PUBLIC POWER CORPORATION S.A.

Interim Condensed Consolidated and Separate Financial Statements

September 30, 2012

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

The attached interim condensed separate and consolidated financial statements have been approved by the Board of Directors of Public Power Corporation S.A. on November 27th, 2012 and they are available on the web site of Public Power Corporation S.A. at www.dei.gr.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN AND DEPUTY CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
ARTHOUROS ZERVOS	KONSTANTINOS THEOS	GEORGE C. ANGELOPOULOS	EFTHIMIOS A. KOUTROULIS

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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, 2012
(All amounts in thousands of Euro - except share and per share data)

	GROUP				COMPANY			
	01.01.2012-30.09.2012	**01.01.2011-30.09.2011**	**01.07.2012-30.09.2012**	**01.07.2011-30.09.2011**	**01.01.2012-30.09.2012**	**01.01.2011-30.09.2011**	**01.07.2012-30.09.2012**	**01.07.2011-30.09.2011**
REVENUES:								
Revenue from energy sales	4,347,472	3,760,094	1,544,979	1,331,258	4,330,360	3,748,205	1,534,876	1,326,915
Other	216,266	439,698	80,776	157,054	130,817	227,471	39,173	85,196
	4,563,738	**4,199,792**	**1,625,755**	**1,488,312**	**4,461,177**	**3,975,676**	**1,574,049**	**1,412,111**
EXPENSES:								
Payroll cost	540,596	640,126	174,034	213,918	297,957	588,423	97,482	193,779
Fuel	1,664,880	1,583,387	615,901	634,153	1,664,880	1,583,387	615,901	634,153
Depreciation and amortization	382,593	375,646	127,120	128,719	334,128	327,768	109,967	110,302
Energy purchases	1,331,385	751,818	519,156	300,156	1,334,959	757,937	516,853	302,682
Transmission system usage	75,377	229,457	45,876	78,422	223,701	229,457	75,993	78,422
Distribution system usage	-	-	-	-	302,730	-	104,623	-
Provisions	229,457	95,553	87,008	41,712	185,137	98,503	89,850	42,133
Financial expenses	208,250	163,932	69,725	58,592	185,317	145,557	61,746	56,261
Financial income	(31,485)	(34,036)	(9,873)	(10,412)	(66,258)	(33,901)	(8,879)	(10,392)
Other (income)/ expense, net	6,379	234,575	(112,428)	70,324	(98,530)	217,058	(163,733)	64,298
Share of profit /(loss) of associates, net	(996)	(930)	(508)	419	-	97	-	97
Impairment loss of marketable securities	-	20,917	-	20,917	-	20,917	-	20,917
Foreign currency (gains)/ losses, net	565	935	(102)	(1,617)	565	935	(102)	(1,617)
PROFIT / (LOSS) BEFORE TAX	**156,737**	**138,412**	**109,846**	**(46,991)**	**96,591**	**39,538**	**74,348**	**(78,924)**
Income tax expense	(38,659)	(47,574)	(10,100)	9,025	(17,827)	(16,713)	(9,476)	19,982
PROFIT / (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**118,078**	**90,838**	**99,746**	**(37,966)**	**78,764**	**22,825**	**64,872**	**(58,942)**
PROFIT / (LOSS) AFTER TAX FROM DISCONTINUING OPERATIONS	**-**	**-**	**-**	**-**	**-**	**61,947**	**-**	**19,430**
NET PROFIT / (LOSS)	**118,078**	**90,838**	**99,746**	**(37,966)**	**78,764**	**84,772**	**64,872**	**(39,512)**
Attributable to:								
Owners of the parent	**115,921**	**90,838**	**98,235**	**(37,966)**				
Minority interests	**2,157**	**-**	**1,511**	**-**				
Earnings per share, basic and diluted	0.50	0.39	0.42	(0.16)				
Weighted average number of shares	232,000,000	232,000,000	232,000,000	232,000,000				

Certain reclassifications have been made to prior period amounts for comparative reasons
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 ,2012
(All amounts in thousands of Euro - except share and per share data)

	GROUP				COMPANY			
	01.01.2012-30.09.2012	**01.01.2011-30.09.2011**	**01.07.2012-30.09.2012**	**01.07.2011-30.09.2011**	**01.01.2012-30.09.2012**	**01.01.2011-30.09.2011**	**01.07.2012-30.09.2012**	**01.07.2011-30.09.2011**
Profit for the period	**118,078**	**90,838**	**99,746**	**(37,966)**	**78,764**	**84,772**	**64,872**	**(39,512)**
Other Comprehensive income / (loss) for the period								
Profit / (Loss) from fair value available for sale valuation	872	9,408	1,909	13,241	872	9,408	1,909	13,241
Valuation of Derivatives	-	306	-	6,921	-	306	-	6,921
Other Comprehensive income / (loss) for the period after tax	872	9,714	1,909	20,162	872	9,714	1,909	20,162
Total Comprehensive income / (loss) after tax	**118,950**	**100,552**	**101,655**	**(17,804)**	**79,636**	**94,486**	**66,781**	**(19,350)**
Attributable to:								
Owners of the parent	**116,793**	**100,552**	**100,144**	**(17,804)**				
Minority interests	**2,157**	**-**	**1,511**	**-**				

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, 2012

(All amounts in thousands of Euro - except share and per share data)

	GROUP		COMPANY	
	30/9/2012	**31/12/2011**	**30/9/2012**	**31/12/2011**
ASSETS				
Non – Current Assets:				
Property, plant and equipment, net	13,771,437	13,702,609	11,898,171	11,885,466
Intangible assets, net	88,665	92,703	87,674	92,512
Available for sale financial assets	7,335	6,435	7,307	6,435
Other non-current assets	61,828	66,736	1,090,352	1,049,340
Total non-current assets	13,929,265	13,868,483	13,083,504	13,033,753
Current Assets:				
Materials, spare parts and supplies, net	861,018	847,585	632,053	793,809
Trade and other receivables, net and other current assets	2,065,009	1,409,408	1,876,110	1,318,228
Restricted cash	146,500	154,833	146,500	154,833
Cash and cash equivalents	232,918	364,495	195,077	339,539
Total Current Assets	3,305,445	2,776,321	2,849,740	2,606,409
Total Assets	17,234,710	16,644,804	15,933,244	15,640,162
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	4,926,961	4,984,663	4,155,008	4,211,132
Reserves	316,101	315,229	316,101	315,229
Retained earnings	1,044,588	922,266	1,681,988	1,547,147
	6,514,187	6,448,695	6,379,634	6,300,045
Minority interests	56,549	-	-	-
Total Equity	6,570,736	6,448,695	6,379,634	6,300,045
Non-Current Liabilities:				
Interest bearing loans and borrowings	3,238,839	3,565,542	2,915,578	3,142,670
Provisions	462,576	454,163	293,420	422,652
Other non-current liabilities	2,834,757	2,822,288	2,661,157	2,607,245
Total Non-Current Liabilities	6,536,172	6,841,993	5,870,155	6,172,567
Current Liabilities:				
Trade and other payables and other current liabilities	2,178,445	1,664,393	1,951,906	1,608,274
Dividends payable	1,760	210	175	210
Income tax payable	93,075	26,577	75,335	-
Short-term borrowings	338,566	233,735	279,000	224,000
Current portion of interest bearing loans and borrowings	1,515,956	1,429,201	1,377,039	1,335,066
Total Current Liabilities	4,127,802	3,354,116	3,683,455	3,167,550
Total Liabilities and Equity	17,234,710	16,644,804	15,933,244	15,640,162

Certain reclassifications have been made to prior year amounts for comparative reasons

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

PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEPTEMBER 30, 2012

(All amounts in thousands of Euro - except share and per share data)

						Other reserves						
	Share Capital	**Share Premium**	**Legal Reserve**	**Revaluation Surplus**	**Reversal of Revaluation Gains**	**Marketable Securities Valuation Surplus**	**Tax-free and Other Reserve**	**Reserves Total**	**Retained Earnings/ (Accumulated Deficit)**	**Total**	**Minority interests**	**Total Equity**
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**	**-**	**6,769,528**
Net income for the period	-	-	-	-	-	-	-	-	90,838	90,838	-	90,838
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	9,408	306	9,714	-	9,714	-	9,714
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**9,408**	**306**	**9,714**	**90,838**	**100,552**	**-**	**100,552**
Transfers	-	-	-	(16,637)	-	-	1,656	1,656	20,909	5,928	-	5,928
Dividends	-	-	-	-	-	-	-	-	(183,280)	(183,280)	-	(183,280)
Other	-	-	-	-	-	-	-	-	484	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**	**-**	**6,693,212**
Balance, December 31, 2011	**1,067,200**	**106,679**	**107,491**	**4,984,663**	**(947,342)**	**(249)**	**207,987**	**207,738**	**922,266**	**6,448,695**	**-**	**6,448,695**
Net income for the period	-	-	-	-	-	-	-	-	115,921	115,921	2,157	118,078
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	872		872	-	872	-	872
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**872**	**-**	**872**	**115,921**	**116,793**	**2,157**	**118,950**
Transfers from retirements of fixed assets	-	-	-	(17,521)	-	-	-	-	17,521	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transaction between parties under common control	-	-	-	(40,181)					(12,133)	(52,314)	54,392	2,078
Other	-	-	-	-	-	-	-	-	1,013	1,013	-	1,013
Balance, September 30, 2012	**1,067,200**	**106,679**	**107,491**	**4,926,961**	**(947,342)**	**623**	**207,987**	**208,610**	**1,044,588**	**6,514,187**	**56,549**	**6,570,736**

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

PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEPTEMBER 30, 2012

(All amounts in thousands of Euro - except share and per share data)

						Other reserves				
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of Revaluation Gains	Marketable Securities Valuation Surplus	Tax-free and Other Reserve	Reserves Total	Retained Earnings/ (Accumulated Deficit)	Total Equity
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**
Balance, December 31, 2011	**1,067,200**	**106,679**	**107,491**	**4,211,132**	**(947,342)**	**(249)**	**207,987**	**207,738**	**1,547,147**	**6,300,045**
Net income for the period	-	-	-	-	-	-	-	-	78,764	78,764
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	872	-	872	-	872
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**872**	**-**	**872**	**78,764**	**79,636**
Transfers from retirements of fixed assets	-	-	-	(17,521)	-	-	-	-	17,521	-
Transfers from retirements of spin-off	-	-	-	(38,603)	-	-	-	-	38,603	-
Dividends	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	(47)	(47)
Balance, September 30, 2012	**1,067,200**	**106,679**	**107,491**	**4,155,008**	**(947,342)**	**623**	**207,987**	**208,610**	**1,681,988**	**6,379,634**

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 CASH FLOWS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30,2012

(All amounts in thousands of Euro - except share and per share data)

	GROUP		COMPANY	
	01.01.2012-30.09.2012	**01.01.2011-30.09.2011**	**01.01.2012-30.09.2012**	**01.01.2011-30.09.2011**
Cash Flows from Operating Activities				
Profit before tax from continuing operations	156,737	138,412	96,591	39,538
(Loss) / Profit before tax from discontinuing operations	-	-	-	90,686
Adjustments :				
Depreciation and amortization	538,325	561,794	485,330	558,194
Amortization of customers' contributions and subsidies	(57,566)	(56,334)	(53,036)	(56,006)
Interest expense	194,289	152,649	172,341	152,354
Other adjustments	139,185	101,984	58,557	101,808
Changes in assets	(741,180)	(266,314)	(741,886)	(256,257)
Changes in liabilities	578,253	116,691	570,852	112,954
Distribution business unit spin-off	-	-	216,998	-
Net Cash from Operating Activities	**808,043**	**748,882**	**805,747**	**743,271**
Cash Flows from Investing Activities				
Capital expenditure/(disposal) of fixed assets and software	(646,985)	(884,392)	(592,897)	(866,654)
Proceeds from customers' contributions and subsidies	9,187	2,712	5,671	2,723
Interest and dividents received	31,485	34,036	66,258	33,901
Investments	(2,489)	(30)	(4,000)	(30)
Distribution business unit spin-off	-	-	(120,167)	-
Net Cash used in Investing Activities	**(608,802)**	**(847,674)**	**(645,135)**	**(830,060)**
Cash Flows from Financing Activities				
Net change in short term borrowings	104,831	37,900	55,000	25,000
Proceeds from interest bearing loans and borrowings	810,000	613,000	782,500	613,000
Principal payments of interest bearing loans and borrowings	(1,052,367)	(594,261)	(968,011)	(594,142)
Interest paid	(193,247)	(159,697)	(174,528)	(159,402)
Dividends paid	(35)	(183,237)	(35)	(183,237)
Net cash used in Financing Activities	**(330,818)**	**(286,295)**	**(305,074)**	**(298,781)**
Net increase/ (decrease) in cash and cash equivalents	(131,577)	(385,087)	(144,462)	(385,570)
Cash and cash equivalents at beginning of the period	364.495	620,449	339,539	617,040
Cash and cash equivalents at the end of the period	232,918	235,362	195,077	231,470

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

1. CORPORATE INFORMATION

Public Power Corporation S.A. ("PPC" or the "Parent Company") was established in 1950 in Greece for an unlimited duration as a State owned and managed corporation for electricity generation, transmission and distribution throughout Greece.

In 1999, the Hellenic Republic enacted Law 2773/1999 ("the Liberalization Law"), which provided for, among other provisions, the transformation of PPC into a société anonyme. PPC's transformation to a société anonyme was effected on January 1, 2001, by virtue of Presidential Decree 333/2000 and its duration was set for 100 years.

Effective December 2001, PPC's shares are listed on the Athens and the London Stock Exchanges.

The accompanying financial statements include the separate financial statements of PPC and the consolidated financial statements of PPC and its subsidiaries ("the Group").
PPC headquarters are located at 30, Chalkokondili Street, Athens, 104 32 Greece.

At September 30, 2012, the number of staff employed by the Group and the Parent Company was 20,367 (2011: 21,075,).
At September 30, 2012, 112 employees (2011: 160), have been transferred to several State agencies (ministries, organizations, etc.) out of which, 90 were compensated by the Group (2011: 138). The total payroll cost of such employees, at September 30, 2012, amounted to Euro 2,785 (2011: Euro 4,729), and is included in the income statement.

PPC Group generates electricity in its own 63 power generating stations of the Parent Company and from the additional 46 stations which belong to its wholly owned subsidiary PPC Renewables, facilitates the transmission of electricity through its own power lines of 12,178 kilometres (which belongs to its 94.6% owned subsidiary "IPTO S.A") and distributes electricity to consumers through its own distribution lines (Medium and Low voltage) of 229,450 kilometres, approximately.

Lignite consumed by the Parent Company's lignite-fired power stations is extracted mainly from its own lignite mines.

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

2. CHANGES IN THE LEGAL FRAMEWORK

Legal framework

- The Memorandum of Understanding for reducing the public debt L.4046/2012 (O.G. A'28, 14/02/2012) includes a detailed schedule of activities in the electricity sector, part of which was already foreseen in the third energy package (package-law 4001/2011). Among others it provides :

  a) The required actions for the establishment and operation of IPTO S.A.and HEDNO S.A. were completed (1st February 2012 and 1st May 2012 respectively) as well as the certification of IPTO (26/07/2012)

  b) the finalization and implementation of arrangements for third party access to both lignite (until November 2012) and hydroelectric power generation as well as other productive assets of the Company,

  c) the gradual full liberalization of the low voltage tariffs (except the one for vulnerable consumers) until the second quarter of 2013, as it is provided after the adoption of Law 4038/2012 Article 32 § 1,

  d) the completion of the transfer and implementation of EU Directive 2009/28/EC on RES and reforming of the project supporting renewable energy programs in the first quarter of 2012 (including feed in premium model), to make them more compatible to the market developments

2. GHANGES IN THE LEGAL FRAMEWORK (CONTINUED)

e) to promote the implementation of the "Helios" project, and to develop cooperation with our partners in the EU, for electricity exports.

- Article 97 of L.4001/2011 as valid, stipulating that IPTO SA would always be under the direct or indirect control of the State, was amended according article 4 para.3 of the Legislative Act published in the OG A' 268/31.12.2011.

- IPTO has been certified as ITO, according to 672/2012 RAE Decision.

- The Ministry of Environment, Energy and Climate Change, as authorized by article 135 of L. 4001/2011, by its Decision (Δ5-ΗΛ/Β/Φ.1.20/543/ΟΙΚ. 20506) published the first part of the Electricity Supply and Trading Regulation, which governs the granting, amendment and revocation of the Supply License and the Trading License.

Pricing Policy

- IPTO announced, on 29.06.2012, that from Monday July 9, it will publish on daily basis an RES prediction, except wind parks that are already being published. The publication of these forecasts will be done with the same schedule applied to the RES system, it will be by RES category and will cover the 24 hours of the next day so as to be taken into account in the Day Ahead Scheduling.

- The final texts of the Grid Control Code and Power Exchange Code of the Hellenic Electricity Transmission System were approved by RAE (**Decisions 56 and 57, Official Gazette B 104 and 103 respectively**).

- The Ministerial Decision was published in **OG B' 97/31.01.2012**, according to which the provisions of the Customer Supply Code were amended in order to introduce the necessary regulatory arrangements due to the activation of the Last Resort Supplier (LRS). The respective amendments of the Management Code of the Hellenic Transmission System and the Manual for the management of Metering and Periodical Clearance of Network's Suppliers which pertain to the LRS, were incorporated by RAE's **Decision 53/2012 (OG. B'90/30.01.2012)**

- RAE also decided to promote a temporary arrangement to facilitate the consumers of LRS (**Decision 279**/12.04.2012).

- The methodology for the calculation of the return of the potential cost of PPC for the Universal Service Provider (USP) supply was published (RAE **Decision 545/2012 - OG B 2043/27.06.2012**). In this context, and until the completion of the procedure for the definition of the Universal Service Provider, PPC may impose a surcharge of 7% on the competitive charges price list, for all customers who are part of this regime, as a return for covering the costs for providing this service. This increase will be valid until the USP customers sign a contract with a supplier of their choice.

- The Regulatory Authority for Energy, under its authority described in Article 57, of Law 4001/2011, called, through an announcement, the interested parties to express their interest in providing the services of "Last Resort Supplier of Electricity" and "Universal Service Provider". The deadline for the expression of interest was the 24th of September 2012. By a newer announcement the deadline was extended until 31.10.2012.

- The budgeting average variable cost for the non-interconnected islands was defined by RAE (**Decision 244**/2012 – OG B' 1269/11.04.2012) for the first half of 2012 to 180,20 €/MWh. For its determination RAE took into account the estimates of the competent Operator for the electricity produced by thermal plants and RES units, the quantities of fuel and the average additional variable cost of thermal units for Crete, Rhodes and the other non-interconnected islands for the first half of 2012, as well as international crude oil prices ($ / bbl) and the euro / dollar parity in the last quarter. The budgeting average variable cost for the non-interconnected islands for the second half of 2012 was determined to 192.43 €/MWh (RAE Decision 785/2012 – OG B' 2784/2012).The corresponding amount for 2011 was defined by RAE's Decision 435/2012 (O.G. B' 1953/15.06.2012) in 163.15 €/MWh.

2. GHANGES IN THE LEGAL FRAMEWORK (CONTINUED)

- Following PPC S.A complaints (as the Network Operator – presently HEDNO S.A.) to RAE for the inconsistency of companies ENERGA POWER TRADING SA & HELLAS POWER SA concerning the payment of the fees for the network use, RAE justified PPC's complaints and, until its final decision on the complaints, imposed provisional measures. These measures consisted of guarantee provisions equal to 25% of the mentioned claims for each of the above companies, which would be provided in favor of the Network Operator (amounts of € 29,071,800.70 and € 35,421,002.76, respectively - **Decisions 63 and 64**). These companies have failed to provide guarantees and that is why a penalty of € 5,000 for each day of non-compliance was imposed by RAE (**Decisions 138 & 138a and Decisions 212 and 213 of 22.03.2012**). The above mentioned companies have not until today fulfilled their financial obligations to HEDNO S.A. claiming that their bank accounts have been blocked. Consequently RAE has issued Decisions 428 and 429 of 24.05.2012 under which it accepts HEDNO's complaints, imposes new fines of 10% on the overdue payables and recommends to the companies to proceed to the necessary legal actions for the release of their bank accounts in order to pay the overdue payables to HEDNO SA. Complaints also exist by PPC S.A. against the companies REVMAENA LTD, ELPEDISON COMMERCIAL SA and Greek Alternative Energy Inc., for not fulfilling their obligations on the Network Use charges (**Decisions 214, 215 and 216 of 22.03.2012**). By newer Decisions (**430,431 and 432 of 25.06.2012**) RAE has recommended to the above mentioned companies to settle the pending debts to HEDNO S.A.

- IPTO S.A., based on decision Δ5/Β/οικ.3982/17.2.2012 (**OG B' 342/16.2.2012**), will receive on monthly basis and by each registered lignite generator unit, a specific lignite generation electricity fee. The revenues from these fees are revenues of the special managing account and thus will be rendered each month by IPTO SA to EMO SA.

- To ensure public service obligations supply (PSOs) in the electricity sector, Article 36 was added in Law 4067/2012 (OG A' 79 / 9.4.2012, which was voted on 29.03.2012)) according to which, from 1.1.2012 the persons liable for the PSOs are the respective users of each electricity supply, who pay it to electricity suppliers with a distinct charge to the bills they receive. The procedure and the attributing way are analytically described in the article. After the entry into force of this Law, the ministerial Decision ΗΛ/Β/Φ.1.17/2123/2857/2010 and the RAE decision 1527/2011 are repealed.

- The max annual Customer charge limit per consumption point to cover the PSOs supply charges for the year 2012 was readjusted to € 799,289 according to RAE **Decision 433/2012** (**OG B 1883/14.06.2012**).

- According to Ministerial Decision (YAPE/F1/oik.28287), each year amounts of 1% on the pre-tax value of electricity sales from RES are retained by the Operator and delivered to the licensed suppliers in order to be, ultimately, credited to the beneficiary household customers (as an incentive to the areas where RES are installed) through electricity bills. The same decision contains also the credits return methodology to the licensed suppliers. In the context of that decision, RAE determined the presumptive unit credit for 2012 to be 124.31 € / MWh (**OG B 1660/15.05.2012 - RAE Decision 325/2012**).

- By ministerial Decision published in **OG B' 7/5.1.2012**, the low voltage tariffs of PPC S.A. for the competitive part were defined for 2012, with the possibility of redefining them every semester, as proposed by PPC and for which RAE positively opinioned (Opinion 39/2011).

- By article 32 par.1 of L. 4038/2012 (**OG A'14/02.02.2012**) and following the liberalization of the Medium Voltage tariffs article 195, para. 3c L. 4001/2011 is amended and para. 6 of article 29 of L.2773/1999, is restored in order for PPC's low voltage tariffs until 30.06.2013 to be approved by the the Ministry of Environment, Energy and Climate Change (a decision which can have retroactive effect), following an opinion by RAE.

- In the context of the provisions of article 143, par. 2 (c) of L. 4001/2011, RAE has defined by its Decision 698/2012 (**OG B' 2325/16.08.2012**) the numerical values for the coefficient of the allocation methodology of the Special Fee of article 143, par.2 case c of L. 4001/2011 (currently Special Fee for the Reduction of CO_2 emissions based on article 39 par. 3 of L. 4067) for the period of August 2012- June 2013. The average readjustment of the Special Fee, in effect by 21.08.2012, resulted to 7.50 €/MWh (previously 5.43 €/MWh).

2. GHANGES IN THE LEGAL FRAMEWORK (CONTINUED)

- In the context of the provisions of L. 4062/2012, article 40, para.1 of article 20 of L. 2446/1996 (A' 276) is amended as follows : "A Levy for the development of the Industrial Areas Generating Energy by the Thermal Lignite Power Plants of Florina, Kozani and Arcadia , of 0.5% is imposed in PPC's revenues".

- Concerning the complaint of "HALYVOURGIA SA" against PPC about the unilateral 10% high voltage tariff increase on the invoices in force till 30.06.2008(until 11.05.2012), RAE posted the **Decisions 266**/2012 & **345**/2012. According to those decisions a) a time extension was given for the deadline for the decision on the complaint and b) PPC is being recommended to proceed to substantial negotiations with the complainant in order to reach an agreement on charges of the competitive part of the supply tariffs, and to sign a new contract to reflect the terms agreed during the negotiation. After a specific time limit, RAE will automatically review the imposition of provisional measures.

- The provisions of Article 275 of the Grid Control Code of the Electricity System (**RAE Decision 840/2012)** regarding the definition of the calculation method for the required revenue of the System for each reference year and the settlement amount (based on full and analytical data) of previous years due to the deviation of the operating expenses from the budget, were amended. For the required income of the System the following are taken into account : the annual cost of the System projects, the unrecovered cost of generation units from previous years, the unrecovered cost from previous years', the amount of interconnection rights, the amounts resulting from the settlement of the required revenue for the depreciation and the return on employed capital due to deviation and amounts arising from the deviation of operational expenses by the deviation in cost. For the deviations the following general principles apply: Deviation up to 3% of the budget is not subject to settlement. The deviation settlement over 3% can concern all of the excess deviation or a part of it. Deviations attributed to exogenous factors not able to be foreseen at the time of the budget preparation are settled regardless of sign. Other deviations are settled only when they refer to the reduction of the operating cost in relation to the budget.

Other Issues

- In **OG B' 65**/26.1.2012 the total amount of greenhouse gas emissions allowance offered for auction for the year 2012 and the additional quantity of allowances for the months November - December 2011 were announced (except the one specified in the ministerial decision οικ.186446/2011 (**OG B' 575/11.04.2011**) through spot transactions, which can be equal up to ten million allowances. The auction of the above mentioned amount shall be gradually executed during the period from 1.11.2011 to 31.12.2012. The auctions are carried out as mandated by the Ministry or any other authorized person especially for that purpose, at a date which will be promptly announced in each stock.

- In the **Law 4051/2012** (**OG A'40/29.02.2012**) settings concerning the amendment of the timetable for the return of the amounts collected for the electrified surfaces special fee (EETIDE) to the Greek State are included. More specifically it's clarified that the amounts of that fee collected by PPC S.A. and the alternative electricity suppliers will be attributed to the Greek State until the tenth of the month following the month in which the amounts were received.

- Respectively, in **Law 4047**/2012 (OG A' 31/23.02.2012), details are included concerning the collection, certification and return procedures, of the Electrified Surfaces Special Fee e.t.c. Finally by the Act of Legislation published in OG A' 103/30.04.2012, PPC and alternative suppliers were given the opportunity to withhold the electrified surfaces special fee payments collected in March and April 2012 till 30/06/2012, removing in that case the withholding percentage of 0,25% from the collected amounts. In the case that those amounts have been already paid by PPC and the alternative suppliers to the Greek state, they will be returned within 10 days after entry into force of this Act.

2. GHANGES IN THE LEGAL FRAMEWORK (CONTINUED)

- RAE issued the **Decision 261/2012** for approval - presentation of the final text of the Arbitration Regulation under Article 37 of Law 4001/2011.

- RAE issued **Decision 1528/2011 (OG B 3221/30.12.2011**) according to which Articles 44, paragraph 2 and 203 paragraph 1 of Grid Control Code and Power Exchange Code are amended so that Special Consumption Tax in Natural Gas is excluded from the operating cost of natural gas power plants.

- By **Decision 773/2012** (**O.G. B 2654/28.09.2012**) the provisions of article 288 of the Grid Control Code of the Hellenic Transmission System were amended regarding the validity extension of the Transitional Capacity Assurance Mechanism for an extra reliability year, from October 2012 to September 2013.

- RAE posted its final proposals in the reorganization of the internal electricity market on its website on 23.07.2012, thus commencing the public debate for the necessary measures, actions and timetables for the total reorganization and effective operation of the electricity market. PPC has expressed its views and has published them in its website.

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

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, 2012 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, 2011 made publicly available.
The accompanying financial statements (thereon "financial statements") have been prepared under the historical cost convention (except for tangible assets, financial assets "held – for – sale" and derivative financial assets that have been measured at fair value), assuming that PPC and its subsidiaries will continue as a going concern. The financial statements are presented in thousands of Euro and all values are rounded to the nearest thousand, except when otherwise indicated.
At September 30, 2012 total current liabilities of the Group and the Parent Company exceed the total current assets by the amount of approximately Euro 822 mil. and Euro 834 mil., respectively, thus the Group and the Parent Company may not be able to meet part of their contractual obligations, if they do not proceed with the immediate refinancing of their short term loan obligations.
The liquidity risk is enhanced for the time being due to the situation of the Greek economy as well as the Greek banks, which is characterised by a significantly reduced up to minimal liquidity, but also due to the general economic conjecture, thus resulting to increased needs for working capital.
Although the fact that the above mentioned circumstances suggest the existence of uncertainty, which can lead to significant doubt about the continuation of the Parent Company and the Group as a going concern, the Parent Company has in the current period proceeded to actions for the containment of the above mentioned uncertainty.
In this context , the refinancing of existing loan obligations was achieved, through bilateral contracts with the lending banks for a total amount of Euro 575 mil. which now expire on June 30, 2013. At the same time the Parent Company is in preliminary discussions for the conclusion of a syndicated loan /club deal and / or the renewal of existing bilateral loans. In addition the Group is in discussion for the refinancing of other short term loan obligations as well as in the pursuit of new capital which will support its needs as much in working capital as in its developmental strategy.
Management estimates that the refinancing of its short term loan obligations will be achieved, which combined with its operational cash flows and the existing financing lines will enable the coverage of the above mentioned difference and therefore the financial statements of the Parent Company and the Group have been prepared on the basis that they will continue as a going concern.

Approval of Financial Statements: The Board of Directors approved the accompanying financial statements for the nine month period ended September 30, 2012, on November 27th 2012.

3.1. BASIS OF PREPARATION (CONTINUED)

Reclassifications: Certain reclassifications have been made to prior period balances of the Parent Company and the Group to conform to current period classifications. Such reclassifications did not have any effect on prior period's results.

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, 2011 with the exception of the following interpretations, that are valid as of 1 January 2012 onwards and which had no effect in the Group and the Parent Company for the reporting period:

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements**
- **IAS 12 Income Taxes (Amended) – Recovery of Underlying Assets**

The following new and amended IFRS standards and IFRIC interpretations have been issued but are not effective for the financial year beginning January 1, 2012:

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**
  The amendment is effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance. This amendment has not yet been endorsed by the EU. PPC is in the process of assessing the impact of this amendment on its financial position or performance.
- **IAS 19 Employee Benefits (Amended)**
  The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Early application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.
- **IAS 27 Separate Financial Statements (Revised)**
  The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group..
- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
  The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.
- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after 1 January 2014.This amendment clarifies the meaning of "currently has a legally enforceable right to set-off" and also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to IAS 32 are to be retrospectively applied. Earlier application is permitted. However, if an entity chooses to early adopt, it must disclose that fact and also make the disclosures required by the IFRS 7 Offsetting Financial Assets and Financial Liabilities amendments. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after 1 January 2013.The amendment introduces common disclosure requirements. These disclosures would provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity's financial position. The amendments to IFRS 7 are to be retrospectively applied. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact in the financial statements.
- **IFRS 9 Financial Instruments - Classification and Measurement**
  The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the FVO. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the first half of 2012. Early application is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 10 Consolidated Financial Statements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 11 Joint Arrangements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 12 Disclosures of Involvement with Other Entities**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard has not yet been endorsed by the EU The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 13 Fair Value Measurement**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine**
  The interpretation is effective for annual periods beginning on or after 1 January 2013.This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Costs incurred in undertaking stripping activities are considered to create two possible benefits a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period (striping activity asset). Where cost cannot be specifically allocated between the inventory produced during the period and the stripping activity asset, IFRIC 20 requires an entity to use an allocation basis that is based on a relevant production measure.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Early application is permitted. IFRIC 20 has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the interpretation on the financial position or performance of the Group.

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the project on the financial position or performance of the Group.

- ***IAS 1 Financial Statement Presentation:*** Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. In addition, the opening statement of financial position (known as the third balance sheet) must be presented in the following circumstances: when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. The opening statement would be at the beginning of the preceding period. However, unlike the voluntary comparative information, the related notes are not required to accompany the third balance sheet.
- ***IAS 16 Property, Plant and Equipment:*** Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.
- ***IAS 32 Financial Instruments: Presentation:*** Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.
- ***IAS 34 Interim Financial Reporting:*** Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**
  The guidance is effective for annual periods beginning on or after 1 January 2013. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the guidance on the financial position or performance of the Group.

4. SPIN – OFF OF TRANSMISSION ACTIVITY AND CONTRIBUTION TO A NEW SUBSIDIARY "OPERATOR OF THE INDEPENDENT TRANSMISSION SYSTEM (IPTO) S.A."

On August 22nd, 2011, L. 4001 was published, based on which, the contribution of the General Division of Transmission, to PPC's 94.6% owned subsidiary "Independent Power Transmission Operator" (IPTO S.A), was provided for. The above mentioned contribution was realized based on the provisions of L. 2190/1920, L. 2166/1993 and L. 4001/2011.

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

4. SPIN – OFF OF TRANSMISSION ACTIVITY AND CONTRIBUTION TO A NEW SUBSIDIARY "OPERATOR OF THE INDEPENDENT TRANSMISSION SYSTEM (IPTO) S.A." (CONTINUED)

By L. 4001/2011, IPTO is being assigned with the Hellenic Transmission System Operation (HETSO) management. IPTO is organized and operates as an independent transmission operator (model ITO - Independent Transmission Operator), under the provisions of Chapter V of Directive 2009/72/EK, through the Transfer to IPTO of the activities of management, operation, maintenance and development of the

Hellenic Transmission System Operator (HETSO). The above mentioned are accomplished through the contribution to IPTO by the spin – off of:

- the total of assets, liabilities and personnel of the General Activity of Transmission ("PPC's Transmission Activity").
- all HTSO's activities except for the Electricity Market Operation - the operation of the Day-Ahead Electricity Market. The Day – Ahead Electricity Market will be conducted by the independent company "Hellenic Electricity Market Operator (EMO)" a company which is wholly owned by the Greek State (note 5).

The PPC transmission activity's spin – off was concluded within the time limits defined by L. 4001/2011 (November 2011).

The share capital of IPTO as a result of the spin-off was increased by the amount of Euro 31,925. The spin – off and the contribution were accounted for in the separate financial statements of the Parent Company of December 31, 2011, as a transaction between companies under common control. The received shares were recognised as an addition to the investment cost of the subsidiary on November 30, 2011 (completion date off the transaction) with a value equal to the carrying value on January 1, 2011of the net assets contributed, according to L. 4001/2011 and L.2166/1993.

The contribution of the results of the transitory period (January 1st, 2011 – November 30, 2011) to the subsidiary, according to the provisions of L. 4001/2011 and L. 2166/1993 were completed and recorded at the same date.

The results of the Separate Financial Statements of the comparative period (01.01- 30.09.2011) were reclassified in order to depict the spin –off and become comparable with the respective amounts of the current period.

The results of the spin –off for the nine month period ended in September 30, 2011 and which were reclassified were as follows:

	1.1.2011 - 30.09.2011	01.07.2011- 30.09.2011
SALES :		
Other sales	212,227	71,858
COSTS :		
Payroll cost	50,260	19,802
Depreciation	44,604	17,314
Materials and consumables	2,485	817
Other expenses	6,112	2,731
Interest expenses(income)net	18,080	2,109
PERIOD PROFIT BEFORE TAX	**90,686**	**29,085**
Income tax	**(28,739)**	**(9,655)**
NET PROFIT	**61,947**	**19,430**

4. SPIN – OFF OF TRANSMISSION ACTIVITY AND CONTRIBUTION TO A NEW SUBSIDIARY "OPERATOR OF THE INDEPENDENT TRANSMISSION SYSTEM (IPTO) S.A." (CONTINUED)

Amendment of corresponding amounts of December 31st, 2011

During the current period, the Parent Company ascertained that the value of its participation in the subsidiary, which received, through spin-off and contribution, the transmission activity, should be increased by the amount of Euro 184 mil. due to increased deferred tax assets that have been attributed to the subsidiary at the spin-off date.
The value of the investmenthas been reclassified in the Financial Statements of the Parent Company on September 30, 2012.
Given that the above mentioned spin-off was recorded for the first time at the financial statements of the Parent Company on December 31, 2011, the value of the investmentand of the deferred tax liabilities has been reclassified at the corresponding financial statements on December 31, 2011.
It is noted that the above mentioned reclassification had no effect on the Parent Company or the Group's financial results.

5. SPIN – OFF AND CONTRIBUTION OF ACTIVITY OF MANAGEMENT OF TRANSMISSION SYSTEM BY HTSO (NOW EMO)

According to article 99 L. 4001/2011 in a period of three months by the law's effective date (until November 22, 2011) the societe anonyme "Operator of the Hellenic Transmission System S.A" (HTSO S.A.) which was incorporated according to P.D. 328/2000 and authorized by article 14 of L. 2773/1999 transfers to IPTO SA. the organizational units and activities that pertain to the management, operation, development and maintenance of the Transmission System (HETSO), including the relevant fixed assets as well as HTSO's personnel, which is employed to the abovementioned activities which comprise HTSO's Transmission Activity. The activities that are transferred are all of HTSO's activities apart from the operation of the Electricity Market – "Daily Ahead Schedule" or "DAS", which will be conducted by the independent " Operator of Electricity Market" (EMO S.A.).

HTSO's above mentioned contribution is realized through spin-off, according to L. 4001/2011, articles 68 to 79 of L. 2190/1920 as well as articles 1 to 5 of L. 2166/1993, of the aggregate of HTSO's fixed assets that pertain to the disposal group. According to the above mentioned provisions IPTO's share capital is increased, due to the absorption, to the amount of the book value of the above mentioned HTSO's contributing activity, as defined at the spin-off balance sheet date of August 31, 2011. With the completion of the absorption, IPTO S.A. issues new shares, which are consigned to HTSO. In a period of three months by the completion of the above mentioned spin – off, HTSO transfers to PPC the total of its IPTO shares due to spin off and contribution, for a return equal to the shares' nominal value.

The above mentioned spin – off and contribution of activity to the Group's subsidiary, does not fall under the scope of IFRS 3 "Business Combinations", given that even though it regards acquisition of elements that comprise a business units, the transaction concerns entities that are under common control.

The spin –off and contribution of the activity was formally completed on January 31st, 2012 and therefore since February 1st, 2012 the operational duties of the Hellenic Electricity Transmission System are undertaken by IPTO. Consequently all transactions (income and expenses) of those activities since the undertaking date by IPTO (February 1st, 2012) until June 30, 2012 are included in the consolidated financial results.

The undertaking of all assets and liabilities as well as income and expenses for the five month period which ended January 31st, 2012 (five month period since September 1st, 2011 – outset of spin off – until January 31st, 2012 formal completion of the spin off) were delivered by EMO to IPTO recently (in June 2012) thus resulting for the sum of the financial data in question to be included to IPTO's results (and hence in PPC Group's results) in the 2nd quarter 2012.

IPTO's share capital, due to the spinoff and the contribution of the activity, was increased by the amount of Euro 2,078. EMO has not yet transferred its received IPTO shares to PPC, thus resulting to PPC owning 94.6% of IPTO's share capital on September 30th, 2012.
The book value of the assets and liabilities that were contributed (IFRS) during the spin – off on February 1st, 2012 is follows:

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

5. SPIN – OFF AND CONTRIBUTION OF ACTIVITY OF MANAGEMENT OF TRANSMISSION SYSTEM BY HTSO (NOW EMO) (CONTINUED)

	1/2/2012
ASSETS	
Non –Current assets:	
Tangible Assets	4,854
Intangible Assets	427
Other Long Term Assets	285
Total Non – Current Assets	**5,566**
Current Assets:	
Trade Receivables	108,859
Other Receivables	7,283
Cash	0
Total Current Assets	**116,142**
Total Assets	**121,708**
LIABILITIES AND SHAREHOLDERS' EQUITY	
Equity :	
Share capital	2,079
Retained Earnings	22,560
Total Equity	**24,638**
Long – term Liabilities:	
Customers' contributions and subsidies	3,358
Provisions	662
Other Long term Liabilities	3,557
Total Long – term Liabilities	**7,577**
Current Liabilities:	
Trade and other Payables	72,157
Accrued and other liabilities	17,337
Total Current Liabilities	**89,493**
Total Liabilities and Equity	**121,708**

The results for the five month period ended January 31st, 2012 for the activity (as documented by EMO) , amounted to Euro 22,5 mil. (retained earnings above). The above mentioned results did not include provisions for the non-collectability of claims by customers for whom collection is not certain. Therefore, taking under consideration the effect of the above provisions, which IPTO's management has realized in retrospect, the activity's result for the above mentioned five month period was defined to Euro 5 mil. (loss), which did not have a significant impact on Equity and Results for PPC Group.

IPTO through the spin –off and contribution of the activity of Transmission Management of EMO S.A., according to the provisions of L. 4001/2011, has also undertaken, among others, the activity of management of the interconnection with other countries.

According to the Regulation (EC) 714/2009 of the European Parliament and Commission of the 13th July 2009, concerning the terms for access to the network for the cross border exchanges of power and the abolition of the regulation (EC) 1228/2003, IPTO S.A., as responsible for the activity of managing the interconnections receives amounts by the allocation of interconnections to third parties, which are used further:

1. To ensure the real availability of the allocated capacity and /or
2. To maintain or increase the interconnection capabilities through investments in the system, particularly with new interconnection lines.

In the event that the above mentioned income cannot be used effectively for objectives (1) and/or (2) they can be used, under the proviso of approval by the regulatory authority (up to a maximum defined by the regulatory authority) as income to be taken under consideration during the approval of the methodology for the definition and / or the calculation of the tariffs for the system.

The remainder of the collected amounts is retained for as long as it takes to be used for purposes (1) and (2) above.

5. SPIN – OFF AND CONTRIBUTION OF ACTIVITY OF MANAGEMENT OF TRANSMISSION SYSTEM BY HTSO (NOW EMO) (CONTINUED)

The accounting principle IPTO S.A. chose to follow for the accounting of the above mentioned amounts is as follows:

1. The collected amounts by the allocations of interconnections are initially recognized in Equity as unearned income
2. Afterwards, the relative amounts are carried in the statement of income
   a. Either gradually if they relate to the part that involves investments realized with the intention of interconnection capability or,
   b. Or in one lump sum payment, if they relate to amounts which were taken under consideration during the approval of the calculation of tariffs for the system.

In any case, the transfer of the collected amounts in the statement of income (either gradually or in lump sum payments) is under the proviso of the approval of their use by the regulatory authority.
It is noted that in the condensed consolidated financial statements of March 30, 2012 the Group has recognized directly in income an amount of Euro 2.6 mil. from interconnection rights. If the Group applied retrospectively the above mentioned accounting principle, the Group's results before tax would have been reduced equally.

6. SPIN – OFF OF DISTRIBUTION ACTIVITY AND CONTRIBUTION TO A NEW SUBSIDIARY "OPERATOR OF THE HELLENIC ELECTRICITY DISTRIBUTION NETWORK (HEDNO) S.A."

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

This contribution is in accordance with the provisions of Laws 2190/20, 2166/93 and 4001/11.
It is noted that according to article 123 of L. 4001 (O.G. A 179/22.08.2011) PPC is obliged, in eight months by its effective date, to accomplish the legal as well as the operational unbundling of the activity of the management of the Hellenic Electricity Distribution Network (HEDN), as specified in article 2 of L. 4001/2011, from the other activities of the vertically integrated company, by contributing the Distribution Division to its subsidiary HEDNO.

HEDNO is responsible for the development, operation and maintenance, in an efficient manner, in order to ensure the reliable, efficient and secure operation, as well as, its long term ability to respond to plausible power needs, showing the necessary concern for the environment and energy efficiency as well as to ensure in the most economic, transparent and unbiased manner, the access of all users to HEDN, in order to exercise their activities, according to the Management Permit of HEDN which is granted according to the provisions of L. 4001/2011 and according to the Management Code of HEDN.

In November 2011 PPC's Board of Directors decided to set December 31st, 2011 (instead of January 1st, 2011) as the inventory date of the net assets to be contributed as well as the date for the spin-off Balance Sheet of PPC's Distribution Division.
In February 28th, 2012 PPC's Board of Directors has approved the spin- off of PPC's Distribution Division, as defined in article 123 of L. 4001/2011,as is in effect, and its contribution to its existing wholly owned subsidiary "PPC RHODOS S.A." (renamed by law to "Hellenic Electricity Distribution Network Operator or HEDNO S.A.". It also approved:

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

The above mentioned was approved by PPC's Extraordinary General Shareholders' Meeting, which took place on March 29th, 2012.
The spin – off was completed within the deadlines set by L. 4001/2011 (April 23rd, 2012). HEDNO's share capital due to the spin off was increased by Euro 35,342. By the completion of the absorption of the activity, HEDNO will issue new shares which will be delivered to PPC. The aforementioned shares provide PPC with a right to the absorbed company's profits.

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

6. SPIN – OFF OF DISTRIBUTION ACTIVITY AND CONTRIBUTION TO A NEW SUBSIDIARY "OPERATOR OF THE HELLENIC ELECTRICITY DISTRIBUTION NETWORK (HEDNO) S.A." (CONTINUED)

The Parent Company considers that during the preparation of Financial Statements as of September 30, 2012 the provisions of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are not applicable given that according to the management's judgment the above mentioned transaction does not have commercial substance. The spin –off and the contribution were recorded upon completion of the transaction. The attribution of the results of the transitional period (01.01.2012 -30.04.2012) to the subsidiary based on the provisions of L.4001/2011 and L. 2166/1993, was completed on April 30th, 2012 and was recorded at the same date.

The carrying value of the assets and liabilities that were contributed (IFRS) and which increased the investment's cost in the subsidiary during the spin – off on December 31, 2011 are as follows:

	31/12//2011
ASSETS	
Non-current assets:	
Tangible assets	64,490
Deferred tax asset	52,230
Total non – current assets	**116,720**
Current assets :	
Inventories	190,748
Trade receivables	15,130
Cash	158
Total current assets	**206,036**
Total Assets	**322,756**
LIABILITIES AND SHAREHOLDERS' EQUITY	
Equity:	
Share capital	35,342
Revaluation Surplus	38,603
Retained earnings	(29,528)
Total Equity:	**44,417**
Long – term Liabilities :	
Employee Benefits	72,018
Provisions	62,503
Deferred tax liabilities	14,485
Total current liabilities	**149,006**
Current liabilities:	
Trade and other payables	96,564
Accrued and other liabilities	32,769
Total Current Liabilities	**129,333**
Total Liabilities and Equity	**321,056**

7. IMPAIRMENT TEST FOR THE FIXED ASSETS OF THE HELLENIC ENERGY TRANSMISSION SYSTEM (HETS) AND THE HELLENIC ENERGY DISTRIBUTION SYSTEM (HEDN)

As RAE mentions in its decision 840/2012, through studies for the revaluation of the assets of HETS (as defined in article 2 of L. 4001/2011) which basically defines the working capital for the transmission activity, certain issues arose for the suitability of the data reflected in the financial statements for purposes of regulatory policy and the determination of the allowed income for the activities of Transmission and Distribution. Specifically, according to RAE, the admission of financial data reflected in the published financial statements and consequently of the relevant surplus by the periodic assets' revaluations would result to significant, non – linear- increase of the working capital and hence of the final charges for the users of the Transmission System, without being connected to an enhanced quality of services rendered or any other benefit for the consumers, who will continue to be served by the existing assets.
It is noted that, on December 31st, 2010 by the respective Ministerial Decisions , the budget for the Annual Cost as well as the unit charges for the Transmission System and the Distribution Network were approved for 2011, which are in effect for 2012, as well.

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

7. IMPAIRMENT TEST FOR THE FIXED ASSETS OF THE HELLENIC ENERGY TRANSMISSION SYSTEM (HETS) AND THE HELLENIC ENERGY DISTRIBUTION SYSTEM (HEDN)

RAE, by its relative opinions to the Ministry of Environment and Climate Change deemed appropriate not to include the aforementioned charges for 2011 the surplus which derived by the revaluation of operating assets of the activities of Transmission and Distribution, which was conducted by an independent appraiser as of December 31st, 2009 based on the Appraisers' International Standards and IFRS. The surplus recognized in the financial statements as of December 2009, amounted to Euro 340.5 mil. and Euro 422.0 mil for the activities of Transmission and Distribution, respectively. The above mentioned position differed from the hitherto practice of RAE, which for the calculation of the Annual Exchange for the Transmission System and the Distribution Network, took under consideration the results of the revaluation of assets of 2000 as well as 2004.
Taking under consideration that the above have a negative impact to the cash flows of both companies as well as the increase of the respective discount rate per activity due to the current economic conjecture, PPC and IPTO decided to proceed, according to IAS 36, to recoverability test of the net book value of the fixed assets of HETS and HEDN respectively, due to the reduction of revenues which they create for each company. The recoverable amounts of the above mentioned cash generating units will be determined based on the "value in use" method.
The results of the impairment test will be reflected in the Consolidated Financial Statements of the Group as of December 31st, 2012.

Fixed Assets' Fair Values
The Group and the Parent Company carry their property, plant and equipment at revalued amounts (estimated fair values) as determined by an independent firm of appraisers. Revaluations are performed periodically (every three to five years). The last revaluation of the fixed assets was conducted on December 31, 2009. Due to the upcoming reorganization of the country's energy market , the Group's Management examines the possibility of a revaluation of its fixed assets, in the event that the possibility arises of an existing variation of the fixed assets' fair values which would have a significant impact in the financial statements of December 31st, 2012.

8. 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.).

9. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	30.09.2012	**30.09.2011**	**30.09.2012**	**30.09.2011**
Current income taxes	61,691	41,799	39,460	14,733
Deferred income taxes	(19,905)	(1,584)	(18,506)	(693)
Additional taxes	(3,127)	7,359	(3,127)	2,673
Total income tax expense	**38,659**	**47,574**	**17,827**	**16,713**

Companies of the Group that have their residence in Greece are subject to an income tax of 20%.
Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the company and a final assessment is issued.

Tax losses, to the extent accepted by the tax authorities, can be used to offset future profits of the five fiscal years following the fiscal year to which they relate.

Based on the applicable Income Tax Code (article 82), from the financial year 2011 and onwards, certified auditors issue an "Annual Certificate" after conducting a tax audit at the same time with the financial audit. The tax audit is conducted on particular tax areas, specified by an audit program, according to the provisions of POL. 1159/2011. Audit matters which are not covered by the above mentioned decision are dealt in accordance to the ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

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

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

The tax conformity report as well as notes of detailed information, which is an indispensable part of the report, for the year 2011 for the Parent Company, were issued with an “unmodified opinion” and were submitted electronically by the Auditors to the Ministry of Finance on 26.04.2012.

In July 2011, the final audit reports of the Company’s tax audit for the years 2006 – 2008, as far as the Income Tax is concerned were released and the Athens Intraperipheral Audit Center determined, after a relevant decision of the Ministry of Finance that electricity benefit from the personnel electricity tariff to the Group’s employees and pensioners “constitutes the Company’s’ own discretion and free will and cannot be deducted from its gross revenue”. The difference between the tariff for residential use and the personnel tariff to the Parent Company’s employees and pensioners for the years 2006 - 2007 – 2008 amounts to € 107 m. Based on the Board of Directors’ Decision 191/20.09.2011 the Parent Company, in October 2011, appealed to the Administrative Courts for the annulment of the final audit reports of the years 2006- 2007-2008, regarding the abovementioned difference.

Furthermore, in October 2011 a partial audit report was delivered to the Parent Company for the auditing year 2009 for the settlement of the abovementioned difference (€ 107 mil.), given the fact that the aforementioned amount reclassifies the taxable loss of the previous years. The Parent Company in December 2011 has filed a new appeal for the annulment of the partial audit report for the auditing year 2009 by paying an amount of Euro 17.9 mil. within the first quarter of 2012, to the Greek State, which corresponds to 50% of the income tax, which is predetermined after the appeal is filed.

In May 2012 the Parent Company was given a partial audit report, following an audit for the fiscal years 2009 and 2010 concerning the personnel electricity tariff to the Parent Company’s employees and pensioners. The difference between the tariff for residential use and the personnel tariff to the Parent Company’s employees and pensioners for the years 2009 - 2010 amounts to € 86.5 m. In July 2012, PPC has filed a petition, through the competent tax authority to the commission provided for in article 70a of L. 2238/1994 in order to pursue an administrative solution to the dispute. In November 2012 the petition was discussed and the partial audit reports were annulled.
For the accounting differences of the years 2006-2008 (Euro 107 mil.) the Parent Company has established adequate provisions.

In September 2012 by POL 1184, the Minister of Finance has accepted the opinion 140/2012 of the State’s Legal Council, according to which, the benefit that arises for the employees and pensioners of PPC S.A. by the personnel electricity tariff constitutes income subject to tax.

Tax unaudited years for the Parent Company and the subsidiaries of the Group:

Company	Country	Unaudited years since
- PPC (Parent Company)	Greece	2009
- PPC Renewables S.A.	Greece	2009
- PPC Rhodes S.A.(now HEDNO)	Greece	1999
- IPTO S.A.(former PPC Telecommunications S.A.)	Greece	2007
- Arkadikos Ilios Ena S.A.	Greece	2007
- Arkadikos Ilios Dio S.A.	Greece	2007
- Iliako Velos Ena S.A.	Greece	2007
- Iliako Velos Dio S.A.	Greece	2007
- SOLARLAB S.A.	Greece	2007
- Iliaka Parka Ditikis Makedonias Ena S.A.	Greece	2007
- Iliaka Parka Ditikis Makedonias Dio S.A.	Greece	2007
- HPP OINOUSA S.A.	Greece	2010
- PPC FINANCE PLC	United Kingdom	-
- PPC QUANTUM ENERGY LTD	Cyprus	-
- IAPETOS ENERGIAKI S.A.	Greece	2007
- PHOIBE ENERGIAKH S.A.	Greece	2007

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

10. INVESTMENTS IN SUBSIDIARIES

	Group		Company	
	30.09.2012	**31.12.2011**	**30.09.2012**	**31.12.2011**
IPTO S.A (former PPC Telecommunications)	-	-	914,298	914,298
HEDNOS.A. (former PPC Rhodes S.A.)	-	-	47,331	838
PPC Renewables S.A.	-	-	89,798	85,799
PPC FINANCE PLC	-	-	-	-
PPC Quantum Energiaki Ltd	-	-	-	-
Total	**-**	**-**	**1,051,427**	**1,000,935**

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

Name	Ownership Interest		Country and Year of Incorporation and activity	Principal Activities
	30.09.12	**31.12.11**		
PPC Renewables S.A.	100%	100%	Greece - 1998	RES
HEDNO S.A. (former PPC Rhodes S.A.)	100%	100%	Greece - 1999	HEDN
IPTO S.A.(former PPC Telecommunications S.A.)	94.6%	100%	Greece - 2000	HETS
Arkadikos Ilios Ena S.A.	100%	100%	Greece - 2007	RES
Arkadikos Ilios Dio S.A.	100%	100%	Greece - 2007	RES
Iliako Velos Ena S.A.	100%	100%	Greece – 2007	RES
Iliako Velos Dio S.A.	100%	100%	Greece – 2007	RES
Solarlab S.A.	100%	100%	Greece – 2007	RES
Iliaka Parka Ditikis Makedonias Ena S.A.	100%	100%	Greece – 2007	RES
Iliaka Parka Ditikis Makedonias Dio S.A.	100%	100%	Greece – 2007	RES
HPP OINOUSA S.A.	100%	-	Greece – 2010*	RES
PPC FINANCE PLC	100%	100%	UK - 2009	General Commercial Company
PPC Quantum Energy Ltd	51%	-	Cyprus	Engineering, construction and operation of a power plant
IAPETOS ENERGIAKI S.A.	100%	49%	Greece – 2007**	RES
PHOIBE ENERGIAKH S.A.	100%	49%	Greece – 2007**	RES

* HPP Oinoussa SA was incorporated in 1999 but it was acquired by the Group in 2010. On the 2nd of October 2012, HPP OINOUSA S.A., was absorbed by PPC Renewables S.A.

** The above mentioned companies were acquired by the Group the 2nd quarter 2012. Until the 1st quarter 2012 they were consolidated by the associate company Good Works S.A.

11. INVESTMENTS IN ASSOCIATES

	Group		Company	
	30.09.2012	**31.12.2011**	**30.09.2012**	**31.12.2011**
Larco S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	1,871	1,537	-	-
PPC Renewables TERNA Energiaki S.A.	2,197	1,570	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,224	2,014	-	-
PPC Renewables MEK Energiaki S.A.	1,534	1,012	-	-
PPC Renewables ELTEV AIFOROS S.A.	2,038	1,322	-	-
PPC Renewables EDF EN GREECE S.A.	9,413	8,194	-	-
Good Works S.A.	87	217	-	-
Aioliko Parko LOYKO S.A.	1	3	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	-	-	-	-
Aioliko Parko KILIZA S.A.	1	3	-	-
Aioliko Parko LEFKIVARI S.A.	12	14	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	6	10	-	-
Renewable Energy Applications LTD	-	27	-	-
WASTE SYCLO S.A.	14	20	49	49
	19,398	**15,943**	**49**	**49**

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

11. INVESTMENTS IN ASSOCIATES (CONTINUED)

Data concerning the above mentioned associates as well as the Group's ownership interest in them as at September 30, 2012 and December 31, 2011 are as follows:

Name		Ownership Interest 30.09.2012	Ownership Interest 31.12.11	Country and year of Incorporation	Principal Activities
Larco S.A.		11.45%	11.45%	Greece – 1989	Metallurgical
PPC Renewables ROKAS S.A.		49.00%	49.00%	Greece - 2000	RES
PPC Renewables TERNA Energiaki S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables NANKO Energy – MYHE Gitani S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables MEK Energiaki S.A.		49.00%	49.00%	Greece - 2001	RES
PPC Renewables ELTEVAIFOROS S.A.		49.00%	49.00%	Greece – 2004	RES
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece – 2007	RES
EEN VOIOTIA S.A.	1	46.60%	46.60%	Greece – 2007	RES
Good Works ENERGIAKI S.A. P/V projects		49.00%	49.00%	Greece – 2005	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko MAMBO BIGLIES S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko KILIZA S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko LEFKIVARI A.E.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko AGIOS ONOUFRIOS S.A.		49.00%	49.00%	Greece - 2008	RES
Renewable energy applications LTD		49.00%	49.00%	Cyprus - 2010	RES
Waste Syclo S.A.		49.00%	49.00%	Greece - 2011	Waste Management

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.

In L. 4046/2012 (OG A' 28/14.02.2012) by which the Memorandum of Economic and Financial Policies was ratified by the Greek Parliament and especially in the privatization schedule, it is provided that the privatization period for LARCO will start on the second quarter of 2012. As an intermediate stage, the adoption of a restructuring law, by March 2012, is provided for.

With the Decisions of the Biministerial Commission for the Restructuring and Privatization 185/06.09.2011 and 206/25.04.2012, respectively, (O.G. B' 2061/16.09.2011 and O.G. B' 1363/26.04.2012), 7,686,362 of LARCO's shares are transferred to the Hellenic Republic Asset Development Fund, which were owned by the Greek State and which represent 55.19% of LARCO's share capital along with the relevant voting rights.

In Annex I of the law 4093/2012 (O.G. A' 222/12.11.2012) by which the medium term fiscal strategy 2013-2016 was ratified and specifically in the Privatization Program for the period 2013 -2016 LARCO's privatization is set for in 2013.

The acquisition cost of PPC's share in Larco on September 30, 2012 amounts to Euro 46,787. The above mentioned cost is fully impaired since 2008. Given that PPC participates in Larco's Board of Directors, it considers that it exercises significant influence and therefore classifies this investment as an investment in associates.

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

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of September 30, 2012 and December 31, 2011 are as follows:

	September 30, 2012		December 31, 2011	
	Receivable	Payable	Receivable	Payable
Subsidiaries				
- IPTO (former PPC Telecommunications)	240,794	(726,299)	2,422	(15,117)
- PPC Renewables S.A.	40,832	(856)	36,116	(1,215)
- HEDNO (former PPC Rhodes S.A.)	731,469	(907,202)	-	-
- Arkadikos Ilios Ena S.A.	3	-	3	-
- Arkadikos Ilios Dio S.A.	1	-	1	-
	1,013,099	**(1,634,357)**	**38,542**	**(16,332)**
Associates				
PPC Renewables ROKAS S.A.	-	-	-	(195)
PPC Renewables TERNA Energiaki S.A.	-	-	-	-
PPC Renewables DIEKAT Energy S.A.	-	-	-	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
EEN VOIOTIA S.A.	-	-	-	-
- Larco (energy, lignite and ash)	137,977	-	99,344	-
- Sencap	9	-	137	-
Waste Syclo	61	-	-	-
	138,047	**-**	**99,481**	**(195)**
Other				
EMO S.A.	**162,557**	**(190,729)**	**-**	**-**
HTSO S.A	**-**	**-**	**413,384**	**(520,408)**

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

	30.09.2012		30.09.2011	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
- IPTO S.A. (former PPC Telecommunications)	6.481	(918.335)	29	-
- PPC Renewables S.A.	4.405	(2,070)	2,920	(6,135)
-HEDNO (former PPC Rhodes S.A.)	161.338	(553,422)	8	-
- Arkadikos Ilios Ena S.A.	-	-	-	-
- Arkadikos Ilios Dio S.A.	-	-	-	-
	172.224	**(1,473,827)**	**2,957**	**(6,1350**
Associates				
PPC Renewables ROKAS S.A.	-	(337)	-	(1,109)
PPC Renewables TERNA Energiaki S.A.	-	-	-	-
PPC Renewables DIEKAT Energy S.A.	-	-	-	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
PPC Renewables ELTEV AEIFOROS S.A.	-	-	-	-
EEN VOIOTIA S.A.	5	-	16	-
Larco	56,958	(7,859)	56,027	(6,317)
Sencap S.A.	-	-	-	-
Waste Syclo S.A.	-	-	-	-
	56,963	**(8,196)**	**56,043**	**(7,426)**
Other				
EMO S.A.				
	102,545	**(696,709)**	**-**	**-**
HTSO S.A	**-**	**-**	**85,608**	**(700,753)**

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

SENCAP's General Extraordinary Shareholders' Meeting during its meeting held in August 5th, 2011,unanimously decided to dissolve the company. Liquidation phase was concluded in 30/7/2012 and the deletion of the company from the register took place on August 22nd, 2012 according to the 21912/22.08.2012 Announcement of the Attica Prefecture

In November 2011, the Parent Company has provided a guarantee for a short term loan amounting to Euro 5 million of PPC Renewables.

Provision of guarantee in favor of its subsidiary PPC Renewables to HSBC Bank plc.
In June 2012 the Parent Company's Board of Directors has approved the provision of a guarantee to HSBC Bank plc, in favor of its wholly subsidiary PPC for a financing amounting to Euro 2 mil.

Procurement of lignite from LARCO S.A.:
On August 24, 2007 the Parent Company signed a contract for the procurement of lignite from LARCO S.A. for a total amount of 1.2 million tonnes (with a right to increase up to 15%) for a period of four years and a total amount of Euro 25.8 million. Given the fact that at the time of signing the contract LARCO S.A. had outstanding payables of an equal amount to PPC from the supply of electricity, payments for the procurement of lignite would 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 30.06.2010. The above mentioned framework agreement was already approved by LARCO's Board of Directors.

As foreseen in the above mentioned agreement, a new framework agreement for the settlement of LARCO's new debts will be conducted, part of which will be 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 September 2011 and part of the consumption bills for October 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. It is noted that in view of the materialisation of the above mentioned contract for the settlement of new debts, LARCO has paid Euro 1 mil., in April 2011 and Euro 1 mil., in May 2011, and thus the final debt amounts to Euro 76.7mil. (principal not including interest).

The above mentioned contracts were signed on August 1st, 2011.
LARCO following the signing of the settlement of new debts has not paid the current electricity bills for thus resulting to sums due on September 30th, 2012 to Euro 77.7 mil. (2011: Euro 28.3 mil.)

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

PPC, after the relevant decision 100/10.04.2012 of its Board of Directors proceeded with the filing of an application of interim measures before the competent Court of Athens against LARCO for the provisory seizure of any and all of the movable assets as well as all the real property of LARCO, with the simultaneous filing of an application for an injunction and also, the filing of an action due to debtor's default in payment before the Multimembered Court of Athens. PPC accordingly, filed before the abovementioned application of interim measures and the application for the granting of an injunction, the hearing of which was initially set for the 9^{th} of May 2012 and, following a relevant petition by LARCO, the said hearing was set for the 8.6.2012 on which date after hearing of the case the above mentioned application for an injunction of PPC was rejected by the said Court whilst following that, the hearing for the a.m. application of interim measures was set to be tried for the hearing of 27.6.2012 when the said case was again postponed for the hearing of 20.11.2012. The case was heard on the above mentioned date and the issuance of the decision is expected.

Following the aforesaid the Board of Directors of PPC by its Decision 200/28.9.2012 decided the following:
a) to approve the termination of the contract between LARCO and PPC for the provision of energy after prior notice of 20 days' time for the payments by LARCO to PPC of any and all sums overdue
b) to approve the termination of the relevant Contract for the Settlement of New Debts dated 1.8.2011 after prior notice to LARCO by PPC, for the amounts due by LARCO to PPC
c) the filing of a supplementary application of interim measures against LARCO before the Athens Court of First Instance for the security of any and all outstanding debts of LARCO to PPC as well as the filing of an application for the granting of an injunction prohibiting the change of status of LARCO and
d) the filing of an action against LARCO for any and all sums due to PPC for which until today no lawsuit has been filed.

On 29.10.2012 an action was filed by PPC against LARCO before the Multimembered Athens Court Of First Instance for the payment of all outstanding debts of LARCO to PPC amounting to the sum of 72.058.436,10 euros plus accrued interest for the sums due to energy supply to LARCO for the period of October 2011 to August 2012. The hearing of the said case has been set for 21.5.2015.
Furthermore on the 9th of November 2012 PPC served to LARCO a Judicial Reminder of debtor's default (dated November 8^{th}, 2012) for the payment of sums due from LARCO to PPC within 20 days' time as of service of the Judicial Reminder, stating that in all other cases, PPC will proceed with discontinuation of the supply of electricity to the respective customer .

Following that, PPC by a letter in October 2012 to the Hellenic Republic Asset Development Fund ("HRADF") in order to notify the total amount of the outstanding debt to PPC by LARCO as well as the structure of the same was made known to the HRADF. Similarly, the immediate payment of any and all sums due was asked by PPC at the same time with the payment of all outstanding obligations towards PPC by LARCO deriving from the Contract for the Settlement of New Debts so that PPC refrains from the action of discontinuation of the supply of energy to LARCO as well as from the filing of all legal remedies against LARCO. After this letter LARCO made the payments of two installments due to PPC related to the Contract for the Settlement of New Debts which amounted to the sum of Euro 2 mil. After the said payment, in relation also to the provision of lignite quantities (it should be noted that until the 30th of September 2012 a total of lignite quantities of a nominal value of Euro 14.4 mil. had been delivered to PPC), LARCO has only partially addressed its obligations under the abovementioned Contract for the Settlement of New Debts, thus resulting to the old debt of LARCO of Euro 76.7 mil. to be reduced to Euro 58.3 mil.

The sum of ;LARCO's debts on September 30^{th}, 2012 consisting of the old debt and the current electricity bills amounts to Euro 136 mil. (2011:Euro 99 mil.). For the abovementioned PPC has formed adequate provisions.

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

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

On 18.10.2012 RAE Decision (N. 822/10.10.2012) was served to PPC (after the filing by LARCO of its RAE-I-153708/22.03.2012 Application – Complaint) in accordance to which, RAE ruled that the following interim measures in favour of LARCO shall apply: ie The price for the supply of electricity for LARCO will be temporarily fixed at 50 Euro/ MWh, plus fees for PSOs, Renewables and for the use of the Transmission System, plus other taxes and charges for a period of three(3) months from the issuance of the same Decision or until there is an (earlier) outcome of the negotiations between the two parties, RAE inviting (by the a.m. Decision) the two parties to continue negotiations in good faith in accordance also with principles of bona mores and the basic principles of RAE for the setting of tariffs.

Following the above, and after relevant proposal by the competent departments its Board of Directors decided by its Decision dated 6.11.2012 to proceed with the following actions: a) The filing of a Complaint before the competent Directorate of the European Commission in relation to the distortions resulting from RAE Decision 822/2012 b) The filing of an action before the Athens Administrative Court of Appeals against RAE Decision 822/2012 and c) the filing of an application for an injunctive suspension of the RAE Decision 822/2012 before the Athens Administrative Court of Appeals.

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 and into which the Hellenic Republic participates.

	Purchases		**Balance**	
	30.09.2012	**30.09.2011**	**30.09.2012**	**31.12.2011**
ELPE, purchases of liquid fuel	135,307	123,558	11,144	12.638
DEPA, purchases of natural gas	369,602	265,555	(18,074)	118,735
	504,909	**389,113**	**(6,930)**	**131,373**

Further to the above, PPC enters into transactions with many government owned or- nonprofit oriented entities within its normal course of business (sale of electricity, services received, etc.). All transactions with government owned entities are performed at arm’s length terms.

Management compensation

Fees concerning management members (Board of Directors and General Managers) for the nine month period ended September 30, 2012 and 2011 have as follows:

	GROUP		**COMPANY**	
	30.09.2012	**30.09.2011**	**30.09.2012**	**30.09.2011**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	328	188	82	104
- Non-executive members of the Board of Directors	65	109	-	90
- Compensation / Extra fees	-	-	-	-
- Contribution to defined contribution plans	33	-	-	-
- Other Benefits	115	12	95	12
	541	**309**	**177**	**206**
Compensation of Deputy Managing Directors and General Managers				
- Regular compensation	743	1,029	710	1,029
- Contribution to defined contribution plans	125	180	119	180
- Compensation / Extra fees	5	-	-	-
	873	**1,209**	**829**	**1,209**
Total	**1,414**	**1,518**	**1,006**	**1,415**

Compensation to members of the Board of Directors does not include standard payroll, paid to representatives of employees that participate in the Parent Company’s Board of Directors and related contributions to social security funds. Also, it does not include the electricity benefit based on the PPC personnel invoice to the Board of Director members, the Deputy Managing Directors and the General Managers.

13. INTEREST BEARING LOANS AND BORROWINGS

The loan repayments of the Group for the nine month period ended September 30, 2012 amounted to € 190 mil while Euro 832.5 mil. were refinanced.

In January 2012 the Group proceed to the refinancing of a bond amounted to € 200 mil., with initial maturity the first quarter 2012 with gradual repayments regarding the amount of € 150 mil during the period 2013 – 2015 and the remaining amount with bullet repayment in July 2014.

In March 2012 the Company proceeded to the refinancing of a bond series amounted € 15 mil. with initial maturity in May 2012 for three more years.

In June 2012 the Group proceeded to the refinancing of an amount €575 mil with initial maturity the period June to August 2012, until 30/06/2013.

For a bond loan, amounting Euro 85 mil., the Parent Company in August and September 2012 extended an amount of € 32.5 mil until December 2012 and refinanced an amount of Euro 42.5 mil until June 2013 while proceeded to the repayment of an amount of Euro 10 mil, in October 2012.

The total available short term financing lines of the Company as of September 30, 2012 amounted to € 279 mil, which were disbursed as a whole, including € 110 mil. which were withdrawn by the Deposit and Loans Fund having the guarantee of the Hellenic Republic.

Revision of PPC's outlook by rating houses
In February 2012, ICAP proceeded to a downgrade of the Parent Company's credit rating to BB with negative outlook from A with negative outlook. In May 2012 ICAP proceed to a further downgrade from BB to C .
In June 2012 the rating agency S&P downgraded the Parent Company's credit rating to CC with negative outlook.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION

14.1 OWNERSHIP OF PROPERTY

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

1. PPC is at the end of the process of registering in detail this property and creating a fixed assets registry at the relevant land registries in order to be able to register all its assets in the competent Cadastre and Mortgage Registries.
2. In a number of cases, expropriated land, as presented in the expropriation statements, differs (in quantitative terms), with what PPC considers as its property.
3. Agricultural land acquired by PPC through expropriation in order to be used for the construction of hydroelectric power plants, will be transferred to the State at no charge, following a decision of PPC's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by PPC S.A. for the fulfilment of its purposes.
4. The property, plant and equipment of PPC are located all over Greece and therefore the risk of a major loss is reduced. Currently, PPC does not carry any form of insurance coverage to date on its property, plant and equipment, except for its information technology equipment. The Company is evaluating the possibility to proceed to a procurement procedure in order to select an insurance company, to insure its property, plant and equipment operations, as well as liabilities against third parties.

14.2 LITIGATION AND CLAIMS

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at September 30, 2012 amounts to, Euro 692 m, as further analysed below:
1. Cl*aims with contractors, suppliers and other claims:* A number of contractors and suppliers have raised claims against the Company.
   These claims are either pending before courts or under arbitration and mediation proceedings. The total amount involved is Euro 359 m. In most cases the Group has raised counter claims, which are not reflected in the accounting records until the time of collection.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 46m and Euro 9m, respectively.

3. *Claims by employees:* Employees are claiming the amount of Euro 190 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, 2012, the PPC Personnel Insurance Organization (former "PPC PIO", TAYTEKO/IKA at present) had filed, before the courts, seven (7) lawsuits against PPC, claiming an amount in total of Euro 87,704 and, aiming to: (a) obtain the ownership of a building sold by PPC in 1999 for an amount of Euro 13,294, (b) obtain the ownership of certain properties owned by PPC and collect the rents earned by PPC over a specified period of time, for an amount of Euro 6,962 (three actions), these cases will be resolved with the decision of the Plenary Session of the Supreme Court for one of these actions, (c) obtain the 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 strongly expected to be resolved in favor of PPC pursuant to the recent issued Decision No 13/2010 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, PPC remains the asset holder also for the establishment of PPC/PIO according to Law No 2773/1999, as in force.

   The abovementioned Decision of the Plenary Session remitted the case to the Court of Appeal for the typical final resolution of the said dispute. The aforementioned Decision creates a precedent in relation to all other abovementioned pending cases (b) to (e) and therefore the established provision on December 31, 2009 was reversed within 2010 fiscal year.

   For the above amounts the Group and the Parent Company have established provisions, which as at September 30, 2012 amounted approximately Euro 159 m. and 78 m., respectively (2011: 159 m. for the Group and 136 mil. for the Parent Company) which is deemed adequate against the expected damages which will arise by the final trial of the above mentioned cases.

"Alouminion of Greece" (ALOUMINION)

- **A.** There is a pending action of ALOUMINION versus PPC where ALOUMINION claims the continuation of the status of the initial Contract between the parties. For the said action from ALOUMINION, the hearing, after many postponements, has been set for December 15th, 2011 and which was cancelled by ALOUMINION. There also are actions of PPC versus ALOUMINION in the Multimember Court of Athens, where PPC claims, among others, the amounts regarding to the differences in tariffs. Specifically, PPC has filed, an action 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 September 2008 for an amount of Euro 4.3 mil., which corresponds to a 10% raise by the Δ5/ΗΛ-Β/Φ29/23860/30.11.2007 Decision of the Minister of Development and a lawsuit for an amount due of Euro 48.9 mil plus an amount of Euro 414 for interest due to PPC by the "ALOUMINION" for four (4) electricity bills within the year 2009, of which the date of the hearing was set initially for April 29, 2010. The said hearing was postponed for October 11, 2012 when it was cancelled in view of the provisions of the 04/08/2010 Framework Agreement between the parties (see below).
- **B.** On February 23, 2010 a decision has been issued by the Arbitration Court in which the arbitrator was the chairman of the Supreme Court, in relation to the application of the terms of the relevant ministerial decision of 30.11.2007 which held:

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

- 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 ceiling of the tariff of A-150, in effect.
- 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, defined the limits of ALOUMINION's tariff.

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

According to the framework agreement, the following are in force until 31/12/2013:

1. PPC S.A. will supply electricity to ALOUMINION S.A. for the hours that are within the off peak demand zone, including Saturdays, Sundays and holidays, with a charge of € 40.70/MWh, which corresponds to A 150 tariff, as it was valid at 30.06.2008 plus 10% increase for the hours of off peak demand zone.
2. ALOUMINION SA will cover its electricity needs as self-supplied from the Pool for the rest hours of the day.
3. In addition, the financial disputes that had been raised in the past, are settled and specifically, the repayment of the remaining debt for the electricity consumption for the period 01.07.08 – 30.06.10, which is determined after compromise at the amount Euro 82.6m.

Since then, ALOUMINION has made monthly payments, thus resulting to the initial amount of Euro 82.6 mil. (04.08.2010) to be reduced to the amount of Euro 31.6 mil.

ALOUMINION has also paid for current consumptions from 01.07.2010 until 31.08.2011. The provisions of the above mentioned Framework Agreement are implemented in that part that there were no pending differences between the two companies (such differences being mainly the issue of how to share certain fees).

PPC by a letter to RAE has asked for its comments for the contract as well as for the existing differences which are depicted further. RAE has responded with its Decision (RAE 798/30.6.2011), by which it asked that the electricity tariffs as provided under the said Agreement between PPC and ALOUMINION are in accordance with the "Basic Principles for Tariffs of electric Energy" (RAE 692/6.6.2011) as promulgated after the proposal by PPC for the new tariffs of High Voltage Customers. PPC after having taken into consideration the 798/2011 letter of RAE, asked ALOUMINION by its letter dated 7.7.2011 to countersign the final Agreement, also in view of the existing legal and regulatory regime. Nonetheless ALOUMINION did not sign the configured framework agreement.

Following that, with the arbitration agreement that was approved by PPC's Board of Directors Decision dated 01.11.2012 and was signed between PPC and ALOUMINION, and which was send to RAE on 16.11.2011, it was agreed to recourse to Arbitration at RAE in accordance with the provision of Article 37 of Law 4001/22.8.2011 (OG A' 179) in order to resolve all pending differences between the parties as regards the terms of supply of electricity.

In particular the parties have agreed that the arbitration court would update and adapt the tariff terms which are included in the drawn up, to be realized between the parties, of the agreement by 04.08.2010, draft agreement, which was drafted on 05.10.2010.

RAE with its letter dated 16.05.2012 (no 0-51162 and which PPC received on 17.05.2012) and which it was notified to both PPC and ALOUMINION, announced the designation of the arbitrator in the above mentioned case according to article 37of L. 4001/2011.

Subsequently, the arbitrators were appointed by both parties. On 25.10.2012 the Arbitration Court was convened (according to the above mentioned arbitration dispute referral by November 2011) in PAE's premises. The above mentioned court has designated the 14.12.2012 as the submission date for both memos, in which the requests as well as the objections of the related parties are expressed, especially as far as the extend of the object of the arbitration is concerned, given the discord presented between the parties.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

It is noted that, in PPC's Decision by its Board of Directors which has approved the Arbitration Agreement and which has been notified to ALOUMINION in November 2011, it was stipulated as a unconditional pre- requisite the, until the arbitration's decision, temporary pricing as well as timely payment of the electricity consumptions plus all lawful charges and fees for the total of 8,760 hours annually according to the provisions of the 04.08.2010 framework agreement, independently of the citation of the matter to RAE's arbitration.

The above has not been observed given that ALOUMINION does not pay in time the sums due by the current electricity consumption bills.

D. PPC's Board of Directors decided to address a Judicial Reminder of debtor's default to ALOUMINION in accordance with the provision of article 11 para. 12 of the existing Code for Supply for the payment of sums due from ALOUMINION to PPC. In case of non-payment within 20 days' time as of service of the Judicial Reminder to ALOUMINION, PPC is to proceed with discontinuation of the supply of electricity. PPC has served ALOUMINION with a Judicial Reminder of debtor's default reserving all its rights on March 15, 2012 .

The Board of Directors of PPC, after relevant discussion of the issue in its meetings of 30.03.2012, 04.04.2012 and 10.04.2012, decided that PPC was to proceed with the filing of an application of interim measures for the provisory seizure of any and all of the movable assets as well as all the real property of ALOUMINION, before the competent Court of Athens and also, with the filing of an action due to debtor's default in payment before the competent Court of Athens. PPC, accordingly, filed before the competent Court the abovementioned application of interim measures, the hearing of which has been set for October 1, 2012 (the hearing was postponed for 08.02.2013, following a request by Alouminion).

ALOUMINION by a judicial statement and summoning to PPC dated 29.03.2012 and serviced to PPC on the same date, has repelled the 15.03.2012 above mentioned Judicial Reminder of debtor's default, stated that it would pay to PPC the amount of Euro 27 mil. plus an amount of Euro 8.7 mil. for the supply of energy of February 2012, totaling the sum of Euro 35.7mil., which ALOUMINION would pay to PPC by a bank note dated April 2, 2012 "to a full and complete payment of the same Judicial Reminder of debtor's default of the electricity consumption of its industrial installations for the period August 2011 until February 2012. Finally it reserved its rights as regards the total (final) settlement of any financial pending issues between the parties that may arise after the issuing of the Decision by RAE for the determination of a temporary price and, finally, by the Decision to be issued by the Court of Arbitration".

PPC by its judicial Statements dated April 2 and 10, 2012, stated to ALOUMINION, that it does not accept the aforementioned payment but as a partial payment of sums due to it by ALOUMINION, reserving its rights to file any and all claims it has or may have against ALOUMINION.

E. On March 16, 2012 ALOUMINION submitted to RAE a complaint (Art. 34 of Law 4001/2011) - a request for specific regulatory measures (article 140 of Law 4001/2011) - an application for interim measures (Article 35 L. 4001/2011) seeking, inter alia, that RAE judged "that negotiations between ALOUMINION and PPC have been rejected and that the tariffing framework which is reflected in the various texts ... is contrary to mandatory rules ...", that the especially necessary regulatory measures as defined in that document as well as the necessary provisional measures, also defined in the above document be taken by RAE, (i.e, prohibition of ALOUMINION to be invoiced until a final decision of RAE by the A150 tariff plus 10% or by the framework agreement and application of a temporary tariffing framework to a maximum of Euro 40 per MWH consumption for all hours, including all competitive charges, threat PPC with a fine of Euro 100,000 per day for any non-compliance and, finally, any other appropriate measure at the discretion of RAE).

RAE has asked PPC to express an opinion on the above document of ALOUMINION until 28.03.2012. PPC submitted the relevant Statement of Pleas timely before RAE. On 16-5-2012, RAE served to PPC its Decision 346/2012 by which it ruled that the following interim measures shall apply:

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

1) The price for the supply of electricity for ALOUMINION will be temporarily fixed at 42 Euro/ MWh plus fees for PSOs, for Renewables and for the use of the Transmission System, plus other taxes and charges.
2) The above mentioned price is to be applied to the total of operating hours of ALOUMINION due to its monozonic profile during the day.
3) The temporary price for the supply of electricity is to be applied until the issuing of the Decision by RAE with regard to the complaint and request for specific regulatory measures filed by ALOUMINION, or until the issuing of the Decision of the competent Court of Arbitration, or until there is an (earlier) outcome of the negotiations between the two parties, which RAE is inviting (by the a.m. Decision) to continue negotiations in good faith.
4) The pricing of the electricity supply to ALOUMINION by PPC, temporarily fixed, at the abovementioned price, will be finally settled after the final determination of the price for the supply of electricity in the future (as above mentioned).

F. Given that RAE, by its a.m. Decision, accepts almost all pleas made before it, by ALOUMINION whereas, it does not accept the relevant, fully substantiated (in the opinion of PPC) pleas of the latter, and thus resulting to PPC being under an obligation, until the final outcome of the case, to supply electricity to ALOUMINION below PPC's cost, PPC filed an appeal of the abovementioned Decision before the Athens Administrative Court of Appeals, along with a request for the temporary suspension of its execution and has already informed the European Commission on the matter.
Specifically before the Athens Administrative Court of Appeals were filed an appeal Πρ 1863/2012 and a respite petition Αν 1204/2012. The Athens Administrative Court of Appeals following a discussion has rejected the relative respite petition by PPC. The hearing of the above mentioned appeal is expected.
Furthermore in July 2012, PPC has filed in the competent Department of the European Commission a complaint according to article 107/Σ.Λ.Ε.Ε. concerning the provision of illegal state aid to ALOUMINION, which the Commission is investigating.

G. Given that, ALOUMINION continued not to pay the amounts due by its current electricity consumptions, PPC following a relevant decision of its Board of Directors, has sent to ALOUMINION a new Judicial Reminder of debtor's default (19.09.2012), by which ALOUMINION was called, reserving its right to denounce the contract and to lift the representation of its meters according to the current Supply Code, to pay all amounts due to PPC. Furthermore ALOUMINION has proceeded, by the 02.10.2012 complaint – petition for interim measures against PPC, in front RAE (RAE I-1162810/02.10.2012) doubting he conclusion by the 04.08.2010 co-signed Framework Agreement and projecting that the amounts due by ALOUMINION to PPC are "not legal" requesting the reception of interim measures and specifically among others, the non - discontinuation of the supply of electricity by lifting the representation of its meters.
As far as the above-mentioned complaint – petition for interim measures, RAE by its Decision 831A/2012 (29.10.2012) has decided to accept ALOUMINION'S petition for the granting of the interim measures (non - discontinuation of the supply of electricity) for the period of two (2) months by the issuance of the above mentioned decision.
Specifically, by its Decision, RAE a) accepts ALOUMINION's petition for the non - discontinuation of the supply of electricity by lifting the representation of its meters for the period of two (2) months, b) decides the immediate summoning of the parties to present and to discuss the aggregate of the issues that fall under RAE's jurisdiction and c) invites the parties to implement RAE's decision 346/09.05.012 by proceeding to any required actions.

H. The amount due by the State aid :
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 ALOUMINION of Greece and its successor ALOUMINION S.A., addressed to the Hellenic Republic, with which, the Commission decided that state aid of the amount of Euro 17.4 m. was granted in favor of ALOUMINION of Greece. According to this Decision, the Hellenic Republic shall ensure that this recovery takes place within four months from the date of the notification of the Decision. According to the Decision, the state aid was granted in the form of reduced electricity tariffs, which the state-controlled PPC supplied to ALOUMINION of Greece from January 2007 up to March 2008, and which provided an unjustified advantage to the Company of ALOUMINION of Greece, 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.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

The above mentioned aid, according to the Commission's Decision must be refunded to PPC SA with the addition of statutory interest in accordance with the law on state aid. PPC SA has already sent to ALOUMINION SA an out-of-court declaration-invitation-notice without prejudice to its rights which was served upon ALOUMINION SA on October 18, 2011, (also notified to the Minister of Environment, Energy and Climate Change, the Minister of Finance and RAE), by which ALOUMINION SA was asked to pay to PPC SA in order to implement the above Commission' s decision, the amount of Euro 21.6 mil., the latest by November 2, 2011, plus the amount of Euro 2.6 per day from the date of service until November 2, 2011. In light of the fact that ALOUMINION has not paid the above mentioned amount, PPC has proceeded with legal actions against ALOUMINION, requesting the payment in full of the state aid plus interest.
In particular, following PPC's petition, the Athens Court of First Instance has issued a Payment Order N. 1360/04.07.2012 for ALOUMINION to pay to PPC the amount of the state aid of Euro 17,375,849.48, plus interest amounting to Euro 3,041,126.93 on the full amount of the illegal state aid and the compound interest for each passing day. The payment order was served to ALOUMINION on July 9th, 2012. Consequently ALOUMINION filed (11.07.2012) for an appeal of the Payment Order with an additional request for the temporary suspension of its execution(article 632, para 3, ΚΠολΔ). This request was granted by the court on the condition that a hearing on the relevant appeal is held. The date for said hearing has been set for 31.10.2012, which due to the judges' strike was postponed for January 23, 2013.

ALOUMINION has filed an action for the annulment of the European Commission's Decision of 13.07.2011 (without petitioning the suspension of execution of the relevant decision). The date for the hearing has not yet been set. PPC has intervened in favour of the European Commission on 30.01.2012. The intervention was accepted by the General Court. Given that the European Commission's decision is pending, PPC has not recognised a relevant revenue in its financial statements.

It is noted that PPC's total receivables from ALOUMINION until 21.11.2012 amount to Euro 139.3 mil. This amount is analyzed as follows:

1. Amount of Euro 31.6 mil., which is the remaining amount by the approved by PPC's Board of Directors , debt of Euro 82.6 mil.
2. Amount of Euro 87.2 mil. which consists of debt of ALOUMINION for electricity consumptions for the period August 2011 until May 15th, 2012 of Euro 57.4 mil., and for the period May 16th, 2012 until September 2012 of Euro 29.8 mil and
3. Amount of Euro 20.5 mil. due to the European Commission's decision about the illegal state aid.

As the aforementioned legal and/ or arbitration procedures are currently outstanding, it is not possible to estimate any potential assets or liabilities that may arise from their final outcome.

Old Bank Of Crete

The dispute with the old "Bank of Crete" is dating back to 1989, when the bank was under liquidation. More precisely, by an action of the then trustee of the Bank, the claims of PPC were obliged to be converted to stake-holding in the share capital of the Bank and to obligatory credit to the Bank. PPC by its July 22, 1991 lawsuit against the bank asked to be compensated for GRD 2.2 billion approximately, (Euro 6.5 mil.) plus legal interest for the reason that the above mentioned Act of the trustee of the Bank was held invalid.
The action was rejected by the Multimember Court of Athens and PPC appealed against the said Decision of the Court which was also rejected by the Athens Appeal Court.
The above mentioned decision was brought to review by PPC before the Supreme Court, which accepted it and in consequence the case was again brought to trial before the Court of Appeals, which held that an expert report should take place. After the said expert report the Court's decision was held partially in PPC's favour.
However, a petition for review before the Supreme Court was filed against the aforementioned Decision which was then accepted by the Supreme Court and then was resubmitted to the Court of Appeals which by its inconclusive decision (Nr 4093/2009) ordered the completion of the expert report.
Until today the official expert report has not yet been notified to PPC while PPC's appeal was set to be heard before the Court of Appeals on May 17, 2012 , date on which the hearing was finally aborted.
Following that, the hearing of the case would take place on October 25, 2012, but it was postponed for September 26, 2013, due to the strike of both judges and lawyers. The above mentioned expert report deals with the calculation of interest owed by the Bank of Crete to PPC as well as with the calculation of the Bank's counterclaims which were offset with PPC's claim and which reduce the aforementioned claim.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 5, 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 companies – competitors of PPC – have intervened in favour of the European Commission. Furthermore, on August 4, 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 5, 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 March 5, 2008 –"Public Power Corposration S.A. (PPC S.A.0, 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. Similarly, after a relevant summons of the Secretary of the EU General Court, on the scheduled date of hearing on July 13, 2011, the application for the annulment of the Commission's Decision dated August 4, 2009 regarding the above case [C (2009) 6244] was tried after a hearing before the General Court in Luxembourg.

Due to the fact that, the Chairman of the composition of the Court that heard the two appeals became Minister, the General Court of the European Union, decided to postpone the issuance of the relevant Decisions, and by an action determined a new trial date (February 2, 2012) for the repetition of the hearing under its new composition for both the above mentioned cases. The trial took place as programmed.

The General Court of the European Union on 20.9.2012 issued decisions for both cases.

In particular, as far as case **T-169/08** is concerned the Court has ruled the following:

- The difference is concentrated mainly on whether the Commission should determine a real or potential abuse of the dominant position of the applicant or whether it was sufficient to prove that the disputed state measures were distorting competition by creating inequality of opportunities betwen businesses, favoring PPC.
- State measures, which were in effect prior of the liberalization of the energy market, are preserved and continue to affect the lignite supply market, although PPC is not responsible for other businessmen failing to gain access to lignite reserves.
- PPC's part in the lignite's supply market was limited to the exploitation of reserves for which extraction rights were granted.
- The Commission did not support that PPC exploited its dominant position in the above mentioned market.
- The Commission did not prove that the advantageous access to lignite was capable of creating a situation, in which PPC, simply by exercising its lignite extraction rights would abuse its dominant position in the energy wholesale supply market or could be led to such abusive conduct.
- The Commission by simply noting that PPC still has a dominant position does not define or adequately prove the abuse.
- It is not clear, that PPC is in an advantageous position opposite its competitors, in consequence of a state measure which constitutes an abuse of dominant position.
- It is not clear that, in order to admit the existence of a violation of article 86, para. 1 EC combined with article 82 EC, is adequate, in order to prove that a state measure falsifies competition by creating a situation of inequality of opportunities, between businesses without demanding definition of abuse of dominant position.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

As far as case **T-421/09** is concerned the Court has annulled as obsolete the above mentioned Commission's Decision C(2009) 6244 (final) of August 4, 2009 ,following the annulment of the Commission's decision of March 5, 2008, given that, it pertained to the executive part of the violation ascertained in the decision of March 5, 2008.

Third Party Access to electricity generation from lignite

The adoption by the Hellenic Government of a plan, regarding the gradual cost based Access of Third Parties to the lignite fired generation, so that "any Thirds could use effectively the electricity generation from lignite in the Hellenic Market", has been provided for in the Memorandum signed on 6th of August 2010 between the Hellenic Government, the European Union, the European Central Bank and the International Monetary Fund, as well as in the updated Memorandum of 12th of February 2012.

Following the favorable, for PPC, Decision of the European Court regarding the lignite issue which abolished the European Commission's Decision of 5th of March 2008, in respect to the granting or keeping in force, by the Hellenic Republic, of lignite mining rights in favor of PPC, PPC is examining its options in the new environment and supports the idea of a further opening of the Hellenic Wholesale Electricity Market, without the commitments and restrictions imposed by the European Commission through the Decision in question.

More specifically, PPC, within the frame of a transitional stage regarding the full liberalization of the Hellenic Electricity Market, proposes the supply of generated capacity from certain PPC's power units to Third Suppliers through transparent Market Mechanisms, such as Capacity Allocation Auctions by "Virtual Power Plants" (VPPs), aiming to supply the Final Consumers with the allocated capacity, considering that such measure will contribute significantly to the establishment of a healthy competitive environment in the Electricity Market.

General Federation of PPC Personnel (GENOP DEI/KHE) and Panhellenic Federation of Retirees' (POS DEI) lawsuit against PPC

GENOP DEI/KHE and POS DEI have filed a lawsuit against PPC in the Multimember Court of First Instance in Athens. By the above mentioned lawsuit they pursue that PPC will be obliged to pay to third parties, who are not litigants, in particular the insurance funds of IKA – ETAM and TAYTEKO the amount of Euro 634.8 mil. with interest, for the coverage of the resource, which according to the lawsuit, the State did not pay to the above mentioned insurance funds for the years 2010 and 2011. The lawsuit is scheduled to be heard in the Multimember Court of First Instance in Athens on September 18th, 2014. In view of the fact that the above mentioned lawsuit is based on admissions which are in contrast with the provisions of Decision 13/2010 of the Supreme Court and Decision 668/2012 of the Athens Court of Appeals, the Parent Company considers that the possibilities of a positive outcome for the lawsuit in question are minimal and therefore, has not formed a provision in the nine month period 01.01.2012 – 30.09.2012.

PPC's relation to its personnel's Social Security Funds

Despite the fact that under the current legislation the Group does not have any obligation to cover in the future any deficit whatsoever between revenues and expenses (deficit) to PPC's personnel Social Security Funds, there can be no assurance that this regime will not change in the future

Provisions for doubtful debts by Public Sector

In general, the provision for doubtful debts is formed, on specific customer balances. For medium and low voltage customers, the Company forms a provision for the total of their outstanding balances of more than 3 and 6 months respectively, per customer. As far as Public Sector bodies are concerned the respective provision is formed per case judging by the recoverability of the doubtful debt.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

14.3 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 by 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. Further developments, namely the final judgment, will be issued by the Plenary of the Council of State after taking into consideration the recent (11.09.2012) Decision of the European Court of Justice, to which relevant preliminary questions had been addressed 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 not be affected from the abovementioned issues. PPC S.A. examines the possibility to disengage Messochora Power Plant from the overall Acheloos River Diversion Scheme, so that the Project can be dealt with as an independent unit and have its own environmental terms, i.e. independently from the other Projects of the Diversion Scheme. For this purpose, PPC has assign the updating of the Environmental Impact Assessment for HEP Messochora, whilst waits for the completion of the Water Management Study, ordered by the Ministry of Environment and Climate Change, related to the compilation of the Water Management Plan of the Catchment Areas in the water territories of the Western Central Greece, Epirus and Thessaly, in which the Catchment Area of the River Acheloos is included. This is estimated that it will be completed by October 2012. It is also estimated that the procedure for the issuance of the Environmental Permit for the project as an independent entity will be completed by first quarter 2013, with a possible few months delay due to the procedure for the approval of the above mentioned Water Management Plan. On September 30, 2012 the aggregate amount for HEP Messochora 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. million to complete the project, estimated in 2015.

2. Under IPPC (Integrated Pollution Prevention and Control) Directive, the Best Available Techniques for Large Combustion Plants (with a thermal capacity greater than 50 MW) have been defined on July 2006 at a European level. These may: (a) require additional to the already foreseen investments at PPC's larger thermal power plant stations, (b) reduce the permitted hours of operation of its oil fired power stations. In accordance with European Directive 2001/80/EC, a pollutants emissions reduction plan for existing Large Combustion Plants has been approved by PPC's Board of Directors, and this includes, among others, the following measures:

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

(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 started on April 2010 and were completed on August 11, 2010.
Based on the results of performance tests' valuation report submitted by the assigned third party (TUV AUSTRIA), the guaranteed parameters of the project have been accomplished.The Temporary Acceptance Protocol was signed on 03.03.2011, having 30.03.2010 as valid Temporary Acceptance date. The approval of the Temporary Acceptance Protocol was accomplished on 19.07.2011. The guarantee period was completed on 13.12.2011. The Final Acceptance Protocol was signed on 11.04.2012 and approved on 11.09.2012.
After the issue (August 2008) of the Common Ministerial Decision for the National Emissions Reduction Plan, the environmental permits of SES Ptolemaida, Kardia, Amyntaio, Liptol and Agios Georgios were renewed. The same is expected within 2012 for the remaining thermal power plants as well. In December 2010, the new Directive (2010/75/ EC) was issued for industrial emissions (Industrial Emissions Directive – IED), which is effective from 06.01.2011 and which amends Directives IPPC and 2001/80/ EC. Additional investments that might be required to the already existing units will be assessed, taking into account remaining operational life of the units.

3. The extent of land contamination has yet to be assessed for many of PPC's installations. At present, there appears to be no requirement for large-scale remediation projects at PPC's sites in the short term, and it is unlikely that this will be required at the mining areas or at the lignite-fired power stations for the foreseeable future. Remediation, however, may be required, at some of the company's oil-fired power stations and depots, in the future.
4. PPC has performed limited studies on the presence of asbestos-containing materials, at its premises. Upon submission by PPC of a full environmental impact assessment study, the Ministry of Environment issued in May 2004 the environmental permit for the construction and operation from PPC, in its premises in Ptolemaida area of an environmentally – controlled landfill site for the management and final disposal of asbestos containing construction materials, from the plants of the Northern System.
5. During the operation of the Transmission Lines, Substations and Hyperhigh Voltage Centers, there is no electromagnetic radiation, but two separate fields, the magnetic and the electric field. At places where the public or the Company's personnel might find themselves close to the above mentioned lines and substations, the values of those fields are substantially less than the limits. Those limits were established by the International Commission on Non Ionizing Radiation Protection (ICNIRP) in collaboration with the World Health Organization (WHO). The above mentioned limits have also been adopted by the European Union as well as the Greek State. It must be noted though, that the limits stated in the above regulations for both fields do not constitute dangerous values, but rather contain large safety factors, in order to cover for some vagueness due to the limited knowledge about both the magnetic and electric fields' influence in order to fulfil the requirement for the prevention of any adverse impacts.
6. The Environmental permit for the operation of Ptolemais mines was issued (CMD 133314 / 2929 / 09.11.2011), regulating the extraction waste and ash (lignite combustion for power generation product), the co- dumping within mine area and the Waste Management Plant according to Common Ministerial Decision 39627/2209/E103 (O.G. B 2076/25.09.2009). "Environmental Impact Assesment" for Klidi mine, including waste management plan and ecological assessment was submitted to the Ministry of Environment, Energy and Climate Change for the issuing of environmental permit. The renewal of environmental permit of the lignite burn for power generation in Megalopolis Power Station, solid by-products management, within Megalopolis Mine area (Thoknia Mine), is expected, within 2012.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 for the 31 power plants 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 2011. Additional allowances of 0.6 Mt CO_2 for the year 2011 were allocated to PPC's new entrance units (extension to the installed capacity of existing plants). By the end of March 2012, 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 2011 amounted to 46.8 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 2 Mt CO_2 for 2011.

The CO_2 emissions of PPC's bound plants for the period 01.01.2012 – 30.09.2012 amounts to 35.9 Mt CO_2. According to recent projections, the CO_2 emissions of PPC's bound plants for the remaining period 01.10.2012 – 31.12.2012 are estimated to approximately 11.6 Mt, thus the total CO_2 emissions of PPC's bound plants for 2012 are estimated to approximately 47.5 Mt,. It should be noted that the emissions of 2012 will be considered final by the end of March 2013, when the verification of the annual emissions reports by accredited third party verifiers is completed. The allowances that have been allocated to the 31 existing bound plants of PPC for 2012 amount to 42.5 Mt CO_2, while for the same year additional emission rights amounting to 0.6 Mt were allocated to PPC due to new entrance units, and 0.5 Mt CO_2 allowances were deducted due to the closure of Ptolemaida 1 Unit. According to the above, it is estimated that PPC will exhibit a shortage of emission allowances for 2012 amounting to approximately 4.9 Mt CO_2. It is noted that the exact amount of the deficit for years 2011 and 2012 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 years 2011-2012.

14.4 INVESTMENTS

Combined cycle natural gas fired power plant of a 416.95 MW in Aliveri

After an international tender, the Project "Study, supply, transportation, installation and putting in operation of a 416.95 MW net combined cycle natural gas fired Unit V at Aliveri" was awarded to the successful bidder company Metka S.A. The contract for the construction of the Project was signed in October 2007, with a contractual price of Euro 219 mil.

In July 2009, the Building Permission was issued, and in September 2009, the construction began.

In May 2010, the Supplement No 2 of the Contract was signed, according to which PPC shall pay the Contractor the amount of Euro 31.15 mil. for the delay of the Project, due to antiquities found on the construction site and difficulties about the progress of the permissions, as well as for additional works.

In October 2010, the Supplement No3 of the Contract was signed, according to which the valid period of guarantee of the Project and consequently of the Equipment is extended for 2 months with the payment to the Contractor of the amount of Euro 1.8 mil. and according to the provisions of the Supplement No2.

On February 18, 2011, PPC accepted the terms for the connection of the above Unit with the System following a relative correspondence with HTSO.

On January 21, 2011, the Board of Directors of PPC approved the additional extension of the new guarantee period of the Project and consequently of the Equipment, for 8 months, with the payment to the Contractor of the amount of Euro 7.2 million. In February 2011, the Supplement No4 of the Contract was signed.

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

In addition, since August 10th, 2012 the above mentioned Unit's commissioning has been started, taking into consideration that the construction of the gas pipeline to Aliveri has already been completed and the high voltage transmission line (150 Kv) serving the unit has been completed too.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

On 16.10.2012, PPC's Board of Directors approved the modification of the Time-Schedule of the Project (starting of Commercial Operation: 10.04.2013), the extension of the guarantee period of the Project for 11 months (until 17.06.2013) with the same terms provided for in Supplements Nos 2, 3, 4 to the Contract, the covering of Contractor's expenses with the amount of Euro 5,496,611.69 due to the extension of the Time-Schedule of the Project, as well as the assignment to the Contractor of the supply and installation of the necessary equipment for the construction of the natural gas pressure reducing station (from 75 barg to 38 barg).
On 30.09.2012 the total expenditure for the project amounted to Euro 270 mil.

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

International tender for the construction of a new Steam Electric unit in Ptolemaida
The International tender was announced on April 20, 2010. The total budget of the Project amounts to Euro 1,320 mil. and the Project is expected to be completed within 70 months as from the signing of the contract.
In September 2010, the Ministry of Environment Energy and Climate Change issued the permission for electricity production and the permission for the distribution of thermal energy.
On June 28, 2011, the following two bids were submitted:
- The bid from TERNA S.A
- The bid from the Consortium led by Alstom Power Systems S.A and including ALSTOM Power Systems GmbH, ALSTOM Hellas S.A, METKA S.A and DAMCO Energy S.A.

In November 2011, the Board of Directors of PPC decided to award the project to the successful bidder company "Terna SA" and the contractual price is Euro 1,394,634,137.82.
For the financing of the construction of new lignite plant "Ptolemais V", the Parent Company examines among others, the partial financing with the provision of insurance from the German ECA Euler Hermes.
In line with the above initial meetings took place between PPC, its financial advisors and the ECA. Furthermore the relevant application has been already submitted and it is under consideration.

A new diesel engine Power Plant 115.4 MW in South Rodos burning of heavy fuel oil with low sulphur content
After an international tender, the Project was assigned to the successful bidder company (TERNA S.A.). On July 2009, the relevant Contract was signed. The Contract price is Euro 182.8 mil.
In September 2010, the Decision of the Ministry of Environment Energy and Climate Change for the modification of the Generation License concerning the power (115,439 MW) and the number of units (7 generating sets) was issued.
On 01.12.2010, the Common Ministerial Decision Approval of Environmental Terms was issued.
On June 29, 2011, the relevant contract for the purchase of the above land was signed.
In September 2011, the Installation License was issued and was modified on January 20, 2012.
On January 25th, 2011 the Building Permit (6/2011) was issued and on February 16th, 2011 the construction of a temporary warehouse begun.
On February 2nd, 2012 the Building Permit (25/2012) regarding earthworks has been issued and on March 23rd, 2012 begun the relevant works at the plot of the main facilities of the station.
On August 3rd, 2012 the building permit (184/2012) was issued for the main facilities of the station.
On August 20th, 2012 the certificate for the land uses was issued and the building terms for the coastal facilities were approved. After that, the procedure for the purchase of the land of the coastal facilities is in progress.
In the context of the implementation of the Contract two supplements were issued until today.
By Supplement No 1 (15.12.2010) certain articles of the contract were modified. By Supplement No 2 (22.06.2012) certain subjects regarding the transfer of equipment, the assignment of a study and subsequently the construction of the temporary site warehouse, the surveyors' building as well as the guesthouse, were adjusted.
The realization of the provisions of the supplements will increase the contractual price by Euro 1,531,903.00 .
On February 15th, 2012 the society called "Citizen's initiative for environmental protection and development of Southern Rhodos" an application for a stay of execution was filed with the Council of State by application number 119, for the following:

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

a) Of the Environmental Impact Assessment 162761/12-2010 for the new diesel engine power plant and
b) The No 6/2011 environmental permit which was granted to PPC for the construction of the temporary site warehouse at the plot for the construction of the new power plant.

In implementation of the Temporary Order of the Council of State the competent authority for urban planning has issued the 2276/06.04.2012 suspension of construction for the 25/2012 building permit.
The Council of State with its Decision No 4413/12 annulled the Act of Approval of Environmental Conditions for the installation and the operation of the new Thermoelectric Power Plant in South Rhodes and the building permit for the temporary warehouse at site, considering that the Act of Approval of Environmental Conditions was not in accordance with the those defined in Art 6 par 3 of the Directive 92/43/EEC (for the conservation of natural habitats and of wild fauna and flora).
PPC while waiting for the decision's issuance and in view of minimizing the consequences, is examining its next steps, which are :

- Communications with the Ministry of Environment, Energy and Climate Change and RAE for the continuation of the project
- Preparation of the Environmental Impact Assessment according to the Council of State's Decision
- Communications with the contractor for the management of the contract

Since March 27th, 2011 the delivery of equipment for the project to warehouses in the port of Elefsina has started.
On 31.07.2012, PPC's Board of Directors approved the payment to the Contractor of the amount of Euro 4,250,000, as a result of Amicable Settlement, for the full settlement of Contractor's claims for the time period until 31.01.2012 due to the delay of Project Permission.
On September 30, 2012 the total expenditure for the project amounted to Euro 92 mil.

A new combined cycle unit at Megalopolis
On August 25, 2009 the Board of Directors of the Parent Company approved the award of the Project to the successful bidder Consortium METKA S.A. and ETADE S.A. Furthermore, the contractor has accepted that he will not raise any claims related to eventual delay up to 13 months, due to unavailability of Transmission Network of 400 kV or/and Natural Gas. This time interval of 13 months starts, for the delay of supply of natural gas in the Unit, 26 months as from the date of signing of the Contract and for the delay of connection with the network 400 KV, 24 months as from the date of signing of the Contract.
On November 13, 2009, the relevant Contract for the implementation of the Project was signed and the contract price amounts to Euro 499.5 million.
In November 2010, PPC accepted the terms for the connection of the above Unit with the System following a relative correspondence with HTSO.
On May 31, 2011 the Contract for the Long Term Maintenance of the Unit was signed with the company METKA S.A.
On July 8, 2011, the Building Permission of the above Unit was issued.
On October 17, 2011, after a related request from the Contractor Joint Venture «METKA S.A. – ETADE S.A.», the Board of Directors of the Parent Company approved the substitution of the above Joint Venture from the Joint Venture «METKA S.A. – TERNA S.A.».
The related Supplement No1 came into force on December 12, 2011.
On May 8, 2012, the Board of Directors of the Parent Company approved the assignment of additional works related to the water supply of the Unit V. On 10.10.2012, there was issued the relevant Supplement No 2 to the Contract. The civil works, the delivery of electromechanical equipment and the erection works of electromechanical equipment are in progress.
On September 30, 2012 the total expenditure for the project amounted to Euro 412 mil.

HPP Metsovitiko (29 MW)
The process of evaluation of tenders for the main Electromechanical Equipment of the project is concluded. The relevant suggestion to PPC's Board of Directors for the awarding of the contract to the successful bidder has been forwarded. At the same time the auction for the remaining civil works is in progress. The projected date of operation of the project is in 2015.
The Parent Company has, under IAS 36, reviewed the recoverability of the total project cost, which at 31.12.2011 amounts to Euro 37.1 million. Based on the above mentioned audit the Parent Company has formed a special impairment provision of Euro 10.4 million, which had a negative impact in the results for the year 2011. It is noted that in 2010 the Parent Company had formed an impairment provision of Euro 8 million. The impairment audit was conducted by calculating the value due to use by using estimation of future cash flows, which were projected to a period of fifty years by the estimated date of operation of the station, the estimated cost of completion of the project as well as the expected income by its operation.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

HPP ILARION

In July 2012, PPC SA announced the tapping of the deviation tunnel of the Ilarionas hydro power plant was successfully completed, with the target to set the plant in trial operation shortly.
The total installed capacity of the plant is 165 MW and it is expected to generate, on an annual basis, approximately 330 GWh of net electricity. On September 30, 2012 the total expenditure for the project amounted to Euro 261 mil.

14.5 PPC RENEWABLE (PPCR)

Construction of new Wind Parks from PPCR S.A.

In February 2009, PPCR S.A. announced the construction of nine new Wind Parks, of total installed power 35.1MW, in the Greek islands and more particularly two in Crete (Akoumia and Koprino), two in Samos (Marathokampos and Pythagoreio) and one in Paros, Lesvos, Rhodes, Sifnos and Limnos respectively, a total investment of Euro 64 mil. The installation process of the Wind Farms in Paros, Lesvos, Rhodes, Samos (Marathokampos), Crete (Akoumia) and Limnos has been completed. In December 2011 the wind parks in Paros, Lesvos, Samos and Rhodes had been connected to the network. In January 2012 the park in Limnos was also connected. Moreover, in August 2012 the W/P in Akoumia (Crete) has been connected as well, currently being under testing operational status.

Hybrid Project in Ikaria

The hybrid project in Ikaria is under construction and is expected to be completed in the beginning of 2014. 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 3.10 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 2.70 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 study, procurement, transfer, installation and operation of Megalopolis PV Plant, with total installed power 50MW and a total projected investment of €140 mil. 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 2,000,000 m2 and is due to enter operation within 2013. Following the evaluation of the technical components of the Bids, in August 2011 the financial bids were opened. J&P Avax S.A. was announced as the winning bidder. In September 2012, the public tender offer was terminated due to lack of financing.

PV Megalopolis NER 300 – 40.7MW

In February 2011, PPCR S.A. submitted a request for financing of a PV park of 40.7 MW in Megalopolis, through the European program NER300. PPCR is going to withdraw the relevant proposal after Peloponnese's grid saturation and the suspension issuing of the installation permit.

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 S.A.(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 will be situated on an approximately 5,000,000 m2 area within Western Macedonia Lignite Center. The PV plant's net production is estimated at 260 GWh. 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 in 2012. The generation license was granted on 22.09.2011.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

It should be noted that, ILIAKO VELOS', request for the inclusion of its investment proposal to the Strategic Investments Procedures of Law No. 3894/10 has been approved by the Biministerial Committee for Strategic Investments and the investment has been included in the relevant provisions.
After a series of time extensions, the shortlist of 13 active candidates, which are meant to submit their binding offers by the 30th of November 2012. The final financial offers have to be submitted by the 31st of December 2012.

Rights of the exploitation of the geothermal fields
In June and July 2011 the rights of exploitation of the geothermal fields of Lesvos, Nisiros and Milos-Kimolos-Polyegos transferred to PPCR S.A. The rights of the geothermal field of Methana were transferred in December 2011. By decisions of the Deputy Minister of Development the Public International Bidding Contest for the lease of rights of exploitation of geothermal fields in the following areas : a)Sousaki in the Corinthos prefecture, b) the Sperhios basin in the Fthiotida prefecture, c) Akropotamos in the Kavala prefecture and d) the island of Ikaria.The 6th of August 2012 PPCR announced a Request For Interest for submission of an expression of interest for the selection of a strategic partner for the development of five geothermal power plant stations to the above four geothermal fields with submission deadline the 31st of October 2012. Two of the biggest worldwide companies (ENEL and ORMAT) have submitted bids which are evaluated for the next phase of the bid.

Applications for W/P clusters of total capacity of 2.92 GW, 25MW Biomass plant and 5MW Geothermal plant .
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.
In August 2011, PPCR applied for a production license for a 210MW wind park in Rodopi.
In December 2011, PPCR applied for production licenses for a 117MW wind park in Rhodes, 25MW Biomass plant in Kozani and 5MW Geothermal plant in Kimolos.
In March 2012, PPCR applied for production license for a cluster of wind parks of 384MW in Rhodes and Crete
In June 2012, PPCR applied for production license for a cluster of wind parks of 873MW in Rhodes and Crete

PV Atherinolakkos park in Crete
In the fourth quarter of 2011, 4 P/V stations of a total capacity of 0.32 MW (4x80 KW) were completed and connected to the network, while in the first quarter 2012 2 P/V stations of a total capacity of 0.16 MW (2x80KW) were completed and connected to the network, in Atherinolakkos, Crete.

Extraordinary solidarity levy on producers of electricity, from RES and CHP stations
According to paragraph 1.2 of Article 56 of Law 4093/12.11.2012 on RES and CHP (Compined Heat and High Performance) regulations impose an extraordinary solidarity levy on producers of electricity, from RES and CHP stations, calculated on the price of electricity sales, occurring during the period from 1.7.2012 to 30.6.2014 regards the operating stations and those stations put in testing operation or be commissioned onwards.
The special solidarity levy calculated as a percentage of, before VAT, the price for electricity, injected by the Producer to the System or the interconnected Network, or the electrical systems of non – interconnected islands, and:

- Twenty –five percent (25%) for P.V plants put into testing operation, or commissioned until 31.12.2011

- Thirty percent (30%) for P.V plants put into testing operation, or commissioned after 1.1.2012 and the compensation of the energy produced is calculated from the reference value table of Article 27A of Law 3734/2009,as applicable, corresponding to a month previous of February 2012

- Twenty – Seven Percent (27%) for P.V plants put into testing operation, or commissioned after 1.1.2012 and the compensation of the energy produced is calculated from the reference value table of Article 27A on Law 3734/2009, as applicable, corresponding to the period between February 2012 and 9th of August 2012

- Ten Percent (10%) for other stations RES and CHP stations.

The imposed tax charged to the results of the third quarter of 2012 of PPC Renewables S.A in the amount of € 801.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

14.6 IPTO S.A.

Construction of underwater line "POLYPOTAMOS – NEA MAKRI"

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

Realization of the project "Interconnection of Cyclades"

The Declaration of the project entered into public consultation in March 2010 with completion in July 2010. The copies of the Declaration were shipped in March 2011 for approval to the Special Secretariat for Competitiveness – Special Management Dept. of the Ministry of Finance, because of the project financing from the NSRF(National Strategic Reference Framework) at the rate of 35%. The approval was granted in April 2011.
The Declaration of the project was published in June 2011 with submission deadline until mid-October 2011, which extended further till January 2012. At 10.1.2012 two bids were submitted, the first by the Partnership of companies <Siemens S.A.–Prysmian Powerlink Srl – Nexans Norway AS> and the second by the company <Hellenic Cables S.A.> and the tenders were opened accordingly.
Following the completion of the technical evaluation of bids, it revealed that the only technically acceptable bidder was the Partnership of companies <Siemens S.A.–Prysmian Powerlink Srl – Nexans Norway AS>. The <Hellenic Cables S.A.> was excluded from the further procedure of the bid, as it did not meet the technical terms of the project contest for high-voltage submarine cables.
The financial offer of the Partnership, set terms and conditions in the bid that led to serious economic divergences from the terms laid down in the Declaration and further to that the offered price was not considered reasonable. For this reason the Board of Directors of IPTO, with its 78/07.11.2012 Decision, rejected the financial offer of the Partnership and the contest was declared cancelled.
IPTO, recognizing the importance of the "Interconnection of Cyclades" Project, which will contribute decisively to the development of the islands and will ensure the best environmental and economic conditions for the local communities, has already processed solutions that will ensure the timely implementation of the interconnection, and will allow the project granting absorption from the NSRF Program and the project funding from the European Investment Bank.

Construction of High Voltage Center (HVC) in Aliveri and interconnection transmission line of 400 kV

The project refers to the interconnection of the new unit in Aliveri power station and its budget amounts to Euro 120 mil. The construction of the HVCs has been concluded in mid June 2012, while the 400KV interconnection line of Aliveri with the System –the one circuit only (both the overhead and subterranean parts)- is expected to be completed by February 2013. At the same time works have already been completed for the extraction of energy through the 150kV system should that become necessary.

14.7 HEDNO S.A.

Public Consultation of the RAE pertaining to the modification of the methodology for the definition of annual cost of the distribution network.

On May 17th, 2012 RAE in view of the issuance of decisions for the modification of the Distribution Network Operation Code and the definition of the annual cost for the Hellenic Electricity Transmission System (HETS) and the Hellenic Electricity Distribution Network (HEDN) for 2012 has set its views in public consultation and specifically for:

- The definition of the value of the regulated asset base
- The settlement of the allowed income for the network cost.

HEDNO jointly with the Parent Company, has commented, in June 2012 to RAE's views and has cited its own views- propositions for items regarding the Network. RAE's final decisions are expected.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Lawsuits against PPC – HEDNO
The companies "CANTOR" (former "ENERGA") and "NEW APPLICATION" (former "HELLAS POWER") have filed lawsuits against PPC by which they claim amounts of Euro 469.3 mil. and Euro 309.7 mil., respectively.
By the review of the documents and the assessment of the individual amounts reported in them, it is accrued that the lawsuits in question contain many undetermined amounts which are deemed, legally or otherwise, unfounded. Thus the above mentioned lawsuits have little chance of success. For that, a provision has not been formed.

Operation license for the Distribution Network and Power Systems of the Non Interconnected Islands.
As far as the operation license of the non - interconnected islands is concerned, HEDNO has submitted in due time the relative dossier to RAE with all necessary data and the approval of the license is expected.

Conformity Program
In order to avoid discriminating behavior, partial company practices and competition's distortions during the exercise of its duties, HEDNO is obliged to run a conformity program (article 124, para.7, L. 4001/2011).
The program in question has been compiled by the conformity expert in collaboration with HEDNO and was submitted in due time for approval to RAE, which has set it in public consultation in July 27, 2012. The consultation was completed on October 1st, 2012 and its approval by RAE is expected.

14.8 BUSINESS COLLABORATION

Joint venture between PPC S.A. and URBASER S.A. – Participation in DIADYMA'S tender.

Waste Syclo, joint company of PPC S.A. and Spanish Urbaser S.A, established in February 2011, with Urbaser owning 51% and PPC 49% of the share capital, responsible for the study, performance of projects, 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, 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. After the completion of the consultation phase regarding the tender documents of Phase B, DIADYMA announced the Publication of Phase B with the final tender documents in October 30, 2012.In September 2012 based on the provisions of the company's articles of incorporation, PPC's Board of Directors decided to waive its Right of First Refusal in the shares of Waste Syclo.

Kosovo Energy Project – Cooperation with Contour Global
On March 5th 2010 the consortium PPC and Contour Global was short-listed together with another three (3) competitive consortiums to participate in the second phase of tender by the Ministry of Energy and Mining of Kosovo, regarding the development of the allocated portion of the Sibovc Lignite Field, the rehabilitation of Kosovo B and the construction of a new electric power generation plant with estimated installed capacity of 2X350 MW.
This tender had been announced again in the past but it was never completed. Due to the past delays of the issuance of the final RfP, Contour Global has decided not to pursue further the Kosovo tender since November 2011. PPC is negotiating with another possible partner who is interested in replacing Contour Global for participation in the specific tender.
In March 2012, the final version of the RfP was issued, according to which the deadline for submitting an offer was set for September 28, 2012.The specific date will probably be reviewed, along with other provisions of the RfP, following consultation between the contracting authority and the candidates.

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).

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

This involves the design, financing, construction, operation and maintenance of new hydro power plants Cebren (333 MW) and Galiste (193.5 MW) as well as operation of the existing hydro power plant Tikves (116 MW). In December 15 2011, bids were submitted by PPC and Chinese CWE. Government of FYROM announced the cancellation of the Tender with its 25.09.2012 Letter to PPC, which is expected to be relaunched soon.

Business Collaboration between PPC S.A. and the Renewable Energy Saving Center, for investments in order to improve energy efficiency in the residential sector.
In April 2011 PPC's Board of Directors approved a business collaboration with the Centre for Renewable Energy Sources and Saving (CRES) for investments in order to improve energy efficiency in households. In February 2012 a contract was signed between PPC and CRES and the planning of the materialization of the individual provisions of the contract has begun.

Business Collaboration with Quantum Corporation Ltd and the Bank of Cyprus - PPC's participation in a public tender in Republic of Srpska of Bosnia- Herzegovina.
In June 2011, 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 July 2011, PPC submitted 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 and Chinese CWE have also submitted an offer.
Negotiations between PPC and the government of Republic of Srpska for awarding the above projects began in March 2012. Contracting Authority informed PPC in July 2012 that they decided to cancel the negotiations with PPC and CWE.
At the same time, PPC - QUANTUM ENERGY LTD, a joint company founded by PPC, Quantum Corporation LTD and Bank of Cyprus, with share capital participation 51%, 40% and 9% respectively, whose objectives are studying, designing, founding, constructing, operating, managing and exploiting of power plants in the region of the Republic of Srpska, is expanding the purpose of its establishment and is planning and exploring future energy needs of Greece and Cyprus and is studying the interconnection between Greece and Cyprus, as well as between Israel – Cyprus – Greece. In this direction, PPC QUANTUM ENERGY LTD has signed a Memorandum of Understanding with Israeli Electric Cooperation regarding the feasibility study of an underwater cable which will transfer electrical energy from Israel to Europe. (EuroAsia Interconnector Project). .

Option for acquisition of DEPA shares
PPC had acquired an option for the acquisition of a number of DEPA shares, based on L. 2593/1998, in accordance with a relevant contract signed between the Greek State and PPC S.A.
Following PPC's Board of Directors' decision 201/04.10.2011, which approved the common (along with the Hellenic Republic) appointment of an independent appraiser for the evaluation of PPC's option, HRADF and PPC appointed Citi as an independent financial advisor in order to submit its evaluation regarding PPC's fair compensation for resigning the above mentioned option. The result of Citi's evaluation was the amount of €32,900,000 (thirty two million and nine hundred thousand euro). PPC Extraordinary Shareholders Meeting in October 4, 2012, approved the Private Agreement between PPC and HRADF by virtue of which the parties agree that PPC waives its right on the option in DEPA, following the compensation payment. The waiver of PPC's right is subject to the completion of the privatization process and to the fulfillment of the compensation payment due to PPC by HRADF.

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

Sale of PPC's share through the Privatization Fund.
In July 2011 and in application of the medium term fiscal strategy, the Privatization program of Law 3985 (O.G. A' 151) provided for the sale of 17% of PPC's share capital, currently owned by the Greek State, by the third quarter 2012. In Law 3986 (O.G. A'152) is stipulated that the sale will go through the Privatization Fund.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

The Biministerial Committee for Reconstruction and Privatization, in order to realize the Greek Government's privatization program, has announced, the selection of the state's legal consultant covering Greek, international and European law, for the further privatization of PPC S.A. through the sale of shares and/or the sale generation units of the Company, and the assignment to ALPHA BANK S.A., BANK OF AMERICA MERILL LYNCH, CREDIT SUISSE SECURITIES (EUROPE) LIMITED and NATIONAL BANK OF GREECE as financial advisors. The law firm of "KYRIAKIDES, GEORGOPOULOS AND DANIOLOS ISAIAS Law firm" will act as legal advisor for matters of Greek law while "SHEARMAN STERLING LLP" will act as advisor for matters of international and European law.
By Decision of the Biministerial Committee for Privatizations (O.G B' 1363/26.04.2012), the Minister of Finance is authorized to stipulate with the "Hellenic Republic Asset Development Fund S.A." contracts by which the aforementioned company will exercise for the Hellenic Republic the voting rights which derive by the Hellenic Republic's capacity as owner of PPC's shares which correspond to a 17% of the share capital (39,440,000 shares) up to the completion of the privatization process as described in the Privatization Program of the Medium Term Fiscal Strategy 2012 – 2015 (L. 3985/2011, O.G. A' 151).
According to a recent illustrative update that PPC received on October 10th, 2012 by the the "Hellenic Republic Asset Development Fund S.A.", the latter became the proxy of the Hellenic Republic, thus having the right to exercise to its judgment and without receiving directions by the Greek State (under its capacity of shareholder) the voting rights of 39,440,000 shares (corresponding to 17% of the existing share capital) without a transfer to the the "Hellenic Republic Asset Development Fund S.A." of the voting rights of the Hellenic Republic in PPC, as was mentioned to a former update by the the "Hellenic Republic Asset Development Fund S.A." on September 13th, 2012.
The above mentioned proxy has a duration of thirty six (36) months commencing by the signing of the relative contract, unless the Company's development and thus the proxy's aim is completed earlier. It is noted that he Hellenic Republic is the sole shareholder of the "Hellenic Republic Asset Development Fund S.A.". In the Annex I of the Law by which the medium term fiscal strategy for the 2013- 2016 has been approved and specifically the Privatization Program 2013 -2016, it is provided for that the sale of the above mentioned percentage(17%) of PPC's share capital which is in the ownership of the Hellenic Republic will be accomplished in 2014.

15. SIGNIFICANT EVENTS

Memorandum of Strategic Partnership with SILCIO Group

In January 2012, the Parent Company's Board of Directors, approved the signing of a Memorandum of Strategic Partnership between PPC S.A. and SILCIO, a Greek Group of Companies - subsidiary of DAMCO ENERGY and INTERNATIONAL CONSTRUCTIONAL - for the joint establishment of a commercial Societe Anonyme, in which PPC S.A. will participate with 49%. The new entity will aim at promoting, through a national franchising network, integrated solutions for household photovoltaic systems, energy services and products for saving energy, as well as provision of services to PPC's customers, at the discretion of the Company.
PPC S.A. will also participate by 49% in the share capital of the production facilities of photovoltaic equipment under the names PIRITIUM S.A. and SILCIO S.A. of the Group, which will provide the commercial company with the respective equipment.
The final partnership agreement will be signed once the necessary preparatory actions have been completed.

New Low Voltage Tariffs 2012

PPC SA, after on opinion of RAE and the decision of the Ministry of Environment, Energy and Climate Change, announced the new Low Voltage tariffs, applicable from January 5th, 2012.
According to these tariffs:
The weighted average tariff increase at low voltage reached 9.2%, including taxes on electricity, excluding the levy for Renewable Energy Sources (RES).
The Social Residential Tariff remains unchanged, as well as the tariffs for families with four or more protected children.
The increase in electricity bills for residential customers is ranging from 9.0% to 12.1%, Out of the weighted average increase 9.2% for the Low Voltage customers only 1.1% partly offsets the increase of PPC's expenditure costs. The remaining 8.1% refers to cost increases for:

15. SIGNIFICANT EVENTS (CONTINUED)

-Public Service Obligations (PSOs) – due to the application of the Social Residential tariff, the excise duties (tax) on mazout and diesel oil, increases on international liquid fuel prices etc., 3.5%
-Special Consumption tax on natural gas used for electricity generation 2.6%,
-Lignite levy 0.9% and
-VAT 1.1%

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

New High Voltage Tariffs 2012
The High Voltage tariffs, according to the regulatory framework, are liberalised. PPC, in the framework of the obligations arising from the existing legislation, has proposed unbundled alternative tariffs, concerning the competitive and the regulated components. These tariffs were formed after long deliberations which have not yet been completed.

CO_2 emission rights' sale
PPC S.A. proceeded to a sale of 2.5 Mt of EUAs of a total value of Euro 21 mil., in the context of the management of its portfolio of CO_2 emission rights.

Offsetting of claims against the State
PPC in the first quarter 2012, in collaboration with the Tax Office for Large Enterprises, has proceeded to an offset of sums due from Payroll Tax, Excise Tax in electric power and other taxes amounting to Euro 53 mil. with an equal amount due from Attica's traffic lights (which fall under the jurisdiction of the Ministry of Infrastructure, Transports and Networks until November 2011 and following that to the jurisdiction of the Attica Region). It is noted that the above mentioned amounts due to PPC exist since 1998 while until today PPC has resorted to the Administrative Courts which has decided in favor of PPC for 11 cases.

Income tax return for the year 2011
In April 2012, PPC has filed the tax return for the year 2011, to the competent revenue service and due to the fact that the year 2011 was a loss making year, an amount of Euro 129.7 mil. which was paid the previous year as an advance payment of income tax, was returned to PPC, on April 27th, 2012.

Advance payment to PPC against sums due by Government Bodies
In April 2012 and based on L. 4075/2012 art. 58, PPC was paid an advance of Euro 50 mil. against overdue bills of electricity consumption by the General Government bodies. The amount of the above mentioned advance was returned in September and October 2012.
The Parent Company on September 2012 has received a new advance payment against overdue bills of electricity consumption by the General Government bodies amounting to Euro 30.7 mil., which is to be returned by December 2012.

Expansion of the activities of PPC abroad and establishment of commercial subsidiaries
PPC is in the process for establishing the Joint Venture Companies in Bulgaria, Turkey and Georgia according to the decisions adopted by the Board of Directors of the Parent Company in April 2012.

VAT
The difference between VAT rates for income (13%) and expense (23%) created a cumulative credit balance amounting to Euro 87.45 mil. until June 2012.
In July 2012, PPC has filed a request for VAT's reimbursement amounting to Euro 60 mil. based on the amount of VAT accumulated by the abovementioned difference in rates, by June 2012. By the completion of the audit in October 2012 the return of the requested amount was approved.

16. SUBSEQUENT EVENTS

Financing by the European Investment Bank (EIB)
In November 2012, PPC signed a new loan agreement with EIB amounting Euro 130 mil for the Megalopolis V”

Excise Duty
As of October 2012, the Parent Company is undergoing an audit by the Custom’s Audit Service of Attica as far as excise duty is concerned for the period May 2010 until September 2012. The audit is still in progress.

Collaboration framework with DEPA S.A.
Following the relevant approval of the Extraordinary General Shareholders’ Meeting of PPC S.A. held on October 4th, 2012, PPC proceeded, on October 29th, 2012, to the signing with DEPA of a new Contract for the Procurement of Natural Gas and of a Private Agreement by which all differences and mutual claims which derive by the existing between the parties Contract for the Procurement of Natural Gas of June 9th, 1994.
The new contract of between PPC and DEPA pertains to the procurement and transportation of a total quantity of 11,260 Nm^3 of natural gas to the energy generating units of PPC for the period 01.01.2012 until 31.12.2020.
The Minimum Annual Contractual Quantity (take or pay clause) is defined in 80% of each Annual Contractual Quantity, with the right for PPC to reduce it to 75% for two, non - consecutive, years of each selection, with a six month notice of DEPA.
The price for the procurement of natural gas as well as the height of the payment guarantee provided by PPC, will derive by the mechanisms applied by DEPA for its other energy generating customers.
Among others it is provided for, PPC’s right for the readjustment of the contract (exclusively the procurement of natural gas) in two months’ time by the application of the new pricing rules of the National System of Natural Gas, the right for any of the parties for the readjustment of the contractual price after five years have passed, and finally a clause of renegotiation of the contract whenever is demanded or by whichever of the parties requests it, mainly due to changes in the conditions of the energy market.
The private agreement provides for the settlement of outstanding amounts for the period 01.12.2007 – 31.12.2011 between PPC and DEPA which arose during the implementation of the Contract for the Procurement of Natural Gas of June 9th, 1994. The above mentioned settlement includes the the acceptance and compliance of the parties to the decisions No 42/2011 and 3/2012 of the Arbitration Courts.
The above-mentioned settlement of the outstanding amounts until 31.12.2011 had a positive effect in the Group and the Parent Company’s financial results amounting to Euro 191.7 mil.
The above mentioned amount due by DEPA to PPC, as formed according to the provisions of the new contract and following the temporary settlement of the seven month period January 2012 – July 2012, will be paid by DEPA in five equal installments in the period 31.10.2012 until 28.02.2013.

Abolition of minimum participation of the Greek State in PPC’s share capital - Extraordinary General Shareholders’ Meeting of PPC S.A. on November 30th, 2012.
By an act of legislative content (O.G. A175/07.09.2012) the minimum participation of the Greek State to PPC’s share capital is abolished.
Consequently, an Extraordinary General Shareholders’ Meeting of PPC S.A. is convened for November 30th, 2012 In order to abolish article 8 and amend articles 20 and 21 of the Parent Company’s Articles of Incorporation.

The medium term fiscal strategy 2013-2016
In November 2012, the Greek Parliament voted the medium term fiscal strategy for the period 2013 -2016 (L. 4093/2012 OG A 222/12.11.2012). Further specification of the strategy’s provisions is expected. The strategy’s impact on PPC is examined.

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

17. SEGMENT INFORMATION

Sales and inter segment results are as follows:

	Sales		Results	
	01.01.2012-30.09.2012	**01.01.2011-30.09.2011**	**01.01.2012-30.09.2012**	**01.01.2011-30.09.2011**
Interconnected system				
Mines	665,857	686,980	95,847	35,742
Generation	2,169,765	1,956,538	783,686	385,833
Transmission	-	211,879	-	105,929
Distribution Network	306,327	604,839	205,172	197,119
Supply	4,164,636	3,507,353	(820,069)	(340,710)
	7,306,585	**6,967,589**	**264,636**	**383,913**
Creta Network				
Generation	368,035	291,074	(37,555)	(59,466)
Distribution Network	16,735	46,539	8,359	15,420
Supply	269,679	232,547	727	(12,528)
	654,449	**570,160**	**(28,469)**	**(56,574)**
Non – Interconnected Islands System				
Generation	383,453	302,194	5,262	(47,192)
Distribution Network	23,602	71,729	13,239	28,174
Supply	247,723	212,223	27,239	(14,460)
	654,778	**586,146**	**45,740**	**(33,478)**
Operator of Interconnected Network	**-**	**465,610**	**-**	**-**
Operator of Island Network	**-**	**707,966**	**-**	**-**
Financial expenses (Parent Company)	-	-	(185,316)	(163,637)
Eliminations (Parent Company)	(4,154,635)	(5,109,568)	-	-
Total (Parent Company)	**4,461,177**	**4,187,903**	**96,591**	**130,224**
IPTO S.A.	1,693,856	-	72,862	-
HEDNO S.A.	853,128	-	39,194	-
Other Companies (Group)	19,183	(11,889)	8,420	8,483
Financial expenses (Subsidiaries)	-	-	(22,933)	(295)
Eliminations (Group)	(2,463,606)	-	(37,397)	-
Income tax	-	-	(38,659)	(47,574)
Grand total (Group)	**4,563,738**	**4,199,792**	**118,078**	**90,838**

V. 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, 2012 -September 30, 2012

In accordance with the Decision 4/507/28.04.2009 of the Hellenic Capital Market Commission
(All amounts in thousands of Euro, unless otherwise stated)

The purpose of the following data is to provide users with general financial information about the financial condition and the results of operations of "Public Power Corporation S.A." and PPC Group. 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 27, 2012

DATA FROM STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
ASSETS	30.09.2012	31.12.2011	30.09.2012	31.12.2011
Tangible assets	13.771.437	13.702.609	11.898.171	11.885.466
Intangible assets, net	88.665	92.703	87.674	92.512
Other non- current assets	61.828	66.736	1.090.352	1.049.340
Materials, spare parts and supplies	861.018	847.585	632.053	793.809
Trade receivables	1.573.160	979.816	1.360.326	977.596
Other current assets	491.849	429.592	515.784	340.632
Available for sale financial assets	7.335	6.435	7.307	6.435
Restricted cash	146.500	154.833	146.500	154.833
Cash and cash equivalents	232.918	364.495	195.077	339.539
TOTAL ASSETS	**17.234.710**	**16.644.804**	**15.933.244**	**15.640.162**
EQUITY AND LIABILITIES				
Share capital	1.067.200	1.067.200	1.067.200	1.067.200
Share premium	106.679	106.679	106.679	106.679
Other equity items	5.340.308	5.274.816	5.205.755	5.126.166
Equity attributable to shareholders of the parent (a)	6.514.187	6.448.695	6.379.634	6.300.045
Minority interests (b)	56.549	0	0	0
Total Equity (c)=(a)+(b)	6.570.736	6.448.695	6.379.634	6.300.045
Interest bearing loans and borrowings	3.238.839	3.565.542	2.915.578	3.142.670
Provisions / other non current liabilities	3.297.333	3.276.451	2.954.577	3.029.897
Short term borrowings	1.854.522	1.662.936	1.656.039	1.559.066
Other current liabilities	2.273.280	1.691.180	2.027.416	1.608.484
Total liabilities (d)	10.663.974	10.196.109	9.553.610	9.340.117
TOTAL EQUITY AND LIABILITIES (c) + (d)	**17.234.710**	**16.644.804**	**15.933.244**	**15.640.162**

DATA FROM STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Total equity at beginning of the period (01.01.2012 and 01.01.2011, respectively)	6.448.695	6.769.528	6.300.045	6.746.334
Total comprehensive income after tax	118.950	100.552	79.636	94.486
Dividends	0	(183.280)	0	(183.280)
Other	3.091	6.412	(47)	5.839
Equity at the end of the period (30.09.2012 and 30.09.2011, respectively)	**6.570.736**	**6.693.212**	**6.379.634**	**6.663.379**

ADDITIONAL DATA AND INFORMATION

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	Note	% participation	Country of incorporation	Unaudited tax Years from
PPC S.A.		Parent Company	Greece	2009
PPC RENEWABLE SOURCES S.A.		100%	Greece	2009
HEDNO S.A. (ex PPC RHODES S.A.)		100%	Greece	1999
ITSO S.A. (ex PPC TELECOMMUNICATIONS S.A.)		94,59%	Greece	2007
ARKADIKOS ILIOS 1 S.A.		100%	Greece	2007
ARKADIKOS ILIOS 2 S.A.		100%	Greece	2007
ILIAKO VELOS 1 S.A.		100%	Greece	2007
ILIAKO VELOS 2 S.A.		100%	Greece	2007
SOLARLAB S.A.		100%	Greece	2007
ILIAKA PARKA DITIKIS MAKEDONIAS 1 S.A.		100%	Greece	2007
ILIAKA PARKA DITIKIS MAKEDONIAS 2 S.A.		100%	Greece	2007
HPP OINOUSA S.A.	3	100%	Greece	2010
PHOIBE ENERGIAKI S.A.	1	100%	Greece	2007
IAPETOS ENERGIAKI S.A.	1	100%	Greece	2007
PPC FINANCE PLC		100%	UK	-
PPC QUANTUM ENERGY LTD		51%	Cyprus	-

Equity method:

Company	Note	% participation	Country of incorporation	Unaudited tax years from
LARCO S.A.		11,45%	Greece	2002
WASTE SYCLO S.A.		49%	Greece	-
PPC RENEWABLES ROKAS S.A.		49%	Greece	2010
PPC RENEWABLES – TERNA ENERGIAKI S.A.		49%	Greece	2010
PPC RENEWABLES – MEK ENERGIAKI S.A.		49%	Greece	2010
PPC RENEWABLES NANKO ENERGY – MYHE GITANI S.A.		49%	Greece	2007
PPC RENEWABLES ELTEV AIFOROS S.A.		49%	Greece	2008
GOOD WORKS S.A.		49%	Greece	2005
PPC RENEWABLES EDF EN GREECE S.A.		49%	Greece	2010
EEN VOIOTIA S.A.	2	46,60%	Greece	2007
AIOLIKO PARKO LOUKO S.A		49%	Greece	2008
AIOLIKO PARKO BABO VIGLIES S.A.		49%	Greece	2008
AIOLIKO PARKO LEFKIVARI S.A.		49%	Greece	2008
AIOLIKO PARKO AGIOS ONOUFRIOS S.A.		49%	Greece	2008
AIOLIKO PARKO KILIZA S.A.		49%	Greece	2008
RENEWABLE ENERGY APPLICATIONS LTD		49%	Cyprus	2010

1. In the second quarter of 2012 the above companies were acquired by the Group. Till the end of March 2012 they were consolidated from the associate company Good Works S.A.
2. It is consolidated by the associate company PPC Renewables EDF en Greece S.A. as it participates by 95% in its share capital.
3. On the 2nd of October 2012, HPP OINOUSA S.A., was absorbed by PPC Renewables S.A.

Further information for the unaudited tax years of the Parent Company as well as Group's companies, is presented in Note 9 of the Interim Condensed Financial Statements.

2. The accounting policies adopted in the preparation of the financial statements are presented in Note 3.2 of the Interim Condensed Financial Statements and are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2011, except from them which are presented in Note 3.2 of the 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, 2012 are as follows:

	Group	Company
a) Provision for litigation and arbitration	3.208	1.144
b) Tax provisions	(3.127)	(3.127)
c) Other provisions	226.249	183.993

6. Total payrolls of the Group number 20.367 as of September 30, 2012 (2011: 21.075). 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 nine month period ended September 30, 2012 as well as receivables and payables as of September 30, 2012 of the Group and the Parent Company, according to IAS 24 are as follows:

	Group	Company
a) Sales	159.508	331.732
b) Purchases	704.905	2.178.732
c) Receivables from related parties	300.604	1.313.703
d) Payables to related parties	190.729	1.825.086
e) Key management personnel compensations	1.414	1.006
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 nine month period ended September 30, 2012 amounted to Euro 568,8 million and of Euro 648,7 million respectively.
9. Other Comprehensive income / (loss) after tax which was recognized directly in equity for the nine month period ended September 30, 2012 are as follows:

	Group	Company
Profit / (Loss) from fair value available for sale valuation	872	872
Total	872	872

10. Certain reclassifications have been made to prior period amounts of the Parent Company and the Group for comparative reasons. These reclassifications did not have any effect on prior period results.
11. The progress regarding the terms of electricity supply between PPC S.A. and ALOUMINION S.A., is presented in Note 14 of the Interim Condensed Financial Statements.
12. Information regarding the new contract for the procurement of natural gas, the negotiation of the differences and the receivables between PPC and DEPA and the option for acquisition of DEPA shares by PPC, is presented in the Notes 16 and 14 of the Interim Condensed Financial Statements.
13. In July 2011 the Board of Directors of the Parent Company approved the agreement for the settlement of new debts incurred by LARCO's electricity consumption as well as the new contract for the procurement of lignite. Further information is presented in Note 12 of the Interim Condensed Financial Statements.
14. On April 23, 2012 HEDNO began its operation. Further information is presented in Note 6 of the Interim Condensed Financial Statements.
15. According to the provisions of L. 4001/2011 IPTO is being assigned with the Hellenic transmission system operation (HETSO). The spin-off of PPC' s transmission activity was completed in the time limits defined by L. 4001/2011 (November 2011). Furthermore, balances relating to the investment in EMO of the Parent Company and the deferred tax liabilities as of 31.12.2011 have been modified. Further information is presented in Note 4 of the Interim Condensed Financial Statements.
16. According to article 99 L. 4001/2011, the societe anonyme "Operator of the Hellenic Transmission System S.A." (HTS) transfer its activities apart from the operation of the Day Ahead Schedule which will be conducted by the independent "Operator of Electricity Market" (EMO S.A.), to IPTO. HTSO' s above mentioned contribution was realized through spin-off which was typically and fully completed in the second half of 2012. IPTO' s share capital as a result of the above mentioned spin-off was increased by Euro 2.078. Further information is presented in Note 5 of the Interim Condensed Financial Statements.

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

GROUP	01.01- 30.09.2012	01.01- 30.09.2011	01.07- 30.09.2012	01.07- 30.09.2011
Sales	4.563.738	4.199.792	1.625.755	1.488.312
Gross operating results	459.399	733.117	200.249	188.523
Profit / (Loss) before tax, financing and investing activities	333.071	289.230	169.088	20.908
Profit / (Loss) before tax from continuing operations	156.737	138.412	109.846	(46.991)
Profit / (Loss) after tax from continuing operations (a)	118.078	90.838	99.746	(37.966)
Profit / (Loss) after tax from discontinuing operations (b)	0	0	0	0
Profit / (Loss) after tax from (continuing and discontinuing operations)(a)+(b)=(c)	**118.078**	**90.838**	**99.746**	**(37.966)**
Distributed to:				
- Owners of the Parent	115.921	90.838	98.235	(37.966)
- Minority interests	2.157	0	1.511	0
Other comprehensive income after tax (d)	872	9.714	1.909	20.162
Total comprehensive income after tax (c)+(d)	118.950	100.552	101.655	(17.804)
- Owners of the Parent	118.950	100.552	101.655	(17.804)
- Minority interests	0	0	0	0
Earnings / (Loss) per share, basic and diluted (in Euro)	0,4997	0,3915	0,4234	(0,1636)
Profit before tax, financing and investing activities and depreciation and amortisation	813.830	794.692	330.480	190.883

COMPANY	01.01- 30.09.2012	01.01- 30.09.2011	01.07- 30.09.2012	01.07- 30.09.2011
Sales	4.461.177	3.975.676	1.574.049	1.412.111
Gross operating results	341.595	622.253	152.224	144.395
Profit / (Loss) before tax, financing and investing activities	216.215	173.143	127.113	(13.658)
Profit / (Loss) before tax from continuing operations	96.591	39.538	74.348	(78.924)
Profit / (Loss) after tax from continuing operations (a)	78.764	22.825	64.872	(58.942)
Profit / (Loss) after tax from discontinuing operations (b)	0	61.947	0	19.430
Profit / (Loss) after tax from (continuing and discontinuing operations) (a)+(b)=(c)	**78.764**	**84.772**	**64.872**	**(39.512)**
Distributed to:				
- Owners of the Parent	78.764	84.772	64.872	(39.512)
- Minority interests	0	0	0	0
Other comprehensive income after tax (d)	872	9.714	1.909	20.162
Total comprehensive income after tax (c)+(d)	79.636	94.486	66.781	(19.350)
- Owners of the Parent	79.636	94.486	66.781	(19.350)
- Minority interests	0	0	0	0
Earnings / (Loss) per share, basic and diluted (in Euro)	0,3395	0,3654	0,2796	(0,1703)
Profit before tax, financing and investing activities and depreciation and amortisation	648.509	630.727	271.352	137.900

DATA FROM STATEMENT OF CASH FLOW

	GROUP		COMPANY	
	01.01- 30.09.2012	01.01- 30.09.2011	01.01- 30.09.2012	01.01- 30.09.2011
Cash Flows from Operating Activities				
Profit / (Loss) before tax from continuing operations	156.737	138.412	96.591	39.538
Profit / (Loss) before tax from discontinuing operations	0	0	0	90.686
Adjustments:				
Depreciation and amortisation	538.325	561.794	485.330	558.194
Amortisation of customers' contributions and subsidies	(57.566)	(56.334)	(53.036)	(56.006)
Provision for CO_2 emission rights	940	9.111	940	9.111
Impairment loss of marketable securities	0	20.917	0	20.917
Share of loss of joint venture	912	0	912	97
Share of loss of associates	(996)	(930)	0	0
Interest income	(31.485)	(34.036)	(66.258)	(33.901)
Sundry provisions	232.140	99.448	188.137	98.135
Unrealised foreign exchange losses (gains) on interest bearing loans and borrowings	2.419	(957)	392	(979)
Unbilled revenue	(88.662)	(11.257)	(88.662)	(11.257)
Retirement of fixed assets and software	23.917	19.688	23.096	19.685
Amortisation of loan origination fees	4.211	4.119	3.537	4.119
Interest expense	190.078	148.530	168.804	148.235
Working capital adjustments:				
(Increase) / Decrease in:				
Accounts receivable, trade and other	(660.816)	(201.466)	(572.787)	(191.526)
Other current assets	(70.658)	(34.974)	(142.242)	(35.021)
Materials, spare parts and supplies	(9.706)	(29.874)	(26.857)	(29.710)
Increase / (decrease) in:				
Trade and other payables	465.189	245.442	290.519	239.269
Other non-current liabilities	85.824	(7.431)	82.038	(7.433)
Accrued / other liabilities excluding interest	58.618	60.615	198.295	60.593
Income tax paid	(31.378)	(181.935)	0	(179.475)
Distribution business unit spin-off	0	0	216.998	0
Net Cash from Operating Activities (a)	**808.043**	**748.882**	**805.747**	**743.271**
Cash Flows from Investing Activities				
Interest received	31.485	34.036	66.258	33.901
Capital expenditure of fixed assets and software	(646.985)	(884.392)	(592.897)	(866.654)
Proceeds from customers' contributions and subsidies	9.187	2.712	5.671	2.723
Investments in subsidiaries and associates	(2.489)	(30)	(4.000)	(30)
Distribution business unit spin-off	0	0	(120.167)	0
Net Cash used in Investing Activities (b)	**(608.802)**	**(847.674)**	**(645.135)**	**(830.060)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	104.831	37.900	55.000	25.000
Proceeds from interest bearing loans and borrowings	810.000	613.000	782.500	613.000
Principal payments of interest bearing loans and borrowings	(1.052.367)	(594.261)	(968.011)	(594.142)
Interest paid	(193.247)	(159.697)	(174.528)	(159.402)
Dividends paid	(35)	(183.237)	(35)	(183.237)
Net Cash used in Financing Activities (c)	**(330.818)**	**(286.295)**	**(305.074)**	**(298.781)**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**(131.577)**	**(385.087)**	**(144.462)**	**(385.570)**
Cash and cash equivalents at the beginning of the period	**364.495**	**620.449**	**339.539**	**617.040**
Cash and cash equivalents at the end of the period	**232.918**	**235.362**	**195.077**	**231.470**

Athens, November 27, 2012

CHAIRMAN & CHIEF EXECUTIVE OFFICER	Vice Chairman & Deputy CEO	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
ARTHOUROS ZERVOS	**KONSTANTINOS THEOS**	**GEORGE C. ANGELOPOULOS**	**EFTHIMIOS A. KOUTROULIS**