



Public Power Corporation S.A.



11th Annual Ordinary General Meeting of Shareholders

**Athens
June 29, 2013**

**Arthouros Zervos
Chairman & Chief Executive Officer of PPC**





11th Ordinary General Meeting of Shareholders



1 Business Review

2 2012 Financial Results

3 Targets & Priorities





1 Business Review

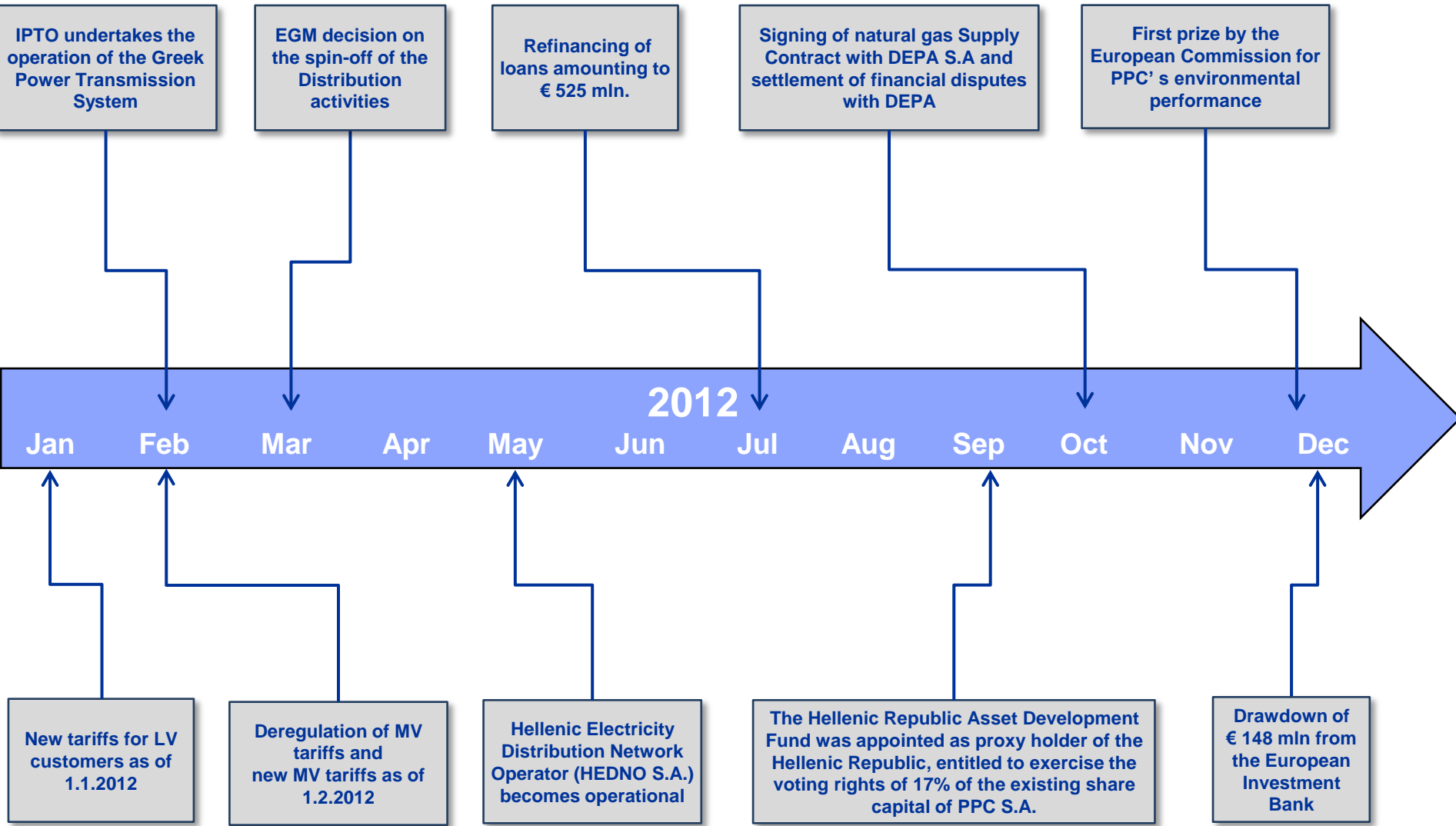
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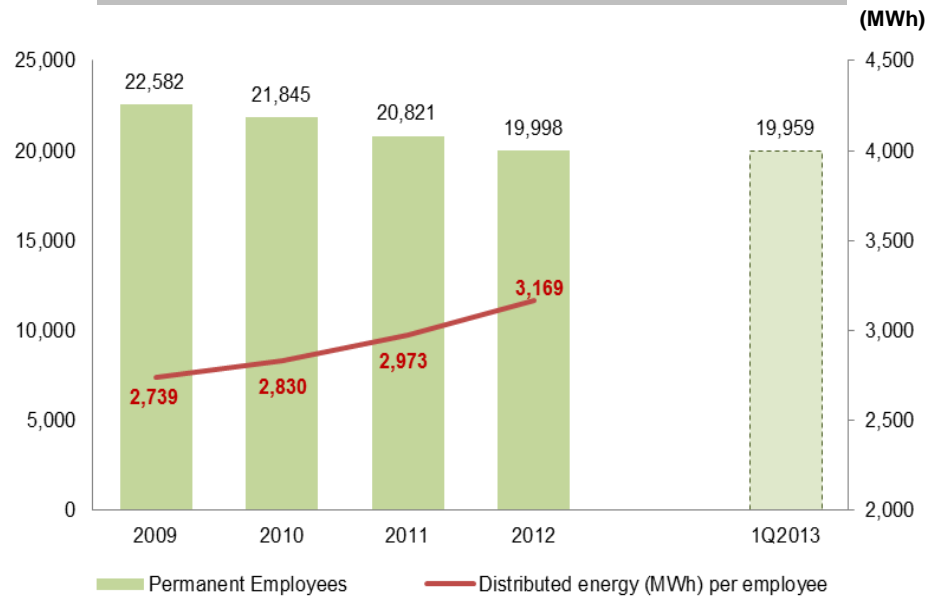
2012 Summary Business Review



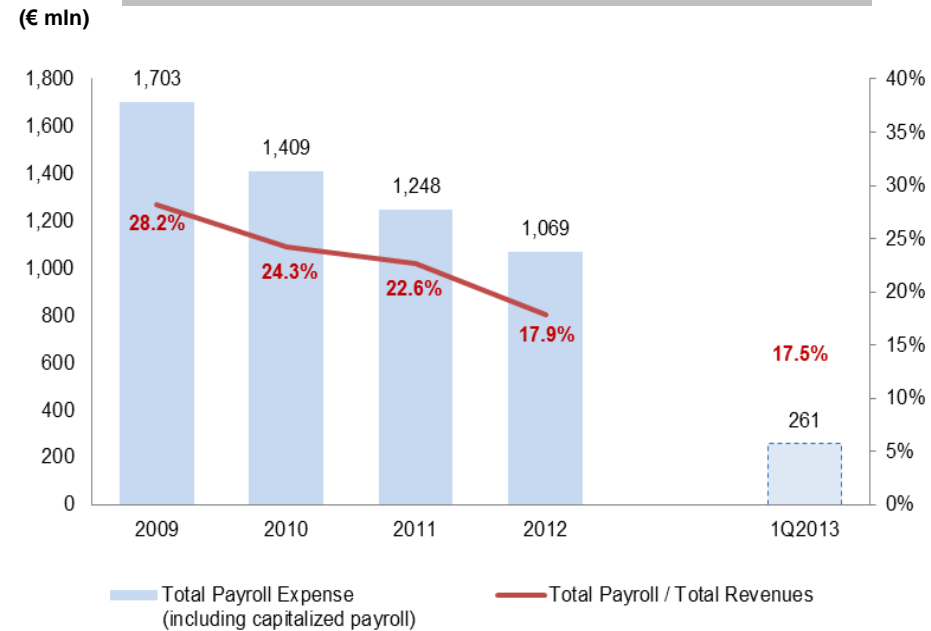


Cost cutting : Personnel & Total payroll evolution (Group)

Personnel evolution



Total payroll expense evolution



Total payroll has dramatically decreased in the last three years, thus representing 17.5% of total revenues in 1Q2013 compared to 28.2% in 2009.
The number of employees has also come down significantly from 22,582 as of end 2009 to 19,959 as of 31.3.2013.

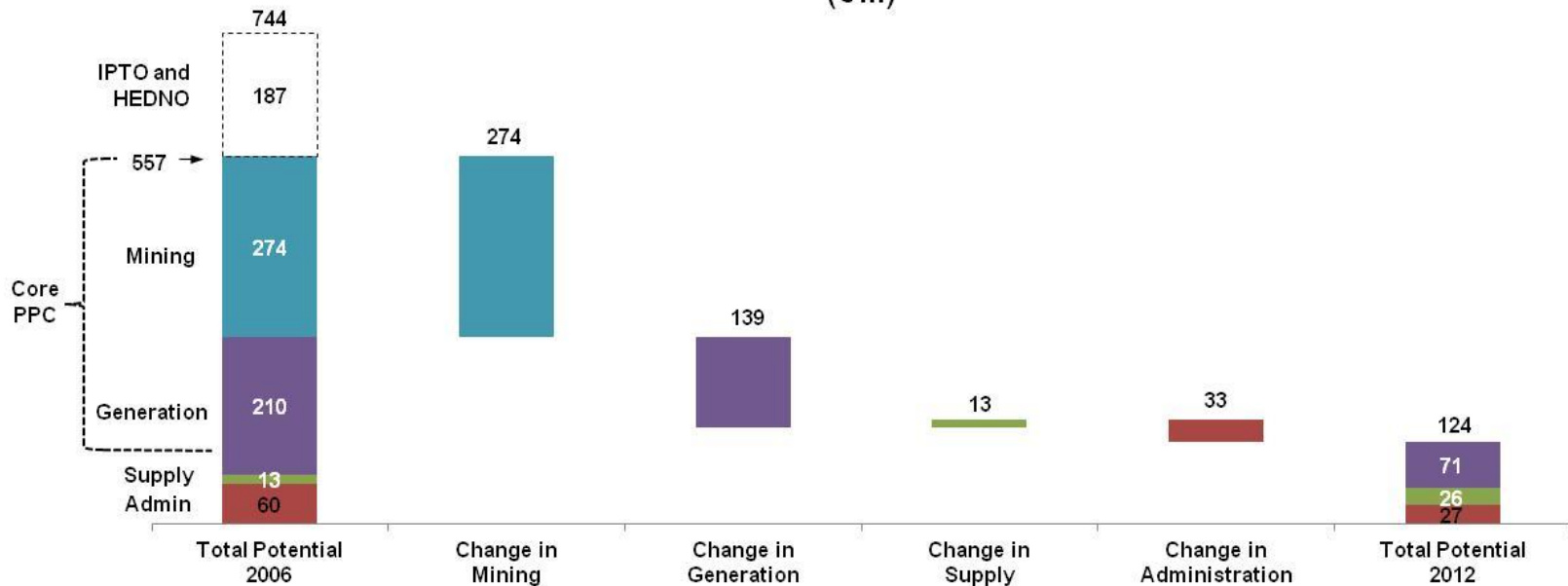


Reduction of efficiency improvement potential – Booz & Co study



- ✓ Significant reduction of efficiency improvement potential of PPC S.A., in comparison with best practices of European companies with similar activities.
- ✓ Specifically, the relevant improvement potential of € 557 mln in 2006 was reduced to € 124 mln in 2012, according to the updated study which was also conducted by Booz & Co.
- ✓ As depicted below, the improvement is predominantly driven by Mines (€ 274 mln) and Generation (€ 139 mln).

Development of the Improvement Potential “Core PPC”
(€ m)





Recent developments – Generation projects



Aliveri V CCGT (417MW)

- The unit is in trial operation since March 2013, and it is expected to be set in commercial operation soon.

Hydro Power Plant Ilarionas (157MW)

- In July 2013, the tapping of the diversion tunnel was completed. The hydro power plant is expected to start its operation by the end of 2013.

Ptolemais V Lignite Unit (660MWe + 140MWth)

- The Extraordinary General Meeting of Shareholders, held on 29.03.2013, approved, with the positive vote of 99.8% of the represented shareholders, the investment of Ptolemais V lignite unit as well as the contract for the construction of the unit which was signed on March 9th, 2013.
- The preliminary approval of the German Export Credit Agency Euler-Hermes, for the insurance coverage of partial financing loan of the project was secured. This coverage is the major prerequisite for the arrangement of a syndicated loan in the order of € 700 mln.

Megalopolis V CCGT (811MW)

- We continued the construction of the unit and its commercial operation is estimated to start in the fourth quarter of 2014.



Recent developments – Network projects



“Nea Makri – Polypotamos” interconnection (400 MW)

- The laying of the underwater cable between Evia and Nea Makri has been completed.
- The interconnection is expected to be operational by the end of 2013.
- The cost of the interconnection is estimated at c. € 80 mln.

Cyclades interconnection

- Following the conclusion of the public consultation, IPTO will proceed to the re-tendering of the project for the connection of Cyclades with the Hellenic Electricity Transmission System, with a total budget of € 240 mln.



Low Voltage Tariffs

- In the beginning of 2013, increases of about 9% were granted for low voltage tariffs, whereas according to the provisions of the Memorandum, it is expected that the regulated tariffs will be abolished by July 1st, for all but vulnerable customers.

Plan for the restructuring and the privatization of PPC

1. Ownership unbundling of Independent Power Transmission Operator (IPTO).
2. Creation and privatisation of a new vertically integrated company with approximately 30% of PPC generation capacity and a pro rata stake in the activity of PPC's Supply Division.
3. Sale of a 17% stake of the Hellenic Republic in PPC S.A.



Recent developments – Debt refinancing and new EIB financing



Refinancing

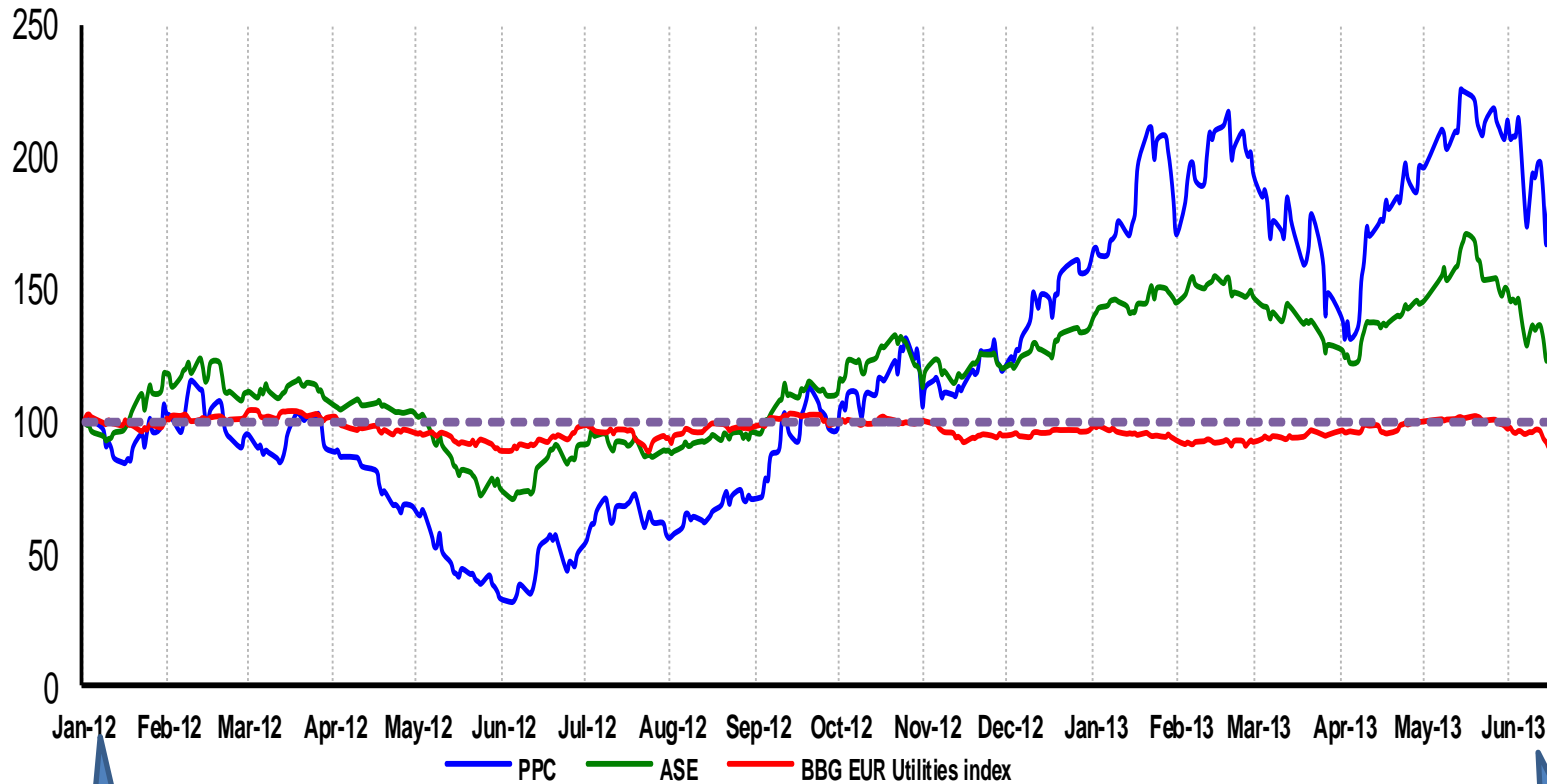
- **Syndicated loan agreement with a consortium of Greek banks to refinance bilateral loans of a total amount of € 1,229 mln. This syndicated loan constitutes an intermediate refinancing in view of the completion of an agreement for a medium to long term refinancing of PPC's debt.**

New financing from EIB

- **On top of the € 148 mln drawn in December last year, we proceeded in 2013 with the drawdown of a total amount of € 285 mln from the European Investment Bank (EIB), for the financing of network and generation capex, which have already been realized.**



Share price evolution



27/6/2013
Change as of 1/1/2012
PPC : +76.8%
ASE : +21.5%
BBG EUR Utilities : -6.4%

PPC's share price
(on 1/1/2012): € 3.8
Capitalization:
€ 882 mln.

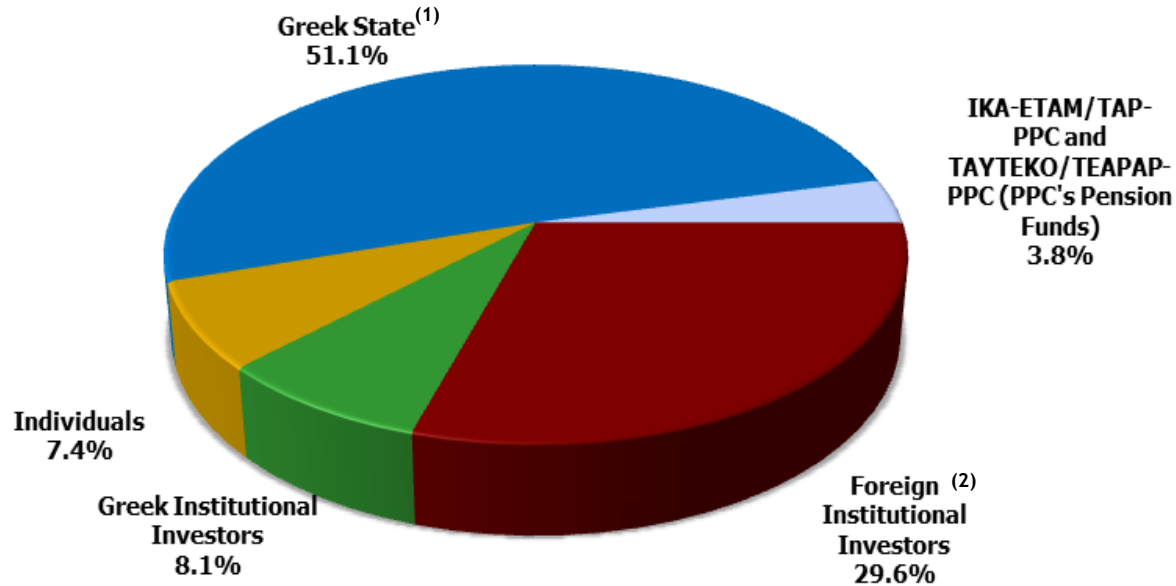
PPC's share price
(on 27/6/2013): € 6.72
Capitalization:
€ 1,559 mln.



Shareholding Structure of the Parent Company



Shareholder Structure as of 31.5.2013



- (1) In September of 2012, the Hellenic Republic Asset Development Fund (HRADF) was appointed as proxy holder of the Hellenic Republic, entitled to exercise the voting rights of 17% of the existing share capital of the Company.
- (2) Based on information received on December 8th, 2011, “Silchester International Investors LLP” participates in PPC’s share capital with 13.80% or 32,024,558 shares.



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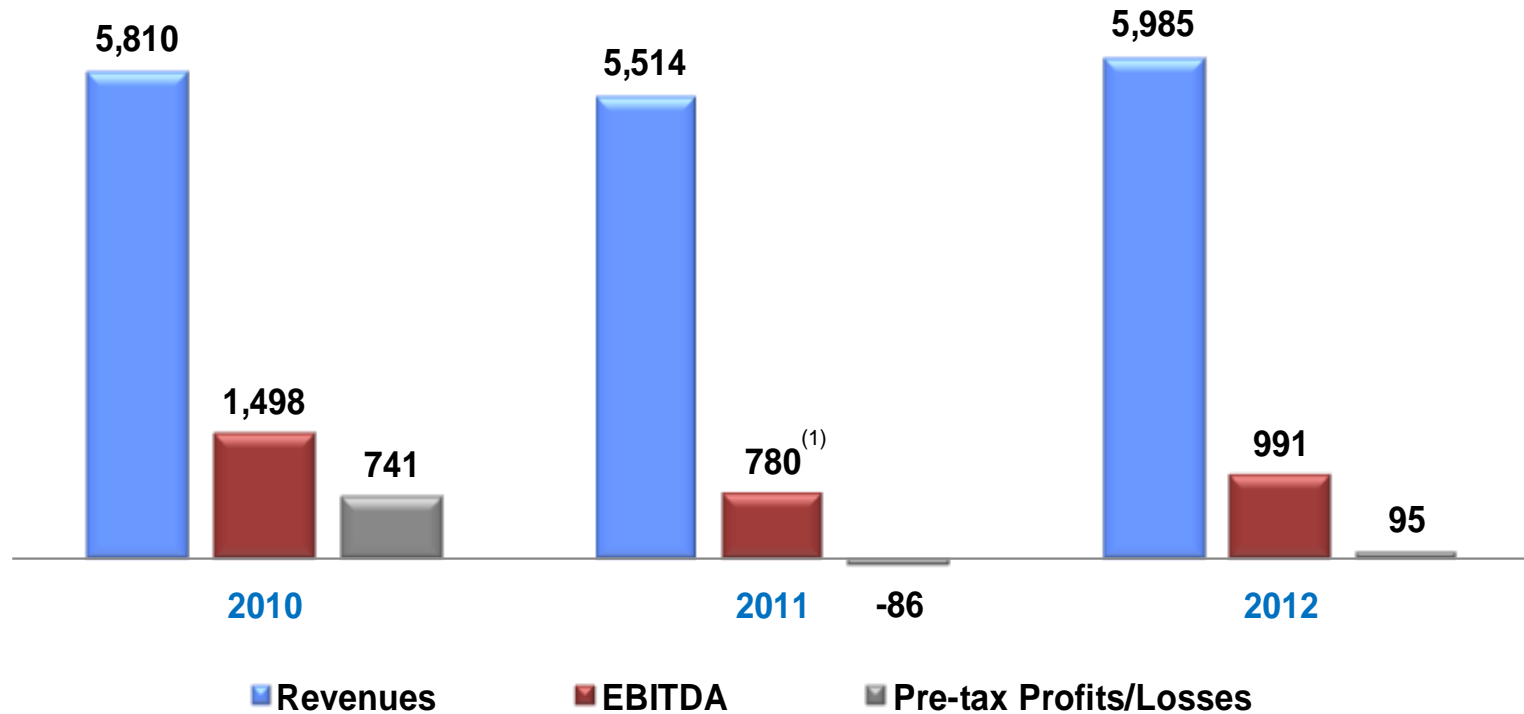




Evolution of Key Figures of the Group



€ mln.



Δ% - Total Revenues

-5.1 %

+8.6 %

Δ% - EBITDA

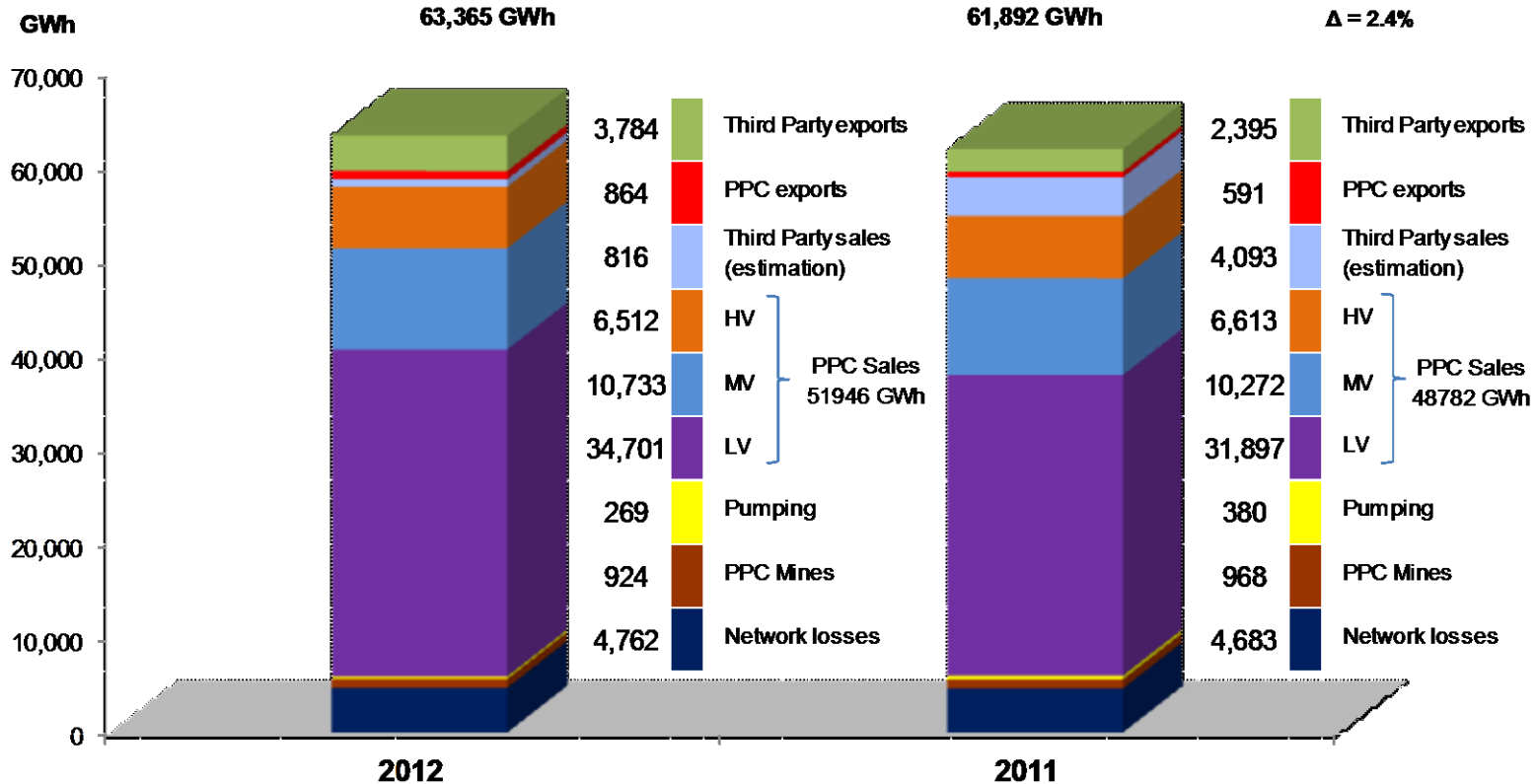
-47.9 %

+27.1 %

(1) Reclassifications have taken place for comparative reasons.



Electricity Demand 2012 / 2011



PPC domestic sales :	51,946 GWh
Average Market share (estimation) :	98.5%

PPC domestic sales :	48,782 GWh
Average Market share (estimation) :	92.3%

PPC exports:	864 GWh
Average Market share:	18.6%

PPC exports:	591 GWh
Average Market share:	19.8%

Total electricity demand increased by 2.4% between 2012 and 2011. Excluding pumping and exports, electricity demand remained practically flat at 58.5 TWh. PPC's market share recovery in the retail market by 6.2 percentage points, resulted in an increase in PPC's domestic sales by 6.5% (3,164 GWh).

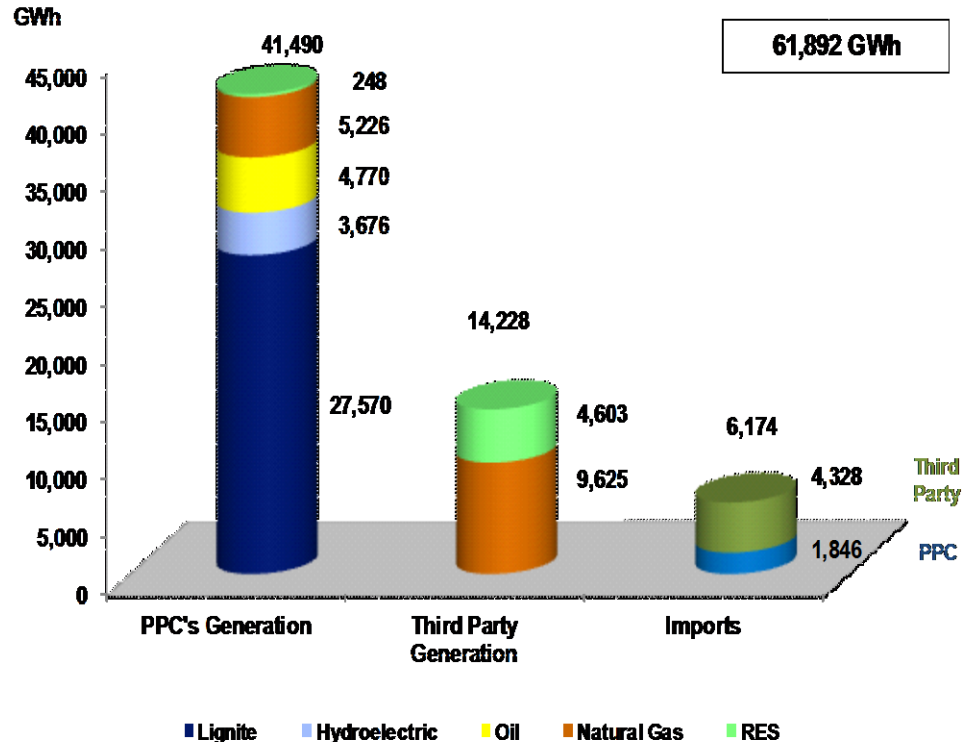
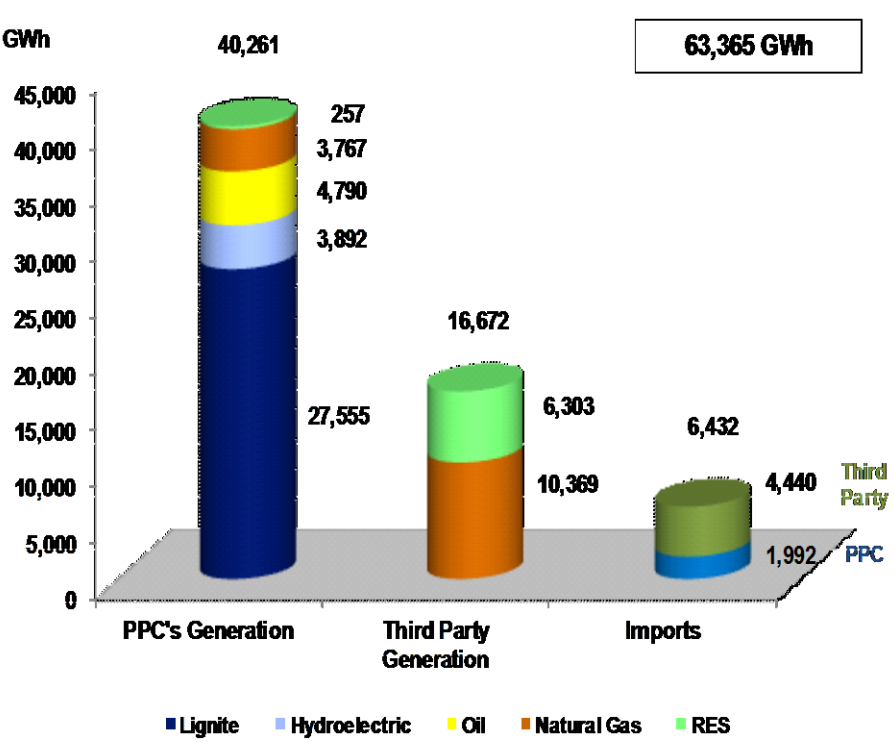


Electricity Generation and Imports 2012 / 2011



2012

2011



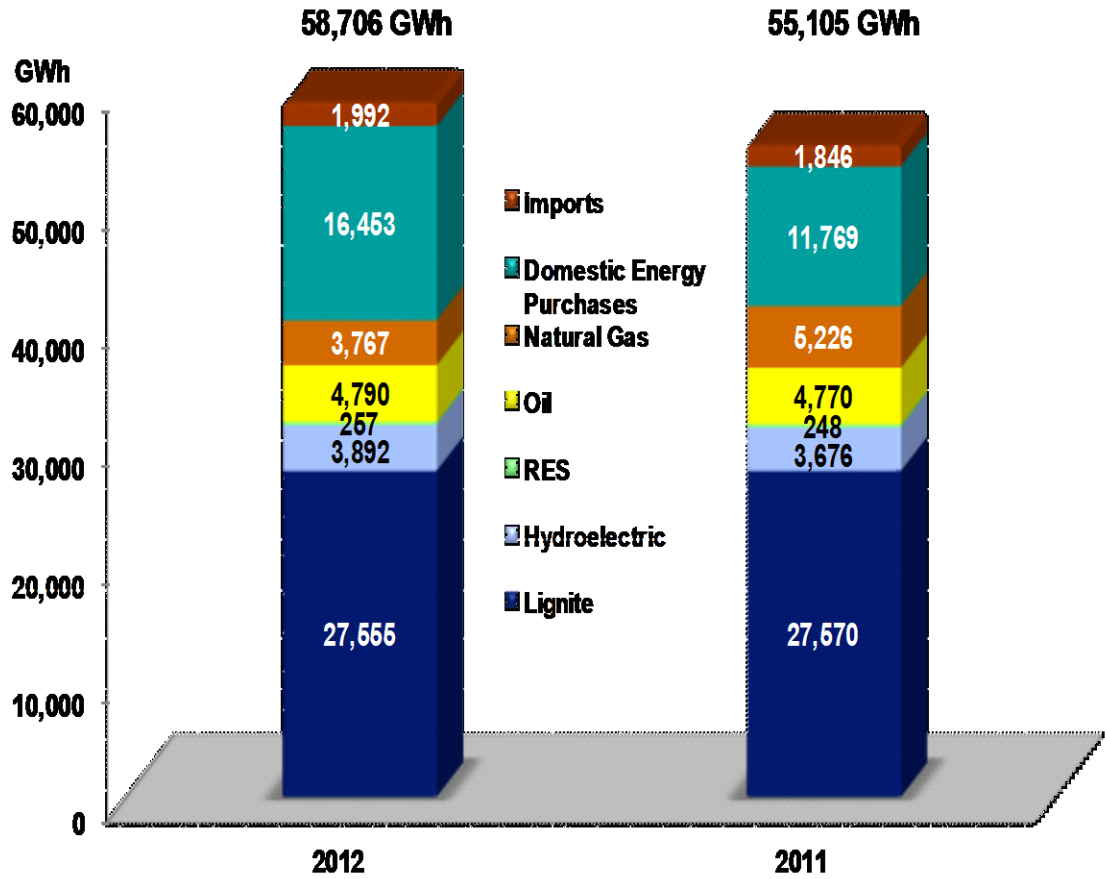
PPC generation: 40,261 GWh	PPC imports: 1,992 GWh
Average Market share: 70.7%	Average Market share: 31.0%

PPC generation: 41,490 GWh	PPC imports: 1,846 GWh
Average Market share: 74.5%	Average Market share: 29.9%

In 2012, PPC's electricity generation and imports, covered 66.7% of total demand, while the corresponding percentage in 2011 was 70%.



PPC/ Energy Generation and Purchases (GWh) 2012 / 2011

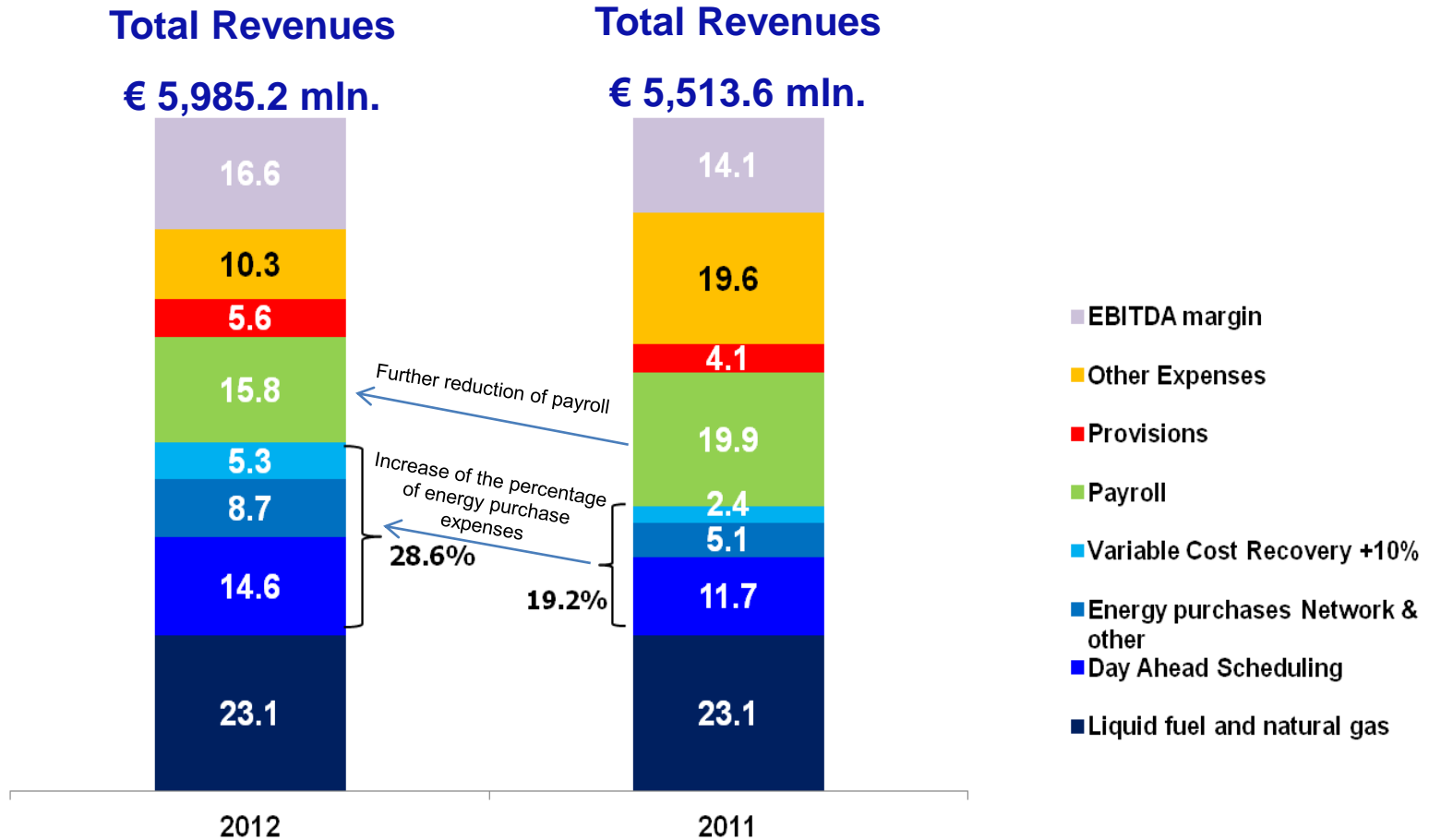


	TOTAL	Δ GWh	Δ %	% Participation	
		3,601	6.5%	2012	2011
PURCHASES	Imports	146	7.9%	3.4%	3.3%
	Domestic Energy Purchases	4,684	39.8%	28.0%	21.4%
IMPORTED FUELS	Natural Gas	-1,459	-27.9%	6.4%	9.5%
	Oil	20	0.4%	8.2%	8.7%
DOMESTIC FUELS	RES	9	3.6%	0.4%	0.5%
	Hydroelectric	216	5.9%	6.6%	6.7%
	Lignite	-15	-0.1%	46.9%	50.0%
TOTALS	PURCHASES			31.4%	24.7%
	IMPORTED FUELS			14.6%	18.1%
	DOMESTIC FUELS			54.0%	57.2%

Although electricity generation from lignite remained practically at the 2011 level, the percentage participation of lignite in PPC's total energy mix declined to 46.9% vs 50% for 2011 as a result of PPC's market share increase in the retail market, which was covered by purchases from third party generators (natural gas and RES). Energy purchases (excluding PPC's imports) from the System and the Network increased by 39.8% (4,684 GWh). Hydro generation increased by 5.9% (216 GWh) between the two periods.



Fuel, CO₂, other energy expenses and EBITDA as percentage of revenues (2012 / 2011)



In 2012, 51.7% of the Company's total revenues were expensed for fuel and energy purchases compared to 42.3% in 2011. This increase is mainly due to the increase of the percentage participation of energy purchase expenses to 28.6% from 19.2%. On the contrary, payroll expense percentage was reduced to 15.8% compared to 19.9% in 2011. EBITDA margin improved to 16.6% versus 14.1% in 2011.

- Other expenses in 2012 are reduced by € 191.7 m from the settlement with DEPA

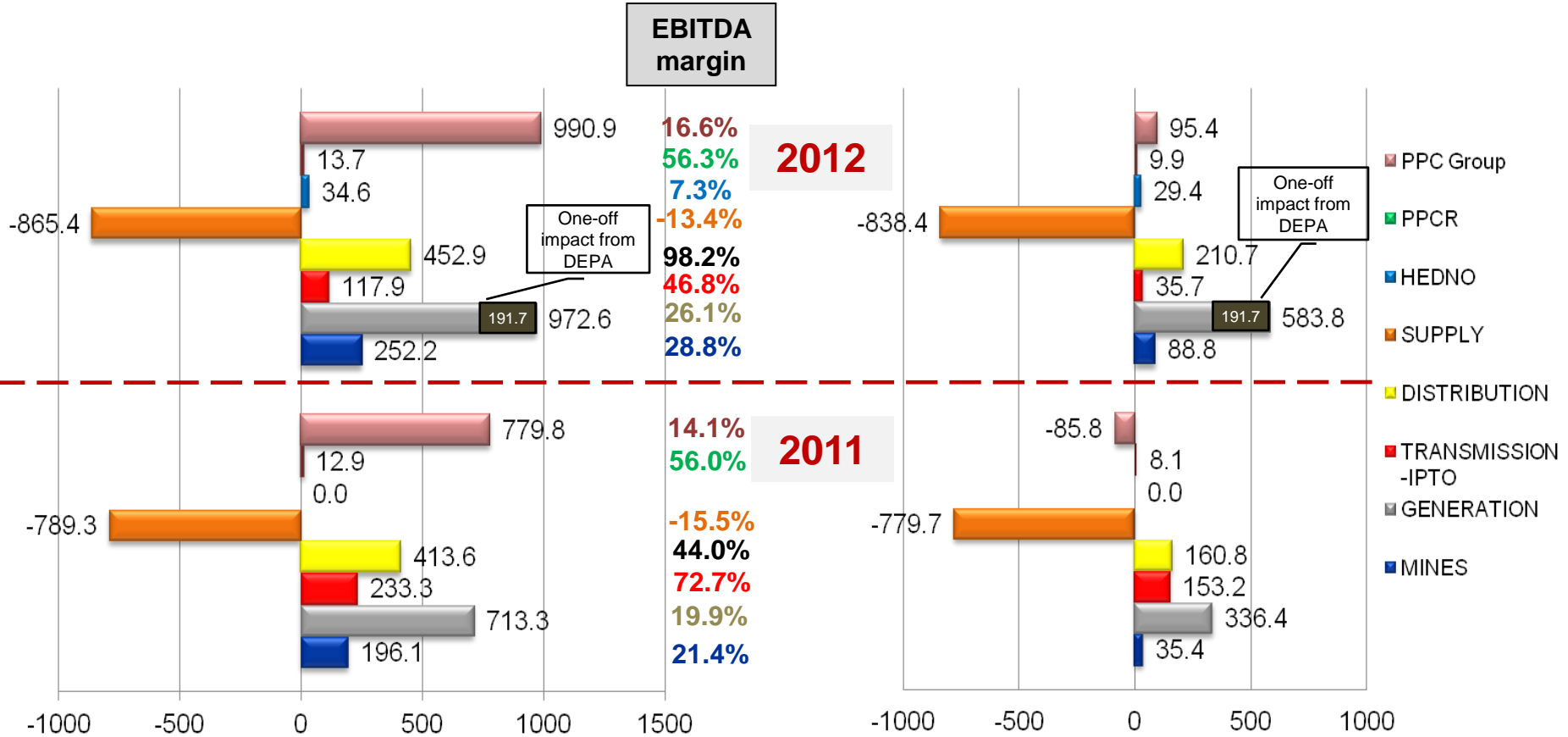


Financial results per activity



EBITDA (€ mln.) ⁽¹⁾

Pre-tax Profits/Losses (€ mln.) ⁽¹⁾



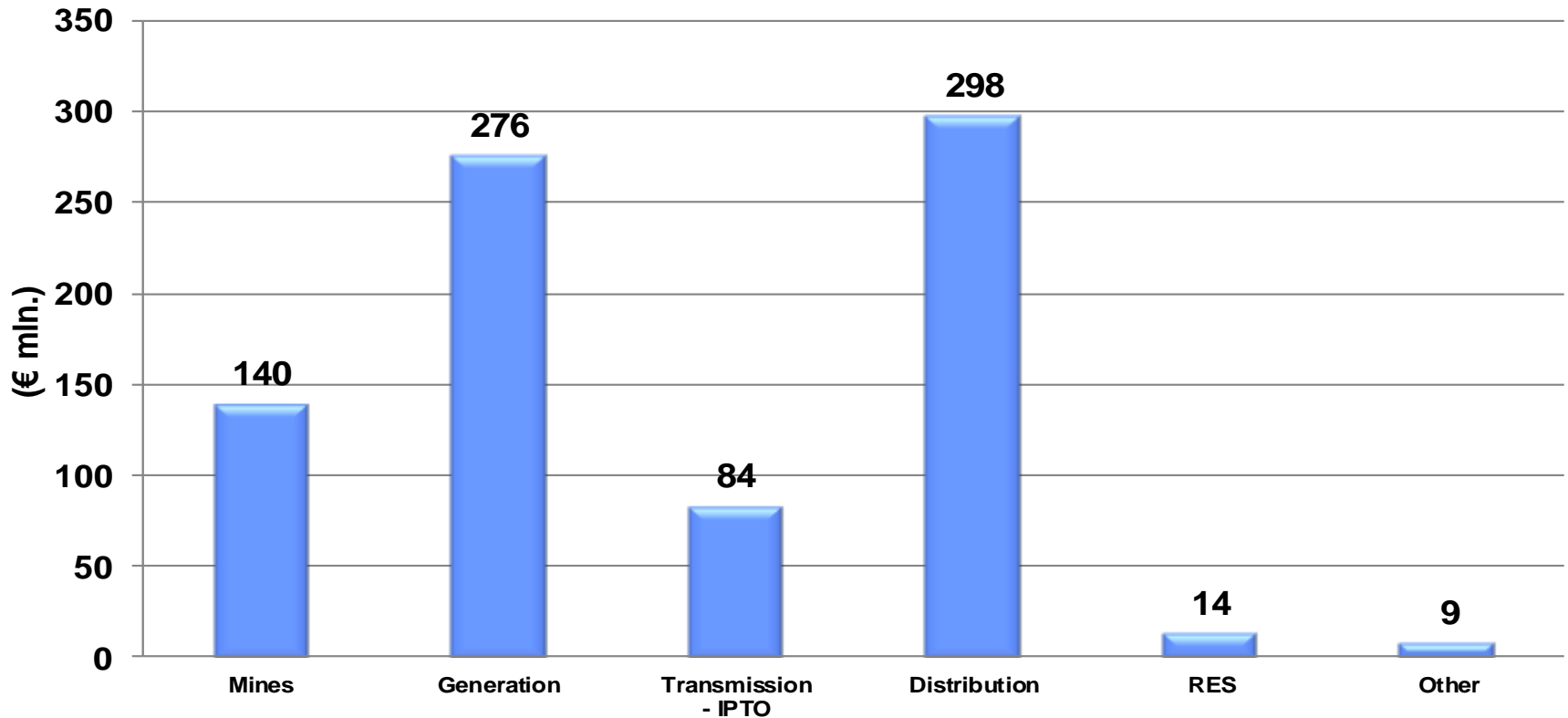
⁽¹⁾ Including the respective figures of the Distribution System Operator and the Operator of the non interconnected islands.



Capex – Net Debt Evolution



- Capital expenditure in 2012 amounted to € 821 mln. compared to € 1,108 mln. in 2011



- Reduction of net debt by € 24 mln from € 4,703 mln on 31/12/2011 to € 4,679 mln. on 31/12/2012.



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Targets & Priorities

- **Complete our refinancing program.**
- **The operation of new, state of the art and environmental friendly units, such as the CCGT “Aliveri V” unit and the Hydro power plant of Ilarionas, as well as the completion of the investment for the CCGT “Megalopolis V” unit in order to replace old and inefficient units, so as to optimize the use of resources and secure the maximum possible return for the Company.**
- **Continue to closely monitor collections and actively manage working capital, given still limited liquidity of the economy and the banking sector.**
- **Having already achieved a significant reduction of total payroll by approximately € 650 mln between 2009 and 2012, we remain focused on further cost optimization actions.**
- **Manage the challenge of ageing personnel and retirements, through selective recruiting and people development strategy, for retaining critical knowhow and acquiring necessary skills.**

Taking into account the already achieved significant productivity improvement, the long-term sustainability and growth of the Company cannot any longer rely only on internal actions for further streamlining operations, but requires also a regulatory framework which ensures healthy competition with the immediate lifting of distortions burdening, with no reason, the end consumer and the economy.



DISCLAIMER



Some of the information contained herein includes forward-looking statements. It is noted that the Group is subject to various risks, which, among other, relate to €/€ exchange rate, oil, natural gas, electricity prices and the price of CO₂ emission rights, as well as changes in the market, legal, regulatory and fiscal framework and bad debt evolution, that could cause actual results to differ materially from those anticipated in the forward-looking statements.