PUBLIC POWER CORPORATION S.A.

Financial Report

for the six-month period ended June 30, 2014

The attached Financial Report for the six month period ended June 30th, 2014, has been established according to article 5 of Law 3556/2007, has been approved by the Board of Directors of "Public Power Corporation S.A." on August 28th, 2014, and is available for the investors, on the internet, at the web site address www.dei.gr, for at least the next 5 (five) years.

Public Power Corporation S.A.
General Commercial Registry: 786301000
Chalkokondyli 30 - 104 32 Athens

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I. Statement of the members of the Board of Directors

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

(According to article 5, par.2 of Law 3556/2007)

1. Arthouros Zervos, Chairman and C.E.O. of P.P.C. S.A.
2. Ourania Ekaterinari, Member of the Board of Directors and Deputy CEO
3. Panagiotis Alexakis, Member of the Board of Directors,

hereby

declare

that, to the best of our knowledge:

a) the accompanying interim Condensed Financial Statements of the Parent Company and the Group, for the six month period ended June 30, 2014, which were prepared according to the International Accounting Standards – currently in effect- as adopted by the European Union, are truthfully depicting assets, liabilities, equity and the statement of income of Public Power Corporation S.A., as well as the companies included in the consolidation, according to the provisions of the paragraphs 3 to 5 of article 5 of Law 3556/2007 and,

b) the accompanying Board of Directors' Report, truthfully depicts the development, the performance and the status of Public Power Corporation S.A. and the companies included in the consolidation, as well as a description of the confronted major risks and uncertainties.

Athens August 28, 2014

Chairman and C.E.O.	Member of the Board and Deputy CEO	Member of the Board
Arthouros Zervos	Ourania Ekaterinari	Panagiotis Alexakis

II. Report of the Board of Directors

PUBLIC POWER CORPORATION S.A.
SIX MONTH REPORT OF THE BOARD OF DIRECTORS
FOR THE PERIOD 1.1.2014-30.6.2014
(In accordance with the provisions of Law 3556/2007, article 5 par. 6)

This is a condensed report of financial information of "Public Power Corporation S.A." (the Parent Company) and its subsidiaries (the Group) for the first half of the current financial year, as well as, the major events of the period and their effect on the six month financial statements. There is, also, a description of the main risks and uncertainties that the Group might face in the second half of the financial year, the outlook for this semester, as well as, the balances and transactions between PPC and its related parties.

FINANCIAL DATA FOR THE FIRST HALF 2014

EBITDA in 1H2014 declined by € 38.6 m. (6.6%), with the respective margin settling at 19.3% compared to 19.9% in 1H2013.
1H2014 results include the one-off positive impact of € 23.2 m, which was recorded in 1Q2014, from the retroactive application of the discount in the price of natural gas for the second half of 2013. In addition, 1H2014 results include the positive impact -which was also recorded in 1Q2014- from the recovery of the state aid to Aluminium S.A. for the period January 2007 until March 2008, of a total amount of € 21.3 m (€ 17.4 m plus interest € 3.9 m).
It is noted that, 1H2014 provisions increased by 68%, from € 189 m in 1H2013 to € 317 m this year, representing 11.2% of total revenues. Said amount is reduced to € 249 m taking into account the amount of approximately € 68 m for customers' advances, which correspond to total bad debt provisioning for Low Voltage customers until 30.6.2014. The aforementioned amount of € 68 m does not have any positive cash flow impact in 1H2014.
In addition, 1H2014 results have been negatively impacted from a provision of € 48.3 m for the cover of the deficit created in the Day-Ahead Schedule market during 2011 and 2012 by alternative suppliers that exited the market. Said amount represents 50% of the € 96.6 m that has been allocated, according to a RAE decision, to PPC by LAGIE, the market operator, for the cover of the aforementioned deficit. We contest this obligation, since we have no responsibility for this significant deficit, which was created by our competitors, who entered in the retail market. For this reason, we believe that we have grounds for a favourable outcome of the final judgement and we have not proceeded with a relevant provision for the total amount of € 96.6 m for an adverse litigation outcome. However, following the interim order issued by the Council of State which suspended 50% of the € 96.6 m, we make a provision for the remaining 50% in order to reflect the uncertainties of recovering this amount, out of which € 24.3 m had already been paid until 30.6.2014.

Revenues

- Turnover declined by € 117.6 m. (4%) to € 2,833.6 m in 1H2014 from € 2,951.2 m in 1H2013. Turnover includes an amount of € 32 m. reflecting network users' participation for their connection to the network versus € 43.1 m in 1H2013.

- PPC's revenues from electricity sales, declined by € 109.7 m (3.8%) to € 2,746.8 m. in 1H2014 compared to € 2,856.5 m in 1H2013.

In detail:

- Total electricity demand decreased by 7.8% (2,266 GWh) in 1H2014, to 26,951 GWh versus 29,217 GWh in 1H2013. Excluding exports and pumping, electricity demand decreased by 2.2% (589 GWh).
  Total electricity demand in 2Q2014 fell by 7% compared to 2Q2013, while excluding exports and pumping the decrease of domestic demand amounted to 1.6%.

- PPC's domestic electricity sales volume decreased by 564 GWh (2.3%), to 23,496 GWh due to lower demand, seemingly as a result of mild weather conditions during the winter. The respective decline in 2Q2014 compared to 2Q2013 was 1.7%.
  PPC's retail market share between 1H2014 and 1H2013 remained practically unchanged, at 98% versus 98.4%.

- PPC's electricity generation and imports covered 68.8% of total demand, while the corresponding percentage in 1H2013 was 63.8%. Lignite-fired generation increased by 6.9%, whereas gas-fired generation marked also a significant increase compared to 1H2013, when the respective generation was considerably lower, mainly due to exceptional hydrological conditions. Accordingly, hydro generation decreased by 54.6%, between the two periods.
  Finally, third party RES generation remained practically stable, compared to 1H2013. On the other hand, their relative share in the country's energy generation increased to 17.9% from 15.8%, due to the reduction of overall demand.

Operating expenses

Operating expenses before depreciation, decreased by € 79 m. (3.3%) from € 2,364.9 m. in 1H2013 to € 2,285.9 m. in 1H2014.

More specifically:

Energy mix expenditure

- Expenditure for liquid fuel, natural gas and energy purchases decreased by € 77.7 m., or by 6.2% compared to 1H2013.
  In detail:
  - The decrease in liquid fuel expense by € 24.6 m. (6.7%), from €368.9 m. in 1H2013 to € 344.3 m. in 1H2014, is attributed to the reduction of heavy fuel oil and diesel prices, expressed in Euros, by 6.8% and 6.7% respectively, (including the reduction of the premium that the Company achieved since January of this year), as electricity generation from liquid fuel marked a slight increase of 22 GWh.
  - Natural gas expense increased by € 67.8 m. (64.1%), from € 105.7 m. in 1H2013 to € 173.5 m., due to the increase of gas-fired generation, which was to some extent mitigated by the decrease of natural gas prices by 17.2%. Approximately half of this decrease is related to the discount on overall natural gas prices for PPC, following the agreement between DEPA and Gazprom.
  - Energy purchases expense from the System and the Network decreased by 16% or € 116.8 m., from € 730.6 m. in 1H2013 to € 613.8 m. More specifically, and regarding the Interconnected System, energy purchases expense amounted to € 550 m. compared to € 655.7 m. in 1H2013, a reduction of 16.1% or € 105.7 m.
    The reduction of energy purchases expense is mainly attributed to the reduction of energy purchases volume by 1,033 GWh (999 GWh from the System and 34 GWh from the Network) and the significant drop in the Variable Cost Recovery Mechanism expense.
    On the other hand, the reduction in the energy purchases expense was contained by the increase of the average System Marginal Price (SMP) by 51.1%, from € 36.8/MWh in 1H2013 to € 55.6/MWh in 1H2014, as well as by the increased net expense by € 41.8 m for the Capacity Assurance Mechanism, resulting from the doubling of the Capacity Assurance Certificates (CACs) for modern natural gas-fired units combined with the abolition of CACs for certain PPC older generation units as of 1.8.2013.
    Additionally, there was a further negative impact from the incremental expense of € 23.2 m, resulting from the modified methodology for calculating the price paid, through the Pool, by electricity suppliers to RES generators in the Interconnected System.
  - Expenditure for electricity imports, excluding expense for interconnection rights, reached € 54.1 m., decreased by € 4.1 m. (7%), mainly due to the decrease of the imports price by 19.1%, despite the increase in the volume of imports by 155 GWh (1,191 GWh in 1H2014 vs 1,036 GWh in 1H2013).
  - Expenditure for CO_2 emission rights amounted to € 104.8 m. in 1H2014, decreased by € 1.4 m. compared to 1H2013. CO_2 emissions in 1H2014 reached 19.8 mln tonnes compared to 18.8 mln tonnes, due to the increased lignite and gas fired generation.

Payroll cost

- The total reduction between the two periods in payroll cost, including capitalized payroll and payroll of seasonal personnel, amounted to € 21 m. (4%) from € 524 m in 1H2013 to € 503 m in 1H2014. The decrease in the number of permanent employees on payroll was 885, from 19,854 on 30.6.2013 to 18,969 on 30.6.2014.

Provisions

- Provisions for bad debt, litigation and slow moving materials amounted to € 249.1 m, marking an increase of € 60.1 m. (31.8%) compared to 1H2013, when they stood at € 189 m. As already mentioned, 2Q2014 provisions were increased by an amount of € 48.3 m referring to the aforementioned allocation of the deficit in the Day-Ahead Schedule market. On the contrary, 2Q2014 provisions were reduced by approximately € 68 m., for customers' advances, which correspond to Low Voltage customers included in doubtful balances until 30.6.2014. Excluding this reduction, provisions in 1H2014 would have increased by approximately € 128 m.

Other Operating Expenses

Other operating expenses decreased by € 64.1 m., reaching € 204.8 m. in 1H2014 compared to € 268.9 m. in 1H2013.
Adjusting for the one-off positive rebate of € 23.2 m, from the retroactive application of the discount in the price of natural gas for the second half of 2013, as well as for the one-off positive impact of the recovery (excluding interest) from Aluminium of € 17.4 m, which were both recorded in 1Q2014, other operating expenses decreased by € 23.5 m. or 8.7%, to € 245.3 m in 1H2014 compared to € 268.9 m. in 1H2013.

In conclusion,

In 1H2014, 45.5% of total revenues were expensed for fuel, CO_2 and energy purchases compared to 46.4% in 1H2013. It is noted that, energy purchases expense in 1H2014 accounted for 23.5% of total revenues compared to 26.7% in 1H2013. Regarding the evolution of current provisions, these represent 11.2% of total revenues or 8.8%, taking into account the positive impact from customers' advances compared to 6.4% in 1H2013.

Other Financial information

- Depreciation expense in 1H2014 amounted to € 296.6 m. compared to € 305.1 m. in 1H2013, a reduction of € 8.5 m.
- Net financial expenses remained practically stable at € 107.1 m. compared to € 107.6 m 1H2013.
- Pre-tax profits in 1H2014 amounted to € 142.6 m. compared to € 170.2 m. in 1H2013.
- Net profits amounted to € 96.3 m. compared to € 127.1 m. in 1H2013.

Capex and net debt

- Capital expenditure in 1H2014 amounted to € 255.6 m. compared to € 335 m. in 1H2013, reduced by € 79.4 m., while, as a percentage of total revenues it declined to 9.1% from 11.4%. Excluding network users' participation for their connection to the network (€ 32 m. and € 43.1 m. in 1H2014 and 1H2013 respectively), which fund a significant part of network projects, capital expenditure amounted to 8% and 10% of total revenues in 1H2014 and 1H2013 respectively.
  Specifically, the main components of 1H2014 capital expenditure, were as follows (in brackets the respective figures for 1H2013):

- Mining projects:	€ 43.5 m.	(€ 41.5 m.)
- Generation projects:	€ 69.8 m.	(€ 81.2 m.)
- Transmission projects:	€ 17.9 m.	(€ 63 m.)
- Network projects:	€ 116.6 m.	(€ 143.8 m.)
- RES projects:	€ 4.8 m.	(€ 2.9 m.)

- Net debt amounted to € 4,906.6 m., an increase of € 297 m. compared to 30.6.2013 (€ 4,609.6 m.) and an increase of € 382.3 m. compared to 31.12.2013 (€ 4,524.3 m.). This increase is due to a net outflow of about € 180 m. for the rendering of the last part of the Special Property Tax collected through the electricity bills in 1H2014, the extraordinary payment of € 24.3 m. against the LAGIE deficit as well as the increase in working capital.

MAJOR EVENTS OF THE PERIOD

Significant events for the six month period of 2014 are analytically presented in Note 13 of the Financial Statements.

MAJOR RISKS - UNCERTAINTIES

The Group's and the Parent Company's activities are subject to various risks. Any of the following risks could have a material adverse effect on the Group's and the Parent Company's business, financial condition or results of operations. The risks described below are not the only risks that the Group and the Parent Company face. Additional risks and uncertainties not currently known to the Group and the Parent Company or that are currently deemed to be of minor Importance may also materially adversely affect the Group's and the Parent Company's financial condition, business, results of operations and cash flows.

Interest rate risk and foreign currency risk

Our principal financial liabilities consist of bank loans, bonds and overdrafts. It is our policy to hedge on a case by case basis through derivatives, solely for risk reduction purposes, against the fluctuation of floating interest rates and/or foreign currency exchange rates affecting our debt portfolio. Our existing derivatives transactions include interest rate swaps (conversion of floating rate liabilities to fixed rate liabilities) and forward currency contracts.

Furthermore, the fluctuation of the Euro against U.S. dollar exchange rate may adversely impact the prices of our liquid fuel purchases (diesel and heavy fuel oil). As oil prices are expressed in U.S. dollars, we are exposed to foreign currency risk in the event of an appreciation of the U.S. dollar against the euro. In order to cover the foreign currency risk arising from liquid fuel purchases, we are undertaking, on a case by case basis and according to the prevailing market liquidity circumstances, hedging transactions for this risk. Any hedging transactions that we may have in place may not provide full or adequate protection against these risks. The Parent Company has not entered into any transaction maturing in the 2^{nd} Half of 2014 hedging foreign currency risk arising from the change in the EUR/ USD exchange rate

Commodity price risk and risk from Electricity Market

The Parent Company is exposed to the risk of an increase in prices of oil, natural gas, electricity purchased from the System and the Network, CO2 emission rights as well as electricity prices of direct PPC imports. The Parent Company has established a policy for hedging transaction for oil, based on which the implementation of specific hedging transactions is decided per case and according to the prevailing circumstances. Any hedging transactions that we may have in place, may not provide full or adequate protection against this risk. The Parent Company has not entered into any transaction maturing in the 2^{nd} Half of 2014 hedging commodity price risk arising from an increase in oil prices.

The Parent Company has not established a hedging policy against the risk arising from the volatility of natural gas prices.

Currently, due to the Ukrainian crisis and taking into consideration that a large proportion of the Parent Company's supplier of natural gas (DEPA) imports are from GAZPOM from a pipeline that passes through Ukraine, problems may arise for the continuation of natural gas' supply to power generating units using natural gas as a fuel, as well as increases in electricity production costs or / and increases in the SMT. These additional costs might not be fully recoverable through electricity bills, adversely affecting the Group's and the Parent Company's operational results and liquidity.

In terms of the risk arising from increased electricity purchase prices, it is hedged less and less by the vertical integration of the Parent Company (internal hedge), since PPC's Generation share in the wholesale market in 1H 2014 amounted to 74.4%, while at the same period, PPC's Supply share in the retail market amounted to 98%.

Additionally, the prices of the main materials (metals, etc.), except from fuel, used by the Group for its operation and development are defined by the international merchandise markets resulting to the Group's exposure to the risk of fluctuation of the relevant prices as well as the foreign currency risk.

CO2 Emissions Rights

Our generation business is subject to EU Directive 2003/87/EC, which established a European Emissions Trading System ("EU ETS"). The operation of our thermal power plants requires us to acquire carbon credits under the EU ETS (the "EU Allowances" or "EUAs") to cover our carbon emissions. Since 2013, we are no longer allocated CO2 emissions rights for free, and as we emit approximately 40-45 Mt on an annual basis, increased CO2 prices will affect our operating costs.. As we must acquire sufficient carbon credits on an ongoing basis, there can be no assurance on the price level that such carbon credits will be obtained in any future year. For the period from 2014 to 2020, during which we will not receive any freely allocated CO2 emissions rights, we expect to acquire such rights on both the European and international markets, either through exchange market purchases or bilateral contracts. Although we attempt to manage the risk arising from increases in the price of CO2 emission rights by monitoring the markets and the developments in Europe, there is no assurance that such risk will be successfully managed.

Our exposure to the risk of increases in CO2 credit prices is linked to our ability to fully incorporate these increases in our electricity tariffs. Therefore, any sharp increases in CO2 credit prices could materially, directly or indirectly, affect our financial condition and results of operations.

It should be noted that, a decision in principal has been made on a European Union level in order to support the CO2 emission rights price, through the withdrawal of a certain CO2 rights quantity in the beginning of the 2013 – 2020 period and its reinstatement at the end of the period (backloading).

Credit Risk

Our business, results of operations, financial condition and prospects depend highly on the social and macroeconomic conditions in Greece, as practically almost of our assets and operations are in Greece. Despite the fact that, the electricity sales are dispersed over a large number of customers with a wide and diversified range of economic activities, our business activities, results of operations and cash flows are highly dependent on our customers' ability to repay their liabilities. The current economic environment and the recent intense recession had a material adverse impact on the liquidity of the Group mainly resulting from:

- Difficulties in payment and increases in delayed payments, by Low and Medium voltage customers as well as High voltage (Industrial) customers, especially those with large outstanding balances.

- A sizeable number of enterprises, especially small and medium sized, which cease their operations due to the economic conjecture and leave behind unpaid bills.

We may also face difficulties or delays in our ability to collect payments from our customers as a result of additional measures such as the inclusion of new significant taxes, levies or fees included in our electricity bills or a substantial increase of the existing applicable taxes, levies such as the Renewables levy (ETMEAR) or fees in our electricity bills.

This might extend the delay of collecting our electricity bills and create additional needs of working capital for the Parent Company, bearing also in mind that ETMEAR, amongst others, is paid regardless of whether it has been collected from the customer.

Additionally, our collection enforcement mechanisms may be affected by legislation or other administrative acts, (for example by restricting disconnections for non-payment for certain categories of customers or for certain time periods), which can adversely affect our results of operations, business, financial condition and cash flows.

Liquidity Risk

The current economic situation in Greece has directly affected the capital levels, liquidity and profitability of the Greek financial system, which highly affect our liquidity and access to credit as well as the liquidity of the Greek economy as a whole and our customers' ability to access credit. Liquidity risk is connected with the need to ensure adequate cash flow for the financing of our operations including working capital needs, capital expenditure, as well as the servicing of our debt.

Our working capital needs may increase due to a number of factors, including:

- Increased delays in the payment or even non-payment of electricity bills.

- Our obligation to pay Renewables levy (ETMEAR), the Special Consumption Tax on electricity as well as the VAT when due, irrespective of whether we have collected the relevant amounts from our customers, and any difference in timing between receipt and payment or any difference in the calculation of such levies;

- The expansion of credit limits for vulnerable consumers who are also entitled to special lower tariffs and to more favorable settlements – compared to other customers- of overdue electricity bills.

- The burden associated with the collection of taxes and levies that are not related to the sale of electricity such as special property and municipal taxes that are currently collected through electricity bills;

- Regulatory measures on the operation of the wholesale market which burden the cost of purchasing electricity for Suppliers

- The debt incurred by the Suppliers, whose operations have been suspended.

- Potential increase of commercial losses (non-technical losses) i.e. increase of incidents of electricity thefts.

The above factors may have a material adverse impact on our liquidity as well as our ability to finance new projects. It should also be noted that our borrowing costs for, and access to, liquidity (for both the refinancing of the existing debt or / and new liquidity) have been negatively impacted by the current status of the Greek economy.

The Group is exposed to risks that may arise from Financial Institutions

The Group could be affected by the potential developments in the Greek Banking Sector given the fact that Greek Banks currently have refinanced approximately 41% of the Group's loan obligations. It should be noted that the significant diversification of the Group's funding sources during 2014, after the successful issuance of PPC's Corporate Bonds and the conclusion of an international syndicated loan covered by the Credit Insurance Organization Euler Hermes, reduced its dependence on the Greek Banking Sector for its funding needs (55% at 31/12/2013).

Risk of exposure in competition

The Parent Company faces competition mainly in the wholesale market where share losses are due to IPPs' power plants and the increased penetration of Renewables units in the System and Network. It is possible that adverse changes in the competitive environment through the continuation of existing and/or creation of new regulatory mechanisms in the wholesale market which strengthen the Group's competitors might have a negative impact on our results of operations and cash flows.

In addition, the Restructuring and Privatization Plan specifies the creation of a vertically integrated competitor to PPC by divesting approximately 30% of the Parent Company's generation (including access and operational rights of the related mining facilities) and 30% of the Parent Company's customer base. The creation of such an entity could increase the competition we face in both the supply and generation markets and could have a materially adverse impact on our business and prospects.

Furthermore, RAE has proposed as an interim, transitional, measure to further wholesale market liberalization, the creation of a forward electricity market that will provide access to third parties to the lignite-fired and hydropower electricity generation of PPC, through the introduction of NOME type of auctions.

In the retail market, following the suspension of operations of almost all large alternative suppliers, PPC, currently supplies 98% of the Greek supply market.

The Parent Company may face increasing competition in the retail market, following the liberalization of tariffs for Low Voltage customers and the entrance of third party suppliers including the adverse effects from the implementation of the NOME model, as well as from the supply unit of "small PPC".

Unless there are reforms in the regulatory framework to ensure the correction of existing non-market regulatory mechanisms in the wholesale market, setting conditions of healthy competition and balanced development of suppliers in the market and promotion of competitive tariffs without cross-subsidisation, a further increase in the competition in the supply sector could have a material adverse effect on our business, prospects, financial condition and results of operations.

Tariff risk for the competitive activities

According to the provisions of the MoU (May 2013/July 2013), the obligations of the Hellenic Republic from the European as well as national legislation, the Low Voltage tariffs are fully liberalized for the end consumers, excluding vulnerable consumers, from 01/07/2013. Despite any expressed reservations for the increase of Low Voltage tariffs, cost reflective tariffs are required, according to the Memorandum and its reviews, (4th amendment on April 2014) in order for new "players" to enter the market and through the creation of a competitive electricity supply market, reduce the cost of electricity for end consumers.

However a number of factors affect the Parent Company's ability and freedom to increase the competitive component of tariffs, such as the ability of customers to cope with new increased tariffs, or initiatives of the Greek Government or decisions of the Regulator especially in view of the current socioeconomic condition in Greece.

Similarly, tariff increases, in the current conjecture, for household and commercial Low Voltage Customers and Medium Voltage Customers may not be socially acceptable, especially since there has been a recent increase in other regulated charges included in electricity bills, which have not been well received by such Customers. In addition, the Parent Company may face difficulties to pass through potential increased commodity and energy related costs or costs for CO_2 emission rights through increasing tariffs. Even if potential tariff increases for Low Voltage Customers and Medium Voltage Customers are effected, collections rates from such Customers may deteriorate due to the potential inability of these Customers to pay their bills on time or at all.

With respect to our HV customers:

There are several tariff disputes, amongst others between ALUMINIUM and PPC since the termination of the initial (dating back to 1960) electricity supply contract of the said customer. The dispute about electricity price to ALUMINIUM was submitted before the Arbitration Court at RAE, which issued its decision on October 31, 2013, setting the sale price of the energy component of the electricity at € 36.6/MWh for the time period as of 1-7-2010 to 31-12-2013 and obliging PPC, to provide energy to ALUMINIUM for that period below cost. PPC has filed an appeal for the annulment of the Arbitration Decision (the hearing of the case having been set for December 4, 2014) , nevertheless, the final outcome cannot be predicted, and an unfavourable outcome may negatively affect our relationship with ALUMINIUM and other industrial customers. Despite the discount approved on HV tariffs from the Extraordinary General Meeting of PPC's Shareholders of February 28, 2014, ALUMINIUM only pays part of the current electricity bills amounts

Furthermore, LARCO, the Parent Company's largest outstanding debtor, is liable for sums due and payable to PPC related to the consumption of electricity and currently pays only a small part of its electricity consumption bills. Similarly, other industrial customers do not fully pay their electricity consumption bills alleging either lack of liquidity due to the adverse economic environment or non – acceptance of the competitive charges of the relevant tariffs. There is no assurance that LARCO or such other industrial customers will discharge their debts for the amounts billed in relation to their electricity consumption.

Following Decision 141/01.08.2013 of PPC's Board of Directors, seven (7) new tariffs for High Voltage customers were, amongst others, approved and effected for electricity consumption from 01.11.2013, whereas an additional tariff for HV customers was approved on January 2014.

Furthermore, at the Extraordinary General Meeting of PPC's Shareholders of February 28, 2014 i) the actions of PPC's management regarding the relations of PPC with ALUMINIUM, and ii) an extraordinary decrease of High Voltage customers' tariffs were approved. PPC currently aims to sign supply contracts with ALUMINIUM, as well as with all other High Voltage customers. In this context, several meetings are being held with HV customers, to provide details and clarifications on the above mentioned decision, as well as to discuss overdue debt restructuring (if any) with these customers, bearing in mind that together with the signing of the new electricity supply contracts, overdue amounts are settled as well. As a result, already five (5) HV customers (representing 7 HV contracts) have signed new electricity supply contracts, restructuring in the same time their overdue debt, while the signing of additional new contracts with HV customers is imminent with the restructuring of any existing overdue debts. At the same time, we are discussing with the remaining HV customers, for the signing of new electricity supply contracts.

However, we can provide no assurance whether ALUMINIUM or LARCO or the other High Voltage customers will sign such electricity supply contracts with PPC and the potential impact that such decisions will have on the future relationship of PPC with these customers. Furthermore, there may be additional legal disputes that may constrain our commercial policies and future actions for such clients.

Any such events as described above may have a material adverse change on the Parent Company's business, results of operations and financial condition.

Risk from regulated rates of return on Network activities

The regulated rates of return on Network investments combined with the approved by the Regulator asset base on which depreciation and returns are calculated, may have a negative impact on the Groups' profitability and value, if they do not provide for a reasonable return on the invested capital and an adequate additional incentive for future strategic investments. As a result, any changes in regulated charges that may affect the Group's revenues from electricity transmission and distribution could have a material adverse effect on the Group's business, results of operations and financial condition.

Regulatory Risk

Potential modifications to the regulatory and legislative framework governing the electricity market, such as the implementation of EU legislation and the Memorandum of Economic and Financial Policy, as well as decisions by regulatory authorities concerning the regulation and functioning of the Greek electricity market in general, and any restructuring or other changes to our business driven by the regulatory framework, may have a materially adverse effect on our business, financial condition and results of operations.

Our business as well as our capital investment activity program, are subject to decisions of numerous national and international European Union institutions, regulatory and administrative authorities. Such authorities may issue decisions that restrict or significantly affect our operations without taking into account all the relevant factors which could have uncertain consequences on our business and our operations and adversely impact our business, results of operations and financial condition.

In addition, given the increased human, technical and financial resources needed to respond to decisions by the Regulator or other national or international institutions, especially as such decisions may not take into account all relevant factors which could have uncertain consequences on our business and our operations, we cannot give any assurances that we will be at all times in a position to fully and timely satisfy the regulatory, financial, and any other requirements imposed by the Regulator.

Additionally, RAE due to the Hellenic Republic's commitment to the Memorandum of Economic and Financial Policy, put under public consultation certain measures that would provide access to third parties to the lignite-fired and hydropower electricity generation of PPC, through auctions resembling the "NOME" model implemented in France, a model which was designed to provide access to third parties (mainly suppliers and industrials) to low-cost electricity generation (i.e. EDF's nuclear power plants), at a cost-oriented regulated price.

The implementation of the "NOME" model in Greece that was proposed by RAE in order to set the framework for a forward electricity market, shall include auctions and bilateral forward contracts between PPC and third parties. Auctions will either have a fixed price (as in France) or a range of prices. This proposal by RAE is envisaged as a transitional measure, until the creation of a new vertically integrated electricity company as foreseen by the Restructuring and Privatization Plan of PPC. We currently cannot foresee how auction products based on the NOME model may be implemented in Greece and if they will fully reflect the Parent Company's costs and therefore we can provide no assurance that the implementation of such measures will not have a material adverse effect on our business, prospects, financial condition and results of operations.

Risk from providing Public Service Obligations (PSOs)

The PSOs for which we are entitled to compensation relate to (i) the supply of electricity to the Non-Interconnected Islands at the same tariffs as those in the Interconnected System, (ii) the supply of electricity at special rates to families with more than three children, (iii) the supply of electricity to the beneficiaries of the Social Residential Tariff ("SRT") which are currently provided to persons of low income, families with three or more children, long-term unemployed, people with special needs and people on life support and (iv) the supply of electricity at special rates to public welfare entities. PSO compensation is based on the relevant costs incurred by us and other electricity suppliers providing PSOs and is calculated according to a methodology published by RAE.

According to the methodology for PSOs calculation that was defined by a Ministerial Decision for the period 2007 – 2011 regarding the recovery of the additional cost for the electricity generation in the Non Interconnected Islands compared with the respective cost for the Interconnected System, the Group is not fully compensated for providing PSOs. According to the abovementioned methodology, the calculation of PSOs for each year, for the period 2007 – 2011, was based on the cost of electricity generation in the Non Interconnected Islands and in the Interconnected System for the year 2006, on the total electricity generation and liquid fuel quantities consumed each year in the Non Interconnected Islands, as well as on the international fuel prices and on the fluctuation of the consumer price index per year. Specifically, for the estimation of the annual compensation of 2011 for providing PSOs that affected 2012 tariffs, the increase of the Special Consumption Tax on liquid fuels used in power generation in the non-Interconnected Islands was taken into account. However, factors affecting cost, such as the premium over the commodity price, as well as the cost of transportation of fuels to the islands are not taken into account.

With RAE's Decision 14/2014, the PSO compensation calculation methodology was determined (which will be implemented from 01.01.2012) for the non – Interconnected Islands. According to the Decision, the PSO compensation for suppliers of electricity active in the non-Interconnected Islands will cover any excess cost in which they are subject compared to their cots on the Interconnected System, in order to ensure uniform tariff rate by customer category.

In addition, with RAE's Decision 356/2014, the annual PSO compensation for the years 2012 and 2013 was determined, namely PSO compensation for the non-Interconnected Islands, for families with three or more children, as well as the compensation for the SRT.

Finally, with RAE's Decision 357/2014, the Last Resort Supplier compensation that PPC will receive for providing the service, was determined for the period 25.01.2012 to 30.04.2013 according to L. 4001/2011Art.56 par 4.

Potential changes in our compensation rights for the existing PSOs that we provide, or changes in the methodology for the estimation of such PSO compensation, which does not allow for full recovery of our costs, or a potential introduction of new PSOs for which we may not be entitled to compensation may have an adverse effect on our costs, financial position and results of operations.

Other regulatory risks – uncertainties

Given the fact that the wholesale energy market model and certain Decisions issued by RAE are transitional, the framework of the energy market remains volatile, with constantly new regulatory decisions and related developments, which may have an adverse impact on PPC's business and financial condition.

For example, the introduction of certain regulatory measures in the Greek wholesale electricity market in the past, has benefited certain new power producers at the expense of other market participants. These include measures such as the Variable Cost Recovery Mechanism and the introduction of measures to promote renewable penetration mainly through the provision of fixed feed-in tariffs for Renewables, as well as the new methodology for calculating the price paid by suppliers to RES generators in the wholesale market.

Although some of these measures are transitional – like the VCRM, there can be no assurance that replacement regulatory measures (which may create new distortions or market effects that are unfavourable to us) will not be introduced, replacing the abolished VCRM. To the extent that such measures remain, or similar new measures are implemented, our results of operations and profitability may be negatively affected. Already, there is no additional 10% margin on the VCRM, no thermal units bidding below the level of the minimum variable cost and the VCRM is abolished from July 1st, 2014. In addition, with RAE's Decisions 338/2013 and 339/2013, some of PPC's electricity generating units of a total capacity of 1.249 MW are not included in the register of units receiving capacity availability payments (CAP). PPC proposed some of these units to be in a "cold reserve" status and through a contract with IPTO to be available to the System.

Furthermore, the deficit of HEMO for Renewables which is due to the fact that the total income of the relevant Renewables account with HEMO does not cover the regulated fixed feed-in tariff paid to Renewables producers creates uncertainty and related cash flow issues in the market. The primary sources of income for this account are the amounts that Suppliers pay for Renewables generated electricity, the special Renewables levy paid by Customers (ETMEAR), which as already mentioned limits their ability for the timely payment of their electricity bills and various other smaller amounts according to the relevant legislation. According to the Memorandum of Economic and Financial Policy (L. 4111/2013), the deficit must be reduced to zero by the end of 2014 and as such, various measures have already been taken, while further measures have been taken under the provisions of L. 4254/2014 to reduce the deficit.

From the measures already implemented to reduce the RES account deficit, the price that Suppliers pay to purchase electricity generated from Renewables from the Pool is the higher of: (i) the SMP, or (ii) the average variable cost of conventional thermal power plants, which had an adverse impact on the Parent Company's results of operations and cash flows. There is also no assurance that the Greek State will no further increase the cost of purchasing Renewables energy by Suppliers in the future, which could have a material adverse effect on our results of operations and financial condition.

HEMO, is also operating at a considerable deficit, in part caused by the due and unpaid obligations of two major alternative energy suppliers who exited the market in 2012. Following RAE's Decision 285/2013, the deficit created by the exit of the aforementioned electricity suppliers is allocated to wholesale conventional generators, proportionate to their market share. Our obligation, which we contest, to cover such deficit allocated to PPC, as generator (approximately € 97 million), if the decision by the State Council is against PPC's appeal, may result in an adverse material effect on the Group's and Parent Company's results and cash flows. The Suspension Committee of the State Council has already ordered PPC, through its interim decision to pay half of the above mentioned amount. This or any similar decisions by RAE in the future, addressing electricity market deficits resulting from failure of third parties or from inefficient market supervision, through allocation of these obligations to other parties, for example by prohibiting setting off amounts the Group and the Parent Company owe to HEMO with amounts owed to the Group and the Parent Company by HEMO may have a material adverse effect on financial condition and cash flows.

Risk from the implementation of the Memorandum of Economic and Financial Policy

The fourth revision of the second Memorandum that was agreed between the Hellenic Republic and the European Union – European Central Bank – International Monetary Fund in April 2014 concerning energy matters provides for actions, the unsuccessful analytical planning and/or implementation of which may create significant risks for the Group and the Parent Company. Any potential modification or/and additions of the electricity market legislation and regulatory framework, in order to implement the European Union legislation as well as the Memorandum of Economic and Financial Policy, or any additional fiscal and other measures or modification to existing ones, may have a significant impact on the Group's and the Parent Company's activities, contractual commitments and financial results.

Risks relating to the proposed privatization and restructuring of PPC

On July 24, 2013, and further on February 12, 2014, the Hellenic Republic approved the Restructuring and Privatization Plan for PPC with the following three objectives:

• *Sale of IPTO*: According to Law 4237/2014, PPC will divest up to 66% of its shares in IPTO to one or more third parties and the remaining 34% to the Hellenic Republic.

• *Creation of a new vertically integrated electricity company*: According to L. 4273/2014, the Hellenic Republic has determined to create a new integrated electricity company in terms of assets, liabilities, human resources and customer base. (A comprehensive reference on the detailed elements that will be transferred by PPC to the new company, is found in the Financial Statements' accompanying Notes).

The new standalone entity will be sold to a private investor during 2015.

As in any case of disposal transactions of businesses or assets there are risks, amongst others, associated with timing, investors landscape and valuation considerations.

The carve-out of "small PPC", will result in the creation of a new vertically integrated competitor in both the generation and supply business, resulting in significant market share loss in both business activities.

Further, such carve-out will necessarily entail significant impact on our business and operations particularly as the carve-out will apply across the board of our mining, generation and supply assets. It will also require the division or creation of finance, management and administrative functions to support the new standalone business. Planning and effecting this process will consume a large amount of operational time and resources which, along with the introduction of the carve-out entity as a new competitor, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

• *Privatization of PPC:* The Restructuring and Privatization Plan proposes that the Hellenic Republic will sell a further 17% of its shares in PPC to one or more third parties by the first quarter of 2016.

Risk from the absence of Fixed Asset insurance

We do not currently maintain insurance against the usual risks associated with our power plants, transmission and distribution assets, property, equipment. Only major information technology equipment is insured. Moreover, materials and spare parts as well as liabilities against third parties are not insured. This has been primarily due to the high costs associated with obtaining insurance against these risks comparing to the cost for remediating the damage should any of these risks occur, and our dispersed network of power plants. Additionally, we do not insure third party liabilities with respect to distribution networks. During construction, major assets (except for networks) are insured by EPC contractors. Cash in offices and agencies or in transfer is insured against theft and transports of liquid fuels are also insured.

Any severe damage to our key power plants, transmission and distribution assets or mining equipment could have a significant adverse impact on our business, financial condition or results of operations. Additionally, business interruptions due to labor disputes, strikes, earthquakes, fires, and adverse weather conditions, among other factors, could potentially, depending on their severity and duration, result in a loss of revenues or increased costs for us.

Credit Rating Risk

Our ability to access the capital markets and other forms of financing (or refinancing), and the costs connected with such activities, depend in part on our credit rating.

Following the financial crisis, international rating agencies apply stricter criteria in the area of liquidity adequacy, and, as a result, even if a company has ensured, among other things, a reliable coverage plan for its capital needs, it faces the risk of a rating downgrade in the event that it does not fulfil the new stricter criteria.

In the event that our credit or debt ratings are lowered by the rating agencies, we may not be able to raise additional indebtedness on terms similar to our existing indebtedness or at all, and our ability to access credit and bond markets and other forms of financing (or refinancing) could be limited.

Hydrologic Conditions

The evolution of hydrologic conditions is a completely unpredictable factor and has a very significant impact on the Group's profitability, taking into account, of course, that the Company has an accumulated experience and expertise that allows managing in the best possible way the water resources in its reservoirs.

Lignite mining risks and availability of lignite reserves

Lignite mining is subject to inherent risks and is dependent upon a number of conditions beyond our control that can affect our costs and production schedules at particular mines.

While the Parent Company estimates that lignite reserves are adequate to cover long term levels of supply required for power generation by lignite-fired thermal power plants, such estimates may lack complete precision and depend to some extent on statistical and geological inferences. Furthermore exploitable reserves are not considered as such unless they can be economically and legally extracted.

Increased production costs, increased stripping ratios and changes in the regulatory regime governing our mining operations may result in revision of reserve data from time to time and may render exploitable reserves uneconomical to exploit or unexploitable.

In addition the lack of qualified skilled personnel in mining operations to operate and support its equipment may adversely affect lignite production through our own resources.

EPC related risks and other problems and delays in constructing or connecting generation facilities

We face risks relating to the construction of our electricity generation facilities, including risks relating to the availability of equipment from reliable suppliers, availability of building materials and key components, availability of key personnel, delays in construction timetables and completion of the projects within budget and to required specifications. We may also encounter various setbacks such as adverse weather conditions, difficulties in connecting to electricity transmission grids, construction defects, delivery failures by suppliers, unexpected delays in obtaining zoning and other permit and authorizations or legal actions brought by third parties.

Additionally, adverse macroeconomic developments, as well as financial or operating problems of main suppliers and contractors may have a negative impact on our ability to purchase liquid fuels, spare parts and materials, have engineering, procurement and construction ("EPC") contracts completed in a timely manner and may increase our operating and maintenance costs and planning times.

Risk from Potential Undertaking of Social Security Liabilities

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

Litigations Risk

The Group is involved in several legal proceedings arising from our operations, and any adverse outcome against PPC may have a negative impact on our business, financial condition and reputation.

In addition, as a majority state owned utility, we are subject to laws, rules and regulations designed to protect the public interest, such as of public procurement or environmental protection. Violation of legislation, rules or regulations, entail, among others, criminal sanctions for the corporate directors and executive officers as well as employees of the companies and utilities that are subject to those rules.

Simultaneously, we are one of the largest industrial groups in Greece, with complex activities and operations across the country. In the ordinary course of our business, from time to time, competitors, suppliers, customers, owners of property adjacent to our properties, media outlets, activists, and ordinary citizens, raise complaints (even to public prosecutors) about our operations and activities, to the extent they feel that our activities and operations cause or are likely to cause economic damage to their views and/or interests, businesses or properties and, in the context of advancing those complaints, they often file criminal complaints against us with the public prosecutor on a variety of grounds and allegations or make public allegations in the press, which the public prosecutor is obligated to investigate further before they decide further actions, including the closing of the case for lack of any conclusive evidence. These practices have intensified during the recent economic crisis, as public prosecutors and the general public have generally become more sensitive to similar allegations, especially against companies in which the Hellenic Republic is a major shareholder and are viewed as operating in the public interest.

As a result, we, and our officers and directors, are presently and from time to time, and could be in the future, subject to various criminal or other investigations at various stages of procedural advancement on a variety of grounds arising in connection with our activities in the ordinary course of business. These investigations and legal proceedings may be disruptive to our daily operations to the extent the officers and directors involved need to spend time and resources in connection therewith. They may also adversely affect our reputation. To date, none of the proceedings initiated against us, our officers or directors has resulted in any criminal convictions.

Risk from tax and other regulations

The taxation regime for corporations in Greece is frequently revised and we may be subject in the future to increased taxation rates. The imposition of any new taxes, or changing interpretations or application of tax regulations by the tax authorities as well as the harmonization of Greek and EU tax law and regulation may result in additional amounts being payable by us, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, PPC pays a special levy for the development of areas where electricity is generated from lignite, equal to 0.5% of its annual turnover. Additionally, since 2012, we have been subject to a special levy for lignite generated electricity equal to €2.00 / MWh and a special tax on natural gas. We do not currently pay any royalty, concession fee or other fee for the lignite we extract or for our hydropower plants. The application of any new royalty regime may require the abolishment of the current regime and we cannot guarantee that any form of royalties, concession fees or other fees on our lignite or hydropower production will not be introduced by the Greek Government in the future.

Additionally, due to the current recession in Greece, even if we pass the effect of any new taxes, levies, etc. onto our customers, such taxes, levies, etc. may impact collection rates for our electricity bills or result in a loss of market share due to competition. Conversely, if we do not increase our tariffs to match an increase in taxation, our profitability margins may be reduced.

PPC is subject to certain laws and regulations generally applicable to companies of the broader public sector

As long as the Hellenic Republic, as the major shareholder of PPC, holds 51% of its share capital, the Company shall, in some sectors, continue to be considered as a public sector company in Greece. Therefore, its operations shall continue to be subject to certain laws and regulations generally applicable to public sector companies in Greece, affecting thus specific procedures, including but not limited to personnel salaries, maximum level of salaries, recruitments of employees, as well as the procurement policies etc. The said laws and regulations, particularly within the framework of the current financial conjecture and the relevant decisions of the Central Administration, which are not expected to be applicable to the Parent Company's current and future competitors, may limit the Parent Company's operational flexibility and may also have significant negative impact on its financial results, cash flow and on business risk management.

It should be noted that the Group does not have the possibility to recruit its experienced personnel in the range of its business activities while, today's average personnel age is approximately 47 years. The Group's inability to recruit specialized personnel negatively affects the ability of the new PPC Group to elaborate and implement its strategy in the new competitive and financial environment, as well as to adequately staff basic supportive operations at the level of new subsidiaries. Finally, there is a risk of losing managers and experts to competition mainly because of restrictions on remuneration policies. The viability and development of PPC Group in the new business environment notably depend on the ability to attract and maintain skilled and specialized personnel and executives. According to L.4057/2012, concerning all kinds of recruitment, the approval of an Interministerial Committee is necessary. Potential denial or delay of the aforementioned approval will create critical lack of personnel and managers and may have negative impact on the implementation of the Groups' activity. The above mentioned issues bear an even greater significance for a company which is under privatization in the new environment formed by the provisions of the updated Memorandum (July 2013 and April 2014).

Organization and Risk Management

The Group has defined risk as an occurrence of uncertain and non-predictable conditions that may negatively affect its overall operations, business activity, financial performance, as well as the execution of its strategy and the achievement of its goals.

The Parent Company has established but hasn't staffed the Risk Management Department yet, due to constraints in hiring, Till today its line management, on a case by case basis, is engaged in identifying and primarily assessing risks in order to submit recommendations to the Executive Committee and Board of Directors regarding the design and approval of specific risk management procedures and policies. We can provide no assurance that such procedures and policies provide full protection against risks faced by the Company.

The Group may face strikes

Most of the Group's employees are members of labour unions. Extensive labour unrest may have a significant negative impact on the Group's business activity.

Health, Safety and Environmental Laws and Regulations

The Group's operations are subject to National as well as European laws and regulations regarding employees' health and safety as well as environmental issues.

The cost for complying with such legislation and regulations may require major investments and/or significant expenses for actions regarding the environmental compliance, upgrade and rehabilitation. Changes in the environmental legislation may increase the compliance cost and eventually, may have an impact on the Group's profitability as well as its cash flow program.

Furthermore, due to the nature of our operations, we are involved in a number of environmental proceedings that arise in the ordinary course of business. These proceedings may not involve financial penalties and therefore cannot be quantified. Future related costs as a result of enforcement actions and/or third party claims for environmental damage and/or insurance cost for environmental liability could have a material adverse effect on our business, results of operations and financial position.

We are also required to obtain environmental and safety permits for our operations from various governmental authorities. Certain permits require periodic renewal or review of their environmental terms as well as continuous monitoring and reporting of compliance with such terms. We cannot give any assurance that we will be able to renew such permits or that material changes to our permits requiring significant expenditures on our end will not be imposed.

Environmental and health and safety laws are complex, change frequently and tend to become more stringent over time. As a result, we may not at all times be in full compliance with all such applicable laws and regulations.

Additionally, as an owner and operator of generation and distribution facilities, we may incur in the future costs and expenses in connection with the decommissioning of such facilities, which the Group and the Parent Company estimate to be to a large extent recoverable from the sale of decommissioned equipment, materials and scrap.

Information Technology (IT) security

A large portion of our operations is based on information systems; therefore we are exposed to the risk of non availability, data integrity corruption and unauthorized access to these systems. In order to minimize these risks, we take measures for the enhancement of our IT security.

We believe that we currently have adequate security policies in place to cover risks associated with the operation and maintenance of our IT infrastructure and perform regular audits of our systems. However, there can be no assurances that we will be able to prevent technology failures or IT security breaches in a timely manner or continue to have adequate insurance coverage to compensate for related losses (including litigation claims, liability and data loss), which could disrupt our operations or harm our reputation and materially adversely affect our business.

Extraordinary events

Unexpected events, including natural disasters, fires, war, terrorist activities, strikes, etc., may lead to a breakdown or the interruption of the operation of our mines, the generation function and electricity transmission and distribution. Additionally, adverse macroeconomic developments, as well as financial and operating problems of basic suppliers, service providers and contractors may have a negative impact on our ability to purchase liquid fuels, spare parts and materials and may increase our business and operating costs.

Our operations are susceptible to industrial accidents, and employees or third parties may suffer bodily injury or death as a result of such accidents. In particular, while we believe that our equipment has been well designed and manufactured and is subject to rigorous quality control tests, quality assurance tests, and is in compliance with applicable health and safety standards and regulation, the design and manufacturing process is ultimately controlled by our equipment suppliers or manufacturers or EPC contractors rather than us, and there can be no assurance that accidents will not result during the installation or operation of this equipment. Furthermore, the consequences of these events may create significant and long-lasting environmental or health hazards and pollution and may be harmful or a nuisance to neighboring residents. We may be required to pay damages or fines, clean up environmental damage or dismantle power plants in order to comply with environmental or health and safety regulations.

We may also face civil liabilities or fines in the ordinary course of our business as a result of damages to third parties caused by the natural and man-made disasters mentioned above. These liabilities may result in us being required to make indemnification payments in accordance with applicable laws.

Licensing Risk

The procedures for obtaining and renewing authorizations and permits for our activities can be protracted and complex. Obtaining these authorizations is not routine and the conditions attached to obtaining them are subject to change and may not be predictable. As a result, we may incur significant expenses in order to comply with the requirements associated with obtaining or renewing these authorizations. Failure to obtain or renew the necessary licenses and permits might result in interruptions to some of our operations, including also our ability to obtain funding for our activities.

Any failure to obtain, maintain, renew or extend all the administrative authorizations and licenses necessary for the operation of our business and execution of our strategy, could have a material adverse effect on our business, strategic and financial planning, results of operations, financial condition and cash flows.

Risk from impairment of Assets

In relation to the value of their participation in the share capital of subsidiaries and associates and the value of their tangible assets, the Group and the Parent Company are exposed in the following risks:

• The risk from a significant change or / and the non-recoverability of the value of the Parent's Company, participation in the share capital of subsidiaries and associates

• The risk from a significant change in the fair value of the tangible assets in the context of the periodic reassessment of their useful economic life.

Provision of guarantee to Subsidiaries

The Parent Company has a policy of reviewing on a case by case basis and only after the Decision of its Board of Directors to provide guarantees or intercompany loans only to subsidiaries or associates.

2H 2014 OUTLOOK

For the full year 2014, it is estimated that the aggregate electricity demand will decline by about 6% compared to 2013. It is expected that Revenues from energy sales will amount to € 5,7 bill, declining by 1,2% compared to 2013, while Total Revenues will amount to € 5,87 bill , declining by 1,7% compared to 2013. In determining these figures, no adverse impact from the implementation of auctions of PPC's lignite and hydro generation on the Group's revenue, neither estimates for increased cost for the provision of PSOs are taken into account.

Additionally there might be material differences between the financial results and the estimated ones, due to the occurrence of events relating to risks and uncertainties faced by the Group and the Parent Company, such as those mentioned above. Such events include, such as but not limited to, possible negative developments in the international markets related to the Ukraine crisis, changes in the Euro/USD exchange rate, changes in the international commodity prices (oil, natural gas, electricity etc.) and emission allowances, changes in the electricity market and the legislative, regulatory and fiscal framework as well as adverse development of the Group's and the Parent Company's bad debt.

BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of June 30, 2014 and December 31, 2013 are as follows:

	June 30, 2014		December 31, 2013	
	Receivable	(Payable)	Receivable	(Payable)
Subsidiaries				
- IPTO	-	(524,265)	-	(619,057)
- PPC Renewables S.A.	12,649	(827)	10,872	(827)
- HEDNO S.A.	-	(89,085)	-	(150,546)
- PPC Finance Plc	-	(5,468)	-	-
	12,649	**(619,645)**	**10,872**	**(770,430)**
Associates				
LARCO (energy, lignite and ash)	223,610	-	197,854	-
WASTE SYCLO S.A.	-	-	150	-
	223,610	**-**	**198,004**	**-**

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

	30.06.2014		30.06.2013	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
- IPTO S.A.	13,854	(740,437)	3,704	(803,132)
- PPC Renewables S.A.	1,724	-	1,290	-
- HEDNO S.A.	52,232	(166,203)	59,526	(432,951)
- PPC Finance Plc	-	(15,268)	-	-
	67,810	**921,908**	**64,520**	**(1,236,083)**
Associates				
Larco	41,524	(4,518)	38,957	(2,768)
WASTE SYCLO S.A.	-	-	-	-
	41,524	**(4,518)**	**38,957**	**(2,768)**

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. Furthermore, transactions and balances with the Electricity Market Operator ("LAGIE"), are presented.

	Purchases		Balance	
	30.06.2014	30.06.2013	30.06.2014	31.12.2013
ELPE, purchases of liquid fuel	59,855	67,130	15,092	10,222
DEPA, purchases of natural gas	150,097	96,870	35,152	75,519
	209,952	**164,000**	**50,224**	**85,741**

	June 30, 2014		December 31, 2013	
	Receivable	(Payable)	Receivable	(Payable)
EMO S.A.	110,981	(67,999)	478,585	(478,615)

	30.06.2014		30.06.2013	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
EMO S.A.	99,834	(389,814)	70,847	(144,010)

Further to the above, PPC enters into transactions with many government owned both profit and 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 three month period ended June 30, 2014 and 2013 have as follows:

	GROUP		COMPANY	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	114	71	29	28
- Non-executive members of the Board of Directors	60	58	-	-
- Compensation / Extra fees	-	54	-	-
-- Contribution to defined contribution plans	26	27	-	-
- Other Benefits	56	53	56	53
	256	**263**	**85**	**81**
Compensation of Deputy Managing Directors and General Managers				
- Regular compensation	342	313	314	285
- Contribution to defined contribution plans	114	105	104	95
- Compensation / Extra fees	-	-	-	-
	456	**418**	**418**	**380**
Total	**712**	**681**	**503**	**461**

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. Also, it does not include the benefit for the electricity supply based on the PPC personnel invoice to the Board of Director members, the Deputy Managing Directors and the General Managers.

Based on L. 4110/2013 the above mentioned compensation to members of the Board of Directors is considered income and are taxed accordingly.

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Athens, August 28, 2014

THE BOARD OF DIRECTORS

III. Certified Auditors' Accountants' Review Report

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of Public Power Corporation S.A.

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of Public Power Corporation S.A. (the "Company") and its subsidiaries ("the Group") as at 30 June 2014, and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the six-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of matters

We draw your attention to the following issues:

1. In Note 12 of the interim condensed financial information, where the claim of the Electricity Market Operator SA (LAGIE) against the Company amounting to €96.6m is described, as a result of the allocation of payments to producers due to the deficit of the Day Ahead Schedule and the company's accounting treatment. As also discussed in Note 12, since the above mentioned claim of LAGIE is disputed in substance, as the reasons which this claim is based on are not substantiated, it is not possible to estimate the potential liability that might arise for the Company.

2. In Note 12 of the interim condensed financial information, where the adjusting settlements amounting to €48.2m that were issued in October 2013 from the Independent Power Transmission Operator SA (IPTO), which derived from the retrospective application of RAE's decision 366/2013 for the months from May to part of August 2013. For the above charge, the Company has raised an objection to IPTO and has not recorded any relevant provision, considering that the relevant clause of RAE's decisions cannot be applied retrospectively.

Our conclusion is not qualified in respect of these matters.

Report on other legal requirements

Our review has not identified any inconsistency between the other information contained in the six-month financial report prepared in accordance with article 5 Law 3556/2007 with the accompanying financial information.

Athens, August 28, 2014

THE CERTIFIED AUDITOR ACCOUNTANT

VASSILIOS KAMINARIS
S.O.E.L. R.No. 20411

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IV. Interim Condensed Financial Statements

PUBLIC POWER CORPORATION S.A.

Interim Condensed
Consolidated and Separate
Financial Statements

June 30, 2014

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 August 28th, 2014 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	ACCOUNTING DEPARTMENT DIRECTOR
ARTHOUROS C. ZERVOS	KONSTANTINOS D. DOLOGLOU	GEORGE C. ANGELOPOULOS	EFTHIMIOS A. KOUTROULIS

Public Power Corporation S.A.
General Commercial Registry: 786301000
Chalkokondyli 30 - 104 32 Athens

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PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF INCOME

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2014

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

		GROUP				COMPANY			
	Note	01.01.2014-30.06.2014	(reclassified) 01.01.2013-30.06.2013	01.04.2014-30.06.2014	(reclassified) 01.04.2013-30.06.2013	01.01.2014-30.06.2014	(reclassified) 01.01.2013-30.06.2013	01.04.2014-30.06.2014	(reclassified) 01.04.2013-30.06.2013
REVENUES:									
Revenue from energy sales		2,746,833	2,856,473	1,295,275	1,416,405	2,741,848	2,847,127	1,293,275	1,410,065
Other		86,788	94,732	49,485	47,964	62,824	72,145	36,143	36,512
		2,833,621	**2,951,205**	**1,344,760**	**1,464,369**	**2,804,672**	**2,919,272**	**1.329,418**	**1.446,577**
EXPENSES:									
Payroll cost	11	459,691	470,362	231,596	235,856	297,351	307,178	151,868	154,593
Fuel	11	556,481	470,087	261,593	238,007	556,481	470,087	261,593	238,007
Depreciation and amortization	11	296,597	305,120	149,281	152,706	263,786	272,540	133,073	137,178
Energy purchases	11	691,048	810,476	323,029	376,527	703,568	821,210	329,170	381,771
Transmission system usage	11	-	-	-	-	103,773	113,348	51,241	56,416
Distribution system usage		-	-	-	-	210,550	210,288	104,350	102,988
Emission allowances		104,788	106,152	55,157	35,496	104,788	106,152	55,157	35,496
Provisions		249,078	188,980	101,141	90,643	255,312	182,070	105,846	84,413
Financial expenses		140,333	130,596	71,924	65,504	126,875	116,962	65,378	58,816
Financial income		(33,236)	(23,041)	(16,615)	(12,746)	(55,892)	(22,021)	(39,709)	(12,155)
Other (income)/ expense, net	11	224,792	318,784	133,922	155,495	151,017	230,798	95,278	109,659
Share of loss/(profit) of associates and joint ventures, net		(1,143)	(1,486)	(1,146)	(1,059)	-	-	-	-
Impairment loss of marketable securities		1,240	4,727	1,240	2,479	1,240	4,727	1,240	2,479
Foreign currency (gains)/ losses, net		1,347	238	297	311	1,351	238	301	311
PROFIT / (LOSS) BEFORE TAX		**142,605**	**170,210**	**33,341**	**125,150**	**84,472**	**105,695**	**14,632**	**96,605**
Income tax expense	5	(46,294)	(43,100)	(18,340)	(47,398)	(26,726)	(42,894)	(6,665)	(37,226)
NET PROFIT / (LOSS)		**96,311**	**127,110**	**15,001**	**77,752**	**57,746**	**62,801**	**7,967**	**59,379**
Attributable to :									
Owners of the Parent		**96,311**		**15,001**					
Non- controlling interests		-		-					
Earnings per share, basic and diluted		0.42	0.55	0.06	0.34				
Weighted average number of shares		232,000,000	232,000,000	232,000,000	232,000,000				

Certain amounts have been reclassified and differ from the published interim condensed consolidated and separate financial statements of June 30, 2013, and reflect amendments which are presented in note 11 of the interim condensed financial statements

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 SIX MONTH PERIOD ENDED JUNE 30 ,2014
(All amounts in thousands of Euro)

	GROUP				COMPANY			
	01.01.2014-30.06.2014	**01.01.2013-30.06.2013**	**01.04.2014-30.06.2014**	**01.04.2013-30.06.2013**	**01.01.2014-30.06.2014**	**01.01.2013-30.06.2013**	**01.04.2014-30.06.2014**	**01.04.2013-30.06.2013**
Profit/(loss) for the period	**96,311**	**127,110**	**15,001**	**77,752**	**57,746**	**62,801**	**7,967**	**59,379**
Other Comprehensive income / (loss) for the period								
Other Comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods								
Profit/(Loss) from change of fair values of available for sale financial assets during the period	-	249	(151)	-	-	249	(151)	-
Net Other Comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	-	**249**	**(151)**	-	-	**249**	**(151)**	**-**
Items not to be reclassified to profit or loss in subsequent periods								
Actuarial gains/(losses)	**-**	(5,293)	**-**	(5,293)	**-**	(2,298)	**-**	(2,298)
Deferred taxes due to the change of the income tax rate of fixed assets' revaluation surplus	-	(78,044)	-	3,806	-	(61,387)	-	-
Net Other Comprehensive income / (loss) not being reclassified to profit or loss in subsequent periods	**-**	**(83,337)**	**-**	**(1,487)**	**-**	**(63,685)**	**-**	**(2,298)**
Other Comprehensive income / (loss) for the period after tax	-	**(83,088)**	(151)	(1,487)	-	(63,436)	(151)	(2,298)
Total Comprehensive income / (loss) after tax	**96,311**	**44,022**	**14,850**	**76,265**	**57,746**	**(635)**	**7,816**	**57,081**
Attributable to :								
Owners of the Parent	**96,311**		**14,850**					
Non- controlling interests	**-**		**-**					

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

PUBLIC POWER CORPORATION S.A
INTERIM CONDENSED FINANCIAL POSITION
AS OF JUNE 30, 2014
(All amounts in thousands of Euro)

	Note	GROUP 30/6/2014	GROUP (reclassified) 31/12/2013	COMPANY 30/6/2014	COMPANY (reclassified) 31/12/2013
ASSETS					
Non – Current Assets:					
Property, plant and equipment, net		12,846,994	12,931,720	11,091,428	11,150,928
Intangible assets, net		54,141	22,174	53,497	21,618
Available for sale financial assets		3,680	4,920	3,680	4,920
Other non-current assets	11	115,943	37,458	1,203,748	1,124,706
Total non-current assets		**13,020,758**	**12,996,272**	**12,352,353**	**12,302,172**
Current Assets:					
Materials, spare parts and supplies, net		771,329	785,325	579,235	588,186
Trade and other receivables, net and other current assets		1,972,028	1,609,148	1,853,340	1,530,001
Restricted cash		151,996	161,693	151,996	161,693
Cash and cash equivalents		403,357	260,278	185,547	185,513
Total Current Assets		**3,298,710**	**2,816,444**	**2,770,118**	**2,465,393**
Total Assets		**16,319,468**	**15,812,716**	**15,122,471**	**14,767,565**
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		4,171,199	4,186,763	3,463,353	3,478,917
Reserves		140,510	140,510	216,474	216,474
Retained earnings		961,663	849,763	1,474,433	1,401,121
		5,499,909	5,403,573	5,380,797	5,323,049
Non – controlling interests		92	-	-	-
Total Equity		**5,500,001**	**5,403,573**	**5,380,797**	**5,323,049**
Non-Current Liabilities:					
Interest bearing loans and borrowings, net of issuance fees	9,11	4,788,286	3,008,893	4,645,251	2,863,820
Provisions		610,425	616,223	371,725	372,412
Other non-current liabilities		2,759,626	2,788,620	2,568,629	2,620,176
Total Non-Current Liabilities		**8,158,337**	**6,413,736**	**7,585,605**	**5,856,408**
Current Liabilities:					
Trade and other payables and other current liabilities		1,938,356	2,012,808	1,737,887	1,916,184
Dividends payable		149	154	149	154
Income tax payable		89,856	46,977	88,572	39,294
Short-term borrowings	9	97,225	97,285	50,000	50,000
Current portion of interest bearing loans and borrowings, net of issuance fees	9,11	535,544	1,838,183	279,461	1,582,476
Total Current Liabilities		**2,661,130**	**3,995,407**	**2,156,069**	**3,588,108**
Total Liabilities and Equity		**16,319,468**	**15,812,716**	**15,122,471**	**14,767,565**

Certain amounts have been reclassified and differ from the published annual financial statements of December 31, 2013 and reflect amendments which are presented in note 11 of the interim condensed financial statements
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 EQUITY

JUNE 30, 2014
(All amounts in thousands of Euro)

	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Other reserves: Fair value of available for sale financial assets	Other reserves: Tax-free and Other Reserve	Other reserves: Other Reserves Total	Retained Earnings	Total Equity	Non-Controlling Interests	Total Equity
Balance, January 1, 2013	**1,067,200**	**106,679**	**107,491**	**4,284,610**	**(947,342)**	**(249)**	**24,523**	**24,274**	**1,039,337**	**5,682,249**	**-**	**5,682,249**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	127,110	127,110	-	127,110
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	(78,044)	-	249	(5,293)	(5,044)	-	(83,088)	-	(83,088)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**(78,044)**	**-**	**249**	**(5,293)**	**(5,044)**	**127,110**	**44,022**	**-**	**44,022**
Transfers from retirements of fixed assets	-	-	-	(7,036)	-	-	-	-	7,036	-	-	-
Dividends	-	-	-	-	-	-	-	-	(5,800)	(5,800)	-	(5,800)
Other	-	-	-	-	-	-	-	-	(72)	(72)	--	(72)
Balance, June 30, 2013	**1,067,200**	**106,679**	**107,491**	**4,199,530**	**(947,342)**	**-**	**19,230**	**19,230**	**1,167,611**	**5,720,399**	**-**	**5,720,399**
Balance, January 1, 2014	**1,067,200**	**106,679**	**107,491**	**4,186,763**	**(947,342)**	**-**	**33,019**	**33,019**	**849,763**	**5,403,573**	-	**5,403,573**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	96,311	96,311		96,311
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**96,311**	**96,311**	**-**	**96,311**
Transfers from retirements of fixed assets	-	-	-	(15,564)	-	-	-	-	15,564	-	-	-
Incorporation of Subsidiary	-	-	-	-	-	-	-	-	-	-	92	92
Other	-	-	-	-	-	-	-	-	25	25	-	25
Balance, June 30, 2014	**1,067,200**	**106,679**	**107,491**	**4,171,199**	**(947,342)**	**-**	**33,019**	**33,019**	**961,663**	**5,499,909**	**92**	**5,500,001**

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

PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

JUNE 30, 2014

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

						Other reserves				
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Fair value of available for sale financial assets	Tax-free and Other Reserve	Other Reserves Total	Retained Earnings	Total Equity
Balance, January 1, 2013	**1,067,200**	**106,679**	**107,491**	**3,559,308**	**(947,342)**	**(249)**	**118,496**	**118,247**	**1,690,976**	**5,702,559**
Net income for the period	-	-	-	-	-	-	-	-	62,801	62,801
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	(61,387)	-	249	(2,298)	(2,049)	-	(63,436)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**(61,387)**	**-**	**249**	**(2,298)**	**(2,049)**	**62,801**	**(635)**
Transfers from retirements of fixed assets	-	-	-	(7,036)	-	-	-	-	7,036	-
Dividends	-	-	-	-	-	-		-	(5,800)	(5,800)
Other	-	-	-	-	-	-	-	-	(61)	(61)
Balance, June 30, 2013	**1,067,200**	**106,679**	**107,491**	**3,490,885**	**(947,342)**	**-**	**116,198**	**116,198**	**1,754,952**	**5,696,063**
Balance, January 1, 2014	**1,067,200**	**106,679**	**107,491**	**3,478,917**	**(947,342)**	**-**	**108,983**	**108,983**	**1,401,121**	**5,323,049**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	57,746	57,746
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**57,746**	**57,746**
Transfers from retirements of fixed assets	-	-	-	(15,564)	-	-	-	-	15,564	-
Other	-	-	-	-	-	-	-	-	2	2
Balance, June 30, 2014	**1,067,200**	**106,679**	**107,491**	**3,463,353**	**(947,342)**	**-**	**108,983**	**108,983**	**1,474,433**	**5,380,797**

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 SIX MONTH PERIOD ENDED JUNE 30, 2014

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

	GROUP		COMPANY	
	01.01.2014-30.06.2014	**01.01.2013-30.06.2013**	**01.01.2014-30.06.2014**	**01.01.2013-30.06.2013**
Cash Flows from Operating Activities				
Profit / (loss) before tax	142,605	170,210	84,472	105,695
Adjustments :				
Depreciation and amortization	334,608	343,160	299,186	307,870
Amortization of customers' contributions and subsidies	(38,011)	(38,040)	(35,400)	(35,330)
Interest expense	128,455	118,933	115,454	106,058
Other adjustments	149,744	235,145	137,836	230,652
Changes in assets	(618,094)	(82,245)	(586,504)	(104,731)
Changes in liabilities	(60,876)	(181,413)	(190,032)	(171,445)
Net Cash from Operating Activities	**38,431**	**565,750**	**(174,988)**	**438,769**
Cash Flows from Investing Activities				
Capital expenditure/(disposal) of fixed assets and software	(285,631)	(393,006)	(246,575)	(310,264)
Proceeds from customers' contributions and subsidies	2,992	1,523	2,992	1,522
Interest and dividends received	33,236	23,041	50,657	22,021
Investments	(1,093)	(2,704)	(1,843)	(3,044)
Net Cash used in Investing Activities	**(250,496)**	**(371,146)**	**(194,769)**	**(289,765)**
Cash Flows from Financing Activities				
Net change in short term borrowings	(60)	(69,900)	-	(60,000)
Proceeds from interest bearing loans and borrowings	1,032,978	285,000	1,032,978	285,000
Principal payments of interest bearing loans and borrowings	(519,791)	(172,148)	(517,488)	(170,065)
Loans' issuance fees	(33,878)	-	(33,878)	-
Interest paid	(124,100)	(113,952)	(111,816)	(102,300)
Dividends paid	(5)	-	(5)	-
Net cash used in Financing Activities	**355,144**	**(71,000)**	**369,791**	**(47,365)**
Net increase/ (decrease) in cash and cash equivalents	143,079	123,604	34	101,639
Cash and cash equivalents at the beginning of the period	260,278	279,427	185,513	221,208
Cash and cash equivalents at the end of the period	**403,357**	**403,031**	**185,547**	**322,847**

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.

In 2007 the Parent Company proceeded to the spin- off of its RES activity and its contribution to its wholly owned subsidiary PPC Renewables S.A.
On 01.12.2011 the Parent Company proceeded to the spin – off of its General Division of Transmission and the contribution to its wholly owned subsidiary "Independent Power Transmission Operator" (IPTO S.A.).
On 01.05.2012 the spin –off of the General Division of Distribution was completed by its contribution to PPC's wholly owned subsidiary "Hellenic Electricity Distribution Network Operator" (HEDNO S.A.).
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 June 30, 2014, the number of staff employed by the Group was 18,969 (2013: 19,854).
At June 30, 2014, 99 employees of the Group (2013: 110), have been transferred to several State agencies (ministries, organizations, etc.) out of which, 95 were compensated by PPC (2013: 102). The total payroll cost of such employees, for the first half of 2014 amounted to Euro 1,846 (2013: Euro 2,114) and is included in the income statement.
Additionally, PPC's transferred employees in TAYTEKO-KAP/DEI amounted to 374 for whom payroll at June 30, 2014, amounted to Euro 8,359.

PPC Group generates electricity in its own 62 power generating stations of the Parent Company and from the additional stations which belong to its wholly owned subsidiary PPC Renewables, facilitates the transmission of electricity through its own power lines of approximately 12,179 kilometres (out of which 11,230 kilometres is owned by its wholly owned subsidiary Independent Power Transmission Operator (IPTO S.A.) and distributes electricity to consumers through its own distribution lines for Medium and Low voltage of 234,145 kilometres which are managed by its wholly owned subsidiary "Hellenic Distribution Network Operator (HEDNO S.A.)" (Medium and Low voltage).

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 2,000 kilometres of fibre optics network along its transmission lines, approximately 161.6 kilometres of urban underground fibre optics network and approximately 17 kilometres of underwater fibre optics network.

2. LEGAL FRAMEWORK

GENERAL PROVISIONS FOR THE INTERNAL ELECTRICITY MARKET – 1st HALF 2014

- On May 7, 2014 RAE, has submitted into public consultation its proposal for the creation of a regulated forwards market for the access of Suppliers to energy from lignite and hydro generation. According to RAE's proposal, the forward products will be available through a regulated process of auctions, and will correspond to energy accounting to 25-30% of the total annual lignite and hydro generation of PPC. Owners of supply license, except of PPC, will be eligible to participate in the auctions only to serve the domestic load. Taking under consideration the results of the first public consultation, RAE will proceed to a specification and final wording for the creation of a regulated forwards market, which will be put to the final consultation. For now the first public consultation by RAE has been completed and its analytical suggestions and the final public consultation, according to the above mentioned planning.

2. LEGAL FRAMEWORK (CONTINUED)

- By the Ministerial Act 15/24.7.2013 (OG A 168/24.07.2013) the restructuring and privatization of PPC was approved, which includes three main steps :
  1. Ownership unbundling of IPTO SA.
  2. Creation of a new integrated electricity company (providing in detail the process of selling).
  3. Privatization of PPC.

- The law 4237/2014 on the ownership unbundling of IPTO SA was voted by the Hellenic Parliament on 06.02.2014 and was published in OG A' 36/12.2.2014. Certain provisions of the original Decree have been amended (OG A' 168/24.07.2013) to simplify the process of the full ownership separation of IPTO SA by PPC SA and the acquisition by the Greek government of 34% of the shares of the company is specified by ensuring registered minority. The signing of sale and purchase of shares representing 66 % of the shares issued by IPTO SA (Share Purchase Agreement or SPA) with the preferred investor that will have been chosen will take place in the second quarter of 2014. This time limit has already been abolished by art. 14 of L. 4273/2014 (OG A' 146/11.07.2014). Finally, it is noted that the amount for the acquisition of the shares representing 34% that will revert to the Greek government may be paid by offsetting due taxes, fees or other requirements of the Greek State towards PPC, from any cause they arise, including future claims and rights.

- In April 2014, the Parent Company's BoD has approved the publishing of an expression of interest (EoI) for the acquisition of of 66% of IPTO's shares. In May 2014, the Parent Company announced that the first phase of the tender process for the acquisition of the 66% of the share capital of IPTO has been completed. Five (5) expressions of interest (EoI) were submitted, of which only one of them to be rejected and therefor the following four companies (in alphabetical order) continue on the second phase of the procedure:

  1.Consortium Elia System Operator S.A. & IFM Investors Pty Ltd
  2.Public Sector Pension Investment Board
  3. State Grid International Development Limited
  4. TERNA-Rete Elettrica Nazionale Società per Azioni

  In the second phase the shortlisted investors will have the opportunity to contact a full due diligence and will be invited to submit binding financial offers for the acquisition of the 66% shares of IPTO. A virtual data room is already in operation while the first IPTO's management presentations have already taken place to the four selected investors. HSBC Bank Plc, Citigroup Global Markets Ltd and NBG Securities are acting as financial advisors while KLC and Norton Rose Fullbright as legal advisors and PricewaterhouseCoopers as tax – accounting advisors of PPC in the tender process for IPTO.

- By the Law 4273/2014 (OG A' 146/11.07.2014), the creation of a new vertically integrated electricity company in terms of assets, liabilities, human resources and customer base is foreseen. Its activity will be extended in all electricity market branches, i.e. generation, supply and trading. The new company will be contributed by the following generation mix of PPC SA :
  a) the Amyntaion Power Station (Generation Units I & II) with a generation capacity of 600 MW, the Meliti I Power Station with a generation capacity of 330 MW and the license for the future Meliti II Power Station with a generation capacity of 450 MW all of which are lignite power plants
  b) all PPC's mining rights on the lignite concession rights of the Amyntaion (including the Lakkia mine), Kleidi, Lofoi Melitis, the Komnina I & II and the Vevi mines
  c) the Platanovrisi (116 MW), the Thesavros (384 MW), the Agras (50 MW), the Edesseos (19 MW) and the Pournari I & II (334MW) hydro-power plants and
  d) the Komotini natural gas power Plant with a generation capacity of 485 MW.

  The new company will also be granted with PPC's electricity supply contracts, together with the ancillary legal relationships and other Supply assets, without the consent of its customers and without the need for these contracts to be drawn up in writing. PPC will be required for a six month period after the completion of the spin – off to refrain from any form of cherry picking policy in re – attracting the customers whose electricity supply contracts were granted to the new company. No electricity supply contracts under the "Supplier of Last Resort" and the "Supplier of Universal Service" regimes as well as those with customers in the Non Interconnected Islands will be granted to the new company. It is noted that the supply contracts to be granted are defined by a decision of PPC's BoD, issued on the basis of a relevant study of experts, in order for them to account for 30% of the total supplied energy of PPC's client base and approximately a 30% of the total of supply contracts per basic and special client category.

2. LEGAL FRAMEWORK (CONTINUED)

PPC SA will sell all issued shares of the new company to the interested persons who will be elected through an open, international and by the highest bid tender. The price to be achieved through the tender process for the sale, by PPC SA, of the issued shares shall be at least equal to the total book value of the assets transferred, as determined by the international accounting standards, in the first balance sheet to be prepared by the company after the contribution of the sector.

With the completion of the spin-off and, where appropriate, the establishment of a new company, the transfer of assets takes place automatically with near universal succession and the new company shall automatically assume all rights and obligations of PPC relating to the assets and liabilities of the contributed branch.

- The decision of the Interministerial Committee for Restructurings and Privatization was published (Decision 249 – OG B 864/8.4.2014) for the transfer, at no consideration, from the Hellenic State to the HRADF SA , of PPC SA 39,440,000 common shares with voting rights, which corresponds to about 17% of the total paid share capital of the company.

- The Law 4254 was entered into force which, among other, rectifies significant changes to the RES regulatory framework, with the most important of them to be as follows :

    - Redefinition of the compensation amount for the electricity sold by the operating RES and CHP stations, depending on the connection quarter, the installed capacity, the making of investment by using public or non-public aid and on the technical criteria (i.e CHP stations)
    - Removal of the existing provisions for readjustment of sales prices based on prices of the consumer price index rate
    - HEMO / HEDNO will adjust, where necessary, the compensation prices of the energy produced by the entry into force of this Act and will establish a relevant table within four months, which will be notified to RAE and YPEKA .
    - Finally, it is noted that the generation licences and the connection terms offers suspension for the new P/V stations, which had been imposed by the Minister of PEKA in August 2012, is withdrawn.

- The specific regulatory measures of limited duration (up to September 30, 2014) are still in force (Decisions 338/2013 and 339/2013), which are the following :

    a) Immediate withdrawal of the margin of the variable cost recovery mechanism, i.e. from 10% today to 0% whilst the mechanism itself is fully repealed on 1st July 2014. Although market participants and mainly independent power producers expressed their fear for stability problems in the System resulting from the abolition of the mechanism, RAE decided not to extend its validity. At the same time it decided the daily monitoring, by IPTO, of the market so that it can, at any time, take decisions for facing potential problems, either by the activation of the variable cost recover mechanism even for one day or by other appropriate measures. It has also asked from IPTO and LAGIE to express their views on the critical question of the System stability problem.

    b) Removal, from 1st January 2014, the 30% rule on the bidding of the plants.

    c) Direct reorganization of the capacity assurance transitional mechanism. The existing mechanism remains in force, with important differences.

These measures, as already noted, will be applied until the new mechanisms and measures that already have been proposed and specified by the RAE, under the initiative of the overall reorganization of the domestic electricity market, will replace them.

2. LEGAL FRAMEWORK (CONTINUED)

- In relation to the specificity by RAE of the new measures, as mentioned above, a joint study by RAE, LAGIE and IPTO is prepared entitled : "Basic Principles of the Design and Roadmap for the adaptation of the domestic electricity market to the requirements of the target model". In the context of the work group, the international consultant ECCO International Inc is preparing the above study which contains three phases for the complete redesign of the domestic wholesale market and the proposals for the detailed roadmap. The first phase has already been completed , describing the forward contracts market, the possibility for bilateral contracts between producers and suppliers out of the daily market, the bids per unit (like Italy) and not per portfolio of units (like France, Germany), the change of rules for the daily market and the bidding procedure, the change of the Day Ahead Scheduling resolving methodology (DAS, continuous intraday trading), creation of a discrete ancillary services market and balancing market. The above regulations are extensively analysed in the second phase of the project being already in process, while the completion of the whole project is expected in September 2014 where it will be put on a public consultation.

- RAE, with its Decision 111/2014, defined that PPC's Units: Ptolemais 1, Megalopoli 1 and 2, Lavrio-Keratea I, Aliveri 3 and 4 and LIPTOL 1 and 2 as the units corresponding to the new units Lavrio-Keratea V and Aliveri V decided the final decommissioning of Megalopoli units 1 and 2 and LIPTOL units 1 and 2, after PPC's proposal and IPTO's agreement, according to to the provisions of L. 4001 and the Grid Control Code. The position in cold reserve of the units Aliveri 3 and 4 and Lavrio-Keratea was still being examined.
  With a later Decision (343/2014) it announced that the units Aliveri 3 and 4 and Lavrio-Keratea 1 are being posed in cold reserve status by the end of 2015, according to the provisions of the Grid Control Code because of their necessity for the supply security of the System. IPTO will manage each unit in cold reserve through contracts to be concluded with PPC S.A.

HELLENIC ELECTRICITY TRANSMISSION SYSTEM (HETS)

- The Ten-Year Development Program of the Hellenic Electricity Transmission System for the period 2014-2023 was approved (RAE's Decisions 560/2013/OG B' 3297/24.12.2013 and 77A/2014/OG B΄556/05.03.2014, respectively).

- The 2013 Annual Report of the Compliance Officer of the IPTO, concerning the new measures taken by IPTO SA on the implementation of the Compliance Program was approved.
  The conditions in which that report is published shows the specificity of the impending change in the ownership of the company provided by L.4237/2014, with the sale of most of the shares of the parent company PPC SA to a private investor (66%) and to the State (34%). Once the transfer of ownership is completed, the company will no longer be a subsidiary of the vertically integrated company and therefore will not be subjected, according to Directive 2009/72/EC, to the Independent Transmission Operator (ITO) model. The Supervisory Board and the Compliance Officer are not foreseen by the Directive and may be repealed by the new law regulating the Operator status under the new ownership.

  This report is structured in four axes :
  - The independence of the company against the shareholder, as well as the trade relations with PPC group, for which special arrangements are provided for.
  - The compliance measures taken by the company, the Compliance Program and the proposed reforms.
  - The main functions of the company, emphasizing on the points that require special attention in terms of the compliance.
  - The conclusions and recommendations for significant improvements

- The guarantees for 2014 were approved, according to art. 179 of the Grid Control Code and the Market Manual (RAE's Decision 44/2014).

- RAE has approved the calculation basis for the cost of losses proposed by the Transmission Operator and defined the Losses Unit Cost in the context of the of the ITC implementation, for the year 2014, to 65€/MWh (OG B' 501/2014)

2. LEGAL FRAMEWORK (CONTINUED)

- The transmission system use charges were defined for the year 2014 (RAE's Decision 195/2014). The new charges, which will apply from June 1st 2014, results into the following changes per customers categories :

    - A reduction of 4.9% for the High Voltage (large industries) unit charges compared to current rates
    - A decrease of 29% for the Medium Voltage (medium- sized industries , large and medium-sized commercial and small business) unit charges transmission charges, compared to current rates
    - An increase of 0.5% and 0.8% (for both System and Network usage fees) for the Low Voltage (households) charges, compared to current rates

  Furthermore the rate of return on the Regulated Asset Base (nominal, pre-tax) was increased to 8,5% versus the older 8%.

- The calculation methodology for the required revenue of the Operator of the hellenic electricity transmission system as well as the relevant articles amendments of the grid control Code were defined by RAE's Decisions 339/2014 and 340/2014, where the definition of the regulatory period, the parameters defining the required revenue, the establishment of the regulatory asset base and the motivation mechanisms for the calculation of the regulated charges are described.

HELLENIC ELECTRICITY DISTRIBUTION NETWORK (HEDN)

- The operation code of electrical systems of the Non Interconnnected Islands (NII Code) was adopted by RAE's Decision (OG B' 304/11.02.2014). It's application was predicted to occur gradually through a 5 year transitional phase, which was considered necessary for the gradual development and installation of the necessary infrastructure and the appropriate and adequate staffing of the NII Operator.

- Following a public consultation RAE has published the calculation methodology of the compensation for PSOs in the Non- Interconnected islands (RAE Decision 14/2014, OG B' 270/07.02.2014) (2013: Euro 811,278)

- The fair return on the value of the regulated asset base was also defined, based on the nominal pre-tax interest rate in applying the methodology of calculation of the compensation for covering the PSO provision cost in the NII as well as on the Contracts between HEDNO and PPC as a supplier and generator of conventional units in NII. The fair return for the generation activity in NII for the years 2012 and 2013 was established to be the nominal pre-tax rate of 8 %. For the year 2014 (and till the readjustment of the return for the monopolistic activities of transmission and distribution systems) the nominal pre-tax rate of 8 % will be applied as the fair return for the same methodology implementation, for the Contracts and for the participation of the producers in the NII.

- By RAE's Decision 82/2014 the terms and restrictions of the Exclusivity License for HEDN granted to PPC, according to Art. 122 of L.4001/2011, were defined while by RAE's Decision 83/2014 HEDNO was awarded HEDN's Management License according to art.126 of L. 4001/2011.

- The budgeted weighted variable cost of the conventional units electricity generation in the non-interconnected islands was defined for the first half of 2014, at 170.04 €/MWh (RAE's Decision 138/2014), while the prior year average variable cost of the energy generated from conventional units in the non-interconnected islands for 2013 was defined at 177,34 €/MWh (RAE Decision 313/2014).

- Following RAE's Decision 665/2013 and HEDNO's S.A. Final Proposal for the improvement and the redesign of the "Guaranteed Services" Program, RAE approved HEDNO's S.A. "Guaranteed Services" Program for the first period from 01.04.2014-31.12.2015 with being entry into force at 01.04.2014 (Decision 165/2014)

2. LEGAL FRAMEWORK (CONTINUED)

- The distribution network use charges were defined for the year 2014 (RAE's Decision 196/2014). The new charges, which will apply from June 1st 2014, result into the following changes per customers categories :
    - For customers connected to the medium voltage (medium-sized industries, large and medium-sized commercial and small business), the use of network charges are decreased by 1.8% for the energy part and are increased by 3.4% for the capacity part.
    - For household customers at low voltage, the total increase (cumulatively for the System and the Network) is between 0.5% and 0.8%.

Furthermore the rate of return on the Regulated Asset Base (nominal, pre-tax) was increased to 8,5% versus the older 8%.

CODES AND MANUALS

- LAGIE announced to the participants that under Article 25 of the Power Exchange Code, from January 1st 2014, and especially for the first step of the stepwise function of the thermal units energy injection priced bid, the submission of energy price lower than the administratively defined minimum energy offer price will not be allowed for energy quantity not exceeding 30% of the total amount of energy available to an allocation period (paragraphs 1 and 2 of Article 25 of the Power Exchange Code not valid anymore).

PUBLIC SERVICE OBLIGATIONS (PSOs)

- To ensure public service obligations supply (PSOs) in the electricity sector, a legislative regulation was published (L.4067/2012 - OG A' 79 / 9.4.2012) according to which, from 1.1.2012 the persons liable for the PSOs are the respective users of each electricity supply, in order for the electricity suppliers to be able to provide electricity continuously and without impediments. The PSO charge is paid to the above mentioned suppliers with a distinct charge to the bills they receive. By the effect date of the above mentioned Law the Ministerial Decision of the Ministry for the Environment, Energy and Climate Change 1.17/2123/2857/2010 and RAE' Decision 1527/2011 are abolished. In article 36 para. 2 of the same Law the complete hedging for the PSOs provision cost by the Suppliers, was enacted since it is defined that "From the revenues of the special account a full hedging is paid to the Supply Licenses' holders that provide PSOs"

- The maximum limit of the annual customer charge per consumption point, for covering the PSOs charges for the year 2014, was defined to Euro 803.977 (Decision 84/2014).

- Based on the methodology that was defined for the annual accountably calculation of the compensation for providing PSOs in the non-interconnected islands (NII), the final compensation for this service were defined in order for the relevant settlements to take place : a) the annual compensation amounts for 2012 and 2013, per NII system, owed to the sole supplier PPC SA are Euro 783.974 and Euro 771.201 respectively, b) the annual compensation amounts for the large families tariffs for 2012 and 2013 are Euro 11.480 and Euro 10.900 respectively and c) the annual compensations for the social household tariffs for 2012 και 2013 are Euro 15.092 and Euro 33.633 respectively (RAE Decision 356/2014 – OG B 1873/10.7.2014). For these amounts to be reflected in the electricity bills, a legislative act is required.

PPC TARIFFS

- On RAE's opinion, a new special tariff in the context of Social Household Tariff was established, which will cover the vulnerable customers taking part on common meals organized by Municipalities, Church and Prefectures (integrated in social and welfare facilities) on November 1st 2013, and who have been disconnected from the power grid, due to arrears to the supplier. The tariff will concern the free provision of electricity, as for its competitive part. There will a charge only for the regulated charges, third parties (municipalities, NERIT) charges and taxes. Any arrears will remain valid and will not be written off. The inclusion in the new special tariff will be valid for a four month period. The free consumption limit for the four months will be the amount of 800 kWh (RAE Opinion 1/2014).
- A new class of beneficiaries, persons being unemployed for a time period less than the one covered by SHT, was established to meet the need to provide cheaper electricity. The beneficiaries of this class are directly controlled by the Employment Agency for the quarterly period of continuous unemployment, but retrospectively for whether their income meets the criteria, so that there will be a direct response to the real needs. After one year of inclusion, that class will be merged with the already existing SHT class. Moreover, the institutional framework is created to cover vulnerable consumers who are disconnected from the distribution network due to debts, in order to be reconnected in the status of a reduced tariff for covering their basic energy needs (OG 1657/23.6.2014 - Modification of 16027 Ministerial Decision for the Implementation of the Social Household Tariff, which puts it into force.

2. LEGAL FRAMEWORK (CONTINUED)

- In order to be harmonized with European rules PPC SA proceeded with new cost reflective tariffs in certain categories, applied as from July 25, 2014. The adjustments are based on the reduction of cross-subsidies and lead to a proportional pricing of the consumption based on the cost.

  In summary, the changes in PPC electricity tariffs concern :

  - For the professional invoice Γ21, for the vast majority of professionals, including public spaces, the weighted average reduction is 3.4% in the total bill.
  - For the professional invoice Γ22, the weighted average reduction is 1% in the total bill.
  - For the professional invoice Γ23, the weighted average reduction is 2.2% in the total bill.
  - The removal of the household billing scale consumption up to 800 KWh for a four month period and its integration to the next scale, which in turn leads to a weighted average increase of 11.1% in the total bill.
  - The tariffs of all other household customers who consume more than 800 KWh or a four month period remain unchanged, as well as the night tariff which is used internationally and widely, to promote the rational use of energy.
  - The total number of vulnerable consumers and those integrated into the SHT are not affected.

ETMEAR – SPECIAL FEE FOR THE REDUCTION OF CO2 EMISSIONS (ex RES Fee)

- According to RAE's Decision 175/2014 the new weighted readjustment of ETMEAR was defined at 19,73€/MWh, valid from 1st April 2014, so as to achieve the by Law 4111/2013 mandatory target of achieving a zero deficit at the end of 2014. Similarly the allocation coefficients of the Special Fee revenues, the final amounts of the allocated required revenue by the Special Fee and the charges of the Special Fee per Customer category were also defined. For the accurate determination of the amount of the readjustment it was taken into account, inter alia, the following: a) the voting of L.4254/2014, where additional provisions are introduced for the improvement of the Special Account, through which an additional saving is achieved, and b) the calculation of the required revenue from ETMEAR for the period April - December 2014 at 781.57 million €, according to the last Monthly Bulletin of the Special Account of RES & CHP of LAGIE SA).

- By voting L.4254 and until the completion of the pending procedure for assessing its impact on the sustainability of the special account (which is expected to be completed in late September 2014), RAE considered appropriate to maintain the same level of ETMEAR unit charges for all categories of customers, according to the decision 175/2014 (RAE Decision 355/2014). Simultaneously it continues to monitor the progress of the procedures integration for the implementation of Law 4254/2014 and the assessment of the effects of the implementation, taking into account the data and the Monthly Bulletin Monitoring of the Special Account of LAGIE SA, by monthly calculating and publicizing the inputs and outputs progress in relation to the balance of the Special Account. Based on these data, within the second half of 2014 it will take a new decision on the level of ETMEAR unit charges, if necessary and at levels that will be finalized in the same Decision of the Authority, in case the measures for the final settlement of the above obligation of balancing the special Account have not sufficiently worked.

- According to the ministerial Decision 4123/5.3.2014 of the Minister of Environment and Climate Change the calculation methodology of ETMEAR was modified so that the ETMEAR charge for medium voltage customers with a total consumption of more than 13 GWh per supply will correspond to the High Voltage ones.

- Furthermore the maximum annual Customer charge per consumption of ETMEAR was determined in the amount of 991.000 €. for 2014 (RAE's Decision 85/2014).

OTHER ISSUES

- RAE's Decisions were published a)regarding the approval of the Annual Load Balancing Planning of the natural gas transmission System for the Year 2014 and the approval of the capacity part of ESFA bound by DESFA SA for the load balancing for the Year 2014 (Decision 637/2013), b) the approval of amendments of the Annual Load Balancing Planning for the Year 2013 and the approval of the capacity part of ESFA bound by DESFA SA for the load balancing for the Year 2013 (Decision 636/2013).

- The annual compensatory fees for RAE were readjusted for 2014 according to the rate change of the Consumer Price Index for the year 2013, applicable to those participating in the electricity market. For the licensed Generators, the amount is set at 8,26 €/MW, while for the licensed Suppliers is set at 0,07 € / MW (RAE Decision 101/2014).

2. LEGAL FRAMEWORK (CONTINUED)

- RAE submitted to the Ministry for the Environment, Energy and Climate Change its final proposal for the modification of L. 4001/2011 aiming at the implementation of the necessary provisions concerning the a) activity of operating the charging infrastructure for electric vehicles and b) the activity of charging the electric vehicles.

- By the Law 4278/2014 it was decided that the debts to PPC by the entities of the General Government of Attica, resulted from electricity consumption for lighting of streets and other public spaces and from the operation of traffic lights, for the period up to 31/12/2013 have to be paid off. The amounts per year and per entity as well as the procedure for the payment of the related costs will be specified in a ministerial decree.

3. BASIS OF PREPARATION ND 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 six month period ended June 30, 2014 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, 2013 made publicly available.
The accompanying 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.

Approval of Financial Statements: The Board of Directors approved the accompanying financial statements for the six month period ended June 30, 2014, on August 28th, 2014.

3.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group as of 1 January 2014:

- IAS 28 Investments in Associates and Joint Ventures (Revised)
- IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities
- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets
- IFRIC Interpretation 21: Levies

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
  As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, 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. This revision has no impact on the Group's financial position or results.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
  These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify 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. This revision has no impact on the Group's financial position or results.

- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**
  IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses 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 set in IAS 27. This revision has no impact on the Group's financial position or results.

- **IFRS 11 Joint Arrangements**

  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 revision has no impact on the Group's financial position or results.

- **IFRS 12 Disclosures of Interests in Other Entities**
  IFRS 12 includes all of the disclosures that were previously included in IAS 27 relating to the 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 revision has no impact on the Group's financial position or results.

- **IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting**
  Under the amendment there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The IASB made a narrow-scope amendment to IAS 39 to permit the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument. This revision has no impact on the Group's financial position or results.

- **IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets**
  These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognized or reversed during the period. This revision has no impact on the Group's financial position or results.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- **IFRIC Interpretation 21: Levies**
  The Interpretations Committee was asked to consider how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. This Interpretation is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This revision has no impact on the Group's financial position or results.

In addition to those standards and interpretations that have been disclosed in the financial statements for the year ended 31 December 2013, the following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted from the Group:

- **IAS 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortization**
  The amendment is effective for annual periods beginning on or after 1 January 2016. The amendment provides additional guidance on how the depreciation or amortization of property, plant and equipment and intangible assets should be calculated. This amendment clarifies the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IAS 19 Defined Benefit Plans (Amended): Employee Contributions**
  The amendment is effective from 1 July 2014. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IAS 27 Separate Financial Statements (amended)**
  The amendment is effective from 1 January 2016. This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and will help some jurisdictions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors. This amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- **IFRS 9 Financial Instruments: Classification and Measurement and subsequent amendments to IFRS 9 and IFRS 7-Mandatory Effective Date and Transition Disclosures; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39**
  The new Standard is effective for annual periods beginning on or after January1st, 2018. IFRS 9 reflects IASBs work on the replacement of IAS 39 and is being published in three phases. Phase 1 applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurement of financial liabilities. In phases 2 and 3, IASB will address hedge accounting and impairment of financial assets, introducing additional accounting requirements for financial instruments, though a substantial revision of hedge accounting allowing entities to better reflect their risk management activities in the financial statements, as well as changes on the so-called ‘own credit’ issue treatment. This standard and subsequent amendments have not yet been endorsed by the EU. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

- **IFRS 11 Joint arrangements (Amendment): Accounting for Acquisitions of Interests in Joint Operations**
  The amendment is effective for annual periods beginning on or after 1 January 2016. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions. The amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group’s financial statements.

- **IFRS 14 Regulatory Deferral Accounts**
  The standard is effective for annual periods beginning on or after 1 January 2016. The aim of this interim standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities, whereby governments regulate the supply and pricing of particular types of activity. This can include utilities such as gas, electricity and water. Rate regulation can have a significant impact on the timing and amount of an entity’s revenue. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This standard has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group’s financial statements.

- **IFRS 15 Revenue from Contracts with Customers**
  The standard is effective for annual periods beginning on or after 1 January 2017. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard’s requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity’s ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard has not been yet endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group’s financial statements.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The **IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of those amendments on the Group's financial statements.

- ***IFRS 2 Share-based Payment:*** This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').
- ***IFRS 3 Business combinations:*** This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.
- ***IFRS 8 Operating Segments:*** This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
- ***IFRS 13 Fair Value Measurement:*** This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.
- ***IAS 16 Property Plant & Equipment:*** The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
- ***IAS 24 Related Party Disclosures:*** The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
- ***IAS 38 Intangible Assets:*** The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

The **IASB has issued the Annual Improvements to IFRSs 2011 – 2013 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of those amendments on the Group's financial statements.

- ***IFRS 3 Business Combinations:*** This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
- ***IFRS 13 Fair Value Measurement:*** This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
- ***IAS 40 Investment Properties:*** This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

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

3.3 CHANGES IN ACCOUNTING METHODS

In the first half 2014 the Parent Company has amended the method for estimating the provision for trade receivables. Due to this amendment there was a positive impact of Euro 68.4 mil. in the Group and the Parent Company's statement of income.

4. SEASONALITY OF OPERATIONS

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

5. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	30.06.2014	**30.06.2013**	**30.06.2014**	**30.06.2013**
Current income taxes	52,656	20,698	49,194	17,508
Deferred income tax	(6,446)	19,188	(22,552)	22,172
Additional taxes	84	3,214	84	3,214
Total income tax expense	**46,294**	**43,100**	**26,726**	**42,894**

Based on the provisions of L. 4110/2013 the tax rate for legal entities is set to 26% for income acquired from 01.01.2013 onwards and therefore companies of the Group that have their residence in Greece are subject to an income tax of 26%.

Tax returns for companies with residence in Greece are filed annually but profit or loss 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. The Group forms a provision when necessary, per case and per company, in anticipation of future taxes that might be imposed by the tax authorities.

Based on the applicable Income Tax Code, from the financial year 2011, certified auditors issue an "Annual Tax Conformity Report" 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".
The tax audit for the Parent Company for the year 2013 was completed by its auditors issued a tax conformity report with an "unmodified opinion".
In addition by January 2014, the Centre for Auditing Big Companies is executing a tax audit for the years 2009, 2010 and 2011, which is underway.
Finally in the year 2014 the tax audit for HEDNO S.A was concluded for the years 2002 up to 2011 by the competent tax authorities. The above mentioned audited years were exclusively regarding the preexistent of HEDNO company PPC Rhodes S.A.. The total amount of tax differences amounted to Euro 10.

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

5. INCOME TAXES (CURRENT AND DEFERRED) (continued)

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	2010
- HEDNO S.A.	Greece	2012
- IPTO 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
- PPC FINANCE PLC	United Kingdom	2009
- PPC QUANTUM ENERGY LTD	Cyprus	-
- PPC BULGARIA JSCo	Bulgaria	2014
- PPC Elektrik Tedarik ve Ticaret A.S.	Turkey	2014
- PHOIBE ENERGIAKH S.A.	Greece	2007

As at 31.12.2013, the Parent Company recognized a deferred tax liability on the difference between the accounting and tax basis of the value of its investment in the subsidiary IPTO S.A., after Law 4237/2014 was voted on February 4 , 2014 relating to the ownership unbundling of the subsidiary IPTO S.A. More precisely, the value of the investment in PPC's tax books amounts to Euro 38.444, while the respective value in the accounting books amounts to Euro 916.376. By applying on the difference of Euro 877.932 the current income tax rate of 26%, a differed tax liability of Euro 228.262 is derived.
Part of this surplus value arising in the tax books, of an amount of Euro 589.615, originates from the reserve of Law 2941/2001 relating to the spanned off Transmission segment which was transferred to IPTO S.A. in its capacity as a sole successor. In accordance to paragraph 3, case (6), of article 98 of Law 4001/2011, all tax or accounting transactions which were conducted by PPC and related to the segment and which relate to future benefits or liabilities, are transferred to IPTO S.A.
Consequently, upon the disposal of IPTO S.A. and the payment by the Parent Company of the respective income tax deriving from the difference between the sale consideration and the tax book value, the reserve of Law 2941/2001 (Euro 589.615) is considered as taxed and thus IPTO S.A. in its capacity as a sole successor of PPC S.A., is eligible to transfer this reserve to retained earnings and thus making it available for distribution without payment of any additional income taxes

6. INVESTMENTS IN SUBSIDIARIES

The Parent Company's subsidiaries are as follows:

	Company	
	30.06.2014	**31.12.2013**
IPTO S.A	916,376	916,376
HEDNO S.A.	56,982	56,982
PPC Renewables S.A.	135,899	135,899
PPC FINANCE PLC	59	-
PPC BULGARIA JSCo	522	-
PPC ELEKTRİK TEDARİK VE TİCARET A.S	169	-
PPC Quantum Energiaki Ltd	-	-
Total	**1,110,007**	**1,109,257**

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

6. INVESTMENTS IN ASSOCIATES (CONTINUED)

Payments for share capital increases

PPC Finance Plc
In May 2014 the payment for the increase of PPC Finance Plc's share capital of a total amount of Euro 65.6, was completed by its shareholders. In particular, PPC S.A. paid the amount of Euro 59 (90%) while PPC Renewables paid the amount of Euro 6.6 (10%).

PPC ELEKTRİK TEDARİK VE TİCARET ANONİM ŞİRKETİ
In May 2014 the Parent Company has proceeded to the payment of Euro 169 for the increase of the share capital of its wholly owned subsidiary PPC ELEKTRIK TEDARIK VE TIC.

PPC BULGARIA JSCo
In June 2014 the Parent Company has proceeded to the payment of Euro 522 for the increase of the share capital of PPC BULGARIA JSCo, its subsidiary by 85%.

PPC Renewables S.A.
In July 2014 the Parent Company has proceeded to three payments of a total amount of Euro 15 mil. for the increase of its wholly owned subsidiary PPC Renewables' share capital.

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

Name	Ownership Interest		Country and Year of Incorporation and activity	Principal Activities
	30.06.2014	31.12.2013		
PPC Renewables S.A.	100%	100%	Greece - 1998	RES
HEDNO	100%	100%	Greece - 1999	HEDN
IPTO	100%	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
PPC Finance PLC	100%	100%	UK - 2009	Financing Services
PPC Quantum Energy Ltd	51%	51%	Cyprus, 2011	Engineering, construction and operation of a power plant
PPC BULGARIA JSCo	85%	-	Bulgaria - 2014	Supply of power
PPC Elektrik Tedarik ve Ticaret A.S.	100%	-	Turkey - 2014	Supply of power
PHOIBE ENERGIAKI PHOTOVOLTAIKA S.A	100%	100%	Greece -2007	RES

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

7. INVESTMENTS IN ASSOCIATES

The Group and the Parent Company's associates on 30.06.2014 and 31.12.2013 are as follows (equity method):

	Group		Company	
	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Larco S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	2,170	2,225	-	-
PPC Renewables TERNA Energiaki S.A.	2,074	1,988	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,054	2,264	-	-
PPC Renewables MEK Energiaki S.A.	2,270	1,936	-	-
PPC Renewables ELTEV AIFOROS S.A.	2,237	2,166	-	-
PPC Renewables EDF EN GREECE S.A.	10,874	10,925	-	-
Good Works S.A.	85	86	-	-
Aioliko Parko LOYKO S.A.	-	-	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	-	-	-	-
Aioliko Parko KILIZA S.A.	-	-	-	-
Aioliko Parko LEFKIVARI S.A.	7	8	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	1	2	-	-
Renewable Energy Applications LTD	27	27	-	-
WASTE SYCLO S.A.	41	-	162	49
PPC Solar Solutions A.E.	967	-	980	-
	22,807	**21,627**	**1,142**	**49**

In May and June 2014, the Parent Company has proceeded to the payment of Euro 480 and Euro 500, respectively for the increase of PPC Solar Solutions' share capital.

The full list of the Group's and the Parent Company's associates are as follows:

Name	Note	Ownership Interest 30.06.14	Ownership Interest 31.12.13	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 ELTEV AIFOROS S.A.		49.00%	49.00%	Greece – 2004	RES
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece – 2007	RES
EEN VOIOTIA S.A.	1	46.60%	46.60%	Greece – 2007	RES
Good Works S.A.		49.00%	49.00%	Greece – 2005	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko MAMBO VIGLIES 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
PPC Solar Solutions S.A.		49.00%	-	Greece - 2014	RES

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

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

8. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of June 30, 2014 and December 31, 2013 are as follows:

	June 30, 2014		December 31, 2013	
	Receivable	(Payable)	Receivable	(Payable)
Subsidiaries				
- IPTO	-	(524,265)	-	(619,057)
- PPC Renewables S.A.	12,649	(827)	10,872	(827)
- HEDNO S.A.	-	(89,085)	-	(150,546)
- PPC Finance Plc	-	(5,468)	-	-
	12,649	**(619,645)**	**10,872**	**(770,430)**
Associates				
LARCO (energy, lignite and ash)	223,610	-	197,854	-
WASTE SYCLO S.A.	-	-	150	-
	223,610	**-**	**198,004**	**-**

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

	30.06.2014		30.06.2013	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
- IPTO S.A.	13,854	(740,437)	3,704	(803,132)
- PPC Renewables S.A.	1,724	-	1,290	-
- HEDNO S.A.	52,232	(166,203)	59,526	(432,951)
- PPC Finance Plc	-	(15,268)	-	-
	67,810	**921,908**	**64,520**	**(1,236,083)**
Associates/Joint Ventures				
Larco	41,524	(4,518)	38,957	(2,768)
WASTE SYCLO S.A.	-	-	-	-
	41,524	**(4,518)**	**38,957**	**(2,768)**

Guarantee in favor of the subsidiary PPC Renewables S.A.
As of 30.06.2014, the Parent Company has guaranteed total loans of Euro 8 mil., through account credit agreements. As of 30.06.2014 PPC Renewables S.A. has used Euro 428, concerning letters of guarantee.

Guarantee in favor of the subsidiary IPTO SA
As of 30.06.2014, the Parent Company has provided guarantees for bilateral loans amounting to Euro 325 mil.
In addition, in March 2014, PPC's BoD has decided to provide an additional guarantee of Euro 12.1 mil. on an existing loan agreement between IPTO and a commercial bank.
In April 2014, PPC's BoD decided to provide guarantee in favor of IPTO for the issuance of a syndicated loan amounting to Euro 337.1 mil. PPC's guarantee will apply for the period that PPC holds the 100% of IPTO's shares. It is noted that the guarantee concerns the existing loans that will be refinanced through the aforementioned syndicated medium term loan. The Parent Company receives commission for rendering this service.

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

8. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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. Furthermore, transactions and balances with the Electricity Market Operator (“LAGIE”), are presented.

	Purchases		Balance	
	30.06.2014	**30.06.2013**	**30.06.2014**	**31.12.2013**
ELPE, purchases of liquid fuel	59,855	67,130	15,092	10,222
DEPA, purchases of natural gas	150,097	96,870	35,152	75,519
	209,952	**164,000**	**50,224**	**85,741**

	June 30, 2014		December 31, 2013	
	Receivable	**(Payable)**	**Receivable**	**(Payable)**
EMO S.A.	110,981	(67,999)	478,585	(478,615)

	30.06.2014		30.06.2013	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
EMO S.A.	99,834	(389,814)	70,847	(144,010)

Further to the above, PPC enters into transactions with many government owned both profit and 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 six month period ended June 30, 2014 and 2013 have as follows:

	GROUP		COMPANY	
	30.06.2014	**30.06.2013**	**30.06.2014**	**30.06.2013**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	114	71	29	28
- Non-executive members of the Board of Directors	60	58	-	-
- Compensation / Extra fees	-	54	-	-
- Contribution to defined contribution plans	26	27	-	-
- Other Benefits	56	53	56	53
	256	**263**	**85**	**81**
Compensation of Deputy Managing Directors and General Managers				
- Regular compensation	342	313	314	285
- Contribution to defined contribution plans	114	105	104	95
- Compensation / Extra fees	-	-	-	-
	456	**418**	**418**	**380**
Total	**712**	**681**	**503**	**461**

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. Also, it does not include the benefit for the electricity supply based on the PPC personnel invoice to the Board of Director members, the Deputy Managing Directors and the General Managers.
Based on L.4110/2013 the above mentioned compensation to members of the Board of Directors is considered income and are taxed accordingly.

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

9. NET BORROWING

During the first half of 2014, the Group proceeded to debt repayment amounting to Euro 519,7 mil. (Parent Company: Euro 517,5 million including Euro 452 million from the senior notes issued in May 2014 for the equal partial prerepayment of the Syndicated Loan with the Greek Banks),

At the same period the Parent Company disbursed Euro 98 million from the Euro 739 million bond loan, for the partial financing of the construction costs of the new lignite – powered unit "PRTOLEMAIDA V", contracted with a syndication of foreign banks and supported by the German Credit Export Agency "Euler Hermes".

In March 2014 PPC disbursed the proceeds of the first contract of Euro 235 million that was signed, as part of the Euro 415 million financing line approved by EIB (a contract guaranteed by the Greek State) , for investments and upgrades in the Hellenic Electric Distribution Network of the mainland and the islands for the period 2013 – 2015.

In April 2014 the Parent Company concluded the refinancing of its whole loan portfolio with the Greek lending banks by signing a five year syndicated loan of an amount of Euro 2.23 billion.

In May 2014, the Parent Company through its subsidiary PPC Finance Plc, has priced an offer of Euro 700 mil. Senior Notes. The offer consists of a combination of Euro 200 million Senior Notes due 2017 and Euro 500 million due 2019, at a fixed coupon of 4.75% and 5.50% per annum, respectively. An amount of Euro 452 million from the senior notes was used in May 2014 for the equal partial repayment of the Syndicated Loan with the Greek Banks, achieving a cost reduction of 50 bps (0.50%) on the outstanding amount.

Moreover, negotiations of its subsidiary IPTO S.A. are in progress with all of its lending ΨΟΜΜΕΡΨΙΑΛbank, in order for IPTO to refinance its medium - long term loan obligations through the issuance of a syndicated loan of Euro 337.1 mil.

The loan obligations of the Parent Company and the Group as of 30.06.2014 are presented at the following table:

	GROUP		PARENT COMPANY	
		(reclassified)		(reclassified)
	30.06.2014	**31.12.2013**	**30.06.2014**	**31.12.2013**
Bank Loans	2,289,600	2,087,963	2,180,408	1,976,654
Bonds Payable	3,078,764	2,765,983	2,788,652	2,475,871
Unamortized portion of loan issuance fees	(44,534)	(6,870)	(44,348)	(6,229)
Total	**5,323,830**	**4,847,076**	**4,924,712**	**4,446,296**
Less current portion				
- Bank Loans	119,528	119,338	90,383	90,233
- Bonds Payable	416,976	1,720,675	189,924	1,493,621
Unamortized portion of loan issuance fees	(960)	(1,830)	(846)	(1,378)
Total current portion of loans and borrowings	**535,544**	**1,838,183**	**279,461**	**1,582,476**
Non-current portion of loans and borrowings	4,788,286	3,008,893	4,645,251	2,863,820
Short term borrowings	97,225	97,285	50,000	50,000
Total loans and borrowings	**5,421,055**	**4,944,361**	**4,974,712**	**4,496,296**

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

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

The following tables compare the carrying amount of the Group's and the Company's financial instruments that are carried at amortized cost to their fair value:

	Carrying amount		Fair value	
Group	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Financial Assets				
Trade receivables	1,642,110	1,305,579	1,642,110	1,305,579
Restricted cash	151,996	161,693	151,996	161,693
Cash and cash equivalents	403,357	260,278	403,357	260,278
Financial Liabilities				
Long-term borrowings	4,788,286	3,008,893	4,805,525	3,008,893
Trade payables	1,423,960	1,698,259	1,423,960	1,698,259
Short term borrowings	97,225	97,285	97,225	97,285
Current portion of long term borrowings	535,544	1,838,183	535,544	1,838,183

	Carrying amount		Fair value	
Parent Company	**30.06.2014**	**31.12.2013**	**30.06.2014**	**31.12.2013**
Financial Assets				
Trade receivables	1,576,630	1,248,364	1,576,630	1,248,364
Restricted cash	151,996	161,693	151,996	161,693
Cash and cash equivalents	185,547	185,513	185,547	185,513
Financial Liabilities				
Long-term borrowings	4,645,251	2,863,820	4,662,490	2,863,820
Trade payables	1,314,427	1,690,098	1,314,427	1,690,098
Short term borrowings	50,000	50,000	50,000	50,000
Current portion of long term borrowings	279,461	1,582,476	279,461	1,582,476

The fair value of investments available for sale, trade receivables, restricted cash, cash and cash equivalents, trade accounts payable and financial derivative instruments approximate their carrying amounts. The fair value of the remaining financial assets and financial liabilities are based on future cash flows discounted using either direct or indirect observable inputs and are within the Level 2 of the fair value hierarchy.

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

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

As at June 30, 2014, the Group and the Parent Company held the following financial instruments measured at fair value:

	Fair value		Fair value Hierarchy
Group and Parent Company	30.06.2014	31.12.2013	
Financial Assets			
Investments available for sale	3,680	4,920	Level 1
Financial derivative instruments	4,231	5,813	Level 1

11. AMENDMENTS AND RECLASSIFICATIONS

As of June 30, 2014 the Group and the Parent Company have proceeded to the reclassification of comparative items of the statement of income, as follows:

	Group			Group		
	01.01-30.6.13 published	Reclassification effect	01.01-30.6.13 reclassified	01.04-30.6.13 published	Reclassification effect	01.04-30.6.13 reclassified
Payroll Cost	361,356	109,006	470,362	180,936	54,920	235,856
Fuel	839,353	(369,266)	470,087	431,950	(193,943)	238,007
Depreciation and Amortization	235,234	69,886	305,120	113,630	39,076	152,706
Energy purchases	775,955	34,521	810,476	363,681	12,846	376,527
Transmission system usage	34,461	(34,461)	-	12,817	(12,817)	-
Other(income) / expenses	128,470	190,314	318,784	55,577	99,918	155,495

	Company			Company		
	01.01-30.6.13 published	Reclassification effect	01.01-30.6.13 reclassified	01.04-30.6.13 published	Reclassification effect	01.04-30.6.13 reclassified
Payroll Cost	198,172	109,006	307,178	99,673	54,920	154,593
Fuel	839,353	(369,266)	470,087	431,950	(193,943)	238,007
Depreciation and Amortization	202,654	69,886	272,540	98,102	39,076	137,178
Energy purchases	784,422	36,788	821,210	367,837	13,934	381,771
Transmission system usage	147,809	(34,461)	113,348	69,233	(12,817)	56,416
Other(income) / expenses	42,751	188,047	230,798	10,829	98,830	109,659

These reclassifications were made in order to provide improved information and mainly pertain to the presentation of lignite cost.

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

11. AMENDMENTS AND RECLASSIFICATIONS (CONTINUED)

In addition, the Group and the Parent Company, as of June 30, 2014 have proceeded to the reclassification of certain amounts of the comparative period in the statement of financial position, as follows:

	Group			Company		
	31.12.2013 Published	Reclassification effect	31.12.2013 reclassified	31.12.2013 Published	Reclassification effect	31.12.2013 reclassified
Other non-current assets	44,328	(6,870)	37,458	1,130,935	(6,229)	1,124,706
Long term loans	3,013,933	(5,040)	3,008,893	2,868,671	(4,851)	2,863,820
Current portion of long term borrowings	1,840,013	(1,830)	1,838,183	1,583,854	(1,378)	1,582,476

All the above reclassifications had no impact on the Group's or Parent Company's equity or statement of income.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION

12.1. OWNERSHIP OF PROPERTY

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

1. The Parent Company has completed the registration of its property through a fixed assets registry. These assets (almost entirely) are registered at the relevant land registries over the country and the cadastral application is monitored. The update of the existent in the company new integrated information system for fixed assets management is in progress.
2. In a number of cases, expropriated land, as presented in the expropriation statements, differs (in quantitative terms), with what the Parent Company considers as its property.
3. Agricultural land acquired by the Parent Company 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 The Parent Company's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by the Parent Company for the fulfilment of its purposes.

The property, plant and equipment of the Group are located all over Greece. Currently, the Group does not carry any form of insurance coverage on its property, plant and equipment, except for its information technology equipment, resulting to the fact that if a sizable damage is incurred to its property, might affect its profitability. Materials, spare parts as well as liabilities against third parties are not insured. The Group is currently evaluating the possibility – in the newly formed legal framework, to conduct a tender for the selection of an insurance company to cover for its assets as well as liabilities against third parties.

12.2. LITIGATION AND CLAIMS

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at June 30, 2014 amounts to Euro 2,360 m. as further detailed below:

1. **Cla*ims with contractors, suppliers and other claims:*** A number of contractors and suppliers have raised claims against the Company.
   These claims are either pending before courts or under arbitration and mediation proceedings. The total amount involved is Euro 491 m. In most cases the Group has raised counter claims, which are not reflected in the accounting records until the time of collection.
2. ***Fire incidents and floods*:** A number of individuals have raised claims against the Company for damages incurred as a result of alleged electricity-generated fires and floods. The total amount involved is Euro 35 m and Euro 11 m, respectively.
3. ***Claims by employees:*** Employees are claiming the amount of Euro 191 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 June 30 2014, 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 87,704.000 and aiming in particular to:
   (a) obtain the ownership of a building sold by PPC in 1999 for an amount of Euro 13.294.203. For this particular claim, a series decisions have been issued, the latest being the Decision Nr. 4909/13 of the Multi-Member Court of Appeal of Athens (MMCAA), which eliminated the Decision Nr. 2579/05 of the Multi-Member Court of First Instance of Athens (MMCFIA), which had declared void the transfer of the building, thereby questioning the ownership of PPC over it,

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

(b) obtain the ownership of the ground floor of the above mentioned building, owned by PPC and collect the rents earned by PPC over a specified period of time by renting out the particular property, for an amount of Euro 2.999.642, the outcome of which have been resolved with the Decision Nr. 13/2010 of the Plenary Session of the Supreme Court (PSSC),

(c) obtain the ownership of another building, of an estimated value of Euro 8,000.000. For the above mentioned case, there have been issued the Decision Nr. 13/2010 of the PSSC and the Decision Nr. 4841/13 of the MMCAA (The later eliminated the Decision Nr. 7420/07 of the MMCFIA, which had declared void the transfer of the building, thereby questioning the ownership of PPC over it)

(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 59.392.823. For the above-mentioned matter Decision 495/2008 of the Athens Multi Member Court, Decision 1459/2009 of the Athens Appeals' Court were issued, and a positive outcome is expected by the Supreme Court is expected.

(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 55.000.

(f) Finally, two (2) more lawsuits have been filed against PPC, before the MMCFIA with a total claim of 3.961.923 Euro, and which are to be discussed by November of this year.

The aforementioned cases (b) – (e) are strongly expected to be resolved in favour of PPC pursuant to the recently issued Decision No 13/2010 of the Plenary Session of the Supreme Court regarding the (a) case, according to which invalidates the 2567/2007 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 (20.09.1975) 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, which in turn issued the Decision Nr. 4909/13 MMCAA and the Decision 4841/13 MMCAA in favour of PPC. The aforementioned Decision Nr. 13/2010 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.

5. 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. plus 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.

6. PPC's lawsuit against ETAA (former TSMEDE)

ETAA (former TSMEDE) by its Decision 7/2012 has imposed on PPC the amount of Euro 27.4mil. in application of article 4 of L. 3518/2006, as employer contributions due to the Main pension Branch for the period 01.01.2007 – 30.04.2012 and pertaining to the engineers insured before 01.01.1993 to the above mentioned Insurance Fund, that have been employed by PPC for the above mentioned period.

Against the above mentioned 7/2012 decision of the Insurance Fund in question, PPC has filed the 05.09.2012 appeal to the Athens Administrative Court of First Instance. The date for the discussion of the appeal has been postponed by the court for discussion on 03.11.2014.

Since its employees – who are engineers- are insured mandatorily to PPC's Insurance Fund based on L. 4491/1966, thus resulting to PPC paying on their behalf to the above mentioned Insurance Fund the corresponding employer contributions while insurance for the above mentioned engineers in ETAA is optional and is done by choice, with them paying the corresponding insurance contributions provided for engineers that are independently employed, the Parent Company considers that the possibilities of a negative outcome of its appeal are minimal and therefore has not established a provision.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

7. **Lawsuits against PPC – HEDNO**
   The companies "CANTOR" (former "ENERGA") and "NEW APPLICATION" (former "HELLAS POWER") have filed lawsuits before the MMCFA against PPC, to be discussed on 12.02.15 and 19.02.15 respectively, by which they claim amounts of Euro 520.8 mil. and Euro 361.3 mil., respectively. The subject matter of the abovementioned lawsuits regards the Network, i.e. HEDNO. 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 reason, a provision has not been formed.

8. **Annulment requests against the request for proposal (RFP) by PPC S.A. for the sale of 66 % IPTO's shares**
   Two annulment requests have been filed (one of them includes an application of interim measures) against PPC's RFP for the sale of 66% of IPTO's (PPC's subsidiary) shares. The first request has been filed by five trade unions and the second has been filed by the PanHellenic Federation of Retirees' (POS DEI). The above mentioned requests will be discussed in front of the Supreme Court's Plenary Session on September 19, 2014. The Parent Company, having already filed a judicial memo, considers that the annulment requests will not thrive.

For the above amounts the Group and the Parent Company have established adequate provisions, which as at June 30, 2014 amounted approximately to Euro 155 m. and 79 m., respectively (2013: 181 m. for the Group and 88.5 m. for the Parent Company), which are considered adequate for the expected losses which will derive by the final judgement.

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 income and expenses (deficit) to PPC's personnel Social Security Funds, there can be no assurance that this regime will not change in the future.

"Alouminion of Greece" (ALOUMINION)

1. On 31.10.2013 with a majority of two to one (2/1) Decision No. D1/1/2013, the Permanent Arbitration Court of RAE decided the price for the supply of electricity to ALOUMINION S.A. at Euro 40,7/MWh for the period 01.07.2010 until 31.12.2013. At the abovementioned price both the fixed and variable energy costs are included, as well as System Use Charges, Ancillary Services Charges, Public Service Obligation, and state fees in behalf of RAE and HTSO/EMO, although Renewable Energy/Gaseous Pollutants special fees/ETMEAR Special Electricity Tax, DETE and other taxes imposed are not included. The burden on the financial results of the third quarter of 2013 imposed by the above mentioned Decision, as far as the supply of electricity to ALOUMINION is concerned, for the period 01.07.2010 until 30.9.2013 amounted to Euro 105.5 mil.
   As the abovementioned Decision compels PPC to sell at a loss, PPC filed an action for invalidity against it, which is scheduled to be heard on 04.12.2014, and, in addition, submitted a complaint for state aid before the European Commission (December 2013).
   The Commission by a letter in June 2014, has notified PPC that it does not intend to further examine the complaint, given that, according to the Commission, the complaint in question pertains to amounts which were defined following an arbitration by an arbitrary court to which the parties resorted to mutually and therefore it cannot constitute a "vehicle" of state aid, since it is not a state entity. PPC has challenged the above mentioned Commission's decision in front of the General Court of the European Union.
2. 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, following an investigation on the existence of state aid (C2/2010) in favor of ALOUMINION of Greece and its successor ALOUMINION, addressed to the Hellenic Republic, according to which, the Commission decided that state aid amounting to Euro 17.4 mil. was granted in favor of ALOUMINION of Greece. According to this Decision, the Hellenic Republic should have ensured the recovery of the state aid's amount within four months from the date of the notification of the Decision.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

According to the Decision, the state aid was granted in the form of reduced electricity tariffs, available to ALOUMINION of Greece from PPC for the time period from January 2007 up to March 2008. The above mentioned aid, according to the Commission's Decision, should be refunded to PPC SA plus statutory interest, in accordance with the law on state aid. Subsequently, the Athens Court of First Instance has issued a Payment Order N. 13601/04.07.2012 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 plus interest of Euro 1,696.22 on the total amount of the illegal state aid and the compounded interest, for each passing day. Subsequently, ALOUMINION filed an appeal concerning the Payment Order with an additional request for the temporary suspension of its execution (article 632, para 3, of the Code of Civil Procedure). The as per above Court issued Decisions No. 857/2013 and Decision No. 860/2013. The Court by its first Decision suspended the execution of the payment order until the issuance of the final decision on the suspension by the national court. The Court by its second decision (860/2013) on the suspension decided to order the suspension of the discussion until the issuance of a Decision on the existence of the claim of the state aid by the General Court of the European Commission, which is pending after the relevant (by 06.10.2011) recourse by ALOUMINION against the above mentioned Decision (by 13.07.2011) of the European Commission.

PPC filed a summons before the Single Membered Court (dated 03.07.2013), asking for the recallment of the above two Decisions. The Hellenic Republic was invited to file third party intervention proceedings, before the same Court, in favor of PPC as per the above referred hearings. The Court issued the Decisions No. 723/2014 and 724/2014 which recalled the Decisions of the same Court No. 857/2013 and 860/2013, respectively and validated the payment order No. 13601/2012. The above Decisions and the payment order along with a check to order for the payment of the amount of Euro 20,563,831.33 plus statutory interest were served to ALOUMINION on 25.2.2014.

Following the above actions, PPC, on 31.3.2014 proceeded to seize on a third party (against ALUMINION) to Banks, as well as EMO (LAGIE) and IPTO up to the amount of its claim. ALOUMINION, on 24.3.2014 filed an appeal against decisions 860/2013 and 724/2014 of the Court of First Instance, the date of hearing set for 16.10.2014 on the Court of Appeals, asking, among others, for the suspension of the execution of the payment order until the hearing of its appeal. The request for the suspension of the payment order was rejected.

After the abovementioned Court decision, ALOUMINION proposed to PPC to pay the amount of the state aid partly through a check deposit and the remaining amount to be paid through the concession to PPC of ALOUMINION's past due claims against EMO and the (simultaneous) netting off of PPC's past due obligations towards EMO. Subsequently, on April 2014, the amount of Euro 21,276,766.43 was received, including both the amount of the recovered state aid as well as the respective interest amount for the time period up to 04.04.2014. PPC informed the Ministry of Finance as well as the competent Ministries of Foreign Affairs and Environment – Energy and Climate Change for the recovery of the state aid.

As already mentioned, there is a pending recourse by ALOUMINION (by 06.10.2011) on the General Court of the EU against the above mentioned Decision (by 13.07.2011) of the European Commission concerning the state aid case. PPC exercised a third party intervention in favor of the European Commission and the hearing took place on 04.06.2014. In case the Court rules in favor of ALOUMINION, an outcome PPC considers less likely, the amount of the recovered state aid will be reimbursed to ALOUMINION.

Additionally on February 25, 2014 the Ministry for Foreign Affairs sent to PPC the recourse dated 12.02.2014 based on art. 108,para. 2 of the European Commission against the Hellenic Republic before the General Court of the European Union (General Court). By the above mentioned recourse it was asked that the General Court recognized that the Hellenic Republic, by not receiving, in the stated by the Court time limit, all the necessary measures for the return of the above mentioned state aid in favor of ALOUMINION, according to art. 1 of the Commission's Decision dated 13.07.2011, has not fulfilled its obligations deriving by the Treaty for the operation of the European Union. PPC has notified the Ministry about the relevant collection actions. Following that, PPC was informed through the Ministry for Foreign Affairs, that the Commission will quit of the recourse in view of the collection of the relevant amount by PPC.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

3. On 26.02.2014 PPC was served an appeal dated 19.02.2014 by ALOUMINION regarding the electricity supply bills of ALOUMINION of December 2013 and January 2014, for the amounts of the abovementioned bills regarding the Special Consumption Tax (dispute relating to the partial annulment of these bills) before the Athens Administrative Court of Appeals.

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 a mandatory action of the then trustee of the Bank, PPC's deposits were mandatorily 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.) for the reason that the above mentioned Act of the trustee of the Bank was held invalid.

Moreover, PPC had outstanding loan balances, received under six (6) loan agreements for which it was agreed upon to be repaid gradually. On June 10, 1991, although PPC has paid the overdue installments, the Bank has terminated all of the above mentioned loan agreements and thus on that date the claim against PPC became overdue for the whole amount of the loans.

For that reason, against PPC's above mentioned lawsuit, the Bank has proposed an offset of its claim resulting by the above mentioned loans, amounting to GRD 4 bil. approximately, and furthermore has asked the payment of this amount by PPC by its lawsuit dated 28.12.1995. The Court of First Instance has postponed the hearing of the Bank's lawsuit against PPC until the final outcome of the hearing, which started with PPC's lawsuit against the Bank.

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 favor (Court of Appeals decision 2005).

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.

The official expert report was completed at the end of May 2012.

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 case was heard on the abovementioned date and decision 3680/2014 of the Court of Appeals was issued, which only partially accepts PPC's lawsuit while essentially accepts the results of the ordered by the Court above mentioned official expert report, as following :

a) The amount owed by the Bank of Crete to PPC at the time of the filing of the lawsuit by PPC on 22.07.1991 amounted to GRD 1,268,027,987 and
b) The amount owed by PPC to the Bank of Crete on 01.07.1991 due to the loan amounts becoming overdue by the Bank and after the suggested by the Bank set off of its counterclaim against the above-mentioned PPC's claim, amounted to GRD 2,532,936,698.

PPC intends to appeal against the above mentioned decision. It is noted that until the final judgment on the appeal, the discussion of the aforementioned (28 December 1995) lawsuit of the Bank of Crete against PPC is pending.

In case that the Supreme Court accepts PPC's annulment, then it will judge the case anew and the decision which it will issue will be irrevocable. In case of a positive outcome for PPC, for which there are increased probabilities, then the case of the Bank against PPC might be rejected.

Complaint against the European Commission's Decision regarding lignite extraction rights

On May 13th, 2008, PPC 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 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.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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.
PPC submitted an application for annulment of the said decisions of the Commission before the CFI of the European Communities. Furthermore, the Hellenic Republic has intervened before the CFI in the said proceedings, in favour of PPC. The hearing of the cases took place before the General Court on February 2, 2012. 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:

- State measures, which were in effect prior to the liberalization of the energy market, are preserved and continue to affect the lignite supply market, although PPC is not responsible for other companies 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.

As far as case **T-421/09** is concerned the Court has annulled as obsolete the above mentioned Commission's Decision 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.
The Commission appealed for the revision of the relevant decisions before the General Court of the European Union before the European Court of Justice (Cases C-553/12 and C-554/12). The abovementioned appeals have been notified to PPC on December 19, 2012.
On March 25, 2013 the companies "MYTILINEOS S.A – GROUP OF COMPANIES", "PROTERGIA S.A." and "ALOUMINION S.A." filed before the European Union Court, an intervention petition in favor of the European Union and against PPC, for the annulment of the above mentioned Decision of the Court of September 20th, 2012. The hearing of the case took place on October 3, 2013.
On July 17, 2014, the Court of the European Union has issued a decision on the annulment requests for the Commission, by accepting them. In particular the Court of the European Union, by citing cases, has accepted that for the application of the directives in question of the union law it is required (but also enough) the adoption of a measure, by which a member state exclusively grants rights to a public company, creates an inequality of opportunities between companies and thus it is able to drive the company to an abuse of dominant position. The European Union's Court has not accepted the Commission's request to judge the case in its substance following the injunction of the decision in the first degree but referred the case again to the General Court of the European Union, in order for it to deliver a decision on the remaining annulment reasons, which, although PPC had invoked in front of the Court, the General Court had not examined. PPC will submit a Memo with its observations in front of the Court within the legal deadline

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Alleged claims of EMO (LAGIE), against PPC S.A.

- **Implementation of methodology for the payments allocation due to deficits of the Day Ahead Schedule (DAS)**

  It is noted that following the issuance of RAE's Decision 285/2013, EMO sent a letter to PPC, according to which an amount of Euro 96.6 million is seemingly allocated to PPC, based on the finalization of the methodology for fair allocation of payments to cover deficits in the Day Ahead Schedule (DAS) created by third party suppliers during 2011 and 2012. In continuation to this letter, EMO allocating the total amount of Euro 96.6 mil. in seven installments starting by August 2013 sent to PPC the relating briefing notes amounting to Euro 13.8 mil., each. PPC considers that EMO's alleged claim violates fundamental principles of law, while simultaneously neither the amount nor the reasons for this claim are substantiated. In addition, the relevant RAE Decision has been contested in court.

  In particular, PPC has already filed an application for annulment of RAE's Decision 285/2013, before the Council of State, as well as, an action for suspension of such Decision, until a final judgment is issued by the Council of State. The hearing for the application for the annulment took place on March 18, 2014, and the decision is pending. In the meantime, the Council of State has issued an interim Decision (n. 62/2014), which suspended the payment of 50% of the amount of Euro 96.6 mil., which is attributable to PPC.

  In spite of the assessment that there are reasonable chances for a favorable outcome, following the intermediate decision of the Supreme Court, PPC has recognized in its books a provision of 50% of the amount of Euro 96.6 mil. due to the uncertainty of the recoverability of this amount.

- **Offsets of Photovoltaic Systems Producers in buildings**

  Moreover, the above mentioned Decision 285/2013 of RAE which does not permit the netting of amounts that PPC owes to LAGIE based on DAS settlement, including energy generated by PVs on rooftops, with the amounts that PPC is contractually obliged to pay directly to the generators in question, based on the feed - in tariff, leads to delays in recovering the latter amounts from LAGIE.

  Non implementation of an offset does not impact the results but will have a negative effect on our cash flows, due to the increased working capital needs, since PPC is obliged to await payments in cash from LAGIE through the relevant special RES account. The issue in question concerns amounts which range from Euro 11 mil. to Euro 31 mil. per month and the total amount to be recovered could reach approximately Euro 120 mil. based on an estimated eight-month waiting period. LAGIE has already filed both a claim and an application for interim measures before the Court of First Instance of Athens against PPC. On the application for interim measures Decision 6022/2014 of the Multimember First Instance Court of Athens was issued, ordering a temporary injunction on offsetting of liabilities of DAS with liabilities of other causes at a rate of 50% of these liabilities. The hearing is expected although it is estimated that the matter will be settled legislatively.

Corrective settlements of IPTO, concerning the Special Account of art. 143, of Law 4001/2011
According to L.4152/2013, RES energy purchases are disbursed though the market operation, on the higher amount of either their income from DAS and Imbalances settlements or the value energy they inject to the system multiplied by the weighted average variable cost of the conventional thermal power plants. This amendment started being applied from 14.08.2013, when RAE's Decision 366/2013 was published in OG, amending the relevant articles of the Power Exchange Code and specifying the methodology of calculations, with which the provision of law was implemented. In October 2013, IPTO has sent to PPC S.A. corrective clearing statements for May, June, July and part of August of 2013, totaling an amount of Euro 48.2 m, which derives from the retrospective application of the relevant methodology. For this amount, PPC considers that retrospective application is not included in the relevant provisions of the Law and thus has not recorded any relevant provision.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

12.3 ENVIRONMENTAL OBLIGATIONS

Key uncertainties that may influence the final level of environmental investment which the Group will be required to undertake, over the forthcoming decade, include:

1. **HPP Messochora (161.6 MW)**

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 HPP 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.

Following the publication of the Law for 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 HPP 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 (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. The Council of State by its recent Decision 26/2014 has decided to annul the 567/14.09.2006 letter by EYDE/OSYE, by which and according to the Court's Decision 3053/2009, it has been allowed, under the provisions of L. 3481/2006, and the approved environmental terms, the continuation of the diversion scheme in total. The above mentioned decision by the Council of State resulted to the inability to continue, complete and operate HEP Messochora.

The Parent Company 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 assigned the updating of the Environmental Impact Assessment for HEP Messochora, whilst waiting 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. Around mid December 2012, there were posted on the website http://wfd.ypeka.gr, the Strategic Environmental Assessment of the Water Management Plans for consulting. Based on the time required for consultancy and decision making, it is estimated that the Water Management Plans will be signed by the competent Authorities in the the third quarter of 2014. It is also estimated that the procedure for the issuance of the Environmental Permit for the project as an independent entity will be completed in the second semester of 2014, with a possible few months delay due to the required procedures for approval.

On June 30, 2014 the aggregate amount for HPP Messochora amounted to Euro 279.3 mil. and is expected to require an additional amount Euro 123.7 million to complete and operate the project, which is estimated to operate in 2017.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

2. Under IPPC (Integrated Pollution Prevention and Control) Directive, the Reference Document on Best Available Techniques for Large Combustion Plants (with a thermal capacity greater than 50 MW) was issued on July 2006 and is currently under revision. After the finalization of the revision process additional to the already foreseen investments at PPC's larger thermal power plant stations may be required. In accordance with European Directive 2001/80/EC, a pollutants emissions reduction plan for existing Large Combustion Plants has been approved by the Parent Company's Board of Directors, was submitted to the authorities and has been incorporated in the National Emissions Reduction Plan of the country for the period 2008-2015, according to the provisions of the aforementioned Directive.
   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 2014 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. Following the provisions of Article 32 of Directive 2010/75/EU, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was elaborated and officially submitted by the country to the EU at the end of 2012. The TNERP was approved by the EU on November 26, 2013. On December 2013, PPC submitted to the competent authority an application for several changes to the TNERP, along with its declaration to use the limited life-time derogation (Article 33) for certain Power Plants. After the approval of the competent authority the revised TNERP was resubmitted on March 18, 2014 by the country to the EU. Finally, according to the above, SES Agios Dimitrios, Meliti and Megalopolis A' and B' are included in the NERP, while SES Amyntaion and Kardia will use the limited life-time derogation.

3. The extent of land contamination has to be assessed for many of PPC's installations, following to the provisions of art. 22 of Directive 2010/75/EU. 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 for 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 Klidi Mine is expected to be issued.

7. Furthermore the Parent Company's Mine Environmental Department carried out all required procedures, for the renewal of Environmental Permit for Amynteo and Megalopolis Mines.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

CO_2 Emissions

During March and May 2013, CO_2 emission licenses have been issued for all 31 PPC installations, for the 3rd implementation phase of the European Union Emissions Trading System (EU ETS phase III, from 1 January 2013 to 31 December 2020).

By the end of March 2014, the verification of the annual emissions reports for 2013 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 2013 amount to 41.3 Mt CO_2.

EMISSION ALLOWANCES (CO2)

According to the current European and National legislation, during the 3rd implementation phase of the EU ETS (period 2013-2020), PPC is not entitled to free allocation of emission allowances, with the exception of allowances allocated for emissions corresponding to the generation of thermal power for district heating.

In accordance with its verified 2013 CO_2 emissions, the emission allowances that PPC has to deliver to the Greek part of the EU Greenhouse Gas Emission Allowances Trading Registry (EU Registry) to fulfil its compliance obligations for the year 2013 amount to 41.3 Mt. During 2013, PPC has been allocated with about 0.77Mt allowances for district heating emissions.

Based on provisional ex-post data, the CO_2 emissions of the Parent Company's bound plants for the period 01.01.2014 – 30.06.2014 amount to 19.8 Mt. In addition, PPC's emissions for the rest of the year (01.07.2014 – 31.12.2014) are estimated at 21.8 Mt. It should be noted that the emissions of 2014 will be considered final by the end of March 2015, when the verification of the annual emissions reports by accredited third party verifiers is completed. Consequently, the total CO_2 emissions that PPC will have to surrender for compliance purposes for the period 01.01.2014 – 31.12.2014 are estimated at 41.6 Mt.

12.4 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 m. 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 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.

In October 2012, PPC's Board of Directors approved the modification of the Time-Schedule of the Project , the extension of the guarantee period of the Project for 11 months 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 5.5 mil. 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). The relevant Supplement No5 of the Contract was signed on 19.11.2012.

In March 2013 the Connection Contract between IPTO and PPC S.A. was signed in order for the unit to be connected to the System.

The initial firing of the Gas-turbine was effected on 09.03.2013 and it was put in operation on 15.03.2013.

On 12.08.2013 the Unit was put contractually in Commercial Operation, which was completed on 04.11.2013.

In February 2014, the Unit was registered in both the Units' Register and IPTO's Allocated Units' Register .

The work of the Committee for the Temporary and Final Acceptance of the Project is in progress.

On 30.06.2014 the total expenditure for the project amounted to Euro 298.5 mil.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

A new Steam Electric unit 660 MW in Ptolemaida

The International tender was announced on April 20, 2010. The total budget of the Project amounts to Euro 1.32 bil. In September 2010 the Ministry for Environment and Climate Change has issued the relative Generation License as well as the Distribution of Thermal Energy license.

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 also 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".

On 11.12.2012, PPC's Board of Directors decided, that the Contract of said Project would be signed.

The above mentioned contract was signed in Ptolemaida on March 9, 2013 and according to a relevant term it is subject to the resolutive condition of the approval of PPC' s General Shareholders' Meeting. The final contractual price amounts to Euro 1.39 bil.

On 29.03.2013, the General Meeting of PPC'S S.A. Shareholders approved the realization of the investment for the construction of the Unit as well as the relevant Contract. The realization of the project will be accomplished in two stages.

In the first stage, with a duration of 20 months by the entry into force of the contract, the study for the licensing of the project as well as the licensing itself, will be realized. The contractor will also conduct the study for the licensing as well as the construction of the building for PPC's inspection unit.

In the second stage, with a duration of 50 months by the issuance of the building permit, the project's study will be completed as well as the construction and the commercial operation of the unit.

On 23.09.2013, PPC S.A. announced the signing of a Bond Loan of an amount up to Euro 739 mil. with a syndicate of foreign banks, in order to finance part of the construction of the above mentioned unit. The loan with annual all – in – costs of close to 5% has a duration of 15 years and will be supported by the German Credit Insurance Organization Euler Hermes. In December 2013 the final insurance coverage was issued by Euler Ermes while all the prerequisites for the drawdown of the loan were satisfied

There is being in progress the drawing up by the Contractor of the studies for the Project licensing and their submission to the Corporation for review.

On 30.06.2014 the total expenditure for the project amounted to Euro 69.7 mil.

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.). In 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 land of the main Station 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 26rd, 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 was started.

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 the study and construction of the temporary site warehouse, the surveyors' building as well as the guesthouse, were adjusted.

On February 15th, 2011 the society called "Citizen's initiative for environmental protection and development of Southern Rhodos" filed an application for a stay of execution with the Council of State by application number 119, for the following:

a) Of the Environmental Impact Assessment 162761/12-2010 for the new diesel engine power plant and
b) The No 6/2011 Building 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.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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).
Since March 27th, 2011 the delivery of equipment for the project to warehouses in the port of Elefsina has started.
On 31.07.2012, the Parent Company'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.
The Ministry of Environment, Energy and Climatic Change, in response to PPC's relative letter on 21.01,2013 , notified PPC S.A. that there have not been changed the needs for which the Generation and Installation Licenses were granted, and therefore asked for the completion of the Environmental Impact Assessment and the Specific Ecological Evaluation. Thereafter, PPC has already proceeded to the award to Consultant of the drawing up of the Specific Ecological Evaluation.
Subsequently. PPC proceeded to the preparation of the following studies:

- Special ecological study
- Land planning study
- Environmental Impact Assessment study
- AOGregate study of evaluation of social impact.

The Environmental Impact Assessment study has already been concluded and it was submitted to the Ministry for the Environment and Climate Change, on 17.05.2013, including all the above mentioned studies.
The Ministry of Environment, Energy and Climatic Change forwarded on 03.07.2013 the Environmental Impact Assessment study to the Regional Council of S. Aegean in order to make it public to the competent Bodies for their relevant opinions. Following the relative opinions of the appropriate Bodies, the Ministerial Decision of the Approval of Environmental Conditions of the Power Station, as well as the ancillary projects (a substation of 150/20KV and a new road to the coastal installations of 1 km) was issued on November 5, 2013.
On 30.08.2013, there were published in the Government's Gazette, the land use decisions for the coastal public property, necessary for the erection of the on-shore installations.
The Secretary General of the Regional Administration of Aegean has signed, on 08.01.2014, the "Land Purchase Contracts" for the coastal public property, necessary for the erection of the on-shore installations.
On 03.01.2014, there was submitted to the Ministry for the Environment and Climate Change the Envelope for the reissuance of the Installation License for said Project.
On 19.03.2014, the Installation License of the Project was issued.
As we have been informed in April 2014, following the issuance of the above new Environmental conditions, the society called "Citizen's initiative for environmental project and development of Southern Rhodos" had appealed, in January 2014, to the Council of the State, submitting:

- Application for the annulment of the new Environmental conditions with which the Environmental Impact Assessment study was approved
- Application for the annulment of the new Installation License
- Application for the Suspension of the Works and for the issuance of Preliminary Injunction.

For the first two applications, there was appointed by the Council of the State trial date on 26.11.2014.
The Council of the State investigated the application for the suspension of the works and with its Decision No. 150/2014, rejected the Application for Suspension.
After the issuance of the new Environmental conditions, PPC proceeded promptly to the recommencement of the licensing procedures of the new Power Plant and thus in June 2014 there were approved:

- The Building Permit for the plot of the main facilities, and
- The Technical Environmental Study for the deposition of the excavated soil at the areas of the nearby Military Exercising Field.

The prompt recommencement of the works is expected.
PPC and Contractor continue the preventive maintenance of engines, generators and transformers, which are temporarily stored in Elefsis port.
On 30.06.2014 the total expenditure for the project amounted to Euro 97.7 mil.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

A new combined cycle unit at Megalopolis 811 MW

On August 25, 2009 the Board of Directors of 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 no claims will be raised 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 amounting to Euro 1.82 mil. On 10.10.2012 the relevant Supplement No 2 to the Contract was issued. On 10.05.2012 the connection agreement to the National Natural Gas System was signed.

Civil works construction, as well as, installation is at the final stage. Commissioning of the electromechanical equipment is in progress.

The Unit is expected to enter commercial operation in the beginning of 2015, provided that the natural gas pipeline construction by DESFA is completed by the end of 2014.

On 30.06.2014 the total expenditure for the project amounted to Euro 477 mil.

HPP ILARION (157 MW)

In July 2012, PPC SA announced the successful tapping of the diversion tunnel of the Ilarionas Hydroelectric Project and the start of the Reservoir impoundment. The works in the Substation, as well as the remaining works in the riverbed area downstream of the Dam, have been completed, the Units tests have been finished and the Plant is expected to be set in commercial operation in the third quarter of 2014.

The total installed capacity of the plant is 157 MW and it is expected to generate, on an annual basis, approximately 330 GWh of “clean” electricity.

On 30.06.2014 the total expenditure for the project amounted to Euro 293.9 mil.

12.5 PPC RENEWABLE (PPCR)

Construction of nine (9) new Wind Parks from PPCR S.A.

Until today the construction and the interconnection to the Grid of the wind parks in Paros, Lesvos, Rhodes, Samos (Marathokampos), Crete (Akoumia) and Limnos has been completed, of total capacity of 22.50 MW.

In March 2014, the construction of the eight (8) out of eleven (11) Wind turbines has been completed in the wind park of Coprinos (Rethumnon), as on 13.02.2014 the Council of State has decided for interim measures concerning the prohibition of continuation of the construction and operation of the three (3) remaining wind turbines, until the final decision is issued. The installation works have been completed, whereas, the completion of the interconnection to the grid is expected to be fulfilled in the second half of 2014.

Hybrid Project in Ikaria

The project of 6.85 MW of total power combines two renewable energy sources, Wind and Hydroelectric. The hybrid project in Ikaria is expected to be completed in 2014 with commencing operation by the first quarter of 2015.

Megalopolis Photovoltaic (PV) Plant

In April 2014, the Council of State has decided to reject an application regarding the cancellation of licenses related to the 39.42 MW PV Plant of ARKADIKOS ILIOS ENA S.A in the municipality of Megalopolis, in the prefecture of Arcadia.

In May 2014, by decision of the Decentralized Administration of Peloponnese, Western Greece and Ionian, the Installation Permits of "ARKADIKOS ILIOS ENA S.A." and "ARKADIKOS ILIOS DIO S.A." have been revived up to 1 November 2014.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Exploitation Rights of the geothermal fields
By decisions of the Deputy Minister for Environment, Energy and Climate Change according to the Public International Bidding Contest (tender date 07.09.2011) the lease of rights of survey of geothermal fields in the following areas was awarded:
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 BoD has approved the acceptance of leases, however, the notarial deeds to be signed by the Ministry are pending. The deadline for signing the above notarial deeds leases has been extended until September 30, 2014.

Small Hydroelectric Power Plants
By the end of 2013, the construction of SHPP Ilarion with a total power 4.2 MW has been completed and the SHPP is expected to proceed in testing operation within the second half of 2014.

Construction of six (6) new Wind Parks in Aegean islands
In October 2013, PPC Renewables approved the construction of six (6) new wind parks of total installed capacity 13.5 MW, in Aegean islands with a total budget of Euro 16.2 mil.
In April 2014 PPC Renewables issued a public international tender for the above mentioned project and the submission deadline was set for the 23rd of July 2014.

Repowering of SHPP Louros
In March 2014, PPC Renewables issued a public tender concerning the assignment of the project of the modernization and renovation of the SHPP LOUROS with a nominal capacity of 8.84 MW, with a budget of Euro 6.4 mil and a submission deadline of June 24, 2014.
Four companies took part in the tender and their offers are currently under evaluation. The selection of a contractor and the contract signature is expected within Q4 2014.

Construction of one (1) new Wind Park in Crete
In June 2014, PPC Renewables approved the construction of one (1) new wind park of total installed capacity 7.5 MW and a budget of Euro 9.0 mil., plus an option of Euro 3.96 mil. in Iera Moni Toplou region, in Sitia, Crete and the conduct of an international public tender for the project.

Business Plan 2014 -2018
On February 20, 2014, PPC's Board of Directors approved the five-year Business Plan 2014 -2018 of PPC Renewables. By completing the implementation of its Business Plan, PPCR is expected to have more than doubled its Installed Capacity Portfolio and to increase significantly its market share. As provided for in Business Plan total investments shall equal to Euro 398,24 mil and installed capacity to 331 MW by the end of 2018.

New Law 4254/2014
In April 2014, Law 4254/2014 was enacted, which, among other, significantly changes the RES regulatory framework. The main changes are the following :

- Redefinition of the compensation amount for the electricity sold by the operating RES and CHP stations, as well as by the RES and CHP stations which either turn into operational status or their interconnection is activated after the Law has entered into force. The new Feed-in Tariff (FIT) framework is differentiated according to the RES type, the installed capacity, the connection quarter and the system. Additionally, the FIT is increased in case the investment is established without using state aid. Moreover, a removal of the existing provisions for readjustment of sales prices based on values of the consumer price index rate takes place. Furthermore, HEMO / HEDNO will adjust, where necessary, the compensation prices of the energy produced by the entry into force of this Act and will establish a relevant table within four months, which will be notified to RAE and YPEKA

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

- Producers of RES are required to issue a credit note concerning a discount on the total invoiced amount for injected energy for the year of 2013. The percentage of the discount provided ranges from 20% to 37.5% for P/V stations, depending on the installed capacity and the connection quarter, while for the other RES types and CHP stands at 10%. The credit invoice issued by the PPC Renewables SA amounted to Euro 2.94 mil.
- The extraordinary solidarity levy on producers of electricity from RES and CHP, which had been imposed by Law 4093/2012 is repealed. As far as the period January to March 2014 is concerned, the imposed tax charged to the results of PPC Renewables amounted to Euro 0.47 mil.
- Finally, it is noted that the generation licenses and the connection terms offers suspension for the new P/V stations, which had been imposed by the Minister of PEKA in August 2012, is withdrawn.

12.6 IPTO S.A.

New investments by IPTO in the Energy Transmission System

- **Electrical Interconnection of "NEA MAKRI - POLYPOTAMOS"**
  The electrical interconnection of Nea Makri with Polypotamos – which has been characterized as project "of an overall significance for the country's economy" in L. 3175/2003- is in the final stage of its implementation. The submarine cables have already been immersed in the maritime area between Evia and Nea Makri.
  The construction of the project completes the efforts of the Greek State, governmental bodies as well as RES investors, which spanned several years, and whose realization has been undertaken by IPTO S.A., thus contributing to the effort for the attraction of investments.
  The interconnection cost is more than Euro 80 mil. while the RES investments, which are directly connected to the project are more than Euro 700 mil.
  With the completion of the overhead cable connecting Polypotamos to South Evia and the installation of the subterranean cables up to Nea Makri's High Voltage Center, the project is expected to be completed and be ready for electrification before the end of 2014. It should be noted though, that there is already a significant delay in the installation of the subterranean cables by the limits of the former American Base to Nea Makri's High Voltage Center, due to considerable reactions by the Municipality of Marathonas (former Municipality of N. Makri). The excavation license was granted by the Marathonas municipality in the beginning of March 2014, the works for the subterranean cables, which go through the city of Nea Makri are expected to begin in early September 2014. Additionally, there are delays in the necessary expropriations relating to the 150 kV transmission lines from the Evia Estate Authorities.

- **High Voltage Center (HVC) in Aliveri and interconnection transmission line of 400 kV in Evia**
  The construction of Aliveri's (GIS) HVC, which will be serving new thermal power units and RES generators in Evia, has been recently concluded. In February 2013 it was electrified for the first time while in April 2013 the first circuit of the 400kV line, which connects the new Aliveri HCV with the backbone of the national 400 kV transmission system in the Viotia area, was put under load. The second circuit was electrified and put under load at the end of August 2013. The line which consists of two circuits, with overhead and subterranean parts, with a length of 56 and 13.5 kilometres, respectively, has already received injections of electricity by PPC's new natural gas unit in Aliveri which by February 7, 2014 is an allocated unit and is in proper operation.

- **High Voltage Center (HVC) in Megalopolis and interconnection transmission line of 400 kV and 150 Kv**
  Within a time frame of only two years, IPTO constructed the new High Voltage Center (HVC) in Megalopolis. The 150 kV side of the circuit was electrified in April 2013 while the 400Kv side has also been electrified in August 2013. The new HVC is ready to receive injection of electricity by generators in the greater area, including PPC's new natural gas unit (Megalopolis V), when the said unit is completed. The construction of the 150 kV interconnecting transmission lines of the HVC as well as both 400 kV transmission lines connecting the HVC with the new natural gas unit of Megalopolis V, has been concluded.
  As far as the construction of the 400 kV interconnection lines of the Megalopolis HVC to the Patra area and from there through submarine and overhead transmission lines to the 400 kV Mainland System, the approval of Environmental Terms is pending. The relevant preliminary procedures that do not request a license are underway.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

- **Interconnection of Cyclades to the Mainland Transmission System**
  IPTO has proceeded with re-declaring the tender for the interconnection of the Cyclades Islands with the Hellenic Power Transmission System with a total budget of Euro 240 mil., following the conclusion of the public consultation. The unsealing of the offers was held on October 15, 2013 and the process for the promotion of the lowest bidders for the subprojects of units B, C and D of the complete project has been concluded. The finalization of the tender procedure for the subproject of unit A (high voltage connection between Lavrio and Syros) is pending.
  The above mentioned project is characterized as one of extreme interest and general importance for the country's economy and aims to the reliability of the interconnected islands' power supply, in the achievement of the maximal possible reduction in Public Services Obligations' cost, due to the operation of oil thermal units as well as the reduction of CO_2 emissions. The islands' interconnection with the mainland system as well as with each other will be realized through submarine cable connections.

- **Interconnection of Crete to the Mainland System**
  IPTO has proceeded to preliminary actions for the implementation of the project which aims to achieve the interconnection within the current decade. In the abovementioned context in the first quarter of 2014 a preliminary study of the seabed with the collaboration of the University of Patras has been conducted for the immersion of submarine cables. At the same time several places that have been deemed appropriate for the construction of terminal stations are examined, in both Crete and the Mainland. The above is further analyzed by IPTO's responsible departments as far as technical issues are involved as well as issues related to the environmental permits and the financial parameters of the project.

Ten Year Network Development Plan (TYNDP) of the subsidiary IPTO S.A. for the period 2014-2023.
By its Decision 560/2013 which was published in OG B 3297/24.12.2013, RAE has approved the Ten Year Network Development Plan (TYNDP) of the subsidiary IPTO S.A. for the period 2014-2023, after having imposed some amendments concerning the schedule for the Cyclades Interconnection (3rd phase). The approved TYNDP 2014-2023 was published in OG B 556/05.03.2014 based on RAE's Decision 77A/2014/18.02.2014. From February 17, 2014 until March 17, 2014 IPTO has put in public consultation the preliminary draft of TYNPD 2015-2024. Following that and after taking under consideration the results of the above mentioned public consultation, IPTO submitted the Ten Year Network Development Plan (TYNDP) for the period 2015-2024 to RAE following Decision 34/20.05.2014 of IPTO's BoD. On June 16, 2014 RAE has submitted the TYNPD 2015-2024 to a new public consultation, in the context of the approval process with a deadline of July 18, 2014.

Approval of the Aggregate Annual Cost for the Hellenic Transmission System for 2014
By RAE's Decision 195/29.04.2014 has defined the Aggregate Annual Cost for 2014 to Euro 256,765, as well as the required HETS revenue for 2014 to Euro 205,497.

Use of Congestion Income, from the country international interconnections access rights, for the year 2014.
With its 170/2014 decision, RAE approved the use of Euro30million from the Reserves Account (Interconnections Transfer Capacity Allocation according to article 178 of the Greek Grid Control Code For Electricity) that IPTO keeps for the reduction of the Transmission Use of System Annual Cost for the year 2014. On June 30, 2014 IPTO S.A. has partially recognized the revenue of Euro 15 mil.

12.7 BUSINESS COLLABORATION

PPC's Participation in waste management tenders.
Waste Syclo, is a joint company by PPC S.A. and Terna Energy, with Terna Energy owning 51% and PPC 49% of the share capital, responsible for the study, construction of projects, provision 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. The Hellenic Competition Commission with its 577/VII/2013 decision approved the collaboration of PPC and TERNA ENERGY in 24.10.2013.
Waste Syclo submitted in May 6th 2014, an Expression of Interest in Phase A' of the tender published by the municipality of Corfu for the construction of an integrated solid waste management facility of Corfu, and has been preselected to continue to Phase B' which has not been tendered yet.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

PPC collaboration with Terna Energy for Attica Waste Tenders
In January / February 2013 PPC in collaboration with TERNA ENERGY, submitted Expressions of Interest in the tenders of the Integrated Waste Management Facilities of Attica Region, through a Public Private Partnership (4 tenders). The JV has been preselected in three tenders and has recently participated in Phase B I of the competitive dialogue for the North Western Attica tender which was completed in January 2014. At the moment the announcements for Phase B II - Submission of Bids for North Western Attica, as well as the announcement of Phase B I - competitive dialogue for the rest of the tenders (Ano Liosia and Fyli) are expected.

Kosovo Energy Project
PPC is participating in the project since March 2010. The project, according to the new RfP published in April 29, 2014, includes the construction and operation of a new electric power generation plant with estimated installed capacity of 2X320 MW. PPC is examining its participation in the next phase of the tender, based on the amendments of the tender.

International public tender in FYROM
The tender involves the design, financing, construction, operation and maintenance of the new hydro power plant Cebren (333 MW), as well as operation of the existing hydro power plant Tikves (92 MW). The ministry of environment of FYROM relaunched the tender in January 31st 2014 with the deadline for bid submission in June 30th 2014. PPC was the only participant to submit a bid offer in the tender, but the Conceding Authority has not officially published its decision.

Business Collaboration with Quantum Corporation Ltd and the former Bank of Cyprus
PPC - QUANTUM ENERGY LTD, a joint company founded by PPC, Quantum Corporation LTD and the former 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 for an underwater cable which will transfer electrical energy from Israel to Europe. (EuroAsia Interconnector Project).

Establishment of a Societe Anonyme jointly with DAMCO ENERGY SA
On the 7th of August 2013 PPC's BoD approved the establishment, jointly with DAMCO ENERGY SA, of a Societe Anonyme, named "PPC Solar Solutions S.A." in which PPC S.A. will participate with 49%. The objective of "PPC Solar Solutions S.A." will be the promotion, through a national franchising network, of integrated solutions for household photovoltaic systems and energy efficiency technologies, the provision of energy services, as well as the provision of services to PPC's customers. The establishment of the above Societe Anonyme was approved by the Competition Commission by its Decision 587/2014.

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 Extraordinary Shareholders' Meeting on 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 of Euro 32,9 mil. as resulted by the evaluation of the independent financial advisor Citibank. 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.

Expansion of the activities of PPC abroad and establishment of commercial subsidiaries
A joint venture contract was signed between PPC and Alpiq Central Europe Ltd for the establishment of a commercial subsidiary company in Bulgaria, under the name PPC Bulgaria (PPC BG) and based in Sofia.
PPC S.A. holds a 85% stake of the share capital of the joint venture company and Alpiq Central Europe Ltd holds 15%.
The procedures for the submission of a request for the granting of a supply license by the Bulgarian authorities, are underway.
Through this partnership, PPC seeks to penetrate neighboring electricity markets, to expand its cross-border activity beyond Greek borders and also το achieve synergies on know-how in regards to trading in multiple electricity markets, by acting together with an established company with presence in many European countries and significant experience in cross-border electricity trading.

12. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

In addition the establishment of a wholly owned subsidiary in Turkey was concluded, based in Constantinople, under the name “PPC ELEKTRIK TEDARIK VE TICARET ANONIM SIRKETI”, in order for the Group to establish itself in the fast growing Turkish Market, and the cross – border trade in electricity to and from Turkey. In July 2014, the supply license was granted to the subsidiary, by the Turkish Regulatory Authority.

Collaboration framework with DEPA S.A.
PPC covers its needs for natural gas by the new contract signed October 29th, 2012 with DEPA which pertains to the procurement and transportation through the Hellenic Natural Gas System (HNGT).
Following DEPA’s commitments, which were accepted by the Competition Commission by its decision on November 13, 2012, PPC has already proceeded with the readjustment of the Annual Contractual Quantity for the years 2013 and 2014 while according to the contractual provisions, PPC has already exercised its right to reduce it to 75% for the year 2014.
For the year 2013 - and until today – DEPA has proceeded to a unilateral determination of the provisions on the contract between DEPA - PPC, of the implementation of the new DESFA tariffs, as far as the usage cost of borders’ entry points is concerned as well as invoicing purchases of natural gas. The abovementioned charges have not been accepted by PPC and the relevant amounts of the invoices issued by DEPA, have not yet been paid. Both parties are in contact in order to settle the abovementioned matter.
As far as the 2013 settlement is concerned, the certification of the relevant calculation formulae by an independent verifier, in accordance with the data by the long term contracts between DEPA and its suppliers.
Moreover, following the publication of the revised Operational Code for the National Gas System and according to the contractual provisions and DEPA’s commitments to the Competition Commission, the latter has send to PPC, on February 5, 2014 a draft of the contract for the supply of natural gas without the inclusion of transportation through the national natural gas system. The draft in question is being examined by the Parent Company.
Following the agreement between DEPA and Gazprom for the reduction on the supply price of natural gas, there was a official notification of the Parent Company by DEPA in April 2014 for the revision of the contractual supply price with a retrospective effect since 01.07.2013. The reduction of the border price of natural gas the Parent Company is supplied with amounts to 10% in relation to the previous price. Consequently and due to the above mentioned agreement Euro 23.4 mil., for the second half of 2013 and Euro 6.6 mil. for the first couple of months of 2014, were returned to the Company. The effect appears in the Income Statement in Other (income)/expense and as a deduction to fuel cost in the first quarter of 2014

Special Consumption Tax on Electricity
The Custom House’s audit in relation to the special consumption tax on electricity for the period May 2010 to September 2012 has not been concluded as at 30.06.2013. Self-consumptions of energy are audited, which for the period under audit amounted to 3,348,360 Mwh. The Parent Company has submitted a memo to the Custom House after receiving a summons for further explanations.

Advance payment to PPC against sums due by Government Bodies
On March 4, 2014 an advance of Euro 90.9 mil. PPC was paid which was returned on May 31, 2014. On July 31, 2014 an new advance of Euro 32.5 mil. was paid to PPC against overdue bills of electricity consumption by the General Government bodies. The advance is to be returned by August 29, 2014.

Return of payment of ascertained tax
By its Decision 5677/2013 the Athens Adninistrative Court has accepted PPC’s Appeal against the Greek State and has annulled the Audit report of the competent Tax Authority which had ascertained additional tax to the Parent Company due to the rejection of an amount related to the reduced energy tariffs for its personnel. The amount to be returned to PPC amounts to Euro 17.9 mil. and the procedure will be completed through offsets with tax obligations of the Parent Company.

13. SIGNIFICANT EVENTS

Extraordinary General Meeting of PPC's Shareholders

PPC's Board of Directors decided to convene an Extraordinary General Meeting of PPC's Shareholders on the 31.01.2014, according to the invitation posted on 07.1.2014.

The items on the agenda that were discussed by The Extraordinary General Meeting of the Shareholders were as follows :

1st Item : " Pricing of "ALUMINIUM S.A." as of 1.1.2014 – Submission for approval of actions taken by the Board of Directors"

2nd Item : Approval of the capacity of a Member of the Board of Directors.

3rd Item : Approval of the appointment, pursuant to article 37 of L. 3693/2008, of a Member of the Audit Committee.

With regard to the 1st Item, the Hellenic State submitted, by virtue of article 39, par. 3 of Codified Law 2190/1920, the following request for postponement of the relative discussion : "Given that the Hellenic State

has to ensure a) as PPC shareholder, the long-term interests of the company, b) as responsible for shaping

the energy and industrial policy, the sustainability and the competitiveness of the market, and therefore, based on these priorities and roles, I request the postponement of decision taking on the 1st item on the Agenda of the Extraordinary General Meeting of the Shareholders, so as to allow sufficient time for consultation with all interested parties for the settlement of technical issues with regard to electricity pricing".

Therefore the discussion on the 1st item was postponed for Friday, February 28th, 2014.

Repetition of the Extraordinary General Meeting of PPC's Shareholders

On February 28, 2014 the postponed Extraordinary General Shareholders Meeting was repeated, where the representative of the Majority Shareholder, namely the Hellenic Republic, proposed and the General Shareholders Meeting approved an extraordinary tariff discount of 10% to PPC;s approved tariffs for High Voltage customers with the duration of one year plus one by 01.01.2014. Especially for companies with an annual consumption larger than 1,000 GWh, there will be a further volume reduction of 10% in addition to the above mentioned discount.

Additionally, as a motive for increasing consumption during the zone of minimum consumption (nights and weekends) a further 25% discount on the A4 tariff for all High Voltage will be granted to customer except to those of an annual consumption more than 1,000 GWh and for their time of operation in the above mentioned zone.

Finally, the Shareholders General Meeting approved the up to now actions of the Company's Management regarding the ALUMINION case.

On March 27, 2014, The Parent Company's BoD by its Decision has defined the implementation of the above mentioned decision of the General Shareholders' Meeting, concerning the tariffs for High Voltage customers while on April 23, 2014, they were invited, through letters to sign supply contracts, providing at the same time information about their implementation.

In this context meetings are conducted with High Voltage customers for a) the provision of clarifications and explanations on the Shareholders' General Meeting's decision and b) for the settlement of overdue amounts, should they exist.

Credit rating

In April 2014, the rating house Standard and Poor's (S&P) upgraded the Parent Company's credit rating from CCC to B with stable outlook. Moreover in May 2014, the rating house ICAP S.A. upgraded the Parent Company's credit ratings by two notches from D to B.

Annual General Shareholders' Meeting

PPC's 12th Annual General Shareholders' Meeting took place on June 20th, 2014. The General Assembly has approved the non-distribution of dividend for the year 2013

14. SUBSEQUENT EVENTS

Interest bearing loans, bonds and borrowings

During the period 1/7/2014 – 28/8/2014, the Group proceed to debt repayments amounting to Euro 5,07 million (Euro 5 million PPC S.A.)

In July 2014 the PPC's BoD approved a new funding in the form of an overdraft facility amounting to Euro 75 million.

In the same period the Parent Company disbursed an additional amount of Euro 16,4 million from the Euro 739 million bond loan, for the partial financing of the construction costs of the new lignite – powered unit "PTOLEMAIDA V", contracted with a syndication of foreign banks and supported by the German Export Credit Agency "Euler Hermes".

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

15. SEGMENT INFORMATION

Sales and inter segment results are as follows:

	Sales		Profit Before Taxes	
	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013
Interconnected system				
Mines	385,436	360,654	5,220	(40,333)
Generation	1,131,024	916,509	71,522	(25,811)
Distribution Network	165,099	183,181	68,178	83,700
Supply	3,096,271	2,830,793	(113,329)	34,986
	4,777,830	**4,291,137**	**31,591**	**52,542**
Creta Network				
Generation	221,589	210,217	13,336	(13,386)
Distribution Network	11,643	10,988	5,471	3,652
Supply	320,259	166,855	6,602	32,859
	553,491	**388,060**	**25,409**	**23,125**
Non-Interconnected Islands System				
Generation	222,943	201,521	24,291	(12,712)
Distribution Network	13,714	15,448	1,005	5,600
Supply	298,100	140,774	4,490	37,140
	534,757	**357,743**	**29,786**	**30,028**
Eliminations (Parent Company)	(3,061,406)	(2,117,668)	(2,314)	-
Total (Parent Company)	**2,804,672**	**2,919,272**	**84,472**	**105,695**
IPTO S.A.	1,122,935	1,114,229	56,971	43,704
HEDNO S.A.	1,027,659	646,895	15,260	13,050
Other Companies (Group)	26,644	13,875	4,731	5,224
Eliminations (Croup)	(2,148,289)	(1,743,066)	(18,829)	2,537
Income tax	-	-	(46,294)	(43,100)
Grand total (Group)	**2,833,621**	**2,951,205**	**96,311**	**127,110**

V. Figures and Information

PUBLIC POWER CORPORATION S.A.

Company's number 786301000 of the General Electronic Commercial Registry (former Company's Reg. No: 47829/06/B/00/2)
Chalkokondyli 30 - 104 32 Athens

FINANCIAL DATA AND INFORMATION FOR THE PERIOD

January 1, 2014 - June 30, 2014

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.

Web site address:	www.dei.gr
Date of approval by the Board of Directors:	August 28, 2014
Certified auditor accountant:	Vassilios Kaminaris
Auditing company:	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Type of auditors' report:	Unqualified Opinion - emphasis of matters

DATA FROM STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
ASSETS	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Tangible assets	12.846.994	12.931.720	11.091.428	11.150.928
Intangible assets, net	54.141	22.174	53.497	21.618
Other non- current assets	115.943	37.458	1.203.748	1.124.706
Materials, spare parts and supplies	771.329	785.325	579.235	588.186
Trade receivables	1.642.110	1.305.579	1.576.630	1.248.364
Other current assets	329.918	303.569	276.710	281.637
Available for sale financial assets	3.680	4.920	3.680	4.920
Restricted cash	151.996	161.693	151.996	161.693
Cash and cash equivalents	403.357	260.278	185.547	185.513
TOTAL ASSETS	**16.319.468**	**15.812.716**	**15.122.471**	**14.767.565**
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	4.326.030	4.229.694	4.206.918	4.149.170
Equity attributable to shareholders of the parent (a)	5.499.909	5.403.573	5.380.797	5.323.049
Non-controlling interests (b)	92	0	0	0
Total Equity (c)=(a)+(b)	5.500.001	5.403.573	5.380.797	5.323.049
Interest bearing loans and borrowings	4.788.286	3.008.893	4.645.251	2.863.820
Provisions / other non current liabilities	3.370.051	3.404.843	2.940.354	2.992.588
Short term borrowings	632.769	1.935.468	329.461	1.632.476
Other current liabilities	2.028.361	2.059.939	1.826.608	1.955.632
Total liabilities (d)	10.819.467	10.409.143	9.741.674	9.444.516
TOTAL EQUITY AND LIABILITIES (c) + (d)	**16.319.468**	**15.812.716**	**15.122.471**	**14.767.565**

DATA FROM STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Total equity at beginning of the period (01.01.2014 and 01.01.2013, respectively)	5.403.573	5.682.249	5.323.049	5.702.559
Total comprehensive income after tax	96.311	44.022	57.746	(635)
Dividends	0	(5.800)	0	(5.800)
Incorporation of subsidiary	92	0	0	0
Other	25	(72)	2	(61)
Equity at the end of the period (30.06.2014 and 30.06.2013, respectively)	**5.500.001**	**5.720.399**	**5.380.797**	**5.696.063**

ADDITIONAL DATA AND INFORMATION

1. The Group's companies which are included in the interim condensed consolidated and separate financial statements, their country, the Group's participating interest (direct and indirect), the method of consolidation, and their unaudited tax years are presented in Notes 5, 6 and 7 of the six month Financial Report.
2. The accounting policies adopted in the preparation of the financial statements are presented in Note 3 of the six month Financial Report and are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2013, except from these which are presented in Note 3.2 of the six month Financial Report.
3. No burdens exist on the Parent's and 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 June 30, 2014 are as follows:

	Group	Company
a) Provision for litigation and arbitration	(2.871)	77
b) Tax provisions	0	0
c) Other provisions	251.949	255.235

6. Total payrolls of the Group and the Parent Company number 18.969 and 10.759 as of June 30, 2014 (2013: 19.854 and 11.309 respectively). Further information is presented in Note 1 of the six month Financial Report.
7. Sales and purchases of the Group and the Parent Company for the period ended June 30, 2014 as well as receivables and payables as of June 30, 2014 of the Group and the Parent Company, according to IAS 24 are as follows:

	Group	Company
a) Sales	41.524	109.334
b) Purchases	4.518	926.426
c) Receivables from related parties	223.610	236.259
d) Payables to related parties	0	619.645
e) Key management personnel compensations	712	503
f) Receivables from key management personnel compensations	0	0
g) Payables to key management personnel compensations	0	0

8. Capital expenditure of the Parent Company and the Group for the period ended June 30, 2014 amounted to Euro 216,5 million and to Euro 255,6 million respectively.
9. Other Comprehensive income / (loss) after tax which was recognized directly in equity of the Group and the Parent Company for the period ended June 30, 2014 is amounts to zero.
10. Information regarding ALOUMINION S.A. is presented in Note 12 of the six month Financial Report.
11. Information regarding RAE's Decision 285/2013 – «Implementation of the methodology for the allocations of payments due to shortages in the Day Ahead Schedule (DAS)» is presented in Note 12 of the six month Financial Report.
12. Information regarding the Offsets of Photovoltaic Systems Producers in buildings and the corrective settlements of IPTO concerning the Special Account of art. 143 of Law 4001/2011 is presented in Note 12 of the six month Financial Report.
13. Information regarding the Plan for the reorganization and the privatization of PPC is presented in Note 2 of the six month Financial Report.
14. A reclassification of comparative items of the statement of income and the balance sheet has been made, with no impact on the equity or the results of the Group and the Parent Company. This reclassification is presented in Note 11 of the six month Financial Report.

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

GROUP	01.01-30.06.2014	01.01-30.06.2013	01.04-30.06.2014	01.04-30.06.2013
Sales	2.833.621	2.951.205	1.344.760	1.464.369
Gross operating results	492.570	420.048	181.375	178.791
Profit / (Loss) before tax, financing and investing activities	251.146	281.244	89.041	179.639
Profit / (Loss) before tax	142.605	170.210	33.341	125.150
Profit / (Loss) after tax (a)	96.311	127.110	15.001	77.752
Distributed to:				
- Owners of the Parent	96.311	127.110	15.001	77.752
- Non-controlling interests	0	0	0	0
Other comprehensive income after tax (b)	0	(83.088)	(151)	(1.487)
Total comprehensive income after tax (a)+(b)	96.311	44.022	14.850	76.265
Distributed to:				
- Owners of the Parent	96.311	44.022	14.850	76.265
- Non-controlling interests	0	0	0	0
Earnings / (Loss) per share, basic and diluted (in Euro)	0,4151	0,5479	0,0647	0,3351
Profit before tax, financing and investing activities and depreciation and amortisation	547.743	586.364	238.322	332.345

COMPANY	01.01-30.06.2014	01.01-30.06.2013	01.04-30.06.2014	01.04-30.06.2013
Sales	2.804.672	2.919.272	1.329.418	1.446.577
Gross operating results	403.730	347.581	138.309	147.055
Profit / (Loss) before tax, financing and investing activities	158.046	205.601	41.842	146.056
Profit / (Loss) before tax	84.472	105.695	14.632	96.605
Profit / (Loss) after tax (a)	57.746	62.801	7.967	59.379
Other comprehensive income after tax (b)	0	(63.436)	(151)	(2.298)
Total comprehensive income after tax (a)+(b)	57.746	(635)	7.816	57.081
Profit before tax, financing and investing activities and depreciation and amortisation	421.832	478.141	174.915	283.234

DATA FROM STATEMENT OF CASH FLOW

	GROUP		COMPANY	
Cash Flows from Operating Activities	01.01-30.06.2014	01.01-30.06.2013	01.01-30.06.2014	01.01-30.06.2013
Profit / (Loss) before tax	142.605	170.210	84.472	105.695
Adjustments:				
Depreciation and amortisation	334.608	343.160	299.186	307.870
Devaluation of fixed assets	1.348	0	0	0
Amortisation of customers' contributions and subsidies	(38.011)	(38.040)	(35.400)	(35.330)
Provision for CO2 emission rights	0	48.670	0	48.670
Impairment loss of marketable securities	1.240	4.727	1.240	4.727
Fair value (gain) / loss of derivative instruments	(1.582)	(1.008)	(1.582)	(1.008)
Share of loss of associates	(1.143)	(1.486)	0	0
Interest income	(33.236)	(23.041)	(55.892)	(22.021)
Sundry provisions	243.582	187.528	254.547	180.618
Unrealised foreign exchange losses (gains) on interest bearing loans and borrowings	1.045	134	1.045	45
Unbilled revenue	(64.557)	15.081	(64.557)	15.081
Retirement of fixed assets and software	3.047	4.540	3.035	4.540
Amortisation of loan origination fees	6.804	3.296	6.350	2.809
Interest expense	121.651	115.637	109.104	103.249
Working capital adjustments:				
(Increase) / Decrease in:				
Accounts receivable, trade and other	(507.336)	(81.578)	(499.483)	(124.102)
Other current assets	(125.103)	(40.740)	(94.766)	(2.960)
Materials, spare parts and supplies	14.345	40.073	7.745	22.331
Increase / (decrease) in:				
Trade and other payables	(274.299)	(316.143)	(375.671)	(281.576)
Other non-current liabilities	12.471	1.622	3.413	3.017
Accrued / other liabilities excluding interest	204.852	133.108	182.226	107.114
Income tax paid	(3.900)	0	0	0
Net Cash from Operating Activities (a)	**38.431**	**565.750**	**(174.988)**	**438.769**
Cash Flows from Investing Activities				
Interest and dividends received	33.236	23.041	50.657	22.021
Capital expenditure of fixed assets and software	(285.631)	(393.006)	(246.575)	(310.264)
Proceeds from customers' contributions and subsidies	2.992	1.523	2.992	1.522
Investments in subsidiaries and associates	(1.093)	(2.704)	(1.843)	(3.044)
Net Cash used in Investing Activities (b)	**(250.496)**	**(371.146)**	**(194.769)**	**(289.765)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	(60)	(69.900)	0	(60.000)
Proceeds from interest bearing loans and borrowings	1.032.978	285.000	1.032.978	285.000
Principal payments of interest bearing loans and borrowings	(519.791)	(172.148)	(517.488)	(170.065)
Loans' issuance fees	(33.878)	0	(33.878)	0
Interest paid	(124.100)	(113.952)	(111.816)	(102.300)
Dividends paid	(5)	0	(5)	0
Net Cash used in Financing Activities (c)	**355.144**	**(71.000)**	**369.791**	**(47.365)**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**143.079**	**123.604**	**34**	**101.639**
Cash and cash equivalents at the beginning of the period	**260.278**	**279.427**	**185.513**	**221.208**
Cash and cash equivalents at the end of the period	**403.357**	**403.031**	**185.547**	**322.847**

Athens, August 28, 2014

CHAIRMAN & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN & DEPUTY CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	ACCOUNTING DEPARTMENT DIRECTOR
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