PUBLIC POWER CORPORATION S.A.

Interim Condensed Consolidated and Separate Financial Statements

for the nine month period from January 1, 2011 to September 30, 2011

in accordance with International Financial Reporting Standards, adopted by the European Union

The attached interim condensed consolidated and separate financial statements were approved by Public Power Corporation Board of Directors on November 25th, 2011 and they are available in 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	EVAGGELOS PETROPOULOS	GEORGE C. ANGELOPOULOS	EFTHIMIOS A. KOUTROULIS

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Registration No 47829/06/B/00/2
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PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF INCOME
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2011
(All amounts in thousands of Euro - except share and per share data)

	GROUP				PARENT COMPANY			
	01.01.2011-30.09.2011	**01.01.2010-30.09.2010**	**01.07.2011-30.09.2011**	**01.07.2010-30.09.2010**	**01.01.2011-30.09.2011**	**(restated) 01.01.2010-30.09.2010**	**01.07.2011-30.09.2011**	**(restated) 01.07.2010-30.09.2010**
REVENUES:								
Revenue from energy sales	3,760,094	4,024,156	1,331,258	1,416,695	3,748,205	4,010,872	1,326,915	1,412,283
Other	443,494	443,458	153,165	156,466	231,267	228,743	81,307	83,627
	4,203,588	**4,467,614**	**1,484,423**	**1,573,161**	**3,979,472**	**4,239,615**	**1,408,222**	**1,495,910**
EXPENSES:								
Payroll cost	640,126	714,073	213,918	227,913	588,423	660,320	193,779	211,233
Fuel	1,583,387	1,492,656	634,153	599,089	1,583,387	1,492,656	634,153	599,089
Depreciation and Amortization	375,646	356,802	128,719	119,806	327,768	311,264	110,302	104,404
Energy purchases	751,536	500,549	297,340	169,839	757,655	506,332	299,866	172,353
Transmission system usage	233,535	214,770	77,349	73,245	233,535	214,770	77,349	73,245
Emission allowances	(35)	21,969	(360)	7,358	(35)	21,969	(360)	7,358
Provisions	95,553	88,007	41,712	26,633	98,503	87,774	42,133	25,848
Financial expenses	163,932	122,588	58,592	43,905	145,557	122,554	56,261	43,899
Financial income	(34,036)	(28,379)	(10,412)	(10,745)	(33,901)	(25,732)	(10,392)	(9,574)
Other (income)/expense, net	234,610	293,781	70,684	93,736	217,093	259,599	64,658	80,667
Share of loss/(profit) of associates and joint ventures, net	(930)	(1,058)	419	(35)	97	2,764	97	-
Impairment loss of marketable securities	20,917	-	20,917	-	20,917	-	20,917	-
Foreign currency (gains)/losses, net	935	2,243	(1,617)	(3,605)	935	1,897	(1,617)	(3,431)
PROFIT BEFORE TAX	138,412	689,613	(46,991)	226,022	39,538	583,448	(78,924)	190,819
Income tax expense	(47,574)	(169,401)	9,025	(53,665)	(16,713)	(143,737)	19,982	(45,066)
Profit for the period from continuing operations	90,838	520,212	(37,966)	172,357	22,825	439,711	(58,942)	145,753
Profit after tax from disposal group	-	-	-	-	61,947	70,858	19,430	24,190
PROFIT FOR THE PERIOD	90,838	520,212	(37,966)	172,357	84,772	510,569	(39,512)	169,943
Earnings per share, basic and diluted	0.39	2.24	(0.16)	0.74				
Weighted average number of shares	232,000,000	232,000,000	232,000,000	232,000,000				

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

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2011
(All amounts in thousands of Euro - except share and per share data)

	GROUP				PARENT COMPANY			
	01.01.2011-30.09.2011	**01.01.2010-30.09.2010**	**01.07.2011-30.09.2011**	**01.07.2010-30.09.2010**	**01.01.2011-30.09.2011**	**01.01.2010-30.09.2010**	**01.07.2011-30.09.2011**	**01.07.2010-30.09.2010**
Profit for the period	**90,838**	**520,212**	**(37,966)**	**172,357**	**84,772**	**510,569**	**(39,512)**	**169,943**
Other Comprehensive income / (loss) for the period								
Profit / (Loss) from fair value available for sale valuation	9,408	(17,379)	13,241	(1,302)	9,408	(17,379)	13,241	(1,302)
Valuation of Derivatives	306	2,683	6,921	2,863	306	2,683	6,921	2,863
Other Comprehensive income / (loss) for the period, after tax	9,714	(14,696)	20,162	1,561	9,714	(14,696)	20,162	1,561
Total Comprehensive income / (loss) after tax	**100,552**	**505,516**	**(17,804)**	**173,918**	**94,486**	**495,873**	**(19,350)**	**171,504**

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

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED BALANCE SHEETS
AS OF SEPTEMBER 30, 2011
(All amounts in thousands of Euro- except share and per share data)

	GROUP		PARENT COMPANY	
	30.09.2011	**31.12.2010**	**30.09.2011**	**31.12.2010**
ASSETS				
Non – Current Assets:				
Property, plant and equipment, net	13,645,848	13,354,142	11,845,101	13,236,285
Intangible assets, net	91,204	89,146	91,125	89,040
Available for sale financial assets	10,566	22,073	10,566	22,073
Other non- current assets	66,994	41,547	138,439	114,665
Total non-current assets	**13,814,612**	**13,506,908**	**12,085,231**	**13,462,063**
Current Assets:				
Materials, spare parts and supplies, net	884,623	849,971	826,247	849,182
Trade and other receivables, net and other current assets	1,336,062	1,223,071	1,252,166	1,242,937
Cash and cash equivalents	235,362	620,449	231,470	617,040
	2,456,047	2,693,491	2,309,883	2,709,159
Assets of disposal group classified as “held for sale”	-	-	1,822,231	-
Total Current Assets	**2,456,047**	**2,693,491**	**4,132,114**	**2,709,159**
Total Assets	**16,270,659**	**16,200,399**	**16,217,345**	**16,171,222**
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	1,067,200	1,067,200	1,067,200	1,067,200
Share premium	106,679	106,679	106,679	106,679
Fixed assets’ statutory revaluation surplus included in share capital	(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus	4,996,466	5,013,103	4,960,236	4,976,962
Reserves	316,672	305,302	316,672	305,302
Retained earnings	1,153,537	1,224,586	1,159,934	1,237,533
Total Equity	**6,693,212**	**6,769,528**	**6,663,379**	**6,746,334**
Non-Current Liabilities:				
Interest bearing loans and borrowings	3,386,579	3,885,625	2,845,204	3,885,413
Provisions	462,129	461,210	429,157	460,078
Other non-current liabilities	2,812,746	2,881,892	2,414,023	2,877,826
Total Non-Current Liabilities	**6,661,454**	**7,228,727**	**5,688,384**	**7,223,317**
Current Liabilities:				
Trade and other payables and other current liabilities	1,366,743	1,075,285	1,330,252	1,068,288
Dividends payable	214	171	214	171
Income Tax payable	25,221	159,515	25,835	166,213
Short term borrowings	288,150	250,250	275,000	250,000
Current portion of interest bearing loans and borrowings	1,235,665	716,923	1,235,661	716,899
	2,915,993	2,202,144	2,866,962	2,201,571
Liabilities directly associated with assets classified as “held for sale”	-	-	998,620	-
Total Current Liabilities	**2,915,993**	**2,202,144**	**3,865,582**	**2,201,571**
Total Liabilities and Equity	**16,270,659**	**16,200,399**	**16,217,345**	**16,171,222**

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

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2011
(All amounts in thousands of Euro- except share and per share data)

						Reserves				
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of Revaluation Gains	Marketable Securities Valuation Surplus	Tax - free and other Reserves	Reserves Total	Retained Earnings /Accumulated Deficit	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 income for the period	-	-	-	-	-	-	-	-	520,212	520,212
Other Comprehensive income / (loss) for the period recognized directly in equity	-	-	-	-	-	(17,379)	2,683	(14,696)	-	(14,696)
Total Comprehensive income / (loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(17,379)**	**2,683**	**(14,696)**	**520,212**	**505,516**
Transfers	-	-	-	(6,578)	-	-	-	-	8,222	1,644
Dividends	-	-	-	-	-	-	-	-	(232,000)	(232,000)
Other	-	-	-	-	-	-	-	-	(383)	(383)
Balance, September 30, 2010	**1,067,200**	**106,679**	**80,165**	**5,020,036**	**(947,342)**	**(6,742)**	**210,670**	**203,928**	**1,205,425**	**6,736,091**
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 income for the period	-	-	-	-	-	-	-	-	90,838	90,838
Other Comprehensive income / (loss) for the period recognized directly in equity	-	-	-	-	-	9,408	306	9,714	-	9,714
Total Comprehensive income / (loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**9,408**	**306**	**9,714**	**90,838**	**100,552**
Transfers	-	-	-	(16,637)	-	-	1,656	1,656	20,909	5,928
Dividends	-	-	-	-	-	-	-	-	(183,280)	(183,280)
Other	-	-	-	-	-	-	-	-	484	484
Balance, September 30, 2011	**1,067,200**	**106,679**	**107,491**	**4,996,466**	**(947,342)**	**(768)**	**209,949**	**209,181**	**1,153,537**	**6,693,212**

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

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED SEPARATE CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2011
(All amounts in thousands of Euro- except share and per share data)

						Reserves				
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of Revaluation Gains	Marketable Securities Valuation Surplus	Tax - free and other Reserves	Reserves Total	Retained Earnings /Accumulated Deficit	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 income for the period	-	-	-	-	-	-	-	-	510,569	510,569
Other Comprehensive income / (loss) for the period recognized directly in equity	-	-	-	-	-	(17,379)	2,683	(14,696)	-	(14,696)
Total Comprehensive income / (loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(17,379)**	**2,683**	**(14,696)**	**510,569**	**495,873**
Transfers	-	-	-	(6,578)	-	-	-	-	8,222	1,644
Dividends	-	-	-	-	-	-	-	-	(232,000)	(232,000)
Other	-	-	-	-	-	-	-	-	23	23
Balance September 30, 2010	**1,067,200**	**106,679**	**80,165**	**4,983,895**	**(947,342)**	**(6,742)**	**210,670**	**203,928**	**1,220,240**	**6,714,765**
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 income for the period	-	-	-	-	-	-	-	-	84,772	84,772
Other Comprehensive income / (loss) for the period recognized directly in equity	-	-	-	-	-	9,408	306	9,714	-	9,714
Total Comprehensive income / (loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**9,408**	**306**	**9,714**	**84,772**	**94,486**
Transfers	-	-	-	(16,726)	-	-	1,656	1,656	20,909	5,839
Dividends	-	-	-	-	-	-	-	-	(183,280)	(183,280)
Other	-	-	-	-	-	-	-	-	-	-
Balance, September 30, 2011	**1,067,200**	**106,679**	**107,491**	**4,960,236**	**(947,342)**	**(768)**	**209,949**	**209,181**	**1,159,934**	**6,663,379**

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

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2011
(All amounts in thousands of Euro)

	GROUP		**PARENT COMPANY**	
				(restated)
	01.01.2011-30.09.2011	**01.01.2010-30.09.2010**	**01.01.2011-30.09.2011**	**01.01.2010-30.09.2010**
Cash flows from Operating Activities				
Profit before tax from continuing operations	138, 412	689,613	39,538	583,448
Profit before tax from discontinuing operations	-	-	90,686	94,013
Adjustments:				
Depreciation and amortization	561,794	494,483	558,194	490,996
Amortization of customers' contributions and subsidies	(56,334)	(55,833)	(56,006)	(55,515)
Interest expense	152,649	115,545	152,354	115,511
Other adjustments	101,984	134,038	101,808	137,972
Changes in assets	(266,314)	(349,034)	(256,257)	(344,353)
Changes in liabilities	116,691	(239,208)	112,954	(223,746)
Net Cash from Operating Activities	**748,882**	**789,604**	**743,271**	**798,326**
Cash Flows from Investing Activities				
Capital expenditure/ (disposal) of fixed assets and software	(884,392)	(700,565)	(866,654)	(691,764)
Proceeds from customers' contributions and subsidies	2,712	9,724	2,723	9,724
Interest and dividends received	34,036	24,527	33,901	24,361
Investments	(30)	(227)	(30)	(15,544)
Net Cash used in Investing Activities	**(847,674)**	**(666,541)**	**(830,060)**	**(673,223)**
Cash Flows from Financing Activities				
Net change in short term borrowings	37,900	36,500	25,000	36,500
Proceeds from interest bearing loans and borrowings	613,000	1,421,000	613,000	1,421,000
Principal payments of interest bearing loans and borrowings	(594,261)	(1,049,405)	(594,142)	(1,049,405)
Interest paid	(159,697)	(101,039)	(159,402)	(101,005)
Dividends paid	(183,237)	(223,946)	(183,237)	(223,946)
Net Cash used in Financing Activities	**(286,295)**	**83,110**	**(298,781)**	**83,144**
Net increase/(decrease) in cash and cash equivalents	(385,087)	206,173	(385,570)	208,247
Cash and cash equivalents at:				
beginning of the period	620,449	480,042	617,040	471,782
the end of the period	**235,362**	**686,215**	**231,470**	**680,029**

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

SELECTED EXPLANATORY NOTES

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 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 condensed financial statements include the separate financial statements of PPC and the consolidated financial statements of PPC and its subsidiaries ("the Group").

PPC headquarters are located at 30, Chalkokondili Street, Athens, 104 32 Greece. At September 30, 2011 and 2010, the number of staff employed by the Group was approximately 21,075 and 21,927, respectively, excluding employees engaged in Hellenic Electricity Transmission System Operator ("HTSO"), and for which PPC is compensated.

At September 30, 2011 and 2010 160 and 174 employees, respectively have been transferred to several State agencies (ministries, organizations, etc.) out of which 138 and 144, payroll is paid by PPC.

As a vertically integrated electric utility, PPC generates electricity in its own 63 power generating stations (39 additional stations belong to PPC's wholly owned subsidiary, PPC Renewables), facilitates the transmission of electricity through approximately 12.1 thousand kilometres of high voltage power lines and distributes electricity to consumers through approximately 228,340 kilometres of distribution network.

Lignite for PPC's lignite-fired power stations is extracted mainly from its own lignite mines.

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

2. CHANGES IN 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, OG A' 179/22.08.2011).Its provisions include :

- Adoption of the ITO (Independent Transmission Operator) model for the Electricity Transmission System Operator as follows :
- Incorporation of a wholly owned subsidiary under the name "Independent Transmission System Operator" (ITSO) which will undertake 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 in the new subsidiary as well as the activities of the Transmission branch of the HTSO. The operation of the Electricity Market, and more specifically the "Day Ahead Scheduling" is being executed by the independent company "Electricity market Operator".
- The Independent Electricity Transmission System Operator has to be verified by RAE as ITO till March 3, 2012.
- Incorporation of the Greek Distribution Network Operator as a wholly owned PPC subsidiary which will undertake all Distribution activities as well as PPC's receivables and payables related to the above mentioned activities with the exception of the Distribution Network's assets, fixed assets and facilities which will remain in PPC's ownership.

Other provisions of the above mentioned law include among others:

- The expansion of the jurisdiction as well as the reinforcement of RAE's independence
- Measures that will protect the consumer from unfair practices
- Measures for the liberalization of the natural gas market

2. CHANGES IN LEGAL FRAMEWORK (CONTINUED)

Settings concerning the determination of the quantity of emission allowances to be auctioned and the inclusion of the cost of CO2 emissions for the submission of offers of thermal units to the Day-Ahead Electricity Market.
In 2011 there were legislative initiatives for the determination of the quantity of emission allowances that are available for auctioning according to the National Allocation Plan of greenhouse gas allowances (GHG) for the period between 2008-2012. The Ministerial Decision **186310** was published in **OG B' 574/11.04.2011**, according to which 10.000.000 greenhouse gas emission allowances will be auctioned.

The terms and the procedure for the auctioning of the GHG emission allowances within the Community from New-entrants Depository, for the period 2008-2012, are determined in the **OG B' 575/11.04.2011**. The 95% of the revenues resulting from the auctions will be allocated to the Hellenic Transmission System Operator and the 5% to the Public Entity under the name "Green Fund".

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 Electrical Market. The implementation of this methodology includes two phases :

a) The transitional phase, from 1.6.2011 till 31.12.2012, during which the CO_2 emissions cost will represent the cost for covering the deficit that occurs if the predicted annual emissions of a unit exceed its free annual emissions allowances. If the predicted annual emissions of a unit are short of its free annual allowances, the CO_2 emissions cost will be zero.
b) The full implementation phase, starting on 1-1-2013, 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 and not the cost of covering the deficit.

The methodology is unified, so that the transition phase will be a special case of the full implementation phase. In the abovementioned decision, the developed argument is reflected through mathematical equations. The validity of this starts on 8 June 2011.

Settings concerning the Power Wholesale Market and its regulative texts
By OG **B' 129/09.02.2011** the Grid Control and Power Exchange Code is amended regarding the following provisions:

i) The calculation formulas of the constrained payments provided in article 189 are amended
ii) A new paragraph is added in article 335 which provides that the settlement and the return of any financial imbalances resulting from the transactions of article 189 par (2), will take place within 6 months since 1/1/2011 and up to the completion of the necessary software by HTSO, the latest.

Additionally on 30.06.2011 RAE's Opinion 23, addressed to the Ministry for the environment, energy and climate change, was issued amending and supplementing the provisions of Article 21 of the Grid Control and Power Exchange Code by adding a paragraph so that in cases where, during certain dispatch periods, there was for any reason a cut load, the charges of paragraph 4 of this Article are not applied for such dispatch periods.

By Ministerial Decision issued 29.07.2011, following RAE's Opinion 18 (23.05.2011) addressed to the Ministry for the Environment, Energy and Climate change regarding the non-compliance charges, provisions of Articles 21 and 92 of the Grid Control and Power Exchange Code are amended, regarding the Load Representative charges and the Load Declaration for export charges.
RAE, taking into account the Grid Control and Power Exchange Code provisions amends the Market Operation Manual by the Decision 1033/2011 (05.08.2011) regarding the calculation and guarantees procedure by the participants in the electricity market.

RAE, issued the **Decision 654/2011 (21.05.2011)**, eliminating Decision 470A/2011, for the determination of the numerical values of unit charges, the uplift coefficients and other parameters of Non-Compliance charges due to non- lawful offers and declarations for the calendar year 2011.

Pricing Policy
In the beginning of 2011 the **OG B' 322/28.02.2011** was issued according to which the applications for the use of Social Household Tariff (SHT) will be submitted every year within the period between 1.10. up to the 15.12 of the previous year. At the time of the initial implementation (incorporation in 2011) applications will be submitted from 01.10.2010 until 31.03.2011. For those applications for which the checking has been completed after the 01.01.2011 or will be completed after the entry into force of this OG, there will be a retrospective incorporation since 01.01.2011.

2. CHANGES IN LEGAL FRAMEWORK (CONTINUED)

In the framework of the present adverse economic coincidence, RAE issued **Opinion 9/2011** so that higher elasticity is provided a) concerning the upper limits of the quarterly consumption for all of the categories of the beneficiaries included in the current ministerial decision and b) concerning the income criteria especially for category D (handicapped individuals) in relation to the tax-free threshold, as they are determined in the existing provisions.

On April 6, 2011 RAE issued the **Opinion 13/2011** addressed to the Ministry for the Environment, Energy and Climate Change for conservation and non-escalation of the prices of the Invoices for absorption of electricity produced by a Producer or Self-Producer through post electricity production from Renewable Energy Sources (RES) or Cogeneration/Combined Heat and Power (CHP), excluding the price of photovoltaic power plants), as is in effect, for the years 2010 and 2011.

On June 2011 (06/06/2011) the RAE **Decision 692/2011** was announced stating the basic principles of electricity pricing. RAE may revise these principles, taking into account the evolving market conditions and to monitor the application of these principles, the violation of which could result in administrative penalties of Article 33 of L.2773 / 1999.

By RAE's **Decision 874/2011** (15.07.2011) provisions of Article 26, par.2 of the Metering Management and Periodic Settlement of Network Distributors Manual are amended.
RAE, by Opinion **31/2011** (25.07.2011) issued for the amendment of YPEKA Decision published in OG B'168/22.2.2010 for the price paid each month by the AIA Network Operator for the fixed operation costs of that network.

In **OG B' 623/19.4.2011** RAE's Decision 372/11.3.2011 was published for the readjustment of the limit of the maximum annual Customer charge per consumption point for covering the Public Service Obligations expenses for the year 2011, at € 773,531. This OG also contains the readjustment, under the provisions of Article 40 Paragraph 3c subsections (3) and (4) of Law 2773/1999, of the maximum annual Customer charge limit per consumption point for the year 2011 (Decision RAE 373/ 11.03.2011) due to the special fee of the same paragraph and case of Law 2773/1999, at € 773,531.

RAE, at the meeting of April 14 2011, found that according to information available so far, there is no violation of the legislative framework and in particular of the provisions of Article 29 paragraph 4 of Law 2773/1999, by PPC S.A, pertaining to the plaffond of Public Services Obligations (PSOs) in its customers tariffs, as well as to its obligation to maintain separate accounts for these charges. These findings were expressed in RAE **Decision 514/2011** entitled "Exceeding maximum annual charge limit per power supply due to PSOs."

Also RAE with Opinion **32/2011** (04.08.2011) redefines the existing methodology for covering the expenses of the Public Services Obligations (PSOs). Since the Social Household Rate (SHR) supply is incorporated in the PSOs supply, RAE budgets the compensation which should be given to the Suppliers, taking into account the unit price in €/MWh, with which the SHR supply is subsidized, and the estimated consumption of each SHR category during the following year together with the Network Operator estimation, which takes into account the number of the beneficiaries and of the requests that have been submitted. That compensation, during the PSOs supply year, will be made each month based on the estimations of the Network Distributor for the energy quantities that each Supplier provides to the SHR beneficiaries based on the number of those customers and on the consumption estimations or, if existing, on actual metering data. The final settlement, on actual measurements, will be done after the end of each year and those settlement annual returns are transferred as remaining on the returns of the following year.

In order for the average variable cost of production of PPC for the Non-Interconnected Islands to be determined under the provisions of Article 40 paragraph 3 of Law 2773/1999, for the first semester of 2011 RAE issued decision **437/2011 in** March 2011. According to which the cost is fixed at 158.12Euro/MWh while for 2010 RAE issued the **Decision 736/2011** (17/06/2011), according which this cost is fixed at 129,73 €/MWh.

RAE issued **Decision 771/2011** (23.06.2011) concerning the basic principles and general standards of fair trade promotions and sale of electricity supply services, giving instruction a)so that the advertising and promotion of electricity supply services to be carried out in compliance with the legislation on advertising concerning consumers protection and use of personal data, as applicable, b) for the behavior of partners and staff during trade practices, c) for the prior information of the consumer and d) for the foreseen administrative penalties.

2. CHANGES IN LEGAL FRAMEWORK (CONTINUED)

By **OG B' 425/17.03.2011** (RAE's Decision 240/11.02.2011) the amount for the annual contribution fee imposed to the electricity generation licence and supply licence holders according to Article 4 par.2 of the Δ5/ΗΛ/Β/Φ1/ΟΙΚ.591/12.01.2001 Decision was determined. This amount was set at 7,95 €/MWatt of the max net capacity and at 0,07 €/absorbed MWh respectively for the aforementioned holders.

With the publication of the Ministerial **Decision published** OG B΄ 1009/26.5.2011, a threshold was set equal to 0.25 (25%) for the parameter "Coefficient of utilization" which is included in the calculation determined, by Ministerial Decision of 28.12.2010 OG B' 2031/29.12.2010), of owe demand invoices in the medium voltage regulatory control invoices of PPC S.A. applicable to all accounts which will be issued from 01.06.2011, regardless of the consumption period.

By RAE **Decision 1285/2011 (12.10.11)** some of the provisions of the Grid Control and Power Exchange Code are rephrased and Article 335 is mainly amended so that the ongoing revenues by the Load Representatives concerning the Renewable Energy Sources special fee, the Public Service Obligations, the Use of System charges and the charges for the Capacity Assurance Transitional Mechanism to be attributed to the System Operator in the second month in which the bills are charged. The Suppliers can also provide, to the System Operator, advance payments of the received amounts to be given. This same amendment has been also added in the Measurements Management and Network Suppliers Periodical Settlement Manual

Other Provisions
In **Law 3979** (OG A' 138, 16/06/2011) on e-Government and other provisions, the regulations for economic issues of Local Authorities (OTA) were published and particularly the procedures for the charging of the municipal taxes for cleaning, lighting, electrifying sites and property, which are co-collected by PPC S.A or the alternative electricity supplier. There is also reference to a) the penalties imposed in case of non-payment of the co-collected amounts by the debtor and b) the obligations of the distribution electricity network Operator and PPC S.A, who are required to provide to the alternative suppliers the tariff information and in general the data related to the counterparties of these suppliers and are followed for the co-collection of the above amounts.

RAE, on 30.06.2011, by **Opinion 25**, suggested positively for granting electricity generation license to PPC S.A to cover emergency needs of the Non-Interconnected-Islands (NII) for the summer 2011, by hiring H/G couples. The H/G couples hire causes an additional cost to PPC S.A which PPC has asked to be incorporated in the attributable Public Service Obligations costs.

3. BASIS OF PRESENTATION FOR THE INTERIM CONDENSED FINANCIAL STATEMENTS

3.1. BASIS OF PREPARATION

Basis of preparation of financial statements: The accompanying interim condensed consolidated and separate financial statements ("financial statements") for the nine month period ended September 30, 2011 have been prepared in accordance with IAS 34 "Interim Financial Reporting" which defines the form and the content of the interim financial statements. The accompanying financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the latest annual financial statements as at December 31, 2010 made publicly available.
The accompanying financial statements have been prepared under the historical cost convention except for certain 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 amounts are rounded to the nearest thousand, except when otherwise stated.

Approval of Financial Statements: The Board of Directors approved the accompanying financial statements for the nine month period ended September 30, 2011, on November 25th, 2011.

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 except for the adoption of the following new and amended IFRS and IFRIC interpretations which became effective for the accounting periods beginning January 1, 2011.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**
- **IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amended)**
- **IAS 32 Classification on Right Issues (Amended)**
- **IAS 24 Related Party Disclosures (Revised)**

In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording

- **IFRS 3 Business Combinations**
- **IFRS 7 Financial Instruments: Disclosures**
- **IAS 1 Presentation of Financial Statements**
- **IAS 27 Consolidated and Separate Financial Statements**
- **IAS 34 Interim Financial Reporting**
- **IFRIC 13 Customer Loyalty Programs**

The adoption of the above new and amended IFRS and IFRIC interpretations does not have an impact on the financial statements or performance of the Group or the Company.

<u>Standards that have been issued but are not effective in the current accounting period and that the Group and the Parent Company have not adapted earlier.</u>

The following new and amended IFRS and IFRIC interpretations have been issued but are not effective for the financial year beginning January 1, 2011. The Group and the Company are in the process of assessing their impact, if any, on the financial statements:

- **IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended)** The amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements of IFRSs and US GAAP. This amendment has not yet been endorsed by the EU.

- **IAS 12 Deferred tax: Recovery of Underlying Assets (Amended)** The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) 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 and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU.

- **IAS 1 Presentation of Financial Statements (amended).**
  The amendment is effective for annual periods beginning on or after 1 July 2012. This amendment changes the grouping of items presented in Other Comprehensive Income. 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 which will never be reclassified. This amendment has not yet been endorsed by the EU.

- **IFRS 9 Financial Instruments – Phase 1 financial assets and financial liabilities, classification and measurement:** The new standard is effective for annual periods beginning on or after January 1, 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets and financial liabilities. Early adoption is permitted. This standard has not yet been endorsed by the EU.

- **IFRS 10 Consolidated Financial Statements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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. Examples of areas of significant judgment include evaluating de facto control, potential voting rights or whether a decision maker is acting as a principal or agent. IFRS 10 replaces the part of IAS 27 *Consolidated and Separate Financial Statements* related to consolidated financial statements and replaces SIC 12 *Consolidation — Special Purpose Entities*. This standard has not yet been endorsed by the EU

- **IFRS 11 Joint Arrangements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 11 eliminates proportionate consolidation of jointly controlled entities. Under IFRS 11, jointly controlled entities, if classified as joint ventures (a newly defined term), must be accounted for using the equity method. Additionally, jointly controlled assets and operations are joint operations under IFRS 11, and the accounting for those arrangements will generally be consistent with today's accounting. That is, the entity will continue to recognize its relative share of assets, liabilities, revenues and expenses. IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers.* This standard has not yet been endorsed by the EU.

- **IFRS 12 Disclosures of Interests in Other Entities**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, investments in associates and structured entities into one comprehensive disclosure standard. A number of new disclosures also will be required such as disclosing the judgments made to determine control over another entity. IFRS 12 replaces the requirements previously included in IAS 27, IAS 31, and IAS 28 *Investments in Associates.* This standard has not yet been endorsed by the EU.

- **IFRS 13 Fair Value Measurement**
  The new standard is effective for annual periods beginning on or after 1 January 2013. The main reason of issuance of IFRS 13 is to reduce complexity and improve consistency in application when measuring fair value. It 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 by IFRS. IFRS 13 consolidates and clarifies the guidance on how to measure fair value and also to increase convergence with USGAAP which has also been amended by FAASB. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU.

- **IAS 27 Separate Financial Statements (amended)**
  This amendment is effective for annual periods beginning on or after 1 January 2013.As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to contain accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 Separate Financial Statements requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments. Earlier application is permitted. This amendment has not yet been endorsed by the EU.

- **IAS 28 Investments in Associates and Joint Ventures (amended)**
  The Standard is effective for annual periods beginning on or after 1 January 2013. As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to prescribe the accounting for investments in associates and set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. Earlier application is permitted. This amendment has not yet been endorsed by the EU.

- **IAS 19 Employee Benefits (amended)**
  The amendment is effective for annual periods beginning on or after 1 January 2013. The amended IAS 19 proposes major changes to the accounting for employee benefits, including the removal of the option for deferred recognition of changes in pension plan assets and liabilities (known as the "corridor approach"). The result is greater balance sheet volatility for those entities currently applying the corridor approach. These amendments will limit the changes in the net pension asset (liability) recognised in profit or loss to net interest income (expense) and service costs. Expected returns on plan assets will be replaced by a credit to income based on the corporate bond yield rate. In addition, the revised standard requires immediate recognition of past service costs as a result of plan amendments (in the income statement) and requires termination benefits to be recognised only when the offer becomes legally binding and cannot be withdrawn. Early application is permitted. This amendment has not yet been endorsed by the EU.

(All amounts in thousands of Euro, unless otherwise stated)

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- **IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine**
  The amendment is effective for annual periods beginning on or after 1 January 2013. This interpretation considers when and how to account for separately (i) the usable ore that can be used to produce inventory and, (ii) the improved access to further quantities of material that will be mined in future periods that arise from the stripping activity, as well as how to measure these benefits both initially and subsequently. IFRIC 20 only deals with waste removal costs that are incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Early application is permitted. IFRIC 20 has not yet been endorsed by the EU.

4. SEASONALITY OF OPERATIONS

The Company's operations are subject to seasonality due to the increased demand for electricity during the summer and winter months, a trend which is not reflected in its operating results as these are affected by external factors (fuel prices, hydrological conditions etc.).

5. DISPOSAL GROUP CLASSIFIED AS "AVAILABLE FOR SALE"

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 is in accordance with the directions of Laws 2190/20, 2166/93 and 4001/11.

The above mentioned exchange is the result of the incorporation in national law of the European Directive 2009/72. The legal procedures of the exchange were completed within November 2011 with a spin off date of January 1st, 2011.

Following the above and due to the fact that the exchange has a commercial value PPC, according to IFRS 5"Non-current Assets Held for Sale and Discontinued Operations" classified the above mentioned disposal group as "available for sale" in the Parent Company's financial statements while the consolidated financial statements were not affected.

The main classes of assets, receivables and liabilities of the disposal group at September 30, 2011 and December 31, 2010 were as follows:

	Group		Company	
	30.09.2011	**31.12.2010**	**30.09.2011**	**31.12.2010**
Assets				
Property, plant and equipment	-	-	1,670,054	-
Other current assets	-	-	152,177	-
Assets of disposal group classified as "held for sale"	**-**	**-**	**1,822,231**	**-**
Liabilities				
Long term liabilities	-	-	968,398	-
Other non-current liabilities	-	-	30,222	-
Liabilities directly associated with assets classified as "held for sale"	**-**	**-**	**998,620**	**-**
Net assets of disposal group	**-**	**-**	**823,611**	**-**

The results of the disposal group for the nine month period ended September 30th, 2011 and 2010 are as follows:

(All amounts in thousands of Euro, unless otherwise stated)

5. DISPOSAL GROUP CLASSIFIED AS «AVAILABLE FOR SALE" (CONTINUED)

	Group		Company	
	30.09.2011	**30.09.2010**	**30.09.2011**	**30.09.2010**
Revenues	-	-	212,227	214,715
Expenses	-	-	(121,541)	(120,702)
Profit before tax	**-**	**-**	**90,686**	**94,013**
Tax expense related to pre-tax income	-	-	(28,739)	(23,155)
Profit for the period from disposal group classified as "held for sale"	**-**	**-**	**61,947**	**70,858**

Net cash flows for the disposal group for the nine month period ended September 30th, 2011 and 2010 are as follows:

	30.09.2011	**30.09.2010**
Operating	(2,411)	42,370
Investing	(66,027)	(66,049)
Financing	(172,853)	-

The transfer of assets and liabilities of the disposal group to its subsidiary PPC Telecommunications S.A. will be recorded at the fair value of the disposed assets according to the provisions of IAS 16 "Property, plant and equipment".

6. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	30.09.2011	**30.09.2010**	**30.09.2011**	**(restated) 30.09.2010**
Current income taxes	41,799	164,745	14,733	139,793
Deferred income taxes	(1,584)	(5,963)	(693)	(5,120)
Provision for additional taxes	7,359	10,619	2,673	9,064
Total income tax expense	**47,574**	**169,401**	**16,713**	**143,737**

Companies of the Group that have their residence in Greece are subject to an income tax of 20%. Tax returns are submitted annually, although declared profits or losses are considered temporary, until the tax authorities audit the company's books and returns and the final audit report is released. Tax losses, to the extent that are recognized by the tax authorities, can offset future earnings for five years, from the year in which they incurred.

Based on the applicable Income Tax Code, from the financial year 2011 and onwards, certified auditors will issue a tax certificate and an audit program. Analytically, the auditors that audit the Company's financial statements will issue, after performing a tax audit, a tax certificate, which will be divided in two sections: a) a tax conformity report and b) notes of detailed information. The tax conformity report will be completed in no later than ten (10) days following the submission of the Income Tax Return and will be submitted electronically to the Ministry of Finance. Audit matters as well as the audit program will be dealt according to the International Standard of Assurance Engagements 3000.

Since 13.05.2011 the tax audit for the year 2009 is in progress. 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 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 of household use and the personnel tariff to the Parent Company's employees and pensioners for the years 2006- 2007 – 2008 amounts to € 107.12 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)

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

Furthermore, on 04.10.2011 the Parent Company was given a partial audit report for the auditing year 2009 for the settlement of the abovementioned difference (€ 107.12 m), given the fact that the aforementioned amount equally reduces the taxable loss of the previous years. The Parent Company will also file a corresponding appeal in the time framework provided for the annulment of the partial audit report for the year 2009, by paying 50% of the income tax, which is pre determined after the appeal is filed.
For the accounting differences for the years 2006 -2008 (€ 107.12 mil.) the Parent Company has formed adequate provisions.

Tax unaudited years:

Company	Country	Unaudited years
- PPC S.A. (Parent Company)	Greece	2009-2010
- PPC Renewables S.A.	Greece	2009-2010
- PPC Rhodes S.A.	Greece	1999-2010
- ITSO (former PPC Telecommunications S.A.)	Greece	2007-2010
- Arkadikos Ilios Ena S.A.	Greece	2007-2010
- Arkadikos Ilios Dio S.A.	Greece	2007-2010
- Hliako Velos Ena S.A.	Greece	2007-2010
- Hliako Velos Dio S.A.	Greece	2007-2010
- SOLARLAB S.A.	Greece	2007-2010
- Iliaka Parka Ditikis Makedonias Ena S.A.	Greece	2007-2010
- Iliaka Parka Ditikis Makedonias Dio S.A.	Greece	2007-2010
-HPP OINOUSA S.A.	Greece	2010
- PPC FINANCE PLC	United Kingdom	-
-WASTE SYCLO S.A.	Greece	-

7. INVESTMENTS IN SUBSIDIARIES

The direct subsidiaries of PPC are as follows:

	Group		Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
ITSO (former PPC Telecommunications S.A.)	-	-	4,441	4,441
PPC Rhodes S.A.	-	-	838	838
PPC Renewables S.A.	-	-	85,799	85,799
PPC FINANCE PLC	-	-	-	-
Total	**-**	**-**	**91,078**	**91,078**

The consolidated financial statements include the financial statements of PPC and the subsidiaries listed below:

Subsidiaries	Ownership Interest		Country and Year of Incorporation	Principal Activities
	30.09.2011	31.12.2010		
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 Oinoussa S.A.	100%	100%	Greece - 2010	RES
PPC FINANCE PLC	100%	100%	UK - 2009	General Commercial Company

In September 2011, PPC's Telecommunications S.A. Shareholders' General Assembly decided to amend article 1, of the company's statutes concerning the company's name and renamed the company, according to L. 4001/2011, to "Independent Transmission System Operator S.A." or in short "ITSO".

(All amounts in thousands of Euro, unless otherwise stated)

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

It also amended article 3 regarding the company's objective to "operation, exploitation, maintenance and development of the Transmission System in order to secure the country's supply of electrical power in a competent, secure, efficient and reliable manner".

In June 2006, the Annual Shareholders' General Assembly for "PPC RHODES S.A." decided to dissolve the aforementioned company and to initiate the appropriate procedures on July 1, 2006, according to national commerce law. In November 2010, the Annual General Meeting of the subsidiary decided to revive of "PPC RHODES SA".

"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.

8. INVESTMENTS IN ASSOCIATES

	Group		Company	
	30.09.11	**31.12.10**	**30.09.11**	**31.12.10**
LARCO GMM S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	1,646	1,476	-	-
PPC Renewables TERNA Energiaki S.A.	2,954	2,560	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,770	2,552	-	-
PPC Renewables MEK Energiaki S.A.	1,041	962	-	-
PPC Renewables ELTEV AIFOROS S.A.	1,045	1,071	-	-
PPC Renewables EDF EN GREECE S.A.	8,212	8,736	-	-
Good Works S.A.	219	145	-	-
Aioliko Parko LOYKO S.A.	5	16	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	5	9	-	-
Aioliko Parko KILIZA S.A.	8	12	-	-
Aioliko Parko LEFKIVARI A.E.	5	9	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	11	15	-	-
Waste Syclo S.A	19	-	-	-
	17,940	**17,563**	**-**	**-**

Data concerning the above mentioned associates as well as the Group's ownership interest in them as at September 30, 2011 and December 31, 2010 are as follows:

		Ownership Interest		Country and year of Incorporation	
Associates		**30.09.11**	**31.12.10**		**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 ELTEV AIFOROS 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 MBAMBO 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

(All amounts in thousands of Euro, unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

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.

The acquisition cost of PPC's share in Larco on September 30, 2011 amounts to Euro 46.8 m. The above mentioned cost is fully impaired from the Fiscal Year 2008. However, given that PPC participates in Larco's Board of Directors considers that it exercises an important influence and maintains the investment in its associates.

9. INVESTMENTS IN JOINT VENTURES

At September 30, 2011 PPC's share in assets, liabilities, income and expenses of SENCAP was as follows:

	September 30, 2011	December 31, 2010
Assets	139	136
Liabilities	(148)	(216)
Equity	9	80
Income	-	-
Loss after taxes	(25)	(40)
Loss recognized in the consolidated income statement	-	-

SENCAP's General Extraordinary Shareholders' Meeting on August 5th, 2011 has unanimously decided to dissolve the Company and initiate the appropriate procedures.

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of September 30, 2011 and December 31, 2010 are as follows:

	September 30, 2011		December 31, 2010	
	Receivable	Payable	Receivable	Payable
Subsidiaries				
- ITSO (former PPC Telecommunications S.A.)	3	-	198	-
- PPC Renewables S.A.	20,610	-	12,773	-
- PPC Rhodes S.A.	29	-	29	-
- Arkadikos Ilios Ena S.A.	3	-	3	-
- Arkadikos Ilios Dio S.A.	1	-	1	-
	20,646	**-**	**13,004**	**-**
Associates/Joint ventures				
PPC Renewables ROKAS S.A.	-	(221)	-	(150)
PPC Renewables NANKO MYHE Gitani S.A.	-	-	1	-
- Larco (energy and ash)	90,266	-	90,407	-
- Sencap S.A.	137	-	137	-
	92,403	**(221)**	**90,545**	**(150)**
Other				
- HTSO	682,497	(665,254)	448,516	(413,189)
	682,497	**(665,254)**	**448,516**	**(413,189)**

PPC's transactions with its subsidiaries and its associates on September 30, 2011 and 2010 are as follows:

(All amounts in thousands of Euro, unless otherwise stated)

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	30.09.11		30.09.10	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
- ITSO (former PPC Telecommunications S.A.)	29	-	28	-
- PPC Renewables S.A.	2,920	(6,135)	1,980	(5,783)
- PPC Rhodes S.A.	8	-	7	-
- Arkadikos Ilios Ena S.A.	-	-	-	-
- Arkadikos Ilios Dio S.A.	-	-	-	-
	2,957	**(6,135)**	**2,015**	**(5,783)**
Associates/ Joint ventures				
PPC Renewables ROKAS S.A.	-	(1,109)	-	(1,255)
EEN VOIOTIA S.A.	16	-	-	-
PPC Renewables NANKO MYHE Gitani S.A.	-	-	-	-
Larco GMM S.A.	56,027	(6,317)	46,359	(4,947)
	56,043	**(7,426)**	**46,359**	**(6,202)**
Other				
- HTSO	85,608	(700,753)	17,288	(432,410)
	85,608	**(700,753)**	**17,288**	**(432,410)**

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.

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 tones (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 July 2011 and therefore there are no new overdue receivables during the aforementioned period as well as Euro 1.5 million, in advance of the August 2011 bill of consumption, which amounts to Euro 6 million and its due date is September 30th, 2011.

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.

(All amounts in thousands of Euro, unless otherwise stated)

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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 76.5mil. (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 1.8 m. have been made, by September 30, 2011. It is noted that no payments have been made by LARCO for the installments that come up based on nickel's stock market price.

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	
	30.09.2011	**30.09.2010**	**30.09.2011**	**31.12.2010**
ELPE, purchases of liquid fuel	123,558	202,031	12,638	16,468
DEPA, purchases of natural gas	265,555	335,973	118,735	45,227
	389,113	**583,004**	**131,373**	**61,695**

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, resorted to arbitration, as provided for in the PPC-DEPA Contract, requesting the payment in full of the invoiced amounts, plus interest.
In January, September and November 2011, DEPA sent a letter to PPC regarding the commitment that arises from not receiving the minimum contractual quantities (take or pay) for the year 2010. The Parent Company has requested from DEPA, all the relevant data that support the eligibility and any requested amount. Until today, PPC has not received any supporting material. Consequently, it is not possible, for now, to define whether a take-or-pay for 2010 obligation by PPC to DEPA exists and therefore to estimate the amount of the abovementioned obligation. Additionally, regarding the abovementioned issue, DEPA has sent a letter to RAE requesting to interfere.

Finally it should be noted that PPC and DEPA (under the supervision of the Privatization fund) are currently renegotiating the terms of the already existing contract for the procurement of natural gas.

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.

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 effect of the above mentioned PPC S.A. is already in the process of conceding its participation in HTSO to the Hellenic Republic without compensation.

Management compensation: Fees concerning the Group's management members (Board of Directors and General Managers) for the ninemonth period ended September 30, 2011 and 2010, have as follows:

(All amounts in thousands of Euro, unless otherwise stated)

10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	GROUP		COMPANY	
	30.09.11	**30.09.10**	**30.09.11**	**30.09.10**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	188	285	104	134
-Non-executive members of the Board of Directors	109	129	90	93
- Other Benefits	12	21	12	21
	309	**435**	**206**	**248**
Compensation of Vice Managing Directors and General Managers				
- Regular compensation	1,029	997	1,029	997
- Contribution to defined contribution plans	180	135	180	135
- Compensation / extra fees	-	217	-	217
	1,209	**1,349**	**1,209**	**1,349**
Total	**1,518**	**1,784**	**1,415**	**1,597**

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.

11. DIVIDENDS

For the financial year 2010, the Annual General Shareholders' Meeting on June 30, 2011, announced that, dividends amount to 0.79 euro (seventy nine cents) per share. The net payable dividend after retaining a tax of 21% according to L.3943/2011, amounts to 0.62 euro/share and it was paid on July 12th, 2011.

12. LOAN AGREEMENTS – REPAYMENTS

Within the nine months period ended September 30, 2011 the Parent Company issued five (5) bond series for a total amount of € 263 mil, repayable within the period 2012 – 2018, bearing interest at EURIBOR plus a margin.

Furthermore, PPC proceeded to the renewal of a bond amounting to Euro 50 mil of a loan agreement maturing in August 2011, for one year.

Furthermore PPC disbursed a second tranche of Euro 350 mil. with a 15 year duration out of the total financing line of Euro 950 mil from EIB, for the Project Transmission – Distribution V which was approved by the Board of Directors of the Parent Company in 2009.

At September 30, 2011 the total available short term financing lines amounted to Euro 275 mil out of which Euro 275 mil were disbursed.

The loan repayments for the nine month period ended September 30, 2011 amounted to Euro 574.1 mil.

In addition in July 2011, the Parent Company conducted an early repayment of a loan amounting to Euro 20 m. initially maturing in 2015.

Foreign currency hedging transactions.
Within the nine month period ended September 30, 2011 the Company hedged approximately 70% of the foreign currency exposure (fluctuations of €/$ exchange rate) for the estimated liquid fuel purchases for 2011.

Liquid fuel hedging transactions.
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 of the non-Interconnected system for the period from June to September 2011.

12. LOAN AGREEMENTS – REPAYMENTS (CONTINUED)

Interest rate SWAP transaction.
In April 2011, the Company entered into an interest rate swap transaction from floating to fixed rate of an outstanding loan amounted to € 50 mil., maturing December 2015.

13. COMMITMENTS AND CONTINGENCIES

Ownership of Property
Major matters relating to the ownership of PPC's assets, are as follows:

1. Public Power Corporation S.A. is the legal successor to all property rights of the former PPC legal entity. Its properties are for the most part held free of encumbrances. Although all property is legally owned, legal title in land and buildings will not be perfected and therefore title may not be enforced against third parties until the property is registered at the relevant land registry in PPC's name. PPC is in the process of registering this property free of charge at the relevant land registries following a simplified registration procedure. This process is not yet finalised.
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.

Litigation and Claims

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at September 30, 2011 amounts to, Euro 714 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 in arbitration and mediation proceedings. The total amount involved is Euro 378 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 48 m and Euro 9 m, respectively.
3. *Claims by employees:* Employees are claiming the amount of Euro 200 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 September 30, 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 have been resolved with a decision of the Plenary Session of the Supreme Court (13/2010), (c) obtain the 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 the second semester of the 2010 fiscal year.

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

For the above amounts the Group has established provisions, which at September 30, 2011 totalled approximately Euro 159 m.

"Alouminion of Greece" (ALOUMINION)
There are pending actions before the Athens Multimembered Court of First Instance of ALOUMINION versus PPC (the hearing day of the said action of ALOUMINION after many postponements, has been set for the December 15th, 2011), as well as, of PPC versus ALOUMINION. ALOUMINION claims that initial contract between the parties is still valid and binding between the parties, whereas PPC claims, among others, the amounts regarding to the differences in tariffs. In particular PPC has filed, an action before the competent Multimembered Athens Courts against "ALOUMINION" for all sums related to the consumption of electric energy due and payable to PPC by "ALOUMINION" for the period from July 2008 until the end of September 2008, for an amount of Euro 4.3 m which responds to the increase of 10% by n. 23860/30.11.2007 Decision of the Minister of Development and a lawsuit for amounts from energy consumption for the period Euro 48.9 mil. plus an amount of Euros 414 (for interest due to PPC by the "ALOUMINION" for four (4) electricity bills within the year 2009) .The date of the hearing of the said cases was set initially for the 29.4.2010 and it was then postponed for October 11th 2012 and there are many possibilities of an favorable outcome.

On February 23, 2010 a decision has been issued by the Arbitration Court in relation to the application of the terms of the 23860/30.11.2007 ministerial decision which held:

- That there was a valid contract as between PPC and ALOUMINION, which was valid before the date on which the relevant increase of 10% was introduced (in consequence, before the 1st of July 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 plafond 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 every one of the different consumers, the general principles of good faith and of bonos mores, of free competition as well as the principle of the protection of the consumers and consequently has defined the limits of the tariff for ALOUMINION.

In August 2010, PPC's Board of Directors by its Decision No 177/03.08.2010 approved a framework agreement between PPC S.A. and ALOUMINION S.A. for the out of court settlement of their disputes. The abovementioned framework agreement was accepted by ALOUMINION S.A. and is the basis that the two counterparties agreed to 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 S.A. 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 € 82.6m.

Since then ALOUMINION S.A. has made monthly payments regarding in one hand, capital (the cap of the amount of which depends on the current stock-exchange price of aluminium) as well as interest and the contracted amount of downpayment amounting to € 20 m., against old debts and also for amounts owed to PPC S.A. for current consumption for the time period as from 1/7/2010 and thereafter. As a consequence of the foregoing, the initial debt of ALOUMINION S.A. has been decreased from an initial amount of € 82.6 m. to the amount of € 44.6 m. up to 31.10.2011. The provisions of the above mentioned Agreement are implemented in that part that does not exist differences between the two companies (a dispute exists between the parties on sharing certain fees and charges).

PPC, in its letter to RAE, has requested RAE's comments on both the Contract being drafted and the existing disputes between the parties on sharing certain fees and charges, as described below. RAE has issued a Decision (RAE 692/6.6.2011), through which its requests the harmonization of the tariff provisions of the PPC – Alouminion Agreement with the "Basic Principles of Electricity Pricing" (RAE 798/30.06.2011),

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

as these were stated on the occasion of PPC's proposal for the new tariffs concerning High Voltage Clients. PPC, after taking into consideration RAE's 798/2011 Decision, by its letter dated 07.07.2011 has invited ALOUMINION to sign the relevant contract in agreement with the legal and regulatory framework. Recently ALOUMINION doubts the above mentioned framework agreement.

As of 31.10.2011, there are still outstanding debts of ALOUMINION S.A. which concern on the one hand, the above mentioned amount of € 44.6m. and on the other hand, an amount of € 2.6 mil,, which is the unpaid balance after the payment of € 25.6 mil. which concerns various fees and charges, specifically Special Tax for Consumption, Fees for Execution of Custom Works (Special fee), Fees for Renewable Energy Sources and other charges (Charges for Use of Transmission System, Capacity Assurance Mechanism, Uplift Accounts, Public Services Obligation etc.) for the period from July 2010 until today. Up to September 30th 2011, ALOUMINION has been paying the amounts resulting from the mutual Agreement based on tariff A150 (an increase of 10%), as a plafond.

Furthermore, both PPC SA and ALOUMINION SA have agreed to submit to the arbitration of the Regulatory Authority for Energy (RAE) provided by Article 37 of Law 4001/22.08.2011 (Official Gazette A 179) their disputes regarding the terms of electricity supply in the contract signed between the two parties. Accordingly, the parties are currently negotiating with regard to the conclusion of the relevant arbitration agreement so that this is submitted to RAE.

Recently, 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 favor of Aluminion of Greece and its successor Aluminion S.A., addressed to the Hellenic Republic, with which the Commission decided that state aid of the amount of €17.4 m. was granted in favor of Aluminum of Greece. According to this Decision, and 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 Aluminion of Greece from January 2007 up to March 2008, and which provided an unjustified advantage to Aluminion 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 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 18th October 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 2nd November 2011, the amount of € 21.6 m. plus the amount of € 2,634.84 per day from the date of service until the 2nd November 2011, i.e. plus the total amount of € 39,522.60. Given that the company has not made the requested payment, PPC SA is already in the process of preparing the relevant legal remedies in order to proceed to litigation against ALOYMINION SA in respect to the abovementioned amounts.

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 filed on July 22, 1991 as against the Bank of Crete, PPC claimed an amount amounting to GRD 2.2 billion (€ 6.5 mil) due to the fact that transverse of the claims of PPC to stake-holding in the share capital of the Bank and to obligatory credit to the Bank, introduced by virtue of the 21/9.6.1989 Act of the trustee of the Bank was held invalid. The action was withdrawn by nr 9004/1996 Decision of the Multimember Court of Athens. PPC appealed against the said Decision of the Court which was also rejected by Decision Nr 4613/1997 of the Athens Appeal Court.

Said decision was brought to review by PPC before the Supreme Court and appellate Decision was quashed by Decision Nr 746/1998 of the Supreme Court. In consequence the case was brought to trial before the Court of Appeals, which by its Decision Nr 5514/1999 held that an expert report should take place. After said experts report, a Decision (Nr 7956/2005) was held partially in PPC's favour, awarding in favour of PPC the amount of almost GRD 1,936 billion (€ 5.7 mil).

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

However, a petition for review before the Supreme Court was filed against the aforesaid Decision which was accepted by Decision Nr 1968/2007of the Supreme Court, was resubmitted to the Court of Appeals for a new trial. The decision issued by the Court of Appeals (Nr 4093/2009) postponing the final decision ordered the completion of the expertise report concerning the requested amount of the compound interest by PPCs' lawsuit. The Decision seems to accept almost in its entirety the lawsuit of PPC, so that after the completion of the expertise report, with the issuance of the final Decision, there may be a decrease of the requested compound interest amounts. It should be noted that, on the 4th of February 2010, an application made by the Bank was heard before the Athens Court of Appeals by which, the Bank asked that it should be taken additionally into account within the context of the Decision of the said Court of Appeals Decision Nr 4093/2009, so that the Experts Report should also include a counterclaim by the Bank offered by the Bank an amount of GRD 100 m. (Euro 293) approximately, as against the claim of PPC on trial. As a consequence thereof, the addition of the Expert Report already decided by Decision Nr 4093/2009, is further postponed until the issuing of a final judgement of the same Court on the said application for an addition made by the Bank. The aforementioned application of the Bank for an addition in a final judgement of the Athens Court of Appeals was rejected with the Decision 1732/2010 of the said Court. Thus, the court for the above mentioned lawsuits is continued and the issuance of the abovementioned supplementary expert report is expected. The aforementioned case was initially set to be discussed on 10/11/2011 before the Athens Court of Appeals during which the expert would have to submit his expert report, but due to unavailability of the said expert it was postponed for 25/10/2012.

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. On February 19 2009, the Hellenic Republic submitted its observations before the General Court. 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 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. The Decision of the Court is expected within 2011. 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. A possible resumption of the hearing is examined.

Litigation with DEPA SA.
PPC has also resorted to arbitration for the existing contract between PPC and DEPA requesting a compensatory return according to article 25 of the same Contract. The deadline for the issuance of a decision by the Arbitrator for the implementation of article 25 expires on the 16.12.2011, unless it is postponed after a mutual agreement of the interested parties.

DEPA SA filed a petition for arbitration/writ of action dated 24.01.2011 against PPC SA before the Arbitration Court constituted as per Article 23 of the Contract dated 06.09.1994 signed between DEPA SA and PPC SA for the sale of gas, by which DEPA SA requests to receive by PPC the total amount of € 22.1 m. with additional statutory interest accrued on the dates specifically mentioned in the said petition. The above

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.
Both parties have submitted on time their pleadings, observations and evidence and the oral hearing is already concluded. Decision is expected to be issued by 16.12.2011, if it is not postponed after the mutual agreement of both parties.

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.

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 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

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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. These studies are expected to be completed in March 2012. Here after, the process for the issue of the WATER MANAGEMENT PLANS by the Ministry will follow, which, taking into account the necessary-provided by law-consultation period, is expected to be completed around May 2012. On September 30, 2011 the aggregate amount for HEP Mesochora is amounted to Euro 284.6 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 2014.

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.

   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 project is now in guarantee period, while the approval of the Temporary Acceptance Protocol was accomplished on 19.07.2011.

   The renewal of certain thermal power plants' environmental permits is expected within 2011, after the issue (August 2008) of the Common Ministerial Decision for the National Emissions Reduction Plan (Directive 2001/80/EC). 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.

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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. In the year 2011, the issuance of permits for the Ptolemais lignite mine is expected, which was revised in June 2010, in order for the updated mining plan to be authorized, the sterile component of lignite and ash, produced by burning coal in power stations in the region of Ptolemais and a waste management plan in accordance with KYA 39624/2209/E103/25.09.2009 (B/2076/25.09.2009) on Waste Management Extractive Industry. Expected in 2011, the renewal of environmental licensing of the activity "Management of solid waste from burning coal in power stations Megalopolis lignite mine, in the abovementioned mine (the depleted mine of Thoknias).

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 final allocation, 44.2 Mt CO_2 allowances have been allocated to the 31 existing bound plants of PPC for 2010. Additional annual allowances 0. 54 Mt CO_2 were allocated to PPC's new entrance units for the year 2010 (extension to the installed capacity of existing plants – 0.39 Mt CO_2 to new entrance of year 2008, 0.12 MtCO_2 to new entrance of year 2009 and 0.03 MtCO_2 to new entrance of year 2010). By the end of March 2011, the verification of the annual emissions reports, for all 31 bound plants, by accredited third party verifiers was completed successfully and the reports were promptly submitted to the Competent Authority. The total verified emissions of all 31 bound plants of PPC for 2010 amount to 46.4 Mt CO_2. According to the allocation of CO_2 emissions allowances and the final CO_2 emissions from PPC's bound plants, PPC exhibited a CO_2 emission rights deficit of 1.7 Mt CO_2 for 2010.

According to the temporary results, the CO_2 emissions of PPC's bound plants for the period 01.01.2011 – 30.09.2011 amounts to 35.1 Mt CO_2. According to recent projections, the CO_2 emissions for the period 01.10.2011 – 31.12.2011 are estimated to 11.3 M tCO_2 , thus the total CO_2 emissions for 2011 are estimated to 46.4 Mt CO_2, approximately. 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 31 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 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.

According to the above, it is estimated that PPC will exhibit a shortage of emission allowances for 2011 amounting to 2.1 Mt CO_2 out of which 1.58 Mt CO_2 respond to the period from 01.01.2011 to 30.09.2011. 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.

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 MWnet 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, the contractual price is Euro 219 million and the contractual deadline for completion was 27 months after the contract is signed.

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

In July 2009, the Building Permission was issued, which was also revised twice within 2010 for arrangement of urban-planning pendencies, new works etc. In September 2009, the construction began, with a revised time schedule which anticipates the completion of the Project within 24 months (September 2011).
In May 2010, the Supplement No 2 of the Contract was signed, according to which PPC shall pay the Contractor the amount of 31,15 million Euro 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 June 2010, the Common Ministerial Decision Approval of Environmental Terms was modified with reference to the delimitation and regulation of existing stream, in the watercourse of which the pump room cooling sea water will be placed.
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 million and according to the provisions of the Supplement No2.

In December, 2010, PPC submitted a request to Hellenic Transmission System Operator S.A. for a Connection Offer of the Unit. In January, 2011, Hellenic Transmission System Operator S.A. sent to PPC the Connection Offer. In February, 2011, PPC accepted the terms of the connection for the above Unit.

In January, 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, according to the provisions of Supplement No3, with the payment to the Contractor of the amount of 7,2 million Euro and according to the provisions of Supplement No2. In February 2011, the Supplement No4 of the Contract was signed.

The civil works, the delivery of electromechanical equipment and the preparation of the studies for the Project have been almost completed. The installation of main electromechanical equipment is ongoing.

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 675 million Euro. The new Unit will be fully equipped with modern and up-to-date antipollutive systems and with a provision of space for future installation of CO_2 emissions’ capture system. The above mentioned Project had been defined to be completed within 52 months, commencing with the signing of the contract. 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
In May 2009, in the frame of modification of previous Decision, the Board of Directors of PPC decided that the new Steam Electric unit in Ptolemaida shall be of pulverized lignite technology, instead of fluidized bed, and installed capacity of 550-660 MW, instead of 450 MW, with the capability of providing thermal energy of 140MWth, instead of 120 MWth, for district heating.
The International tender was announced on April 20, 2010. The announcement was published on the Supplement to the Official Journal of the European Union and Greek press, on April 23, 2010, and the date for offers’ submission was on September 01, 2010. The total budget of the Project amounts to Euro 1.320 million and the Project is expected to be completed within 70 months as from the signing of the contract.
According to the Supplement No1, issued in August 2010, the deadline for the offers submission was extended to 15.12. 2010.
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.
In October 2010, the Study of Environmental Impacts of the Unit was submitted to the Ministry of Environment Energy and Climate Change.
According to the Supplement No2, issued in November 2010, there are modifications and additions to certain terms of the Inquiry and the deadline for the offers submission was extended to 29.12.2010.
According to Supplement No3, issued in December 2010, there are modifications and additions to certain terms of the Inquiry and the deadline for the offers submission was extended to 08.02.2011.
With the Supplements 4, 5, 6, and 7, issued on 21.01.2011, 11.02.2011, 14.03.2011 and 11.04.2011 respectively, the deadline for the offers submission was extended successively to 11.05.2011.
According to Supplement No8, issued on May 3, 2011, there are modifications and additions to certain terms of the Inquiry and the deadline for the offers submission was extended to 28.06.2011.

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

After the unsealing of the folders A of the offers, the two offers were accepted.
After the completion of the technical evaluation of the offers, both of them were accepted.
On October, 24, 2011, the economical folders of the bidders were unsealed.
Then, the provisions of the Inquiry will be followed for the assessment of the Contractor.
On July, 25, 2011, the Preliminary Study of Environmental Impacts of the Unit had been submitted to the Ministry of Environment Energy and Climate Change. On September, 28, 2011, the Ministry of Environment Energy and Climate Change issued the Preliminary Environmental Assessment and Evaluation.

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 "Construction of a diesel engine Power Plant 115,4 MW in South Rodos burning heavy fuel oil with low sulphur content" was assigned to the successful bidder company (TERNA S.A.). In July 2009, the relevant Contract was signed. The Contract price is Euro 182,8 million.
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.
On March 30, 2011, the definitive study for the building facilities of the new Plant was approved by the Ministry of Culture and Tourism.
The construction will start after the completion of the permission issuance procedure, which is still in progress.
The main equipment of the project (engines and generations) is ready, but its transportation from the manufacturer had been postponed until the completion of the construction of a temporary storage room by the Contractor. The aforementioned construction has already begun. On March 27 and 28, 2011, the aforementioned equipment was transported for temporary storage to place in the seaport of Elefsina.
In March 2010, the lease contract for the land was signed between Public Land Corporation and PPC. However, due to the fact that the lease of land creates difficulties with the progress of the Licenses procedure, PPC has commonly agreed with Public Land Corporation the purchase of the above land. On April 27, 2011, PPC with a relevant letter requested from the Minister of Economics to approve the Decision of Board of Directors of Public Land Corporation as soon as possible, so that the relevant contract will be signed. On May 20, 2011, the relevant decision for the approval was issued by the Shareholder of Public Land Corporation
On June 29, 2011, the relevant contract for the purchase of the above land was signed and in September 2011, the Installation License was issued. The elaboration of the project studies is in progress.

A new combined cycle unit at Megalopolis

On August 25, 2009 the Board of Directors of PPC approved the award of the Project "Study, supply, transportation, installation and putting in operation of a new 811MWnet, in reference conditions, combined cycle unit at Megalopolis" to the successful bidder, the 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 € 499,5 million.
Moreover, the geotechnical investigation was completed and the relevant study was submitted on July 2010.
In March 2010, PPC submitted a request to Regulatory Authority of Energy for the modification of the current Generation Licence (850 MW) concerning the final net power, in reference conditions (811MW).
In May 2010, the Common Ministerial Decision Approval of Environmental Terms was issued.
In July 2010, PPC submitted a request to Hellenic Transmission System Operator S.A. for the Connection Offer of the Unit.

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

In September 2010:
- The permission of space configuration for the addition of the Unit to SES Megalopolis B' was issued.
- There was positive opinion by Regulatory Authority of Energy for the modification of Generation License.
- Hellenic Transmission System Operator S.A. sent to PPC the offer for the connection of the Unit with the System.

In November 2010, PPC accepted the terms for the connection of the Unit with the System.
In January, 2011 the Ministry of Environment Energy and Climate Change issued a Decision modifying the Generation License as concerns the capacity of the Unit (845 MW, max net power, in ISO conditions).
In January 2011, the folder of the techno-economical study for capture, transport and storage of CO_2 was submitted to the Ministry of Environment Energy and Climate Change.
In March, 2011, the Installation License was issued.
In May, 2011:
1) the decision for the approval of height deviation was issued by the relevant Department.
2) the decision for the approval of the final architectural study was issued by the Archaeological Department.
3) the Contract for the Long Term Maintenance of the Unit was signed with the company METKA S.A.
In July, 2011, the Building Permission of the above Unit was issued.
The civil works, the delivery of electromechanical equipment and the construction works of electromechanical equipment are in progress.
In October, 2011, after a related request from the Contractor Joint Venture «METKA S.A. – ETADE A.E.», 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 issue of the related Supplement is expected.

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.. It is noted that PPC's Board of Directors, in October 2007, has decided to exercise the above mentioned option, which, on January 7th, 2008, notified to the Ministry of Finance.
In the medium term fiscal strategy 2012-2015, described in L. 3895/2011 (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.

Joint venture between PPC S.A. and URBASER S.A. – Participation in DIADYMA'S tender.
PPC and the Spanish company Urbaser agreed in April 2009 on a "MoU", providing for the development of projects in Waste Management sector. In April 2010, the Board of Directors of PPC S.A. approved the signing of the Shareholders Agreement for the establishment of a joint company between PPC S.A. and Urbaser S.A. The Shareholders Agreement was signed by both parties in June 2010, with Urbaser owning 51% of the share capital of the new corporate form and PPC 49%.
Following the positive opinion of the Directorate General for Competition of the European Commission in December 2010, regarding the formation of the company, PPC S.A. and Urbaser S.A concluded in February 2011 the corporate establishment procedure of the joint company, with the distinct name 'Waste Syclo Waste Management Services SA'. The initial paid in share capital of the company is Euro 60.000.
The joint company 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 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 Phase A of the tender in June 23rd 2011.
At the moment, Waste Syclo is participating in the Public Consultation Procedures for the imminent tenders of Attica and Peloponnesus peripheries.

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Kosovo Energy Project

In December 2009, the Ministry of Energy and Mining of Kosovo announced a request for expression of interest for the pre-qualification phase of a new tender (the tender had been previously announced but it was never concluded), redefining the object of the Energy Project (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 600 MW). On February 26th 2010, PPC and Contour Global have jointly submitted an Expression of Interest. 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 forthcoming international tender.

In August 2010, the Draft RfP (Request for Proposals) was issued and sent to the prequalified bidders, in order to make their comments before the issuance of the final RfP, which was expected to be issued in December 2010. On December 12th, 2010, governmental elections were held, leading to a delay of the tender procedures, until today. Further to these developments, Contour Global has decided not to pursue further the Kosovo tender. PPC S.A. continues the evaluation of the project awaiting for the reenactment of the process. Due to this, no further reason exists for the continuance of operation of subsidiary company SENCAP SA, which was founded by PPC and Contour Global. Following that, in General Meeting held in August 2011, SENCAP's shareholders decided dissolution and liquidation of the company.

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 €64m. The installation process of the Wind Farms in Paros, Lesvos, Samos (Marathokampos), Crete (Akoumia) and Limnos was completed in December 2010, whilst the connection of the first five to the network is due to be completed within 2011.

Hybrid Project in Ikaria

The hybrid project in Ikaria is under construction and is expected to be completed by the end of 2012. 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 2012. Following the evaluation of the technical components of the Bids, in August 2011 the financial bids were opened. The lowest offer was that of J&P Avax S.A.

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

The Joint Venture's initial share capital is €60 with PPCR S.A. and EPGE's shares being 49% and 51% respectively.

In the context of the aforementioned partnership, PPCR S.A. and EPGE 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.

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

14. SIGNIFICANT EVENTS

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.
This investment is estimated at about €600m and 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 CO_2 emissions by 300,000 tons CO_2.
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 no later than in the begging of 2012, in order for a company to be selected and for construction to begin in the summer.

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). The qualified bidder will enter into a partnership with the state company Macedonian Power Plants (ELEM).
In March 2011, PPC submitted prequalification application in order to participate to this tender procedure.
In April 2011, according to an announcement of the local Government PPC SA was selected for the next phase of the international tender for the construction of the HPP Plants of Cerbren & Galiste in the Crna River. 10 companies and/or Joint ventures in total are participating in the second phase of the tender. The deadline for submitting bids was September 30, 2011, but due to a given extention, bids must be submitted until December 15 2011.

14. SIGNIFICANT EVENTS (CONTINUED)

Revision of PPC's outlook by rating agencies.
In April 2011 the rating agency S&P lowered PPC's credit rating from BB+ with negative credit watch to BB- retaining rating in negative credit watch. In May 2011, S&P proceeded to a new downgrade to B with negative credit watch. In June 2011, S&P proceeded to a further downgrade to B- with negative credit watch.

Taxation of Dividends
According to L.3943/7.4.2011, from the year 2011 onward the tax rate on dividends will increase from 21% to 25%.

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. Agreement has been signed, within this collaboration, for the implementation of Wind Parks in Rodopi.

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 Saving for investments in order to improve energy efficiency in households.

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. while the rights of the geothermal field of Methana are expected to be 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.

Disclosure of the Cyclades Interconnection project inquiry
In June 2011, the inquiry for the bid selection concerning the Cyclades Interconnection project was published in the Greek press and in addition in the official paper of the European Union. Bids are expected to be submitted by November 29th of 2011.

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.

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, an 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.

PV Atherinolakkos park in Crete
In June 2011, PPCR S.A. signed with Solarise S.A. the contract for the construction of the PV Park of 0.5 MW, in Atherinolakkos, Crete. Construction and commissioning is expected to be completed in December of 2011.

14. SIGNIFICANT EVENTS (CONTINUED)

The medium term fiscal strategy 2012-2015
In June 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.

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.

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.

Special Levy on real estate properties
The Law voted on September 27, 2011 concerning the imposition of an extraordinary special levy on buildings connected to the power 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 (2) equal installments, from October of the current year until January 2012.
- The amounts of the special levy to be collected by PPC SA and the alternative power suppliers 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. 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.

In case the levy has not been paid, PPC SA and the alternative power suppliers will proceed to the issuance of a power supply disconnection order for the relative consumer and send it to the Network Operator, who shall proceed to the disconnection; until settlement of the levy payable, the latter may not reconnect it. If there is no request for power reconnection, PPC SA and the alternative power suppliers, following termination of the power supply contract of the consumer, will notify the Hellenic State of the termination, in order to proceed to the collection of the levy payable, in accordance with the provisions of the Code for the Collection of Public Revenues. If the special levy is not paid, the consumer is not allowed to switch power supplier. In case PPC SA or the alternative power supplier has not requested the power supply disconnection, a fine equal to the value of the levy payable increased by 25% shall be imposed to them in favour of the Hellenic State, with the issuance of a relevant Decision by the Minister of Finance.

15. SUBSEQUENT EVENTS

ITSO S.A. loans
In the context of the spin off of the activity of PPC's General Division of Transmission and the contribution of the above mentioned activity in its wholly owned subsidiary " PPC Telecommunications S.A." renamed by law to "Independent Transmission System Operator " based on the financial position of 01.01.2011, loans amounting to Euro 696 mil. were transferred by the Parent Company to the subsidiary. Out of the above mentioned loans, the Parent Company that provides a guarantee for loans, amounting to Euro 347.5 mil. .

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.

Charges for the Use of System and Network
RAE, based on its responsibilities, regarding the approval of the Annual Cost for the activities of Transmission and Distribution and in the context of reviewing the methodology for the calculation of cost for the networks (Transmission and Distribution) and the Regulated Asset Base, is willing to assign to an independent advisor (appraiser), the study and appraisal, according to admissions and rules that will be set for regulatory purposes, of the Report of reevaluation of PPC's fixed assets, which was conducted by an

15. SUBSEQUENT EVENTS (CONTINUED)

independent firm of appraisers based on the International Appraising Standards and the IFRS as of 31.12.2009.
It is noted that in December 2010, RAE with its opinions towards the Ministry of Environment, has decreed not to co-calculate in its Single Charges of Use for the Transmission System and the Distribution Network for 2011, the surplus value that was produced by the above mentioned revaluation of the fixed assets for the activities of Transmission and Distribution.

Law 4024/2011 "Pension adjustments, single public pay scale, labour reserve and other directions of the medium term fiscal strategy 2012-2015"
Based on Law 4024/2011, it is anticipated that 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 of the Company as that applicable by 31.12.2009.

Bonds
In October 2011, the company renewed a bond series amounting to Euro 60 mil., with a maturity in 2012, for three more years.

PPC Guarantee for PPC Renewables
In November 2011, PPC S.A. provided its guarantee for its subsidiary PPC Renewable for a short term loan amounting to Euro 5 million.

Decisions of the Extraordinary Shareholders Meeting of PPC S.A. regarding the spin off of the transmission activity
In November 2011 PPC's Extraordinary Shareholders Meeting was held and the following were decided:
- The spin off of the transmission activity of the Parent Company according to the article 98, L. 4001/2011 and its contribution in the Parent Company's wholly owned subsidiary "DEH Telecommunications" (renamed by law to "Independent Transmission System Operator".
- The 01.01.2011 financial position of PPC's General Transmission Division
- The 15.09.2011 Audit report of verification of assets and liabilities for of PPC's General Transmission Division
- the spin-off contract draft concerning the spin – off of the General Transmission Division of PPC S.A.

Spin off of the activity of Distribution – Change of spin –off date.
In November 2011 PPC's Board of Directors decided to set December 31st, 2011 (instead of January 1st, 2011) as the spin off date as well as the date for the financial position of PPC's General Distribution Division. It is noted that according to article 123, Law 4001 (OG A 179/22.08.2011) PPC is obliged to accomplish the legal as well as the operational unbundling of the activity of the management of GDG by its other activities of its vertically integrated company, by contributing the Distribution Division in its subsidiary OGDG in 8 months by the effect date of the above mentioned law (that is by 23.04.2012)
The Parent Company considers that during the preparation of Financial Statements as of September 30th, 2011 IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" cannot be implemented given that it does not meet the Standard's criteria in relation to the classification and measurement of the activity of Distribution as "available for sale".

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.
Since July 2009, PPC has signed a "MoU" with Bank of Cyprus and Quantum Corporation Ltd for developing, constructing and operating power plants in the Republic of Srpska in Bosnia-Herzegovina. In July 2011, following the approval of the Board of Directors, the "Articles of Association" was signed for the establishment of a subsidiary company with the distinct name "PPC - QUANTUM ENERGY S.A.". 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 August 2010, the government of Republic of Srpska of Bosnia-Herzegovina announced a public invitation for the submission of a "Letter of Interest" in the pre-qualification phase of a tender, for the research, construction and exploitation of four new hydro plants in the upper Drina. In September 2010, PPC submitted a "Letter of Interest" to the government of Republic of Srpska. In June 2011, the public invitation for the submission of a "Letter of Interest" in the pre-qualification phase of this tender was republished. In July 2011, PPC submitted again a "Letter of Interest" to the government of Republic of Srpska for this project. It is noted that the deadline for participation in the tender expired on August 11th, 2011 and that except PPC, RWE has also submitted an offer.

(All amounts in thousands of Euro, unless otherwise stated)

16. SEGMENT INFORMATION

Sales and inter segment results are as follows:

	Sales		Results	
	30.09.2011	**30.09.2010**	**30.09.2011**	**30.09.2010**
Interconnected system				
Mines	686,980	701,240	35,742	72,508
Generation	1,968,427	2,246,562	393,387	569,173
Transmission	211,879	214,715	105,929	94,012
Distribution Network	604,839	709,283	197,119	289,787
Supply	3,511,149	3,680,322	(310,550)	(290,848)
	6,983,274	**7,552,122**	**421,627**	**734,632**
Creta Network				
Generation	291,074	286,890	(59,466)	(30,896)
Distribution Network	46,539	57,912	15,420	30,821
Supply	232,547	261,622	(18,714)	54,054
	570,160	**606,424**	**(62,760)**	**53,979**
Non – Interconnected Islands System				
Generation	302,194	262,594	(47,192)	(51,354)
Distribution Network	71,729	50,579	28,174	10,215
Supply	212,223	234,629	(38,435)	63,671
	586,146	**547,802**	**(57,453)**	**22,532**
Operator of Island Network	**707,966**	**637,704**	**-**	**-**
Operator of connected network	**465,610**	**579,844**	**-**	**-**
Eliminations	(5,109,568)	(5,456,282)	-	-
Financial expenses	-	-	(163,932)	(122,588)
Subsidiaries and related parties	-	-	930	1,058
Income tax	-	-	(47,574)	(169,401)
Grand total	**4,203,588**	**4,467,614**	**90,838**	**520,212**

FIGURES AND INFORMATION

PUBLIC POWER CORPORATION S.A.

Reg. No : 47829/06/B/00/2

Chalkokondyli 30 - 104 32 Athens

FINANCIAL DATA AND INFORMATION FOR THE PERIOD

January 1, 2011 - September 30, 2011

In accordance with the Decision 4/507/28.04.2009 of the Hellenic Capital Market Commission.

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. Therefore, 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 financial statements and the auditor's review report, when is required are published.

Company's Web site :	www.dei.gr
Date of approval of financial statements from the Board of Directors:	November 25, 2011

STATEMENT OF FINANCIAL POSITION
Amounts in thousands of Euro

	GROUP		COMPANY	
ASSETS	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Tangible assets	13.645.848	13.354.142	11.845.101	13.236.285
Intangible assets, net	91.204	89.146	91.125	89.040
Other non - current assets	66.994	41.547	138.439	114.665
Materials, spare parts and supplies	884.623	849.971	826.247	849.182
Trade receivables	1.059.415	1.022.736	1.031.005	1.021.295
Other current assets	276.647	200.335	2.043.392	221.642
Available for sale financial assets	10.566	22.073	10.566	22.073
Cash and cash equivalents	235.362	620.449	231.470	617.040
TOTAL ASSETS	**16.270.659**	**16.200.399**	**16.217.345**	**16.171.222**
EQUITY AND LIABILITIES				
Share capital	1.067.200	1.067.200	1.067.200	1.067.200
Other equity items	5.626.012	5.702.328	5.596.179	5.679.134
Equity attributable to shareholders of the parent (a)	6.693.212	6.769.528	6.663.379	6.746.334
Minority interests (b)	0	0	0	0
Total Equity (c)=(a)+(b)	6.693.212	6.769.528	6.663.379	6.746.334
Interest bearing loans and borrowings	3.386.579	3.885.625	2.845.204	3.885.413
Provisions / other non current liabilities	3.274.875	3.343.102	2.843.180	3.337.904
Short term borrowings	1.523.815	967.173	1.510.661	966.899
Other current liabilities	1.392.178	1.234.971	2.354.921	1.234.672
Total liabilities (d)	9.577.447	9.430.871	9.553.966	9.424.888
TOTAL EQUITY AND LIABILITIES (c) + (d)	**16.270.659**	**16.200.399**	**16.217.345**	**16.171.222**

STATEMENT OF CHANGES IN EQUITY
Amounts in thousands of Euro

	GROUP		COMPANY	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
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 (continuing / discontinuing operations)	100.552	505.516	94.486	495.873
Dividends	(183.280)	(232.000)	(183.280)	(232.000)
Other	6.412	1.261	5.839	1.667
Equity at the end of the period (30.09.2011 and 30.09.2010, respectively)	**6.693.212**	**6.736.091**	**6.663.379**	**6.714.765**

ADDITIONAL DATA AND INFORMATION
All amounts 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
PPC S.A.	Parent Company	Greece	2009-2010
PPC RENEWABLE SOURCES S.A.	100%	Greece	2009-2010
PPC RHODES S.A.	100%	Greece	1999-2010
ITSO S.A. (ex PPC TELECOMMUNICATIONS S.A.)	100%	Greece	2007-2010
ARKADIKOS ILIOS 1 S.A.	100%	Greece	2007-2010
ARKADIKOS ILIOS 2 S.A.	100%	Greece	2007-2010
ILIAKO VELOS 1 S.A.	100%	Greece	2007-2010
ILIAKO VELOS 2 S.A.	100%	Greece	2007-2010
SOLARLAB S.A.	100%	Greece	2007-2010
ILIAKA PARKA DITIKIS MAKEDONIAS 1 S.A.	100%	Greece	2007-2010
ILIAKA PARKA DITIKIS MAKEDONIAS 2 S.A.	100%	Greece	2007-2010
HPP OINOUSA S.A.	100%	Greece	2010
PPC FINANCE PLC	100%	UK	-

Equity method:

Company	Note	% participation	Country of incorporation	Unaudited tax years
LARCO S.A.		11.45%	Greece	2002-2010
SENCAP S.A.		50%	Greece	2006-2010
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	2007-2010
PPC RENEWABLES ELTEV AIFOROS S.A.		49%	Greece	2008-2010
GOOD WORKS S.A.		49%	Greece	2005-2010
PPC RENEWABLES EDF EN GREECE S.A.		49%	Greece	2008-2010
EEN VOIOTIA S.A.	1	46.60%	Greece	2007-2010
ORION ENERGIAKI S.A.	2	49%	Greece	2007-2010
ASTREOS ENERGIAKI S.A.	2	49%	Greece	2007-2010
PHOIBE ENERGIAKI S.A.	2	49%	Greece	2007-2010
IAPETOS ENERGIAKI S.A.	2	49%	Greece	2007-2010
AIOLIKO PARKO LOUKO S.A		49%	Greece	2008-2010
AIOLIKO PARKO BABO VIGLIES S.A.		49%	Greece	2008-2010
AIOLIKO PARKO LEFKIVARI S.A.		49%	Greece	2008-2010
AIOLIKO PARKO AGIOS ONOUFRIOS S.A.		49%	Greece	2008-2010
AIOLIKO PARKO KILIZA S.A.		49%	Greece	2008-2010
RENEWABLE ENERGY APPLICATIONS L.T.D.		49%	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 6 of the Interim Condensed Financial Statements.

2. The accounting policies adopted in the preparation of the Interim Condensed Financial Statements are presented in Note 3.2 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 Interim Condensed Financial Statements.
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 September 30, 2011 are as follows :

	Group	Company
a) Provision for litigation and arbitration	(1,782)	(1,206)
b) Provision for unaudited fiscal years by tax authorities	368	279
c) Other provisions	97,335	99,709

6. Total payrolls of the Group and the Parent Company number 21,075 employees and 21,927 employees as of September 30, 2011 and 2010 respectively. Further information is presented in Note 1 of the Interim Condensed Financial Statements.
7. Sales and purchases of the Group and the Parent Company for the period ended September 30, 2011 as well as receivables and payables as of September 30, 2011 of the Group and the Parent Company, according to IAS 24 are as follows:

	Group	Company
a) Sales	141,651	144,608
b) Purchases	708,179	714,314
c) Receivables from related parties	774,900	795,546
d) Payables to related parties	665,475	665,475
e) Key management personnel compensations	1,518	1,415
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 September 30, 2011 amounted to Euro 855.1 million and of Euro 875.8 million respectively.
9. Other Comprehensive income / (loss) after tax which was recognized directly in equity for the period ended September 30, 2011 are as follows:

	Group	Company
Profit / (Loss) from fair value available for sale valuation	9,408	9,408
Hedging	306	306
Total	9,714	9,714

10. The progress regarding the terms of electricity supply between PPC S.A. and ALOUMINION S.A., is presented in Note 13 of the Interim Condensed Financial Statements.
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 10 and 13 of the Interim Condensed Financial Statements.
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 10 of the Interim Condensed Financial Statements.
13. According to L.4001/2011 PPC is in the process of conceding its participation in HTSO to the Hellenic Republic without compensation. Further information is presented in Note 10 of the Interim Condensed Financial Statements.
14. According to L.4021/2011 the Special Levy on real estate properties will be collected, through electricity bills, by PPC SA and the alternative power suppliers. Further information is presented in Note 14 of the Interim Condensed Financial Statements.
15. PPC is in the process to finalise the necessary procedures for the implementation of Law 4024/2011 "Pension adjustments, single public pay scale, labour reserve and other directions of the medium term fiscal strategy 2012-2015". Further information is presented in Note 15 of the Interim Condensed Financial Statements.
16. 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 "DEH Telecommunications" renamed by law to "Independent Transmission System Operator (ITSO S.A.)". As L.4001/2011, was published on August, 2011 PPC according to IFRS 5 classified the disposal group as "available for sale". Consequently, certain reclassification related to the disposal group has been made for presentation and comparison purposes. Further information is presented in Note 5 and 15 of the Interim Condensed Financial Statements.
17. 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. Further information is presented in Note 15 of the Interim Condensed Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME
Amounts in thousands of Euro

	GROUP			
	01.01-30.09.2011	01.01-30.09.2010	01.07-30.09.2011	01.07-30.09.2010
Sales	4.203.588	4.467.614	1.484.423	1.573.161
Gross operating results	733.117	1.175.604	188.523	368.102
Profit / (Loss) before tax, financing and investing activities	289.230	785.007	20.908	255.542
Profit / (Loss) before tax	138.412	689.613	(46.991)	226.022
Profit after tax from continuing operations (A)	90.838	520.212	(37.966)	172.357
Profit after tax from discontinuing operations (B)	0	0	0	0
Profit after tax (continuing and discontiuing operations) (A)+(B)	**90.838**	**520.212**	**(37.966)**	**172.357**
Distributed to:				
- Owners of the Parent	90.838	520.212	(37.966)	172.357
- Minority interests	0	0	0	0
Other comprehensive income after tax (C)	9.714	(14.696)	20.162	1.561
Total comprehensive income after tax (A)+(B)+(C)	100.552	505.516	(17.804)	173.918
- Owners of the Parent	100.552	505.516	(17.804)	173.918
- Minority interests	0	0	0	0
Earnings / (Loss) per share, basic (in Euro)	0,3915	2,2423	(0,1636)	0,7429
Profit before tax, financing and investing activities and depreciation and amortisation	794.692	1.223.657	190.883	402.556

	COMPANY			
	01.01-30.09.2011	(restated) 01.01-30.09.2010	01.07-30.09.2011	(restated) 01.07-30.09.2010
Sales	3.979.472	4.239.615	1.408.222	1.495.910
Gross operating results	622.253	1.044.618	144.395	322.349
Profit / (Loss) before tax, financing and investing activities	173.143	684.931	(13.658)	221.712
Profit / (Loss) before tax	39.538	583.448	(78.924)	190.819
Profit after tax from continuing operations (A)	22.825	439.711	(58.942)	145.753
Profit after tax from discontinuing operations (B)	61.947	70.858	19.430	24.190
Profit after tax (continuing and discontiuing operations) (A)+(B)	**84.772**	**510.569**	**(39.512)**	**169.943**
Distributed to:				
- Owners of the Parent	84.772	510.569	(39.512)	169.943
- Minority interests	0	0	0	0
Other comprehensive income after tax (C)	9.714	(14.696)	20.162	1.561
Total comprehensive income after tax (A)+(B)+(C)	94.486	495.873	(19.350)	171.504
- Owners of the Parent	94.486	495.873	(19.350)	171.504
- Minority interests	0	0	0	0
Earnings / (Loss) per share, basic (in Euro)	0,0984	1,8953	(0,2541)	0,6282
Profit before tax, financing and investing activities and depreciation and amortisation	630.727	1.078.043	137.900	353.324

CASH FLOW STATEMENT
Amounts in thousands of Euro

	GROUP		COMPANY	
	01.01-30.09.2011	01.01-30.09.2010	01.01-30.09.2011	(restated) 01.01-30.09.2010
Cash Flows from Operating Activities				
Profit / (Loss) before tax from continuing operations	138.412	689.613	39.538	583.448
Profit before tax from discontinuing operations	0	0	90.686	94.013
Adjustments:				
Depreciation and amortisation	561.794	494.483	558.194	490.996
Amortisation of customers' contributions and subsidies	(56.334)	(55.833)	(56.006)	(55.515)
Provision for CO_2 emission rights	9.111	18.611	9.111	18.611
Impairment loss of marketable securities	20.917	0	20.917	0
Share of loss (profit) of joint venture	0	0	97	0
Share of loss / (gain) of associates	(930)	(1.058)	0	2.764
Interest income	(34.036)	(24.527)	(33.901)	(24.361)
Sundry provisions	99.448	108.516	98.135	108.462
Unrealised foreign exchange losses (gains) on interest bearing loans and borrowings	(957)	3.543	(979)	3.543
Unbilled revenue	(11.257)	6.179	(11.257)	6.179
Retirement of fixed assets and software	19.688	22.774	19.685	22.774
Amortisation of loan origination fees	4.119	3.838	4.119	3.838
Interest expense	148.530	111.707	148.235	111.673
Working capital adjustments:				
(Increase) / Decrease in:				
Accounts receivable, trade and other	(201.466)	(289.841)	(191.526)	(285.290)
Other current assets	(34.974)	(35.377)	(35.021)	(35.398)
Materials, spare parts and supplies	(29.874)	(23.816)	(29.710)	(23.665)
Increase / (decrease) in:				
Trade and other payables	245.442	(88.938)	239.269	(76.136)
Other non-current liabilities	(7.431)	(12.530)	(7.433)	(12.530)
Accrued / other liabilities excluding interest	60.615	(9.030)	60.593	(8.117)
Income tax paid	(181.935)	(128.710)	(179.475)	(126.963)
Net Cash from Operating Activities (a)	**748.882**	**789.604**	**743.271**	**798.326**
Cash Flows from Investing Activities				
Interest received	34.036	24.527	33.901	24.361
Capital expenditure of fixed assets and software	(884.392)	(700.565)	(866.654)	(691.764)
Proceeds from customers' contributions and subsidies	2.712	9.724	2.723	9.724
Investments in subsidiaries and associates	(30)	0	(30)	(15.317)
Purchase of marketable securities	0	(227)	0	(227)
Net Cash used in Investing Activities (b)	**(847.674)**	**(666.541)**	**(830.060)**	**(673.223)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	37.900	36.500	25.000	36.500
Proceeds from interest bearing loans and borrowings	613.000	1.421.000	613.000	1.421.000
Principal payments of interest bearing loans and borrowings	(594.261)	(1.049.405)	(594.142)	(1.049.405)
Interest paid	(159.697)	(101.039)	(159.402)	(101.005)
Dividends paid	(183.237)	(223.946)	(183.237)	(223.946)
Net Cash used in Financing Activities (c)	**(286.295)**	**83.110**	**(298.781)**	**83.144**
"Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c) "	**(385.087)**	**206.173**	**(385.570)**	**208.247**
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	**235.362**	**686.215**	**231.470**	**680.029**

Athens, November 25, 2011

CHAIRMAN & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
ARTHOUROS ZERVOS	**EVAGGELOS PETROPOULOS**	**GEORGE C. ANGELOPOULOS**	**EFTHIMIOS A. KOUTROULIS**