Public Power Corporation SA

Financial Results
1st Half 2011

Athens, August 30, 2011

Agenda

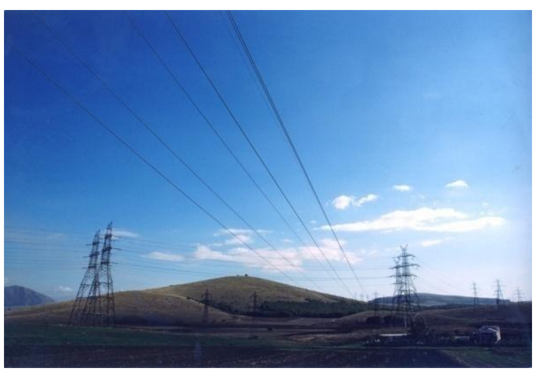
Financial Results

George Angelopoulos, CFO

Business Update & Outlook

Arthouros Zervos, Chairman and CEO





Financial Results
1H 2011

George Angelopoulos

Chief Financial Officer

Summary Financial Results 1H2011 / 1H2010 (Group)

Key Figures (€ mln.)	1H2011	1H2010	Δ	Δ%
Total Revenues	**2.719,1**	**2.894,5**	***-175,4***	***-6,1***
Revenues from Energy Sales	2.428,8	2.607,5	*-178,7*	*-6,9*
Energy Sales (GWh)	*23.600*	*24.923*	*-1.323*	*-5,3*
Payroll Expense	557,4	644,7	*-87,3*	*-13,5*
Contribution to PPC's Personnel Insurance Organisatons		52,1		
Liquid Fuel	338,0	277,5	*60,5*	*21,8*
Natural Gas	197,2	232,4	*-35,2*	*-15,1*
Energy Purchases	454,2	330,7	*123,5*	*37,3*
Transmission System Charges	156,2	141,5	*14,7*	*10,4*
Other Operating Expenses (controllable)	272,5	254,5	*18,0*	*7,1*
Provisions	53,8	61,3	*-7,5*	*-12,2*
EBITDA	**603,8**	**821,1**	***-217,3***	***-26,5***
EBITDA MARGIN	**22,2%**	**28,4%**		
Depreciation	335,5	291,6	*43,9*	*15,1*
Net Financial Expense	81,7	61,1	*20,6*	*33,7*
EBT	**185,4**	**463,6**	***-278,2***	***-60,0***

The increase in the energy balance cost by 12.4% coupled with a 6.1% turnover reduction are the main factors leading to a 26.5% decline in the EBITDA, despite the significant decrease in payroll expenses by 13.5%.

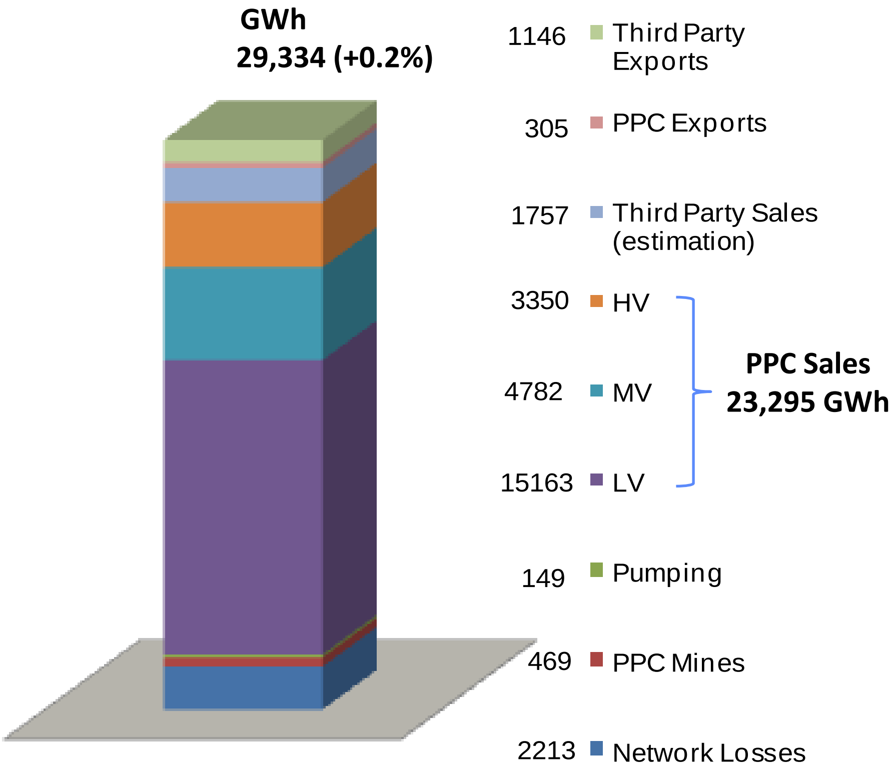
Summary Financial Results 2Q2011 / 2Q2010 (Group)

Key Figures (€ mln.)	2Q2011	2Q2010	Δ	Δ%
Total Revenues	**1,343.0**	**1,403.3**	***-60.3***	***-4.3***
Revenues from Energy Sales	1,196.2	1,253.6	*-57.4*	*-4.6*
Energy Sales (GWh)	*11,296*	*12,259*	*-963*	*-7.9*
Payroll Expense	271.9	291.8	*-19.9*	*-6.8*
Contribution to PPC's Personnel Insurance Organisatons		52.1		
Liquid Fuel	187.6	160.3	*27.3*	*17.0*
Natural Gas	93.5	130.5	*-37.0*	*-28.4*
Energy Purchases	259.4	197.8	*61.6*	*31.1*
Transmission System Charges	81.9	71.7	*10.2*	*14.2*
Other Operating Expenses (Controllable)	140.2	141.6	*-1.4*	*-1.0*
Provisions	8.1	25.9	*-17.8*	*-68.7*
EBITDA	**276.1**	**298.0**	***-21.9***	***-7.3***
EBITDA MARGIN	**20.6%**	**21.2%**		
Depreciation	167.5	145.2	*22.3*	*15.4*
Net Financial Expense	42.2	29.9	*12.3*	*41.1*
EBT	**64.0**	**120.0**	***-56***	***-46.7***

2Q 2011 Results have been burdened with an amount in the order of € 35 mln due to the strike from 20/6/2011 to 30/6/2011.

Electricity Demand 1H2011 / 1H2010

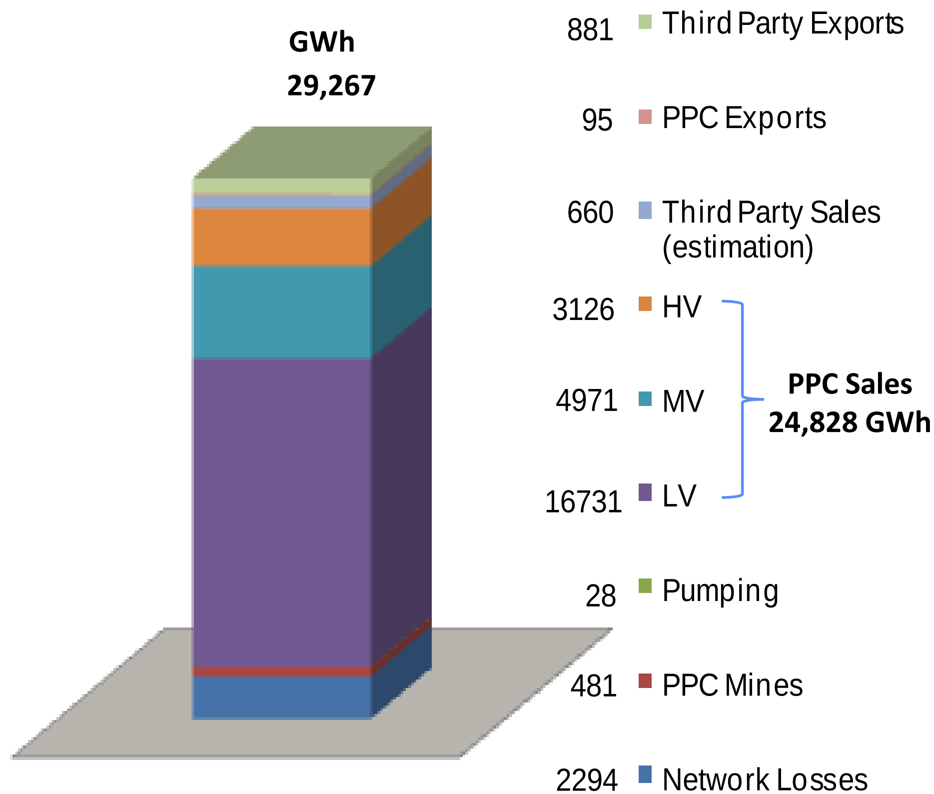
1H2011



PPC domestic sales : 23,295 GWh
Market share : 93.0%

PPC exports : 305 GWh
Market share on exports : 21.0%

1H2010



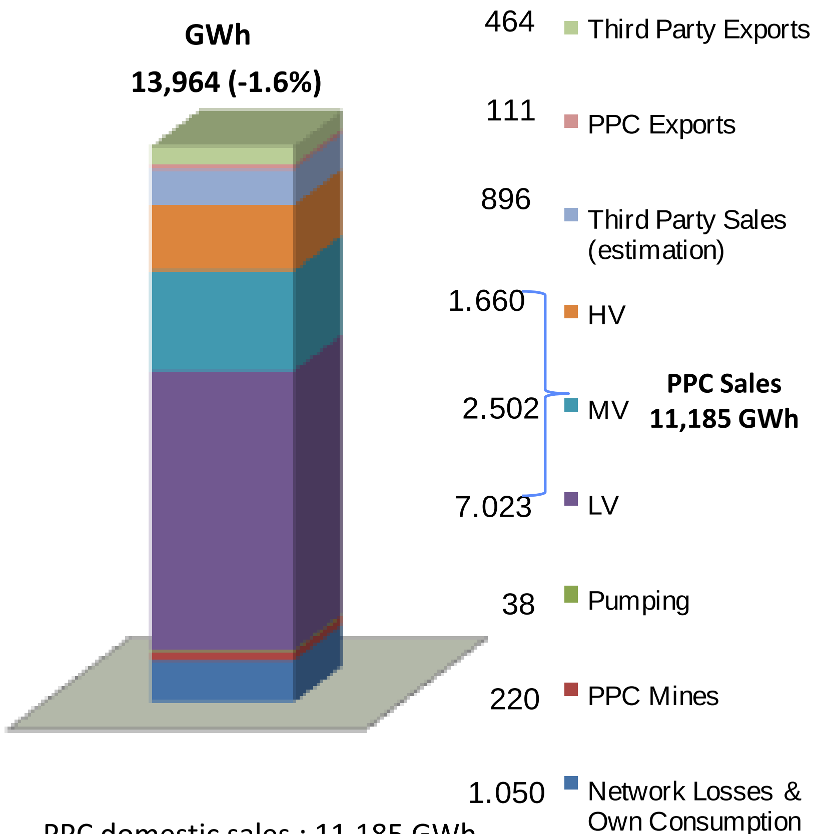
PPC domestic sales : 24,828 GWh
Market share : 97.4%

PPC exports : 95 GWh
Market share on exports : 9.7%

Total electricity demand increased by 0.2%. Excluding pumping and exports, electricity demand decreased by 1.8% (529 GWh). This fact, combined with the reduction by 4.4 p.p. of PPC's market share, led to a reduction of PPC's domestic sales by 6.2% (1,533 GWh).

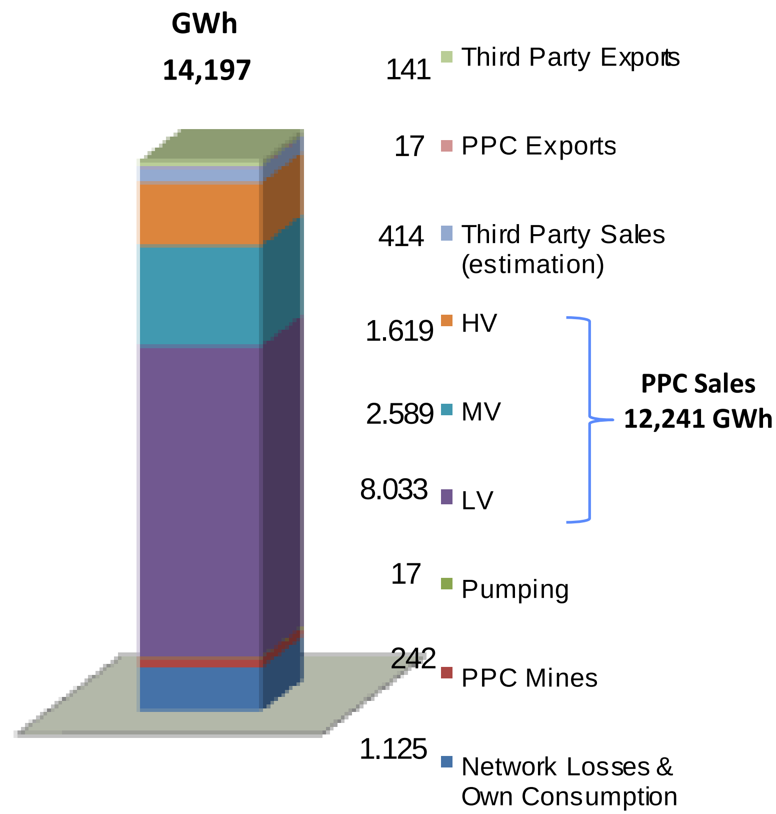
Electricity Demand 2Q2011 / 2Q2010

2Q2011



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

2Q2010

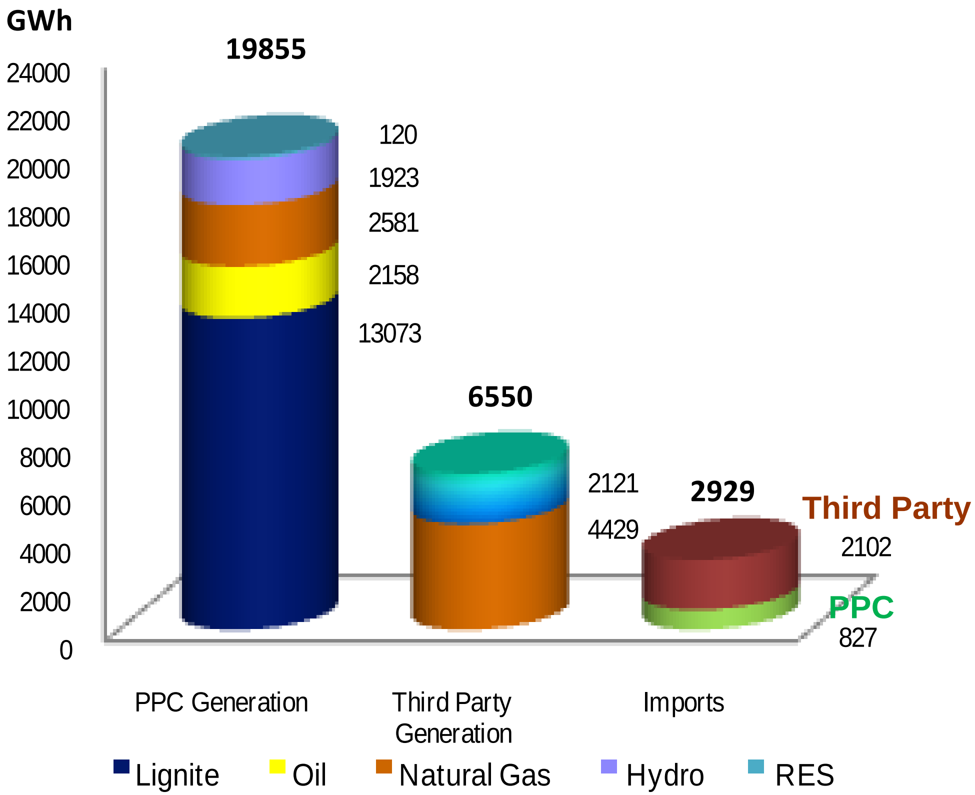


PPC domestic sales : 12,241 GWh
Market share (estimation) : 96.7%
PPC exports : 17 GWh
Market share on exports : 10.8%

Market share loss of PPC was contained to 4.1 p.p. compared to 4.7 p.p. in 1Q2011. However, the fact that, total electricity demand was reduced by 1.6% (-4.8 % excluding pumping and exports), whereas in 1Q2011, electricity demand increased by 2%, led to a decrease of PPC's domestic sales by 8.6% (1,056 GWh) compared to 3.8% (477 GWh) in 1Q2011.

Electricity Supply 1H2011 / 1H2010

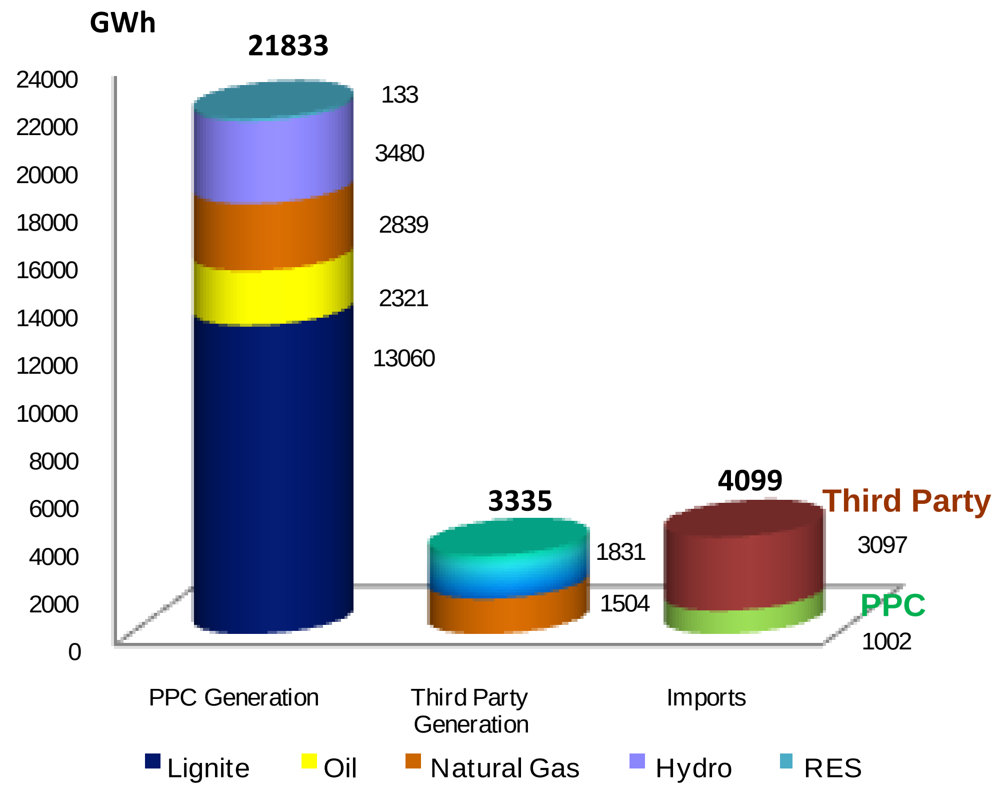
1H2011



PPC generation: 19855 GWh
Market share : 75.2%

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

1H2010



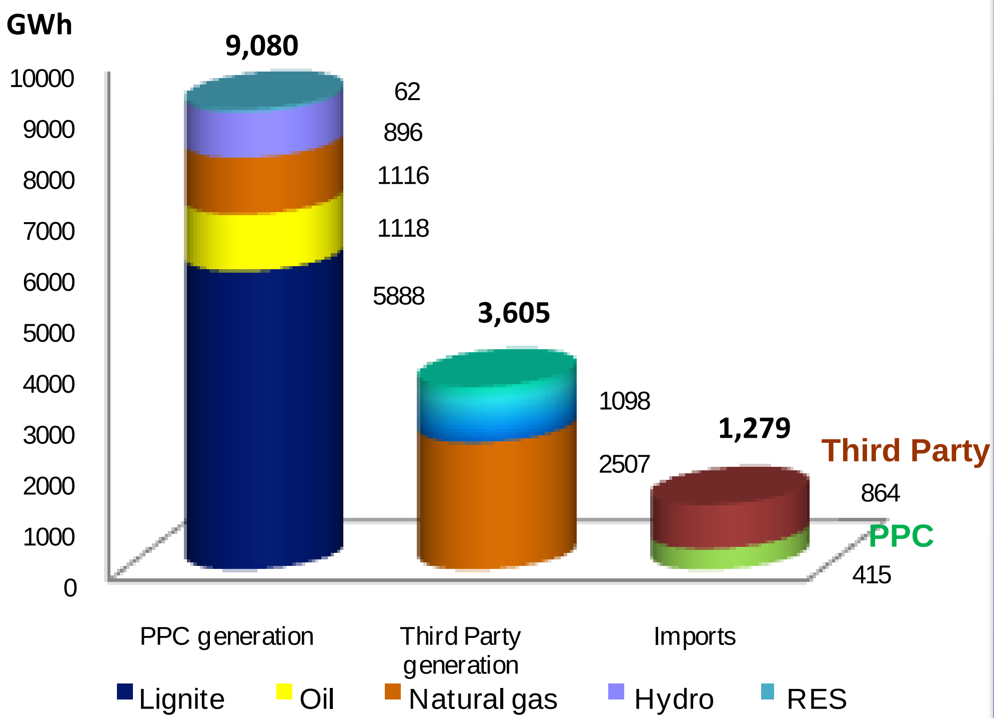
PPC generation: 21833 GWh
Market share : 86.7%

PPC imports: 1002 GWh
Market share on imports : 24.4%

In 1H2011, PPC's electricity generation and imports, covered 70.5% of total demand, while, the corresponding percentage in 1H2010 was 78%.

Electricity Supply 2Q2011 / 2Q2010

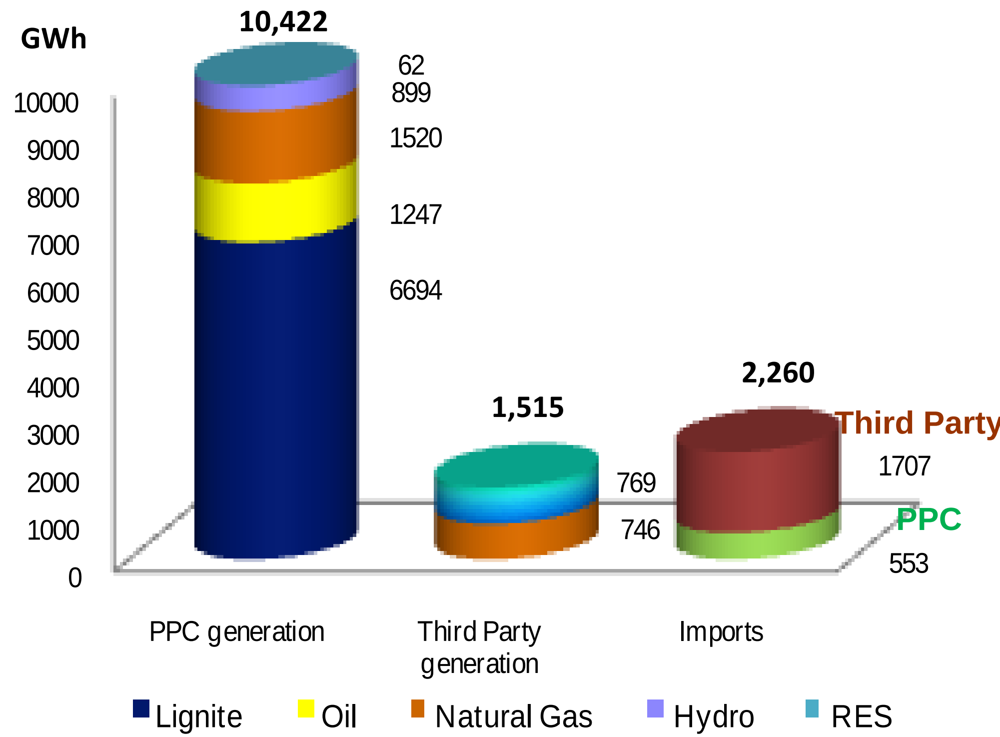
2Q2011



PPC generation: 9,080 GWh
Market share : 71.6%

PPC imports: 415 GWh
Market share on imports: 32.4%

2Q2010

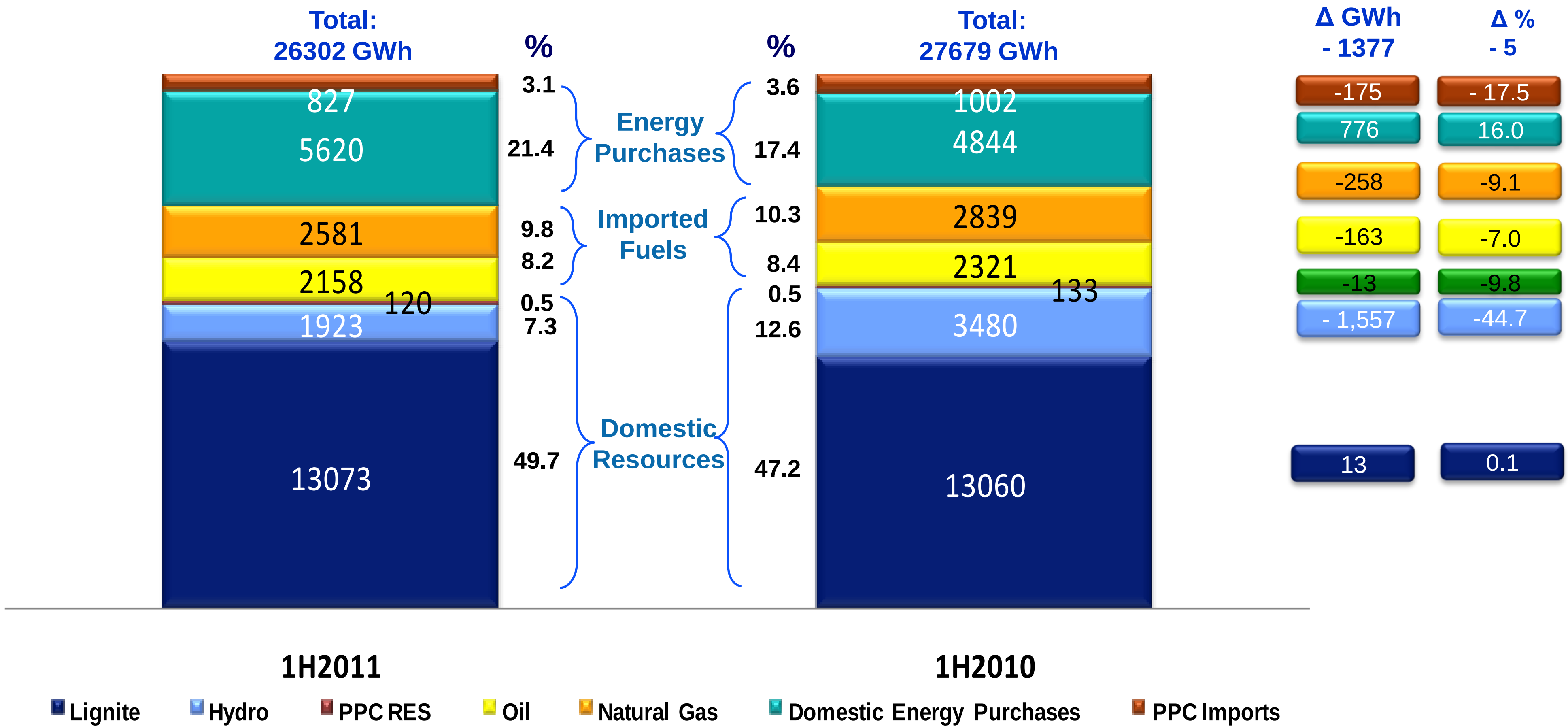


PPC generation: 10.422 GWh
Market share : 87,3%

PPC imports: 553 GWh
Market share on imports: 24,5%

In 2Q2011, PPC's electricity generation and imports, covered 68% of total demand, while, the corresponding percentage in 2Q2010 was 77.3%. This result was also impacted by the June strike.

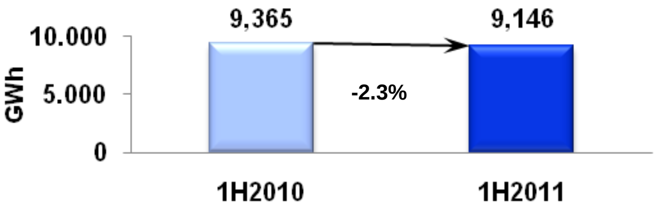
PPC Energy Generation and Purchases 1H2011 / 1H2010



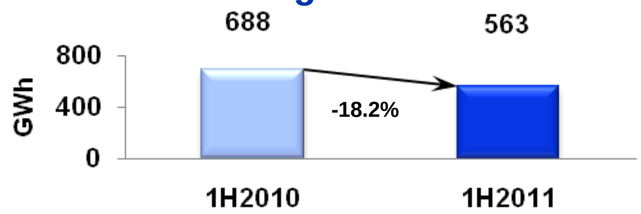
In 1H2011 electricity generation from lignite remained at the same levels compared to 1H2010. Hydro generation decreased by 44.7% (1,557 GWh). Domestic energy purchases increased by 16% (776 GWh).

Electricity Sales (GWh) 1H2011 / 1H2010

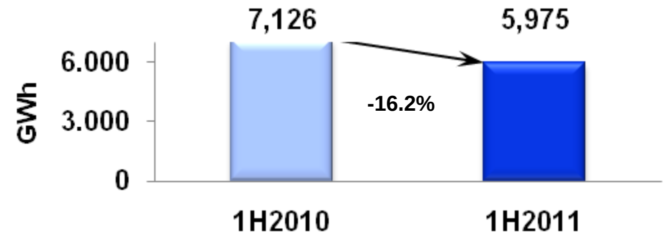
Residential



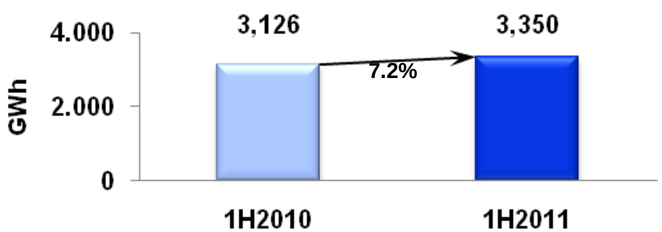
Agricultural



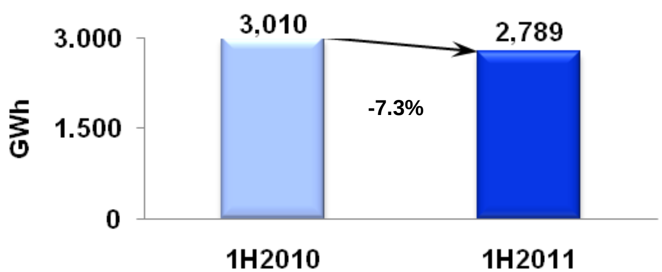
Commercial



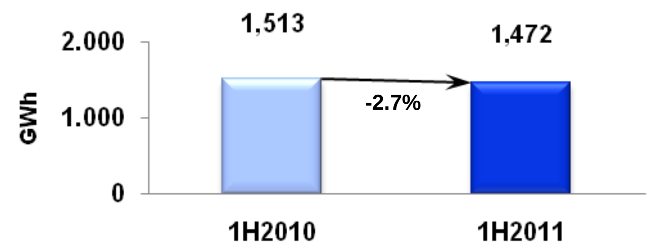
Industrial HV



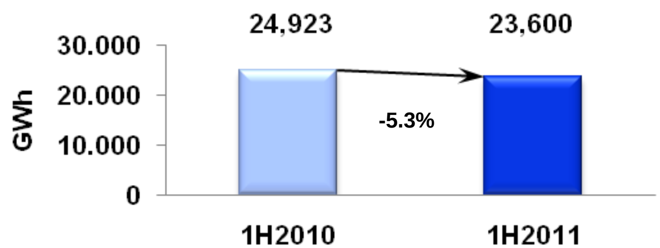
Industrial LV & MV



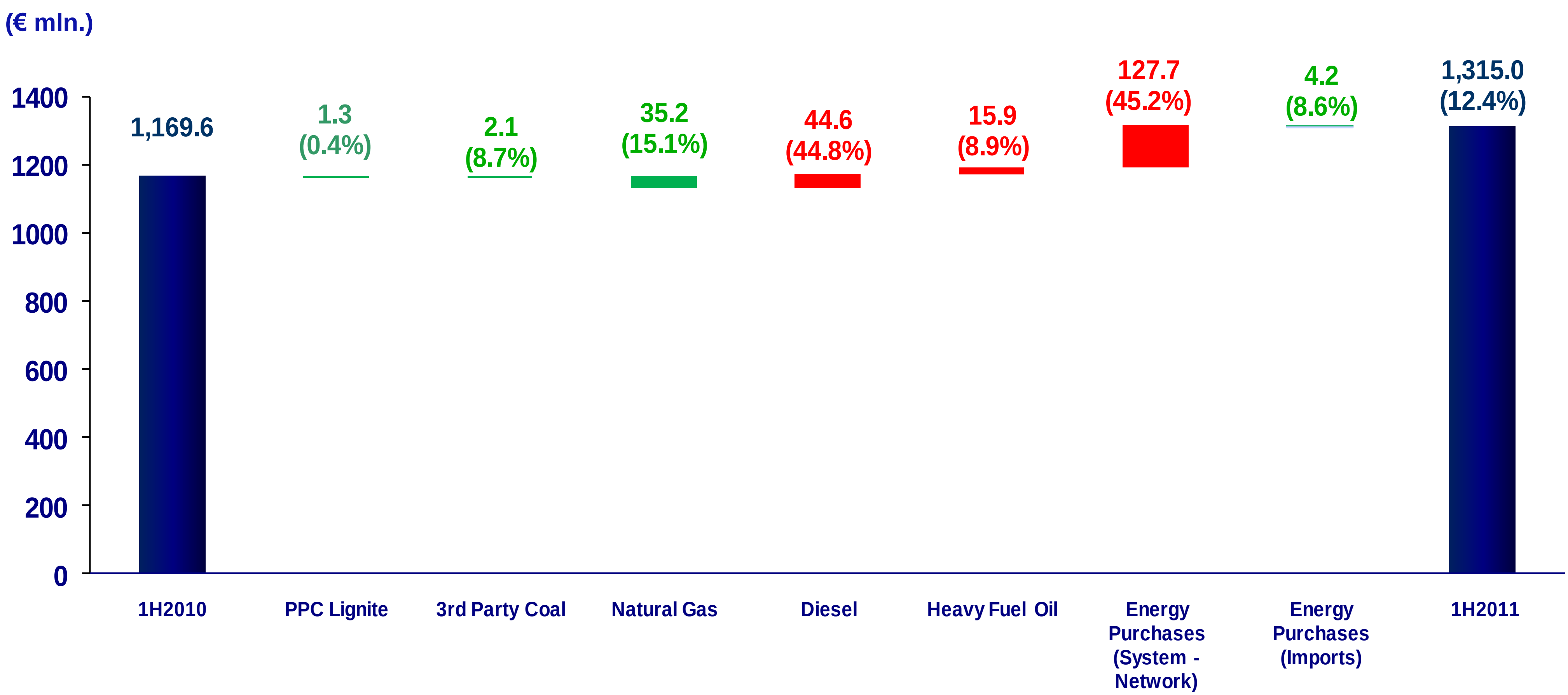
Other sectors



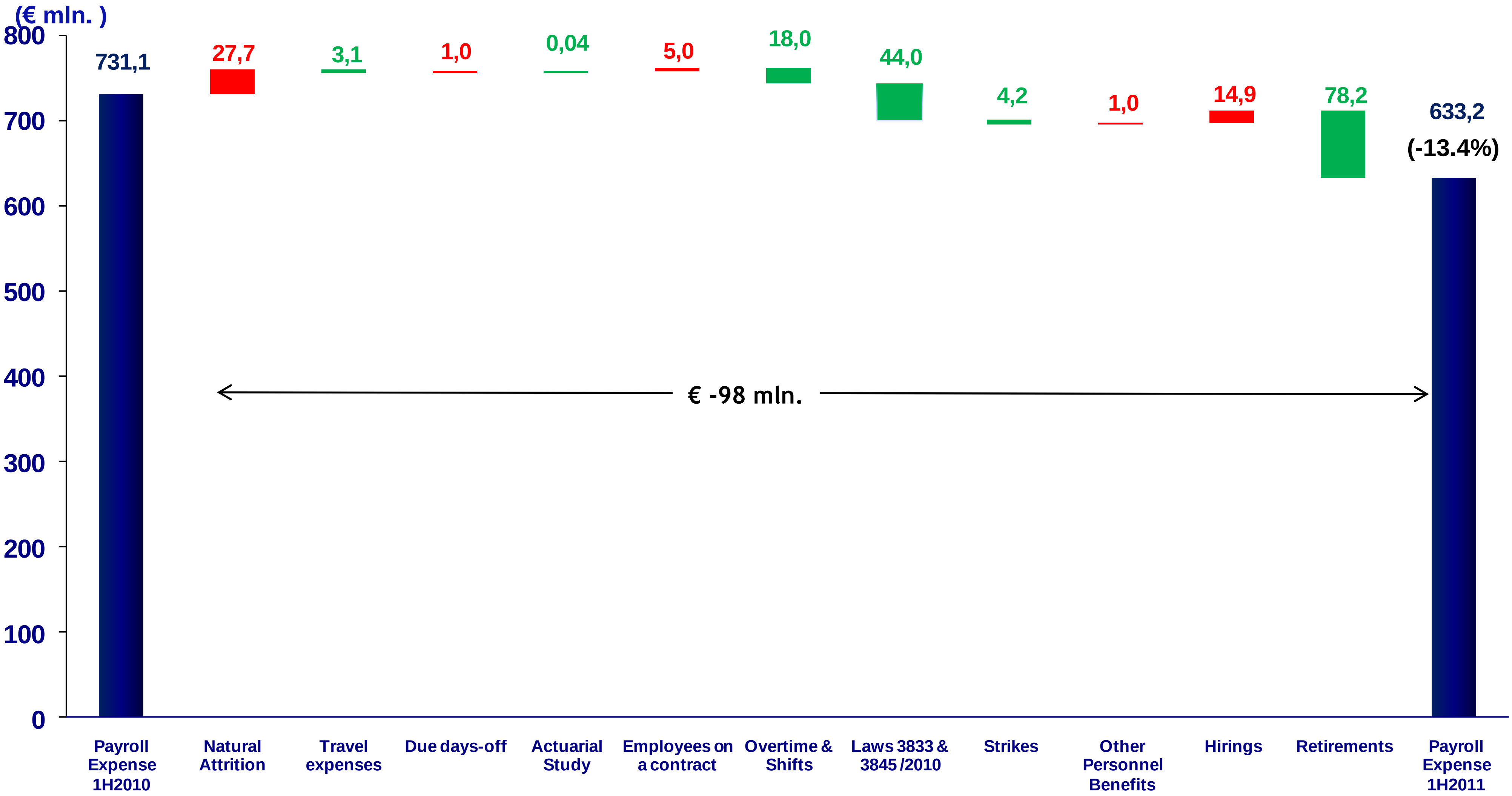
Total sales (including exports)



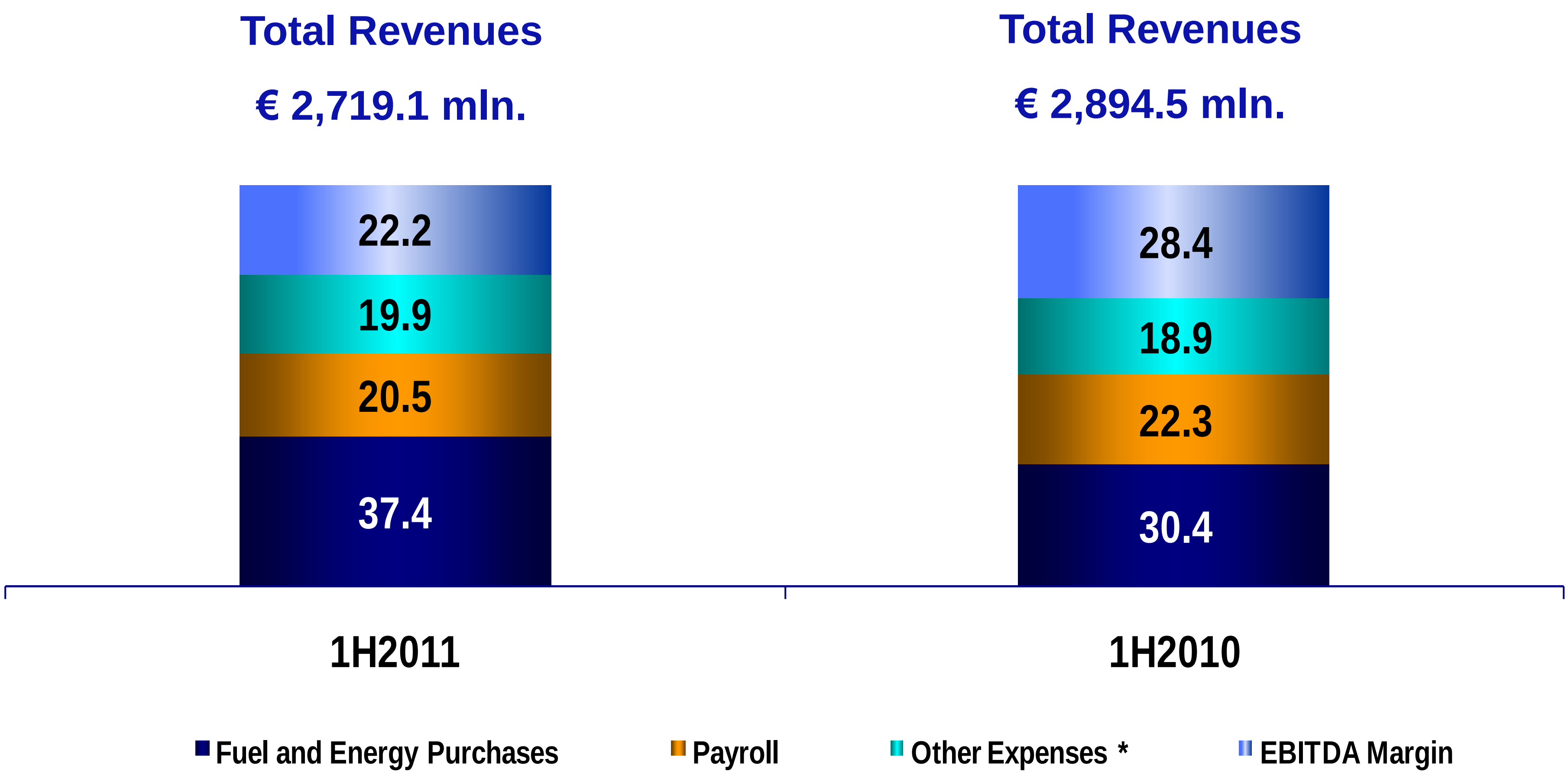
Total fuel and energy purchases expenditure 1H2011 / 1H2010



Payroll evolution (including capitalized payroll expenses)



Fuel, CO2, other expenses and EBITDA as percentage of revenues (1H2011 / 1H2010)



In 1H2011, 37.4% of the Company's total revenues were expensed for fuel, energy purchases and CO2 emission rights compared to 30.4% in 1H2010. On the contrary, despite the decrease in total revenues, the share of payroll expense was reduced to 20.5% compared to 22.3% in 1H2011. EBITDA margin reached 22.2% from 28.4% in 1H2010.

** Other expenses also include income/expenses regarding CO_2 emission rights valuation*

Capex – Net Debt Evolution - Liquidity

- **Capex in 1H2011 amounted to € 457.4 mln. compared to € 489.6 mln. in 1H2010.**
- **Increase in net debt by € 92.1 mln. from € 4,210.3 mln. on 31/12/2010 to € 4,302.4 mln. on 30/6/2011 and increase of € 348.4 mln, compared to 30/6/2010 (€ 3,954 mln).**
- **Debt redemptions in the first half of 2011 amounted to € 301.5 mln.**
- **Current portion of long term debt as of 30/6/2011 amounted to € 386 mln, of which € 255 mln was repaid until end August.**
- **During the period May-June, the Company paid two installments (out of eight) for the Tax Income of 2010 and the Advance Tax Payment, amounting to € 71.8 mln. (total amount of Tax and Advance Payment: €287.2 mln.)**
- **In July 2011, the Company paid € 183.3 mln for Dividends and during the period July-August, the Company paid € 71.8 mln for the Tax Income of 2010 and the Advance Tax Payment.**
- **Available Lines as of 30/6/2011 : € 950 mln**
- **In addition, cash deposits as of 30/6/2011 : € 772 mln.**
- **In July 2011, PPC and EIB signed € 310 mln financing contracts, out of which € 150 mln will be used for the construction of the new CCGT unit in Megalopolis and € 160 mln for the expansion and reinforcement of the distribution networks.**

Business Update
& Outlook

Arthouros Zervos

Chairman and CEO

Public Power Corporation S.A.

Regulatory Update

New Energy law voted on the 2nd of August 2011

The new Energy law (Law 4001/11) was voted on 2.8.2011 (published in the Government Gazette on 22.8.2011) and amongst others the following provisions are included:

- Adaptation of the ITO model for the Transmission System Operator:
  - Formation of a 100% subsidiary of PPC, operationally independent, namely ITSO (Independent Transmission System Operator), to which all related assets and personnel will be transferred. This subsidiary will undertake the transmission operations of PPC, as well as the transmission activities of the current HTSO.
  - ITSO should be certified by RAE as System Operator the latest by March 2012.
  - Formation of the "Independent Electricity Market Operator" which will be responsible for the operation and settlement of the Day-Ahead Electricity Market, an activity currently undertaken by HTSO.

- Set up of the Distribution System Operator, a 100% subsidiary of PPC, to which all related liabilities and personnel will be transferred along with related assets, with the exception of the fixed assets of the distribution network, the buildings and the facilities of the Distribution Division, which will remain at the parent company level. This subsidiary will undertake the distribution activities of PPC.

- This energy law is expected to further support the development of a liberalised market in Greece, with wider responsibilities and enhancement of the independence of the Regulatory Energy Authority (RAE).

- The new energy law also foresees the deregulation of the natural gas market, and the provisions of the law will be further elaborated both in the revised operating code as well as from the future developments already announced by RAE. The deregulation of the natural gas market is important to take place for PPC mainly in relation to the optimisation of its natural gas supply portfolio, taking advantage of market opportunities and, thus, contributing to the efficient energy market operation for the benefit of end-consumers.

Other important developments

Mid-Term Fiscal Strategy Plan (2012-2015)
-voted on 29.6.2011-

- **The State intends to further privatize PPC by selling up to 17% stake.**
- **The transaction is scheduled for 3Q 2012.**
- **The Plan also foresees the privatisation of DEPA in 4Q 2011. Within this timeline, the issue of PPC's option in DEPA will have to be addressed.**

Other important developments – Generation Projects

Megalopolis V CCGT (811MW)	On July 2011, the Building Permit of the Unit was issued. The civil works have already started and the delivery of electromechanical equipment has significantly progressed.
P/V plants in W. Macedonia (200MW) and Megalopolis (50MW)	We are progressing with the Tenders for the two photovoltaic plants in West Macedonia and Megalopolis. Specifically, for the West Macedonia plant, a request for proposals from the fifteen companies/consortia that qualified for the second phase is scheduled to be issued in September, while for the Megalopolis plant, PPCR opened on 24.8.2011 the financial offers from the four interested parties.
Submitted applications for RES production licenses	• In June 2011, PPCR submitted application for a production license for a cluster of wind parks in the South Aegean Islands and Crete of total capacity of 1.339 MW. • In August 2011, PPCR submitted application for a production license for a wind park in Rodopi of total capacity of 210 MW.

Other important developments – Foreign Expansion

Submission of bid for four hydro-power plants in Bosnia

On July 28th 2011, PPC submitted 'Prequalification Application' in a re-launched tender for the construction and exploitation of four hydro plants in Bosnia-Herzegovina. PPC, Quantum and Bank of Cyprus have signed the Articles of Association for the formation of a subsidiary, in which PPC S.A. will hold a 51% stake, under the name "PPC QUANTUM ENERGY S.A.".

Tender in FYROM

PPC has been successfully prequalified for the construction, operation and maintenance of two hydro plants at the Crna river in FYROM, as well as the operation of an existing hydro power plant in partnership with ELEM, the state company for electricity generation. The new deadline for the submission of the final offers is the 30th of September 2011.

Expansion in Turkey & Bulgaria

In process of setting up subsidiaries which will be active in the energy wholesale market in Turkey and Bulgaria.

Comments on Financial Results

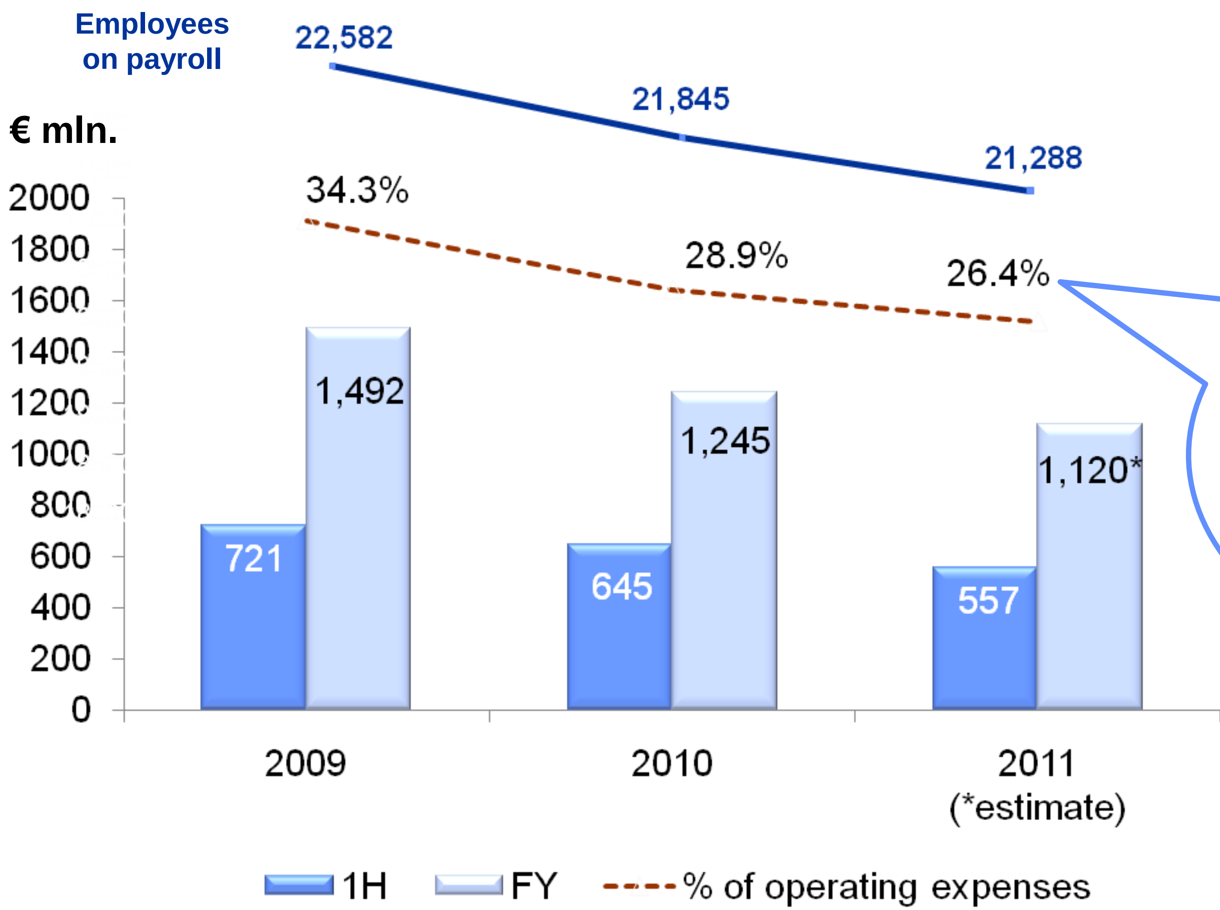
- In the 2nd quarter, the rate of the Group revenue decline has slowed down, due to a more favorable sales mix, while there are signs of market share loss stabilization in the high margin customers segment.

- As also mentioned before, it is expected that with the tariff rationalization that has already started and with the anticipated further adjustments of the tariffs in 2012, tariff distortions will be effectively addressed, supporting the development of healthy competition in the retail electricity market.

- EBITDA margin was 22.2%, as despite the significant decrease in payroll expenses by 13.5%, energy balance cost increased by 12.4%, coupled with a 6.1% turnover reduction, also due to reduced domestic demand.

- We reiterate our full year guidance for EBITDA margin in the range of 19% - 20%, assuming Brent oil price of $110/bbl and €/$ exchange rate of 1.37.

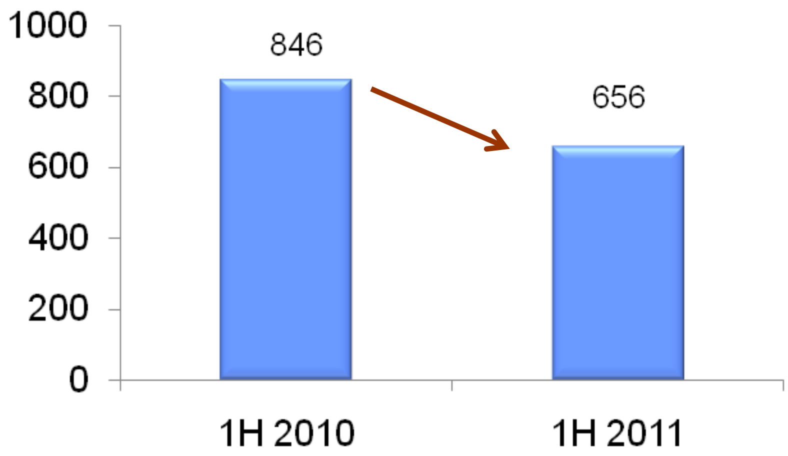
Payroll expense evolution – significant reduction so far



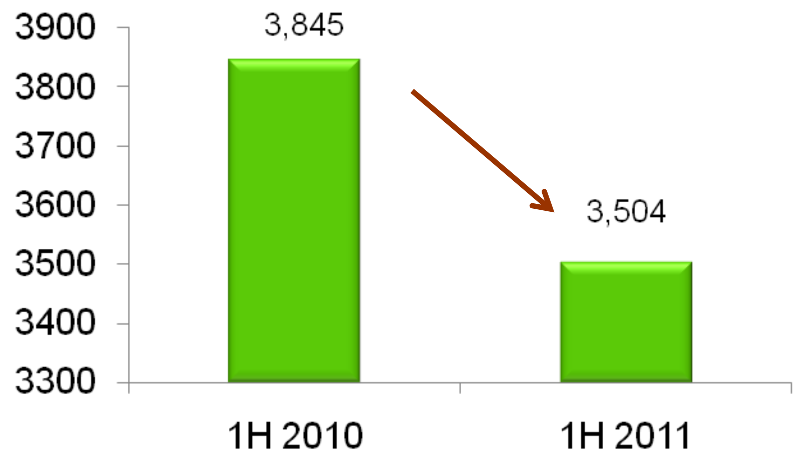
Following the significant reduction in 2010, PPC's payroll expense, as percentage of opex (28.9%), started to converge to those of other european utilities, while it is further reduced in 1H2011 (26.4%).

Savings on Variable Payroll Components

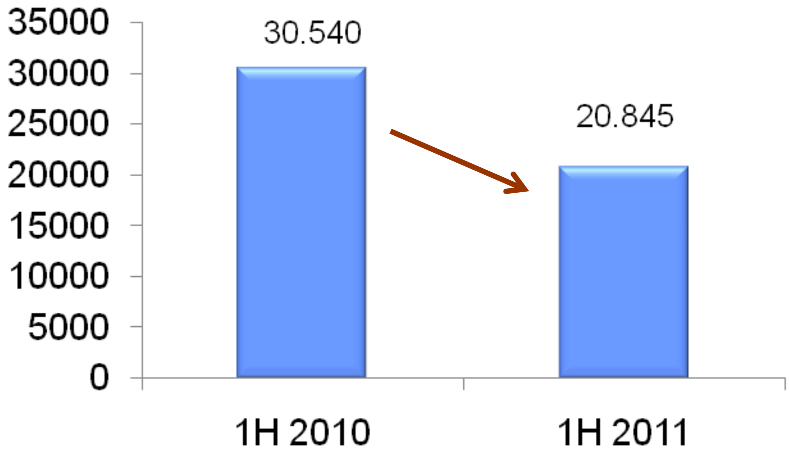
Overtime (in thousands of hours)



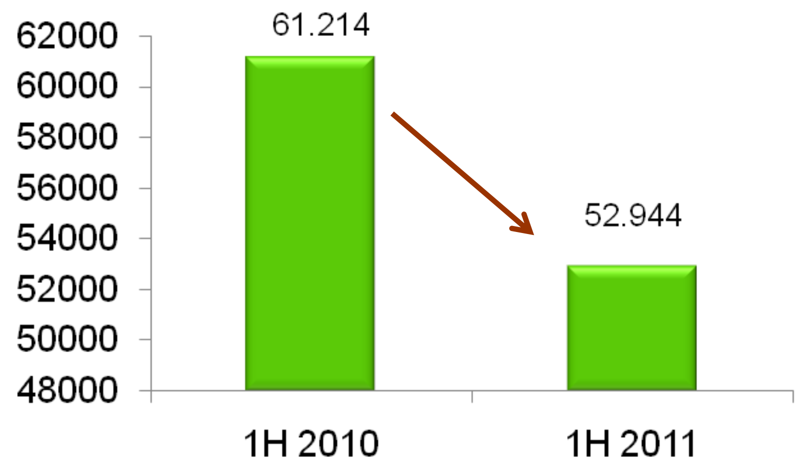
Shifts (in thousands of hours)



Overtime (in thousands of €)



Shifts (in thousands of €)



Savings on Other Expenses

- **Optimization of fuel procurement in 2011 is expected to lead to savings of approx. $17 mln.**
- As already mentioned, during the period 2007 – 2010, PPC diversified its fuel supply sources and this has resulted in cost savings for that period in excess of $ 30 million for liquid fuels (HFO 1% and diesel) due to lower premiums on the commodity costs.

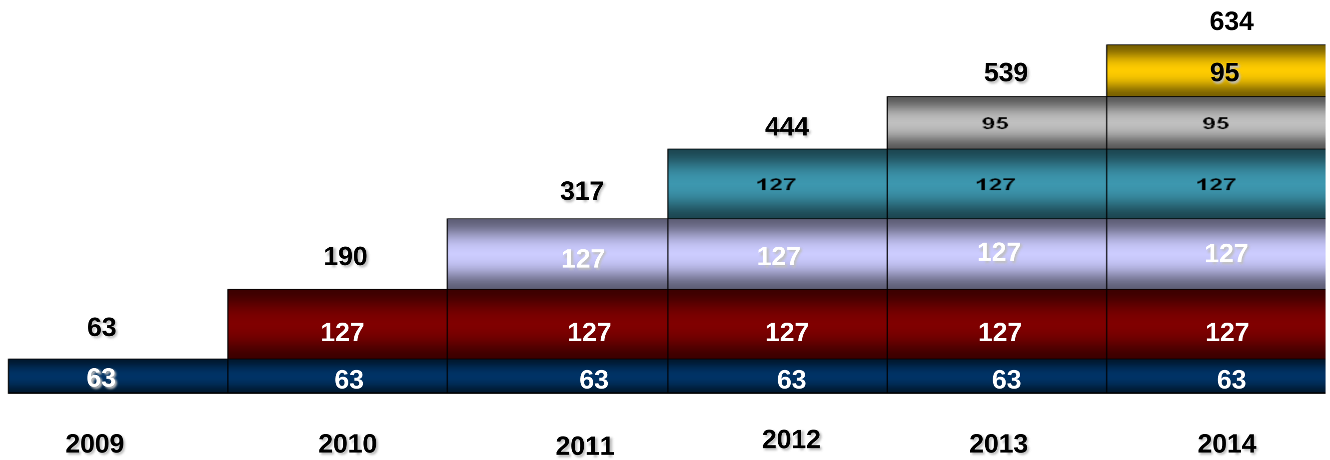
- **Spot purchases of LNG cargoes and purchases of pipe gas quantities at more competitive prices led to savings of the order of € 10 mln in YTD 2011.**

- **LNG related savings in 2010 amounted to € 29 mln.**
  - Master Supply Agreements for the supply of LNG were concluded with major leading international players who are interested in entering into a commercial relationship with PPC.
  - The LNG purchasing program shall be formulated taking into account international and local market conditions and developments.

Period	Actions	Savings
2007-2011	• Diversification of fuel supply sources • Integration of fuel transport into the fuel supply contracts • Aggregation of fuel supply to non-interconnected islands using PPC oil tanks at Lavrio SES as intermediate storage point, leading to a considerable reduction of fuel costs	~ $ 47 mln (oil) ~ € 39 mln.(gas)

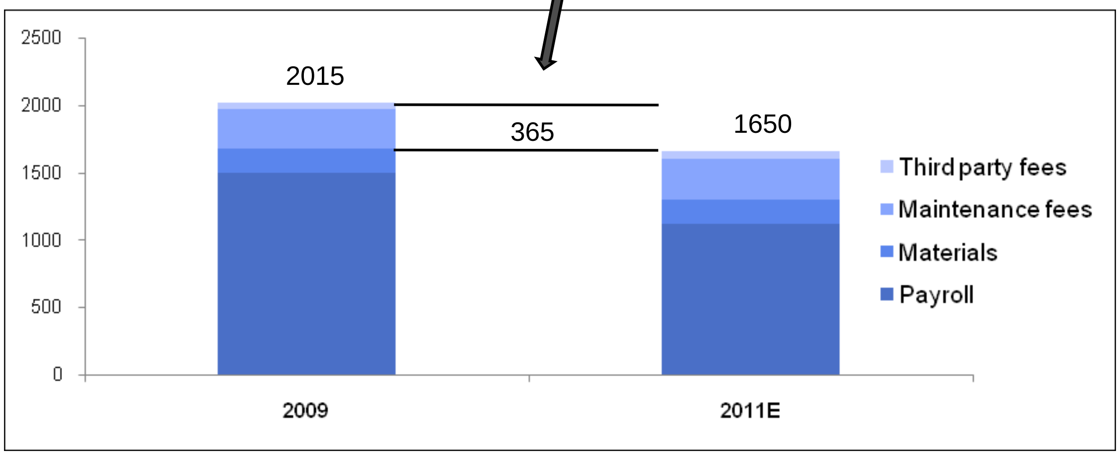
Further cost savings targeted in controllable opex

Savings targeted in the previously announced Business Plan (2009-2014)



2009 ← Reduction of operating expenses € 365 mln. → | ← Further opex savings > €300mln → **2016**

Comparison with achieved results



Further measures under implementation or examination are expected to create additional savings by 2016 that will exceed € 300 mln

… but are not enough to secure adequate returns

- Projected outflows for contracted investments in generation over the period 2011-2013 amount to c. € 800 mln (of which € 480 mln in 2011) and mainly relate to the CCGT plant of Megalopolis, the South Rhodes plant and the large hydro plants, as the outflows related to the construction of the Aliveri CCGT plant are almost fully realised.
- In addition, network investments are estimated at €500 - 600 mln p.a., which currently earn a pre-tax return of 8% on the Regulated Asset Basis.
- We will proceed with further investments, when we secure an adequate return.
- A cost reflective tariff setting mechanism is a prerequisite for securing proper returns to all market participants and ensuring competitive energy prices for the end consumer in the long-run, when coupled with internal cost discipline.
- If tariffs do not reflect wholesale market prices, in a rising input cost environment and with the upcoming full CO2 impact in 2013, the retail market cannot open up and PPC Supply business will end being a loss-making monopoly, as was the case in 2008.
- This will be further accentuated if PPC is not compensated via PSOs, for the increase in diesel and HFO levies (c. € 120 mln estimated impact on an annual basis). In addition, potential imposition of a levy on natural gas consumption, which will result in an increase of the System Marginal Price, will further impact PPC's operating results.

Going Forward

As the financial environment has deteriorated, we will continue to seek ways to further reduce our cost base and pull internal levers for improving cash flow. We want to transform PPC into a leaner organisation with increased efficiency, that can operate profitably in an increasingly competitive environment.

Enhancing our revenues by investing in renewables as well as tapping foreign markets and new business activities, remains a priority, and we are actively engaged in pursuing opportunities that we believe can contribute to our bottom line profitability and strengthen our competitive positioning.

In parallel, the implementation of the regulatory framework should lead to fair compensation for all energy services provided.

DISCLAIMER

Some of the information contained herein includes forward-looking statements. It is noted that the Company is subject to various risks, which, among other, relate to \$/€ exchange rate, oil, natural gas and electricity prices as well as the price of CO_2 emission rights that could cause actual results to differ materially from those anticipated in the forward-looking statements.