

Public Power Corporation SA

Financial Results
1st Half 2012

Athens, August 30, 2012

Agenda

Financial Results

George Angelopoulos, CFO

Business Update & Outlook

Arthouros Zervos, Chairman and CEO



Financial Results
1st Half 2012

George Angelopoulos

Chief Financial Officer

Summary Financial Results 1H2012 / 1H2011 (Group)

Key Figures - Group (€ mln.)	1H2012	1H2011	Δ	Δ%
Total Revenues (*)	**2,938.0**	**2,711.5**	***226.5***	***8.4***
Revenues from Energy Sales	2,802.5	2,428.8	*373.7*	*15.4*
Energy Sales (GWh)	*25,010*	*23,600*	*1,410*	*6.0*
Payroll Expense	478.6	557.4	*(78.8)*	*(14.1)*
Liquid Fuel	437.9	338.0	*99.9*	*29.6*
Special Consumption Tax	*78.2*	*71.6*	*6.6*	*9.2*
Natural Gas	256.0	197.2	*58.8*	*29.8*
Special Consumption Tax	*29.1*		*29.1*	
Energy Purchases	812.2	451.8	*360.4*	*79.8*
Variable cost recovery mechanism	*124.7*	*40.3*	*84.4*	*209.4*
Transmission System Charges (*)	29.5	151.0	*(121.5)*	*(80.5)*
Other Operating Expenses (controllable)	259.7	272.5	*(12.8)*	*(4.7)*
Provisions (**)	142.4	53.8	*88.6*	*164.7*
EBITDA	**483.4**	**603.8**	***(120.4)***	***(19.9)***
EBITDA MARGIN (%)	**16.5%**	**22.2%**		
Depreciation	319.4	335.5	*(16.1)*	*(4.8)*
Net Financial Expenses	116.9	81.7	*35.2*	*43.1*
Financial expenses	*138.5*	*105.3*	*33.2*	*31.5*
Financial income	*21.6*	*23.6*	*(2.0)*	*(8.5)*
EBT	**46.9**	**185.4**	***(138.5)***	*(74.7)*

* The transaction between Parent Company and IPTO concerning Transmission System Charges is an intragroup transaction and is cleared, thus affecting Total Revenues as well as Transmission System Charges. This does not apply to 1H2011 figures, as the spin-off of the Transmission segment had not been concluded at that point.

** Including a reversal of provision for overdues from traffic lights amounting to € 52.7 m.

The increase in the energy balance cost by 36.9% is the main factor leading to a 19.9% decline in the EBITDA, despite the increase of total revenues by 8.4% and the decrease in payroll expenses by 14.1%.

Summary Financial Results 2Q2012 / 2Q2011 (Group)

Key Figures - Group (€ mln.)	2Q2012	2Q2011	Δ	Δ%
Total Revenues (*)	**1,405.0**	**1,337.1**	***67.9***	***5.1***
Revenues from Energy Sales	1,354.9	1,196.2	*158.7*	*13.3*
Energy Sales (GWh)	*11,989*	*11,296*	*693*	*6.1*
Payroll Expense	243.2	271.9	*(28.7)*	*(10.6)*
Liquid Fuel	225.4	187.6	*37.8*	*20.1*
Special Consumption Tax	*37.9*	*38.9*	*(1.0)*	*(2.6)*
Natural Gas	79.9	93.5	*(13.6)*	*(14.5)*
Special Consumption Tax	*8.7*		*8.7*	
Energy Purchases	380.1	258.3	*121.8*	*47.2*
Variable cost recovery mechanism	*84.6*	*25.1*	*59.5*	*237.1*
Transmission System Charges (*)	14.1	77.0	*(62.9)*	*(81.7)*
Other Operating Expenses (controlable)	129.0	140.2	*(11.2)*	*(8.0)*
Provisions	95.3	8.1	*87.2*	*1,076.5*
EBITDA	**251.4**	**276.2**	***(24.8)***	***(9.0)***
EBITDA MARGIN (%)	**17.9%**	**20.7%**		
Depreciation	161.1	167.5	*(6.4)*	*(3.8)*
Net Financial Expenses	58.6	42.3	*16.3*	*38.6*
Financial expenses	*70.6*	*55.0*	*15.6*	*28.3*
Financial income	*11.9*	*12.7*	*(0.7)*	*(5.9)*
EBT	**31.9**	**64.1**	***(32.2)***	***(50.2)***

* The transaction between Parent Company and IPTO concerning Transmission System Charges is an intragroup transaction and is cleared, thus affecting Total Revenues as well as Transmission System Charges. This does not apply to 2Q2011 figures, as the spin-off of the Transmission segment had not been concluded at that point.

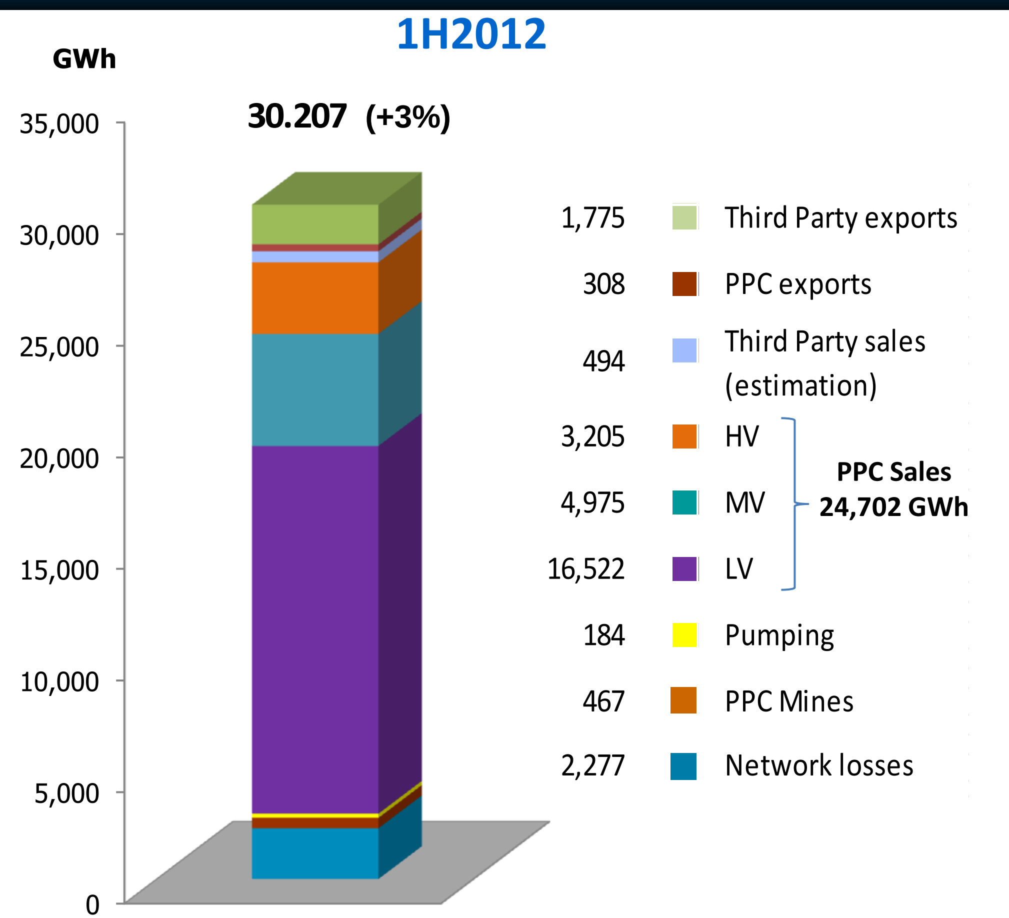
The increase in the energy balance cost by 18.9% and the sharp increase of provisions to € 95.3m from € 8.1m in the respective quarter of 2011, led to a 9% decline in the EBITDA, despite the increase of total revenues by 5.1% and the decrease in payroll expenses by 10.6%.

Summary Financial Results 2Q2012 / 1Q2012 (Group)

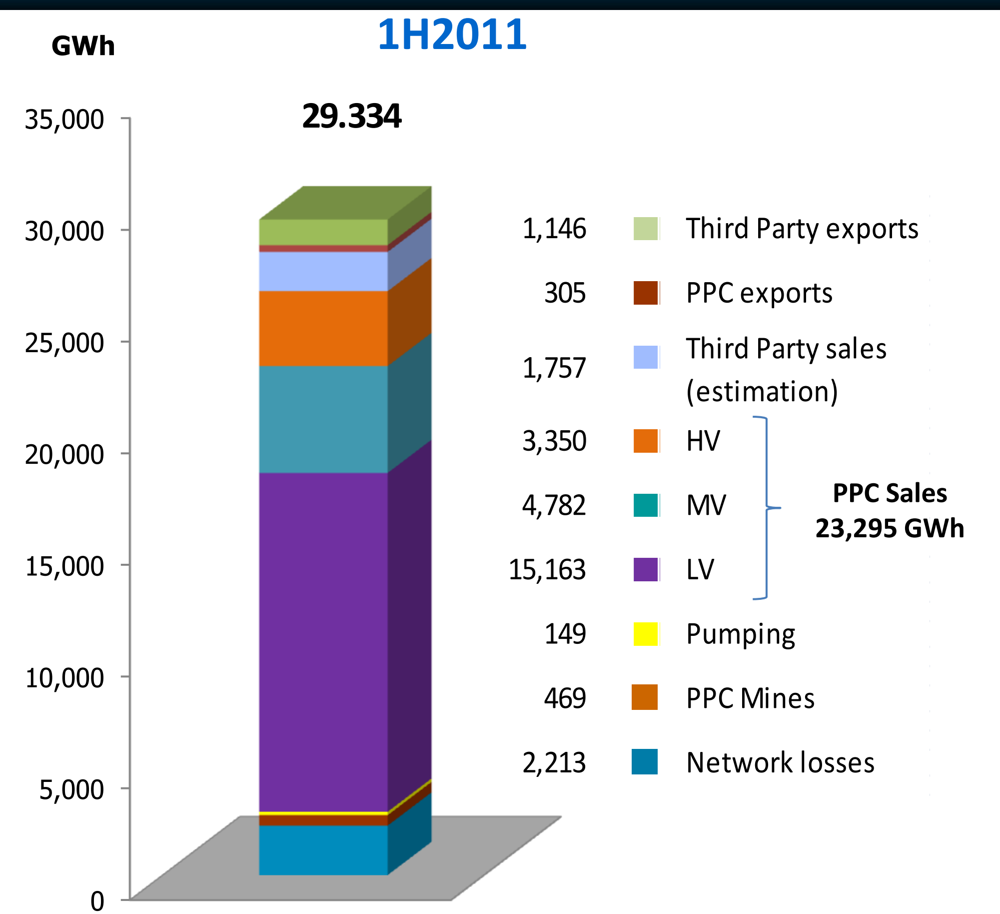
Key Figures - Group (€ mln.)	2Q2012	1Q2012	Δ	Δ%
Total Revenues	**1,405.0**	**1,533.0**	***(128.0)***	***(8.3)***
Revenues from Energy Sales	1,354.9	1,447.6	*(92.7)*	*(6.4)*
Energy Sales (GWh)	*11,989*	*13,021*	*(1,032)*	*(7.9)*
Payroll Expense	243.2	235.4	*7.8*	*3.3*
Liquid Fuel	225.4	212.5	*12.9*	*6.1*
Special Consumption Tax	*37.9*	*40.4*	*(2.5)*	*(6.2)*
Natural Gas	79.9	176.1	*(96.2)*	*(54.6)*
Special Consumption Tax	*8.7*	*20.5*	*(11.8)*	*(57.5)*
Energy Purchases	380.1	432.1	*(52.0)*	*(12.0)*
Variable cost recovery mechanism	*84.6*	*40.1*	*44.5*	*111.0*
Transmission System Charges	14.1	15.4	*(1.3)*	*(8.4)*
Other Operating Expenses (controlable)	129.0	130.7	*(1.7)*	*(1.3)*
Provisions	95.3	47.1	*48.2*	*102.3*
EBITDA	**251.4**	**232.0**	***19.4***	***8.4***
EBITDA MARGIN (%)	**17.9%**	**15.0%**		
Depreciation	161.1	158.3	*2.8*	*1.8*
Net Financial Expenses	58.6	58.3	*0.3*	*0.5*
Financial expenses	*70.6*	*68.0*	*2.6*	*3.8*
Financial income	*11.9*	*9.7*	*2.3*	*23.7*
EBT	**31.9**	**15.0**	***16.9***	***112.7***

EBITDA in 2Q2012 increased compared to the 1Q2012 mainly due to the decrease of the energy balance cost by 17.9% leading to an EBITDA Margin of 17.9% versus 15% of the previous quarter.

Electricity Demand 1H2012 / 1H2011



PPC domestic sales: 24,702 GWh
Market share (estimation): 98.0%
PPC exports: 308 GWh
Market share on exports: 14.8%

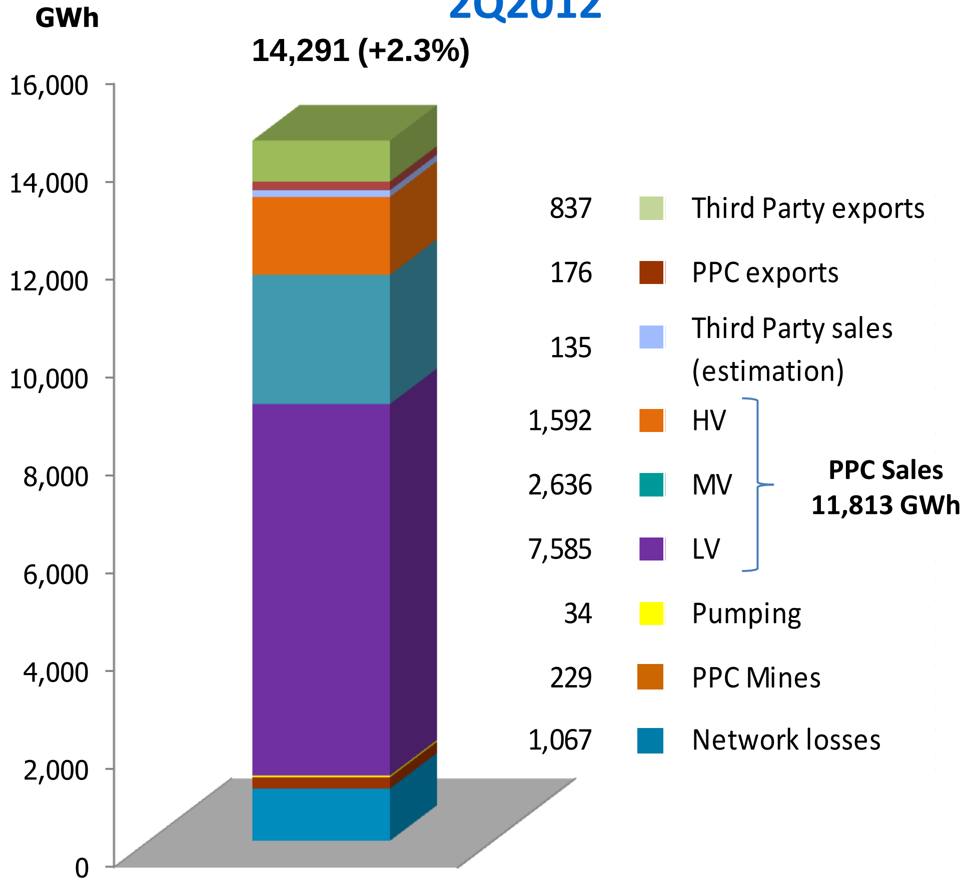


PPC domestic sales: 23,295 GWh
Market share (estimation): 93.0%
PPC exports: 305 GWh
Market share on exports: 21.0%

Total electricity demand increased between the two periods by 3%. Excluding pumping and exports , the increase of electricity demand is limited to 0.7% % (206 GWh). PPC's market share recovery in the retail market by 5 percentage points, resulted in an increase in PPC's domestic sales by 6% (1,407 GWh).

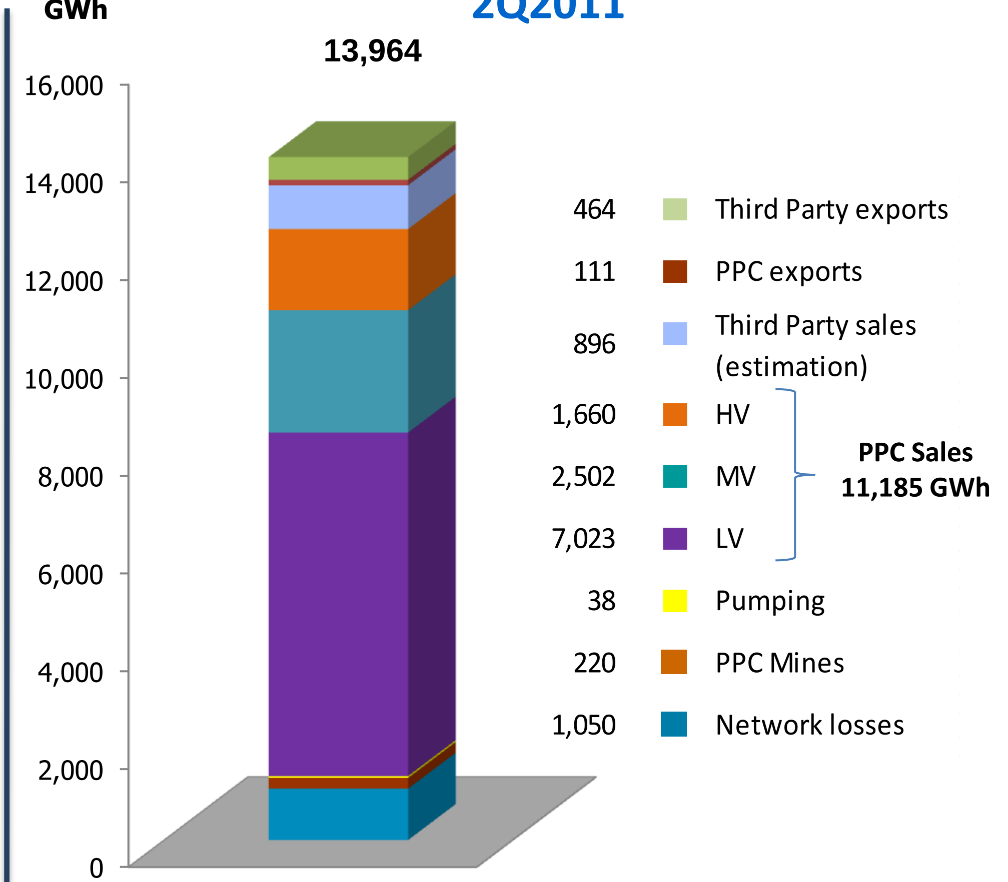
Electricity Demand 2Q2012 / 2Q2011

2Q2012



PPC domestic sales: 11,813 GWh
Market share (estimation): 98.9%
PPC exports: 176 GWh
Market share on exports: 17.4%

2Q2011

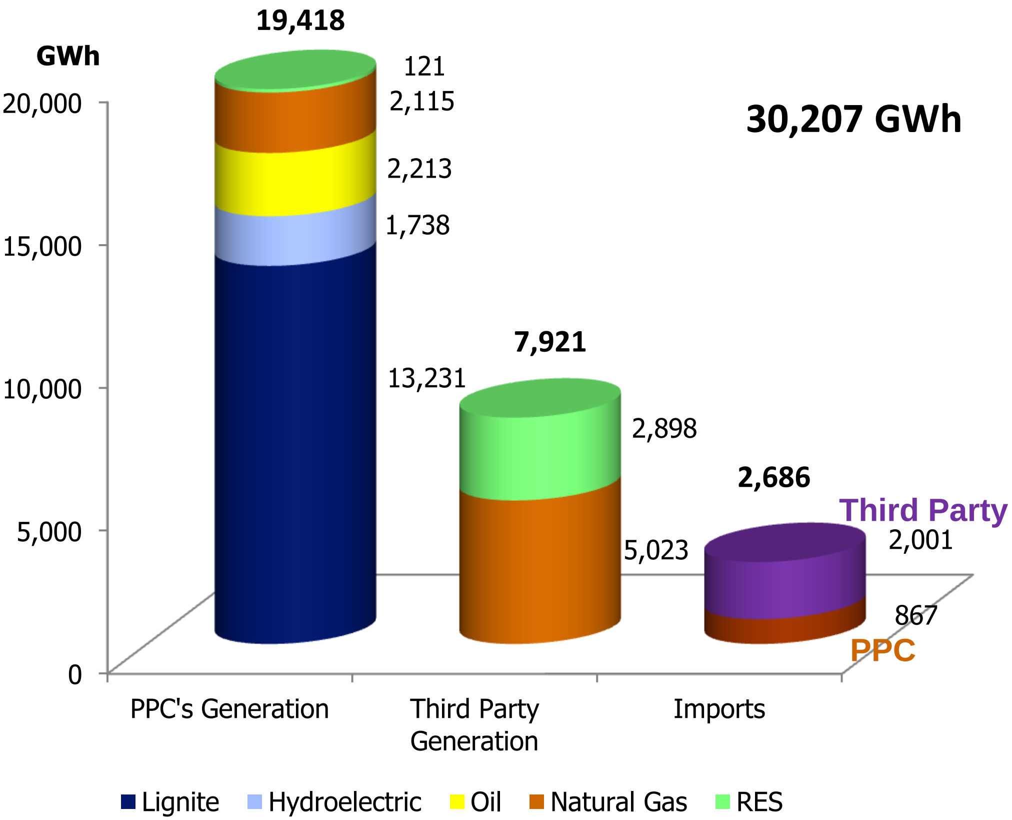


PPC domestic sales: 11,185 GWh
Market share (estimation): 92.6%
PPC exports: 111 GWh
Market share on exports: 19.3%

Total electricity demand increased by 2.3% between the 2Q2012 and 2Q2011. Excluding pumping and exports, demand decreased by 0.8% (-107 GWh). PPC's market share recovery in the retail market by 6.3 percentage points, resulted in an increase in PPC's domestic sales by 5.6% (628 GWh).

Electricity Generation and Imports 1H2012 / 1H2011

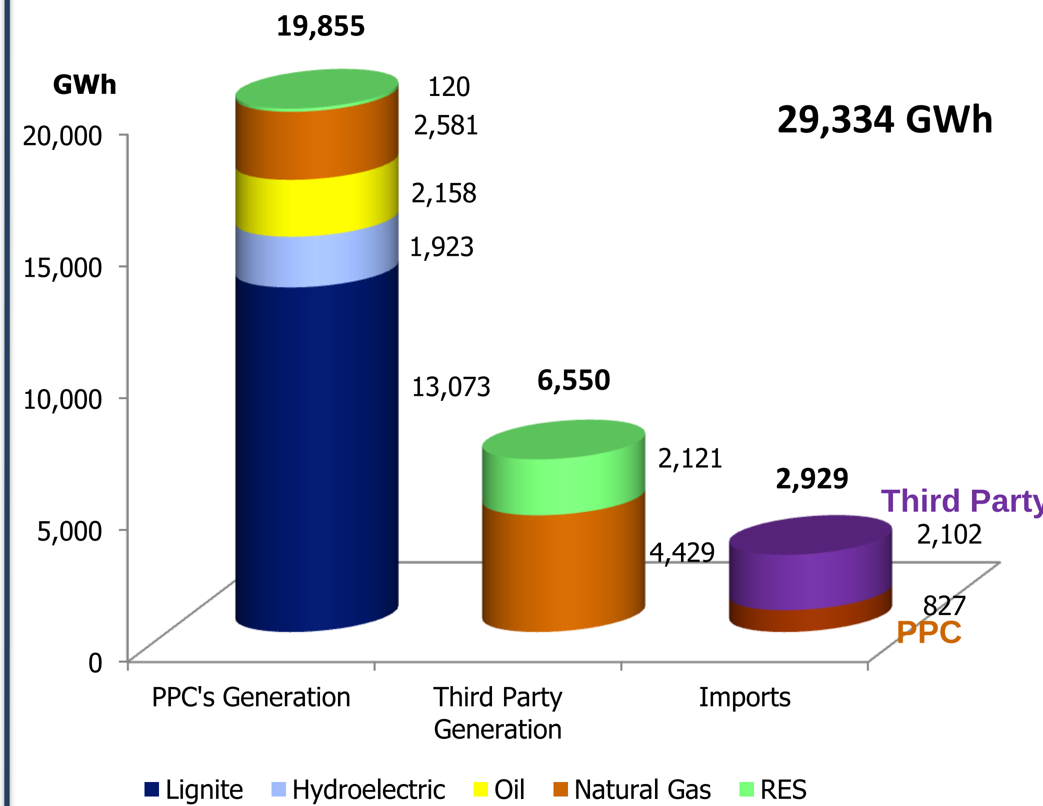
1H2012



PPC generation: 19,418 GWh
Market share: 71.0%

PPC imports: 867 GWh
Market share on imports: 30.2%

1H2011

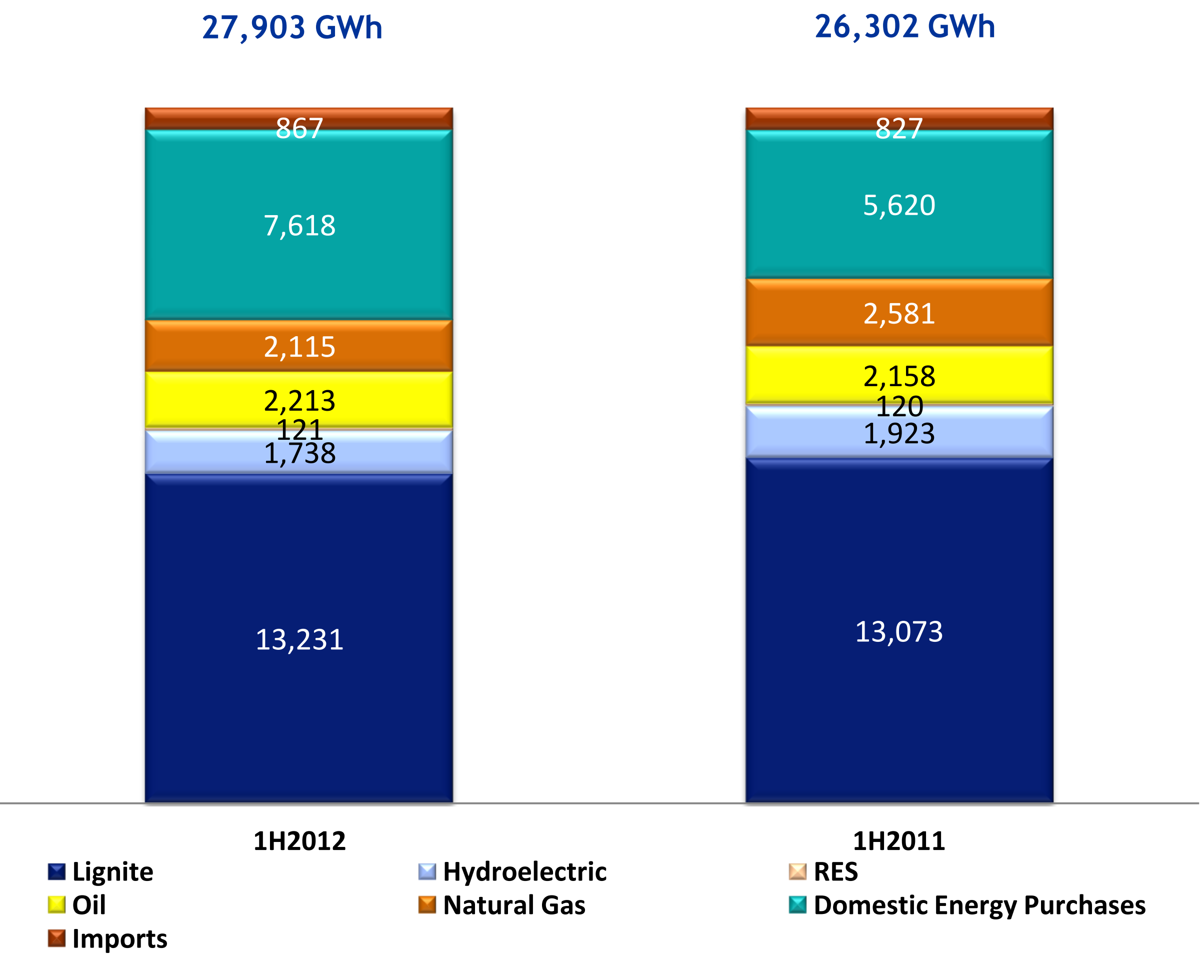


PPC generation: 19,855 GWh
Market share: 75.2%

PPC imports: 827 GWh
Market share on imports: 28.2%

In 1H2012, PPC's electricity generation and imports, covered 67.2% of total demand, while the corresponding percentage in 1H2011 was 70.5%.

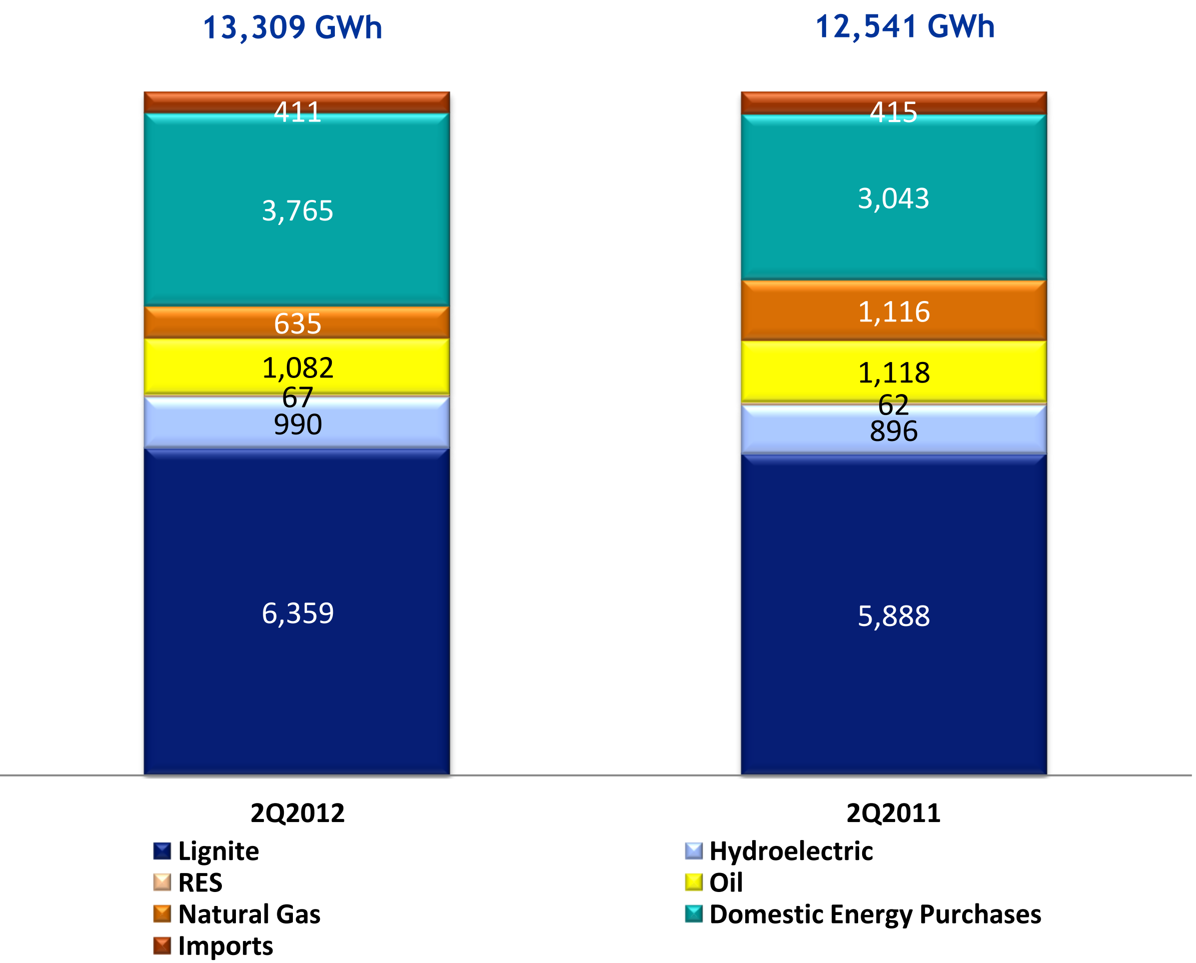
PPC/ Energy Generation and Purchases (GWh) 1H2012 / 1H2011



	TOTAL	Δ GWh	Δ %	% Participation	
		1,601	6.1%	1H2012	1H2011
PURCHASES	Imports	40	4.8%	3.1%	3.1%
	Domestic Energy Purchases	1,998	35.6%	27.3%	21.4%
IMPORTED FUELS	Natural Gas	-466	-18.1%	7.6%	9.8%
	Oil	55	2.5%	7.9%	8.2%
DOMESTIC FUELS	RES	1	0.8%	0.4%	0.5%
	Hydroelectric	-185	-9.6%	6.2%	7.3%
	Lignite	158	1.2%	47.4%	49.7%
TOTALS			PURCHASES	30.4%	24.5%
			IMPORTED FUELS	15.5%	18.0%
			DOMESTIC FUELS	54.1%	57.5%

In 1H2012, electricity generation from lignite increased by 1.2% (158 GWh) compared to 1H2011. During the same period, the percentage participation of lignite in PPC's total energy mix declined to 47.4% vs 49.7% for 1H2011.
Energy purchases from the System and the Network increased by 35.6% (1,998 GWh).
Hydro generation decreased by 9.6% (-185 GWh) between the two periods.

PPC/ Energy Generation and Purchases (GWh) 2Q2012 / 2Q2011

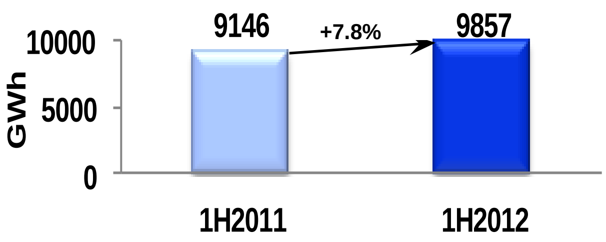


	TOTAL	Δ GWh	Δ %	% Participation 2Q2012	% Participation 2Q2011
		771	6.1%		
PURCHASES	Imports	-4	-1.0%	3.1%	3.3%
	Domestic Energy Purchases	722	23.7%	28.3%	24.3%
IMPORTED FUELS	Natural Gas	-481	-43.1%	4.8%	8.9%
	Oil	-36	-3.2%	8.1%	8.9%
DOMESTIC FUELS	RES	5	8.1%	0.5%	0.5%
	Hydroelectric	94	10.5%	7.4%	7.1%
	Lignite	471	8.0%	47.8%	47.0%
TOTALS	PURCHASES			31.4%	27.6%
	IMPORTED FUELS			12.9%	17.8%
	DOMESTIC FUELS			55.7%	54.6%

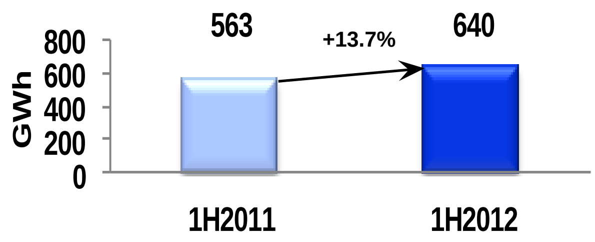
In 2Q2012, electricity generation from lignite increased by 8% (471 GWh) compared to 2Q2011. During the same period, the percentage participation of lignite in PPC's total energy mix amounted to 47.8% vs 47% for 2Q2011. Energy purchases from the System and the Network increased by 23.7% (722 GWh).
Hydro generation increased by 10.5% (94 GWh) between the two periods.

Electricity Sales (GWh) 1H2012 / 1H2011

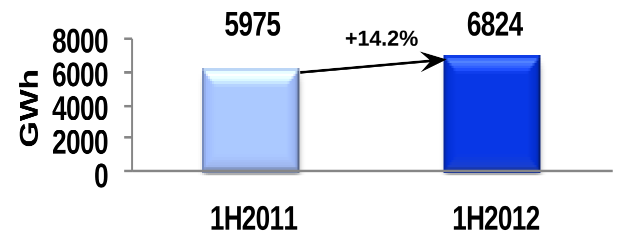
Residential



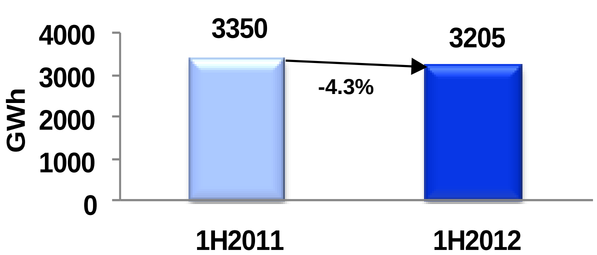
Agricultural



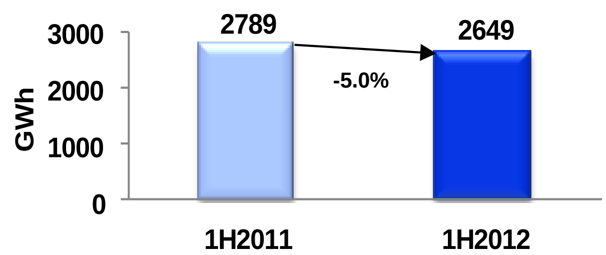
Commercial



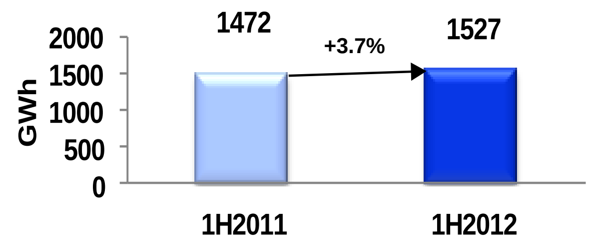
Industrial HV



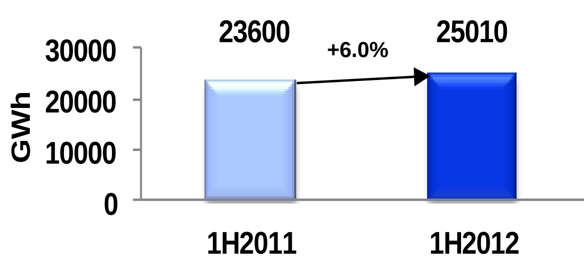
Industrial MV & LV



Other sectors

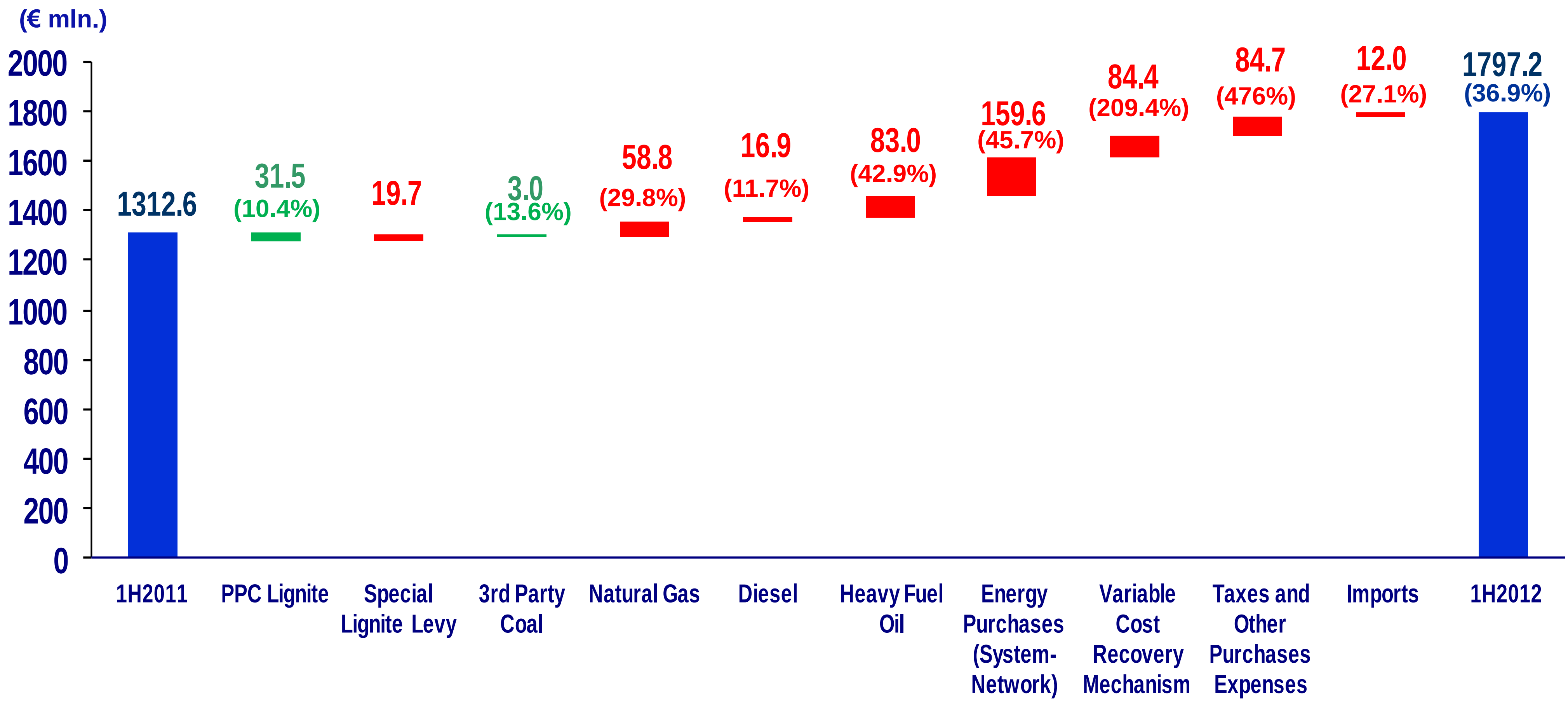


Total sales (including exports)



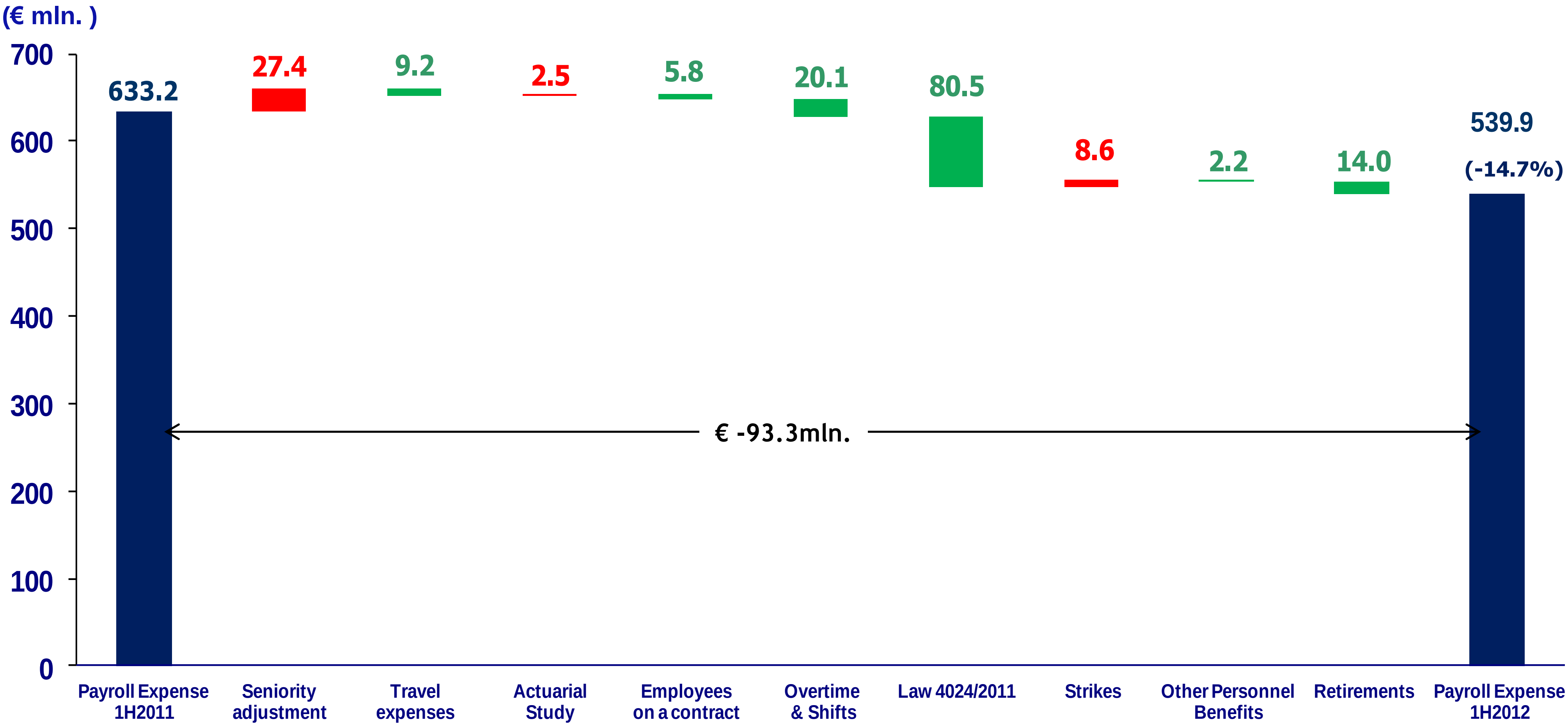
In 1H2012, PPC's electricity sales, including exports, increased by 6% (1,410 GWh) compared to the respective period of 2011. Excluding exports the increase amounts to 6%(1,407 GWh).

Total fuel and energy purchases expenditure 1H2012 / 1H2011



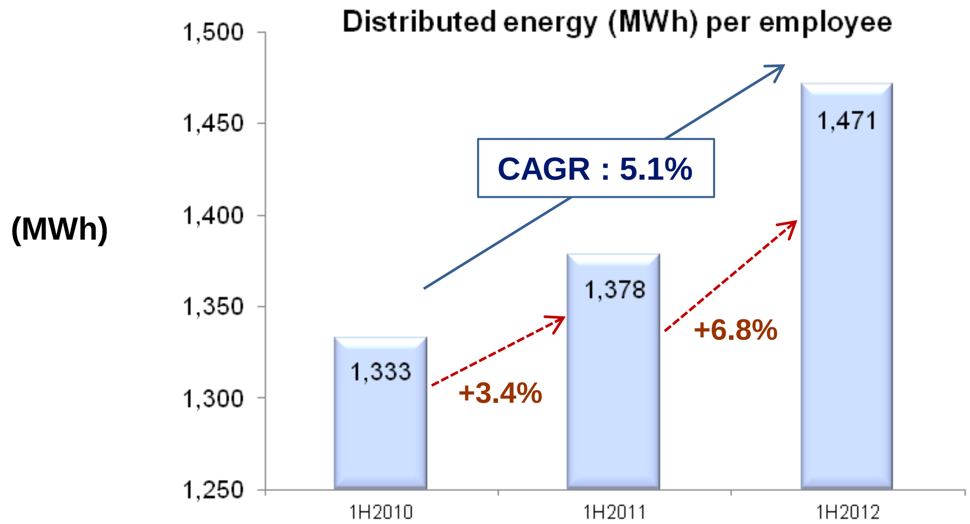
Total fuel and energy purchases expense increased by 36.9% compared to 1H2011, mainly driven by the higher expense for energy purchases and imports, but also due to the increase in prices of heavy fuel oil, diesel and natural gas, the imposition of a Special Consumption Tax on natural gas since September 2011 and the doubling of the Special Consumption Tax on heavy fuel oil from June 2011.

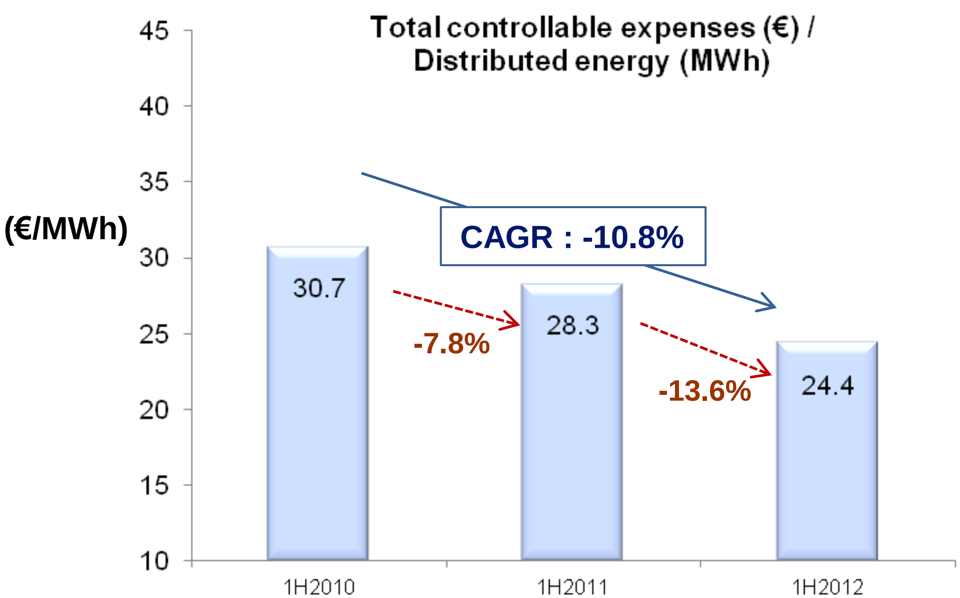
Total Payroll evolution (including capitalized payroll expenses)

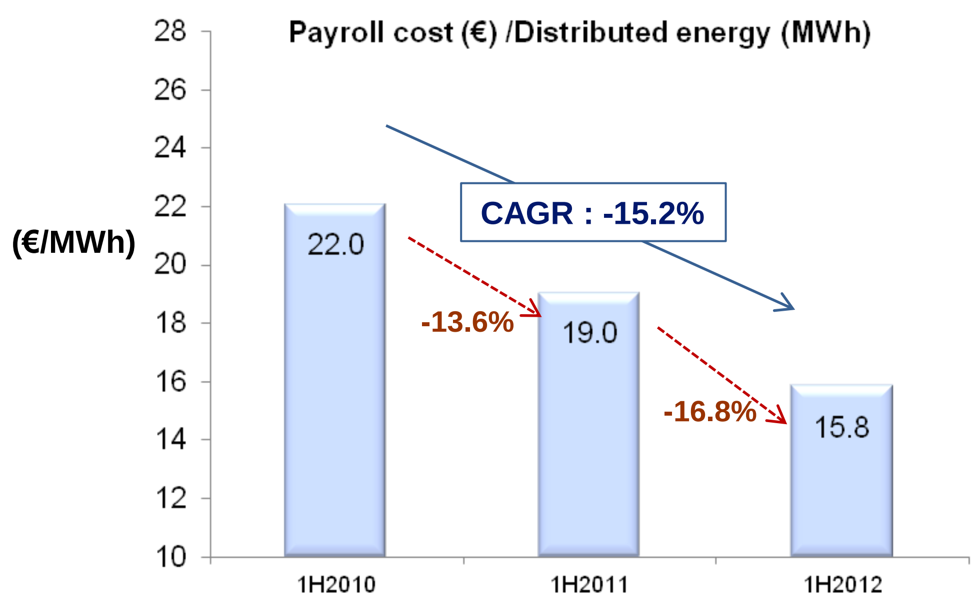


The total reduction of payroll cost, including capitalized payroll, between the two periods amounts to € 93.3 m (-14.7%).

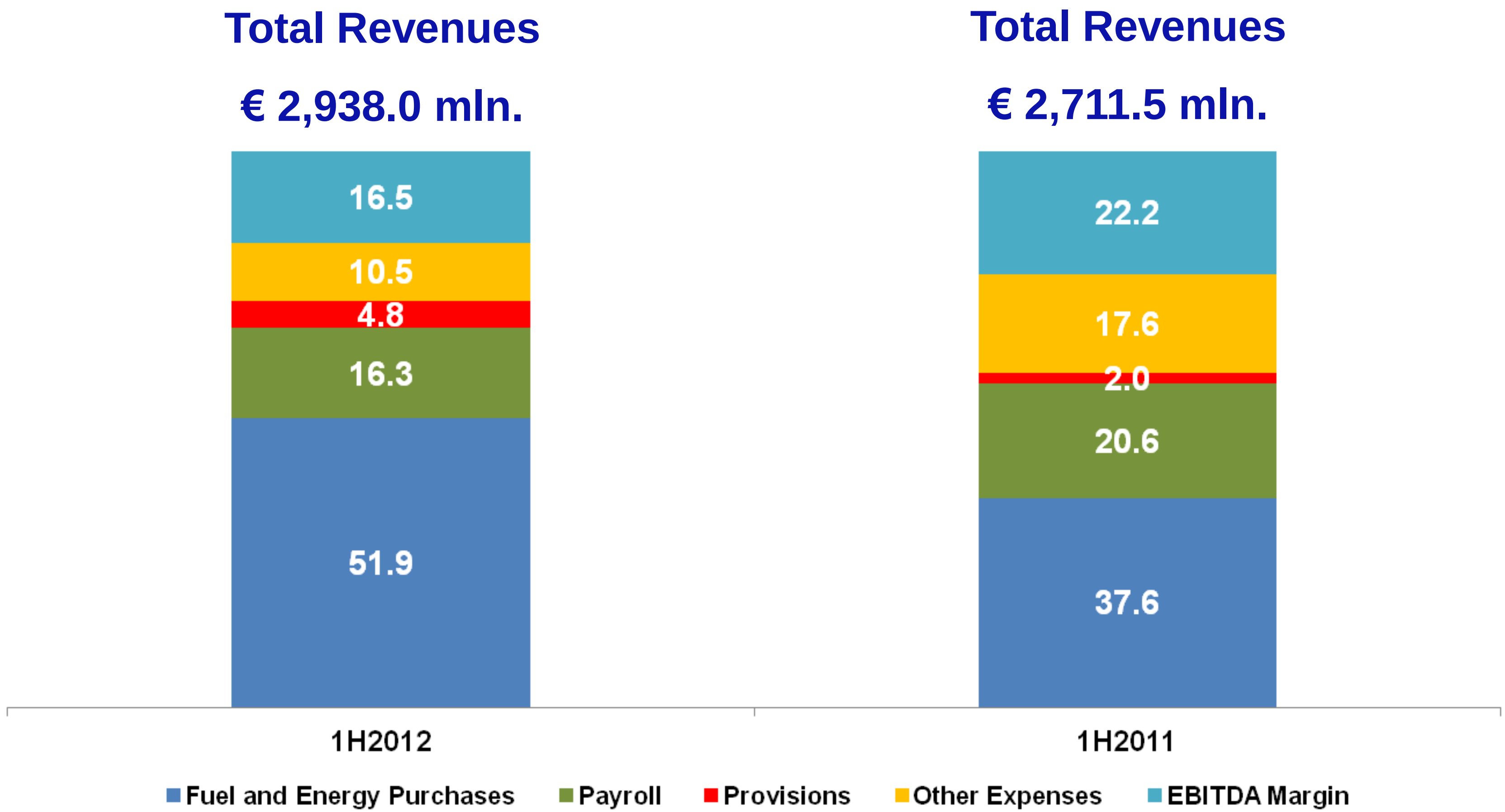
Productivity Improvement







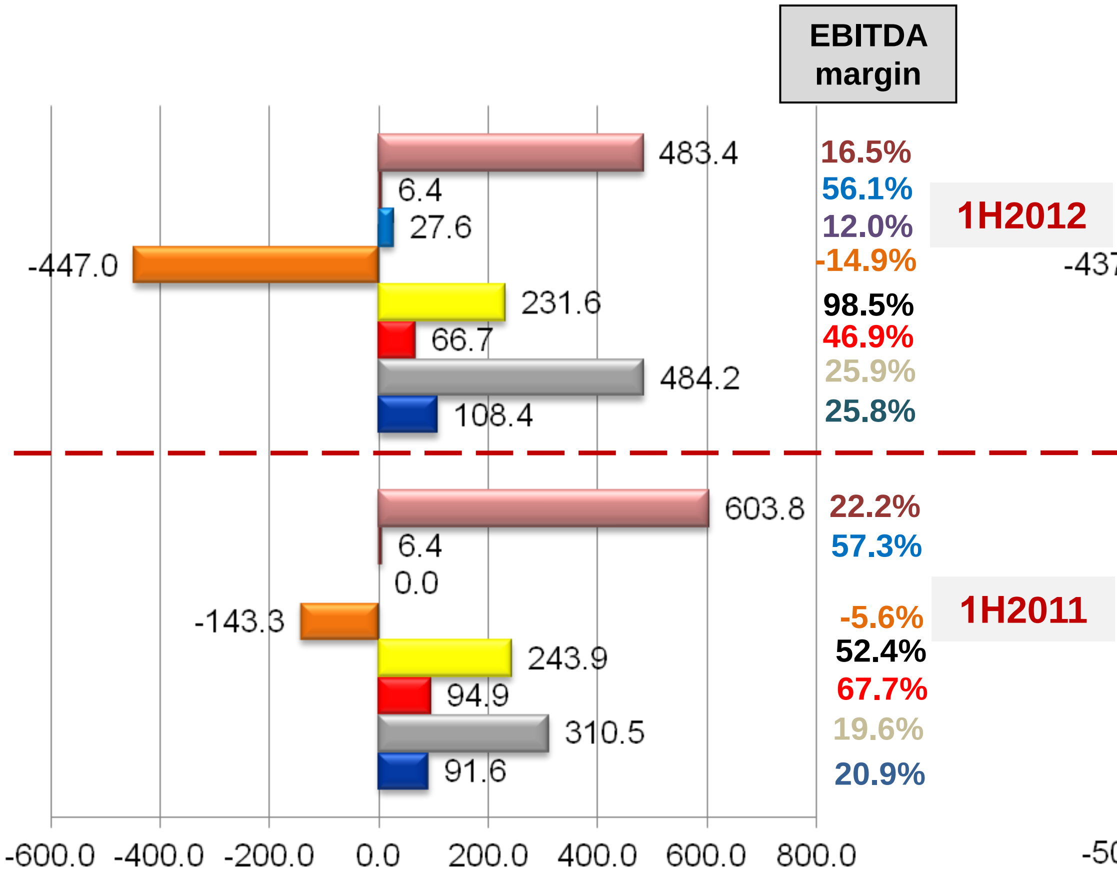
Fuel, CO2, other expenses and EBITDA as percentage of revenues (1H2012 / 1H2011)



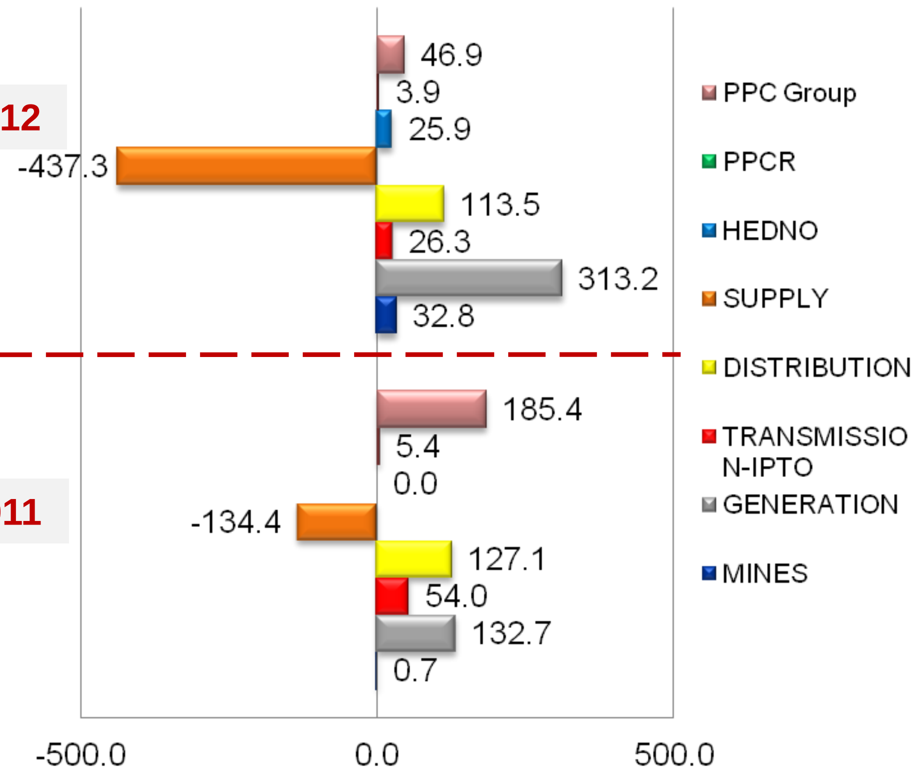
In 1H2012, 51.9% of the Company's total revenues were expensed for fuel and energy purchases compared to 37.6% in 1H2011. As a result, and despite the further reduction of payroll expense to 16.3% of total revenues compared to 20.6% in the first half of 2011, EBITDA margin deteriorated to 16.5% versus 22.2%

Financial results per activity

EBITDA (€ mln.) (1)



Pre-tax Profits/Losses (€ mln.) (1)



(1) Including the respective figures of the Distribution System Operator and the Operator of the non interconnected islands.

Capex – Net Debt Evolution – Liquidity (Group figures)

- Capital expenditure stood at the same level as in 1H2011 amounting to € 457.3 m, while, as a percentage of total revenues there was a decline to 15.6% from 16.9%. Excluding network users' contributions for their connection to the network (€ 64.7 m and € 59 m in 1H2012 and 1H2011 respectively), which fund a part of distribution projects, capital expenditure amounted to 13.4% and 14.7% of total revenues in 1H2012 and 1H2011 respectively.
- Increase in net debt by € 74.6 mln. from € 4,702.7 mln. on 31/12/2011 to € 4,777.3 mln. on 30/6/2012.
- Debt repayment in 1H2012 amounted to € 158 mln. and debt refinancing amounted to € 740 m.
- Current portion of long term debt to be repaid in the second half of 2012 amounts to € 466 mln.
- Available Lines as of 30/6/2012 : € 433 mln.
- In addition, cash deposits : € 226.8 mln.

Business Review
& Outlook

Arthouros Zervos

Chairman and CEO

Public Power Corporation S.A.

Major developments – Generation Projects

Aliveri V
Natural Gas CCGT
(417 MW)

Construction of the Unit has practically been completed and since 10/8/2012 testing of the equipment has been initiated while commencement of commercial operation is expected within 1Q2013. Related Projects of Independent Power Transmission Operator (IPTO S.A. or ADMIE) for the construction of Aliveri Super High Voltage Centre, 150/400 kV, have been completed, while the construction of the 400 kV Transmission Lines is in the stage of completion. Finally the construction, by Hellenic Gas Transmission System Operator (HGTSO S.A. or DESFA), of High Pressure Natural Gas Pipeline to the Unit has been completed.

Ilarionas HEP
(157 MW)

Tapping of the dam's deviation tunnel of the hydro station was successfully completed on July 13^{th}. Ilarionas hydro station is expected to gradually become operational by the end of the year.

ISO certification
in 4 Hydro Stations

Four certificates were awarded to hydro stations of PPC during 1H2012 for compliance of the Environmental Management Systems with the international standard ISO 14001:2004.

Specifically, ISO 14001:2004 certificates were awarded to the following hydro stations:

- Polyfitos, Sfikia and Asomata in the Aliakmonas complex,
- Agra and Edessaios in the Aliakmonas complex
- Pournari I&II in the Arachthos complex
- Aoos springs in the Arachthos complex

Over 83% of the installed capacity of PPC's Generation Stations, have an Environmental Management System, compliant with ISO 14001:2004 standard.

Major developments – Regulatory issues

RAE's propositions for the reorganization of the Greek electricity market

In July 2012, the Regulatory Authority for Energy (RAE), presented its proposals for the reorganization of the Greek electricity market, which - in summary - focus on:

(i) Electricity Generation Issues: providing access to PPC's lignite-fired generation to third parties through bilateral contracts (French "NOME" type and/or power auctions) and establishing a Code for the management of hydro stations and hydro resources.

(ii) Electricity Supply Issues: the establishment of a permanent mechanism for the adjustment of tariffs in the retail market, the disconnection of tariffs from collection of third party charges/fees (municipality fees, public television, etc) and the reduction of the extremely high taxation on energy.

In addition, RAE proposes the gradual abolishment of the "Variable Cost Recovery Mechanism" in its present form and the redesign of the "Capacity Assurance Mechanism".

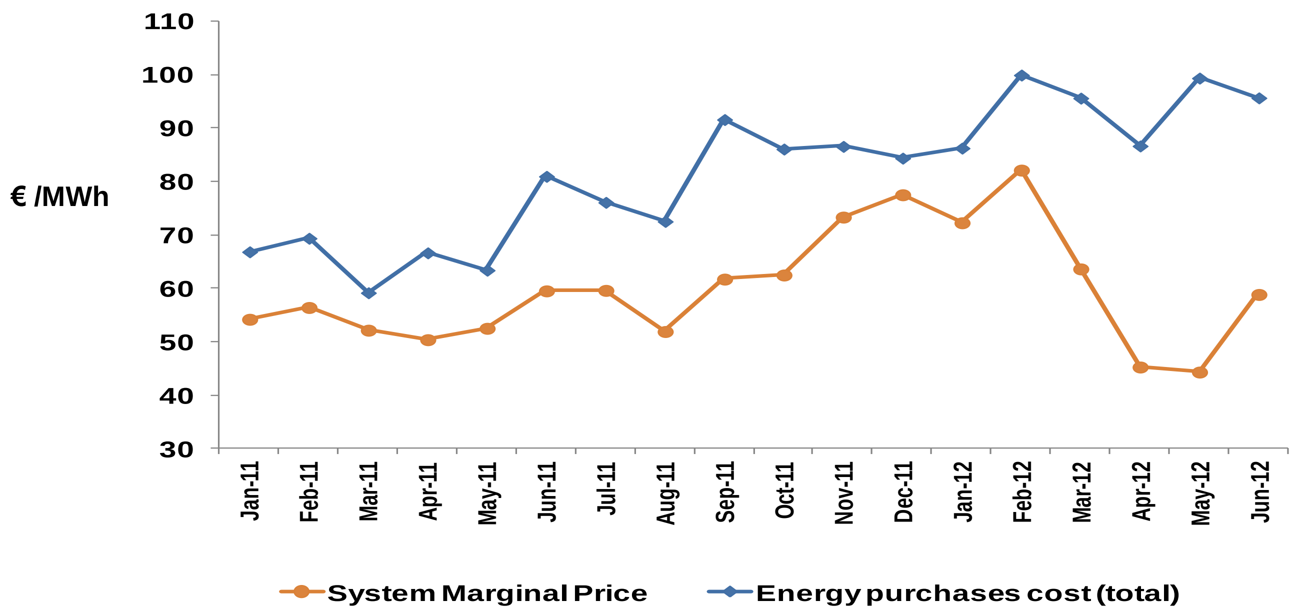
IPTO certification

In July 2012, RAE approved the certification of IPTO S.A. as Independent Transmission System Operator.

Comments on Financial results (1/3)

✓ In the second quarter of 2012, the profitability of the Group improved, with EBITDA increasing by € 19.4 m to € 251.4 m and EBITDA margin reaching 17.9% compared to 15% in the first quarter of the year.

✓ The reduction of electricity demand compared to the first quarter resulted to the significant decrease of electricity generated from natural gas and the respective expense (- € 96.2 m) as well as of energy purchases expense (- € 67.2 m), while the average energy purchase price of PPC from the System declined significantly by 33.6%. However, a significant part of these savings in the energy balance cost were offset by the negative impact of the increased expense for covering the variable cost of Independent Power Producers, which doubled from € 40.1 m in 1Q2012 to €84.6 m in 2Q2012.



Comments on Financial results (2/3)

- ✓In the second quarter of 2012, total controllable operating expenses decreased by € 39.9 m (-9.7%) compared to the respective period of 2011, leading to productivity improvement.

- ✓The continuous reductions since 2009 resulted in a 36% decline of the average payroll expense per employee. In this expense, all types of additional remuneration are included, such as shifts and overtime, necessary for the continuous operation of PPC, an industrial company operating 24 hours a day, 365 days a year. The decrease in total annual payroll between 2009 and 2012 is expected to reach close to € 700 m.

- ✓In a particularly adverse economic environment, we managed to contain financial expenses at the level of the first quarter.

Comments on Financial results (3/3)

- ✓ Despite the improvement compared to the first quarter of the year, the EBITDA margin of the second quarter remains below the level of the respective period of 2011, even after the aforementioned reductions in payroll. Tariff increases, effective since the beginning of the year, mainly reflect the impact of the imposition of new taxes and only a small part related to the change in the energy cost. As foreseen in the Memorandum, tariffs need to reflect wholesale market prices by June 2013. Otherwise, the retail market cannot open up to competition.

- ✓ Apart from the increase in the energy cost, the deterioration of the financial environment in Greece and the lack of liquidity in the market, put additional pressure on the Group's profitability and working capital, with provisions negatively impacting financial results by € 95.3 m in the second quarter of 2012 compared to € 8.1 m in the second quarter of 2011. It must be noted that a total amount of € 37.2 m has been included in the provisions of the second quarter of 2012, regarding alternative suppliers, whose operation has been suspended.

Going Forward – 2012 Outlook

For the full year, and taking into account:

- **an average price for Brent oil at $113.5/bbl and an average €/$ exchange rate of 1.25, for the period September-December 2012,**
- **annual revenues from energy sales of € 5.8 bln and total annual revenues of € 6.1 bln,**
- **rising trend of provisions due to prolonged recession,**

we expect EBITDA margin to reach 16% - 16.5%, under the condition that the macroeconomic environment will not deteriorate further.

DISCLAIMER

Some of the information contained herein includes forward-looking statements. It is noted that the Group is subject to various risks, which, among other, relate to €/$ exchange rate, oil, natural gas, electricity prices and the price of CO2 emission rights, as well as changes in the market, legal, regulatory and fiscal framework and bad debt evolution, that could cause actual results to differ materially from those anticipated in the forward-looking statements.