

Public Power Corporation SA

Financial Results 2013

Athens, March 27, 2014

Agenda

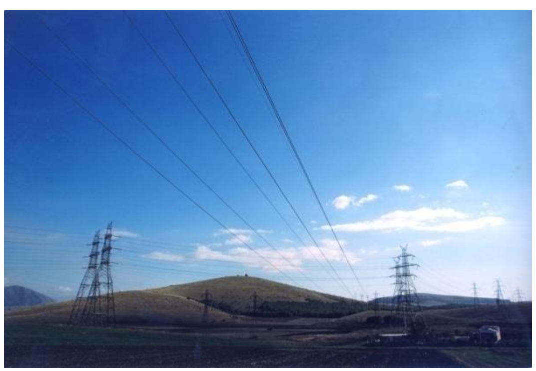
Financial Results

George Angelopoulos, CFO

Business Review & Outlook

Arthouros Zervos, Chairman and CEO





Financial Results 2013

George Angelopoulos

Chief Financial Officer

Summary Financial Results 2013 / 2012

Key Figures - Group (€ mln.)	2013	2012	Δ	Δ%
Total Revenues	**5,970.8**	**5,985.2**	***(14.4)***	***(0.2)***
Revenues from Energy Sales	*5,765.8*	*5,717.2*	*48.6*	*0.9*
Total Energy Sales (GWh)	*50,754*	*52,810*	*-2,056*	*(3.9)*
Domestic Energy Sales (GWh)	*49,818*	*51,946*	*-2,128*	*(4.1)*
Other revenues	*205.0*	*268.0*	*(63.0)*	*(23.5)*
Payroll Expense (*)	939.8	934.1	*5.7*	*0.6*
Liquid Fuel	792.6	940.7	*(148.1)*	*(15.7)*
Special Consumption Tax	*136.2*	*171.8*	*(35.6)*	*(20.7)*
Natural Gas	401.9	444.5	*(42.6)*	*(9.6)*
Special Consumption Tax	*50.3*	*50.9*	*(0.6)*	*(1.2)*
Expenditure for CO_2 emission rights	187.5	57.1	*130.4*	
Energy Purchases	1,593.4	1,744.5	*(151.1)*	*(8.7)*
Variable cost recovery mechanism	*336.4*	*319.2*	*17.2*	*5.4*
Other Operating Expenses (controllable)	583.8	578.8	*5.0*	*0.9*
Provisions (**)	358.3	337.4	*20.9*	*6.2*
One-off settlement of outstanding issues with DEPA up to 31.12.2011		-191.7		
EBITDA	**881.6**	**1,002.2**	***(120.6)***	***(12.0)***
EBITDA MARGIN (%)	**14.8%**	**16.7%**		
Depreciation and Amortisation and impairment of fixed assets	626.4	659.9	*(33.5)*	*(5.1)*
Net Financial Expenses	219.4	235.0	*(15.6)*	*(6.6)*
Financial expenses	*266.8*	*277.3*	*(10.5)*	*(3.8)*
Financial income	*47.4*	*42.3*	*5.1*	*12.1*
EBT	**34.9**	**106.7**	***(71.8)***	***(67.3)***

(*) 2013 payroll expense includes an amount of € 8.6 m relating to the employees who work for various social security funds, according to the provisions of Law 4147/2013.
2012 payroll expense has been restated due to the amended IAS 19 "Employee Benefits".

(**) 2012 includes a € 52.7 mln reversal of the provisions for the Attica region traffic lights and one off provisions of a total amount of € 59.8 mln. of IPTO and HEDNO regarding third party suppliers debt.

Adjusting 2013 EBITDA for the one-off negative impact of the Arbitration Decision for ALUMINIUM and 2012 EBITDA for the one-off positive impact of the financial settlement with DEPA, there is a 21.8% improvement in EBITDA (+€ 176.6 m.) to € 987.1 m. from € 810.5 m., with the respective margin increasing to 16.5% from 13.5% in 2012, stemming mainly from the lower fuel and energy purchase expenses.

Summary Financial Results 4Q2013 / 4Q2012

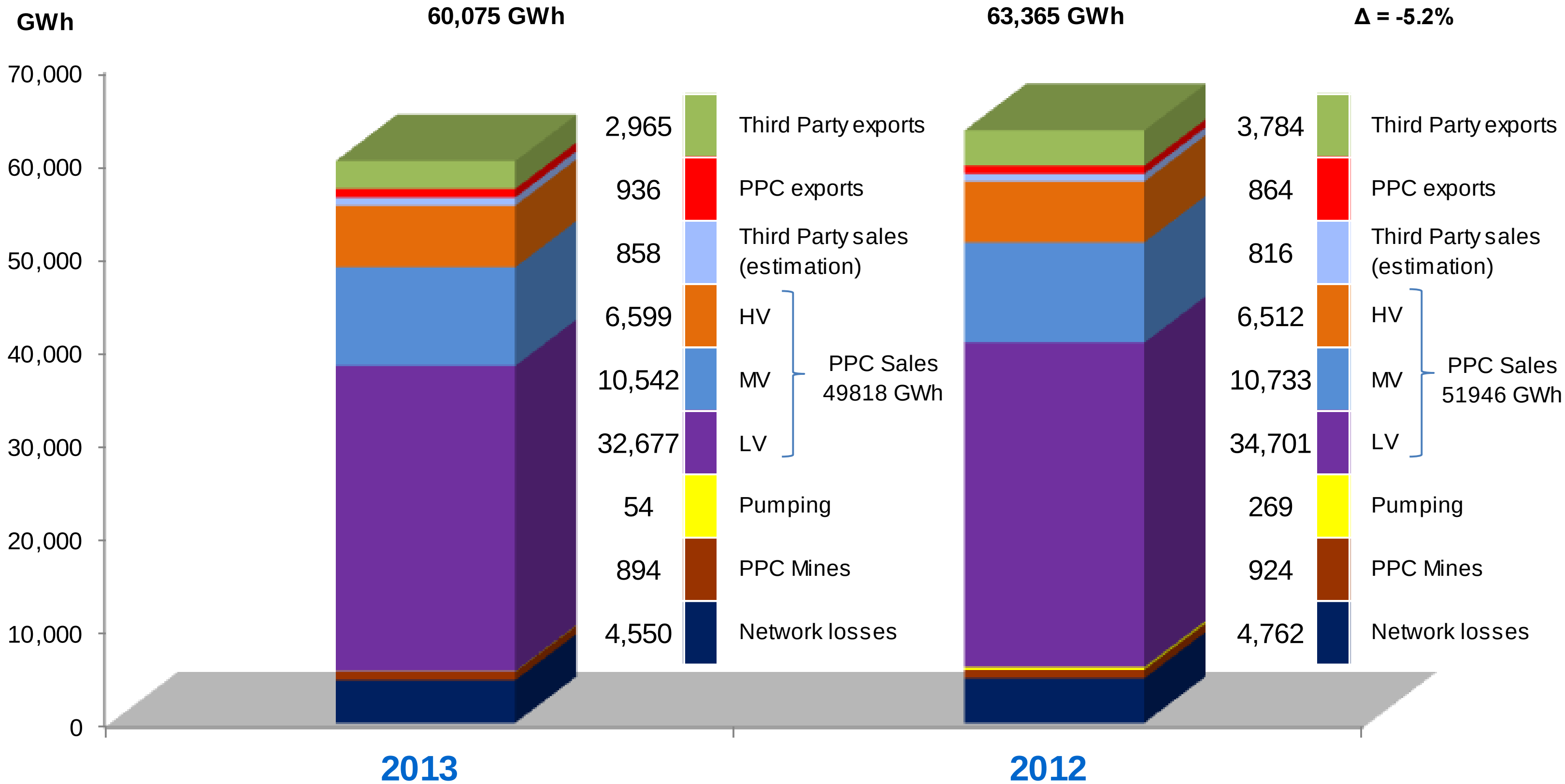
Key Figures - Group (€ mln.)	4Q2013	4Q2012	Δ	Δ%
Total Revenues	**1,476.9**	**1,421.5**	***55.4***	***3.9***
Revenues from Energy Sales	*1,416.9*	*1,369.7*	*47.2*	*3.4*
Total Energy Sales (GWh)	*12,373*	*12,693*	*-320*	*(2.5)*
Domestic Energy Sales (GWh)	*12,269*	*12,373*	*-104*	*(0.8)*
Other revenues	*60.0*	*51.8*	*8.2*	*15.8*
Payroll Expense (*)	239.5	236.5	*3.0*	*1.3*
Liquid Fuel	167.7	196.8	*(29.1)*	*(14.8)*
Special Consumption Tax	*28.7*	*31.5*	*(2.8)*	*(8.9)*
Natural Gas	158.3	73.9	*84.4*	*114.2*
Special Consumption Tax	*19.2*	*7.9*	*11.3*	*143.0*
Expenditure for CO_2 emission rights	40.1	56.2	*(16.1)*	*(28.6)*
Energy Purchases	367.5	389.5	*(22.0)*	*(5.6)*
Variable cost recovery mechanism	*32.2*	*107.6*	*(75.4)*	*(70.1)*
Other Operating Expenses (controllable)	130.9	159.3	*(28.4)*	*(17.8)*
Provisions (**)	87.8	107.9	*(20.1)*	*(18.6)*
One-off settlement of outstanding issues with DEPA up to 31.12.2011		-191.7		
EBITDA	**200.6**	**179.9**	***20.7***	***11.5***
EBITDA MARGIN (%)	**13.6%**	**12.7%**		
Depreciation and Amortisation and impairment of fixed assets	167.4	179.1	*(11.7)*	*(6.5)*
Net Financial Expenses	55.9	58.3	*(2.4)*	*(4.1)*
Financial expenses	*68.3*	*69.1*	*(0.8)*	*(1.2)*
Financial income	*12.4*	*10.8*	*1.6*	*14.8*
EBT	**-22.0**	**-58.5**	***36.5***	***(62.4)***

(*) 4Q2013 payroll expense includes an amount of € 2 m relating to the employees who work for various social security funds, according to the provisions of Law 4147/2013.
2012 payroll expense has been restated due to the amended IAS 19 "Employee Benefits".

(**) 4Q2012 includes an one off provision of a total amount of € 15.9 mln. of IPTO regarding third party suppliers debt.

Total revenues in 4Q2013 marked a 3.9% increase. Revenues from energy sales marked an increase of 3.4% to € 1,416.9 m., as the rate of demand decline slowed down to 4.1%, compared to 5.5% in the preceding nine months of 2013, while at the same time there was an improvement in the sales mix. EBITDA increased by 11.5% from € 179.9 m. to € 200.6 m.

Electricity Demand 2013 / 2012



PPC domestic sales :	49,818 GWh
Average Market share (estimation) :	98.3%

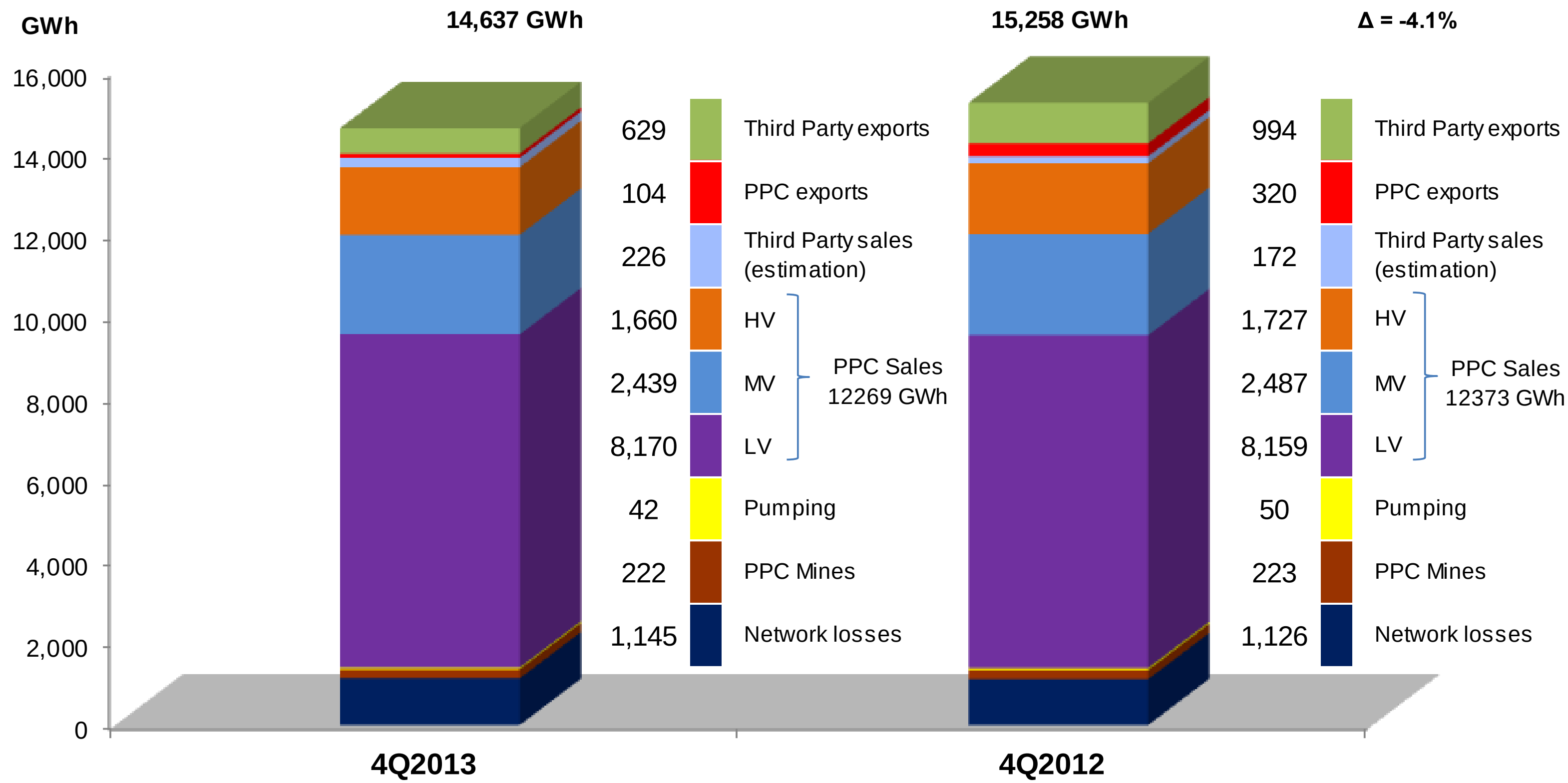
PPC domestic sales :	51,946 GWh
Average Market share (estimation) :	98.5%

PPC exports:	936 GWh
Average Market share :	24.0%

PPC exports:	864 GWh
Average Market share :	18.6%

Total electricity demand, excluding pumping and exports, decreased by 4% (-2,328 GWh).
PPC's domestic sales decreased by 4.1% (-2,128 GWh), mainly due to the reduction of LV sales (-5.8%).

Electricity Demand 4Q2013 / 4Q2012



PPC domestic sales :	12,269 GWh
Average Market share (estimation) :	98.2%

PPC domestic sales :	12,373 GWh
Average Market share (estimation) :	98.6%

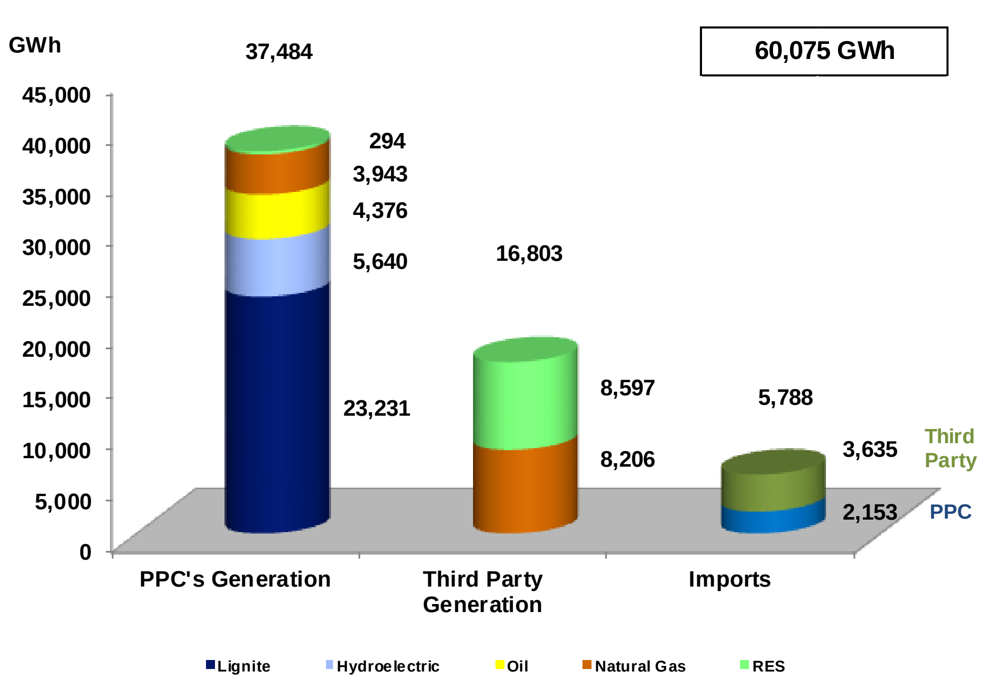
PPC exports:	104 GWh
Average Market share :	14.2%

PPC exports:	320 GWh
Average Market share :	24.4%

Electricity demand, excluding pumping and exports, remained practically flat between the two quarters. Taking also into account PPC's market share slight reduction by 0.4 percentage points, PPC's domestic sales decreased in 4Q 2013, by 0.8% (104 GWh), compared to 4Q2012.

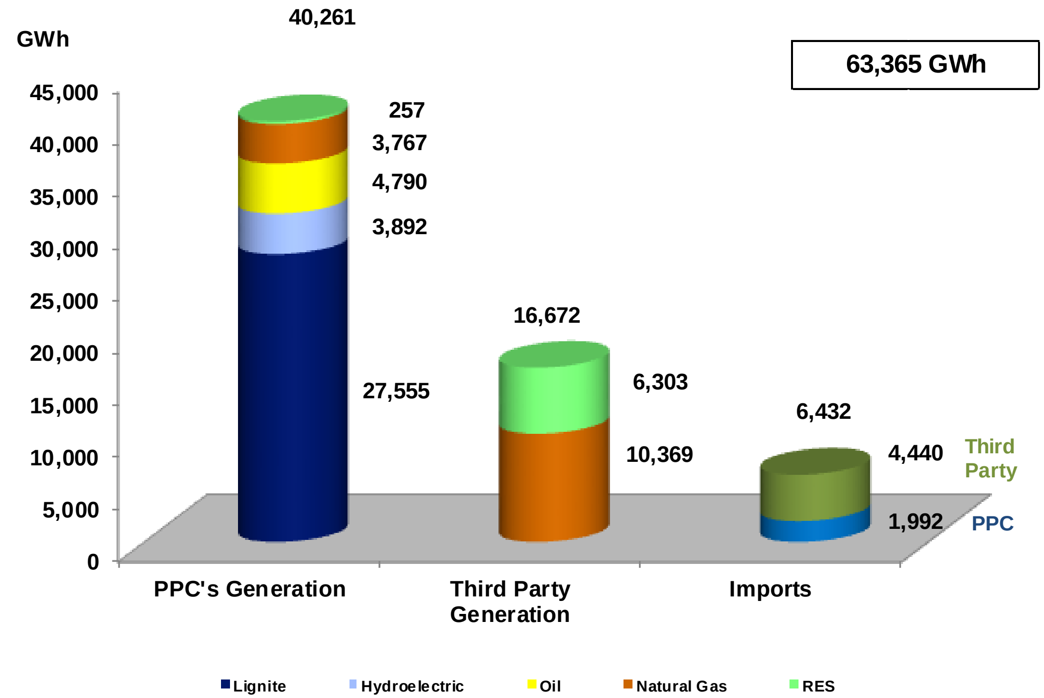
Electricity Generation and Imports 2013 / 2012

2013



PPC generation: 37,484 GWh	PPC imports: 2,153 GWh
Average Market share: 69.0%	Average Market share: 37.2%

2012

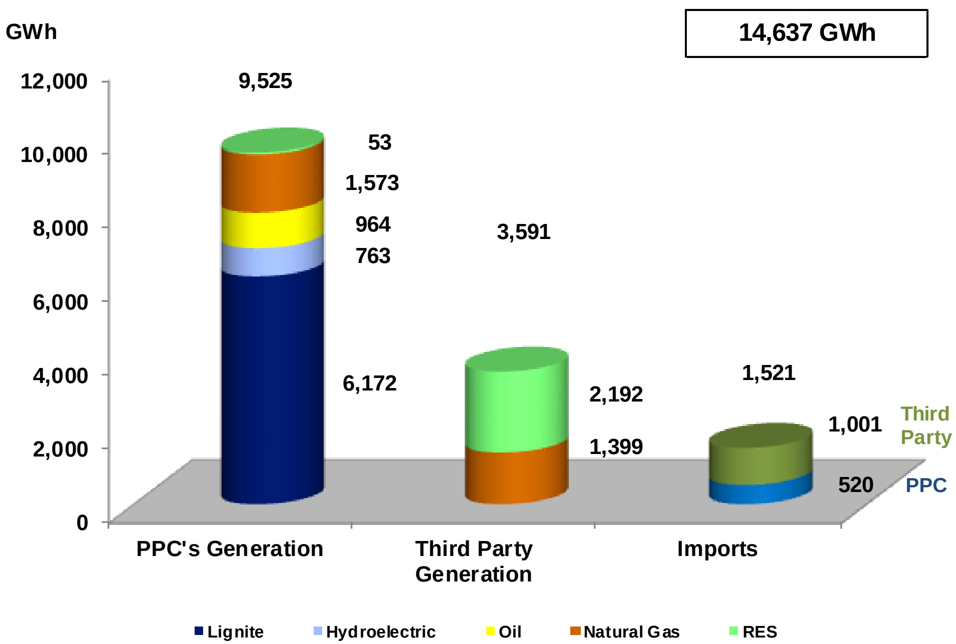


PPC generation: 40,261 GWh	PPC imports: 1,992 GWh
Average Market share: 70.7%	Average Market share: 31.0%

In 2013, PPC's electricity generation and imports, covered 66% of total demand, while the corresponding percentage in 2012 was 66.7%.

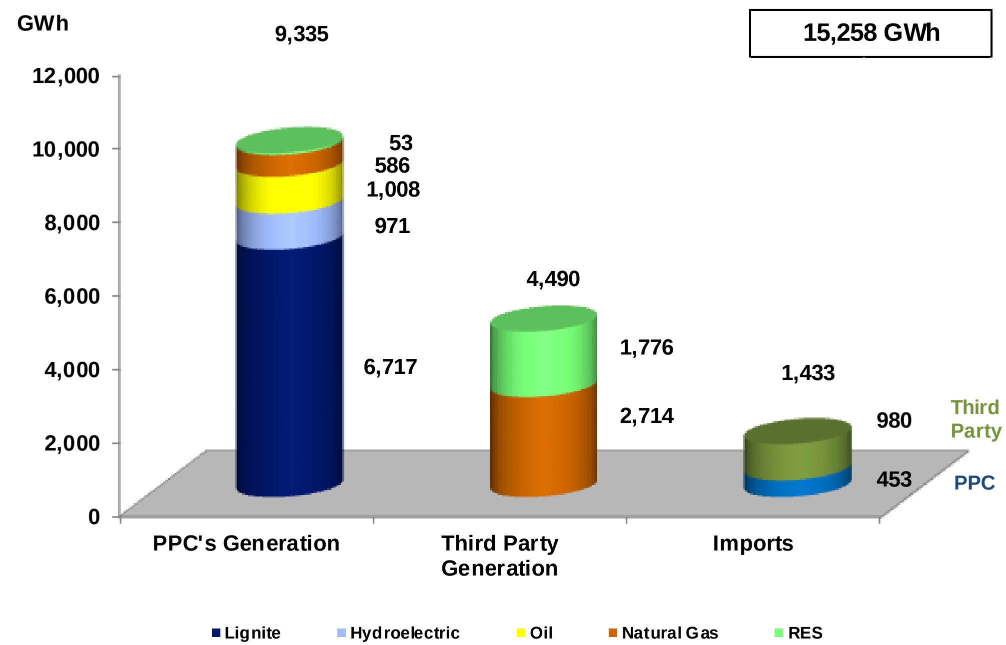
Electricity Generation and Imports 4Q2013 / 4Q2012

4Q2013



PPC generation: 9,525 GWh	PPC imports: 520 GWh
Average Market share: 72.6%	Average Market share: 34.2%

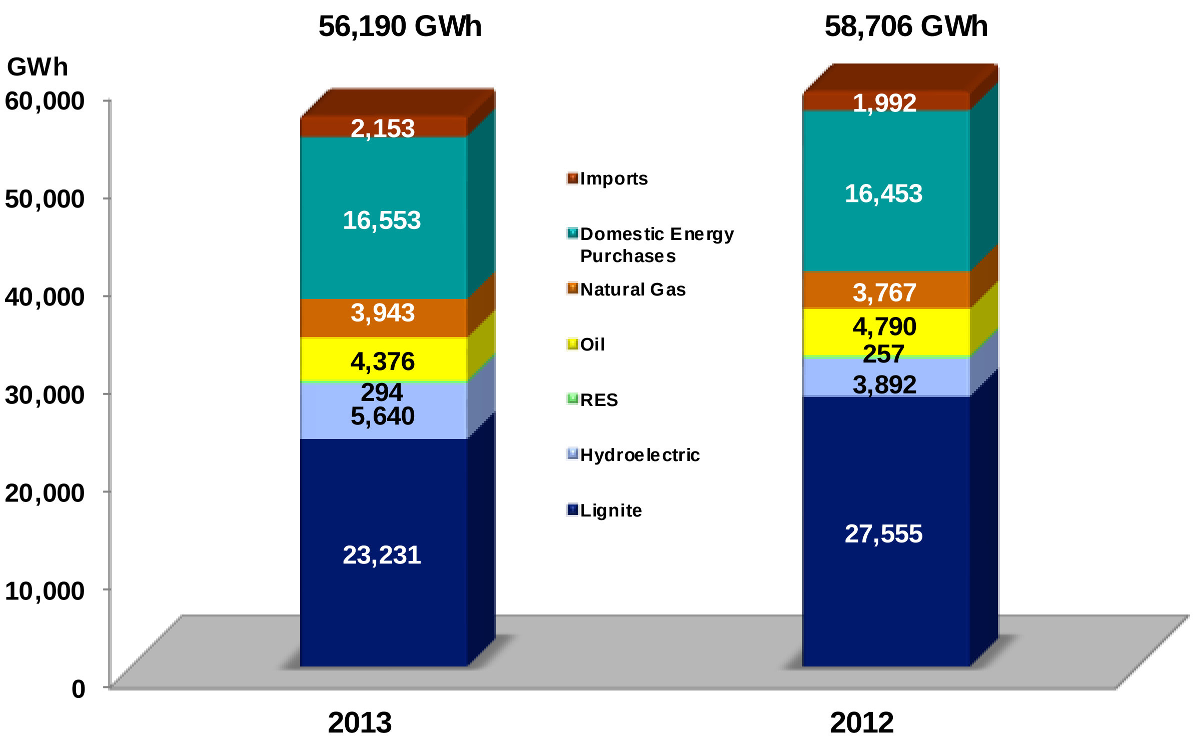
4Q2012



PPC generation: 9,335 GWh	PPC imports: 453 GWh
Average Market share: 67.5%	Average Market share: 31.6%

In 4Q2013, PPC's electricity generation and imports, covered 68.6% of total demand, while the corresponding percentage in 4Q2012 was 64.1%.

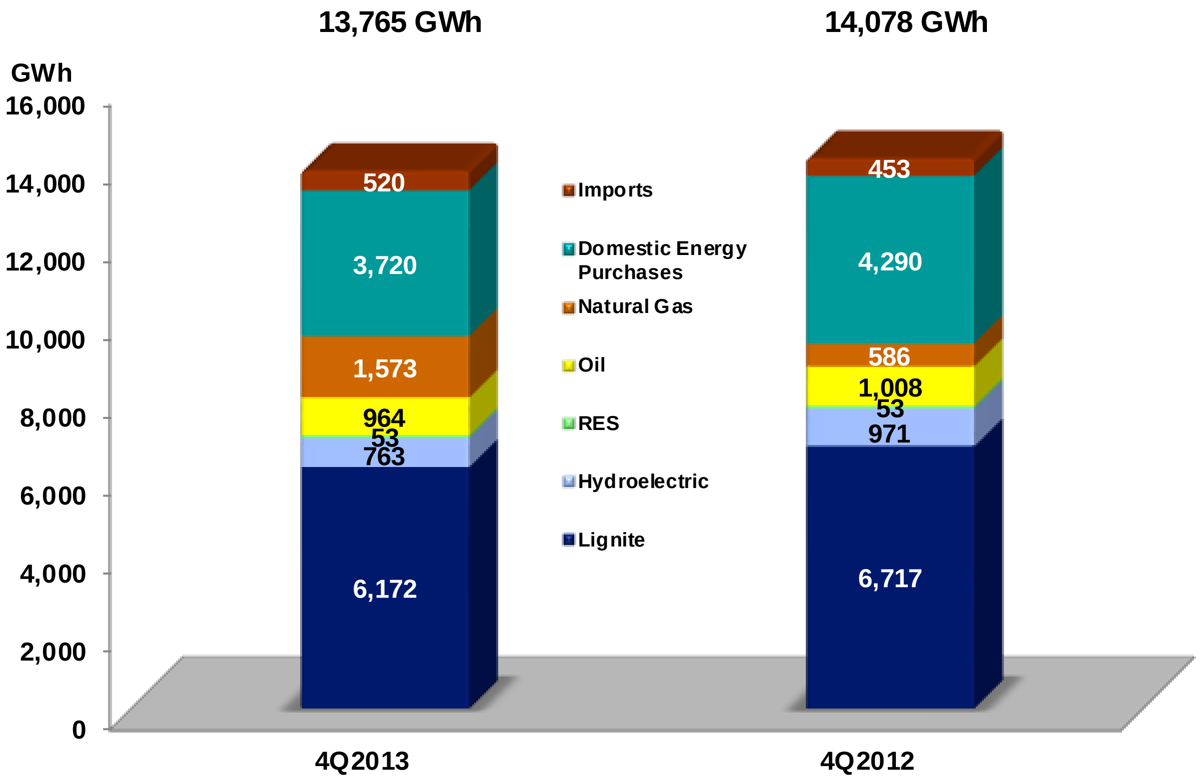
PPC/ Energy Generation and Purchases (GWh) 2013 / 2012



		TOTAL	Δ GWh	Δ %	% Participation	
			-2,516	-4.3%	2013	2012
PURCHASES	Imports		161	8.1%	3.8%	3.4%
	Domestic Energy Purchases		100	0.6%	29.5%	28.0%
IMPORTED FUELS	Natural Gas		176	4.7%	7.0%	6.4%
	Oil		-414	-8.6%	7.8%	8.2%
DOMESTIC FUELS	RES		37	14.4%	0.5%	0.4%
	Hydroelectric		1,748	44.9%	10.0%	6.6%
	Lignite		-4,324	-15.7%	41.3%	46.9%
TOTALS	**PURCHASES**				33.3%	31.4%
	IMPORTED FUELS				14.8%	14.6%
	DOMESTIC FUELS				51.9%	54.0%

In 2013, electricity generation from lignite decreased by 15.7% (4,324 GWh) compared to 2012.
In the same period the percentage participation of lignite in PPC's total energy mix, declined to 41.3% vs 46.9% for 2012.
Energy purchases (excluding PPC's imports) from the System and the Network slightly increased by 0.6% (100 GWh).
Hydro generation in 2013 increased by 44.9% (1,748 GWh) compared to 2012.

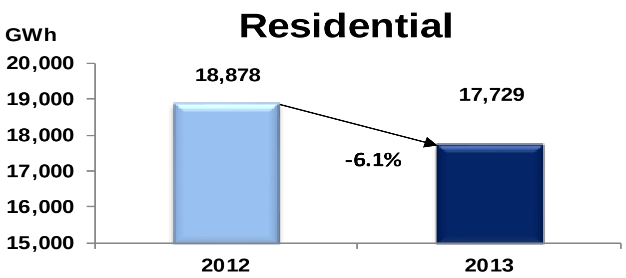
PPC/ Energy Generation and Purchases (GWh) 4Q2013 / 4Q2012

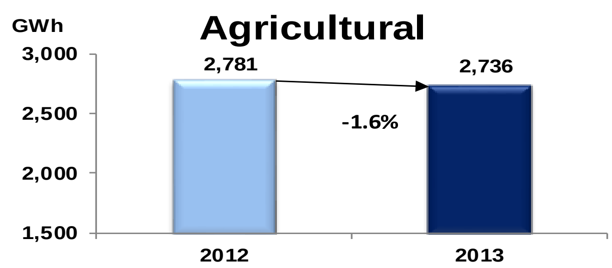


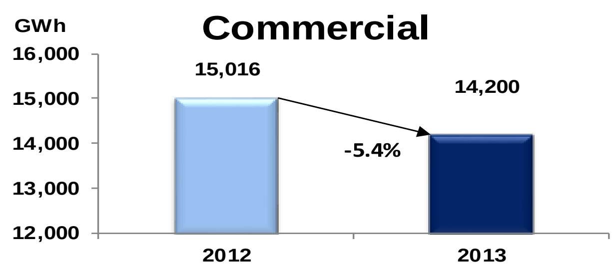
		Δ GWh	Δ %	% Participation 4Q2013	% Participation 4Q2012
	TOTAL	-313	-2.2%		
PURCHASES	Imports	67	14.8%	3.8%	3.2%
	Domestic Energy Purchases	-570	-13.3%	27.0%	30.5%
IMPORTED FUELS	Natural Gas	987	168.4%	11.4%	4.2%
	Oil	-44	-4.4%	7.0%	7.2%
DOMESTIC FUELS	RES	0	0.0%	0.4%	0.4%
	Hydroelectric	-208	-21.4%	5.5%	6.9%
	Lignite	-545	-8.1%	44.8%	47.7%
TOTALS	**PURCHASES**			30.8%	33.7%
	IMPORTED FUELS			18.4%	11.3%
	DOMESTIC FUELS			50.8%	55.0%

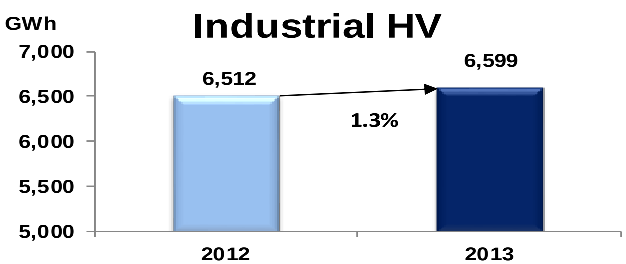
In 4Q2013, lignite–fired generation decreased by 8.1% (the respective decrease in 9M2013 was 18.1%). In the same period the percentage participation of lignite in PPC's total energy mix, declined to 44.8% versus 47.7% for 4Q2012. Energy purchases from the System and the Network decreased by 13.3% or 570 GWh due to the decrease of total demand by 4.1%. Hydro generation in 4Q2013 decreased by 21.4% (208 GWh) compared to 4Q2012.

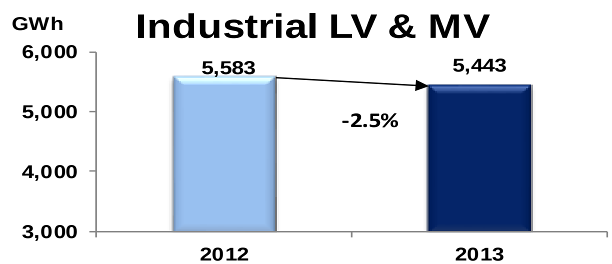
Electricity Sales (GWh) 2013 / 2012

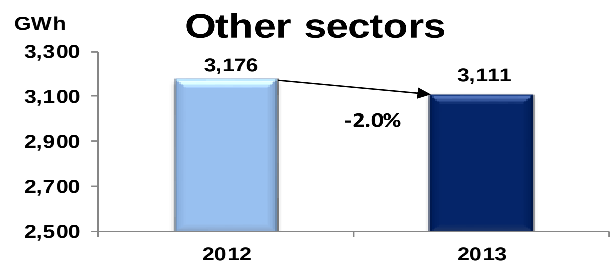


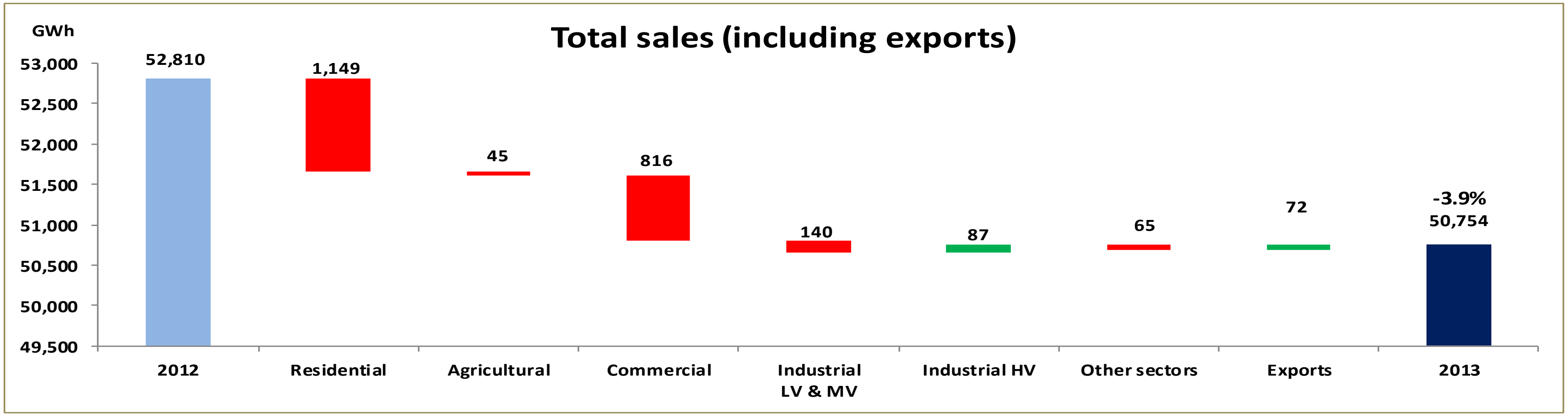






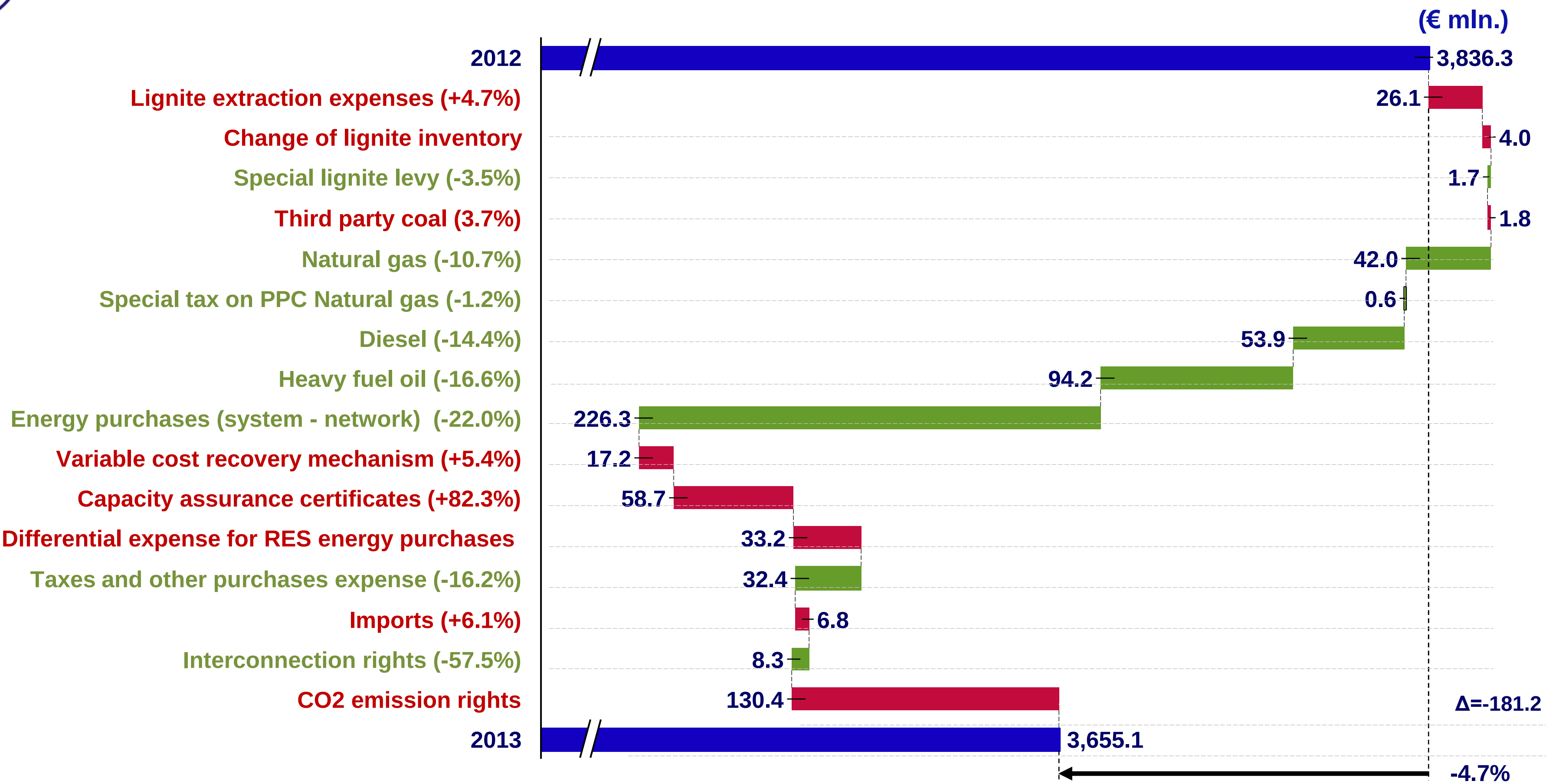






In 2013, PPC's electricity sales, including exports, decreased by 3.9% (2,056 GWh) compared to 2012, mainly due to lower sales to the residential sector by 6.1% (1,149 GWh) and to the commercial sector by 5.4% (816 GWh).

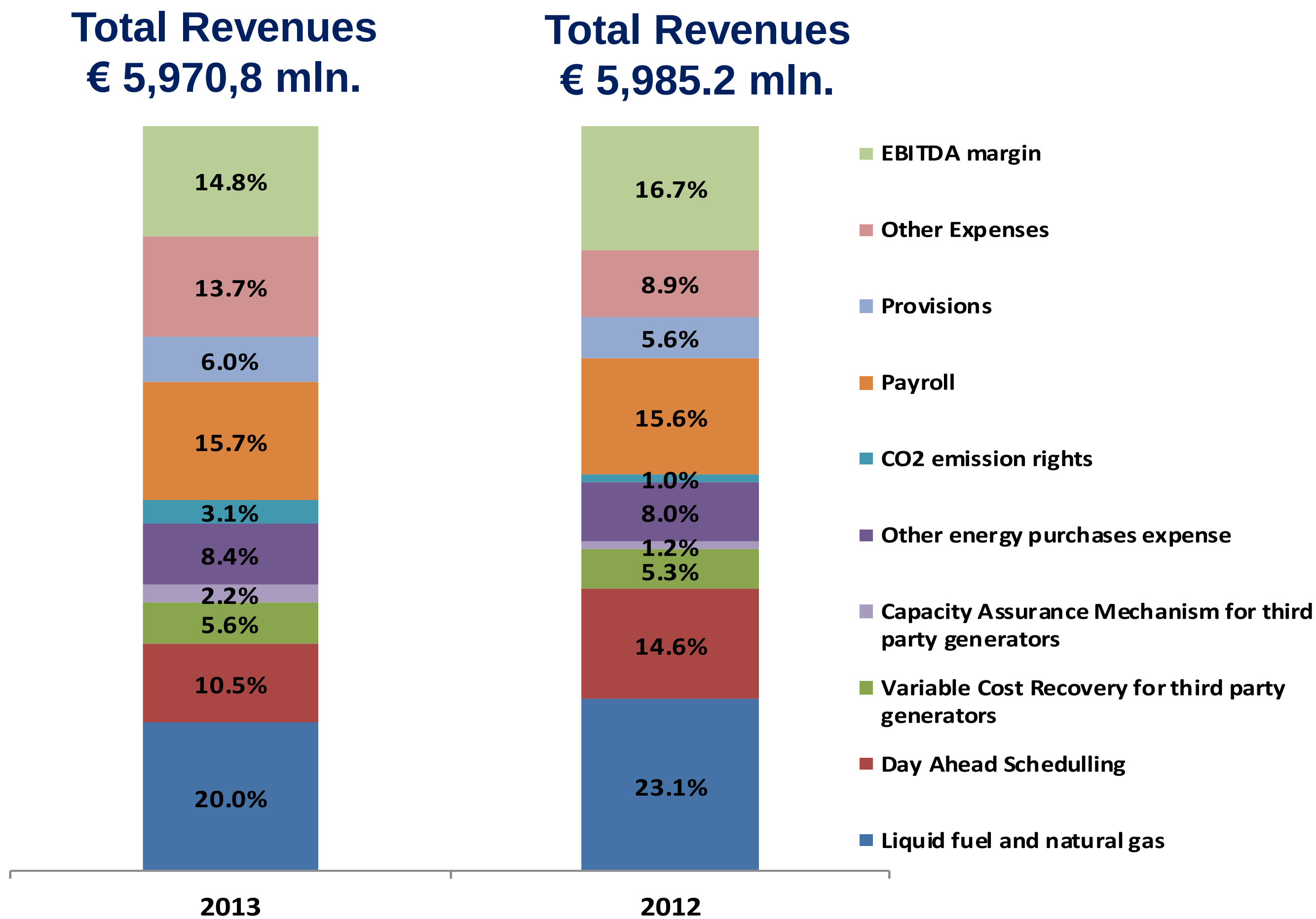
Energy mix cost evolution 2013 / 2012



(Δ)
Price effect: 274.8
Quantity effect: 111.2
Variable cost recovery: 17.2
Capacity assurance certificates: 58.7
Differential expense for RES energy purchases: 33.2
Special lignite levy: 1.7
Special Consumption Tax on nat gas consumed by PPC: 0.6
Taxes and other energy purchases expense: 32.4
CO_2 emission rights: 130.4
Total: 181.2

Despite the increased expenditure for CO_2 emissions by € 130.4 mln, the overall energy mix cost decreased by € 181.2 m. (4.7%).

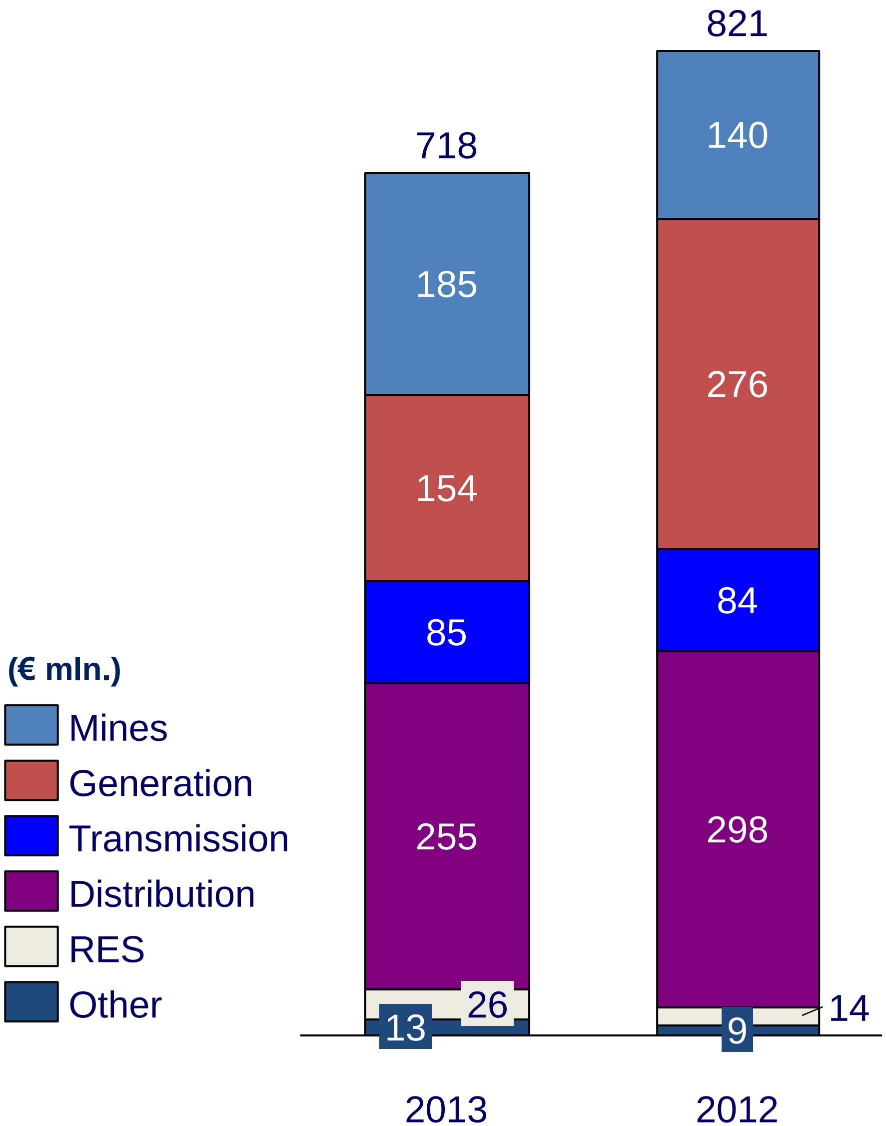
Fuel, CO_2, other expenses and EBITDA as percentage of revenues (2013 / 2012)



In 2013, 49.8% of total revenues were expensed for fuel, CO_2 and energy purchases compared to 53.2% in 2012. This development is attributed to the decrease of the share of liquid fuel and natural gas expenses to 20% from 23.1% of total revenues.

On the contrary, the share of the variable cost recovery mechanism together with the capacity assurance mechanism for third party generators increased to 7.8% from 6.5%. The share of CO_2 expense in total revenues was 3.1% from 1% while that of provisions amounted to 6% of total revenues compared to 5.6% in 2012.

Capex



- **Capital expenditure in 2013 amounted to € 718.1 m. compared to € 820.6 m. in 2012, reduced by € 102.5 m., while, as a percentage of total revenues it declined to 12% from 13.7%.**
- **Excluding network users' participation for their connection to the network (€ 90.2 m. and € 112.4 m. in 2013 and 2012 respectively), which fund a significant part of network projects, capital expenditure amounted to 10.7% and 12.1% of total revenues in 2013 and 2012 respectively.**

Debt Evolution

- Net debt amounted to € 4,524.3 m, a reduction of € 154.7 mln. compared to 31.12.2012 (€ 4,679 m.).
- Debt repayments in 2013 amounted to € 436 m.
- In addition, under tight liquidity conditions, we proceeded in 2013 with the drawdown of € 285 m from the European Investment Bank for network and generation capex.

Business Review
& Outlook

Arthouros Zervos

Chairman and CEO

Public Power Corporation S.A.

Comments on Financial Results

- In 2013, turnover remained flat as tariff increases were offset by lower electricity demand and worse sales mix. Adjusting 2013 EBITDA for the one-off negative impact relating to ALUMINIUM S.A. and 2012 EBITDA for the one-off positive impact relating to DEPA S.A., there is an improvement in operating profitability of 21.8%, with adjusted EBITDA reaching € 987.1 m. compared to € 810.5 m in 2012, and the respective margin increasing to 16.5% from 13.5%.

- Moreover, 2013 results do not reflect the positive impact from the retroactive application as of 1.7.2013 of the natural gas price discount agreed between DEPA and Gazprom, as we have not yet received the relevant calculations from DEPA. Said impact will be reflected in the first quarter of 2014 results.

Review of 2013 – Major Operating and Financial Developments

- **Implementation of investments amounting to € 718 m., with the completion of the construction and set into operation of the Aliveri V CCGT unit (427MW), the trial operation of the new HPP Ilarion (157 MW) in January 2014 and the progress in the construction of the new Megalopolis V CCGT unit (832MW), which is expected to be commissioned in 2014.**

- **Significant progress in managing the debt maturity profile of the Group and strengthening the capital structure while at the same time we succeeded in raising new financing for major capex projects. Specifically:**

  - **we have agreed and signed the termsheet for a € 2.2 bln, 5-years syndicated loan facility, with a consortium of Greek banks, for the refinancing of the € 1.2 bln intermediate loan maturing this April, together with other debt maturities of these banks.**

  - **we also secured a € 739 m. export credit covered loan for the partial financing of Ptolemais V new lignite unit (660 MW).**

  - **we signed a € 235 m. financing contract with EIB, in the context of a total credit line of € 415 m. approved by the Bank, for the financing of investments for the period 2013-2015 for the modernization and reinforcement of the Electricity Distribution Network of the mainland and islands of Greece. The drawdown of the € 235 m was effected today.**

Review of 2013 – Major Regulatory Developments

LV Tariffs

- **An average 8.8% increase was effective as of 1.1.2013 on Low Voltage tariffs, following relevant Ministerial Decision.**
- **Low Voltage tariffs were deregulated (with the exception of vulnerable customers) in July 2013.**

RAE Decisions for wholesale market

- **Changes in the capacity payments**
  - **abolition of capacity payments for 1,249 MW available capacity of old units of PPC, as of 1.8.2013,**
  - **increase by 100% of capacity payments for modern OCGT & CCGT units, owned by IPPs and PPC, with a total available capacity of 3,998 MW, as of 1.8.2013,**
  - **uniform price of 56,000 /MW-year for Suppliers, as of 1.8.2013,**
- **Gradual abolition of the Variable Cost Recovery Mechanism**
  - **Abolition of the 10% mark up, as of 1.8.2013, and complete abolition of the mechanism expected by 1.7.2014**
- **Abolition of the 30% rule with respect to bidding of generation units as of 1.1.2014.**

Major recent developments

HV Tariffs

The EGM of Shareholders, approved in February 2014 the actions of the Company's Management, regarding Company's relations with ALUMINIUM S.A. and decided the following with respect to HV customers tariffs:

- an extraordinary reduction of 10% on the existing HV tariffs, for 1+1 year as of 1.1.2014.
- further volume reduction of 10% for all HV customers with annual consumption exceeding 1,000 GWh.
- an additional reduction of 25% on the A4 tariff to all HV customers, apart from those whose consumption exceeds 1,000 GWh, for operation during the zone of minimum consumption (nights and weekends)

Court Decision for illegal state aid to ALUMINIUM S.A

The Athens Single-Member Court of First Instance rejected the appeal filed by ALUMINIUM as well as its application for the suspension of the Payment Order issued by PPC SA regarding the unlawful state aid, amounting to € 17.4 m (plus interest), based on a relevant decision of the European Commission.

DEPA-Gazprom Agreement

On February 25, 2014, the Ministry of Energy, Environment and Climate Change announced that DEPA came to an agreement with Gazprom regarding a reduction in natural gas prices by 15%, valid retroactively from July 1, 2013. On March 11, 2014, DEPA announced the signing of the new relevant agreement with Gazprom.

Update on the Retructuring & Privatisation Plan

Independent Power Transmission Operator (IPTO)

Following the Restructuring and Privatization Plan which was approved by a Cabinet Act in July 2013, a law was voted by the Greek Parliament in February 2014, stating that the ownership unbundling of the Independent Power Transmission Operator (IPTO) will be completed in one single phase, instead of two that was initially planned.

In this respect, 66% of PPC's shares in IPTO will be sold to a potential investor and the remaining 34% will be sold to the Greek State.

The deadline for the completion of the transaction - signing of the Share Purchase Agreement (SPA) - remains until end 2Q2014.

"Small PPC"

A draft bill provides for the creation and privatization of a new vertically integrated company with c. 30% of PPC's current installed capacity (totaling 2.8 GW of lignite-fired, gas-fired and hydro power plants of PPC, including the planned Meliti II unit), as well as 30% of PPC's current clientele together with associated liabilities.

The public consultation of the draft bill ended on March 14, 2014 and it has not yet been put to vote in Parliament.

Key considerations and targets going forward

- We will continue to focus on upgrading and improving our plant portfolio, targeting higher operating efficiencies.
- Having successfully extended our debt maturity profile, we are contemplating a capital markets transaction in 2014, subject to market conditions and management decision. Any potential funding raised through a capital market transaction will be used to repay debt, fund capex and general corporate purposes.
- We are also actively seeking to diversify our operations into other markets and activities, namely:
  - electricity trading in Bulgaria, in partnership with Alpiq, and in Turkey,
  - municipal waste management through our Joint Venture with Terna Energy
  - expansion into neighboring electricity markets with strategic partners
  - expansion of our Supply business into energy efficiency services, through our partnership with Damco Energy.

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 CO_2 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.