

**PUBLIC POWER CORPORATION S.A.**  
BALANCE SHEETS (Unaudited)  
IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS  
(Expressed in thousands of Euro)

**June 30, 2002 December 31, 2001**

**ASSETS**

**Current Assets:**

Cash and cash equivalents	35.993	44.054
Marketable and other securities	20.930	27.283
Trade receivables, net	541.946	537.938
Other receivables, net	121.634	113.640
Materials, spare parts and supplies, net	559.625	560.009
PPC Personnel Insurance Organization	167.597	167.758
Other current assets	8.204	6.448
<b>Total current assets</b>	<b>1.455.929</b>	<b>1.457.130</b>

**Non-Current Assets:**

Investments	17.336	5.270
Property, plant and equipment, net	6.376.671	6.247.439
Intangible assets, net	2.950	3.941
Deferred tax assets	96.285	96.285
Other non-current assets	25.225	21.825
<b>Total non-current assets</b>	<b>6.518.466</b>	<b>6.374.760</b>
<b>Total assets</b>	<b>7.974.395</b>	<b>7.831.890</b>

**LIABILITIES AND EQUITY**

**Current Liabilities:**

Trade and other payables	557.634	501.041
Income tax payable	230.175	126.675
Accrued and other current liabilities	134.763	107.208
Short-term borrowings	55.302	2.103
Current portion of long-term debt	862.432	426.407
<b>Total current liabilities</b>	<b>1.840.306</b>	<b>1.163.434</b>

**Non-Current Liabilities:**

Long-term debt, net of current portion	3.704.761	4.411.776
Provisions	233.049	184.871
Deferred income tax liability	105.179	105.179
Deferred subsidies and customers' contributions	1.144.293	1.102.598
Other non-current liabilities	399.813	402.073
<b>Total non-current liabilities</b>	<b>5.587.096</b>	<b>6.206.495</b>

**Equity:**

Share capital	679.760	680.851
Share premium	106.679	106.679
Reversal of fixed assets' statutory revaluation surplus, included in share capital	(531.777)	(531.777)
Reserves	216.237	219.397
Retained Earnings (deficit)	<u>76.094</u>	<u>(13.190)</u>
<b>Total equity</b>	<u>546.994</u>	<u>461.961</u>
<b>Total liabilities and equity</b>	<u><u>7.974.395</u></u>	<u><u>7.831.890</u></u>

**PUBLIC POWER CORPORATION S.A.**  
**STATEMENTS OF INCOME**  
**IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS**  
(Expressed in thousands of Euro)

	<b>June 30,</b>	
	<b>2002</b>	<b>2001</b>
<b>REVENUES:</b>		
Revenue from energy sales	1.600.762,00	1.456.338,00
Other	22.571,00	16.561,00
	1.623.333,00	1.472.899,00
<b>EXPENSES:</b>		
Payroll cost	390.620,00	359.922,00
Fossil fuel	195.279,00	193.986,00
Liquid fuel	205.009,00	200.457,00
Natural gas	134.222,00	157.005,00
Depreciation and amortization	118.822,00	113.853,00
Utilities and maintenance	26.761,00	31.573,00
Materials and consumables	30.136,00	37.587,00
Energy purchases	76.258,00	41.958,00
Third party fees	11.523,00	9.837,00
Taxes and duties	10.904,00	10.660,00
Provision for risks	18.043,00	2.674,00
Provision for slow-moving materials	9.664,00	5.365,00
Provision for doubtful accounts	4.419,00	4.135,00
Other expenses	21.124,00	20.201,00
<b>COST OF ENERGY SOLD</b>	1.252.784,00	1.189.213,00
<b>PROFIT FROM OPERATIONS</b>	370.549,00	283.686,00
Financial expenses	-120.403,00	-141.551,00
Financial income	8.598,00	8.659,00
Foreign currency gains (losses), net	16.957,00	-12.651,00
Other income (expense), net	5.245,00	6.353,00
	280.946,00	144.496,00
<b>PROFIT BEFORE TAX</b>	280.946,00	144.496,00
Provision for income taxes	-103.500,00	-40.226,00

<b>PROFIT AFTER TAX</b>	<u>177.446,00</u>	<u>104.270,00</u>
<b>Earnings per share, basic and diluted</b>	<u>0,81</u>	<u>0,47</u>
<b>Weighted average number of shares</b>	<u>232.000.000,00</u>	<u>220.000.000,00</u>

## PUBLIC POWER CORPORATION S.A.

### PARENT STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2001 AND FOR THE SIX MONTHS ENDED JUNE 30, 2002  
IN ACCORDANCE WITH IAS (Unaudited)  
(Expressed in thousands of Euro)

	Reserves							Grand Total
	Share Capital	Paid in Surplus	Reversal of Revaluat ion Gains	Marketable Securities Valuation Surplus	Tax Free and Other Reserve s	Total	Accumul ated Deficit	
<b>Balance, December 31, 2000</b>	645.635	0	-531.777	22.964	204.381	227.345	220.413	120.789
IAS 39 transition adjustment on valuation of swap agreements	-		-		-		(43.545)	-43.545
Share Capital increase	35.216							35.216
Paid in surplus		106.679						106.679
Net income for the period	-						250.563	250.563
Valuation of marketable securities	-			(7.946)		-7.946		-7.946
Other movements	-						202	202
<b>Balance, December 31, 2001</b>	680.851	106.679	-531.777	15.018	204.381	219.398	-13.192	461.960
Net income for the period	-						177.446	177.446
Valuation of marketable securities	-			(4.252)		(4.252)		-4.252
Interim Dividend							(88.160)	-88.160
Translation of share capital to Euro	(1.091)				1.091	1.091		0
Other movements	-							0
<b>Balance, June 30, 2002</b>	<u>679.760</u>	<u>106.679</u>	<u>-531.777</u>	<u>10.766</u>	<u>205.472</u>	<u>216.237</u>	<u>76.094</u>	<u>546.994</u>

## PUBLIC POWER CORPORATION S.A.

STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2002 AND 2001  
IN ACCORDANCE WITH IAS (Unaudited)

(Expressed in thousands of Euro)

	<u>June 30,</u> <u>2002</u>	<u>June 30,</u> <u>2001</u>
<b>Cash Flows from Operating Activities:</b>		
Net income	177.446,00	104.246,00
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & amortization	182.084,78	168.865,00
Amortization of subsidies & customers' participation	-43.600,00	-41.353,00
Fair value loss /(gain) on derivative instruments	-21.891,00	7.066,00
Interest income	-7.858,00	-3.684,00
Provision for fair value gain of derivatives and foreign exchange gains	28.363,00	0,00
Provision for risks	34.530,00	12.523,00
Unrealised foreign exchange differences on long-term debt	-11.724,00	11.799,00
Unrealized gain from fixed assets retirement	-3.650,00	-5.813,00
Provision for unbilled revenue	6.496,89	-6.041,00
Provision for income taxes	103.499,45	40.226,00
Interest expense	<u>104.458,00</u>	<u>128.161,00</u>
Operating profit before working capital changes	548.155,13	415.995,00
(Increase) Decrease in:		
Accounts receivable, trade and other	-22.918,00	-13.277,00
Other current assets	-1.756,21	33.532,00
PPC-Personnel Insurance Organization	161,47	167.273,00
Materials, spare parts and supplies	-1.980,39	285,00
Other non-current assets	5.782,63	3.416,00
Increase (Decrease) in:		
Accounts payable, trade and other	-18.526,31	-30.085,00
Other non-current liabilities	9.819,00	-685,00
Accrued liabilities excluding bank loan interest	24.894,00	18.882,00
Income taxes paid	<u>0,00</u>	<u>-14.454,00</u>
<b>Net Cash from Operating Activities</b>	<u>543.631,30</u>	<u>580.882,00</u>
<b>Cash Flows from/ (used in) Investing Activities:</b>		
Capital expenditure for property and equipment	-314.020,70	-395.479,00
Disposal of fixed assets and software	44,00	261,00
Proceeds from subsidies and customers' contributions	85.295,15	92.814,00
Proceeds from OAE bonds	2.101,00	27.337,00
Interest received	7.858,00	6.060,00
Proceeds from sale of marketable securities	0,00	0,00

Acquisition of marketable securities	0,00	0,00
Investment in subsidiaries	<u>-12.065,31</u>	<u>-1.112,00</u>
<b>Net Cash used in Investing Activities</b>	<u>-230.787,86</u>	<u>-270.119,00</u>
<b>Cash Flows from/ (used in) Financing Activities:</b>		
Net change in short-term borrowings	53.198,91	-7.965,00
Proceeds from long-term debt	7.140,00	335.240,00
Principal payments of long-term debt	-266.241,00	-164.097,00
Proceeds from issuance of new shares, net	0,00	0,00
Interest paid	-101.797,00	-131.777,00
Dividends paid	-13.205,00	0,00
Other		<u>-3,00</u>
<b>Net Cash from Financing Activities</b>	<u>-320.904,09</u>	<u>31.398,00</u>
<b>Net increase in cash and cash equivalents</b>	-8.060,65	342.161,00
<b>Cash and cash equivalents at beginning of year</b>	<u>44.054,07</u>	<u>11.816,00</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>35.993,42</u></u>	<u><u>353.977,00</u></u>