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the FVO. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the first half of 2012. Early application is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 10 Consolidated Financial Statements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes 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 in IAS 27.This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.5. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (Continued)

- **IFRS 11 Joint Arrangements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. 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. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 12 Disclosures of Involvement with Other Entities**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to 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 standard has not yet been endorsed by the EU The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 13 Fair Value Measurement**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine**
  The interpretation is effective for annual periods beginning on or after 1 January 2013.This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Costs incurred in undertaking stripping activities are considered to create two possible benefits a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period (striping activity asset). Where cost cannot be specifically allocated between the inventory produced during the period and the stripping activity asset, IFRIC 20 requires an entity to use an allocation basis that is based on a relevant production measure. Early application is permitted. IFRIC 20 has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the interpretation on the financial position or performance of the Group.

4. REVENUES

	Group		Company	
	2011	**2010**	**2011**	**2010**
Energy sales:				
- High voltage	433,884	410,729	433,884	410,729
- Medium voltage	908,738	957,943	908,738	957,943
- Low voltage	3,521,658	3,846,905	3,521,658	3,846,905
- Renewable Energy Sources	14,306	17,655	-	-
	4,878,586	**5,233,232**	**4,864,280**	**5,215,577**
Fees charged to HTSO				
- Transmission system fees	302,025	247,341	243,240	247,341
- Administrative fees	8,647	10,325	8,647	10,325
	310,672	**257,666**	**251,887**	**257,666**
- Received customers' contributions	140,594	194,539	140,354	194,539
- Public Service Obligations	53,053	22,168	53,053	22,168
- Distribution Network Revenue	63,655	28,733	63,655	28,733
-Other	66,992	73,394	69,660	73,394
	324,294	**318,834**	**326,722**	**318,834**
Discontinued Operations (note 13)	-	-	(262,557)	(272,725)
Total	**5,513,552**	**5,809,732**	**5,180,332**	**5,519,352**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

5. PAYROLL COST

	Group		Company	
	2011	2010	2011	2010
Payroll cost	954,237	1,083,640	948,610	1,080,760
Employer's social contributions	290,066	321,260	287,747	321,211
Provision for reduced tariffs	3,668	4,079	(5,739)	4,079
Payroll cost included in				
- fixed assets	(148,321)	(163,910)	(139,693)	(163,910)
- lignite production	(264,945)	(294,569)	(264,945)	(294,569)
	834,705	**950,500**	**825,980**	**947,571**
Discontinued Operations (note 13)	-	-	(62,346)	(68,069)
Total	**834,705**	**950,500**	**763,634**	**879,502**

Law 4024/2011 "Pension adjustments, single public pay scale, labor reserve and other directions of the medium term fiscal strategy 2012-2015"

Based on Law 4024/2011, the average per capita cost of all earnings, allowances, compensations and general fees, of personnel in general is not allowed to exceed 65% of the average per capita corresponding cost PPC as that applicable by 31.12.2009. The provisions of the above mentioned law are applied since November 1st, 2011.

6. ENERGY PURCHASES

	Group		Company	
	2011	2010	2011	2010
Arrangements of differences	659,028	434,137	659,028	434,137
Imports	94,461	103,251	94,461	103,251
Other imports	119,712	70,378	128,401	77,775
Net charge to secure sufficient capacity	21,439	(17,698)	21,439	(17,698)
Net additional charge for RES	11,513	9,768	13,413	9,768
Purchase rights	8,709	7,970	8,709	7,970
Net charge for coverage of the generation variable cost recovery	130,611	28,469	130,611	28,469
Other purchase	11,507	14,203	11,507	14,203
TOTAL	**1,056,980**	**650,478**	**1,067,569**	**657,875**

It is noted that the application of the Variable Cost Recovery Mechanism by applying the surcharge of 10%, is in effect for the year 2012. By the infiltration of new units of private generators, the amount paid to Private Generators for the recovery of the variable cost during 2011 amounts to Euro 130 mil.

7. DISTRIBUTION NETWORK FEES

	Group		Company	
	2011	2010	2011	2010
Distribution network fees	240,101	210,697	240,101	210,697
Recovery of administrative costs from HTSO	20,168	19,892	20,168	19,892
Arrangement of losses	37,704	15,926	37,704	15,926
Net charge of ancillary services	17,622	(216)	17,622	(216)
TOTAL	**315,595**	**246,299**	**315,595**	**246,299**

8. DEPRECIATION AND AMORTIZATION

	Group		Company	
	2011	2010	2011	2010
Depreciation/ amortization:				
- Fixed assets (note 15)	717,836	697,959	652,630	693,333
- Software (note 16)	4,843	2,949	4,789	2,884
- Transfer to subsidies and customers contributions (note 34)	(75,725)	(74,556)	(70,429)	(74,113)
Depreciation included in lignite excavation cost	(134,600)	(122,541)	(134,600)	(122,541)
	512,354	**503,811**	**452,390**	**499,563**
Discontinued Operations (note 13)	-	-	-	(56,874)
Total	**512,354**	**503,811**	**452,390**	**442,689**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

9. FINANCIAL EXPENSES

	Group		Company	
	2011	2010	2011	2010
Interest Expenses	205,546	153,633	203,691	153,633
Bank charges	1,294	1,049	1,294	1,049
Amortizations of loans' issuance costs	5,201	5,192	4,545	5,192
Changes in derivatives' fair value (note 31)	3,073	0	3,073	0
Commissions on letter of guarantee	7,758	6,349	7,337	6,349
Finance cost on mine restorations provision (Note. 33)	1,445	2,009	1,445	2,009
Other	2,534	2,078	1,876	1,951
	226,851	**170,310**	**223,261**	**170,183**
Discontinued Operations (note 13)	-	-	(21,867)	(24,926)
Total	**226,851**	**170,310**	**201,394**	**145,257**

10. FINANCIAL INCOME

	Group		Company	
	2011	2010	2011	2010
Changes in derivatives' fair values (note 31)	-	88	-	88
Interest on outstanding energy receivables	19,256	14,058	19,257	14,058
Interest on bank and time deposits (note 25)	21,307	18,799	21,199	18,692
Dividends from Subsidiaries	-	-	-	-
Dividends from investments "held-for-sale" (note 24)	-	155	-	155
Other	3,101	7,831	2,898	7,672
	43,664	**40,931**	**43,354**	**40,665**
Discontinued Operations(note 13)	-	-	(8)	(3)
Total	**43,664**	**40,931**	**43,346**	**40,662**

11. OTHER (INCOME) EXPENSE, NET

	Group		Company	
OTHER EXPENSE	2011	2010	2011	2010
Transportation and travel expenses	14,769	21,767	15,438	21,567
Taxes and duties	20,794	22,542	19,589	21,633
Loss on disposals of fixed assets	12,393	14,311	6,849	14,311
Loss on impairment of Construction in Progress	11,001	10,000	10,374	10,000
Attribution in Insurance Funds	-	99,619	-	99,619
Extraordinary Provisions	35,003	41,716	35,003	41,716
Extraordinary other receivables write offs	-	20,693	-	20,693
Consumables	7,194	8,598	6,666	8,587
Other	18,129	21,594	20,535	21,010
Total	**119,283**	**260,840**	**114,454**	**259,136**

	Group		Company	
OTHER REVENUE	2011	2010	2011	2010
Penalties to suppliers/ contractors	(5,893)	(8,000)	(5,811)	(8,000)
Subsidies on expenses	(654)	(398)	(654)	(398)
Income from rentals	(400)	(780)	(400)	(780)
Other	(15,855)	(15,071)	(17,240)	(15,071)
Total	**(22,802)**	**(24,249)**	**(24,105)**	**(24,249)**
Grand total	**96,481**	**236,591**	**90,349**	**234,887**
Discontinued Operations (13)		-	(6,575)	(23,684)
Grand Total	**96,481**	**236,591**	**83,774**	**211,203**

11. OTHER (INCOME) EXPENSE, NET (Continued)

Contribution to pension funds
The Extraordinary General Meeting of Shareholders with its Decision on 26.04.2010 proceeded to an extraordinary one-off financial contribution to PPC's personnel pension funds from the amount saved by reducing the salaries of employees, pursuant to the provisions in Article 1 of Law 3833/2010. As a result of this decision, the financial results of 2010, were burdened by Euro 99.6 mil.

12. SPIN – OFF OF DISTRIBUTION ACTIVITY AND CONTRIBUTION TO A NEW SUBSIDIARY " OPERATOR OF THE GREEK DISTRIBUTION SYSTEM (OGDN) S.A."

By L. 4001/2011 the spin – off of the activity of the General Division of Distribution, including the Non – Interconnected Islands Operator as well as assets by PPC along with its liabilities which fall under the above mentioned activity with the exception of fixed assets of the Distribution Network and the Non – Interconnected Islands' Network (herein the "Distribution Division of PPC") was decided and its contribution to a wholly owned subsidiary called "Operator of the Greek Distribution Network or OGDN S.A." was decided.
This contribution is in accordance with the directions of Laws 2190/20, 2166/93 and 4001/11.
It is noted that according to article 123 of L. 4001 (O.G. A 179/22.08.2011) PPC is obliged, in eight months by its effect date to accomplish the legal as well as the operational unbundling of the activity of the management of the OGDN the other activities of the vertically integrated company, by contributing the Distribution Division to its subsidiary OGDN.
In November 2011 PPC's Board of Directors decided to set December 31st, 2011 (instead of January 1st, 2011) as the inventory date of the net assets to be contributed as well as the date for the spin-off Balance Sheet of PPC's Distribution Division.
In February 28th, 2012 PPC's Board of Directors has approved the spin off if the PPC's Distribution Division, as defined in article 123 of L. 4001/2011,as is in effect, and its contribution to its existing wholly owned subsidiary "PPC RHODOS S.A." (renamed by law to "Operator of the Greek Distribution Network or OGDN S.A.".
It also approved :

- PPC's Distribution Division's financial position as at December 31ST, 2011
- PPC's Distribution Division's Audit Report and verification of the assets and liabilities as well as
- The Spin-off contract draft of the above mentioned Distribution Division

The above mentioned was approved by PPC's Extraordinary General Shareholders' Meeting which took place on March 29th, 2012.
The Parent Company considers that during the preparation of Financial Statements as of December 31, 2011 the provisions of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are not applicable given that according to the management's judgment the above mentioned transaction does not have commercial substance. The spin –off and the contribution will be recorded upon completion of the transaction, which is the approval date by the relevant authorities.

13. CONTRIBUTION OF TRANSMISSION ACTIVITY BY PPC TO INDEPENDENT TRANSMISSION SYSTEM OPERATOR (ITSO) S.A.

In August 2011, Law 4001/2011 was published and according to article 98, PPC is obliged to proceed to the legal and operational unbundling of its Transmission Activity through the spin-off and contribution to its wholly owned subsidiary "Independent Transmission System Operator (ITSO) S.A.".
By L. 4001/2011, ITSO is being assigned with the Hellenic Transmission System Operation (HETSO) management which is organized and operates as an independent transmission operator (model ITO - Independent Transmission Operator) under the provisions of Chapter of Directive 2009/72/EK, through the Transfer to ITSO of the activities of management, operation, maintenance and development of the Hellenic Transmission System Operator (HETSO). This is accomplished through the contribution to ITSO by the spin – off of :
• the total assets, liabilities and personnel of General Activity of Transmission ("PPC's Transmission Activity").
• all HTSO's activities except for the Electricity Market Operation - the operation of the Day-Ahead Electricity Market to be conducted by the independent company "Hellenic Electricity Market Operator (HEMO)".
By its certification as ITO, ITSO exercises the responsibilities of HETSO according to No. 7705/25.04.2001 decision of the Minister of Development. The certification documentation is expected to be submitted to RAE in March 2012 while the spin-off and contribution of the sector of HTSO's Transmission System Management was completed subsequent to the balance sheet date, on February 1, 2012 and therefore the transaction will be recorded in the financial statements of 2012. The PPC transmission activity's spin – off was concluded within the time limits defined by L. 4001/2011 (November 2011). Given that the Parent Company is the sole shareholder of ITSO and appoints the majority of the Supervisory Board, (which is the body responsible for major important decisions for the activity of ITSO, i.e. dividends policy, investments, loans), the Parent Company estimates that it has control over ITSO.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

13. CONTRIBUTION OF TRANSMISSION ACTIVITY BY PPC TO INDEPENDENT TRANSMISSION SYSTEM OPERATOR (ITSO) S.A. (Continued)

In relation to the spin –off of PPC's Transmission Activity, article 98 of L. 4001/2011, provided that in three months since the initial effect of the law PPC is obliged to proceed to the legal and operational unbundling of the operation of the Transmission Electricity System from the rest of the activities of the vertically integrated utility by contributing the Transmission activity to its subsidiary "Independent Transmission System Operator S.A.".
The above mentioned contribution is realised through spin – off according to the provisions of L. 4001/2011, articles 68 - 79 of L. 2190/1920 and articles 1 to 5 of L. 2166/1993 of all PPC's assets that operationally belong to PPC's Transmission activity and especially the fixed assets that comprise the Transmission System, as those are recorded at the spin off Balance Sheet. In accordance with the aforementioned laws the transaction of the transmission activity occurring during the transition period, were transferred to ITSO, specifically to ITSO's profits and are considered profits belonging to ITSO and will be taxed as such. Respectively the legal consequences of the realisation of those profits which arise from the provisions of L. 2190/1920,(for example distribution of profits), will concern ITSO S.A.

The spin-off of the contributed activity to ITSO according to the provisions of the previous paragraph, accomplished according to the provisions and procedures described to articles 1 to 5 of L. 2166/1993 and with specific deviations as those are described in L. 4001/2011.
ITSO's share capital as a consequence of the spin-off of the above mentioned activity is increased due to the absorption of the book value of the contributed activity.
Upon fulfilment of the absorption , ITSO issues new shares, which are granted to PPC. These shares allow PPC to participate in the profits of ITSO.
Decisions of the board of Directors and general shareholders meetings of the transferring and receiving entities already taken before the effect of the present law for the purpose of compliance of the vertically integrated company of PPC with the unbundling requirements of Directive 2009/72/EC are replaced by the provisions of the law. According to the provisions of paragraphs 1 and 2 of Article 4 of N.1468/1950, paragraph 1 of Article 36 and Article 37 of Royal Decree of January 28, 1951, Articles 12, 13 and 14 of L. 1672/1951 and articles of l. 4483/1965, as applicable, and existing in the publication of this law: tax, procedural or other privileges or expropriation of property rights, construction easements, use of roads, squares, sidewalks, transit lines or cables or underground tunnels' opening, performance of overhead or underground workings, mounting poles, installation of substations, which are necessary for the construction, maintenance, repair, development , development and maintaining of the operational and technical integrity of the Transmission System Operator and the overall electricity generation and supply of services or carrying out activities of general interest remain in force and apply accordingly for ITSO. Greek government guarantees for loans for PPC and which are transferred to ITSO and are in effect for ITSO.
As mentioned above, the spin-off was completed within the time limits set by the N.4001/2011 (November 2011). The share capital of ITSO as a result of the spin-off was increased by the amount of Euro 31,925. The spin –off and the contribution were accounted for the accompanying separate financial statements as a transaction between companies under common control. The received shares were recognised as an addition to the investment cost of the subsidiary on November 30, 2011 with a value equal to the carrying value of the net assets contributed on January 1, 2011, according to L. 4001/2011 and L.2166/1993. The carrying value of the assets and liabilities that were contributed (IFRS) and which increased the investment's cost in the subsidiary during the spin – off (note 17) on January 1, 2011 are as follows:

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

13. CONTRIBUTION OF TRANSMISSION ACTIVITY BY PPC TO INDEPENDENT TRANSMISSION SYSTEM OPERATOR (ITSO) S.A. (CONTINUED)

	1/1//2011
ASSETS	
Non-current assets:	
Tangible assets	1,662,224
Intangible assets	125
Total non – current assets	**1,662,349**
Current assets :	
Inventories	56,740
Trade receivables	141,770
Other assets	1,568
Cash	-
Total current assets	**200,078**
Total Assets	**1,862,427**
LIABILITIES AND SHAREHOLDERS' EQUITY	
Equity:	
Share capital	31,925
Revaluation of assets	737,300
Retained earnings	(43,693)
Total equity (note 17)	**725,532**
Long – term Liabilities :	
Long term debt	534,671
Employee Benefits	13,056
Provisions	22,874
Deferred tax liabilities	249,029
Customers' contributions and subsidies	140,887
Total current liabilities	**960,517**
Current liabilities:	
Trade and other payables	7,107
Current portion of long term borrowings	159,107
Accrued and other liabilities	10,164
Total Current Liabilities	**176,378**
Total Liabilities and Equity	**1,862,427**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

13. CONTRIBUTION OF TRANSMISSION ACTIVITY BY PPC TO INDEPENDENT TRANSMISSION SYSTEM OPERATOR (ITSO) S.A. (Continued)

The transactions of the Transmission activity during the transitional period of January 1, 2011 until November 30, 2011 are presented as profits from discontinued operations in the statement of income of the Parent Company. The contribution of those results to the subsidiary on November 30,2011 are presented as loss on spin –off of the Transmission Operations.
The results of the spin-off for the eleven month period ended November 30, 2011 and the twelve month period ended December 31, 2010 were as follows :

	1/1 - 30/11/2011	1/1-30/12/2010
SALES :		
Other sales	262,557	272,725
COSTS :		
Payroll cost	62,346	68,069
Depreciation	50,673	56,874
Materials and consumables	2,958	4,434
Other expenses	10,831	27,128
Interest expenses(income)net	21,859	24,923
PERIOD PROFIT BEFORE TAX	**113,890**	**91,297**
Income tax	-	(20,786)
NET PROFIT	**113,890**	**70,511**

14. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	2011	2010	2011	2010
Current income taxes	28,474	207,821	-	204,519
Deferred income taxes	5,796	(36,085)	(3,088)	(35,810)
Additional taxes	28,877	11,044	28,877	10,920
Total income tax expense	**63,147**	**182,780**	**25,789**	**179,629**

Companies of the Group that have their residence in Greece are subject to an income tax of 20%.
Tax returns are filed annually but the profits or losses 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. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate.
Based on the applicable Income Tax Code, from the financial year 2011 and onwards, certified auditors issue a an "Annual Certificate" 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 POL. 1159/2011. 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 tax conformity report as well as notes of detailed information, which is an indispensable part of the report, is completed and submitted to the company being audited within ten (10) days following the submission of the Income Tax Return. Furthermore it is submitted electronically to the Ministry of Finance by the auditors and specifically in the data base of the General Secretariat of Informatics Systems no later than 10 days following the date of approval of the Company's financial statements by the Shareholders' General Meeting.
On July 25th 2011, the final audit reports of the Company's tax audit for the years 2006 – 2008, as far as Income Tax is concerned were released and the Athens Intraperipheral Audit Center determined, after a relevant decision of the Ministry of Finance that electricity benefit from the personnel electricity tariff to the Parent Company's employees and pensioners "constitutes the Company's' own discretion and free will and cannot be deducted from its gross revenue". The difference between the tariff for residential use and the personnel tariff to the Parent Company's employees and pensioners for the years 2006- 2007 – 2008 amounts to € 107 m. Based on the Board of Directors' Decision 191/20.09.2011 the Parent Company appealed on 24.10.2011 to the Administrative Courts for the annulment of the final audit reports of the years 2006- 2007-2008, regarding the abovementioned difference.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

14. INCOME TAXES (CURRENT AND DEFERRED) (Continued)

Furthermore, on 04.10.2011 a partial audit report was delivered to the Company for the auditing year 2009 for the settlement of the abovementioned difference (€ 107 m), given the fact that the aforementioned amount equally reduces the taxable loss of the previous years. The Parent Company on 04.12.2011 has filed a new appeal for the annulment of the a partial audit report for the auditing year 2009 by paying 50% of the income tax to the Greek State, which is predetermined after the appeal is filed.
For the accounting differences for the years 2006 -2008 (€ 107 mil.) the Parent Company has established adequate provisions.

Tax unaudited years for the Parent Year and all the subsidiaries of the Group :

Company	Country	Unaudited years from
- PPC (Parent Company)	Greece	2009
- PPC Renewables S.A.	Greece	2009
- PPC Rhodes S.A.(now OGDN)	Greece	1999
- ITSO S.A.(former PPC Telecommunications S.A.)	Greece	2007
- Arkadikos Ilios Ena S.A.	Greece	2007
- Arkadikos Ilios Dio S.A.	Greece	2007
- Hliako Velos Ena S.A.	Greece	2007
- Hliako 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
- HPP OINOUSA S.A.	Greece	2010
- PPC FINANCE PLC	United Kingdom	-
- PPC QUANTUM ENERGY LTD	Cyprus	-

For the unaudited tax periods the Group establishes a provision on the basis of the findings of prior tax audits. An analysis and numerical reconciliation between tax expense and the product of accounting profit multiplied by the nominal applicable tax rate is set out below:

	Group		Company	
	2011	**2010**	**2011**	**2010**
Profit before tax	**(85,800)**	**740,705**	**(247,157)**	**726,150**
Nominal tax rate	20%	24%	20%	24%
Income tax calculated at nominal tax rate	(17,160)	177,769	(49,431)	174,276
Provision for additional taxes	28,877	11,044	28,877	10,920
Non deductible expenses	25,011	3,350	19,927	3,350
Non taxable income	-	(37)	-	(37)
Non taxable expense	5,113	-	5,113	-
Allowances for which no deferred taxes have been recognized	18,251	-	18,251	-
Subsidiaries and associates	-	-	-	-
Additional taxes	-	-	-	-
Impact from tax rate change	3,055	(9,346)	3,052	(8,880)
Income tax expense	**63,147**	**182,780**	**25,789**	**179,629**
	-73.6%	**24.7%**	**-10.4%**	**24.7%**

The movement of the deferred income tax account is as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
At January 1	**(449,348)**	**(488,811)**	**(451,561)**	**(490,749)**
Spin –off	-	-	249,029	-
Profit and loss account (charge)	(5,796)	36,085	3,088	35,810
Debit directly in other total income	(1,816)	3,378	-	3,378
At December 31	**(459,960)**	**(449,348)**	**(199,444)**	**(451,561)**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

14. INCOME TAXES (CURRENT AND DEFERRED) (CONTINUED)

Deferred income tax receivables and liabilities are disclosed in the accompanying balance sheets as follows:

	Group		Company	
	2011	2010	2011	2010
Deferred income tax				
- Asset	228,521	217,490	220,950	217,230
- Liability	(685,481)	(666,838)	(420,394)	(668,792)
Total	**(456,960)**	**(449,348)**	**(199,444)**	**(451,562)**

Deferred income tax assets and liabilities are attributable to the following items:

	Group		Company	
	2011	2010	2011	2010
Deferred tax receivables				
- Materials and spare parts	16,245	14,708	12,971	14,708
- Trade receivable	75,621	58,735	75,435	58,735
- Risks and accruals	26,857	23,651	25,864	23,651
- Post retirement benefits	48,253	48,451	45,642	48,451
- Subsidies and customers' contributions	28,491	36,116	27,984	35,872
- Provision for CO_2	3,688	6,941	3,688	6,941
- Fixed assets	29,365	28,872	29,365	28,872
- Tax losses	-	-	-	-
- Other	-	16	-	-
Deferred tax receivables	**228,521**	**216,490**	**220,950**	**217,230**
Deferred tax liabilities				
- Long-term debt fees and expenses	(3,485)	(2,941)	(3,160)	(2,941)
- Depreciation and revaluation of assets	(682,578)	(663,862)	(411,770)	(659,772)
- Derivatives	614	-	614	-
- Foreign exchange gains	(31)	(35)	(31)	(35)
-Subsidiaries and associates	-	-	(6,046)	(6,044)
Deferred tax liability	**(685,481)**	**(666,838)**	**(420,394)**	**(668,792)**
Deferred Tax Liability net	**(456,960)**	**(449,348)**	**(199,444)**	**(451,562)**

Deferred income tax recognized in the statement of income is attributable to the following items:

	Group		Company	
	2011	2010	2011	2010
- Materials and spare parts	1,537	2,718	1,533	2,718
- Trade receivables receivable	16,886	83,152	16,700	83,152
- Risks and accruals	3,205	479	7,657	479
- Post retirement benefits	(198)	(1,562)	(198)	(1,562)
- Subsidies	(7,699)	(26,142)	(7,165)	(26,142)
- Fixed assets	493	-	493	-
- Derivatives	614	-	614	-
- Long-term debt fees and expenses	(544)	(641)	(675)	(641)
- Subsidiaries and associates	-	-	-	-
- Depreciation	(16,826)	(21,643)	(12,641)	(22,085)
- Foreign exchange (gains)	3	135	3	116
- Provision for CO_2	(3,253)	(390)	(3,253)	(390)
- Loss from tax	-	-	-	-
- Other	(15)	(21)	-	164
Deferred tax charge	**(5,796)**	**36,085**	**3,088**	**35,810**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

15. TANGIBLE ASSETS

GROUP	Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transport. Assets	Furniture and Equipment	Construction in Progress	Total
Net book value									
December 31, 2009	**1,022,387**	**362,898**	**10,918**	**1,704,338**	**8,625,065**	**69,726**	**133,450**	**1,213,556**	**13,142,337**
- Additions	2,450	9,068	-	63	124	-	291	954,978	**966,974**
- Depreciation expense	-	(46,514)	(452)	(86,358)	(532,148)	(10,648)	(21,839)	-	**(697,959)**
- Disposals	-	-	-	(62)	(29,225)	(88)	(1,013)	-	**(30,388)**
- Transfers from CIP	5,830	29,170	-	110,099	720,091	17,080	9,550	(894,505)	**(2,685)**
- Transfers	(2,144)	-	-	(1,159)	1,838	12	(181)	1,634	**-**
- Other movements / write off	(7,358)	-	-	77	-	-	-	(16,856)	**(24,137)**
December 31, 2010	**1,021,165**	**354,622**	**10,466**	**1,726,998**	**8,785,745**	**76,082**	**120,258**	**1,258,807**	**13,354,142**
- Additions	-	986	-					1,106,572	**1,107,558**
- Depreciation expense	-	(51,843)	(452)	(85,905)	(548,057)	(9,767)	(21,812)	-	**(717,836)**
- Disposals	-	-	-	(392)	(16,418)	(146)	(1,220)	-	**(18,176)**
- Transfers from CIP	8,110	98,884	-	73,427	517,180	3,943	10,537	(718,498)	**(6,417)**
- Transfers	(12,519)	(36,749)	-	437	4,284	-	-	44,547	**-**
Other movements / write off	-	-	-	-	-	-	-	(16,662)	**(16,662)**
December 31, 2011	**1,016,756**	**365,900**	**10,014**	**1,714,565**	**8,742,734**	**70,112**	**107,763**	**1,674,766**	**13,702,609**
At January 1, 2010									
Gross carrying amount	1,022,387	590,946	22,603	1,750,949	8,665,793	69,726	189,222	1,213,556	**13,525,182**
Accumulated depreciation	-	(228,048)	(11,685)	(46,611)	(40,728)	-	(55,772)	-	**(382,845)**
Net carrying amount	**1,022,387**	**362,898**	**10,918**	**1,704,338**	**8,625,065**	**69,726**	**133,450**	**1,213,556**	**13,142,337**
At December 31, 2010									
Gross carrying amount	1,021,165	629,184	22,603	1,861,188	9,387,846	86,818	199,063	1,258,807	**14,466,673**
Accumulated depreciation	-	(274,562)	(12,137)	(134,190)	(602,101)	(10,736)	(78,805)	-	**(1,112,531)**
Net carrying amount	**1,021,165**	**354,622**	**10,466**	**1,726,998**	**8,785,745**	**76,082**	**120,258**	**1,258,807**	**13,354,142**
At December 31, 2011									
Gross carrying amount	1,016,756	692,305	22,603	1,934,660	9,892,892	90,615	208,380	1,674,766	**15,532,977**
Accumulated depreciation	-	(326,405)	(12,589)	(220,095)	(1,150,158)	(20,503)	(100,617)	-	**(1,830,368)**
Net carrying amount	**1,016,756**	**365,900**	**10,014**	**1,714,565**	**8,742,734**	**70,112**	**107,763**	**1,674,766**	**13,702,609**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

15. TANGIBLE ASSETS (continued)

PARENT COMPANY

Net book value	Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transport. Assets	Furniture and Equipment	Construction in Progress	Total
December 31, 2009	**1,019,018**	**362,898**	**10,916**	**1,688,107**	**8,581,440**	**69,719**	**132,988**	**1,189,301**	**13,054,387**
- Additions	2,450	9,068	-	-	-	-	-	920,843	**932,361**
- Depreciation expense	-	(46,514)	(452)	(85,403)	(528,573)	(10,646)	(21,745)	-	**(693,333)**
- Disposals	-	-	-	(14)	(29,132)	(88)	(1,000)	-	**(30,234)**
- Transfers from CIP	5,830	29,170	-	109,054	718,166	17,080	9,550	(891,535)	**(2,685)**
- Transfers	(2,144)	-	-	(1,159)	1,838	12	(181)	1,634	**-**
- Other movements	(7,355)	-	-	-	-	-	-	(16,856)	**(24,211)**
December 31, 2010	**1,017,799**	**354,622**	**10,464**	**1,710,585**	**8,743,739**	**76,077**	**119,612**	**1,203,387**	**13,236,285**
- Transmission spin –off (note 13)	(236,695)	-	-	(74,866)	(1,147,813)	(5,412)	(10,776)	(186,662)	**(1,662,224)**
- Additional trading of tangible assets from transmission spin-off	(8,202)	-	-	-	8,832	(19)	(84)	-	**527**
- Additions	-	986	-	-	-	-	-	1,001,283	**1,002,269**
- Depreciation expense	-	(51,843)	(452)	(81,539)	(489,968)	(9,169)	(19,659)	-	**(652,630)**
- Disposals	-	-	-	(392)	(16,252)	(133)	(1,171)	-	**(17,948)**
- Transfers from CIP	3,650	98,884	-	67,554	502,602	3,439	8,963	(691,446)	**(6,354)**
- Transfers	(14,429)	(36,749)	-	437	3,637	-	-	47,104	**-**
- Other movements and write offs	-	-	-	-	-	-	-	(14,459)	**(14,459)**
December 31, 2011	**762,123**	**365,900**	**10,012**	**1,621,779**	**7,604,777**	**64,783**	**96,885**	**1,359,207**	**11,885,466**
At January 1, 2010									
Gross carrying amount	1,019,018	590,946	22,594	1,734,715	8,622,168	69,719	188,761	1,189,301	**13,437,222**
Accumulated depreciation	-	(228,048)	(11,678)	(46,608)	(40,728)	-	(55,773)	-	**(382,835)**
Net carrying amount	**1,019,018**	**362,898**	**10,916**	**1,688,107**	**8,581,440**	**69,719**	**132,988**	**1,189,301**	**13,054,387**
At December 31, 2010									
Gross carrying amount	1,017,799	629,184	22,594	1,843,769	9,432,172	86,811	198,311	1,203,387	**14,344,027**
Accumulated depreciation	-	(274,562)	(12,130)	(133,184)	(598,433)	(10,734)	(78,699)	-	**(1,107,742)**
Net carrying amount	**1,017,799**	**354,622**	**10,464**	**1,710,585**	**8,743,739**	**76,077**	**119,612**	**1,203,387**	**13,236,285**
At December 31, 2011									
Gross carrying amount	762,123	692,305	22,594	1,824,387	8,628,728	83,840	182,003	1,359,207	**13,555,187**
Accumulated depreciation	-	(326,405)	(12,582)	(202,608)	(1,023,951)	(19,057)	(85,118)	-	**(1,669,721)**
Net carrying amount	**762,123**	**365,900**	**10,012**	**1,621,779**	**7,604,777**	**64,783**	**96,885**	**1,359,207**	**11,885,466**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

15. TANGIBLE ASSETS (continued)

Revaluation of Fixed Assets:
The Group proceeded with the revaluation of its operating fixed assets as of December 31, 2009. The revaluation was carried out by an independent firm of appraisers, according to IAS 16. The results of the above appraisal which excluded lakes, mines and the construction in progress, were recorded in the Company's books on December 31, 2009.
The revalued amounts, from appraisers' work, compared to Net Book Value of the fixed assets, resulted, for the Parent Company to a net surplus amounting to approximately Euro 770 m, which was credited directly in Revaluation Surplus in Equity (Euro 962 m net of Deferred Taxes Euro 192 m.) while for the Group the surplus amounted to Euro 779m. (Euro 974 m. net of deferred taxes Euro 195 m.). The previous revaluation took place as of December 31, 2004.

Encumbrances on intangible assets: The intangible assets are held free from encumbrances.

16. INTANGIBLE ASSETS, NET

	Company					
	2011			2010		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	**6,224**	**82,816**	**89,040**	**6,425**	**72,267**	**78,692**
- Transfer of intangible assets due to the spin-off Jan. 1 2011 (Note 13)	(125)	-	(125)	-	-	-
- Additions	6,354	31,019	37,373	2,685	16,480	19,165
-Prior Year Deficit Finalization				-	1,999	1,999
-Depreciations	(4,789)	-	(4,789)	(2,884)	-	(2,884)
- Reversal of Impairment	-	-	-	-	7,922	7,922
- Disposals	(978)	-	(978)	(2)	-	(2)
- Cover of CO2 deficit	-	(28,009)	(28,009)	-	(15,852)	(15,852)
December 31	**6,686**	**85,826**	**92,512**	**6,224**	**82,816**	**89,040**

	Group					
	2011			2010		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	**6,330**	82,816	**89,146**	**6,546**	**72,267**	**78,813**
- Additions	6,417	31,019	37,436	2,735	16,480	19,215
- Prior Year Deficit Finalization	-	-	-	-	1,999	1,999
- Depreciation expense	(4,843)	-	(4,843)	(2,949)	-	(2,949)
- Reversal of Impairment	-	-	-	-	7,922	7,922
- Disposals	(1,027)	-	(1,027)	(2)	-	(2)
- Cover of CO2 deficit	-	(28,009)	(28,009)	-	(15,852)	(15,852)
December 31	**6,877**	**85,826**	**92,703**	**6,330**	**82,816**	**89,146**

During the year 2011, the Parent Company has incurred general expenses for its participation in Carbon Funds for purchasing emission rights of Euro 2,488 (2010: Euro 1,695), which are included in emission allowances purchases in the income statement. In addition, there is a provision in the income statement for emission rights deficit amounting to Euro 18,306 (2010: Euro 22,515). Also, a positive impact was recognized on the results for the year ended December 31, 2011, of Euro 11,472 from the finalization of the previous years' deficit and its valuation in current values (2010: Euro 10,166). For the year ended December 31, 2010 Euro 7,922 was recognized in the income statement which concerns a reversal of previous impairment for acquired CO2 emission rights which was recognized in 2009 and which no longer exists on December 31, 2011.

The net carrying amount of software is further analyzed as follows:

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

16. INTANGIBLE ASSETS, NET (Continued)

	Group	Company
At December 31, 2009		
Gross carrying amount	56,072	55,830
Accumulated amortization	(49,526)	(49,405)
Net carrying amount	**6,546**	**6,425**
At December 31, 2010		
Gross carrying amount	58,807	58,515
Accumulated amortization	(52,477)	(52,291)
Net carrying amount	**6,330**	**6,224**
At December 31, 2011		
Gross carrying amount	63,711	41,678
Accumulated amortization	(56,834)	(34,992)
Net carrying amount	**6,877**	**6,686**

17. INVESTMENTS IN SUBSIDIARIES

	Group		Company	
	2011	2010	2011	2010
ITSO S.A (former PPC Telecommunications) (Note 13)	-	-	729,973	4,441
PPC Rhodes S.A. (currently OGDN)	-	-	838	838
PPC Renewables S.A.	-	-	85,799	85,799
PPC FINANCE PLC	-	-	-	-
PPC Quantum Energiaki Ltd (note 39)	-	-	-	-
Total	**-**	**-**	**816,610**	**91,078**

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

Name	Ownership Interest 2011	Ownership Interest 2010	Country and Year of Incorporation and activity	Principal Activities
PPC Renewables S.A.	100%	100%	Greece - 1998	RES
PPC Rhodes S.A.	100%	100%	Greece - 1999	Engineering, construction and operation of a power plant
ITSO (former PPC Telecommunications S.A.)	100%	100%	Greece - 2000	Transmission system operator
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
HPP OINOUSA S.A.	100%	-	Greece – 2010	RES
PPC FINANCE PLC	100%	100%	UK - 2009	General Commercial Company

HPP Oinoussa SA was incorporated in 1999 but it was acquired by the Group in 2010

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

17. INVESTMENTS IN SUBSIDIARIES (Continued)

As mentioned in note 13, in November 2011 and in the context of the application of L.4001/2011, the spin –off of PPC's activity of the General Division of Transmission and its contribution to its wholly owned subsidiary under the name Independent Transmission System Operator (ITSO) S.A. was completed.
It is noted that the above mentioned spin –off was fully absorbed by PPC's wholly owned subsidiary "PPC Telecommunications S.A." which, in September 2011 by a Decision of its General Shareholders' Assembly, amended its statutes and was renamed in ITSO S.A. according to the provisions of Law 4001/2011.
As mentioned in note 12, in February 2012, the Annual Shareholders' General Assembly for the subsidiary "PPC RHODES S.A." decided to amend the statutes and in particular article 1 regarding the company's name, thus renaming the company, along the provisions of L. 4001/2011 as " Operator of the Greek Distribution Network (OGDN) S.A.".
"PUBLIC POWER CORPORATION FINANCE PLC" (PPC FINANCE PLC) was incorporated on 21 January 2009 and its shareholders are PPC S.A. and PPCs' by 100% subsidiary PPC RENEWABLES S.A. PPC FINANCE PLC has its registered office in London, UK, and its main corporate purpose is to carry on business as a general commercial company. The authorised share capital of PPC FINANCE PLC is Euro 65.6, divided into 65,600 shares of Euro one (€ 1.00) each. PPC S.A. holds 59,040 shares (representing 90% of the entire issued share capital) and PPC RENEWABLES S.A. holds 6,560 shares (representing 10% of the entire issued share capital). PPC FINANCE PLC obtained a certificate issued by Companies' Registry on 27 July 2009, which entitles PPC FINANCE PLC, as a public company, to do business and borrow in accordance with applicable laws.

18. INVESTMENTS IN JOINT VENTURES

At December 31, 2011 and 2010 PPC's share (50%) in assets, liabilities, income and expenses of SENCAP was as follows:

	2011	2010
Assets	129	136
Liabilities	(3)	(216)
Equity	(126)	80
Income	-	-
Profit/ (Loss) after taxes	110	(40)
Profit/ (Loss) recognized in the consolidated income statement	-	-

SENCAP's General Extraordinary Shareholders' Meeting during its meeting held in August 5th, 2011 unanimously decided to dissolve the company.

19. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2011	2010	2011	2010
Larco S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	1,537	1,476	-	-
PPC Renewables TERNA Energiaki S.A.	1,570	2,560	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,014	2,552	-	-
PPC Renewables MEK Energiaki S.A.	1,012	962	-	-
PPC Renewables ELTEV AIFOROS S.A.	1,322	1,071	-	-
PPC Renewables EDF EN GREECE S.A.	8,194	8,736	-	-
Good Works S.A.	217	145	-	-
Aioliko Parko LOYKO S.A.	3	16	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	-	9	-	-
Aioliko Parko KILIZA S.A.	3	12	-	-
Aioliko Parko LEFKIVARI S.A.	14	9	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	10	15	-	-
Renewable Energy Applications LTD	27	-	-	-
WASTE SYCLO S.A.(Note 39)	20	-	49	-
	15,943	**17,563**	**49**	**-**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

19. INVESTMENTS IN ASSOCIATES (Continued)

Data concerning the above mentioned associates as well as the Group's ownership interest in them as at December 31, 2011 and 2010 are as follows:

Name		Ownership Interest 31.12.2011	Ownership Interest 31.12.10	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 ELTEVAIFOROS 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 S.A.		49.00%	49.00%	Greece – 2005	RES
ORION ENERGIAKI S.A.	2	49.00%	49.00%	Greece – 2007	RES
ASTREOS ENERGIAKI S.A.	2	49.00%	49.00%	Greece – 2007	RES
PHOIBE ENERGIAKH S.A.	2	49.00%	49.00%	Greece – 2007	RES
IAPETOS ENERGIAKI S.A.	2	49.00%	49.00%	Greece – 2007	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko MAMBO BIGLIES 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%	-	Greece - 2011	Waste Management

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.
2. They are consolidated by the associate company Good Works S.A. as they participate by 100% in their share capital.

The medium term fiscal strategy, for the period 2012-2015, of Law 3985 (O.G. A' 151, 01.07.2011) and especially the Privatization Programme 2011-2015, provides for the sale of a 55.2% of Larco's share capital owned by the Greek State, by the 4th quarter of 2011.

In L. 4046/2012 (OG A' 28/14.02.2012) by which the Memorandum of Economic and Financial Policies was ratified by the Greek Parliament and especially in the privatization schedule, it is provided that the privatization period for LARCO will start on the second quarter of 2012. As an intermediate stage, the adoption of a restructuring law, by March 2012, is provided for.
The acquisition cost of PPC's share in Larco on December 31, 2011 amounts to Euro 46,787. The above mentioned cost is fully impaired since 2008. However, given that PPC participates in Larco's Board of Directors, it considers that it exercises significant influence and therefore classifies this investment as an investment in associates.

The following table presents condensed financial information of the PPC share in its associates' assets, liabilities and shareholders' equity as at December 31, 2011 and 2010:

	December 31, 2011		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	2,311	(806)	(1,505)
PPC Renewables TERNA Energiaki S.A.	8,254	(6,260)	(1,994)
PPC Renewables DIEKAT Energy S.A.	3,837	(1,447)	(2,390)
PPC Renewables MEK Energiaki S.A.	3,300	(2,200)	(1,100)
PPC Renewables ELTEV AIFOROS S.A.	2,215	(892)	(1,323)
PPC Renewables EDF EN GREECE S.A.	24,343	(19,710)	(4,633)
Good Works S.A.	220	(5)	(215)
Renewable Energy Applications LTD	29	(1)	(28)
Aioliko Parko LOYKO S.A.	4	-	(4)
Aioliko Parko MBAMBO VIGLIES S.A.	4	-	(4)
Aioliko Parko KILIZA S.A.	8	(1)	(7)
Aioliko Parko LEFKIVARI A.E.	16	(2)	(14)
Aioliko Parko AGIOS ONOUFRIOS S.A.	9	-	(9)
Waste Syclo S.A.	30	(1)	(29)
	44,580	**(31,325)**	**(13,255)**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

19. INVESTMENTS IN ASSOCIATES (Continued)

	December 31, 2010		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	1,797	(353)	(1,444)
PPC Renewables TERNA Energiaki S.A.	9,348	(6,788)	(2,560)
PPC Renewables DIEKAT Energy S.A.	4,531	(1,971)	(2,560)
PPC Renewables MEK Energiaki S.A.	3,544	(2,506)	(1,038)
PPC Renewables ELTEV AIFOROS S.A.	1,316	(245)	(1,071)
PPC Renewables EDF EN GREECE S.A.	29,115	(24,299)	(4,816)
Good Works S.A.	147	(3)	(144)
Aioliko Parko LOYKO S.A.	8	0	(8)
Aioliko Parko MAMBO VIGLIES S.A.	10	(1)	(9)
Aioliko Parko LEFKIVARI A.E.	9	0	(9)
Aioliko Parko AGIOS ONOUFRIOS S.A.	17	(2)	(15)
Aioliko Parko KILIZA S.A.	13	(1)	(12)
	49,855	**(36,169)**	**(13,686)**

PPC's share of its associates' revenue and results for the year ended December 31, 2011 and 2010 has as follows:

	December 31, 2011		December 31, 2010	
	Sales	Profit/(Loss)	Sales	Profit/(Loss)
PPC Renewables ROKAS S.A.	754	403	802	513
PPC Renewables TERNA Energiaki S.A.	1,299	-	1,342	411
PPC Renewables DIEKAT Energy S.A.	590	(187)	781	178
PPC Renewables MEK Energiaki S.A.	1,131	490	1,229	664
PPC Renewables ELTEV AIFOROS S.A.	-	(26)	-	(22)
PPC Renewables EDF EN GREECE S.A.	2,911	(411)	2,701	(292)
Good Works S.A.	-	(7)	-	(3)
Renewable Energy Applications LTD	-	(2)	-	-
Aioliko Parko LOYKO S.A.	-	(5)	-	4
Aioliko Parko MBAMBO VIGLIES S.A.	-	(8)	-	(4)
Aioliko Parko LEFKIVARI A.E.	-	(10)	-	(4)
Aioliko Parko AGIOS ONOUFRIOS S.A.	-	(5)	-	(4)
Aioliko Parko KILIZA S.A.	-	(9)	-	(4)
Waste Syclo S.A.	-	(29)	-	-
	6,685	**194**	**6,855**	**1,437**

20. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of December 31, 2011 and 2010 are as follows:

	December 31, 2011		December 31, 2010	
	Receivable	Payable	Receivable	Payable
Subsidiaries				
- ITSO	2,422	(15,117)	198	-
- PPC Renewables S.A.	36,116	(1,215)	26,093	(13,320)
- OGDN (former PPC Rhodes S.A.)	-	-	29	-
- Arkadikos Ilios Ena S.A.	3	-	3	-
- Arkadikos Ilios Dio S.A.	1	-	1	-
	38,542	**(16,332)**	**26,324**	**(13,320)**
Associates				
PPC Renewables ROKAS S.A.	-	(195)	-	(250)
PPC Renewables TERNA Energiaki S.A.	-	-	-	-
PPC Renewables DIEKAT Energy S.A.	-	-	1	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
EEN VOIOTIA S.A.	-	-	-	-
- Larco (energy, lignite and ash)	99,344	-	90,407	-
- Sencap	137	-	137	-
	99,481	**(195)**	**90,545**	**(250)**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

20. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

Other

	Parent Company			
	December 31, 2011		December 31, 2010	
	Receivable	Payable	Receivable	Payable
- HTSO S.A.	413,384	(520,408)	448,516	(413,189)
	413,384	**(520,408)**	**448,516**	**(413,189)**

	Group			
	December 31, 2011		December 31, 2010	
	Receivable	Payable	Receivable	Payable
- HTSO S.A.	507,774	(520,408)	448,516	(413,189)
	507,774	**(520,408)**	**448,516**	**(413,189)**

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

	2011		2010	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
- ITSO S.A.	2,422	(1,901)	37	-
- PPC Renewables S.A.	7,626	(8,705)	7,367	(7,397)
- OGDN (former PPC Rhodes S.A.)	11	-	10	
- Arkadikos Ilios Ena S.A.	-	-	0	
- Arkadikos Ilios Dio S.A.	-	-	0	
	10,059	**(10,606)**	**7,414**	**(7,397)**
Associates				
PPC Renewables ROKAS S.A.	-	(1,538)	-	(1,801)
PPC Renewables TERNA Energiaki S.A.	-	-	1	-
PPC Renewables DIEKAT Energy S.A.	-	-	-	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
PPC Renewables ELTEV AEIFOROS S.A.	-	-	-	-
EEN VOIOTIA S.A.	27	-	-	-
Larco	74,607	(7,843)	65,034	(6,481)
Sencap S.A.	-	-	-	-
	74,634	**(9,381)**	**65,035**	**(8,282)**

Other

	Parent Company			
	December 31, 2011		December 31, 2010	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
- HTSO S.A.	83,700	(1,228,643)	66,713	(608,558)
	83,700	**(1,228,643)**	**66,713**	**(608,558)**

	Group			
	December 31, 2011		December 31, 2010	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
- HTSO S.A.	392,797	(1,228,643)	66,713	(608,558)
	392,797	**(1,228,643)**	**66,713**	**(608,558)**

20. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

In May 2011 the Parent Company has provided a guarantee for a short term loan amounting to Euro 8.5 million of its wholly owned subsidiary PPC Renewables. This short term loan was repaid in November 2011. In addition in November 2011, the Parent Company has provided a guarantee for a short term loan amounting to Euro 5 million of its wholly owned subsidiary PPC Renewables.

Procurement of lignite from LARCO S.A.: On August 24, 2007 the Parent Company signed a contract for the procurement of lignite from LARCO S.A. for a total amount of 1.2 million tonnes (with a right to increase up to 15%) for a period of four years and a total amount of Euro 25.8 million. Given the fact that at the time of signing the contract LARCO S.A. had outstanding payables of an equal amount to PPC from the supply of electricity, payments for the procurement of lignite were to be settled against the abovementioned receivable from LARCO S.A. PPC had made a provision for the abovementioned receivables, which was reversed in 2007, due to the fact that the collection of the amount was secured not only by the abovementioned contract, but also by a bank guarantee, covering the total duration of the contract and the total contractual amount. Taking under consideration the amounts of lignite deliveries until July 2011 and the invoicing for August 2011 for the revised lignite prices for the deliveries of the period 01.01.2010 – 31.12.2010, the payment in full of LARCO's old debt, through the 2007 contract is considered to be completed by July 2011.
LARCO S.A. is liable for sums due and payable to PPC related to the consumption of electricity since December 2008. For all sums due to PPC for the period November 1, 2008 until April 30, 2009, an action has been filed by PPC before the competent Multimembered Court of Athens (for a sum of Euro 24.2 m.) whereas, for the sums due to PPC for the period May 2009 – October 2009 (for a total sum of Euro 18.8 m.) an action has been filed against the said Company. The hearing of the case having been set for November 14, 2013. In July 2010 the Board of Directors of the Parent Company approved an agreement for the settlement of new debts incurred by LARCO's electricity consumption for the period 1.11.2008 to 30.06.2010. The above mentioned framework agreement was already approved by LARCO's Board of Directors.
As foreseen in the above mentioned agreement, a new framework agreement for the settlement of LARCO's new debts will be conducted, part of which will be settled through the conclusion of a new lignite procurement contract. As far as payment of the remaining debt is concerned, LARCO will disburse predetermined amounts, on a monthly basis, based on the fluctuation of nickel's stock market price.
In addition with the aforementioned contract frame, LARCO is binded to pay in time the electricity bills for the consumption for the period from July1st, 2010 onwards. In this framework, LARCO has paid in time bills concerning electricity consumption for the months July 2010 to August 2011 and part of the consumption bills for September and October 2011 while the consumption bills for November and December 2011 as well as January 2012 are outstanding thus resulting to overdue receivables of Euro 30.9 mil. plus interest.
The process of completing the contract for the settlement of new debts as well as the new contract for the procurement of lignite which depict the above mentioned framework agreement, was completed and approved by the Parent Company's Board of Directors in July 2011.
It is noted that in view of the materialisation of the above mentioned contract for the settlement of new debts, LARCO has paid Euro 1 mil., in April 2011 and Euro 1 mil., in May 2011, and thus the final debt amounts to Euro 76.7mil. (principal not including interest). For LARCO's debts PPC has established adequate provision.
The above mentioned contract were signed on August 1st, 2011. In the context of the new contract for lignite procurement, deliveries of lignite amounting to a worth of Euro 6 m. have been made up to December 31,2011 as well as one payment of Euro 1 mil. and as a result the old debt of Euro 76.7 mil. has been reduced to Euro 69.7 mil. The total amount due by Larko as of December 31, 2011 in relation to the old debt amounted to Euro 98m. Against this receivables adequate provisions have been established.
PPC's Board of Directors decided on March 12, 2012, to address a Judicial Reminder of debtor's default to LARKO in accordance with the provision of article 11 par. 12 of the existing Code for Supply for the payment of sums due from LARKO to PPC. In case of non-payment within 20 days' time as of service of the same to LARKO PPC to proceed with discontinuation of the supply of electricity to the respective customer. Furthermore, it was decided upon to file interim measures as against LARKO as well as an action due to debtor's default in payment before the competent Courts in order to safeguard the payment of sums due to PPC. PPC served on 16-3-2012 a Judicial Statement- Protest- Reminder of debtor's default and Summoning to LARKO reserving all its rights, and hence, the abovementioned 20days term will expire on the 5th of April 2012.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

20. 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.

	Purchases		Balance	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
ELPE, purchases of liquid fuel	156,029	259,636	4,012	16,468
DEPA, purchases of natural gas	409,513	380,558	157,898	45,227
	565,542	**640,194**	**161,910**	**61,695**

Further to the above, PPC enters into transactions with many government owned or- 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 year ended December 31, 2011 and 2010 have as follows:

	GROUP		COMPANY	
	2011	2010	2011	2010
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	250	276	140	143
- Non-executive members of the Board of Directors	147	177	122	133
- Compensation / Extra fees	-	-	-	-
- Contribution to defined contribution plans	-	-	-	-
- Other Benefits	16	33	16	33
	413	**486**	**278**	**309**
Compensation of Deputy Managing Directors and General Managers				
- Regular compensation	1,458	1,133	1,355	1,133
- Contribution to defined contribution plans	259	187	239	187
- Compensation / Extra fees	-	217	-	217
	1,717	**1,537**	**1,594**	**1,537**
Total	**2,130**	**2,023**	**1,872**	**1,846**

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 and related contributions to social security funds. Also, it does not include the electricity benefit based on the PPC personnel invoice to the Board of Director members, the Deputy Managing Directors and the General Managers.

21. MATERIALS, SPARE PARTS AND SUPPLIES, NET

	Group		Company	
	2011	2010	2011	2010
Lignite	45,159	64,391	45,159	64,391
Liquid fuel	216,633	197,861	216,633	197,861
Materials and consumables	735,864	729,857	667,266	728,958
Purchased materials in transit	38,986	39,230	37,325	39,230
	1,036,642	**1,031,339**	**966,383**	**1,030,440**
Provision for materials' write down to recoverable amount	(189,057)	(181,368)	(172,574)	(181,258)
Total	**847,585**	**849,971**	**793,809**	**849,182**

During 2011, the Group and the Parent Company made an additional provision for materials' write down to recoverable amount expected to be realized from their use of Euro 7,688 (2010: Euro 14,186) and Euro 7,766 (2010: Euro 14,132) respectively. Materials, spare parts and supplies of the Parent Company and the Group are held free of encumbrances.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

21. MATERIALS, SPARE PARTS AND SUPPLIES, NET (Continued)

Excise duty on fuel
After the ratification, on June 30, 2011, of the measures for the application of the medium term fiscal strategy 2012-2015, a new excise tax is imposed on natural gas, amounting to 1.5 Euro/GJ and effective since September 1st, 2011 while the already existing excise tax on fuel oil was doubled, from 19 Euro/Mt to 38 Euro/Mt with a retrospective effect since June 27, 2011. The additional cost in Natural Gas' consumptions for the year 2011 amounted to Euro 21.3 mil. while the additional cost for fuel oil amounted to Euro 6.7 mil.

22. TRADE RECEIVABLES, NET

	Group		Company	
	2011	**2010**	**2011**	**2010**
High voltage	228,786	262,998	226,566	261,173
Medium and low voltage	932,945	871,961	932,945	872,345
Customers contributions	5,017	6,804	5,017	6,804
Other energy suppliers	87,349	24,750	87,349	24,750
	1,254,097	**1,166,513**	**1,251,877**	**1,165,072**
Unbilled revenue	359,447	268,911	359,447	268,911
	1,613,544	**1,435,424**	**1,611,324**	**1,433,983**
Allowance for doubtful balances	(633,728)	(412,688)	(633,728)	(412,688)
Total	**979,816**	**1,022,736**	**977,596**	**1,021,295**

High voltage customer balances relate to (a) receivables from sales of energy to 42 large local industrial companies, which are invoiced at the end of each calendar month, based on individual agreements and actual metering and (b) exports to foreign customers.
Medium voltage customers are mainly industrial and commercial companies. Billing is made on a monthly basis based on actual meter readings. Low voltage customers are mainly residential and small commercial customers. The majority of low voltage customers are billed every four months based on actual meter readings, while interim bills are issued every two months based mainly on the energy consumed during the corresponding period in the prior year.
There are different types of tariffs for both medium and low voltage customers with different tariff structures based on different types of energy use (commercial, residential, etc). Revenues from the supply of electricity to medium and low voltage customers provided during the period from the last meter reading or billing through each reporting date are accounted for as unbilled revenue.

The provision for doubtful debts is formed, on specific customer balances. For medium and low voltage customers, the Company was forming a provision for the total of their outstanding balances of more than 6 and 12 months respectively, per customer. The Company, in the fourth quarter of 2010 and in a process of updating its policy, reduced the time that a debt is considered as doubtful to 3 and 6 months for the medium and low voltage customers respectively, taking into consideration the economic conjecture which was then in effect as well as the required time for the completion of the procedures for the collection of receivables under the current legislation. The aforementioned change had an impact on the financial results amounting to Euro 86.6 m.

	Group		Company	
	2011	**2010**	**2011**	**2010**
As at January 1	**412,688**	**226,283**	**412,688**	**226,283**
- Provision charge	246,696	187,711	246,696	187,711
- Reversal of unused provision	(24,823)	-	(24,823)	-
- Utilisation	(834)	(1,306)	(834)	(1,306)
As at December 31	**633,728**	**412,688**	**633,728**	**412,688**

At December 31, 2011 και 2010, the ageing analysis of the invoiced trade accounts receivable of the company had as follows:

			Past due and not impaired (days)			
	Total	**Non Past due and not impaired**	**< 45**	**45 – 180**	**180 – 365**	**> 365**
2011	618,149	124,920	191,521	275,289	12,598	13,821
2010	752,384	194,098	174,727	198,251	156,890	28,418

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

23. OTHER RECEIVABLES, NET

	Group		Company	
	2011	2010	2011	2010
Value Added Tax	100,942	10,141	90,278	2,539
Assessed taxes and penalties	38,777	38,777	38,777	38,777
Social security funds				
- in dispute	18,059	18,059	18,059	18,059
- current	3,195	3,195	3,195	3,195
State participation in employees'				
Social security contributions	1,546	1,546	1,546	1,546
Pensioners' advances, in dispute	5,262	5,262	5,262	5,262
Loans to employees	17,043	33,304	17,043	33,304
Receivables from contractors	10,189	11,743	10,189	11,743
Receivables from subsidiaries	-	-	29,977	29,925
HTSO	59,468	49,178	-	49,178
Fiber optic rentals	14,903	8,642	7,890	8,642
Other	33,853	31,198	32,329	31,194
	303,237	**211,045**	**254,545**	**233,364**
Allowance for doubtful balances	(36,421)	(35,723)	(35,489)	(35,723)
Total	**266,816**	**175,322**	**219,056**	**197,641**

Assessed taxes and penalties:
The amount represents additional income taxes and penalties assessed to and paid by the Parent Company as a result of a preliminary tax audit performed in previous years by the tax authorities for the fiscal years from 1992 through to 1997. The amounts were paid in order to be able to file a case against the tax courts. These amounts have as follows:

- For the fiscal year 1992, it was paid (in 2006) an amount of Euro 8,048 (income tax of Euro 1,064, additional taxes of Euro 2,724 and penalties of Euro 4,260).
- For the fiscal years from 1995 through to 1997, it was paid an amount of Euro 30,728 (Euro 18,173 paid in 2005 and Euro 12,555 paid in periods prior to December 31, 2004).
- For the fiscal years from 1994 through to 1995, it was paid an amount of Euro 1,480. Within 2007, this amount was settled against other tax liabilities.

Against the above receivables, the Parent Company has established a provision of Euro 42,676 (note 33).

Social Security Funds in Dispute
The amount relates to social security contributions and deductions (during years 1983-1993) for employees who have worked with other employers before joining PPC. As PPC undertook the obligation to cover for the whole amount of their pensions and other related benefits, part of their contributions to other social security funds (mainly IKA (SSI i.e. Social Security Institute), the major Greek social security fund) has been claimed by PPC. The claim was not accepted by IKA and the case was brought by PPC before the courts. Following an adverse court decision, PPC together with PPC – PIO appealed said decision before the second degree courts. The second degree court rejected PPC's appeal, whereas PPC – PIO's appeal against IKA is still pending. For the abovementioned amount, an equal provision has been established at the attached financial statements.

Advances to Pensioners in Dispute
The amount of Euro 5,262 represents an advance payment made in 1993 to pensioners. A respective provision has been established for non-collection of this amount.

State Participation in Employees' Social Security Contributions: The amount represents the claim of PPC from the State for the latter's contribution to the social security contributions of employees who started working after January 1, 1993. For the above mentioned amount, an equal provision has been established.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

23. OTHER RECEIVABLES, NET (Continued)

The movement in the allowance for other receivables is as follows:

	Group		Company	
	2011	2010	2011	2010
As at January 1	**35,723**	**32,528**	**35,723**	**32,528**
- Provision charge	932	3,195	-	3,195
- Reversal of unused provision	(100)	-	(100)	-
-Utilisation	(134)	-	(134)	-
As at December 31	**36,421**	**35,723**	**35,489**	**35,723**

24. INVESTMENTS AVAILABLE FOR SALE

	Group		Company	
	2011	2010	2011	2010
National Bank of Greece	5,164	19,287	5,164	19,287
Heracles Cement S.A.	1,030	2,401	1,030	2,401
Evetam	241	241	241	241
HTSO	-	144	-	144
Total	**6,435**	**22,073**	**6,435**	**22,073**

The change in the fair value of investments equity securities available for sale (shares) totalled Euro 15,637/loss (2010: Euro 20,813/loss) debited to “Other comprehensive Income”. On December 31, 2011, according to the Parent Company’s judgement that the above mentioned investments have been impaired and therefore a loss of Euro 25,564 was transferred to the income statement. In the year 2011, the Parent Company did not receive dividends from the above investments. (2010: Euro 155) (note 10). In addition, during the year 2010, the Parent Company participated in the National Bank’s share capital increase by practising its preference right and thus paying the amount of Euro 8,574.

HTSO

In Law 4001/2011 and specifically in chapter B “incorporation, organisation and operation of the Hellenic Transmission System Operator” article 99 it is reported that “in three months’ time from the implementation of the present law, PPC S.A. transfers to the Greek Republic the total amount of HTSO stocks that are in its possession without receiving any compensation.”
In application of the above PPC’s share in HTSO’s share capital has been written off while the signing of the contract for the transfer of shares, is in progress.

25. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	2011	2010
Cash in hand	2,080	1,454	2,074	1,452
Cash at banks	66,815	18,995	62,865	15,588
Time deposits	295,600	600,000	274,600	600,000
Total	**364,495**	**620,449**	**339,539**	**617,040**

Interest earned on cash at banks and time deposits is accounted for on an accrual basis and amounted to Euro 21,307 (2010: Euro 18,799), for the Group and to Euro 21,199 (2010: Euro 18,692) for the Parent Company and are included in financial income in the accompanying statements of income (note 10).
All cash and cash equivalents are denominated in Euro.
Additionally on December 31, 2011 the Parent Company kept in a pledged account deposit amount of Euro 154,833, which was drawn in the form of short-term borrowing exclusively for use as collateral to cover existing funding.

26. SHARE CAPITAL

Under Law 2773/1999 PPC was transformed, into a société anonyme. The Articles of Incorporation of PPC specify, among other things, that the Greek State is not permitted to hold less than 51% of the voting shares of PPC, after any increase in its share capital.
At December 31, 2011 and 2010, PPC’s share capital (fully authorised and issued) amounted to Euro 1,067,200 divided into 232,000,000 common shares of Euro four and sixty cents (Euro 4.60) per value each.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

27. LEGAL RESERVE

Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their financial statements to a legal reserve, until such reserve equals one-third of the paid-in share capital. This reserve cannot be distributed through the life of the corporation.

28. OTHER RESERVES

	Group		Company	
RESERVES	**2011**	**2010**	**2011**	**2010**
- Tax free	113,208	113,208	113,208	113,208
- Specially taxed reserves	94,779	94,779	94,779	94,779
- Fair values of investments "held-for-sale" (note 24)	(249)	(10,176)	(249)	(10,176)
Total	**207,738**	**197,811**	**207,738**	**197,811**

Tax-free and specially taxed reserves represent interest income which is either free of tax or tax is withheld at source. However, if distributed, such reserves are subject to income tax (estimated at approximately Euro 41.6 mil. at December 31, 2011, assuming a tax rate of 20%). On the above reserves, no deferred taxes are accounted for. For the years 2011 and 2010, the Group did not establish tax-free reserves or specially taxed reserves.

29. DIVIDENDS

Under Greek corporate law, companies are required each year to declare and pay from statutory profits dividends of at least 35% of after-tax profit, after allowing for the legal reserve. However, with the consent of at least the 70% of the Company's shareholders, a company may not declare any dividend.

Furthermore, Greek corporate law requires certain conditions to be met before dividends can be distributed, specifically, no dividends can be distributed (a) as long as a company's net equity, as reflected in the statutory financial statements, is, or after such distribution, will be less than the outstanding capital plus non-distributable reserves, and (b) as long as the unamortized balance of "Pre-operating Expenses", as reflected in the statutory financial statements, exceeds the aggregate of distributable reserves plus retained earnings.

Given that PPC for the year 2011 has declared losses the possibility of distribution of an obligatory first dividend does not incur .

At December 31st, 2011, the unpaid balance of dividends was Euro 210 (2010: Euro 171)

30. INTEREST BEARING LOANS AND BORROWINGS

	Group		Company	
	2011	**2010**	**2011**	**2010**
Bank loans	1,907,717	1,373,354	1,738,210	1,373,118
Bonds payable	3,087,026	3,229,194	2,739,526	3,229,194
Total	**4,994,743**	**4,602,548**	**4,477,736**	**4,602,312**
Less current portion:				
- Bank Loans	121,899	126,923	92,792	126,899
- Bonds payable	1,307,302	590,000	1,242,274	590,000
Total	**1,429,201**	**716,923**	**1,335,066**	**716,899**
Long term portion	**3,565,542**	**3,885,625**	**3,142,670**	**3,885,413**

The total interest expense on total debt for the period ended December 31, 2011 is included in financial expenses in the accompanying statements of income (Note 9). Follows further analysis of the long term debt, in the table below:

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

30. INTEREST BEARING LOANS AND BORROWINGS (Continued)

	2011 (Parent)	2011 (Group)	2010 (Parent)	2010 (Group)
Bank loans and bonds				
- Fixed rate	50,000	50,000	150,000	150,000
- Floating rate	2,689,526	3,037,082	3,079,194	3,079,430
European Investment Bank				
- Fixed rate	1,081,190	1,131,190	824,438	824,438
- Floating rate	641,780	761,231	523,988	523,988
Projects financing				
- Fixed rate	-	-	-	-
- Floating rate	15,240	15,240	24,692	24,692
Total	**4,477,736**	**4,994,743**	**4,602,312**	**4,602,548**

Long term debt represents unsecured obligations of the Group and the Company. Certain loans and bonds include certain non – financial covenants, the most important of which is that the Company should not cease to be a corporation controlled as to at least 51% by the Greek State. It should be noted that, after the implementation of the Medium Term Financial Strategy Framework in July 2011, all new loan agreements that have been signed include certain non - financial covenants that the Company should not cease to be a corporation controlled as to at least 34% by the Greek State. Certain loan agreements of outstanding balance as of December 31 2011 of € 437.5 mil (€ 387.5m Parent Company) include financial covenants the non compliance of which may lead to an event of default.

Analysis of borrowings by currency (including bank overdrafts)

	2011 (Parent)	2011 (Group)	2010 (Parent)	2010 (Group)
EURO	99.6%	99.7%	99.5%	99.5%
CHF	0.4%	0.3%	0.5%	0.5%

During 2011 the Parent Company issued five series of bonds totaling Euro 263 million, repayable within the period 2012 – 2018 bearing interest at EURIBOR plus a margin.

The Company extended the initial maturity of three series of bonds:

- Amounted of Euro 50m payable in August 2011 for one more year.
- Amounted of Euro 60m payable in October 2011 for three years.
- Amounted of Euro 33.75m payable during the period March 2012 to March 2014, for one bullet redemption in March 2016.

Furthermore

- Two drawdowns were made of loan amount of € 350 million and € 160 million guaranteed by the Hellenic Republic, with 15 year duration out of total € 950 million financing line from EIB for the Transmission-Distribution V Project, for which has been approved by Board of Directors in 2009.
- A first drawdown was made of loan amount of € 150 million guaranteed by the Hellenic Republic, with 15 year duration out of total € 280 m., provided by EIB for the project Megalopolis Power Plant V CCGT, for which has been approved by Board of Directors in November 2010.

The total loan repayments for the twelve-month period ended in December 31, 2011 amounted to € 513,001 and Euro 692,108 for the Parent Company and the Group, respectively

The annual principal payments required to be made subsequent to December 31, 2011 (based on the exchange rates as at December 31 2011) are as follows:

	2011 (Parent)	2010 (Parent)	2011 (Group)	2010 (Group)
On demand or within one year	1,335,066	716,899	1,429,229	716,923
In the second year	429,322	1,095,098	578,429	1,095,098
In the third to fifth years inclusive	1,420,226	1,697,959	1,655,463	1,698,171
After five years	1,293,122	1,092,356	1,331,622	1,092,356
Total	**4,477,736**	**4,602,312**	**4,994,743**	**4,602,548**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

30. INTEREST BEARING LOANS AND BORROWINGS (Continued)

In the payments within one year, is included an amount of € 150,000 that concerns a long term loan which reserves the right of request for prepayment from October 2012 due to the PPC's credit rating downgrade. Also in the debt redemptions maturing within one year an amount of Euro 154.833 is included, which was raised in 2011 in the form of short term borrowing with specific purpose of using it as collateral for existing financing lines, and for which the Parent Company keeps an equal amount in a pledged deposit account (Note 25).

Revision of PPC's outlook by rating houses:
Within 2011 the rating agency S&P lowered PPC's credit rating several times, and as a result in December 2011 PPC's credit rating was CCC with negative outlook. In November 2011 the rating agency ICAP Group S.A. rated the Company with A with negative outlook.

Forwards Contracts
At December 2011, the Company had one group of currency forward contract outstanding concerning the purchase of an initial amount of YEN 4,1 billion, for the full repayment of an amortizable EIB loan covering the period January 2012 - January 2016.

Transferred loans ITSO
As a result of the spin-off of the PPC Transmission Business Unit and its contribution to its wholly owned subsidiary "PPC Telecommunications S.A." which was renamed by law to "Independent Transmission System Operator (ITSO) S.A." based on the financial position of 01.01.2011 , part of the loan portfolio amounted € 696 mil as of January 1, 2011, transferred to ITSO. Within 2012 the parent company has provided unconditional guarantees to secure part of the aforementioned loans amounting to Euro 170 million.

31. FINANCIAL INSTRUMENTS

	Group		Company	
	2011	**2010**	**2011**	**2010**
Derivative financial instruments				
Liabilities	**3,073**	**-**	**3,073**	**-**
Assets	**-**	**-**	**-**	**-**

Derivative financial instruments represent interest swap agreements outstanding. Changes in their fair values of these derivatives are included in financial (expense) income, net, in the accompanying statement of income.
On December 31, 2011, PPC had an interest swap agreement in effect from floating to fixed rate of an outstanding loan amounted to € 50 mil., maturing December 2015. The net change in the fair values of swap agreements for the years ended December 31, 2011 Euro 3,073 loss (2010 : Euro 88 profit).

32. POST RETIREMENT BENEFITS

PPC's employees and pensioners of the Group are entitled to supply of energy at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout the working period. The relevant retirement obligations are calculated on the basis of financial and actuarial assumptions.
Net costs for the period are included in the payroll cost in the accompanying statements of income and consist of the present value of the benefits earned in the year, interest cost on the benefit obligation, prior service cost, and actuarial gains or losses. The retirement benefit obligations are not funded.

The details of the actuarial study for the years December 31, 2011 and 2010 have as follows:

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

32. POST RETIREMENT BENEFITS (Continued)

	Group		Company	
	2011	2010	2011	2010
Present value of unfunded obligations	434,406	337,431	408,383	337,431
Unrecognised net loss	(193,272)	(95,194)	(180,170)	(95,194)
Net liability in balance sheet	**241,134**	**242,237**	**228,213**	**242,237**
Components of net service cost				
Current Service cost	3,250	3,520	3,065	3,520
Interest cost	15,795	15,353	14,940	15,353
Amortization of unrecognised loss	4,262	2,805	4,024	2,805
	23,307	**21,678**	**22,029**	**21,678**
Movements during the year in net liability in balance sheet				
Net liability at beginning of the year	242,237	238,159	242,237	238,159
Spin – off (note 13)	-	-	(13,057)	-
Actual benefits utilised	(24,409)	(17,599)	(22,996)	(17,599)
Total expense recognised	23,306	21,677	22,029	21,677
Net liability, end of the year	**241,134**	**242,237**	**228,213**	**242,237**
Change in benefit obligation				
Liability at beginning of year	337,431	309,528	337,431	309,528
Spin – off (note 13)	-	-	(18,272)	-
Current Service cost	3,250	3,520	3,065	3,520
Interest cost	15,795	15,353	14,940	15,353
Actuarial (gains)/loss	102,339	26,629	94,215	26,629
Benefits utilised	(24,409)	(17,599)	(22,996)	(17,599)
Liability, end of the year	**434,406**	**337,431**	**408,383**	**337,431**
Weighted average assumptions				
Discount rate	4,80%	4.68%	4.80%	4.68%
Rate of tariff increase per annum:	10.3%-7.6%	0%-3%	10.3%-7.6%	0%-3%
Average future working life	14.22	14.40	14.22	14.40

Further to the abovementioned benefits, the subsidiary company PPC Renewable S.A., has made a provision for personnel compensation in case of service termination amounting to Euro 18 (2010: 19) regarding the personnel which is directly employed from PPC Renewables.

33. PROVISIONS

	Group		Company	
	2011	2010	2011	2010
Litigation with employees / third parties (note 39)	153,854	160,377	136,468	160,380
Disputes with tax authorities (note 23)	42,676	42,676	42,676	42,676
Mines' land restoration	12,895	12,385	12,895	12,385
PPC-PIO fixed assets	2,400	2,400	2,400	2,400
Other	1,186	1,116	-	-
Total	**213,011**	**218,954**	**194,439**	**217,841**

During the year ended December 31, 2011, the Group established a reversed provision for litigation with employees and third parties of Euro 6,529 (2010: Euro 25,627). In addition the Parent Company reversed a provision for litigation with employees and third parties of Euro 1,040 (2010: 25,627) including the discontinued operation).

The movement of the provisions for disputes with tax authorities and mines' restoration for the Parent Company and the Group has as follows:

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

33. PROVISIONS (Continued)

	Group		Company	
	2011	2010	2011	2010
Balance at beginning of the year	**12,385**	**17,231**	**12,385**	**17,231**
- Change in outflow included in assets	986	(4,264)	986	(4,264)
- Reversal of unused amounts	(1,921)	(2,591)	(1,921)	(2,591)
- Finance cost (note 9)	1,445	2,009	1,445	2,009
Balance at the end of the year	**12,895**	**12,385**	**12,895**	**12,385**

34. DEFERRED CUSTOMERS' CONTRIBUTIONS AND SUBSIDIES

GROUP	**Subsidies**	**Customer Contributions**	**Total**
Net book value			
December 31, 2009	**434,714**	**1,554,283**	**1,988,997**
- Subsidies and contributions received	10,864	-	10,864
- Transfer to revenues (note 8)	(18,090)	(56,466)	(74,556)
December 31, 2010	**427,488**	**1,497,817**	**1,925,305**
- Subsidies and contributions received	17,518	-	17,518
- Transfer to revenues (note 8)	(18,547)	(57,198)	(75,725)
December 31, 2011	**426,459**	**1,440,619**	**1,867,078**

PARENT COMPANY	**Subsidies**	**Customer Contributions**	**Total**
Net book value			
December 31, 2009	**426,775**	**1,554,283**	**1,981,058**
- Subsidies and contributions received	12,139	-	12,139
- Transfer to revenues (note 8)	(17,647)	(56,466)	(74,113)
December 31, 2010	**421,267**	**1,497,817**	**1,919,084**
- Spin – off (note 13)	(123,125)	(17,762)	(140,887)
- Subsidies and contributions received	17,518	-	17,518
- Transfer to revenues (note 8)	(13,824)	(56,605)	(70,429)
December 31, 2011	**301,836**	**1,423,450**	**1,725,286**

35. OTHER NON – CURRENT LIABILITIES

	Group		Company	
	2011	2010	2011	2010
Customers' deposits	498,176	507,166	498,176	507,166
Other	74	73	14	14
Total	**498,250**	**507,239**	**498,190**	**507,180**

The amount customers' advances relates to deposits made from customers upon initial connection to the transmission and/or distribution networks and is considered as coverage against unbilled consumption outstanding as of any time. Such deposits are refundable (non-interest bearing) upon termination of connection by the customer. As the refund of such amounts, which are payable on demand, is not expected to be realised within a short period of time the amounts are classified as non-current liabilities and they are not discounted.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

36. TRADE AND OTHER PAYABLES

	Group		Company	
	2011	2010	2011	2010
Trade:				
Suppliers and contractors	560,925	450,071	510,310	443,670
Municipalities' duties	188,174	191,739	188,174	191,739
Social security funds, other	54,088	51,289	51,407	51,283
Greek TV	51,499	52,322	51,499	52,322
HTSO	108,196	-	108,196	-
Taxes withheld	18,479	10,250	17,442	10,059
Excise Tax	12,782	14,839	12,782	14,839
Credit customers' balances	49,658	37,976	49,658	37,976
ITSO S.A.	-	-	13,216	-
Special levy on real estate properties	278,943	-	278,943	-
Bank of Crete	12,053	12,053	12,053	12,053
Lignite Levy	20,346	-	20,346	-
Other	36,103	30,205	32,139	30,198
Total	**1,391,246**	**850,744**	**1,346,165**	**844,139**

Municipal Duties and Greek TV: The amounts represent duties collected by PPC through the bills issued to medium and low voltage customers and certain high voltage customers. The payment of such amounts to the beneficiaries is made by PPC at the end of each month and relates to collections made two months prior. For this service PPC charges a fee of 2% and 0.5%, on the amounts collected on behalf of Municipalities and Greek TV, respectively. Such fees for the year 2011 totaled Euro 29,685 (2010: Euro 30,699), and are included in other revenues in the accompanying statements of income. Furthermore, receivables from Municipalities relating to energy consumption are offset against amounts paid for the duties collected on behalf of the Municipalities.

Special Levy on real estate properties
According to law 4021/27.09.2011, as amended and complimented with L. 4047/2012 as well as the interpretative circulars, concerning the imposition of an extraordinary special levy on buildings connected to the electricity grid, provides for the following:

- The special levy will be collected, through electricity bills, by PPC SA and the alternative power suppliers for the year 2011 in two equal installments, from October of 2011 until January 2012, while for the year 2012 in five equal installments, from April 2012 until January 2013
- If the special levy is not paid , PPC as well as the alternative power suppliers will proceed in the issuance to the Network Operator of an order of disconnection of power for the consumer, who following an order by the Ministry of Finance to the disconnection.
- The amounts of the special levy to be collected by PPC SA will be rendered to the Hellenic State within a period of twenty days as of the end of the month during which the respective bills were collected and following Law 4051/2012 in ten days as of the end of the month during which the respective bills were collected .
- PPC SA and the alternative power suppliers may pay to the Hellenic State advances against the amounts to be paid from the collection of said levy and up to 25% of the collectable amount.

37. SHORT-TERM BORROWINGS

At December 31, 2011, the Parent Company had drawn from its committed bank overdraft facilities an amount of Euro 224 mil bearing interest at EURIBOR plus a margin.

In the year 2011, the subsidiary PPC RENEWABLE concluded two new short-term financing agreements of a total amount of € 7 million. For the financing of € 5 million it was concluded with the provision of PPC's guarantee. At December 31, 2011, the available short term financing lines amounted to Euro 10 mil. and an amount of € 9.7 mil. was disbursed on December 31, 2012 in total bearing interest at EURIBOR plus a margin.

	Group		Parent	
	2011	2010	2011	2010
Pledged overdraft facilities				
- Credit lines available	233,735	255,000	224,000	250,000
- Unused portion	-	4,750	-	-
- Used portion	233,735	250,250	224,000	250,000

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. ACCRUED AND OTHER CURRENT LIABILITIES

	Group		Company	
	2011	**2010**	**2011**	**2010**
Accrued interest on interest bearing loans and borrowings	44,928	40,352	40,619	40,352
Natural gas and liquid fuel purchases	76,977	35,462	76,977	35,462
Energy purchases	10,900	4,266	10,900	4,266
HTSO S.A.	1,001	13,850	1,001	13,850
Mining related services	4,969	8,169	4,969	8,169
Additional expropriation costs	3,015	3,725	3,015	3,725
Personnel day off and overtime	95,382	65,202	89,611	65,202
RAE fees	3,760	6,621	3,760	6,621
Purchase of Emission Allowances	13,576	36,174	13,576	36,174
Projects under construction	12,733	4,195	12,733	4,195
Other	2,833	6,525	1,875	6,133
Total	**270,074**	**224,541**	**259,036**	**224,149**

39. COMMITMENTS, CONTINGENCIES AND LITIGATION

Ownership of Property

Major matters relating to the ownership of PPC's assets, are as follows:
1. PPC is in the process of registering this property and creating a fixed assets registry at the relevant land registries in order to be able to acquire deeds and encumbrance certificates. When this procedure is concluded PPC will be acquiring strong valid ownership titles against any third party at the full application and operation of the Hellenic Cadastre.
2. In a number of cases, expropriated land, as presented in the expropriation statements, differs (in quantitative terms), with what PPC considers as its property.
3. Agricultural land acquired by PPC 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 PPC's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by PPC S.A. for the fulfilment of its purposes.
4. The property, plant and equipment of PPC are located all over Greece and therefore the risk of a major loss is reduced. Currently, PPC does not carry any form of insurance coverage to date on its property, plant and equipment, except for its information technology equipment. The Company is evaluating the possibility to proceed to a procurement procedure in order to select an insurance company, to insure its property, plant and equipment operations, as well as liabilities against third parties.

Litigation and Claims

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at December 31, 2011 amounts to, Euro 692 m, as further analysed below:

1. Cla*ims 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 361 m. 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 50 m and Euro 9 m, respectively.

3. *Claims by employees:* Employees are claiming the amount of Euro 185 m, 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 December 31, 2011, 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 and, aiming to: (a) obtain the ownership of a building sold by PPC in 1999 for an amount of Euro 13,294, (b) obtain the ownership of certain properties owned by PPC and collect the rents earned by PPC over a specified period of time, for an amount of Euro 6,962 (three actions), these cases will be resolved with the decision of the Plenary Session of the Supreme Court for one of these actions, (c) obtain the

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

ownership of a building, of estimated value of Euro 8,000, (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 59,393 and (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.
The aforementioned cases are finally resolved with the recent issued Decision of the Plenary Session of the Supreme Court regarding the (a) case, according to which invalidates the 2007 Decision of the Court of Appeal, that had originally accepted PIOs' action against PPC.
Under Judgment by the Supreme Court No. 13/2010, 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" (IFP / ΤΑΠ ΗΕΑΠ-ΕΗΕ) assets, provided for under art.5 par.3 Law No. 163/1975, extends from the application 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.

The abovementioned Decision of the Plenary Session remitted the case to the Court of Appeal for the typical final resolution of the said dispute. The aforementioned Decision 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.

For the above amounts the Group and the Parent Company have established provisions, which as at December 31, 2011 amounted approximately Euro 154 m. and 136 m., respectively (2010: 160m.) (Note 33)

"Alouminion of Greece" (ALOUMINION)
There are pending actions before the Athens Multimembered Court of First Instance on the one hand of ALOUMINION versus PPC (the hearing said action for ALOUMINION after many postponements, has been set for the December 15th, 2011), as well as, on the other hand, of PPC versus ALOUMINION. ALOUMINION claims the continuation of the status of the initial Contract between the parties whereas PPC claims, among others, the amounts relating to the differences in tariffs. Specifically PPC has filed, an action before the competent Multimembered Athens Courts against "ALOUMINION" for all sums relating to the consumption of electric energy due and payable to PPC by "ALOUMINION" for the period from July 2008 until end of September 2008 for an amount of Euro 4.3 mil., which corresponds to a 10% increase as per 23860/30.11.2007 Ministerial Decision of the Minister of Development and a lawsuit for an amount of Euro 48.9 mil. plus an amount of Euros 414 (for interest due to PPC by the "ALOUMINION" for four (4) 2009 electricity bills) where the date of the hearing was set initially for April 29, 2010 but it was postponed for October 11, 2012 and have a possible positive outcome.
On February 23, 2010 a decision has been issued by the Arbitration Court in relation to the application of the terms of the relevant ministerial decision of 30.11.2007 which held:

- The existence of a contractual relationship with ALOUMINION, valid before the imposition of the 10% increase, thus accepting that as at 1.7.2008) (tariff A-150).
- That the obligation to negotiate vis a vis ALOUMINION concerned only the percentage pertaining to the said increase (0%-10%), limited at the lowest, in all cases, to the ceiling of the tariff of A-150, currently in force.
- That the relevant obligation to negotiate with ALOUMINION, was under the condition that PPC would in all cases, respect, even on a unilateral basis, and not necessarily vis a vis each and everyone of the different consumers, the general principles of good faith bonos mores, of free competition as well as the principle of the protection of the consumers.

In August 2010, PPC's Board of Directors by its Decision 177/03.08.2010 approved a framework agreement between PPC S.A. and ALOUMINION SA. The abovementioned framework agreement has been already accepted by ALOUMINION SA and will be the basis that the two counterparties will use in order to proceed to the signing of the new contract of electricity supply.
According to the framework agreement, the following are in force until 31/12/2013:

1. PPC S.A. will supply electricity to ALOUMINION S.A. for the hours that are within the off peak demand zone, including Saturdays, Sundays and holidays, with a charge of € 40.70/MWh, which corresponds to A 150 tariff, as it was valid at 30.06.2008 plus 10% increase for the hours of off peak demand zone.
2. ALOUMINION SA will cover its electricity needs as self supplied from the Pool for the rest hours of the day.

3. In addition, and under the same framework agreement, the financial disputes that had arisen in the past, are settled and specifically, the repayment of the remaining debt for the electricity consumption for the period 01.07.08 – 30.06.10, which is determined after compromise at the amount Euro 82.6m.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

Since then ALOUMINION has made monthly payments and as a result the initial amount of Euro 82.6 mil. has been reduced to the amount of Euro 42.6 mil. as at December 21, 2011. ALOUMINION has also paid for current consumptions relating to periods from 01.07.2010 to 31.08.2011.
The provisions of the above mentioned Agreement are implemented in that part of the Agreement that there are no pending differences between the two companies (there is disagreement between the parties on the allocation method of certain charges and surcharges). PPC via a letter asked from RAE for its opinion on the contract under consideration as well as for the existing disagreement between the parties for allocation method of certain charges and surcharges . RAE has responded with its Decision Nr 798/30.6.2011, by which it asks that the electricity tariffs as provided under the said Agreement between PPC and ALOUMINION are in accordance with the "Basic Principles for Tariffs of electric Energy" (RAE Decision 692/6.6.2011) as promulgated after the proposal by PPC for the new tariffs of High Voltage Customers. PPC after having taken into consideration the 798/2011 letter of RAE, asked ALOUMINION by its letter dated 7.7.2011 to countersign the final Agreement, in view also of the existing legal and regulatory regime. ALOUMINION however has recently raised objections to the content of the said Agreement, as described herein.
Since last August (2011), ALOUMINION only pays the sums due, after taking into account the tariff provided for in A150 Tariff (plus raise of 10%) as a ceiling and not after the special terms provided under the said Agreement.
Furthermore PPC and ALOUMINION have agreed to recourse to Arbitration at RAE in accordance with the provision of Article 37 of Law 4001/22.8.2011 (OG A' 179) in order to resolve all pending differences between the parties as regards the terms of supply of electricity. The relevant petition has been submitted to RAE.
It is should be mentioned that in the relevant Decision of the BoD of PPC which approved the relevant Agreement for recourse to Arbitration at RAE, and which has been made known to ALOUMINION in November 2011, it was set as necessary condition that that until a Decision is issued by the Court of Arbitration at RAE, ALOUMINION would be under an obligation to pay regularly to PPC all sums due under the existing Agreement for the supply of energy including all sums owed for fees for the total of 8.760 hours annually, as provided by the said Agreement dated 04.08.2010, and irrespective to the recourse of the matter to the Arbitration at RAE.
ALOUMINION however has not adhered to the abovementioned Agreement, in that it does not pay any sums currently due to PPC and that in case it makes any such payments, these are made after under the A150 Tariff (plus 10%) which it considers as a ceiling to such amounts paid.
The total amount of sums due by ALOUMINION to PPC as at December 31, 2011 in accordance with the above mentioned Agreement amount to Euro 107,2 mil. and to Euro 135 mil. as at to 23.03.2012.
PPC's Board of Directors decided to address a Judicial Reminder of debtor's default to ALOUMINION in accordance with the provision of article 11 para. 12 of the existing Code for Supply for the payment of sums due from ALOUMINION to PPC.
In case of non-payment within 20 days' time as of service of the Judicial Reminder to ALOUMINION, PPC is to proceed with discontinuation of the supply of electricity to the respective customer. Furthermore, it was decided that PPC will file interim measures as against ALOUMINION as well as an action due to debtor's default in payment before the competent Courts in order to safeguard the payment of sums due to PPC.
PPC has served ALOUMINION with a Judicial Reminder of debtor's default reserving all its rights on March 15, 2012 and therefore the above mentioned twenty days deadline ends on April 4, 2012.
Furthermore, on 27.07.2011 PPC received notification of the Decision No. E (2011) 4916/13.07.2011 of the European Commission after investigation on whether state aid (C2/2010) exists in favour of ALOUMINION of Greece and its successor ALOUMINION S.A., addressed to the Hellenic Republic, with which the Commission decided that state aid of the amount of Euro 17.4 m. was granted in favour of ALOUMINION of Greece. According to this Decision, the Hellenic Republic shall ensure that this recovery takes place 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, which the state-controlled PPC supplied to ALOUMINION of Greece from January 2007 up to March 2008, and which provided an unjustified advantage to ALOUMINION of Greece Company, thus violating EU state aid regulations. It is noted that, according to the Decision, the Hellenic Republic must keep the European Commission informed and provide specific information (detailed description of the amounts including interest, and measures taken for the implementation of the Decision of the European Commission) within a two month period from the date of its notification to the Hellenic Republic.
The above mentioned aid must be refunded to PPC SA with the addition of statutory interest in accordance with the law on state aid. PPC SA has already sent to ALOUMINION SA an out-of-court declaration-invitation-notice without prejudice to its rights which was served upon ALOUMINION SA on October 18, 2011, (also notified to the Minister of Environment, Energy and Climate Change, the Minister of Finance and RAE), by which ALOUMINION SA was asked to pay to PPC SA in order to implement the above Commission' s decision, the latest on November 2, 2011, the amount of Euro 21.6 mil. plus the amount of Euro 2.6 per day from the date of service until the November 2, 2011, Given that the company has not made the requested payment, PPC SA has already filed an action against ALOUMINION which will be tried on October 4, 2012. ALOUMINION has filed an action against the July 13, 2011 Decision of the European Commission for which no date has been set, yet. PPC has intervened in favour of the European Commission on December 30, 2012 for the above mentioned trial.

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

ALOUMINION has submitted to RAE on March 16, 2012 a complaint (Art. 34 of Law 4001/2011) - a request for specific regulatory measures (article 140 of Law 4001/2011) - an application for interim measures (Article 35 N. 4001/2011) seeking, inter alia, to be judged by the RAE "that negotiations between ALOUMINION and PPC have been rejected and that the tariffing framework which is reflected in the various texts ... is contrary to mandatory rules ...", to be taken by RAE the especially necessary regulatory measures as defined in that document as well as the necessary provisional measures, also defined in the above document (i.e, prohibition of ALOUMINION to be invoiced until a final decision of RAE by the A150 tariff plus 10% or by the framework agreement and application of a temporary tariffing framework to a maximum of Euro 40 per MWH consumption for all hours, including all competitive charges, to threaten PPC with a fine of Euro 100,000 per day for any non-compliance and finally, to take any other appropriate measure at the discretion of RAE). RAE has asked PPC to the expression of opinion on the above document of ALOUMINION until March 28, 2012. PPC has already asked the RAE by its document on March 26, 2012 to extend the deadline by ten working days.
ALOUMINION by a judicial statement and summoning to PPC dated 29-3-2012 and serviced to PPC on the same date, repels the Judicial Reminder of debtor's default and Summoning which was addressed to ALOUMINION by PPC on March 15, 2012 in accordance with the provision of article 11 par. 12 of the existing Code for Supply for the payment of sums due, and states that it will pay to PPC the amount of Euro 27 mil. plus an amount of Euro 8.7 for the supply of energy of February 2012, totally amounting to the sum of Euro 35.7, which ALOUMINION further states by the Above mentioned judicial statement and summoning that it will pay to PPC by a bank note dated April 2, 2012. According to the content of the above mentioned judicial statement and summoning , this sum corresponds to and is offered as full payment of all sums due by ALOUMINION to PPC for the electricity supply of the industrial installations of ALOUMINION for the period from August 2011 to February 2012, reserving its rights as regards the total (final) settlement of any financial pending issues between the parties that may arise after the issuing of the Decision by RAE for the determination of a temporary price for the supply of energy by PPC to ALOUMINION and, finally, by the Decision to be issued by the Court of Arbitration. Finally by the same Judicial Reminder of debtor's default and Summoning invites PPC to refrain from actions that are based on the above mentioned default notice

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 an action of the then trustee of the Bank, the claims of PPC were obliged to be 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.) plus legal interest for the reason that the above mentioned Act of the trustee of the Bank was held invalid.
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 favour.
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.
Until today the official expert report has not yet been notified to PPC while PPC's appeal is expected to be discussed on May 17, 2012.
The above mentioned expert report deals with the calculation of interest owed by the Bank of Crete to PPC as well as with the calculation of the Bank's counterclaims which were offset with PPC's claim and which reduce the aforementioned claim.
The Parent Company, given that it has not yet been informed of the official expert report, is not able to estimate the possible consequences of the above mentioned report.

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

On May 13th, 2008, the parent Company filed before the General Court of the European Union (General Court), an application for annulment of the Commission's decision of March 5th 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– competitors of PPC – have intervened in favour of the European Commission. Furthermore, on August 4th, 2009, the European Commission issued a second decision (which was notified to PPC on August 7, 2009), in which the measures for the compliance with the decision of March 5th, 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

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

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. With regard to the above mentioned mines, the Decision of August 4 2009, defined that the tender procedures should be launched within six (6) months from the notification of the decision and the extraction rights should be awarded to the successful bidders within twelve (12) months from the date of notification of the decision. PPC timely (on 19/10/09) and lawfully submitted an application for annulment of the said decision of the Commission before the CFI of the European Communities. Furthermore, the Hellenic Republic has timely intervened before the CFI in the said proceedings in favour of PPC. Finally the hearing of the Case T-169/2008 (regarding the a.m. Decision of the Commission of 5 March 2008-PPC S.A., "the Hellenic Republic as intervening party versus The Commission of the European Communities, "Energeiaki Thessalonikis s.a." and "HE&DSA" as intervening parties" was set for April 6, 2011 . The hearing of the case took place before the General Court on the scheduled date, namely on April 6, 2011 with a cross hearing of all litigant parties. Similarly, after a relevant summons of the Secretary of the EU General Court, on the scheduled date of hearing on 13th of July 2011, the application for the annulment of the Commission's Decision dated 4th of August 2009 regarding the above case [C (2009) 6244] was tried after a hearing before the General Court in Luxembourg. Due to the fact that the Chairman of the composition of the Court that heard the two appeals became Minister, the General Court of the European Union, decided to postpone the issuance of the relevant Decisions, and by an action determined a new trial date (February 2nd, 2012) for the repetition of the hearing under its new composition for both the above mentioned cases. The trial took place as programmed and the relevant decisions are expected in the coming months

Litigation with DEPA SA.

In January, September and November 2011, DEPA sent letters to PPC regarding the commitment that arises from not receiving the minimum contractual quantities (take or pay) for the year 2010. The above mentioned letters do not include any relevant data that support the eligibility by law for the foundation of the payment of the take or pay clause for the year 2010.

PPC has resorted to arbitration according to the provision of article 23 of the 09.06.1994 Gas Supply Contract between DEPA and PPC requesting a compensatory return according to article 25 of the same Contract. Arbitration has already issued a decision fully in PPC's favor since the Court of Arbitration by its Decision 42/15.12.2011 recognized as valid PPC's right for the return of profits by DEPA, as described in article 25 of the above mentioned Contract and thus obliged DEPA to pay to PPC the amount of Euro 17.3 mil. plus interest by June 1, 2009 until its full payment. DEPA has filed an action for annulment of the said Decision before the Athens Court of Appeals since March 16, 2012, the hearing of which has been set for February 23, 2013.

In August 2010, the Parent Company's Board of Directors decided to proceed to the cash payment of 85% of the amount invoiced by DEPA for the procurement of natural gas, along the lines of the existing contract, given that PPC considers, in principle, that this reduced payment is reflecting the material change of circumstances, which define PPC's contractual obligation, beginning with the invoices concerning the consumption of July 2010.
In the Parent Company's financial statements, the cost for natural gas reflects the full charge (100%) by DEPA S.A. For the abovementioned issue, DEPA SA filed a petition for arbitration/writ of action dated 24.01.2011 against PPC SA before the Arbitration Court, by which DEPA SA requests to receive by PPC the total amount of Euro 22.1 mil. with additional statutory interest accrued on the dates specifically mentioned in the said petition. The above amount corresponds to 15% of the total amounts of PPC's gas consumption bills during the period from 1.7.2010 to 31.12.2010, which PPC SA has not paid to DEPA SA as it considers this amount as the reasonable amount PPC is entitled to deduct from the relevant monthly payments to DEPA SA, due to changes of the financial conditions of the Contract between the two parties.
Arbitration Decision 3/2012 has already been issued, since December 15, 2011 which has been notified to the related parties on January 30, 2012 PPC and which is partially in favor of PPC, by accepting that it is refundable to DEPA by PPC for the time of the above mentioned arbitration (August 2010 – November 2010) plus legal interest the amount of Euro 14.7 mil. against the requested amount by DEPA (for the above mentioned time) of Euro 22 mil.
In the context of the conclusion of a new contract for purchase of natural gas, the management of PPC and DEPA are in negotiation for the overall examination of their mutual claims which derive from the already existing purchase contract for natural gas, including the take or pay clause, for the period until 2011. PPC's management estimates that the final outcome will be positive for the Parent Company and the Group.
Since the result of the above mentioned negotiations as well as both arbitrations is not yet finalized, PPC has not recognized any benefit in its accompanying financial statements.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

Third Party Access to electricity generation from lignite

In the framework of the Memorandum signed in August 2010 between the Greek Government, the European Union, the European Central Bank and the International Monetary Fund, it provides for the adaption from the Greek Government of a plan for the, gradual and based on cost access, of third parties in lignite fired generation. The Hellenic Republic in its capacity as shareholder and legislator is in discussions with the DG Competition of the EU in order to implement the respective commitment undertaken in the Memorandum, examining in parallel, together with other measures, the selling of lignite units.
PPC is examining its options in the new environment.

As far as third party access to electricity generation from lignite is concerned the memorandum of February 14th, 2012, the following deadlines must be observed:

1st quarter 2012 :	Finalization of the measures in order to ensure third party access to electricity generation in lignite
2nd quarter 2012 :	Initiation of the above mentioned measures
November 2013 :	Completion of the application of measures ensuring third party (PPC competitors) access to electricity generation in lignite. Third parties are able to use effectively electricity generation from lignite.

Decision of the Supreme Court for the recovery of Public Service Obligations

By its Decision 469/2012, the Supreme Court repealed the Ministerial Decisions defining the annual return for Public Service Obligations for the years 2008-2009 as well as the unit charges (Euro/kWh) for the recovery of the relevant cost of Public Service Obligations, per consumer category.
The pursuit of a legal coercion of PPC S.A. in order to return to the alternative power suppliers or to the consumers the amounts collected partially or in whole concerning Public Service Obligations for the years 2009 – 2010 for Public Service Obligations and which amount to Euro 916,5 mil, is not to be excluded.
At the same time, the same contingency might apply to the Public Service Obligations for the year 2010. PPC has collected during 2011 Euro 497mil. as well as the obligations for the year 2012 onwards.
Based on the legislative amendment by the Ministry of Environment and Climate Change, voted by the Parliament on March 29. 2012, the financing of the Public Service Obligations through the end consumers' consumption bills by 2008 onwards, is secured.

Sums due to PPC by suppliers of electricity Energa and Hellas Power for charges of network use

PPC S.A, as Distribution Network Operator, in a letter in December 2011, impeached to RAE, under the provisions of Article 34 of Law 4001/2011, the companies «ENERGA POWER TRADING S.A" & "HELLAS POWER S.A", for inconsistency to payments of Network Use applicable charges which resulted in the accumulation of huge due amounts which have as a consequence the significant financial loss of the Parent Company and the inability of maintenance and development of the Greek Distribution Electricity Network.
In those complaints, PPC S.A. also submitted a request for interim measures under Article 35 of Law 4001/2011, which, in each case and in accordance with the provisions of this Article shall be considered automatically by RAE. In this context, RAE vindicated the claims of PPC and decided (**Decisions 63/2012 and 64/2012**) the interim measures under Article 35 of Law 4001/2011 as follows:
The security provision for each of the companies "HELLAS POWER S.A" & «ENERGA POWER TRADING S.A» " cumulative and in whole (for the last) will be an amount equal to 25% of the debt mentioned on the above complaint i.e. the amount of Euro 29.1 mil., which will be provided to the Distribution network Operator.
The company «ENERGA POWER TRADING S.A» submitted on 25.01.2012, to RAE complaint and request for interim measures under the provisions of Articles 34 and 35 of Law 4001/2011 against the Hellenic Transmission System Operator (HTSO), which includes an extensive reference to a number of breaches (according to the abovementioned company) of PPC, as Distribution Network Operator. An identical complaint and request for interim measures was submitted one day after, on 26.1.2012 by the «HELLAS POWER S.A.».
The total amount due from suppliers of electricity Energa and Hellas Power, who have been crossed off by the Participants' Register and whose clients have been transferred to PPC, as last resort supplier since January 25th, 2012 and for a three month period, to PPC S.A. as Operator of the Network, for asserted charges for the use of network by clients of medium and low voltage that the above mentioned companies represented, amount to Euro 83.5 mil., at December 31, 2011. In addition to the complaint to RAE , lawsuits and actions have been filed against the two companies which have not been tried yet. The Parent Company has recorded an equivalent provision which had a negative impact on the current year's results. By the deletion of the two above mentioned companies from the Register of participants in the supply of power in January 2012, HTSO has suffered losses which might be charged proportionally to the other suppliers of power. The management of the Parent Company judges that for the present it cannot be estimated if a relative obligation exists or the amount of this obligation.

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

Environmental Obligations

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

1. 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 HP 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. 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 HP as well as the completion of the construction project of the tunnel, which are already been completed and are finally delivered from 17.06.2010.
After the publication of Law 3734/2009, matters concerning the Messochora Hydroelectric Project are arranged, with which the completion and operation of the Project becomes possible. These matters concern expropriation of areas in the Messochora HEP Reservoir, expropriation of the Messochora Village and of the areas where it will be relocated and arrangement of compensations to the affected inhabitants. All the above mentioned expropriations are declared for public utility reasons of great importance and their settlement will allow 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, until the final judgment is issued by the Plenary of the Council of State. Further developments, namely the final judgment, will be issued by the Plenary of the Council of State after taking into consideration the ruling of the European Court of Justice in relevant preliminary questions, already addressed to this Court, referring to the compatibility of the provisions of the Law 3481/2006 with the European legal framework.
PPC S.A. considers that the Hydroelectric Plant of MESSOCHORA is independent from the Acheloos River Diversion to Thessaly Scheme and therefore it should be not affected from the abovementioned issues. PPC S.A. examines 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. For this purpose, PPC has assign the updating of the Environmental Impact Assessment for HEP MESSOCHORA, whilst waits for the completion of the Water Management Study, ordered by the Ministry of Environment and Climate Change, related to the compilation of the Water Management Plan of the Catchment Areas in the water territories of the Western Central Greece, Epirus and Thessaly, in which the Catchment Area of the River Acheloos is included. This is estimated that it will be completed by October 2012. It is also estimated that the procedure for the issuance of the Environmental Permit for the project as an independent entity will be completed by December 2012. On December 31, 2011 the aggregate amount for HEP MESSOCHORA is amounted to Euro 283.9 million, which according to the above is considered to be fully recoverable and is expected to require further Euro 125.3 million to complete the project, estimated in 2015.

2. Under IPPC (Integrated Pollution Prevention and Control) Directive, the Best Available Techniques for Large Combustion Plants (with a thermal capacity greater than 50 MW) have been defined on July 2006 at a European level. These may: (a) require additional to the already foreseen investments at PPC's larger thermal power plant stations, (b) reduce the permitted hours of operation of its oil fired power stations. In accordance with European Directive 2001/80/EC, a pollutants emissions reduction plan for existing Large Combustion Plants has been approved by PPC's Board of Directors, and this includes, among others, the following measures:
   (i) Units I and II of Megalopolis A plant will enter the status of limited hours of operation (20,000 hours both of them as one installation) from January 1, 2008 until December 31, 2015 at the latest.
   (ii) Until the end of 2007, all measures for facing the operational problems of the flue gas desulphurisation plant in unit IV of Megalopolis plant, should have been completed.
   (iii) Until the end of 2007, all measures for the installation and continuous operation of the flue gas desulphurization plant in Unit III of Megalopolis plant, should have been completed.
   (iv) Until the end of 2007, all necessary modifications for using low sulphur heavy fuel oil, in all the existing oil fired plants included in the pollutants emissions reduction plan, should have been implemented.

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

PPC's emission reduction plan was submitted to the authorities and has been incorporated in the National Emissions Reduction Plan of the country, according to the provisions of the aforementioned Directive. For the Linoperamata Steam Electric Station, the use of low sulphur heavy fuel oil has already started from January 1st, 2007. From October 2007, all oil fired power plants which use heavy fuel oil, are supplied with low sulphur heavy fuel oil, as requested in measure (iv). The aforementioned measure (ii) was completed during the first semester of 2008, while about measure (iii) on 29.03.2010 its commercial operation period was finished. The relative performance tests were started on April 2010 and were completed on August 11, 2010. Based on the results of performance tests' valuation report submitted by the assigned third party (TUV AUSTRIA), the guaranteed parameters of the project have been accomplished.The Temporary Acceptance Protocol was signed on 03.03.2011, having 30.03.2010 as valid Temporary Acceptance date. The approval of the Temporary Acceptance Protocol was accomplished on 19.07.2011. The guarantee period was completed on 13.12.2011. The project is now under Final Acceptance procedure.
After the issue (August 2008) of the Common Ministerial Decision for the National Emissions Reduction Plan (Directive 2001/80/EC), the environmental permits of SES Ptolemaida, Kardia, Amyntaio, Liptol and Agios Georgios were renewed. The same is expected within 2012 for the remaining thermal power plants as well. In December 2010, the new Directive (2010/75/EK) was issued for industrial emissions (Industrial Emissions Directive – IED), which is effective from 06.01.2011 and which amends Directives IPPC and 2001/80/EK. Additional investments that might be required to the already existing units will be assessed, taking into account remaining operational life of the units.

3. The extent of land contamination has yet to be assessed for many of PPC's installations. 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 of 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. Environmental permit for the revised operation of Ptolemais mines, the extraction waste and ash (lignite combustion for power generation product) co- dumping within mine area and the Waste Management Plant according to Common Ministerial Decision 39627/2209/E103 (O.G. B 2076/25.09.2009). The renewal of environmental permit of the lignite burn for power generation in Megalopolis Power Station, solid by-products management, within Megalopolis Mine area (Thoknia Mine), is expected, within 2012.

CO2 Emissions

In November 2007, PPC submitted 31 applications to the competent authority for the issuance of the emissions permits for its bound power plants, concerning the period 2008-2012. In December 2007, the competent authority approved the submitted Monitoring Plans and issued the respective permits for the second trading period 2008-2012. In December 2008 the Greek National Allocation Plan for the period 2008 – 2012 was approved.

According to the temporary results, the CO_2 emissions of PPC's bound plants for the period 01.01.2011 – 31.12.2011 amounts to 46.9 Mt CO_2. It should be noted that the emissions of 2011 will be considered final by the end of March 2012, when the verification of the annual emissions reports by accredited third party verifiers will be completed. 44.2 Mt CO_2 allowances have been allocated to the existing bound plants of PPC for 2011, while respective emission rights amounting to 0.6 Mt CO_2 were allocated to PPC for the year 2011 due to new entrance units of years 2008-2010. PPC will return approximately 0.5 Mt CO_2 due to the closure of the Unit Ptolemaida I. Consequently, the total allowances available so far for the year 2011 are amounted to approximately 44.3 MtCO_2.

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

According to the above, it is estimated that PPC will exhibit a shortage of emission allowances for 2011 amounting to 2.6 Mt CO_2 .
It is noted that the exact amount of the deficit for year 2011 will be finalised only after the arrangement of the allocation of the additional emission rights due to new entrance units in the non - interconnected islands for the year 2011.

Investments

Combined cycle natural gas fired power plant of a 416,95 MW in Aliveri
After an international tender, the Project "Study, supply, transportation, installation and putting in operation of a 416,95 MW net combined cycle natural gas fired Unit V at Aliveri" was awarded to the successful bidder company Metka S.A. The contract for the construction of the Project was signed in October 2007, with a contractual price of Euro 219 mil.
In July 2009, the Building Permission was issued, and in September 2009, the construction began.
In May 2010, the Supplement No 2 of the Contract was signed, according to which PPC shall pay the Contractor the amount of Euro 31,15 mi. for the delay of the Project, due to antiquities found on the construction site and difficulties about the progress of the permissions, as well as for additional works.
In October 2010, the Supplement No3 of the Contract was signed, according to which the valid period of guarantee of the Project and consequently of the Equipment is extended for 2 months with the payment to the Contractor of the amount of Euro 1,8 mil. and according to the provisions of the Supplement No2.
On February 18, 2011, PPC accepted the terms of the connection for the above Unit following a relative correspondence with HTSO.
On January 21, 2011, the Board of Directors of PPC approved the additional extension of the new guarantee period of the Project and consequently of the Equipment, for 8 months, with the payment to the Contractor of the amount of Euro 7,2 million. In February 2011, the Supplement No4 of the Contract was signed.
The delivery of electromechanical equipment, the preparation of the studies for the Project and the installation of main electromechanical equipment have been completed. The civil works have been almost completed.
On December 31, 2011 the total expenditure for the project amounted to Euro 259.7 mil.

International tender for the construction of the new lignite station in Florina
In July 2008, an international tender regarding the "Study, procurement, transportation, installation and putting in operation of the Steam-Electric Unit II in Meliti Power Station, with a power of 420-450 MW, using pulverized lignite as fuel and with the capability of providing thermal energy of 70 MWth for district heating" was announced. The budgeted cost for the new unit was Euro 675 million.
Due to the fact that no offer was submitted, the basic technical and commercial parameters of the Project are in reconsideration, so that a new international tender shall be announced.

International tender for the construction of a new Steam Electric unit in Ptolemaida
The International tender was announced on April 20, 2010. The total budget of the Project amounts to Euro 1.320 mil. and the Project is expected to be completed within 70 months as from the signing of the contract.
In September 2010, the Ministry of Environment Energy and Climate Change issued the permission for electricity production and the permission for the distribution of thermal energy.

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 ALSTOM Power Systems GmbH, ALSTOM Hellas S.A, METKA S.A and DAMCO Energy S.A.

On November, 25, 2011, the Board of Directors of PPC decided to award the project to the successful bidder company "Terna SA" and the contractual price is 1.394.634.137,82 Euro.
At this stage, discussions are in progress with "TERNA S.A" for the preparation of the Contract and the necessary funding (a necessary condition for the signing of the Contract) in order to secure the satisfactory performance of the Project is being sought.
For the financing of the construction of new lignite plant "Ptolemais V", the Parent Company examines among others, the partial financing with secure by the German ECA Euler Hermes.
In line with the above initial meetings took place between PPC, its financial advisors and the ECA. Furthermore the relevant application is already submitted .

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

A new diesel engine Power Plant 115,4 MW in South Rodos 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.). On 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.
The construction will start after the completion of the permission issuance procedure, which is still in progress.
On June 29, 2011, the relevant contract for the purchase of the above land was signed.
The initiation of the procedure for the purchase of the land of the coastal facilities is also expected.
In September 2011, the Installation License was issued and was modified on January 20, 2012.
On December 31, 2011 the total expenditure for the project amounted to Euro 81.1 mil.

A new combined cycle unit at Megalopolis

On August 25, 2009 the Board of Directors of PPC approved the award of the Project to the successful bidder Consortium METKA S.A. and ETADE S.A. Furthermore, the contractor has accepted that he will not raise any claims 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 Unit with the System following a relative correspondence.
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.
The civil works, the delivery of electromechanical equipment and the erection works of electromechanical equipment are in progress.
On October, 17, 2011, after a related request from the Contractor Joint Venture «METKA S.A. – ETADE S.A.», the Board of Directors of PPC 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 December 31, 2011 the total expenditure for the project amounted to Euro 299.7 mil.

HP Metsovitiko I, II (29 MW)

The process of evaluation of tenders for the project is concluded. The relevant suggestion to PPC’s Board of Directors is in progress for the awarding of the contract to the successful bidder. At the same time the auction for the remaining civil works is being programmed. The projected date of operation of the project is in 2015.
The Parent Company has, under IAS 36, reviewed the recoverability of the total project cost, which at 31.12.2011 amounts to Euro 37,1 million. Based on the above mentioned audit the Parent Company has formed a special impairment provision of Euro 10,4 million, which had a negative impact in the results for the year 2011 (note 11). It is noted that in 2010 the Parent Company had formed an impairment provision of Euro 8 million. The impairment audit was conducted by calculating the value due to use by using estimation of future cash flows, which were projected to a period of fifty years by the estimated date of operation of the station, the estimated cost of completion of the project as well as the expected income by its operation.

PPC Renewable (PPCR)

Construction of new Wind Parks from PPCR S.A.

In February 2009, PPCR S.A. announced the construction of nine new Wind Parks, of total installed power 35.1MW, in the Greek islands and more particularly two in Crete (Akoumia and Koprino), two in Samos (Marathokampos and Pythagoreio) and one in Paros, Lesvos, Rhodes, Sifnos and Limnos respectively, a total investment of Euro 64 mil. The installation process of the Wind Farms in Paros, Lesvos, Rhodes, Samos (Marathokampos), Crete (Akoumia) and Limnos has been completed. In December 2011 the wind parks in Paros, Lesvos, Samos and Rhodes had been connected to the network, In January 2012 the park in Limnos was also connected and it is expected that the wind park in Crete (Akoumia) will be connected to the network in 2012.

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

Hybrid Project in Ikaria
The hybrid project in Ikaria is under construction and is expected to be completed in the beginning of 2013. The project is comprised of two small hydro power plants (SHPP of Proesperas, with an installed capacity of 1.05 MW and SHPP of Kato Proesperas with an installed capacity of 3.1 MW), a Pumping Station (with 12 pumps of 250 KW each) and a Wind Farm with three wind turbines with a total installed capacity of 2.7 MW, combining these two renewable energy sources.

Public Tender Procedure for the construction of Megalopolis Photovoltaic (PV) Plant
In June 2010, PPCR S.A. announced an open Public Tender, for the procurement, transfer, installation and operation of Megalopolis PV Plant, with total installed power 50MW and a total projected investment of €140m. Upon its completion, this plant will be one of the largest PV plants in Europe. The Megalopolis PV plant will be situated in an area of 2,000,000m2 and is due to enter operation within 2013. Following the evaluation of the technical components of the Bids, in August 2011 the financial bids were opened. J&P Avax S.A. was announced as the winning bidder.

Partnership agreement between EP Global Energy Ltd and PPCR S.A. – Establishment of joint venture.
PPCR S.A., in the context of implementing its business plan, has signed a shareholders' agreement with EP Global Energy Ltd to jointly establish a holding company aiming at the development of RES projects in the Balkans and Middle East regions. In November 2010, PPC S.A. announced the signing of a Shareholders Agreement between PPCR S.A. and EP Global Energy Ltd (EPGE) for the establishment of a Portfolio Joint Venture, whose business objective is the development of projects related to:

a) the acquisition of RES production units
b) the development, including the financing, of units using RES, and
c) the electricity production through the operation and maintenance of RES units in the Balkans and Middle East regions

In the context of the aforementioned partnership, PPCR S.A. and EPGD have jointly established REA Ltd., with headquarters based in Cyprus, aiming at the development of RES projects and the implementation of their mutual collaboration agreement. The Joint Venture's initial share capital is €60 with PPCR S.A. and EPGD's shares being 49% and 51% respectively.

Approval of the partnership's framework between EDF Energies Nouvelles and PPCR S.A.
In September 2010, PPC S.A. has approved the framework of the partnership between the EDF Group (EDF Energies Nouvelles), EDF EN GREECE, Group PPC (PPC S.A. and PPCR S.A), to jointly develop RES projects in Greece. This partnership based on the know-how and experience of the two Groups, targets at the joint development and exploitation of large-scale, complex and technologically advanced RES projects. In the context of this partnership, the two Groups are due to jointly develop important projects in the RES sector. Priority will be given to the development of Wind Farms of at least 250MW in the Florina region, as well as in a Hybrid Power Plant in Crete, which combines Wind Farms of installed power 90MW with a pumped storage hydro plant. By signing this agreement, PPC S.A. and EDF Energies Nouvelles further strengthen their partnership in Greece, as they have already collaborated successfully in the past for the development and operation of a Wind Farm of installed power 38MW in the prefecture of Voiotia.

Memorandum of Understanding (MoU) with ELIKA S.A.
In January 2011, PPCR S.A. and ELIKA S.A., signed a MoU aiming at the joint development of RES projects. Such a project is ELIKA's large-scale Wind Farms in Crete which combines the development of Wind Farms of total installed power ~850MW, which have already obtained a Production License from RAE and whose design includes interconnection to the mainland Grid.

PV Megalopolis NER 300 – 40MW
In February 2011, PPCR S.A. submitted a request for financing of a PV park of 40 MW in Megalopolis, through the European program NER300. The proposal is currently under evaluation from the European Investments Bank (EIB). The application for generation license has been submitted in April 2011.

Implementation of energy measures in Western Macedonia, including the development of Photovoltaic (PV) power stations 200 MW
In February 2011, after the application for a Generation License to RAE, PPC S.A., PPCR S.A. and Iliako Velos I (a PPCR S.A.'s wholly owned subsidiary) announced an Expression of Interest (EoI) process to find a strategic partner for the joint implementation of RES projects in Western Macedonia. These plans include, besides the development of the PV plant, the construction, operation and maintenance of a PV equipment factory, as well as other energy ventures with a strong local impact.

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

This investment will be situated on an approximately 5,300,000m2 area within Western Macedonia Lignite Center. The PV plant's net annual production is estimated at 260 GWh, which covers the electricity consumption of about 55,000 households and contributes towards the "post-lignite" era of the energy center in the area of Ptolemaida. Another important benefit of the PV plant's operation will be the annual reduction in the CO2 emissions by 300,000 tons CO2.
In July 2011, PPC Group announced the completion of the 1st phase of the Invitation for Expression of Interest procedure for the selection of a long-term strategic partner. 15 out of the 21 groups, that submitted proposals in the Invitation for Expression of Interest procedure, met the acceptance criteria of the 1st phase.
In August 2011 the final stage of the tender begun by sending to the participants that were preselected, the invitation for the submission of their bidding offers. The target is for the final offers to be submitted in 2012.

Strategic Partnership with Sinovel Wind Group Co Ltd
In April 2011, PPC Group and the Chinese company Sinovel Wind Energy Group Co Ltd, the second largest wind generators' constructor globally, announced the signing of a Strategic Partnership in order to develop wind parks as well as construct a plant for the production of wind generators in Greece. The above mentioned partnership includes the development of wind energy in the country with an indicative project being the construction of a 200-300 MW wind park in the interconnected system, the exploration of the possibility to develop a sea wind park, as well as the construction of a plant producing wind generators.

Rights of the exploitation of the geothermal fields
In June and July 2011 the rights of exploitation of the geothermal fields of Lesvos, Nisiros and Milos-Kimolos-Polyegos transferred to PPCR S.A. The rights of the geothermal field of Methana were transferred in December 2011.

Application for wind parks of 1.34GW
In June 2011, PPCR S.A. applied for the production license for a number of wind farms with a total installed capacity of 1,339 MW in Crete, Kassos, Karpathos and Rhodes.

PV Atherinolakkos park in Crete
In the fourth quarter of 2011, the PV park of total power of 0,6 MW in Atherinolakkos, Crete was completed and connected to the network.

ITSO S.A.
Construction of underwater line "POLYPOTAMOS – NEA MAKRI"
By this project the transfer of wind power of a total capacity of 400MW approximately, from South Evia to Attica, while at the same time East Attica's power supply is strengthened. The project is being constructed using submarine cables of 150kV, 200MVA of synthetic insulation, friendly to the environment, buried at approximately one meter under the sea floor and it is estimated to be completed in three years.
The signing of the contract with the concessionaire took place on May 14, 2010 with a deadline of May 2013.The project has a budget amounting to Euro 84.3 mil. The seabed survey works have been completed and the industrialization of the cable has begun. The intentions of the municipality of Nea Makri remain still unspecified in relation to the permit for the use of shore line and adjacent sea area as well as for the permit to excavate for the subterranean part of the Transmission line which passes through the municipality of Nea Makri.

Cyclades Interconnection
In March 2011, the declaration of the project was put in public consultation with a deadline of July 2010. At the same time, the issues of the declaration were send for approval to Special Secretariat for Competitiveness – Special Management Service of the Ministry of Finance due to the project being financed by the National Strategic Reference Framework (NSRF) by 35%. The approval was granted in April 2011. The declaration of the project was published in June 2011 with a submission deadline of mid – October 2011, which was further extended for January 2012, which was when the bids were unsealed. There were two offers and the procedure is now at the stage of technical evaluation and at the same time there is an injunction by the one of the bidder against the legal documents of the other bidder.
The project's budget amounts to Euro 400 mil.

Construction of High Voltage Center (HVC) in Aliveri and interconnection transmission line of 400 kV
The project refers to the interconnection of the new unit in Aliveri power station and its budget amounts to Euro 120 mil. The constructions of the HVCs are in progress and are expected to be completed by the end of June 2012, while the interconnection line of Aliveri with the System of 400kV is in construction since October 2010. The overhead part of the interconnection cable is to be completed by the end of April 2012, while the

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

subterranean part is to be completed by the end of July 2012 (one circuit). In parallel there are works in progress for the extraction of energy through the 150kV system if that should become necessary.

Business Collaboration

Joint venture between PPC S.A. and URBASER S.A. – Participation in DIADYMA'S tender.
Following the positive opinion of the Directorate General for Competition of the European Commission, PPC S.A. and Spanish Urbaser S.A concluded in February 2011 the corporate establishment procedure of a joint company, with the distinct name 'Waste Syclo Waste Management Services SA'. Urbaser owns 51% and PPC 49% of the share capital. The initial paid in share capital of the company is Euro 60. In November 2011 the shareholders deposited, each one according to its relative share, the total amount of Euro 40 as cash contribution in view of future capital increase. On December 31, 2011 the Parent Company's participation amounted to Euro 49 (Note 19).
Waste Syclo is responsible for the study, performance of projects and the rendering 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 on March 15th, 2011, an Expression of Interest in the first phase of the Tender launched by DIADYMA (Waste Management System of Western Macedonia S.A.) for the Project of "construction and operation of a Waste-treatment plant, a Waste disposal site, Refuse disposal and treatment transport services" in Kozani, and was successfully pre-selected in June 23rd 2011, for its participation in the tender's second phase. At the moment, Waste Syclo has participated in the Public Consultation Procedures for the imminent tenders of Attica and Peloponnesus peripheries.

Kosovo Energy Project – Cooperation with Contour Global
On February 2010, PPC and Contour Global have jointly submitted an Expression of Interest for the prequalification phase of the tender announced by the Ministry of Energy and Mining of Kosovo, regarding the development of the allocated portion of the Sibovic Lignite Field, rehabilitation of Kosovo B and the construction of a new electric power generation plant with estimated installed capacity of 2X300 MW. This tender had been announced again in the past but it was never completed. In March 2010, it was announced that the consortium, together with another three (3) competitive consortiums, have been short-listed to participate in the second phase of the tender. Due to further delays according the issuance of the final RfP, Contour Global decided not to pursue further the Kosovo tender.
In March 2012, the final version of the RfP was issued, according to which the deadline for submitting an offer was set for September 28, 2012. PPC S.A. retains its interest for the project and continues its evaluation.

Due to Contour Global's not further participation, no reason exists for the continuance of operation of subsidiary company SENCAP SA, which was founded by PPC and Contour Global. Following that, in the General Meeting held in August 5 2011, SENCAP's shareholders decided the dissolution and liquidation of the company (Note 18).

International public tender in FYROM
In January of 2011, the Ministry of Economy of the FY Republic of Macedonia (FYROM), published an invitation for Prequalification Applications for granting a water concession for water usage for generation of electricity from Hydro Plants on Crna River and participating in Public – Private Partnership with ELEM (State Company for electricity generation of FYROM).
This involves the design, financing, construction, operation and maintenance of new hydro power plants Cebren (333 MW) and Galiste (193.5 MW) as well as operation of the existing hydro power plant Tikves (116 MW). In December 15 2011, bids were submitted by PPC and Chinese CWE. Government of FYROM has not yet announced the first ranked bidder.

Business Collaboration between PPC S.A. and the Renewable Energy Saving Center, for investments in order to improve energy efficiency, in the residential sector.
In April 2011 PPC's Board of Directors approved a business collaboration with the Centre for Renewable Energy Sources and Saving (CRES) for investments in order to improve energy efficiency in households.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

Termination of business collaboration with “Halyvourgiki” for the construction of new units
In April 2008 the Board of Directors of PPC approved a business collaboration memorandum with Halyvourgiki for the construction and operation of combined cycle natural gas fired units and in 2009 PPC and Halyvourgiki signed the Shareholders' Agreement and agreed on the draft of the Articles of Association, where Halyvourgiki S.A. would own 51% and PPC 49% of the share capital of the joint venture.
Based on recent developments in the Greek electricity market, PPC revised its energy planning and priorities. As a result, on 14.10.2011 the Board of Directors of PPC approved the termination of the Shareholders’ Agreement between PPC and Halyvourgiki.

Business Collaboration with Quantum Corporation Ltd and the Bank of Cyprus - PPC’s participation in a public tender in Republic of Srpska of Bosnia- Herzegovina.
In July 2011, following the approval of the Board of Directors, the “Articles of Incorporation” was signed for the establishment of a subsidiary company with the distinct name “PPC - QUANTUM ENERGY Ltd”. PPC S.A. owns 51% of the share capital, Quantum 40% and Bank of Cyprus 9%. The objectives of the company will be, amongst other, study, design, founding, constructing, operating, managing and exploiting of power plants in the region of the Republic of Srpska in Bosnia-Herzegovina. The joint venture’s establishment procedure was completed in November 2011.
In June 2011, the government of Republic of Srpska of Bosnia-Herzegovina, published an invitation for participation to the initial phase of a tender for the study, construction and exploitation of four hydro power plants to the upper Drina. In July 2011, PPC submitted again a “Letter of Interest” for the above mentioned project. It is noted that the deadline for participation in the tender expired on August 11th, 2011 and that except PPC, RWE and the Chinese CWE have also submitted offers
PPC has already been invited by the Republic of Srpska and has started negotiations for the awarding of the contracts.

In parallel PPC - QUANTUM ENERGY Ltd, by extending its objectives, is investigating and programming the future needs in energy for both Cyprus and Greece and in this direction also studies the interconnection of Greece – Cyprus as well as the interconnection of Israel – Cyprus – Greece.

Establishment of a subsidiary based in Constantinople, Turkey.
In August 2011, the Parent Company’s Board of Directors has approved the expansion of PPC’s commercial activities in Turkey, by authorizing the incorporation of a subsidiary based in Constantinople. The main reason for PPC’s expansion out of the Greek dominion, is the pursuit of new business opportunities in the expanding markets of neighboring countries, resulting in financial benefits which will offset an expected loss of the domestic market share. Until December 31, 2011 the above mentioned subsidiary had not yet been incorporated.

Option for acquisition of DEPA shares
PPC maintains its option for the acquisition of a number of DEPA shares, based in L. 2593/1998, in accordance with a relevant contract between the Greek State and PPC S.A.
In the medium term fiscal strategy 2012-2015, described in L. 3985/2011 (O.G. A’ 151/01.07.2011) and specifically in the Privatization Program 2011-2015, provides for, among others, the sale of 55% of DEPA’s share capital out of 65% currently owned by the Greek State, in the 4th quarter of 2011.
It also provides for the sale of 31% of DESFA out of 65% currently owned by the Greek State in the same period.
Consequently PPC is negotiating with the Privatization Fund, regarding its option for the acquisition of a number of DEPA shares, in view of the goal for the privatization of DEPA.
Based in L. 4046/2012 (OG 28/A/14.2.2012) by which the Memorandum of Understanding between the Greek Republic , the European Commission and the Bank of Greece, the Greek Government is committed to initiate the privatization of DEPA/DESFA after the separation of Operator of the Natural Gas Distribution System, in accordance with the commitments of the new memorandum and controls the procedure in order to secure competition in the market.
Specifically in the privatization program of the new memorandum as far as DEPA/DESFA is concerned the privatization procedure is to be initiated in the first quarter of 2012.

Sale of PPC’s share through the Privatization Fund.
In July 2011 and in application of the medium term fiscal strategy, the Privatization program of Law 3985 (O.G. A’ 151) provided for the sale of 17% of PPC’s share capital, currently owned by the Greek State, by the third quarter 2012. In Law 3986 (O.G. A’152) is stipulated that the sale will go through the Privatization Fund.
The Biministerial Committee for Reconstruction and Privatization, in order to realize the Greek Government’s privatization program, has announced, the selection of the state’s legal consultant covering Greek, international and European law, for the further privatization of PPC S.A. through the sale of shares and/or the sale generation

39. COMMITMENTS, CONTINGENCIES AND LITIGATION (Continued)

units of the Company, and the assignment to ALPHA BANK S.A., BANK OF AMERICA MERILL LYNCH, CREDIT SUISSE SECURITIES (EUROPE) LIMITED and NATIONAL BANK OF GREECE as financial advisors. The law firm of “KYRIAKIDES, GEORGOPOULOS AND DANIOLOS ISAIAS Law firm” will act as legal advisor for matters of Greek law while “SHEARMAN STERLING LLP” will act as advisor for matters of international and European law.

Cancellation of the tender for a steam power station in Atherinolakkos, Crete, of a total power of 95 -105 MW.
In September 2011, PPC S.A.’s Board of Directors has decided to cancel the tender for the supply and installation of a plant using low sulfur oil as well as natural gas, with a total power of 95-105 MW in Atherinolakkos, Crete.

40. FINANCIAL RISK MANAGEMENT

The overall financial risk management program is focused on unpredictability of financial and non-financial markets and seeks to minimize potential adverse effects in the Group’s financial position. The Group identifies, evaluates and if necessary, hedges risks relating to the Group’s operating activities. The Group does not undertake any transactions of a speculative nature. The Group periodically controls and revises the relative policies and procedures in connection with financial risk management, which are summarized below:

Credit risk
Despite the diversification of electricity sales to a large customer range, with a wide spectrum of economic activity, the general financial conjecture has, to a great extent, a negative impact on liquidity due to payments difficulties experienced by customers. In addition, during the recent period, there are delays or/and non payment of current bills by significant industrial customers.
The credit risk may intensify in the event of continuation or even deterioration of the recession, whereas the collection of the extraordinary special levy on property, through PPC’s bills, may affect the rate of collection of electricity bills that are collected together with this levy . Within this context, the Parent Company is systematically monitoring outstanding receivables and is taking measures, in order to limit this impact, to the possible extent, also within the framework set by current legislation, aiming at:

- Informing customers about their debts and, on a case per case basis, appealing to extrajudicial means
- facilitating customers to repay their debts by installments,
- proceeding via the Network services to interruption of electricity to customers that do not settle their debts.
- securing revenues, among other actions, underwritings and guarantees.

The Group has no significant concentrations of credit risk with respect to derivative transactions, due to the fact that it monitors the credit ratings of counterparties and the level of contracts it enters into with any counterparty.

Fair value
The carrying amounts reflected in the accompanying balance sheets for cash and cash equivalents, short-term receivables, and current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of marketable securities are based on their quoted market prices at the balance sheet date. The carrying amounts of the long-term borrowing approximate their fair value in spite of the fact that, the loans are in local currency and interest at a floating rate.
For all swap agreements, the fair values are confirmed to the Group by the financial institutions through which the Group has entered into these contracts.

Liquidity risk
Liquidity risk is connected with the need to ensure adequate cash flow for the financing of the operation and the development of the Group. The Group manages its liquidity risk by continuously monitoring and programming its policy for fulfilling its cash flows liabilities, ensuring sufficient credit lines and cash deposits, while aiming at the same time at the extension of the average maturity of its debt and the diversification of its funding sources. As a matter of fact said risk is intensifying due to the general situation of the Greek economy and of the banking sector, where the liquidity is limited or almost inexistent. For a significant part of 2012 debt, mainly held by Greek banks, there are advanced discussions regarding refinancing. The contractual maturities of the main financial liabilities (loan liabilities) not including interest payments are as follows:

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

40. FINANCIAL RISK MANAGEMENT (Continued)

(In million Euro)	On demand	3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 December 2010 (Group)						
Overdraft facilities	250.3	-	-	-	-	**250.3**
Short term borrowings	-	276.6	440.4	-	-	**717.0**
Interest bearing loans and borrowings	-	-	-	2,793.1	1,092.4	**3,885.5**
	250.3	276.6	440.4	2,793.1	1,092.4	**4,852.8**
Year ended 31 December 2011 (Group)						
Overdraft facilities	25.0	104.7	104.0	-	-	**233.7**
Short term borrowings	-	668.1	761.0	-	-	**1,429.1**
Interest bearing loans and borrowings	-	-	-	2,234	1,331.5	**3,565.5**
	25.0	772.8	865.0	2,234	1,331.5	**5,228.3**
Year ended 31 December 2010 (Parent)						
Overdraft facilities	250.0	-	-	-	-	**250.0**
Short term borrowings	-	276.6	440.4	-	-	**717.0**
Interest bearing loans and borrowings	-	-	-	2,793.1	1,092.4	**3,885.5**
	250.0	276.6	440.4	2,793.1	1,092.4	**4,852.5**
Year ended 31 December 2011 (Parent)						
Overdraft facilities	25.0	100.0	99.0	-	-	**224.0**
Short term borrowings	-	618.1	716.9	-	-	**1,335.0**
Interest bearing loans and borrowings	-	-	-	1,849.5	1,293.2	**3,142.7**
	25.0	718.1	815.9	1,849.5	1,293.2	**4,701.7**

Interest rate risk, foreign currency risk, and liquid fuel and natural gas supply risk
The Group's principal financial liabilities comprise bank loans, bonds and overdrafts. It is the Group's policy to hedge, solely for protection purposes, through derivatives the risk arising from the fluctuation of the floating interest rates and the foreign currency exchange rates of its debt portfolio. The existing derivatives transactions refer to specific interest rate swaps (conversion of floating rate liabilities to fixed rates liabilities) and forward currency contracts, in order to manage the relative risks. The main risk arising from managing the Group's debt liabilities is focused in the financial results and cash flows, mainly as a consequence of the fluctuation of interest rates and, to a minimum extent, on foreign currency exchange rates fluctuation, considering that 99% of the existing debt is denominated in Euro. On the contrary, the fluctuation of € / $ exchange rate constitutes a risk concerning the Parent Company's liabilities arising from fuel purchases. In order to cover the foreign currency risk from liquid fuel purchases, the Board of Directors of the Parent Company approved in 2010 a framework policy for hedging transactions. Within this framework, hedging transactions were implemented in 2011.
The Parent Company is exposed to the risk of an increase in prices (commodity prices) of oil, natural gas, electricity purchased from the System and the Network, CO2 emission rights as well electricity prices of direct PPC imports. The Parent Company has hedged volatility of liquid fuel prices for 2009, 2010 and 2011. Furthermore, the Parent Company has fully covered the estimated CO2 deficit for the period 2008-2012, and has therefore covered the relevant price volatility risk. On the contrary, the Parent Company has not established a hedging policy against the risk arising from the volatility of natural gas prices. In terms of the risk arising from price volatility of electricity purchases, this is hedged less and less by the vertical integration of the company

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

40. FINANCIAL RISK MANAGEMENT (Continued)

(internal hedge), since PPC Generation share in the wholesale market by the end of 2011 amounted to 74.5%, while since January 25, 2012, PPC's Supply share in the retail market has exceeded 98%, given that PPC supplies with electricity as a Supplier of Last Resort all consumers, who were left without electricity supplier following the recent developments in the retail electricity market. It should be noted that, hedging transactions may not provide full protection against the above mentioned risks.
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group' s profit before tax (through the impact on floating rate borrowings). *(in € million)*

	Increase / Decrease in basis points (%)	Effect on profit before tax (Group)	Effect on profit before tax (Parent)
2011			
Euro	+15	(5.8)	(5.1)
CHF	+15	(0.023)	(0.023)
Euro	-15	5.8	5.1
CHF	-15	0.023	0.023
2010			
Euro	+15	(5.78)	(5.78)
CHF	+15	(0.04)	(0.04)
Euro	-15	5.78	5.78
CHF	-15	0.04	0.04

The following table demonstrates the sensitivity to a reasonably possible changes in the Swiss Franc exchange rate , with all other variables held constant , of the Group' s profit before tax through the impact on foreign currency borrowings (€ mil.).

	Increase / Decrease CHF	Effect on profit before tax (CHF)
2011	+5%	(0.8)
	-5%	0.7
2010	+5%	(1.3)
	-5%	1.2

In order to cover the foreign currency risk (fluctuation of €/$ exchange rate) from liquid fuel purchases the Board of Directors of the Parent Company approved in the second quarter of 2010 the framework policy for hedging transactions.
Within the twelve month period ended December 31, 2011 the Company hedged approximately 70% of the foreign currency exposure (fluctuations of €/$ exchange rate) for the estimated liquid fuel purchases for 2011 and the payable outstanding amount was € 872.

Diversification of PPC's portfolio of natural gas supply sources.
Taking into account the new legal framework for the liberalization of the natural gas market in Greece, the Group is renegotiating the existing contract with DEPA and also the Group is exploring other competitive opportunities for natural gas sourcing. Within the context of differentiation of PPC's portfolio of natural gas supply sources, the Parent Company has already purchased during the second semester of 2010 and during the first semester 2011 a number of LNG cargos as well as LNG from a pipe for the two months of July and August 2011.

Market risk
The sensitivity analysis on natural gas, liquid fuel and system marginal price are as follow:

	Liquid Fuel (tones)	Natural Gas (in m^3)	System Marginal Price (MWH)
Change in price unit	+ 1 € (+ one Euro)	+ 0.01 € (+ one Cent of Euro)	+ 1 € (+ one Euro)
Impact	1.3 Euro million	10.8 Euro million	10.8 Euro million

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

40. FINANCIAL RISK MANAGEMENT (Continued)

In May 2011, the Company hedged approximately 28% and 41% of the Fuel Oil 1% and the ULSD 10 ppm respectively for the estimated consumption for the non-Interconnected system for the period from June to September 2011. The contracts expired in September 2011.

Availability of lignite reserves
Management believes that exploitable lignite reserves are adequate to cover the current and anticipated levels of supply for energy generation by lignite-fired thermal power stations for many years.

Evolution of net debt ratio

The ratio net debt/equity amounts has as follows:

	2011	2010
Long term loans	4,994,743	4,602,548
Short term borrowings	233,735	250,250
Minus: cash and pledged deposits	(519,328)	(620,449)
Net debt	4,709,150	4,232,349
Shareholders' equity	6,448,695	6,769,528
Minus: reserve of evaluation of investments "held-for-sale"	249	10,176
	6,448,446	6,759,352
Ratio net debt/equity	73%	63%

41. OPERATING LEASE ARRANGEMENTS

	Group		Company	
	2011	**2010**	**2011**	**2010**
Minimum lease payments under operating leases recognised as expense	**35,908**	**39,643**	**35,503**	**39,263**

At the balance sheet date, the Group's outstanding commitments for future minimum lease payments under non-cancellable operating leases are approximately the current year's lease expenses, which are expected not to significantly altered during the next years.

Operating lease payments represent mainly rentals payable by the Group for certain of its office properties, machinery, vehicles and furniture and equipment. Lease fees for office properties are generally fixed for an average term of twelve years. Lease fees for machinery and vehicles are generally fixed for an average of 1 and 3 year, respectively.

42. SUBSEQUENT EVENTS

Memorandum of Strategic Partnership with SILCIO Group
In January 2011, PPC's Board of Directors, approved the signing of a Memorandum of Strategic Partnership between PPC S.A. and SILCIO, a Greek Group of Companies - subsidiary of DAMCO ENERGY and INTERNATIONAL CONSTRUCTIONAL - for the joint establishment of a commercial Societe Anonyme, in which PPC S.A. will participate with 49%. The new entity will aim at promoting, through a national franchising network, integrated solutions for household photovoltaic systems, energy services and products for saving energy, as well as provision of services to PPC's customers, at the discretion of the Company.

PPC S.A. will also participate by 49% in the share capital of the production facilities of photovoltaic equipment under the names PIRITIUM S.A. and SILCIO S.A. of the Group, which will provide the commercial company with the respective equipment.

The final partnership agreement will be signed once the necessary preparatory actions have been completed.

New Low Voltage Tariffs 2012
PPC SA, after on opinion of RAE and the decision of the Ministry of Environment, Energy and Climate Change, announced the new Low Voltage tariffs, applicable from January 5st, 2012.
According to these tariffs:

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

41. SUBSEQUENED EVENTS (Continued)

The weighted average tariff increase at low voltage reached 9.2%, including taxes on electricity, excluding the levy for Renewable Energy Sources (RES).
The Social Residential Tariff remains unchanged, as well as the tariffs for families with four or more protected children.
The increase in electricity bills for residential customers is ranging from 9.0% to 12.1%, Out of the weighted average increase 9.2% for the Low Voltage customers only 1.1% partly offsets the increase of PPC's expenditure costs. The remaining 8.1% refers to cost increases for:
-Public Service Obligations (PSOs) – due to the application of the Social Residential tariff, the excise duties (tax) on fuel and diesel oil, increases on international liquid fuel prices etc., 3.5%
-Special Consumption tax on natural gas used for electricity generation 2.6%,
-Lignite levy 0.9% and
-VAT 1.1%

New Medium Voltage Tariffs 2012
In accordance with the regulatory framework, Medium Voltage tariffs were liberalised from January 1st, 2012. The new Medium Voltage tariffs of PPC are applicable for the customers' consumptions starting from February 1st, 2012.
PPC prepared the new basic tariffs, taking into account:
-Company's cost data for 2012.
-Customers' consumption profile.
-Removal of distortions between customer groups.
-Simplification of the consumptions' pricing.

New High Voltage Tariffs 2012
The High Voltage tariffs, according to the regulatory framework, are liberalised. PPC, in the framework of the obligations arising from the existing legislation, has proposed unbundled alternative tariffs, concerning the competitive and the regulated components.. These tariffs were formed after long deliberations. PPC has formed the final high voltage tariffs notifying the clients as well, of the necessity to sign new contracts. In any other case PPC will denounce the contracts.

PPC S.A. as "Last Resort" supplier
In January 2012, following an announcement of RAE and HTSO, by which the deletion of two power suppliers from the Register of participants in the supply of power, PPC S.A. informed the public for the following :
- PPC S.A. according to L. 4001/2011, article 57, undertakes as of 25.01.2012 to supply the above mentioned power suppliers' clients with electrical power under its obligation as last resort supplier.
- The above mentioned clients will continue to be provided with power and will not encounter any shortage thereof
- In addition there is no need for immediate action on their part
- According to the provisions of L. 4001/2011, the above mentioned clients have up until 24.04.2012 to select the supplier of their choice, including PPC, and to conclude a power supplying contract
- For the above mentioned time the clients in question will be invoiced according to PPC's prices.

Bond Issues
In January 2012 the Group proceeded to the renewal of a bond amounted € 200 mil. with initial maturity the first quarter 2012 to gradual repayments regarding the amount of € 150 mil. during the period 2013 – 2015 and the remaining amount in July 2014. Moreover in March 2012 the Company proceed to the renewal of a bond series amounted € 15 mil with initial maturity in May 2012 for three more years.

Revision of PPC's outlook by rating houses:
In February 2012, ICAP proceeded to a further downgrade to BB with credit watch, from A with negative outlook.

CO2 sale
In February 2012 PPC S.A. proceeded with a sale of 2,500,000 tonnes of EUAs of a total value of Euro 21 mil., in the context of the management of is portfolio of CO2 emission rights

ITSO undertook the operation of the Greek Power Transmission System
PPC S.A. announced that as of February 1st, 2012, the operation of the Greek Power Transmission System was undertaken by the Independent Transmission System Operator (IPTO), a 100% subsidiary of PPC S.A., which was established pursuant to Law 4001/2011, in accordance with the model of the Independent Transmission Operator (ITO), as it is provided for by the EU legislation.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

41. SUBSEQUENED EVENTS (Continued)

2012 Budget approved by PPC's Board of Directors

In March 2012, the Parent Company's Board of Directors approved the budget of the Group for 2012. The budget is based on assumptions for Brent oil at $109/bbl and a €/$ exchange rate of 1.30, while the key financials are estimated to be as follows:
Revenues from energy sales : € 5.7 bln.
Total Revenues : € 6.2 bln.
EBITDA Margin : 17% - 18%
It is noted that Group results are impacted, among other, by fluctuations in €/$ exchange rate, oil, natural gas and electricity prices and the price of CO2 emission rights, as well as changes in the legal, regulatory and fiscal framework and bad debt evolution, which could cause deviations from the budgeted figures.

AppendiX I

UNBUNDLED FINANCIAL STATEMENTS

Under the provisions of law 2773/1999, law 3426/2005 and law 4001/2011
and the approved methodology of
the Regulatory Authority for Energy**.**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
GROUP UNBUNDLED INCOME STATEMENT
Dec 2011
(expressed in million euro)

	MINES		GENERATION		TRANSMISSION		DISTRIBUTION NETWORK		SUPPLY		ADMINISTRATORS		ELIMINATIONS		TOTAL PPC		IPTO		SUBSIDIARIES AFFILIATES		OTHER COMPANIES ELIMINATIONS		TOTAL GROUP	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
REVENUES																								
Revenues from 3rd Parties																								
Energy sales to customers	-	-	-	-		-	-	-	4.824,9	5.188,9	-	-	-	-	4.824,9	5.188,9	-		-	-	-	-	4.824,9	5.188,9
Energy sales to HTSO S.A.	-	-	2.342,2	2.207,9		-	-	-	-	-	-	-	(2.342,2)	(2.207,8)	-	-	320,8		23,0	25,1	(10,6)	(7,4)	333,2	17,7
Energy exports	-	-	-	-		-	-	-	39,3	26,7	-	-	-		39,3	26,7	-		-	-	-	-	39,3	26,7
Capacity assurance mechanism	-	-	390,3	326,4		-	-	-	-	-	-	-	(390,3)	(326,4)	-	-	-		-	-	-	-	-	-
Services to HTSO S.A.	-	-	17,3	24,6		10,3	-	-	-	-	-	-	(17,3)	(24,6)	-	10,3	-		-	-	-	-	-	10,3
Distribution Network rentals	-	-	-	-		247,3	-	-	-	-	-	-	-	-	-	247,3	-		-	-	-	-	-	247,3
Customer's contribution	-	-	-	-		11,7	134,7	183,0	-	-	0,1	-	-	-	134,8	194,6	-		-	-	-	-	134,8	194,6
PSO's revenues of other suppliers	-	-	-	-		-	-	-	53,1	22,2	-	-	-	-	53,1	22,2	-		-	-	-	-	53,1	22,2
Transmission system usage fees	-	-	-	-		-	63,7	28,7	-	-	-	28,7	-	(28,7)	63,7	28,7	-		-	-	-	-	63,7	28,7
Other Sales	1,9	1,7	8,9	6,5		3,4	22,7	30,4	118,7	132,6	-	-	(89,0)	(99,7)	63,3	75,0	-		-	-	-	-	63,3	75,0
Allocated Administration Revenues	0,5	-	0,4				0,3	-	-	-	-	-	-	-	1,3	-	-		-	-	-		1,3	-
Interdepartmental Revenues																								
Public Service Obligations	-	-	485,2	426,8		-	-	-	-	-	485,2	426,8	(970,5)	(853,6)	-	-	-		-	-	-	-	-	-
Contract for Differences between PPC's Generation & Supply	-	-	-	329,4		-	-	-	-	-	-	-	-	(329,4)	-	-	-		-	-	-	-	-	-
Energy	-	-	282,7	259,8		-	-	-	110,9	103,7	284,5	259,8	(678,0)	(623,3)	-	-	-		-	-	-	-	-	-
Lignite	894,9	884,3	-	-		-	-	-	-	-	-	-	(894,9)	(884,3)	-	-	-		-	-	-	-	-	-
Other Services	17,8	18,1	-	-		-	-	-	-	-	-	-	(17,8)	(18,1)	-	-	-		-	-	-	-	-	-
Distribution Network usage rentals	-	-	-	-		-	734,2	827,3	-	-	734,2	827,3	(1.468,5)	(1.654,6)	-	-	-		-	-	-	-	-	-
Obligations from Administrators	-	-	-	-		-	-	-	-	-	17,7	18,3	(17,7)	(18,3)	-	-	-		-	-	-	-	-	-
Revenues	**915,1**	**904,1**	**3.527,1**	**3.581,3**		**272,7**	**955,6**	**1.069,4**	**5.147,0**	**5.474,1**	**1.521,7**	**1.560,9**	**(6.886,2)**	**(7.068,8)**	**5.180,3**	**5.793,7**	**320,8**		**23,0**	**25,1**	**(10,6)**	**(7,4)**	**5.513,6**	**5.811,3**
Expenses (3rd Parties)																								
Payroll Cost	277,1	312,3	330,5	394,5		68,1	262,0	292,3	45,1	50,4	8,3	8,8	-	-	923,1	1.126,5	70,8		2,7	2,9	(2,4)	-	994,1	1.129,4
Third party lignite and lignite reserve variation	17,0	7,0	53,6	62,3		-	-	-	-	-	-	-	-	-	70,6	69,3	-		-	-	-	-	70,6	69,3
Liquid fuel	-	-	803,7	667,7		-	-	-	-	-	-	-	-	-	803,7	667,7	-		-	-	-	-	803,7	667,7
Natural Gas	-	-	469,4	458,6		-	-	-	-	-	-	-	-	-	469,4	458,6	-		-	-	-	-	469,4	458,6
Depreciations	131,2	122,2	259,3	255,3		56,9	182,0	173,2	1,1	1,1	6,0	5,6	-	-	579,5	614,3	55,4		4,6	4,3	-	(0,0)	639,5	618,5
Energy Purchases from third party	-	-	11,3	8,9		-	0,3	-	128,3	89,5	-	-	(139,9)	(97,3)	-	1,1	-		-	-	-	-	-	1,1
Energy imports	-	-	-	-		-	-	-	103,2	111,2	-	-	(103,2)	(111,2)	-	-	-		-	-	-	-	-	-
Energy Purchases from HTSO S.A.	-	-	-	-		-	-	-	3.131,9	2.667,3	-	-	(2.064,3)	(2.009,3)	1.067,6	658,0	-		-	-	(10,6)	(7,4)	1.057,0	650,6
Charge for the capacity assurance mechanism	-	-	-	-		-	-	-	411,8	304,6	-	-	(411,8)	(304,6)	-	-	-		-	-	-	-	-	-
Tariff for the Access and Use of Networks	-	-	-	-		-	-	-	240,1	210,7	-	28,7	75,5	7,0	315,6	246,4	-		-	-	-	-	315,6	246,4
HTSO uplift charge	-	-	-	-		-	-	-	195,2	172,1	-	-	(195,2)	(172,1)	-	-	-		-	-	-	-	-	-
Materials & Consumables	85,7	82,5	63,0	60,1		4,4	37,1	34,7	1,3	1,5	0,1	0,2	-	-	187,2	183,4	5,9		-	-	-	-	193,1	183,4
Utilities & Maintenance	190,6	152,1	45,7	49,0		2,4	41,4	40,3	27,2	26,3	0,4	1,1	-	-	305,3	271,2	2,1		4,5	4,7	-	-	311,9	275,9
Third party fees	1,4	1,8	9,9	9,8		1,3	18,4	18,7	6,1	5,6	0,7	0,6	-	-	36,7	37,8	4,6		1,3	1,2	-	-	42,6	39,0
Taxes and duties	21,7	24,4	2,8	3,2		1,1	3,2	4,1	4,3	3,4	0,1	0,1	-	-	32,1	36,3	2,1		1,0	0,9	-	-	35,1	37,2
Provisions	0,4	(8,3)	4,3	11,1		(0,5)	85,6	(6,9)	138,3	186,8	-	-	-	-	228,6	182,2	(4,6)		-	0,1	-	-	224,0	182,3
Financial expenses	27,7	20,3	103,9	77,3		24,9	66,8	48,2	0,0	(1,7)	1,6	1,3	-	-	199,9	170,3	24,8		0,7	0,1	-	-	225,4	170,4
Financial income	(3,1)	(3,5)	(10,7)	(11,6)		(3,6)	(6,9)	(7,6)	(19,3)	(14,2)	(0,2)	(0,2)	-	-	(40,1)	(40,7)	-		(0,3)	(0,3)	-	-	(40,5)	(41,0)
Other income/ (expense), net	12,2	18,2	35,2	43,4		20,1	23,1	17,8	(2,9)	16,0	0,5	0,8	-	-	68,1	116,3	6,6		0,5	(2,0)	2,4	-	77,7	114,3
Special contribution to Pension Funds	-	25,4	-	31,8		5,4	-	23,5	-	4,2	-	-	-	-	-	90,3	-		-	-	-	-	-	90,3
CO2 Emissions	-	-	9,3	6,1			-	-	-	-	-	-	-	-	9,3	6,1	-		-	-	-	-	9,3	6,1
Impairment loss of marketable securities	3,4	-	13,3	-			8,5	-	-	-	0,2	-	-	-	25,4	-	-		(0,2)	(1,4)	-	-	25,2	(1,4)
Foreign currency gains/ (losses), net	-	0,4	(0,1)	0,9		0,4	(0,1)	0,8	-	-	-	-	-	-	(0,3)	2,5	-		-	-	-	-	(0,3)	2,5
Allocated Administration Expenses	39,6	35,1	37,5	45,2		14,9	55,8	61,1	12,8	13,8	-	-	-	-	145,8	170,1	-		-	-	-	-	145,8	170,1
Interdepartmental Expenses																								
Public Service Obligations	-	-	-	-		-	-	-	485,2	426,8	485,2	426,8	(970,5)	(853,6)	-	-	-		-	-	-	-	-	
Contract for Differences between PPC's Generation & Supply	-	-	-	-		-	-	-	-	329,4	-	-	-	(329,4)	-	-	-		-	-	-	-	-	
Energy	75,0	64,9	35,9	33,3		0,1	-	5,5	282,7	259,8	284,5	259,8	(678,0)	(623,3)	-	-	-		-	-	-	-	-	
Lignite	-	-	894,9	884,3		-	-	-	-	-	-	-	(894,9)	(884,3)	-	-	-		-	-	-	-	-	
Other Services	-	-	17,8	18,1		-	-	-	-	-	-	-	(17,8)	(18,1)	-	-	-		-	-	-	-	-	
Distribution Network usage rentals	-	-	-	-		-	-	-	734,2	827,3	734,2	827,3	(1.468,5)	(1.654,6)	-	-	-		-	-	-	-	-	
Obligations from Administrators	-	-	-	-		-	17,7	18,1	-	-	-	-	(17,7)	(18,2)	-	-	-		-	-	-	-	-	
PROFIT (LOSS) BEFORE TAX	**35,4**	**49,4**	**336,4**	**472,2**		**76,8**	**160,8**	**345,4**	**(779,7)**	**(217,8)**	**(0,0)**	**(0,0)**	**(0,0)**	**(0,0)**	**(247,1)**	**726,1**	**153,2**		**8,2**	**14,5**	**(0,0)**	**(0,0)**	**(85,8)**	**740,6**

PUBLIC POWER CORPORATION S.A.
UNBUNDLED FINANCIAL STATEMENTS
31 DECEMBER 2011

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
INTERCONNECTED SYSTEM UNBUNDLED INCOME STATEMENT
Dec 2011
(expressed in million euro)

	MINES		GENERATION		TRANSMISSION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2011	2010	2011	2010			2011	2010	2011	2010	2011	2010
REVENUES												
Revenues from 3rd Parties												
Energy sales to customers	-	-	-	-		-	-	-	4.260,4	4.607,5	4.260,4	4.607,5
Energy sales to HTSO S.A.	-	-	2.342,2	2.207,9		-	-	-	-	-	2.342,2	2.207,9
Energy exports	-	-	-	-		-	-	-	39,3	26,7	39,3	26,7
Capacity assurance mechanism	-	-	390,3	326,4		-	-	-	-	-	390,3	326,4
Services to HTSO S.A.	-	-	17,3	24,6		10,3	-	-	-	-	17,3	34,9
Distribution Network rentals	-	-	-	-		247,3	-	-	-	-	-	247,3
Customer's contribution	-	-	-	-		11,7	113,4	149,9	-	-	113,4	161,6
PSO's revenues of other suppliers	-	-	-	-		-	-	-	53,1	22,2	53,1	22,2
Transmission system usage fees	-	-	-	-		-	63,7	28,7	-	-	63,7	28,7
Other Sales	1,9	1,7	8,7	6,1		3,4	17,4	24,2	105,3	113,8	133,3	149,2
Allocated Administration Revenues	0,5	-	0,3	-			0,3	-	-	-	1,1	-
Interdepartmental Revenues												
Public Service Obligations	-	-	-	-		-	-	-	-	-	-	-
Contract for Differences between PPC's Generation & Supply	-	-	-	329,4		-	-	-	-	-	-	329,4
Energy	-	-	-	-		-	-	-	109,1	101,8	109,1	101,8
Lignite	894,9	884,3	-	-		-	-	-	-	-	894,9	884,3
Other Services	17,8	18,1	-	-		-	-	-	-	-	17,8	18,1
Distribution Network usage rentals	-	-	-	-		-	638,3	725,1	-	-	638,3	725,1
Obligations from Administrators	-	-	-	-		-	-	-	-	-	-	-
Revenues	**915,1**	**904,1**	**2.758,9**	**2.894,4**		**272,7**	**833,0**	**927,9**	**4.567,2**	**4.872,0**	**9.074,3**	**9871,1**
Expenses (3rd Parties)												
Payroll Cost	277,1	312,3	256,8	309,3		68,1	222,8	249,6	40,2	44,9	796,9	984,2
Third party lignite and lignite reserve variation	17,0	7,0	53,6	62,3		-	-	-	-	-	70,6	69,3
Liquid fuel	-	-	63,6	48,4		-	-	-	-	-	63,6	48,4
Natural Gas	-	-	469,4	458,6		-	-	-	-	-	469,4	458,6
Depreciations	131,2	122,2	220,3	208,9		56,9	159,6	150,7	0,9	1,0	512,0	539,7
Energy Purchases from third party	-	-	5,5	5,4		-	0,2	-	-	8,3	5,8	13,7
Energy imports	-	-	-	-		-	-	-	103,2	111,2	103,2	111,2
Energy Purchases from HTSO S.A.	-	-	-	-		-	-	-	3.131,9	2.667,3	3.131,9	2.667,3
Charge for the capacity assurance mechanism	-	-	-	-		-	-	-	411,8	304,6	411,8	304,6
Tariff for the Access and Use of Networks	-	-	-	-		-	-	-	240,1	210,7	240,1	210,7
HTSO uplift charge	-	-	-	-		-	-	-	186,5	177,3	186,5	177,3
Materials & Consumables	85,7	82,5	40,8	35,1		4,4	31,5	29,0	1,3	0,8	159,3	151,7
Utilities & Maintenance	190,6	152,1	37,4	39,9		2,4	35,7	33,9	24,2	26,1	287,9	254,4
Third party fees	1,4	1,8	5,2	3,3		1,3	15,8	15,9	5,4	4,3	27,8	26,5
Taxes and duties	21,7	24,4	2,3	2,5		1,1	2,7	3,7	3,8	3,4	30,5	35,1
Provisions	0,4	(8,3)	3,1	8,9		(0,5)	84,6	(5,9)	121,6	165,4	209,7	159,6
Financial expenses	27,7	20,3	80,5	62,1		24,9	58,5	43,0	-	(2,2)	166,7	148,1
Financial income	(3,1)	(3,5)	(8,3)	(9,3)		(3,6)	(6,1)	(6,7)	(17,0)	(12,4)	(34,4)	(35,5)
Other income/ (expense), net	12,2	18,2	29,2	37,6		20,1	20,0	15,4	(2,6)	15,9	58,8	107,2
Special contribution to Pension Funds	-	25,4	-	25,0		5,4	-	20,1	-	3,7	-	79,6
CO2 Emissions	-	-	9,7	5,6			-	-	-	-	9,7	5,6
Impairment loss of marketable securities	3,4	-	10,3	-			7,5	-	-	-	21,1	-
Foreign currency gains/ (losses), net	-	0,4	(0,1)	0,7		0,4	(0,1)	0,7	-	-	(0,2)	2,2
Allocated Administration Expenses	39,6	35,1	28,9	35,3		14,9	48,7	52,5	11,6	12,6	128,8	150,4
Interdepartmental Expenses												
Public Service Obligations	-	-	-	-		-	-	-	386,4	379,2	386,4	379,2
Contract for Differences between PPC's Generation & Supply	-	-	-	-		0,1	-	-	-	329,4	-	329,5
Energy	75,0	64,9	34,1	31,8		-	-	5,1	1,2	-	110,2	101,8
Lignite	-	-	894,9	884,3		-	-	-	-	-	894,9	884,3
Other Services	-	-	17,8	18,1		-	-	-	-	-	17,8	18,1
Distribution Network usage rentals	-	-	-	-		-	-	-	638,3	725,1	638,3	725,1
Obligations from Administrators	-	-	-	-		-	2,3	1,1	-	-	2,3	1,1
PROFIT (LOSS) BEFORE TAX	**35,4**	**49,4**	**503,9**	**620,8**		**76,7**	**149,3**	**319,6**	**(721,5)**	**(304,6)**	**(32,9)**	**762,1**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
CRETE UNBUNDLED INCOME STATEMENT
2011
(expressed in million euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010
REVENUES								
Revenues from 3rd Parties								
Energy sales to customers	-	-	-	-	293,8	304,3	293,8	304,3
Energy sales to HTSO S.A.	-	-	-	-	-	-	-	-
Energy exports	-	-	-	-	-	-	-	-
Capacity assurance mechanism	-	-	-	-	-	-	-	-
Services to HTSO S.A.	-	-	-	-	-	-	-	-
Distribution Network rentals	-	-	-	-	-	-	-	-
Customer's contribution	-	-	9,2	18,0	-	-	9,2	18,0
PSO's revenues of other suppliers	-	-	-	-	-	-	-	-
Transmission system usage fees	-	-	-	-	-	-	-	-
Other Sales	0,1	0,1	2,0	2,4	7,1	10,5	9,2	13,0
Allocated Administration Revenues	-	-	-	-	-	-	0,1	-
Interdepartmental Revenues								
Public Service Obligations	241,2	228,9	-	-	-	-	241,2	228,9
Contract for Differences between PPC's Generation & Supply	-	-	-	-	-	-	-	-
Energy	140,6	133,2	-	-	1,3	1,3	141,9	134,5
Lignite	-	-	-	-	-	-	-	-
Other Services	-	-	-	-	-	-	-	-
Distribution Network usage rentals	-	-	49,7	53,9	-	-	49,7	53,9
Obligations from Administrators	-	-	-	-	-	-	-	-
Revenues	**381,9**	**362,2**	**60,9**	**74,2**	**302,3**	**316,1**	**745,0**	**752,5**
Expenses (3rd Parties)								
Payroll Cost	27,8	31,3	16,7	18,6	2,7	3,1	47,2	53,0
Third party lignite and lignite reserve variation	-	-	-	-	-	-	-	-
Liquid fuel	399,3	337,3	-	-	-	-	399,3	337,3
Natural Gas	-	-	-	-	-	-	-	-
Depreciations	16,4	20,0	7,5	8,2	-	-	23,9	28,2
Energy Purchases from third party	2,9	1,2	-	-	89,8	59,1	92,7	60,3
Energy imports	-	-	-	-	-	-	-	-
Energy Purchases from HTSO S.A.	-	-	-	-	-	-	-	-
Charge for the capacity assurance mechanism	-	-	-	-	-	-	-	-
Tariff for the Access and Use of Networks	-	-	-	-	-	-	-	-
HTSO uplift charge	-	-	-	-	4,6	(2,7)	4,6	(2,7)
Materials & Consumables	6,1	8,0	1,8	1,9	-	-	7,9	9,9
Utilities & Maintenance	2,2	2,2	2,0	1,9	1,5	0,1	5,6	4,2
Third party fees	0,1	0,2	1,1	1,2	0,5	0,7	1,8	2,1
Taxes and duties	0,3	0,3	0,2	0,2	0,3	-	0,8	0,5
Provisions	0,9	0,1	0,2	(0,4)	8,2	10,8	9,4	10,5
Financial expenses	10,7	7,5	2,7	1,5	-	0,3	13,5	9,3
Financial income	(1,1)	(1,1)	(0,3)	(0,3)	(1,2)	(1,0)	(2,6)	(2,4)
Other income/ (expense), net	1,7	2,9	1,5	1,0	(0,2)	0,1	3,0	4,0
Special contribution to Pension Funds	-	2,5	-	1,5	-	0,3	-	4,3
CO2 Emissions	(0,4)	0,2	-	-	-	-	(0,4)	0,2
Impairment loss of marketable securities	1,4	0,0	0,3	-	-	-	1,7	-
Foreign currency gains/ (losses), net	-	0,1	-	-	-	-	-	0,1
Allocated Administration Expenses	2,9	3,7	3,0	3,6	0,7	0,6	6,6	7,9
Interdepartmental Expenses								
Public Service Obligations	-	-	-	-	48,9	24,9	48,9	24,9
Contract for Differences between PPC's Generation & Supply	-	-	-	-	-	-	-	-
Energy	1,3	1,1	-	0,2	140,6	133,2	141,9	134,5
Lignite	-	-	-	-	-	-	-	-
Other Services	-	-	-	-	-	-	-	-
Distribution Network usage rentals	-	-	-	-	49,7	53,9	49,7	53,9
Obligations from Administrators	-	-	7,2	8,9	-	-	7,2	8,9
PROFIT (LOSS) BEFORE TAX	**(90,6)**	**(55,1)**	**16,8**	**26,1**	**(43,8)**	**32,6**	**(117,6)**	**3,6**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.

OTHER NO INTERCONNECTED ISLANDS UNBUNDLED INCOME STATEMENT

DECEMBER 2011

(expressed in million euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010
REVENUES								
Revenues from 3rd Parties								
Energy sales to customers	-	-	-	-	270,7	277,1	270,7	277,1
Energy sales to HTSO S.A.	-	-	-	-	-	-	-	-
Energy exports	-	-	-	-	-	-	-	-
Capacity assurance mechanism	-	-	-	-	-	-	-	-
Services to HTSO S.A.	-	-	-	-	-	-	-	-
Distribution Network rentals	-	-	-	-	-	-	-	-
Customer's contribution	-	-	12,1	15,1	-	-	12,1	15,1
PSO's revenues of other suppliers	-	-	-	-	-	-	-	-
Transmission system usage fees	-	-	-	-	-	-	-	-
Other Sales	0,1	0,3	3,3	3,8	6,3	8,4	9,8	12,5
Allocated Administration Revenues	0,1	-	-	-	-	-	0,1	-
Interdepartmental Revenues								
Public Service Obligations	244,0	197,9	-	-	-	-	244,0	197,9
Contract for Differences between PPC's Generation & Supply	-	-	-	-	-	-	-	-
Energy	142,1	126,6	-	-	0,4	0,6	142,6	127,2
Lignite	-	-	-	-	-	-	-	-
Other Services	-	-	-	-	-	-	-	-
Distribution Network usage rentals	-	-	46,3	48,3	-	-	46,3	48,3
Obligations from Administrators	-	-	-	-	-	-	-	-
Revenues	**386,3**	**324,8**	**61,7**	**67,2**	**277,5**	**286,1**	**725,6**	**678,1**
Expenses (3rd Parties)								
Payroll Cost	46,0	54,0	22,5	24,1	2,2	2,4	70,6	80,5
Third party lignite and lignite reserve variation	-	-	-	-	-	-	-	-
Liquid fuel	340,9	282,1	-	-	-	-	340,9	282,1
Natural Gas	0,0	0,0	-	-	-	-	-	-
Depreciations	22,6	26,4	14,9	14,3	0,1	0,1	37,6	40,8
Energy Purchases from third party	2,8	2,3	-	-	38,6	22,1	41,4	24,4
Energy imports	-	-	-	-	-	-	-	-
Energy Purchases from HTSO S.A.	-	-	-	-	-	-	-	-
Charge for the capacity assurance mechanism	-	-	-	-	-	-	-	-
Tariff for the Access and Use of Networks	-	-	-	-	-	-	-	-
HTSO uplift charge	-	-	-	-	4,1	(2,5)	4,1	(2,5)
Materials & Maintenance	16,1	17,1	3,8	3,8	-	0,7	19,9	21,6
Utilities & Maintenance	6,2	6,9	3,7	4,4	1,5	0,1	11,4	11,4
Third party fees	4,6	6,3	1,5	1,6	0,2	0,6	6,3	8,5
Taxes and duties	0,3	0,4	0,2	0,2	0,2	-	0,8	0,6
Provisions	0,3	2,1	0,8	(0,6)	8,5	10,4	9,6	11,9
Financial expenses	12,7	7,7	5,6	3,6	-	0,2	18,3	11,5
Financial income	(1,3)	(1,2)	(0,6)	(0,6)	(1,1)	(0,8)	(3,0)	(2,6)
Other income/ (expense), net	4,3	2,9	1,7	1,4	(0,1)	0,0	5,8	4,3
Special contribution to Pension Funds	-	4,3	-	1,9	-	0,2	-	6,4
CO2 Emissions	0,1	0,3	-	-	-	-	0,1	0,3
Impairment loss of marketable securities	1,6	0,0	0,7	-	-	-	2,3	-
Foreign currency gains/ (losses), net	-	0,1	-	0,1	-	-	-	0,2
Allocated Administration Expenses	5,7	6,2	4,1	5,0	0,6	0,6	10,4	11,8
Interdepartmental Expenses								
Public Service Obligations	-	-	-	-	50,0	22,7	50,0	22,7
Contract for Differences between PPC's Generation & Supply	-	-	-	-	-	-	-	-
Energy	0,5	0,4	-	0,2	141,0	126,6	141,4	127,2
Lignite	-	-	-	-	-	-	-	-
Other Services	-	-	-	-	-	-	-	-
Distribution Network usage rentals	-	-	-	-	46,3	48,3	46,3	48,3
Obligations from Administrators	-	-	8,1	8,1	-	-	8,1	8,1
PROFIT (LOSS) BEFORE TAX	**(76,9)**	**(93,5)**	**(5,3)**	**(0,3)**	**(14,4)**	**54,4**	**(96,6)**	**(39,4)**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
UNBUNDLED INCOME STATEMENT OF ADMINISTRATORS
DECEMBER 2011

(expressed in million euro)

	NETWORK ADMINISTRATOR		ADMINISTRATOR OF NON-INTERCONNECTED ISLANDS	
	2011	2010	2011	2010
REVENUES				
Revenues from 3rd Parties				
Energy sales to customers	-	-	-	-
Energy sales to HTSO S.A.	-	-	-	-
Energy exports	-	-	-	-
Capacity assurance mechanism	-	-	-	-
Services to HTSO S.A.	-	-	-	-
Distribution Network rentals	-	-	-	-
Customer's contribution	-	-	0,1	-
PSO's revenues of other suppliers	-	-	-	-
Transmission system usage fees	-	28,7	-	-
Other Sales	-	-	-	-
Allocated Administration Revenues	-	-	-	-
Interdepartmental Revenues				
Public Service Obligations	-	-	485,2	426,8
Contract for Differences between PPC's Generation & Supply	-	-	-	-
Energy	-	-	284,5	259,8
Lignite	-	-	-	-
Other Services	-	-	-	-
Distribution Network usage rentals	638,3	725,1	95,9	102,2
Obligations from Administrators	2,3	1,2	15,4	17,1
Revenues	**640,6**	**755,0**	**881,1**	**805,9**
Expenses (3rd Parties)				
Payroll Cost	1,0	0,9	7,4	7,9
Third party lignite and lignite reserve variation	-	-	-	-
Liquid fuel	-	-	-	-
Natural Gas	-	-	-	-
Depreciations	-	-	6,0	5,6
Energy Purchases from third party	-	-	-	-
Energy imports	-	-	-	-
Energy Purchases from HTSO S.A.	-	-	-	-
Charge for the capacity assurance mechanism	-	-	-	-
Tariff for the Access and Use of Networks	-	28,7	-	-
HTSO uplift charge	-	-	-	-
Materials & Consumables	-	-	0,1	0,2
Utilities & Maintenance	0,1	0,1	0,4	1,0
Third party fees	0,1	0,1	0,7	0,5
Taxes and duties	-	-	0,1	0,1
Provisions	-	-	-	-
Financial expenses	-	0,1	1,6	1,2
Financial income	-	-	(0,2)	(0,2)
Other income/ (expense), net	-	-	0,5	0,8
Special contribution to Pension Funds	-	-	-	-
CO2 Emissions	-	-	-	-
Impairment loss of marketable securities	-	-	0,2	-
Foreign currency gains/ (losses), net	-	-	-	-
Allocated Administration Expenses	-	-	-	-
Interdepartmental Expenses				
Public Service Obligations	-	-	485,2	426,8
Contract for Differences between PPC's Generation & Supply	-	-	-	-
Energy	1,2	-	283,3	259,8
Lignite	-	-	-	-
Other Services	-	-	-	-
Distribution Network usage rentals	638,3	725,1	95,9	102,2
Obligations from Administrators	-	-	-	-
PROFIT (LOSS) BEFORE TAX	-	-	-	-

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
GROUP UNBUNDLED BALANCE SHEET
DECEMBER 2011
(expressed in million euro)

	ADMINISTRATION		MINES		GENERATION		TRANSMISSION		DISTRIBUTION NETWORK		SUPPLY		ADMINISTRATORS		ELIMINATIONS		TOTAL PPC		IPTO		SUBSIDIARIES AFFILIATES		OTHER COMPANIES ELIMINATIONS		TOTAL GROUP	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
ASSETS																										
NON-CURRENT ASSETS																										
Tangible Assets	-	-	1.516,8	1.507,9	5.143,8	4.980,0		1.669,5	4.992,3	4.835,8	34,0	33,9	83,5	79,0	-	-	11.770,4	13.106,1	1.678,3		138,8	117,9	-	-	13.587,5	13.223,9
Intangible Assets	-	-	0,4	0,3	88,6	84,1		0,1	0,1	0,2	-	0,1	-	-	-	-	89,1	84,8	0,1		0,1	0,1	-	(0,0)	89,3	84,9
Investments in related parties	816,7	91,1	-	-	-	-		-	-	-	-	-	-	-	-	-	816,7	91,1	-		15,9	17,6	(816,6)	(91,1)	15,9	17,6
Other Long-term Receivables	-	-	3,1	2,8	8,9	10,6		3,4	0,3	6,6	30,6	(0,3)	-	0,2	-	-	43,0	23,4	8,6		0,4	0,4	(6,6)	-	45,5	23,7
Marketable and other securities	-	-	1,6	2,6	4,7	10,0		3,2	0,1	6,2	-	(0,2)	-	0,2	-	-	6,4	21,9	-		-	-	-	-	6,4	22,0
Administration non-current assets	-	-	16,0	16,0	54,9	57,9		-	52,2	49,7	0,7	11,1	-	-	-	-	123,8	134,8	-		-	-	-		123,8	134,7
TOTAL NON-CURRENT ASSETS	**816,7**	**91,1**	**1.538,0**	**1.529,6**	**5.300,9**	**5.142,7**		**1.676,3**	**5.045,1**	**4.898,5**	**65,4**	**44,6**	**83,5**	**79,3**	**0,0**	**0,0**	**12.849,4**	**13.462,1**	**1.687,1**		**155,2**	**136,0**	**(823,2)**	**(91,1)**	**13.868,5**	**13.506,9**
CURRENT ASSETS																										
Inventories	-	-	77,8	85,4	488,0	502,0		56,3	208,1	187,1	-	-	3,2	3,8	-	-	777,2	834,6	52,8		1,0	0,8	-	-	830,9	835,4
Trade Accounts Receivable	-	-	-	-	5,1	2,6		-	88,6	37,1	962,5	981,7	-	-	-	-	1.056,2	1.021,3	-		2,2	1,8	-	(0,4)	1.058,5	1.022,8
Various Debtors	-	-	47,0	15,3	418,9	264,0		132,7	(7,0)	17,3	125,8	150,3	1,6	8,8	(411,6)	(391,3)	174,6	197,1	94,9		12,3	29,5	(50,8)	(51,8)	231,0	174,8
Financial Assets	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Cash in hand	-	-	28,8	71,0	114,1	273,6		88,5	75,5	170,3	272,7	4,0	1,7	4,5	-	-	492,8	611,9	21,6		3,3	3,4	-	-	517,7	615,3
Other current assets	-	-	(0,2)	9,7	(1,7)	9,4		0,3	1,0	3,9	2,5	9,7	-	0,1	-	(8,1)	1,6	25,1	35,3		0,9	1,0	(3,7)	-	34,1	26,0
Administration current assets	-	-	5,6	1,9	32,5	7,0		-	11,4	7,5	54,5	2,7	-	-	-	-	104,0	19,1	-		-	-	-		104,0	19,1
TOTAL CURRENT ASSETS	**0,0**	**0,0**	**159,0**	**183,3**	**1.056,9**	**1.058,6**		**277,8**	**377,6**	**423,1**	**1.418,0**	**1.148,5**	**6,6**	**17,2**	**(411,6)**	**(399,3)**	**2.606,4**	**2.709,1**	**204,6**		**19,8**	**36,6**	**(54,5)**	**(52,2)**	**2.776,3**	**2.693,4**
TOTAL ASSETS	**816,7**	**91,1**	**1.696,9**	**1.712,9**	**6.357,8**	**6.201,3**		**1.954,1**	**5.422,7**	**5.321,6**	**1.483,3**	**1.193,1**	**90,0**	**96,5**	**(411,6)**	**(399,3)**	**15.455,8**	**16.171,2**	**1.891,7**		**175,0**	**172,5**	**(877,7)**	**(143,3)**	**16.644,8**	**16.200,4**
LIABILITIES AND EQUITY																										
EQUITY																										
Share Capital	1.067,2	1.067,2	-	-	-	-		-	-	-	-	-	-	-	-	-	1.067,2	1.067,2	36,4		57,8	62,2	(94,1)	(62,2)	1.067,2	1.067,2
Revaluation Surplus	106,7	106,7	-	-	-	-		-	-	-	-	-	-	-	-	-	106,7	106,7	-		25,6	25,6	(25,6)	(25,6)	106,7	106,7
Legal reserve	107,5	107,5	-	-	-	-		-	-	-	-	-	-	-	-	-	107,5	107,5	4,1		1,0	4,2	(5,1)	(4,2)	107,5	107,5
Revaluation Gain of Fixed Assets	4.211,1	4.977,0	-	-	-	-		-	-	-	-	-	-	-	-	-	4.211,1	4.977,0	742,7		7,2	7,1	23,6	29,0	4.984,7	5.013,1
Capitalised Fixed assets' tax revaluation surplus	207,7	197,8	-	-	-	-		-	-	-	-	-	-	-	-	-	207,7	197,8	-		-	-	-	-	207,7	197,8
Reserves	1.547,1	1.237,5	-	-	-	-		-	-	-	-	-	-	-	-	-	1.547,1	1.237,5	75,1		13,7	8,5	(713,7)	(21,4)	922,3	1.224,6
Fixed assets' revaluation surplus	(947,3)	(947,3)	-	-	-	-		-	-	-	-	-	-	-	-	-	(947,3)	(947,3)	-		-	-	-	-	(947,3)	(947,3)
TOTAL EQUITY	**6.300,0**	**6.746,3**	**(0,0)**	**(0,0)**	**(0,0)**	**(0,0)**		**(0,0)**	**(0,0)**	**(0,0)**	**(0,0)**	**(0,0)**	**(0,0)**	**(0,0)**	**(0,0)**	**(0,0)**	**6.300,0**	**6.746,3**	**858,3**		**105,4**	**107,7**	**(815,0)**	**(84,5)**	**6.448,7**	**6.769,5**
CAPITAL FUNDING TO BUSINESS UNITS	**(10.578,1)**	**(11.967,8)**	**1.451,6**	**1.490,5**	**5.650,1**	**5.390,1**		**1.696,2**	**3.611,4**	**3.414,2**	**(216,0)**	**(109,0)**	**81,0**	**85,9**	**0,0**		-	-			-	-	-	-	**0,0**	-
NON-CURRENT LIABILITIES																										
Long-term debt	3.142,7	3.885,4	-	-	-	-		-	-	-	-	-	-	-	-	-	3.142,7	3.885,4	422,8		-	0,2	-	-	3.565,5	3.885,6
Actuarial provision and provision for risks	389,7	460,1	77,8		184,5				107,3		20,1		-		-		389,7	460,1	30,3		1,2	1,1	-	-	421,2	461,2
Deferred tax liability, long term	-	-	8,5	52,8	76,0	203,7		65,9	117,2	126,8	(7,7)	(4,9)	2,8	3,4	-	-	196,8	447,8	267,0		3,7	4,4	(13,2)	(6,6)	454,3	445,5
Subsidies for fixed assets acquisition	-	-	1,9	2,0	236,2	235,3		140,6	1.487,2	1.541,1	-	-	-	-	-	-	1.725,3	1.919,1	136,0		5,8	6,2	-	-	1.867,1	1.925,3
Other long-term liabilities & Customers' advances	-	-	-	-	0,1	-		-	-	-	498,1	507,2	-	-	-	-	498,2	507,2	-		0,1	0,1	-	-	498,2	507,3
Administration non-current liabilities	-	-	1,3	0,2	8,1	0,7		-	21,3	1,8	4,9	1,1	-	-	-	-	35,6	3,8	-		-	-	-	-	35,6	3,8
TOTAL NON-CURRENT LIABILITIES	**3.532,4**	**4.345,5**	**11,7**	**55,1**	**320,3**	**439,7**		**206,5**	**1.625,8**	**1.669,7**	**495,2**	**503,5**	**2,8**	**3,4**	**(0,0)**	**(0,0)**	**5.988,2**	**7.223,3**	**856,2**		**10,8**	**12,0**	**(13,2)**	**(6,6)**	**6.842,0**	**7.228,8**
CURRENT LIABILITIES																										
Accounts Payable and Various Creditors	-		176,9	119,7	226,4	168,1		12,3	135,5	161,3	1.113,9	764,3	5,7	5,6	(411,6)	(391,3)	1.246,5	840,1	49,0		47,7	50,1	(51,6)	(43,5)	1.291,4	846,6
Short-term Debt	224,0	250,0	-	-	-	-		-	-	-	-	-	-	-	-	-	224,0	250,0	-		9,7	0,3	-	-	233,7	250,3
Current portion of long-term bank loans	1.335,1	716,9	-	-	-	-		-	-	-	-	-	-	-	-	-	1.335,1	716,9	94,1		-	(0,0)	-	-	1.429,2	716,9
SWAPs	3,1	-	-	-	-	-		-	-	-	-	-	-	-	-	-	3,1	-	-		-	-	-	-	3,1	-
Accrued and other current liabilities	-	-	45,1	27,5	146,2	125,9		14,6	41,2	24,4	9,3	33,1	0,5	0,4	-	(8,1)	242,3	217,8	13,0		1,0	0,4	(2,9)	-	253,4	218,2
Income Tax Payable	-	-	-	19,5	-	75,2		24,3	-	46,8	-	(1,8)	(0,0)	1,2	-	-	-	165,3	21,2		0,4	2,0	(5,0)	(8,7)	26,7	158,6
Dividens payable	0,2	0,2	-	-	-	-		-	-	-	-	-	-	-	-	-	0,2	0,2	-		-	-	-	-	0,2	0,2
Administration current liabilities	-	-	11,7	0,5	14,8	2,2		-	8,9	4,9	80,8	3,1	-	-	-	-	116,3	10,7	-		-	-	-	-	116,3	10,7
TOTAL CURRENT LIABILITIES	**1.562,3**	**967,1**	**233,7**	**167,2**	**387,4**	**371,3**		**51,3**	**185,5**	**237,5**	**1.204,1**	**798,7**	**6,2**	**7,2**	**(411,6)**	**(399,3)**	**3.167,5**	**2.200,9**	**177,3**		**58,8**	**52,8**	**(49,5)**	**(52,2)**	**3.354,1**	**2.201,6**
TOTAL LIABILITIES AND EQUITY	**816,7**	**91,1**	**1.696,9**	**1.712,9**	**6.357,8**	**6.201,3**		**1.954,1**	**5.422,7**	**5.321,6**	**1.483,3**	**1.193,1**	**90,0**	**96,5**	**(411,6)**	**(399,3)**	**15.455,8**	**16.171,2**	**1.891,7**		**175,0**	**172,5**	**(877,7)**	**(143,3)**	**16.644,8**	**16.200,4**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
INTERCONNECTED SYSTEM UNBUNDLED BALANCE SHEET
DECEMBER 2011
(expressed in million euro)

	MINES		GENERATION		TRANSMISSION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
ASSETS												
NON-CURRENT ASSETS												
Tangible Assets	1.516,8	1.507,9	4.166,0	4.038,6		1.669,5	4.344,0	4.243,8	25,0	31,1	10.051,8	11.490,9
Intangible Assets	0,4	0,3	81,3	77,4		0,1	0,1	0,1	-	0,1	81,7	78,1
Investments in related parties	-	-	-	-		-	-	-	-	-	-	-
Other Long-term Receivables	3,1	2,8	7,1	8,6		3,4	0,2	5,9	30,6	(0,3)	41,1	20,4
Marketable and other securities	1,6	2,6	3,7	8,0		3,2	0,1	5,5	-	(0,3)	5,4	19,1
Administration non-current assets	16,0	16,0	44,6	46,6		-	45,6	43,5	0,6	9,8	106,7	115,8
TOTAL NON-CURRENT ASSETS	**1.538,0**	**1.529,6**	**4.302,7**	**4.179,2**		**1.676,3**	**4.389,9**	**4.298,9**	**56,3**	**40,4**	**10.286,8**	**11.724,2**
CURRENT ASSETS												
Inventories	77,8	85,4	308,9	316,9		56,3	145,8	152,3	-	-	532,4	610,9
Trade Accounts Receivable	-	-	5,1	2,5		-	87,7	30,5	890,3	858,0	983,0	891,1
Various Debtors	47,0	15,3	393,3	262,1		132,7	(16,3)	11,1	80,3	134,0	504,3	555,3
Financial Assets	-	-	-	-		-	-	-	-	-	-	-
Cash in hand	28,8	71,0	90,2	220,0		88,5	66,1	152,1	239,9	1,3	425,1	532,8
Other current assets	(0,2)	9,7	3,2	1,8		0,3	1,1	3,7	2,2	9,8	6,3	25,3
Administration current assets	5,6	1,9	22,7	5,6		-	10,1	6,5	48,0	2,4	86,3	16,5
TOTAL CURRENT ASSETS	**159,0**	**183,3**	**823,3**	**808,9**		**277,8**	**294,5**	**356,4**	**1.260,6**	**1.005,5**	**2.537,3**	**2.631,8**
TOTAL ASSETS	**1.696,9**	**1.712,9**	**5.126,0**	**4.988,0**		**1.954,1**	**4.684,4**	**4.655,2**	**1.316,9**	**1.045,8**	**12.824,2**	**14.356,0**
LIABILITIES AND EQUITY												
EQUITY												
Share Capital	-	-	-	-			-	-	-	-	-	-
Revaluation Surplus	-	-	-	-			-	-	-	-	-	-
Legal reserve	-	-	-	-			-	-	-	-	-	-
Revaluation Gain of Fixed Assets	-	-	-	-			-	-	-	-	-	-
Capitalised Fixed assets' tax revaluation surplus	-	-	-	-			-	-	-	-	-	-
Reserves	-	-	-	-			-	-	-	-	-	-
Fixed assets' revaluation surplus	-	-	-	-			-	-	-	-	-	-
TOTAL EQUITY	-	-	-	-		-	-	-	-	-	-	-
CAPITAL FUNDING TO BUSINESS UNITS	**1.451,6**	**1.490,5**	**4.480,1**	**4.327,7**		**1.696,2**	**3.155,2**	**3.043,4**	**(176,8)**	**(141,1)**	**8.910,0**	**10.416,6**
NON-CURRENT LIABILITIES												
Long-term debt	-		-				-		-		-	
Actuarial provision and provision for risks	--	-	--				--		--		--	-
Deferred tax liability, long term	8,5	52,8	59,4	163,8		65,9	103,4	113,2	(6,5)	(6,0)	164,8	389,8
Subsidies for fixed assets acquisition	1,9	2,0	235,1	233,1		140,6	1.247,5	1.294,4	-	-	1.484,4	1.670,2
Other long-term liabilities & Customers' advances	-	-	0,1	-		-	-	-	433,1	438,0	433,2	438,0
Administration non-current liabilities	1,3	0,2	6,7	0,6		-	18,0	1,5	4,3	1,0	30,4	3,3
TOTAL NON-CURRENT LIABILITIES	**11,7**	**55,1**	**301,3**	**397,5**		**206,5**	**1.368,8**	**1.409,1**	**431,0**	**433,0**	**2.112,7**	**2.501,2**
CURRENT LIABILITIES												
Accounts Payable and Various Creditors	176,9	119,7	204,7	96,2		12,3	117,8	133,8	987,0	724,0	1.486,4	1.086,1
Short-term Debt	-	-	-	-		-	-	-	-	-	-	-
Current portion of long-term bank loans	-	-	-	-		-	-	-	-	-	-	-
SWAPs	-	-	-	-		-	-	-	-	-	-	-
Accrued and other current liabilities	45,1	27,5	127,2	104,3		14,6	34,8	22,8	4,9	29,2	211,9	198,4
Income Tax Payable	-	19,5	-	60,4		24,3	-	41,8	-	(2,2)	-	143,9
Dividens payable	-	-	-	-		-	-	-	-	-	-	-
Administration current liabilities	11,7	0,5	12,7	1,6		-	7,8	4,2	70,9	2,9	103,1	9,1
TOTAL CURRENT LIABILITIES	**233,7**	**167,2**	**344,6**	**262,5**		**51,3**	**160,4**	**202,5**	**1.062,8**	**753,9**	**1.801,4**	**1.437,4**
TOTAL LIABILITIES AND EQUITY	**1.696,9**	**1.712,9**	**5.126,0**	**4.988,0**		**1.954,1**	**4.684,4**	**4.655,2**	**1.316,9**	**1.045,8**	**12.824,2**	**14.356,0**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
CRETE UNBUNDLED BALANCE SHEET
DECEMBER 2011
(expressed in million euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010
ASSETS								
NON-CURRENT ASSETS								
Tangible Assets	446,2	440,2	256,4	230,3	4,7	1,3	707,3	671,8
Intangible Assets	4,0	3,8	-	-	-	-	4,0	3,8
Investments in related parties	-	-					-	-
Other Long-term Receivables	0,7	1,0	0,1	0,2	-	-	0,8	1,2
Marketable and other securities	0,4	1,0	-	0,2	-	-	0,4	1,2
Administration non-current assets	4,7	5,3	2,6	2,4	-	0,8	7,4	8,5
TOTAL NON-CURRENT ASSETS	**456,0**	**451,3**	**259,1**	**233,1**	**4,7**	**2,2**	**719,9**	**686,6**
CURRENT ASSETS								
Inventories	91,5	90,2	19,0	11,9	-	-	110,5	102,1
Trade Accounts Receivable	-	-	2,1	2,4	39,3	68,1	41,4	70,5
Various Debtors	10,3	0,7	6,4	1,8	24,9	9,0	41,5	11,5
Financial Assets	-	-	-	-	-	-	-	-
Cash in hand	11,2	26,5	3,1	5,4	17,1	1,6	31,4	33,5
Other current assets	(3,8)	2,8	-	0,5	0,1	-	(3,6)	3,3
Administration current assets	3,9	0,6	0,5	0,4	3,5	0,2	7,9	1,2
TOTAL CURRENT ASSETS	**113,1**	**120,8**	**31,2**	**22,4**	**84,9**	**78,9**	**229,2**	**222,1**
TOTAL ASSETS	**569,1**	**572,1**	**290,3**	**255,5**	**89,6**	**81,0**	**949,1**	**908,6**
LIABILITIES AND EQUITY								
EQUITY								
Share Capital	-	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-
Revaluation Gain of Fixed Assets	-	-	-	-	-	-	-	-
Capitalised Fixed assets' tax revaluation surplus	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-	-
Fixed assets' revaluation surplus	-	-	-	-	-	-	-	-
TOTAL EQUITY	-	-	-	-	-	-	-	-
CAPITAL FUNDING TO BUSINESS UNITS	**543,4**	**516,9**	**152,9**	**112,3**	**(16,9)**	**19,5**	**679,4**	**648,7**
NON-CURRENT LIABILITIES								
Long-term debt	-	-	-	-	-	-	-	-
Actuarial provision and provision for risks	--	-	--	-	-	-	--	-
Deferred tax liability, long term	9,3	19,7	4,5	4,0	(0,5)	0,7	13,2	24,4
Subsidies for fixed assets acquisition	0,3	0,3	121,6	125,4	-	-	121,9	125,7
Other long-term liabilities & Customers' advances	-	-	-	-	31,7	34,2	31,7	34,2
Administration non-current liabilities	0,6	-	1,6	0,1	0,3	0,1	2,5	0,2
TOTAL NON-CURRENT LIABILITIES	**10,2**	**20,0**	**127,7**	**129,6**	**31,4**	**34,9**	**169,3**	**184,5**
CURRENT LIABILITIES								
Accounts Payable and Various Creditors	3,1	19,8	6,8	11,3	68,2	23,9	78,1	55,0
Short-term Debt	-	-	-	-	-	-	-	-
Current portion of long-term bank loans	-	-	-	-	-	-	-	-
SWAPs	-	-	-	-	-	-	-	-
Accrued and other current liabilities	11,9	8,0	2,6	0,5	1,4	2,2	15,8	10,7
Income Tax Payable	-	7,3	-	1,5	-	0,3	-	9,1
Dividens payable	-	-	-	-	-	-	-	-
Administration current liabilities	0,6	0,1	0,5	0,3	5,5	0,1	6,5	0,5
TOTAL CURRENT LIABILITIES	**15,5**	**35,2**	**9,8**	**13,6**	**75,1**	**26,6**	**100,5**	**75,4**
TOTAL LIABILITIES AND EQUITY	**569,1**	**572,1**	**290,3**	**255,5**	**89,6**	**81,0**	**949,1**	**908,6**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
OTHER NO INTERCONNECTED UNBUNDLED BALANCE SHEET
DECEMBER 2011

(expressed in million euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010
ASSETS								
NON-CURRENT ASSETS								
Tangible Assets	531,6	440,2	391,9	230,3	4,3	1,3	927,8	671,8
Intangible Assets	3,3	3,8	-	-	-	-	3,3	3,8
Investments in related parties	-	-	-	-	-	-	-	-
Other Long-term Receivables	1,1	1,0	0,1	0,2	-	-	1,2	1,2
Marketable and other securities	0,6	1,0	-	0,2	-	-	0,6	1,2
Administration non-current assets	5,6	5,3	4,0	2,4	-	0,8	9,7	8,5
TOTAL NON-CURRENT ASSETS	**542,2**	**451,3**	**396,0**	**233,1**	**4,3**	**2,2**	**942,6**	**686,6**
CURRENT ASSETS								
Inventories	87,6	90,2	43,4	11,9	-	-	131,0	102,1
Trade Accounts Receivable	-	-	(1,2)	2,4	33,0	68,1	31,8	70,5
Various Debtors	15,3	0,7	2,9	1,8	20,6	9,0	38,8	11,5
Financial Assets	-	-	-	-	-	-	-	-
Cash in hand	12,8	26,5	6,2	5,4	15,6	1,6	34,6	33,5
Other current assets	(1,1)	2,8	(0,1)	0,5	0,1	-	(1,0)	3,3
Administration current assets	5,9	0,6	0,8	0,4	3,1	0,2	9,8	1,2
TOTAL CURRENT ASSETS	**120,5**	**120,8**	**52,0**	**22,4**	**72,5**	**78,9**	**245,0**	**222,1**
TOTAL ASSETS	**662,7**	**572,1**	**448,0**	**255,5**	**76,8**	**81,0**	**1.187,5**	**908,6**
LIABILITIES AND EQUITY								
EQUITY								
Share Capital	-	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-
Revaluation Gain of Fixed Assets	-	-	-	-	-	-	-	-
Capitalised Fixed assets' tax revaluation surplus	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-	-
Fixed assets' revaluation surplus	-	-	-	-	-	-	-	-
TOTAL EQUITY	-	-	-	-	-	-	-	-
CAPITAL FUNDING TO BUSINESS UNITS	**626,6**	**516,9**	**303,3**	**112,3**	**(22,2)**	**19,5**	**907,7**	**648,7**
NON-CURRENT LIABILITIES								
Long-term debt	-	-	-	-	-	-	-	-
Actuarial provision and provision for risks	--	-	--	-	-	-	--	-
Deferred tax liability, long term	7,3	19,7	9,4	4,0	(0,7)	0,7	16,0	24,4
Subsidies for fixed assets acquisition	0,8	0,3	118,2	125,4	-	-	119,0	125,7
Other long-term liabilities & Customers' advances	-	-	-	-	33,3	34,2	33,3	34,2
Administration non-current liabilities	0,7	-	1,7	0,1	0,3	0,1	2,8	0,2
TOTAL NON-CURRENT LIABILITIES	**8,9**	**20,0**	**129,3**	**129,6**	**32,8**	**34,9**	**171,0**	**184,5**
CURRENT LIABILITIES								
Accounts Payable and Various Creditors	18,6	19,8	10,8	11,3	58,8	23,9	88,1	55,0
Short-term Debt	-	-	-	-	-	-	-	-
Current portion of long-term bank loans	-	-	-	-	-	-	-	-
SWAPs	-	-	-	-	-	-	-	-
Accrued and other current liabilities	7,1	8,0	3,9	0,5	3,0	2,2	14,0	10,7
Income Tax Payable	-	7,3	-	1,5	-	0,3	-	9,1
Dividens payable	-	-	-	-	-	-	-	-
Administration current liabilities	1,5	0,1	0,6	0,3	4,5	0,1	6,7	0,5
TOTAL CURRENT LIABILITIES	**27,2**	**35,2**	**15,4**	**13,6**	**66,2**	**26,6**	**108,8**	**75,4**
TOTAL LIABILITIES AND EQUITY	**662,7**	**572,1**	**448,0**	**255,5**	**76,8**	**81,0**	**1.187,5**	**908,6**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
UNBUNDLED BALANCE SHEET OF ADMINISTRATORS
DECEMBER 2011
(expressed in million euro)

	NETWORK ADMINISTRATOR		ADMINISTRATOR OF NON-INTERCONNECTED ISLANDS	
	2011	2010	2011	2010
ASSETS				
NON-CURRENT ASSETS				
Tangible Assets	-	-	83,4	79,0
Intangible Assets	-	-	-	-
Investments in related parties	-	-	-	-
Other Long-term Receivables	-	-	-	0,2
Marketable and other securities	-	-	-	0,1
Administration non-current assets	-	-	-	-
TOTAL NON-CURRENT ASSETS	**-**	**-**	**83,4**	**79,3**
CURRENT ASSETS				
Inventories	-	-	3,2	3,8
Trade Accounts Receivable	-	-	-	-
Various Debtors	0,2	7,8	1,4	0,9
Financial Assets	-	-	-	-
Cash in hand	-	0,4	1,7	4,1
Other current assets	-	-	-	0,1
Administration current assets	-	-	-	-
TOTAL CURRENT ASSETS	**0,2**	**8,2**	**6,3**	**8,9**
TOTAL ASSETS	**0,3**	**8,3**	**89,8**	**88,2**
LIABILITIES AND EQUITY				
EQUITY				
Share Capital	-	-	-	-
Revaluation Surplus	-	-	-	-
Legal reserve	-	-	-	-
Revaluation Gain of Fixed Assets	-	-	-	-
Capitalised Fixed assets' tax revaluation surplus	-	-	-	-
Reserves	-	-	-	-
Fixed assets' revaluation surplus	-	-	-	-
TOTAL EQUITY	**-**	**-**	**-**	**-**
CAPITAL FUNDING TO BUSINESS UNITS	**0,1**	**7,8**	**80,9**	**78,1**
NON-CURRENT LIABILITIES				
Long-term debt	-	-	-	-
Actuarial provision and provision for risks	-	-	-	-
Deferred tax liability, long term	-	0,3	2,8	3,1
Subsidies for fixed assets acquisition	-	-	-	-
Other long-term liabilities & Customers' advances	-	-	-	-
Administration non-current liabilities	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	**-**	**0,3**	**2,8**	**3,1**
CURRENT LIABILITIES				
Accounts Payable and Various Creditors	-	-	5,6	5,6
Short-term Debt	-	-	-	-
Current portion of long-term bank loans	-	-	-	-
SWAPs	-	-	-	-
Accrued and other current liabilities	-	-	0,5	0,3
Income Tax Payable	-	0,1	-	1,1
Dividens payable	-	-	-	-
Administration current liabilities	-	-	-	-
TOTAL CURRENT LIABILITIES	**0,1**	**0,2**	**6,1**	**7,0**
TOTAL LIABILITIES AND EQUITY	**0,3**	**8,3**	**89,8**	**88,2**

NOTES TO THE UNBUNDLED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

According to the provisions of European Directive 2009/72, as well as the provisions of Law 4001/2011, which integrates the aforementioned European Directive into the national legislation, unbundling is the separation of financial statements (balance sheet and income statement) of an integrated electric utility into different financial statements for each one of its activities. The unbundled financial statements will reflect each activity's financial position, assets and liabilities, as if such activities prepared financial statements had they been separate (independent) legal entities.

PPC, as a vertically organized integrated electric utility, keeps in its internal accounting, separate accounts for its activities and prepares separate balance sheets and statements of income for each one of its activities (balance sheet and statement of income before tax – hereinafter referred to as "unbundled financial statements"), as if these activities were carried out by different entities, in order to avoid discriminations, cross subsidization and distortion of competition.

Further to the above, PPC should keep separate accounts for its activities carried out in the non-interconnected islands in accordance with the provisions of art. 23 of Law 3426/2005.

The summary totals of the unbundled financial statements are equal and agree with PPC's issued consolidated balance sheet and statement of income, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, with the exception of provision for income tax, as unbundled statements of income are presented before tax.

The accounting principles applied for the preparation of the unbundled financial statements are those applied for the preparation of the Company's separate and consolidated financial statements.

The preparation of the unbundled financial statements requires management to make estimates, assumptions and judgments that affect the reported assets and liabilities for each activity. Such estimates, assumptions and judgments are regularly reviewed in order to reflect the managements' current view on facts and transactions concerned.

The unbundling methodology applied by the Company, for the preparation of the accompanied unbundled financial statements has been approved by the regulatory Authority for Energy.

For the year 2011 the activity of the Transmission was transfered to the subsidiary of PPC SA,"Independent Power Transmission Operation" (IPTO or ADMIE), that was established in compliance with Law 4001/2011 and European Union Directive 2009/72/EC regarding the adoption of common rules in the organization of EU electricity markets. According to Law 4001/2011 ADMIE undertakes the role of Transmission System Operator for the Hellenic Electricity Transmission System and as such performs the duties of System operation maintenance and development so as to ensure Greece's electricity supply in a safe, efficient and reliable manner.Although a wholly owned subsidiary of PPC S.A., ADMIE is entirely independent from its parent company in terms of its management and operation, retaining effective decision-making rights, in compliance with all relevant independence requirements of Law 4001/2011.

The unbundled financial statements were approved by the Company's Board of Directors, in its meeting, held on March 30, 2011.

2 ACCOUNTING UNBUNDLING METHODOLOGY

The methodology applied for the preparation of the unbundled financial statements consists of the following phases:

- Determination of activities into which the integrated electric utility should be unbundled
- Preparation of unbundled trial balances
- Preparation of unbundled balance sheets and establishment of «Capital Funding» account
- Preparation of the unbundled statements of income
- Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system
- Embodying of the result of the Contract for Differences between PPC's Generation and Supply.

2. ACCOUNTING UNBUNDLING METHODOLOGY (Continued)

Determination of activities into which the integrated electric utility should be unbundled

The activities for which unbundled financial statements are prepared, on a first level and for the whole Group, are Mines, Generation, Distribution Network, Supply, Network Administrator and Corporate.

On a second level, these activities are presented as follows:

- Interconnected System
  - Mines
  - Generation
  - Distribution network
  - Supply
  - Network Administrator
- System of Crete
  - Generation
  - Distribution network
  - Supply
- System of other non interconnected islands
  - Generation
  - Distribution network
  - Supply
- Network Administrator of non-interconnected islands (Crete and other non-interconnected islands)
- Corporate

Mines include the lignite extraction activity carried out in the Lignite Centers of West Macedonia and Megalopolis.

Generation includes the electricity generation activities in the interconnected system, the system of Crete and the system of non interconnected islands.

Distribution Network includes the operation of electricity distribution to medium and low voltage customers in the interconnected system, the system of Crete in and the system of non interconnected islands.

Supply reflects the Company's activity which monitors relationships with final customers in the interconnected system, the system of Crete in and the system of non interconnected islands.

Network Administrator includes the operation of the network in order to distribute electric power to the consumers of low and medium voltage of the interconnected system and the system of non-interconnected islands.

The Corporate acts as the lender (funding source) of all activities and retains in its balance sheet all investments in subsidiaries, associates and joint ventures and in its liabilities and shareholders' equity all equity accounts, funding and provisions of a financial nature. The capital funding account which is also presented in the liabilities side of Corporate reflects the funds that have been made available to activities in order to finance their operations.

The balance sheet and statement of income of the Corporate is further allocated based on certain allocation rules which are described in detail in the following section.

Related parties are reflected as a separate activity in the unbundled financial statements.

Preparation of unbundled trial balances

In the Company's accounting system, each cost centre represents an organizational entity, in which the assets and liabilities are recorded.

General and Cost Accounting trial balances, through the codification of each cost centre, provides the ability of detection and grouping of data which are directly ascribed to activities, and of composition of activities trial balances.

These trial balances include the balances of all balance sheet and statement of income accounts per activity.

In order for these trial balances to be generated, the following tasks are performed (this process is applied per account and cost centre for the minimum account degree in General and Cost Accounting):

2. ACCOUNTING UNBUNDLING METHODOLOGY (Continued)

- Cost centers are recorded in order to identify the boundaries of activities and then all cost centers to be assigned to activities with which they are related to.
- It is ensured that all cost centers are subordinate to one of the predefined activities and, at the same time, there is no possibility that two distinct activities include the same cost centre.
- The sum totals of the cost centers and accounts are reconciled with the comprehensive trial balance of the Company.
- Each modification in cost centers and trial balance accounts is detected and recorded in order to be embedded in the proper activities or balance sheet and income statement accounts respectively.
- The trial balance accounts are codified and grouped into sections of the balance sheet and of the income statement based on company's needs and its published financial statements.
- The amounts that are depicted in the Corporate trial balance (which include the central financial services where a significant amount of the accounting entries is performed) and relate to the activities (e.g. significant balances of suppliers and contractors, taxes etc), are identified and ascribed in the activities based on the information extracted through the peripheral subsystems (subsystem of beneficiaries', fixed assets, constructions etc).
- The account balances, which, due to their nature, do not relate to activities into which have been ascribed, are reclassified and ascribed into the correct activities.
- The account balances which relate to activities and have not been directly ascribed or correlated with specific activities, are concentrated separately, in order to be allocated based on allocation criteria per fourth-degree account (the lowest account degree where the accounting entries are performed).

The allocation criteria, which are used for the first level of allocations and derived from trial balances amounts, are the following:

- **Payroll:** applies for the allocation of account balances related either with payroll or with general personnel issues (e.g. various payroll receivables and obligations, social securities funds, personnel loans etc). The specific allocation criterion is defined based on the payroll of employees who were actually employed in this activity (allocated payroll). According to this criterion, each activity proportionally receives an amount from the allocated Corporate accounts, based on the percentage of its participation in the total payroll amount of activities.
- **Material consumption:** applies for the allocation of account balances which are related to the materials consumption and suppliers cycle (e.g. orders from abroad, purchases in transit, suppliers etc.). According to this criterion, each activity's proportion depends on the total amount of activity's material consumptions in terms of total consumption.
- **Net book value of assets:** applies for the allocation of the account balances that are related to the fixed assets cycle (e.g. projects receivables, projects advances, subsidies, contractor works beneficiaries, contractors taxes etc) and reflects the total amount of assets net book value for each activity in terms of total net book value.
- **Total Operating Expenses:** used for the allocation of general nature's accounts balances and expresses total value of operating expenses of every activity expressed in terms of total operating expenses.
- **Compensation and third party fees:** applies for the allocation of the corresponding category of accounts and reflects the ratio of Compensation and third party fees of every activity expressed in terms of total.
- **Third party allowances:** used for the allocation of the trial balance accounts that relate to third party allowances (apart from contract works), such as rentals, water supply, postage, etc.
- **Various expenses:** used for the allocation of various expenses accounts balances except for travel expenses, which relate to payroll; it is quantified as the ratio of every activity's various expenses expressed in terms of total various expenses.
- **Depreciation Expense:** applies for the allocation of depreciation expense accounts balances. The value of every activity's depreciation expense expressed in terms of total depreciation expense represents the corresponding percentage from the allocation.
- **Sales:** it is used for the allocation of accounts balances that relate to the Company's sales.

The account balances of financial nature included in the balance sheet and income statement (cash and cash equivalents, loans, derivatives etc), are aggregated separately, in order to be further allocated in the activities.

Preparation of unbundled balance sheets and establishment of «Capital Funding» account

The balances of balance sheet accounts of financial nature are allocated in the activities according to each activity's capital funding, which equals the capital employed of every activity including the provisions of liabilities and excluding the investments in affiliates of assets.
Then, the balance sheet accounts' balances are allocated in the activities, which have still remained to the Corporate (fixed assets, inventories, cash & cash equivalents etc.), based on total of assets and liabilities of each activity. Corporate keeps in its balance sheet only investments in subsidiaries, joint ventures and affiliates as well as total equity and liabilities of the entity.

2. *ACCOUNTING UNBUNDLING METHODOLOGY (Continued)*

Upon completion of the aforementioned allocations, the balance sheets per activity are prepared.

Capital Funding, presented in separate line of liabilities, represents capitals been granted from the Company to every activity for the achievement of its business goals.

Total Capital Funding equals total equity, liabilities and provisions of the whole Company excluding the investments in related parties (subsidiaries, joint ventures and affiliates)

The allocated assets and liabilities of Corporate in activities are presented in a separate line item in each activity's financial statement.

Preparation of the unbundled statements of income

Income statement accounts of financial nature are allocated to activities based on Capital Funding of every activity, as calculated above.

Then, income statement account balances that have remained in Corporate are allocated in the activities. For the allocation of expenses the following procedure is applied:

Allocation of expenses of Information technology Department

Allocation of expenses of the Information Technology Department is performed in two phases. Initially, expenses that relate to the "ERMIS" system of customers' monitoring and billing are assigned to Distribution network and Supply. Then, the remaining expenses are allocated in the activities based on the number of employees of each activity.

Allocation of expenses of Real Estate Housing Department

The allocation criterion used for the allocation of the Real Estate Department's expenses is the surface occupied (in square meters) by each unit for housing its operations.

Allocation of Human resources Division

This Department consists of the Training Department, the Human Resources Department, the Organization, Health, Safety & Security Department and is allocated into the activities based on the number of employees (staff) of every activity.

Other Corporate Departments

All other Corporate Departments are allocated to activities based on direct expenses of every activity. These Departments are the following:
- CEO office
- Strategy Department
- Corporate Affairs & Communications Department
- Legal Department
- Energy Trading Department
- Tests, Research & Standards Center
- Internal Audit Department
- Finance Division
- Planning, Performance and Control Department
- Investor relations Department
- Procurement and Supplies

Upon completion of the above allocations, the statements of income for each activity are prepared.

The Corporate expenses allocated to the activities are presented separately in a line item in each activity.

Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system

Within the framework of an integrated utility products and services are exchanged among its activities, which would be recorded if these activities would operate as independent entities.

(All amounts in millions of Euro)

2. ACCOUNTING UNBUNDLING METHODOLOGY (Continued)

In order for these products and services to be quantified and recorded, an internal pricing system is applied if necessary (where there is no external determination of internal exchanges).

The most important services and products internally exchanged in PPC among its activities that are presented in the unbundled financial statements are the following:

	Activity which	
Product/ Service	**Renders**	**Receives**
Interconnected system		
Lignite	Mines	Generation
Other Services	Mines	Generation
Energy self-consumption	Supply	Mines
Energy self-consumption	Supply	Generation
Energy self-consumption	Supply	Distribution Network
Rental of distribution network	Distribution Network	Network Administrator
Use of distribution network	Distribution Network	Supply
System of Crete		
Energy	Generation	Administrator of Non interconnected islands
Rental of distribution network	Distribution Network	Network Administrator
Use of distribution network and Energy	Distribution Network	Supply
Self-consumption Energy	Supply	Generation
System of other non-interconnected islands		
Energy	Generation	Administrator of Non-interconnected islands
Rental of distribution network	Distribution Network	Administrator of Non-interconnected islands
Use of distribution network and energy	Administrator of Non-interconnected islands	Supply
Self-consumption Energy	Supply	Generation
Return of receivable Public service obligations		
Return of receivable Public service obligations	Interconnected Supply	Administrator of Non-interconnected islands
Return of receivable Public service obligations	Crete supply	Administrator of Non-interconnected islands
Return of receivable Public service obligations	Supply of non-interconnected islands	Administrator of Non-interconnected islands
Return of receivable Public service obligations	Administrator of Non-interconnected islands	Crete Generation
Return of receivable Public service obligations	Administrator of Non-interconnected islands	Generation of non-interconnected islands

Each activity's revenues from product sales or services to another activity are quantified, through the internal pricing system.

Also, the activity that receives the product/ service records the related cost (expense).

For unbundled balance sheet preparation purposes, it is considered that all transactions among the activities are settled in cash and as a result, no accounts receivable or accounts payable are recorded among the activities in their balance sheets.

The inter-segment energy sales for self-consumption are calculated based on each activity's metered consumption of energy and the prices applied for third party sales of the same customer class.

2. ACCOUNTING UNBUNDLING METHODOLOGY (Continued)

In more detail, in the interconnected system:

- The Mines internal revenue is calculated in accordance of the agreement the lignite supply between Mines and Generation. Other services from Mines to Generation are also calculated the same way.
- The Generation revenues are recorded based on the daily market transaction settlements carried out by the HTSO.
- The internal revenues of the Distribution Network are recorded based on the charged prices of the Distribution network.
- The Supply revenue reflects actual billings to the final consumers.
- The Network Administrators revenue, is the rental reflects registered billings of the use of the distribution network

In the system of Crete and in the system of other non-interconnected islands:

- The internal Generation revenues are calculated on basis of the calorific production and the estimated average marginal price of the interconnected system.
- The internal revenues of the Distribution Network are recorded based on the charged prices of the Distribution network.
- The Supply revenue reflects actual billings to the final consumers.
- The Network Administrators revenues are calculated as follows:
    1. The rental reflects registered billings of the use of the distribution Network.
    2. The selling energy produced by the Non-interconnected islands to the Supply.
    3. The Public Service Obligations which are collected and yielded from the Supply to the Administrator of the Non-interconnected islands, finally are yielded to the Generation of the Non-interconnected islands.

Finally, for the purpose of preparation of the unbundled financial statements, services that PPC receives / renders to / from the HTSO (ancillary services, energy, etc.) are quantified and presented separately, and not on a net basis, a practice which is applied by PPC through the preparation process of its consolidated financial statements.

Settlement of Economic Differences between General Division of Generation and General Division of Supply from transaction of Electric Energy

In 2010, a settlement of economic relations between the activity of the General Division of Generation and the General Division of Supply was signed.

In 2011 no settlement was made as it is considered that it does not respond to the new conditions of the market of electric energy.

Lignite Supply Contract

The lignite supply contract determines the internal lignite market, i.e the lignite sales of the activity of the Lignite General Division to the activity of the Generation General Division. The contract has to do with the consumption of the lignite stations on a continuous basis, as well as with the necessary stock for the specific period. The calculation of the relative amounts takes place on the monthly basis, taking into account the monthly consumption and the calorific value of the lignite delivered.

E. ADDITIONAL INFORMATION

PUBLIC POWER CORPORATION S.A.

Reg. No : 47829/06/B/00/2

Chalkokondyli 30 - 104 32 Athens

FINANCIAL DATA AND INFORMATION FOR THE YEAR
January 1 2011 - December 31 2011

(published in accordance to the article 135 of the corporate law 2190, for companies who prepare the annual consolidated and stand alone financial statements in accordance with IAS / IFRS)
(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. 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 condensed financial statements and the auditor's review report, when is required are published.

COMPANY'S DATA

Appropriate Authority:	Ministry of Energy and Climate Change
Web site address:	www.dei.gr
Date of approval by the Board of Directors:	March 30, 2012
Certified auditor accountant:	Papazoglou Panagiotis
Audit company:	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Type of auditors' report:	Unqualified opinion - emphasis of matter

Board of Directors:

Chairman & Chief Executive Officer:	Zervos Arthouros
Vice Chairman & Deputy CEO:	Theos Konstantinos
Non independent and executive member:	Ekaterinari Rania
Independent - non executive member:	Alexakis Panagiotis, Antoniou Ilias, Vasilogeorgis Harilaos, Vernikos Nikolaos, Theoklitos Leonidas, Thomoglou Paulos
Non independent - non executive member:	Karavassilis Ioannis, Bouzoulas Evagelos

DATA FROM STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
ASSETS	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Tangible assets	13.702.609	13.354.142	11.885.466	13.236.285
Intangible assets, net	92.703	89.146	92.512	89.040
Other non - current assets	66.736	41.547	865.015	114.665
Materials, spare parts and supplies	847.585	849.971	793.809	849.182
Trade receivables	979.816	1.022.736	977.596	1.021.295
Other current assets	584.425	200.335	495.465	221.642
Available for sale financial assets	6.435	22.073	6.435	22.073
Cash and cash equivalents	364.495	620.449	339.539	617.040
TOTAL ASSETS	**16.644.804**	**16.200.399**	**15.455.837**	**16.171.222**
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	5.274.816	5.595.649	5.126.166	5.572.455
Equity attributable to shareholders of the parent (a)	6.448.695	6.769.528	6.300.045	6.746.334
Minority interests (b)	0	0	0	0
Total Equity (c)=(a)+(b)	6.448.695	6.769.528	6.300.045	6.746.334
Interest bearing loans and borrowings	3.565.542	3.885.625	3.142.670	3.885.413
Provisions / other non current liabilities	3.276.451	3.343.102	2.845.572	3.337.904
Short term borrowings	1.662.936	967.173	1.559.066	966.899
Other current liabilities	1.691.180	1.234.971	1.608.484	1.234.672
Total liabilities (d)	10.196.109	9.430.871	9.155.792	9.424.888
TOTAL EQUITY AND LIABILITIES (c) + (d)	**16.644.804**	**16.200.399**	**15.455.837**	**16.171.222**

DATA FROM STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Total equity at beginning of the period (01.01.2011 and 01.01.2010, respectively)	6.769.528	6.461.314	6.746.334	6.449.225
Total comprehensive income after tax	(139.020)	537.112	(263.009)	525.708
Dividends	(183.280)	(232.000)	(183.280)	(232.000)
Other	1.467	3.102	0	3.401
Equity at the end of the period (31.12.2011 and 31.12.2010, respectively)	**6.448.695**	**6.769.528**	**6.300.045**	**6.746.334**

ADDITIONAL DATA AND INFORMATION
All amounts in thousands of Euro, unless otherwise stated

1. The Group's companies with their respective addresses and participation percentages, as well as their unaudited tax years, that are included in the consolidated financial statements are listed below:

Full consolidation method:

Company	% participation	Country of incorporation	Unaudited tax Years from
PPC S.A.	Parent Company	Greece	2009
PPC RENEWABLE SOURCES S.A.	100%	Greece	2009
PPC RHODES S.A.	100%	Greece	1999
ITSO S.A. (ex PPC TELECOMMUNICATIONS S.A.)	100%	Greece	2007
ARKADIKOS ILIOS 1 S.A.	100%	Greece	2007
ARKADIKOS ILIOS 2 S.A.	100%	Greece	2007
ILIAKO VELOS 1 S.A.	100%	Greece	2007
ILIAKO VELOS 2 S.A.	100%	Greece	2007
SOLARLAB S.A.	100%	Greece	2007
ILIAKA PARKA DITIKIS MAKEDONIAS 1 S.A.	100%	Greece	2007
ILIAKA PARKA DITIKIS MAKEDONIAS 2 S.A.	100%	Greece	2007
HPP OINOUSA S.A.	100%	Greece	2010
PPC FINANCE PLC	100%	UK	-

Equity method:

Company	Note	% participation	Country of incorporation	Unaudited tax years from
LARCO S.A.		11.45%	Greece	2002
SENCAP S.A.		50%	Greece	2006
WASTE SYCLO S.A.		49%	Greece	-
PPC RENEWABLES ROKAS S.A.		49%	Greece	2010
PPC RENEWABLES – TERNA ENERGIAKI S.A.		49%	Greece	2010
PPC RENEWABLES – MEK ENERGIAKI S.A.		49%	Greece	2010
PPC RENEWABLES NANKO ENERGY – MYHE GITANI S.A.		49%	Greece	2007
PPC RENEWABLES ELTEV AIFOROS S.A.		49%	Greece	2008
GOOD WORKS S.A.		49%	Greece	2005
PPC RENEWABLES EDF EN GREECE S.A.		49%	Greece	2008
EEN VOIOTIA S.A.	1	46.60%	Greece	2007
ORION ENERGIAKI S.A.	2	49%	Greece	2007
ASTREOS ENERGIAKI S.A.	2	49%	Greece	2007
PHOIBE ENERGIAKI S.A.	2	49%	Greece	2007
IAPETOS ENERGIAKI S.A.	2	49%	Greece	2007
AIOLIKO PARKO LOUKO S.A		49%	Greece	2008
AIOLIKO PARKO BABO VIGLIES S.A.		49%	Greece	2008
AIOLIKO PARKO LEFKIVARI S.A.		49%	Greece	2008
AIOLIKO PARKO AGIOS ONOUFRIOS S.A.		49%	Greece	2008
AIOLIKO PARKO KILIZA S.A.		49%	Greece	2008
RENEWABLE ENERGY APPLICATIONS LTD		49%	Cyprus	-
PPC QUANTUM ENERGY LTD		51%	Cyprus	-

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.
2. They are consolidated by the associate company Good Works S.A. as they participate by 100% in their share capital.

The tax audit of the Parent Company for the fiscal year 2009 is in progress. Further information is presented in Note 14 of the Financial Report.

2. The accounting policies adopted in the preparation of the financial statements of 2011 are presented in Note 3.2 of the financial report and are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2010, except from them who are presented in Note 3.2 of the financial report.
3. No burdens exist on 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 December 31, 2011 are as follows:

	Group	Company
a) Provision for litigation and arbitration	(6,529)	(1,040)
b) Provision for unaudited fiscal years by tax authorities	25,791	25,791
c) Other provisions	230,394	229,540

6. Total payrolls of the Group and the Parent Company number 20,821 employees and 19,452 employees as of December 31, 2011 (2010: 21,845 and 21,845, respectively). Further information is presented in Note 1 of the Financial Report.
7. Sales and purchases of the Group and the Parent Company for the period ended December 31, 2011 as well as receivables and payables as of December 31, 2011 of the Group and the Parent Company, according to IAS 24 are as follows:

	Group	Company
a) Sales	467,431	447,490
b) Purchases	1,238,024	1,248,630
c) Receivables from related parties	607,255	645,797
d) Payables to related parties	520,603	536,935
e) Key management personnel compensations	2,130	1,872
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 December 31, 2011 amounted to Euro 1,002.3 million and of Euro 1,107.6 million respectively.
9. Other Comprehensive income / (loss) after tax which was recognized directly in equity for the period ended December 31, 2011 are as follows:

	Group	Company
Profit / (Loss) from fair value available for sale valuation	9,927	9,927
Hedging	0	0
Total	9,927	9,927

10. The progress regarding the terms of electricity supply between PPC S.A. and ALOUMINION S.A., is presented in Note 39 of the Financial Report.

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

	GROUP	
	01.01-31.12.2011	01.01-31.12.2010
Sales	5.513.552	5.809.732
Gross operating results	756.542	1.101.117
Profit / (Loss) before tax, financing and investing activities	122.488	871.251
Profit / (Loss) before tax	(85.800)	740.705
Profit / (Loss) after tax (A)	(148.947)	557.925
Distributed to:		
- Owners of the Parent	(148.947)	557.925
- Minority interests	0	0
Other comprehensive income after tax (B)	9.927	(20.813)
Total comprehensive income after tax (A)+(B)	(139.020)	537.112
- Owners of the Parent	(139.020)	537.112
- Minority interests	0	0
Earnings / (Loss) per share, basic and diluted (in Euro)	(0,6420)	2,4048
Interim dividend	0,0000	0,7900
Profit before tax, financing and investing activities and depreciation and amortisation	769.442	1.497.603

	COMPANY					
	01.01- 31.12.2011 Continuing operations	01.01- 30.11.2011 Discontinuing operations	Total	01.01- 31.12.2010 Continuing operations	01.01- 31.12.2010 Discontinuing operations	Total
Sales	5.180.332	262.557	5.442.889	5.519.352	272.725	5.792.077
Gross operating results	567.113	186.422	753.535	1.047.933	173.094	1.221.027
Profit / (Loss) before tax, financing and investing activities	(63.707)	135.749	72.042	744.816	116.220	861.036
Profit / (Loss) before tax	(247.147)	113.890	(133.257)	634.853	91.297	726.150
Profit / (Loss) after tax (A)	(272.936)	113.890	(159.046)	546.521	161.808	708.329
Distributed to:						
- Owners of the Parent	(272.936)	113.890	(159.046)	546.521	161.808	708.329
- Minority interests	0	0		0	0	
Other comprehensive income after tax (B)	9.927	0	9.927	(20.813)	0	(20.813)
Total comprehensive income after tax (A) + (B)	(263.009)	113.890	(149.119)	525.708	161.808	687.516
- Owners of the Parent	(263.009)	113.890	(149.119)	525.708	161.808	687.516
- Minority interests	0	0		0	0	
Earnings / (Loss) per share, basic and diluted (in Euro)	(1,1764)	0,4909	(0,6855)	2,3557	0,6974	3,0531
Interim dividend	0,0000	0,0000	0,0000	0,7900	0,0000	0,7900
Profit before tax, financing and investing activities and depreciation and amortisation	523.283	186.422	709.705	1.310.046	173.094	1.483.140

CASH FLOW STATEMENT

	GROUP		COMPANY	
	01.01-31.12.2011	01.01-31.12.2010	01.01-31.12.2011	01.01-31.12.2010
Cash Flows from Operating Activities				
Profit / (Loss) before tax from continuing operations	(85.800)	740.705	(247.147)	634.853
Profit / (Loss) before tax from discontinuing operations	0	0	113.890	91.297
Adjustments:				
Depreciation and amortisation	722.679	700.908	657.419	696.217
Devaluation of fixed assets	11.001	10.000	10.374	10.000
Amortisation of customers' contributions and subsidies	(75.725)	(74.536)	(70.429)	(74.113)
Inperment of investments available for sale	25.564	0	25.564	0
Provision for CO_2 emission rights	6.833	4.584	6.833	4.584
Fair value (gain) / loss of derivative instruments	3.073	(88)	3.073	(88)
Share of loss of joint venture	0	0	97	2.764
Share of loss of associates	(97)	(1.437)	0	0
Interest income	(43.664)	(40.931)	(43.346)	(40.665)
Sundry provisions	222.358	202.258	227.055	202.203
Unrealised foreign exchange losses (gains) on interest bearing loans and borrowings	1.157	(5.458)	1.336	(5.225)
Unbilled revenue	(90.536)	75.667	(90.536)	75.667
Retirement of fixed assets and software	22.033	44.526	22.033	44.447
Amortisation of loan origination fees	5.348	5.192	4.545	5.192
Interest expense	205.546	153.633	182.420	153.633
Working capital adjustments:				
(Increase) / Decrease in:				
Accounts receivable, trade and other	(231.340)	(308.132)	(301.346)	(307.006)
Other current assets	(34.782)	(721)	(4.849)	(715)
Materials, spare parts and supplies	(5.303)	(56.450)	(9.132)	(56.404)
Increase / (decrease) in:				
Trade and other payables	540.502	(73.562)	495.917	(78.359)
Other non-current liabilities	(8.989)	(13.134)	(8.990)	(13.134)
Accrued / other liabilities excluding interest	62.130	35.353	60.386	35.520
Income tax paid	(268.921)	(204.181)	(268.404)	(203.141)
Discontinuing operations	0	0	174.807	0
Net Cash from Operating Activities (a)	**983.067**	**1.194.196**	**941.570**	**1.177.527**
Cash Flows from Investing Activities				
Interest received	43.664	40.931	43.346	40.665
Capital expenditure of fixed assets and software	(1.130.904)	(983.888)	(1.027.959)	(949.225)
Proceeds from customers' contributions and subsidies	17.498	10.844	17.518	12.139
Investments in subsidiaries and associates	1.649	(9.969)	(24.146)	(23.891)
Discontinuing operations	0	0	(66.528)	0
Net Cash used in Investing Activities (b)	**(1.068.093)**	**(942.082)**	**(1.057.769)**	**(920.312)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	(16.515)	36.750	(26.000)	36.500
Proceeds from interest bearing loans and borrowings	928.313	1.733.000	928.313	1.733.000
Principal payments of interest bearing loans and borrowings	(692.108)	(1.493.081)	(513.001)	(1.493.081)
Interest paid	(207.377)	(156.545)	(182.420)	(156.545)
Dividends paid	(183.241)	(231.831)	(183.241)	(231.831)
Discontinuing operations	0	0	(184.953)	0
Net Cash used in Financing Activities (c)	**(170.928)**	**(111.707)**	**(161.302)**	**(111.957)**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**(255.954)**	**140.407**	**(277.501)**	**145.258**
Cash and cash equivalents at the beginning of the period	**620.449**	**480.042**	**617.040**	**471.782**
Cash and cash equivalents at the end of the period	**364.495**	**620.449**	**339.539**	**617.040**

11. In August 2010, the Parent Company's Board of Directors decided to proceed to the cash payment of 85% of the amount charged by DEPA S.A. for the procurement of natural gas, along the lines of the existing contract, given that PPC S.A. considers, in principle, that this reduced payment is reflecting the material change of circumstances, which define PPC's contractual obligation, beginning with the invoices concerning the consumption of July 2010. In the Parent Company's financial statements, the cost for natural gas reflects the full charge (100%) by DEPA S.A. Further information is presented in Note 20 and 39 of the Financial Report.
12. In July 2011 the Board of Directors of the Parent Company approved an agreement for the settlement of new debts incurred by LARCO's electricity consumption as well as the new contract for the procurement of lignite which was depicted in the framework agreement in July 2010 and were signed on August 1st 2011. Further information is presented in Note 20 of the Financial Report.
13. PPC's Extraordinary Shareholders Meeting held at November 7, 2011 approved the spinoff of the transmission activity of the Parent Company and its contribution in the Parent Company's wholly owned subsidiary "PPC Telecommunications" renamed by law to "Independent Transmission System Operator (ITSO S.A.)". The spin-off was completed within the time limits set by the L.4001/2011 (November 2011). Further information is presented in Note 13 of the Financial Report.
14. In November 2011, PPC's Board of Directors decided to set December 31st , 2011 as the spin off date as well as the date for the financial position of PPC's General Distribution Division. In February 28th, 2012 PPC's Board of Directors has approved the spinoff of PPC's Distribution Division and its contribution to "Operator of the Greek Distribution Network or OGDN S.A.". The above mentioned was approved by PPC's Extraordinary General Shareholders' Meeting which took place on March 29th, 2012. Further information is presented in Note 12 of the Financial Report.
15. PPC has filed lawsuits against the companies Energa and Hellas Power for their debts to PPC for charges of network which amounted to Euro 83.5 million. Further information is presented in Note 39 of the Financial Report.
16. According to the Supreme Court's decision 469/2012 all Ministerial Decisions which defined the annual returns for providing Public Service Obligations (PSOs) for the years 2008 and 2009 and respectively the unit charges for the recovery of those obligations for the years 2009 and 2010, were annulled. Further information is presented in Note 39 of the Financial Report.
17. The Group is in the process of negotiations with creditor banks in order to refinance existing borrowings. Further information is presented in Note 3.1 and 42 of the Financial Report.

Athens, March 30, 2012

CHAIRMAN & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN & DEPUTY CEO	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
ARTHOUROS ZERVOS	**THEOS KONSTANTINOS**	**GEORGE C. ANGELOPOULOS**	**EFTHIMIOS A. KOUTROULIS**

F. DISCLOSURES UNDER ARTICLE 10 L.3401/2005

Stock News 2011	
Table of Announcements 2011 The Company's announcements that were publicised for the briefing of the investor community, during 2011, according to the Law 3401/2005 –article 10, are available on the company's website (www.dei.gr), in the electronic address www.dei.gr/InvestorRelation/Announcements	
1.	MoU signed for the development of RES projects (19 Jan 2011)
2.	PPC to proceed with international tender for 200MW (21 Jan 2011)
3.	Appointment of Gen. Manager of Supply Division (25 Jan 2011)
4.	Appointments of Gen. Manager of Distribution and Gen. Manager of Transmission (2 Feb 2011)
5.	BoD approves 2011 Budget (7 Feb 2011)
6.	Comments on Press Articles (11 Feb 2011)
7.	Date of Financial results for the year 2010 (18 Feb 2011)
8.	Consolidated Financial Results 12M 2010 (28 Mar 2011)
9.	Financial calendar for the year 2010 (28 Mar 2011)
10.	Presentation to Analysts of PPC S.A. annual results (28 Mar 2011)
11.	Condensed Financial Data and Information for the Year January 1, 2010 - December 31, 2010 - FINANCIAL REPORT (January 1, 2010 - December 31, 2010) (28 Mar 2011)
12.	PPC prequalified for tender in FYROM (5 Apr 2011)
13.	Strategic partnership with Sinovel Wind Group (13 Apr 2011)
14.	1st phase of strategic partner selection complete (3 May 2011)
15.	Approval for the formation of a subsidiary (9 May 2011)
16.	Date of 1Q 2011 Financial Results (18 Μαΐου 2011)
17.	PPC' s consolidated 1Q 2011 Financial (26 May 2011)
18.	Presentation to Analysts of PPC S.A. - 1Q 2011 Financial Results (26 May 2011)
19.	Invitation to the Annual General Meeting of the Shareholders of PPC S.A (27 May 2011)
20.	Information for the period January 1, 2011 – March 31, 2011 - Financial Statements for the period January 1, 2011 – March 31, 2011 (27 May 2011)

21.	Clarifications on the Agenda regarding the Invitation to the Annual General Meeting of PPC S.A. Shareholders (3 Jun 2011)
22.	Announcement according Law 3556/2007 (20 Jun 2011)
23.	Submission of offers for the Ptolemaida V unit (29 Jun 2011)
24.	Payment of Divided for the Financial year 2010 (30 Jun 2011)
25.	Results of the Annual General Meeting of the Shareholders of PPC S.A. (1 Jul 2011)
26.	15 companies in the 2nd phase for the PV in Kozani (13 Jul 2011)
27.	New European Investment Bank financing to PPC SA (14 Jul 2011)
28.	Comments on Press Articles (5 Aug 2011)
29.	Date of 1H 2011 Financial Results (19 Aug 2011)
30.	Financial Offers for 50MW PV plants in Megalopoli (25 Αυγ 2011)
31.	PPC's consolidated 1H 2011 financial results (30 Aug 2011)
32.	Presentation to Analysts of PPC S.A. -1H 2011 Financial (30 Aug 2011)
33.	Information for the period January 1, 2011 – June 30, 2011 - Condensed Interim Financial Statements of the Company and the Group (January 1, 2011 - June 30, 2011 (30 Aug 2011)
34.	Final phase of the tender for the PV plant in Kozani (9 Sep 2011)
35.	Announcement according Law 3556/07 (12 Sep 2011)
36.	Announcement according Law 3556/07 (15 Sep 2011)
37.	BoD decided the spi-off of the Segment of PPC SA Transmission Division (15 Sep 2011)
38.	Invitation to the Extraordinary General Meeting of Shareholders (20 Sep 2011)
39.	Cancellation of the tender for the 95-105 MW in Atherinolakkos (29 Sep 2011)
40.	Special levy imposed through electricity bills (30 Sep 2011)
41.	Bod approves submission of ALUMINIUM billing to RAE arbitration (30 Sep 2011)
42.	Expiration for the collection of the 2005 divided (6 Oct 2011)
43.	Comments on Press Articles (7 Oct 2011)

44.	Termination of Contract with Halyvourgiki SA (20 Окт 2011)
45.	Postponement of the EGM of Shareholders (24 Oct 2011)
46.	Replacement – Postponement of the EGM of Shareholders (24 Oct 2011)
47.	Financial offers for the Ptolemaida V unit (24 Oct 2011)
48.	Results of the Extraordinary General Meeting of the Shareholders of PPC S.A (8 Nov 2011)
49.	Date of 9M2011 Financial Results (15 Nov 2011)
50.	Comments on Press Articles (16 Nov 2011)
51.	Comments on Press Articles (21 Nov 2011)
52.	PPC' s consolidated 9M 2011 Financial Results (25 Nov 2011)
53.	Presentation to analysts of PPC S.A. - 9M 2011 Financial Results (25 Nov 2011)
54.	Information for the period January 1, 2011 – September 30, 2011 - Condensed Interim Financial Statements of the Company and the Group (January 1, 2011 - September 30, 2011) (25 Nov 2011)
55.	BoD award of the contract for the Ptolemaida V unit (25 Νοε 2011)
56.	Announcement according Law 3556/2007 (25 Nov 2011)
57.	Award of the contract for the PV park in Megalopoli (8 Dec 2011)
58.	Announcement according law 3556/2007 (9 Dec 2011)
59.	Election of new members of the BoD (14 Dec 2011)
60.	Comments on Press Articles (14 Dec 2011)
61.	Announcement according Law N 3556/2007 (16 Dec 2011)
62.	Formation of Body of the BoD of PPC SA (19 Dec 2011)
63.	Appointment of members of the Audit Committee of PPC SA (23 Dec 2011)
64.	Resignation of a Board member of PPC SA (28 DEc 2011)
65.	Mutually agreed termination of contract of Deputy CEO and appointment of new Deputy (28 Dec 2011)