ANNUAL REPORT 2015

JUNE **2016**

PUBLIC POWER CORPORATION S.A.

ΔΕΗ

Public Power Corporation S.A.-Hellas
Energy for everyone

ANNUAL REPORT 2015

1 JANUARY 2015
31 DECEMBER 2015

PUBLIC POWER CORPORATION S.A.

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PART **A**

1 SELECTED FINANCIAL DATA

Summary Financials (€ mil.)

	GROUP			PARENT COMPANY		
	2015	**2014**	**Δ%**	**2015**	**2014**	**Δ%**
Total Revenues	5,735.7	5,863.6	-2.2%	5,675.4	5,796.7	-2.1%
EBITDA	828.4	1,022.1	-19.0%	591.7	783.2	-24.5%
EBITDA Margin	14.4%	17.4%		10.4%	13.5%	
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	90.7	355.5	-74.5%	(71.5)	214.0	-133.4%
EBIT Margin (%)	1.6%	6.1%		-1.3%	3.7%	
Net Income/(Loss)	(102.5)	91.3	-212.3%	(152.5)	34.2	-545.9%
EPS/(Loss) (in €)	(0.44)	0.39	-212.8%	(0.66)	0.15	-540.0%
No of Shares (mil.)	232	232		232	232	

Summary Balance Sheet & Capex (€ mil.)

	GROUP			PARENT COMPANY		
	2015	**2014**	**Δ%**	**2015**	**2014**	**Δ%**
Total Assets	17,314.6	17,373.4	-0.3%	15,935.3	16,138.5	-1.3%
Net Debt	4,788.9	4,991.9	-4.1%	4,552.6	4,723.8	-3.6%
Total Equity	5,911.6	6,134.7	-3.6%	5,723.2	5,968.4	-4.1%
Capital expenditure	753.6	628.0	20.0%	617.0	528.4	16.8%

2 COMPANY INFORMATION

2.1 GENERAL INFORMATION

PPC was incorporated as a Societe Anonyme on January 1st 2001, under the Liberalisation Law (2773/1999). Until January 2001, PPC was wholly owned by the Hellenic Republic.

The corporate seat is in the Municipality of Athens, Greece. PPC's executive offices are at 30, Halkokondili Street, 104 32 Athens, Greece.

In accordance with article 3 of the Articles of Incorporation, currently the objective of the Company is:

a) The engagement in commercial and industrial activities in the energy sector, in Greece and abroad. These activities shall include, but not be limited to:

- *the engagement in commercial and industrial activities in the electricity sector, in Greece and abroad,*
- *the design, supervision, construction, exploitation, maintenance and operation of power plants,*
- *the supply and sale of electricity as well as of energy products and services,*
- *the extraction, production, supply and sale of energy raw materials,*
- *the assignment to third parties, by virtue of contract, of any activity similar to those set forth herein above,*
- *the operation or management of privately-owned vessels or vessels owned by third parties, under Greek or foreign flag having as sole objective the transportation of liquid fuels.*

b) The engagement in commercial and industrial activities in the telecommunications sector, the provision of services to third parties related to Projects' design, management and supervision, the provision of services to third parties related to training and occupational health and safety, the provision of services to third - party Companies on organization and information technology issues, the design, construction, maintenance, management, exploitation and operation of waste treatment units, including power generation from or / and in relation to waste management, as well as the development of all kinds of assets held by the Company.

c) The establishment of companies, the participation in joint ventures, as well as the acquisition of shares of other companies, Greek or foreign, and, in general, the participation in enterprises pursuing aims similar to those under a) and b) of the present paragraph or the activities of which (enterprises) are directly or indirectly related to the objective of the company or whose objective is the profitable use of the movable or immovable assets of the company and the development of its resources, including the participation in public tendering procedures of Contracts for Public - Private Partnerships (PPPs), as well as the establishment or participation in the share capital of Special Purpose Companies within the framework and in execution of PPPs.

In order to attain the objectives referred to in the preceding paragraph, PPC S.A. may, in particular, a) sign any kind of contracts or agreements with domestic or foreign individuals or legal persons and inter-state organizations, b) participate in the share capital of existing companies or in the share capital of companies to be established in the future, grant loans to the said companies and provide guarantees in their favor, c) issue any bond loans of any type whatsoever and participate in the share capital of companies to which the company has granted loans through the conversion or not of the bonds of the aforesaid loans into shares.

The company may engage in any other action or activity in order to fulfill its objectives within the scope of the Articles of Incorporation and of the standing provisions, in any commercial or other activity and perform any material or legal act, directly or indirectly connected with its objectives.

The Company has secured the trademark No. 160076 "Public Power Corporation Societe Anonyme" and "PPC S.A."

In accordance with the classification of the Hellenic Statistical Authority (EL.STAT - STAKOD 08), the economic activity of PPC S.A. comes under:

BRANCH OF ECONOMIC ACTIVITY (STAKOD 08)	TOTAL REVENUES 01.01.2015 - 31.12.2015
«Generation, transmission and distribution of electricity», 35.1	€ 5,735.7 mil.

2.2 HISTORICAL BACKGROUND

PPC was established in 1950 having as purpose to generate, transmit and distribute electricity throughout the Greek territory. Prior to the establishment of PPC, the right to generate, transmit and distribute electricity had been assigned by the Greek Government to private and municipal electricity companies.

PPC started its operation in 1953 by generating and selling electricity to the abovementioned private and municipal electricity companies. During the period 1957-1963, the Company acquired the above electricity companies, including the Electric Company of Athens - Piraeus Ltd, which used to service the largest urban area of Greece and was generating a significant percentage of the total electricity consumed in the Greek market.

The Laws 1559 and 2244, which were enacted in the years 1985 and 1994 respectively, provided for a relevant exception from PPC's exclusive right in electricity generation mainly in order to give the right to industrial companies to generate electricity for their own consumption. Moreover, said legislation allowed individuals to generate electricity from renewable sources and cogeneration exclusively for commercial use.

By virtue of Law 2773/1999 concerning the liberalization of the electricity market and pursuant to the Presidential Decree 333/2000, PPC, as of January 1st 2001, was converted into a societe anonyme wholly owned by the Greek State having as main purpose the generation and supply of electricity.

In December 2001, following an increase of share capital and an offering of existing shares held by the Hellenic Republic, PPC's shares were listed on the Athens Stock Exchange. In parallel, GDRs were admitted to London Stock Exchange.

The Hellenic Republic further reduced its stake in PPC through secondary offerings in December 2002 and October 2003 and now controls, directly or indirectly through the Hellenic Republic Asset Development Fund (HRADF), 51.12% of the Company's share capital. The HRADF holds 17% of the Company's share capital, which is included in the aforementioned percentage held by the Hellenic Republic, since the HRADF is 100% owned by the Hellenic Republic.

After the spin-off of the Transmission and the Distribution segments, two 100% subsidiaries of PPC were created, namely IPTO S.A. (Independent Power Transmission Operator S.A.) and HEDNO S.A. (Hellenic Electricity Distribution Network Operator S.A.). IPTO S.A. is responsible for the management, operation, maintenance and development of the Hellenic Electricity Transmission System and its interconnections, while HEDNO S.A. is responsible for the management, operation, development and maintenance of the Hellenic Electricity Distribution Network.

2.3 OVERVIEW OF COMPANY'S ACTIVITIES

PPC is Greece's largest electricity generator and the principal supplier of electricity in Greece.

PPC currently holds assets in lignite mines, power generation, transmission and distribution. Its power portfolio consists of conventional thermal plants (lignite, gas and oil fired), and hydroelectric power plants, as well as RES installations, accounting for approximately 64% of the total installed capacity in the country.

In 2015, PPC's generation of 34.1 TWh coupled with the 3.2 TWh that it imported, covered 63.4% of total demand. PPC's energy mix comprised of generation from lignite (57%), oil (13.4%), natural gas (13%), hydroelectric (15.8%) and renewable energy sources (0.8%).

The nearly 7.4 mil. customers of PPC, consumed 96.4% of the total electricity supplied to end-customers in Greece in 2015.

The Hellenic Electricity Transmission System, often referred to as the "Interconnected System", spreads over the mainland of Greece. The Ionian islands, along with certain Aegean islands in close proximity to the mainland, are also included in the Interconnected System, to which they are connected through submarine cables.

In the Interconnected System, a significant part of the generation capacity is located in northwestern Greece, in close proximity to the lignite mines, which are the primary fuel source. In the last 3 years, two new, state of the art gas-fired plants were constructed, namely Aliveri V and Megalopolis V, in the southern part of the Interconnected System as well as the new hydroelectric power plant of Ilarion.

All remaining islands, which are referred to as the"Non-Interconnected Islands", are served by autonomous oil-fired power plants. In some of the islands, demand is also covered by RES. The largest power plants in the Non-Interconnected Islands are located in Crete and Rhodes (with total thermal capacity exceeding 1,000 MW).

PPC is active in the RES sector through its subsidiary company "PPC Renewables S.A." (PPCR), with a portfolio of wind farms, small scale hydroelectric plants and photovoltaic plants.

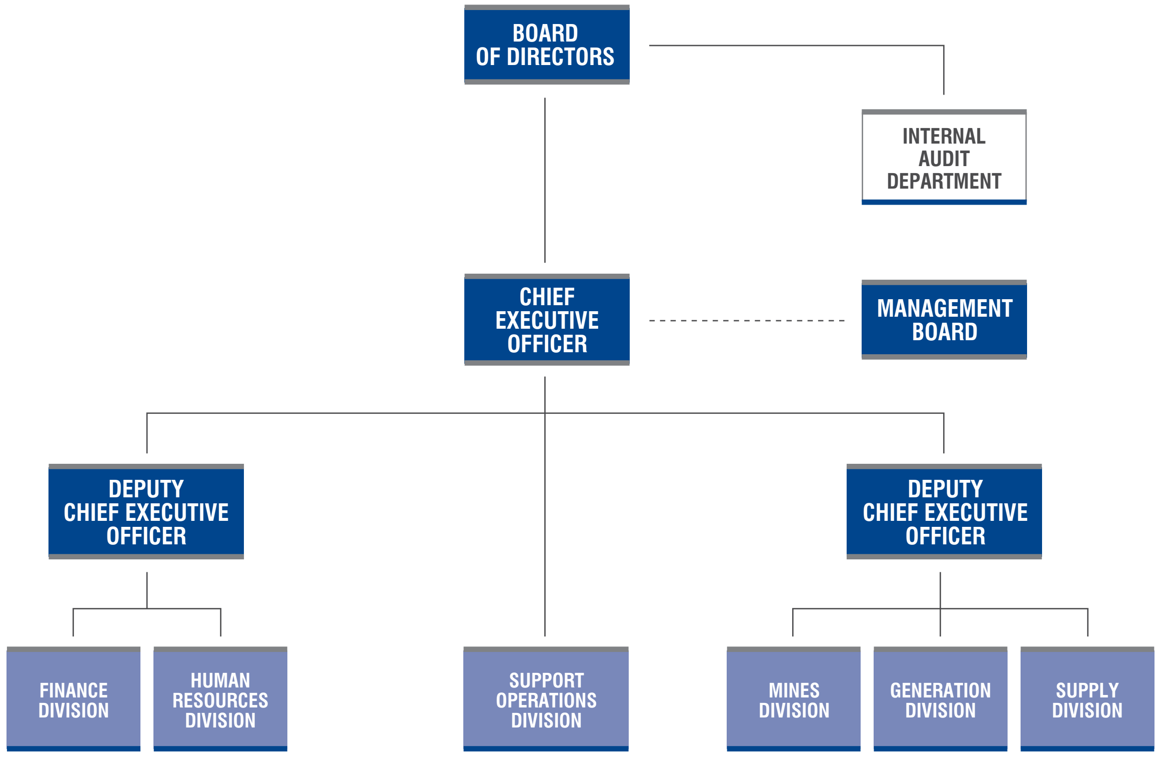
The following table shows selected PPC's operating data for the years 2013, 2014 and 2015:

YEAR ENDED 31ST DECEMBER	2015	2014	2013
Installed Capacity (GW)	13.0	12.6	12.9
Percentage of total installed capacity in Greece[1]	64.0%	63.6%	64.9%
Net Generation (TWh)[2]	34.1	35.3	37.5
Generation market share[3] (average annual)	71.9%	74.9%	69.0%
Electricity sold to end customers (TWh)[4]	49.2	49.5	50.8
Supply market share[5] (average annual)	96.4%	97.9%	98.3%
Customers (in mil.)	7.4	7.4	7.4
Number of employees on payroll	18,356	18,572	19,093
Customers served per employee	402	397	388
Electricity sold per employee (MWh)	2,683	2,663	2,661

1. *If installed capacity of PVs household installations is taken into account the relevant figures are 62.8% for 2015, 62.5% for 2014 and 63.7% for 2013.*
2. *Net electricity generation equals gross generation of electricity less energy consumed internally in the generating process.*
3. *Generation market share is defined as the percentage of the electricity generated by PPC over the total electricity generated in Greece each year.*
4. *Including domestic sales and exports.*
5. *Supply market share is defined as the percentage of the electricity supplied by PPC to end-customers in Greece over the total electricity supplied to end-customers in Greece each year.*

3 ORGANIZATIONAL STRUCTURE, MANAGEMENT-CORPORATE GOVERNANCE, EMPLOYEES

3.1 ORGANIZATIONAL STRUCTURE (ON 31.12.2015)



PPC S.A.'s updated detailed organizational chart is posted on the company's website (Home Page/PPC/Company profile/Organizational Structure)

3.2 MANAGEMENT - CORPORATE GOVERNANCE

The Corporate Governance constitutes a system of principles, based on which the optimum organization, management and operation of the Company is pursued along with transparency in its relations with the shareholders and more generally the safeguarding of corporate interests.

The corporate governance code, drafted and applied by PPC provides a description of the following:

- The composition, competence and functioning of the governing bodies, the Committees of the Board of Directors and their competences.
- The competence and functioning of the General Meeting of Shareholders, shareholders' rights, provision of information as well as data required in accordance with article 10, par. 1 of Directive 2004/25/EC of the European Parliament as incorporated in Law 3461/2006.
- The main characteristics of the Company's internal audit and risk management systems in relation with the procedure of financial statements' preparation.

The corporate governance code is posted on the web site of the Company (Home Page / PPC / Company profile / Corporate Governance).

The Board of Directors on 31.12.2015 consisted of:

NAME	POSITION
PANAGIOTAKIS Emmanuel	CHAIRMAN BoD - CEO - EXECUTIVE MEMBER
ANDRIOTIS George	VICE CHAIRMAN BoD INDEPENDENT - NON EXECUTIVE MEMBER
MEMBERS	
GOUTSOS Stavros	EXECUTIVE MEMBER
ALEXAKIS Panagiotis	INDEPENDENT - NON EXECUTIVE MEMBER
VATALIS Aris	NON EXECUTIVE MEMBER
KARALEFTHERIS Pantelis	NON EXECUTIVE MEMBER / REPRESENTATIVE OF EMPLOYEES
PAPAGEORGIOU Christos	INDEPENDENT - NON EXECUTIVE MEMBER
PRAMMANTIOTIS Panagiotis	INDEPENDENT - NON EXECUTIVE MEMBER
TAVRIS Filippos	INDEPENDENT - NON EXECUTIVE MEMBER/ REPRESENTATIVE OF THE GREEK ECONOMIC AND SOCIAL COMMITTEE
FOTOPOULOS Nikolaos	NON EXECUTIVE MEMBER / REPRESENTATIVE OF EMPLOYEES
CHATZIATHANASIOU Vasilios	INDEPENDENT - NON EXECUTIVE MEMBER

PPC S.A.'s updated Board of Directors composition is posted on the company's website (Home Page / PPC / Investor Relations / Company Organization / PPC S.A. Board of Directors).

3.3 EMPLOYEES

The total workforce consisted of 18,356 full time employees on the 31st of December 2015. The following table shows a breakdown of employees by category on the dates indicated:

CATEGORY	2015	2014
PPC S.A.		
Mines	3,424	3,417
Generation	4,680	4,756
Supply	950	958
Administration	1,377	1,400
TOTAL on the 31st of December	**10,431**	**10,531**
IPTO S.A.	1,408	1,417
HEDNO S.A.	6,494	6,601
PPC Renewables S.A.	23	23
TOTAL on the 31st of December	**18,356**	**18,572**

4 | SHARE CAPITAL - DIVIDEND

4.1 SHARE CAPITAL

PPC's share capital amounts to € 1,067,200,000, divided into 232,000,000 common shares of nominal value € 4.60 each.

In the past five years there has been no change in the share capital of the Company.

The Company's shares are traded in the Main Market of the Athens Stock Exchange (ATHEX), while in the London Stock Exchange they are traded in the form of Global Depositary Receipts (GDRs).

The company's shares are included in a number of indices such as: GD, DOM, FTSE, SAGD, FTSEA, DKO, GT30P, GT30R, GT30TP, GT30TR, FTSENTR, HELMSI, MSCI- Greece, SBBMGLU, XBCGG.

4.2 SHAREHOLDING STRUCTURE

The Company's shareholding structure as of the 31st of December 2015 was as follows:

SHAREHOLDERS	PERCENTAGE
Greek State[1]	34.12%
Hellenic Republic Asset Development Fund (HRADF)	17.00%
IKA-ETAM/TAP-PPC and TAYTEKO/TEAPAP-PPC (PPC's Pension Funds)	3.81%
Institutional Investors & general public [2]	45.07%
TOTAL	**100%**

1. The Hellenic Republic controls, directly and indirectly through HRADF (which is wholly owned by the Hellenic Republic), 51.12% of the ordinary shares of PPC S.A. On April 8, 2014, the Greek ministerial committee for restructurings and privatizations decided the transfer, without consideration, of 39,440,000 ordinary shares with voting rights corresponding to 17% of the existing share capital of PPC S.A, by the Hellenic Republic to the HRADF, pursuant to the provisions of Law 3986/2011. On April 11, 2014, the transfer of said shares by the Hellenic Republic to the HRADF was announced, following execution of an over-the-counter transaction effected on April 9, 2014

2. Including the total holdings of the company "Silchester International Investors LLP" as of December 8, 2011 amounting to 32,024,558 shares or 13.8% of PPC's voting rights, in its capacity as investment manager for its following clients:
- Silchester International Investors International Value Equity Trust,
- Silchester International Investors International Value Equity Taxable Trust,
- Silchester International Investors International Value Equity Group Trust,
- Silchester International Investors Tobacco Free International Value Equity Trust,
- The Calleva Trust.

On 31.12.2015, the Company was not aware of any shareholders, other than the "Greek State", "HRADF", the "Silchester International Investors LLP" and jointly "IKA - ETAM/ TAP - PPC" and "TAYTEKO / TEAPAP - PPC" (PPC's Pension Funds) and which held directly an amount greater than or equal to 3% of its share capital.

The Members of the Board possessed on 31.12.2015 a total of 0.000065% of PPC's share capital.

4.3 DIVIDEND

No dividend will be distributed as the year 2015 was loss – making.

5 | SUBSIDIARIES AND ASSOCIATES

The following table presents the participation of PPC S.A. in other companies as of 31.12.2015:

PPC S.A.	Ownership 31.12.2015
IPTO S.A.	100%
HEDNO S.A	100%
PPC RENEWABLES S.A.	100%
PPC FINANCE PLC	100%
PPC BULGARIA JSCo	85%
PPC ELEKTRIK TEDARIK VE TICARET A.S.	100%
LARCO S.A.	11.45%
WASTE SYCLO S.A.	49%
PPC SOLAR SOLUTIONS S.A.	49%
PPC RENEWABLES S.A.	**Ownership 31.12.2015**
ARKADIKOS ILIOS ENA S.A.	100%
ARKADIKOS ILIOS DIO S.A.	100%
ILIAKO VELOS ENA S.A.	100%
ILIAKO VELOS DIO S.A.	100%
ILIAKA PARKA DITIKIS MAKEDONIAS ENA S.A.	100%
ILIAKA PARKA DITIKIS MAKEDONIAS DIO S.A.	100%
PHOIBE ENERGIAKI PHOTOVOLTAIKA S.A.	100%
SOLARLAB S.A.	100%
PPC RENEWABLES TERNA ENERGIAKI S.A.	49%
PPC RENEWABLES ROKAS S.A.	49%
PPC RENEWABLES NANKO ENERGY – MYHE GITANI S.A.	49%
PPC RENEWABLES MEK ENERGIAKI S.A.	49%
PPC RENEWABLES EDF EN GREECE S.A.	49%
PPC RENEWABLES ELTEV – AEIFOROS S.A.	49%
AIOLIKO PARKO LEFKIVARI S.A.	49%
AIOLIKO PARKO AGIOS ONOUFRIOS S.A.	49%
AIOLIKO PARKO KILIZA S.A.	49%
AIOLIKO PARKO LOUKO S.A.	49%
AIOLIKO PARKO MBAMBO VIGLIES S.A.	49%
RENEWABLE ENERGY APPLICATIONS LTD	49%
EEN VOIOTIA S.A.	46.6%

PART **B**

1 | FINANCIAL REPORT

JANUARY 1, 2015 – DECEMBER 31, 2015

The attached Financial Report of the fiscal year 2015, has been established according to article 4 of Law 3556/2007, has been approved by the Board of Directors of "Public Power Corporation S.A." on March 29th, 2016, 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

A

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS
(According to article 4, par.2 of Law 3556/2007)

1. Emmanuel Panagiotakis, Chairman and C.E.O. of P.P.C. S.A.
2. Stavros Goutsos, 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 Financial Statements of the Parent Company and the Group, for the year ended December 31, 2015, 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 article 4 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 March 29, 2016

Member of the Board and Chairman and C.E.O.	Deputy CEO	Member of the Board
Emmanuel Panagiotakis	Stavros Goutsos	Panagiotis Alexakis

B

EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS

EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS OF PUBLIC POWER CORPORATION S.A. (PPC S.A.) AND GROUP PPC FOR THE FISCAL YEAR 2015

Dear Shareholders,

Following the end of the Public Power Corporation's fourteenth fiscal year as a Societe Anonyme, we have the honor to submit for approval, according to the Company's statutes, the financial statements for the year ended 31.12.2015, as well as, our comments on the respective statements. Furthermore, we submit for approval the unbundled financial statements for the year 2015 (Appendix I of the annual financial statements) according to the provisions of L. 4001/2011 art. 141 and the approved by the Regulatory Authority of Energy, methodology of accounting unbundling.

The Group's subsidiaries which are consolidated in the Group's financial statements are the following: "IPTO S.A.", "PPC Renewables S.A.", "Hellenic Distribution Network Operator SA or HEDNO SA" , "Arkadikos Ilios 1 S.A.", "Arkadikos Ilios 2 S.A.", "Iliako Velos Ena S.A.", "Iliako Velos Dio S.A.", "Solarlab S.A.", "Iliaka Parka Ditikis Makedonias 1 S.A.", "Iliaka Parka Ditikis Makedonias 2 S.A.", "PPC FINANCE PLC", "PPC Bulgaria JSCo", "PPC Elektrik Tedarik ve Ticaret Anonim Şirketi", and, "Phoibe Energiaki Photovoltaika S.A.".

Based on L. 2190/1920 article 134, PPC S.A. prepared the financial statements for the year ended 31.12.2015 (fourteenth fiscal year), in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union.

Amendments in the current legal framework during 2015

All detailed amendments in the current legal framework are presented in Note 2 to the Financial Statements.

2015 Financial Data

In 2015, EBITDA adjusted for one - offs decreased by € 154.8 m. (-14.8%) compared to 2014, with the respective margin settling at 15.5% compared to 17.9%. Said development is attributed to turnover reduction and to the increase of provisions, which counterbalanced the reduction of energy mix expenses, as described later.

Consequently, in 2015, due to the increased depreciation by € 131.7 m., pre tax losses on an adjusted basis amounting to € 42.6 m. were recorded compared to pre tax profits of € 223.3 m. in 2014.

Revenues

- Group turnover decreased by € 127.9 m. (2.2%) to € 5,735.7 m. in 2015 from € 5,863.6 m. in 2014. Said reduction is attributed to:
  - The reduction of revenues from electricity sales in 2015 by € 107.5 m compared to 2014 (€ 5,547.1 m vs € 5,654.6 m.), due to:
    1. PPC's market share loss in the electricity market
    2. the refund of the fixed charge to consistent residential customers amounting to € 30 m., (which, on a cash basis, will impact 2016 financial results)
    3. the reduction of certain business tariffs, implemented since September 2015, which had an impact of € 13 m. on 4Q2015 revenues.
  - The reduction of network users' participation for their connection to the network by € 15.8 m., as a result of lower building activity and of lower rate of new RES comissioning.

In detail:

- Total electricity demand increased by 3.1% in 2015, to 58,772 GWh versus 57,032 GWh in 2014.
  Excluding exports and pumping, electricity demand increased by 2% and is attributed to the increase of demand by 8.6% in 1Q2015 due to colder weather conditions compared to 1Q2014.
  In 4Q2015, total electricity demand decreased by 3.6%, whereas excluding exports and pumping, the decrease was 2.9%. The reduction of domestic demand is mainly attributed to milder weather conditions in 4Q2015 compared to the respective period of 2014.
  For the full year, domestic sales declined by 0.5% (257 GWh), however in 4Q2015 they declined by 5.9% (725 GWh), as a result of the aforementioned lower demand as well as of the market share reduction of PPC. PPC's market share declined from 97.7% at the end of 2014 to 94.5% at the end of 2015.

- PPC's electricity generation and imports covered 63.4% of total demand in 2015 (61.2% in the Interconnected System), while the corresponding percentage in 2014 was 66.9% (65% in the Interconnected System). PPC's market share in electricity generation, as a percentage of the total load in the Interconnected System was 55.2% in 2015 compared to 59.5% in 2014.
  Said reduction is attributed to a large extent to the increase of imports from third parties by 16.4% (1,152 GWh) as well as to the increased RES generation from third parties by 12.4% (1,034 GWh), whereas lignite-fired generation declined by 14.5% (3,291GWh). The increase of electricity imports was recorded in the first half of 2015 and stems mainly from Balkan countries due to the lower electricity generation cost, including the fact that their generation cost is not burdened with CO_2 emission rights expense.
  In 4Q2015, electricity imports both from PPC and to a larger extent from third parties, decline by 8% (64 GWh) and 45.5% (1,079 GWh) respectively. This development seems to be mainly attributed to the reduction of the average System Marginal Price (SMP) to € 49.6/MWh in 4Q2015 compared to € 59.2/MWh in 4Q2014, which is the result of declining oil prices and consequently of lower natural gas prices.
  Hydro generation in 2015 increased by 38% (or 1,485 GWh), with the largest part of the increase taking place in 1Q2015 (increase of 1,151 GWh) due to exceptional hydrological conditions that prevailed in that quarter. In the fourth quarter, hydro generation decreased by 16.5% (170 GWh), due to lower hydro inflows in the reservoires.
  Natural gas fired generation was quite increased by 125% (1,000 GWh approximately) in 4Q2015 compared to 4Q2014, also due to energy generated from the new CCGT unit "Megalopolis V" of PPC. For the full year, natural gas fired generation increased by 12.3%.

Operating expenses

Operating expenses before depreciation, increased by € 65.8 m. (1.4%) from € 4,841.5 m. in 2014 to € 4,907.3 m.

More specifically:

Energy mix expenditure

- Expenditure for liquid fuel, natural gas, third parties fossil fuel, CO_2 and energy purchases decreased by € 381.9 m., or by 13.3% compared to 2014.

In detail:

- The decrease in liquid fuel expense by € 185.1m. (24.1%), from € 767.9 m. in 2014 to € 582.8 m. in 2015 is attributed to the reduction of heavy fuel oil and diesel prices, expressed in Euros, by 31.9% and 15.1% respectively, whereas electricity generation from liquid fuel marked an increase of 52 GWh. It is noted that the expense for the Special Consumption Tax on liquid fuel, which is included in the total liquid fuel expense, increased by € 4.3 m. from € 140.1 m. in 2014 to € 144.4 m in 2015 due to the fact that said expense is only driven by fuel quantities, which, were higher for diesel and it is not in any way related to the volatility of fuel prices.
- Natural gas expense decreased by € 19.3 m. (5.6%), from € 345.8 m. in 2014 to € 326.5 m. in 2015, due to lower natural gas prices by 16.2%. The relevant expense for the Special Consumption Tax on natural gas, which is also volume driven and is not affected by commodity price, increased to € 54.1 m. in 2015 from € 49.4 m, due to the aforementioned increased natural gas fired generation.
- Third parties fossil fuel expense decreased by € 16.8 m. to € 57.6 m.
- Energy purchases expense from the System and the Network decreased by 14.9% from € 1,341.7 m. in 2014 to € 1,142.3 m.
  It is noted that, the abovementioned expense includes an amount of € 21.4 m for compensation of rooftop photovoltaics in the non interconnected islands, out of which € 16.4 m relate to previous years (2011-2014), as the relevant expenses had not been billed to PPC until December 2015 and € 5 m relate to 2015. The payment of this compensation is being carried out based on the billing of the market operator (LAGIE) to the Distribution Network Operator (HEDNO) and then to PPC.
- Expenditure for PPC electricity imports, excluding expense for interconnection rights, reached € 132.1 m. increased by € 4.5 m (3.5%), as a result of the increase in the volume of imports by 354 GWh, whereas, on the other hand, imports' prices remained practically stable. Due to increased volume of imports, the expense for interconnection rights increased to € 15.1 m in 2015 from € 14 m in 2014.
- Expenditure for CO_2 emission rights amounted to € 251.1 m., that is an increase of € 34.2 m. compared to 2014, due to increased average price for CO_2 emissions rights by approximately 32% from € 5.53/tn to € 7.32/tn, despite the reduction of CO_2 emissions in volume terms by 12.5% to € 34.3 m tonnes in 2015 from 39.2 m tonnes, due to lower lignite fired generation.

Payroll cost

The total payroll cost, including capitalized payroll and payroll of seasonal personnel, declined by €35 m. (3.5%) from € 1,005 m in 2014 to € 970 m in 2015.
In particular, payroll of permanent employees declined by € 23.6 m to € 922.6 m in 2015 versus € 946.2m in 2014, as a result of the decrease in the number of permanent employees on payroll by 216 to 18,356 on 31.12.2015 from 18,572 on 31.12.2014.

Provisions

- Provisions for bad debt of Low and Medium Voltage customers amounted to € 781 m in 2015 compared to € 309 m in 2014, an increase of € 472 m.
  For High Voltage customers, the respective provisions amounted to € 90 m in 2015 versus € 76 m in 2014.
  It is noted that bad debt provisions have been reduced by approximately € 50 m, an amount which corresponds to a conservative estimation of the positive impact of active settlements of overdue receivables from customers.
  Apart from bad debt provisions, provisions have been also negatively impacted by an amount of € 20.9 m, which refers to the Special Consumption Tax for own-consumption of electricity generation for the period 2010 – 2015 (€ 17.6 m for the period May 2010 – December 2014 and € 3.3 m for 2015), following a relevant administrative act of Customs Authorities. PPC has resorted to the Administrative Courts, since said electricity was consumed by PPC's plants only for power generation and thus it should not be burdened with Special Consumption Tax. Since PPC is contesting this amount, it has not included it in operational expenses, but it has recorded a corresponding provision.
  Adding provisions for litigation and slow moving materials, total provisions more than doubled to € 950 m in 2015 compared to € 431 m in 2014.

In conclusion

In 2015, 42.5% of total revenues were expensed for fuel, CO_2 and energy purchases compared to 47.8% in 2014. Regarding the evolution of provisions, these represent 16.6% of total revenues compared to 7.4% last year. The relevant percentage for payroll decreased to 15.3% compared to 15.6% last year.

Other Financial information

- Depreciation expense in 2015 increased by € 131.7 m. amounting to € 737.7 m. compared to € 606 m. in 2014. The increase in depreciation expense is mainly attributed to the appraisal of the Group's fixed assets, which was performed at December 31, 2014 fair values. Said appraisal led to a net increase of the fixed assets value of the Group, which was recorded in 2014 annual Financial Statements, with the respective depreciation starting on January 1, 2015.
- Net financial expenses decreased by € 15.4 m to € 198.4 m. compared to € 213.8 m in 2014, mainly due to the reduction of Euribor interest rates.

Capex

- Capital expenditure in 2015 increased by € 125.6 or 20% m in 2015 compared to 2014 and amounted to € 753.6 m. compared to € 628 m. in 2014. As a percentage of total revenues, capital expenditure amounted to 13.1% from 10.7% in 2014.

  Capital expenditure also includes network users' participation for their connection to the network, which for 2015 were lower by € 15.8 m. (€ 56.3 m. vs € 72.1 m.) seemingly as a result of lower building activity and of a lower rate of new RES comissioning.

  Consequently, net capex of PPC Group, that is capital expenditure excluding aforementioned participations, increased by € 141.4 m or 25.4% amounting to € 697.3 m. compared to € 555.9 m. in 2014.

  The composition of the main net capex (in million euros) is as follows:

	2015	2014	Δ	%
Mining projects	127	102	25	24.5
Conventional Generation & RES projects	312	170	142	83.5
Transmission network	129	87	42	48.3
Distribution network	121	190	(69)	(36.3)

Net debt

- Net debt amounted to € 4,788.9m., a reduction of € 203 m. compared to 31.12.2014 (4,991.9 m).

Capital Expenditure Program of Business Units

Total capital expenditure for the Parent Company amounted to € 617 mil. and was allocated as follows: € 126.7 mil to Mines, € 309mil to Generation, € 172.8mil to Distribution's Network, € 3.7 mil. to the Supply and € 4.8 mil. to activities of the Administrative Divisions. Capital expenditure for the Parent Company for the year 2015 has increased by € 88.6mil., compared to 2014, representing an increase by 16.77%.

Total Capital expenditure of the Group for 2015 amounted to € 753.6 mil. and includes Capital expenditure for PPC RENEWABLES S.A. amounting to € 2.8mil., IPTO S.A. amounting to € 129.4mil and HEDNO S.A. amounting to € 4.4 mil. Capital expenditure of the Group for the year 2015 increased by € 125.6mil., compared to 2014, representing an increase by 20%.

Mines Business Unit

Capital expenditure amounted to € 126.7 mil.

An amount of €3.6 m. has been expended in Megalopolis, out of which € 0.7 mil. was spent on retrofitting installations, € 1.8 mil. on belt conveyor´s extensions and € 0.8 mil. on technical projects.

An amount of € 114 mil.has been expended in Western Macedonia, out of which € 7.5 mil. was spent on belt conveyor's extension and constructions, € 10.9 mil. on equipment upgrades , € 35.7 mil. on land expropriations (€ 26.0 mil. for ONP8, € 6.7 mil. on archaeological excavations costs in Amyntaio and € 1.1 mil. on archaeological excavations in other mines), € 10.0 mil. on other technical projects (civil engineering projects, berm floor construction, road asphalting) € 2.6 mil. on new ash conveyor equipment in the South Field and €44.5 mil. on pre-operational earthworks.

Also € 3 mil.was spent on infrastructure construction by IPTO and HEDNO and € 4.7 mil. on the purchase of auxiliary equipment.

The remaining expenses relate to smaller projects.

Total excavations in PPC Mines amounted to 266.3mil. cubic meters and lignite production to 43.8mil. tones.

It is also noted:

- The continuation of the structural and electromechanical works for the operation of the new conveyors' belt distribution point took place in the South Field Mine of the West Macedonia Lignite Center. Three excavators and two spreaders have already been connected with it.
- Intensive excavation works have been carried out in the area of the new unit of Ptolemaida Power Plant (Unit V).
- The continuation of archaeological excavation taking place in the region of the Amynteo mine caused significant delays in the operation of excavators for overburden materials.

Generation Business Unit

Exploitation:

- During 2015 total net production of GD's Power Stations amounted to 33.8 TWh a decrease of 3.5% compared to 2014 (35.1 TWh). This reduction relates to the levels of demand, mainly in the Interconnected System (IS), to the increase of RES production as well as to the operation of the Market in general (regulatory frame and fuel prices).
- The most notable change, in comparison with 2014, relates to lignite Power Stations' reduced electricity generation by 3.3 TWh (14.5%). This major change, despite the increased availability of Lignite Fired Power Units in comparison with 2014 (74.8% to 71.8%), is due to the decreased usage of lignite Units (just 58.2%) within the electricity Market's operation, which was triggered by the increase of electricity imports (mainly in the first semester) and the significant decrease of natural gas's prices. Decreased lignite electricity production was not offset by the increase in hydroelectric production which was at the level of 5.4 TWh, increased by 38% in comparison with 2014 and well above 20% compared to the average hydroelectric production of the last 15 years.
- In order to cover the increased summer electricity demand in 2015, a leased capacity of 15 MW for Rhodes and 5 MW for the other Non-Interconnected Islands (NII) was added while 4 gas turbine Units, of approximately 31 MW total capacity, were installed in the Power Stations of Thira (Santorini), Mykonos and Paros to ensure adequate electricity supply and capacity in these crucial for the tourism and national economy islands.

Investments:

Total Investments during 2015 amounted to Euro 309 million.

In the context of PPC S.A.'s Strategic Priorities Plan, the General Division of Generation (GD) has undertaken the implementation of Investment Projects in order to replace obsolete Units with new ones, which are environmentally friendly, of modern technology and higher performance. Concerning the projects' progress during 2015 it is noted that:

- **Thermal Units:**

  - *Megalopoli Natural Gas Combined Cycle Unit No V, of 811 MW net capacity at reference conditions.*

    All required works for putting the Unit into operation, as well as its Semi- commercial operation, have been completed.

  - *Steam Electric Unit V, of Ptolemaida Station, of an installed capacity of 660 MW (+ 140 MWth for District Heating), using pulverized lignite fuel.*

    Preparation, by the Contractor of the studies for the Project licensing and their submission to the Corporation for review has been completed. On 24.04.2015, the Installation License of the Project was issued by the Ministry of Productive Reconstruction, Environment and Energy. On 01.07.2015 the Building Permit was issued and the Contractor was informed accordingly. Following that, PPC paid to the Contractor the first advance payment of €198 mil. against a Letter of Guarantee of Advance Payment of €227 mil. which was submitted to PPC by the Contractor.

    The construction of the Project, according to the Contract, will be completed within 50 months from the date of issuance of the Building Permit and the signing of the relevant Protocol for unhindered access to the Worksite and the necessary utilities (water, power). Said Protocol has been signed on 24.11.2015.

    For the time being geotechnical works, related to the foundations of the Project, are being performed.

- **Hydros:**

  - *Messochora HydroElectric Project (HEP 160+1.6 MW):*

    By L. 3481/2006 the environmental terms and limitations relating to the construction and operation of the Works of Upper Acheloos River Flow for the partial Diversion to Thessaly, in which Messochora HEP is included, were approved. The observance of these terms and limitations was a prerequisite for the implementation of the above said Works as well as an obligation for the entity responsible for their construction and operation.

    After the issuance of the Council of State's Suspension Committee's Decision 141/2010 all works related to the completion and operation of Messochora Project, conducted according to Law 3481/2006, were suspended.

    Furthermore, the issuance of the Council of State's Decision 26/2014 resulted in the inability to continue, complete and operate Messochora HEP.

    PPC considers that Messochora HEP is independent from the Acheloos River Diversion to Thessaly Scheme and therefore it should not be affected from the above mentioned issues.

    In the context of examining the possibility of disengaging this Project from the Acheloos River Diversion to Thessaly Scheme, in order to be considered as an autonomous one and be environmentally licensed independently of other Projects related to the Diversion Scheme, and after the approval and publication of Management Plans for Rivers Outflow Basins of the Western Sterea Hellas and Thessaly Water Districts, PPC submitted an updated Environmental Impact Assessment (EIA) to the Directory of Environmental Permits (DEP) of the Ministry of Environment, Energy and Climate Change (now Ministry of Environment and Energy) in order to advance the procedures regarding the EIA Common Ministerial Decision.

    DEP sent the EIA to competent bodies for consultation. The Thessaly Region and the Western Greece Water Directorate of Decentralized Administration of Peloponnese, Western Greece and the Ionian Sea have judged positively for said EIA. It is estimated that the procedure for the publication of the Environmental Terms Decision for the Project will be completed within the first half of 2016.

    After the publication of the Environmental Terms Decision, the construction of the remaining works and the procedure for expropriation of the land still to be acquired will proceed, in order to make it possible to start the operation of the Project, by the end of 2018 or in the first half of 2019.

  - *Ilarionas HEP (157MW):*

    The HEP Units' operation tests have been completed and the procedure for registering them in the Independent Power Transmission Operator's (IPTO) Units Registry is in progress and estimated to be completed within the first quarter of 2016.

- **Non-Interconnected Islands (Crete, Rhodes, Other):**

  - *New South Rhodes Station, 115.4 MW, consisting of seven similar G/S with four – stroke Diesel engines.*

    Civil Works, which began in September 2014 at the area of main facilities of the Power Station in accordance with the Environmental Impact Assessment study and the new time schedule, are in full progress.

    Since 09.11.2015, when the gradual transportation of equipment of the Project (engines, generators and transformers) from Elefsis port, where said equipment was temporarily stored, to Project site, began, the transportation has already been completed, and relevant equipment installation has been started.

  - *Other Non-Interconnected Islands (NII).*

    - In order to cover the 2015 summer demand in the islands of Mykonos and Paros PPC proceeded in purchasing and installing two Gas Turbines, of 13.06 MW installed capacity each, in the Autonomous Power Stations (APS) of the said islands respectively.
    - PPC proceeded in purchasing and installing the following mobile Generating Sets (GS):
      - Two (2) GS, 1.355 MW each, in the Lesvos APS.
      - One (1) GS, 1.355 MW, and three (3) GS, 1.27 MW each, in the Mykonos APS.
    - Scheduling and implementation of Tenders for the procurement and installation of GSs, in Autonomous and Local Power Stations, in order for the electricity needs to be covered in the rest of Non Interconnected Islands are in progress.
    - The procedures for the environmental licensing for the new Lesvos APS, to be followed by the expropriation of the land needed, are in progress.

Environmental Management / Health and Security:

With regard to the improvement of GD's Power Generation Units environmental behavior, during 2015:

- A total of 19 Steam and Hydro Electric Stations have maintained their certificates of Environmental Management Systems (EMS) following the successful completion of relative surveillance audits, by Independent Certification Bodies.

- The preparation, development and implementation of an Environmental Management System in three (3) Power Plants: SES Rhodes, SES Linoperamata and Local Power Station of Skyros were performed. Their Certification is expected in 2016.

- The procedure of extending the Environmental Management System Certification Program in other Power Stations is in progress.

- In accordance to the provisions of Article 32 of Directive 2010/75/EU, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was prepared and officially submitted by the Greek Authorities to the EU in the end of 2012. The TNERP was approved by the EU on November 26, 2013. In 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 by the competent authority, the revised TNERP was resubmitted on March 18, 2014 by the Greek Authorities and was approved by the EU on July 07, 2014. The Joint Ministerial Decision for the TNERP was issued in August 2015 (Decision 34062/957/E1032017/2015). According to the above, Aghios Dimitrios, Meliti and Megalopolis A' and B' SESs are included in the TNERP, while Amyntaion and

Kardia SESs will follow the limited life-time derogation.

- Within the context of lignite Power Stations environmental adaptation according to the provisions of the above mentioned Directive 2010/75/EE as well as the compliance with the targets set in TNERP we note the following:

  - *The execution of the operational tests of the Contract DMKTH 11 13 5251 (where DMKTH stands for Thermal Projects Engineering – Construction Department), which was signed in 24.06.2014, for the Project: "Upgrading Boiler of Unit V of Aghios Dimitrios SES to Reduce NOx Emissions by Primary Measures" is in progress.*
  - *The implementation of the Contract DMKTH – 11 14 5202, which was signed in 23.11.2015, for the Project "Upgrading Boilers of Units I and II of Aghios Dimitrios SES To Reduce NOx Emissions by Primary Measures" is in progress.*
  - *The implementation of the Contract DMKTH – 11 14 5203, which was signed in 12.11.2015, for the Project "Upgrading Boilers of Units III and IV of Aghios Dimitrios SES το Reduce NOx Emissions by Primary Measures" is in progress.*
  - *The technical evaluation of the bids of the Tender DMKTH – 11 15 5251, for the Project "Aghios Dimitrios SES Unit V", "Procurement and Installation of Desulfurization Plant" is in progress.*

With regard to Health and Safety, during 2015:

- Yearly surveillance audits, by Independent Certification Bodies, of the Occupational Health and Safety Management Systems according to (ELOT – 1801) Standard OHSAS 18001 of the Power Stations of Aghios Dimitrios, Kardia, Aminteo, Aliveri, Rhodes, Chania, Lavrio –Keratea and Megalopolis A were successfully completed.
- Recertification of the Management Systems, by Independent Certification Bodies, for the Health and Safety, according to OHSAS 18001(ELOT – 1801) of the Power Stations of Komitini, Meliti, Atherinolakkos and Megalopolis B were successfully completed.
- Especially for the lignite fired Power Stations, a procedure regarding the surveillance / recording / evaluation of a series of critical issues relating to the health and safety of the personnel, as well as the facilities' safety, has been started by introducing the completion of relative forms and evaluation procedures.

Supply Business Unit

The investments of the Supply Division mounted to € **3.7 mil**.

In particular, these concern:

- New Billing - Customer Care System (SAP-ISU)

  Completion and commencement of operation of the new SAP System for all customers of the Company –approximately 7,300,000 customers– with regard to customer service and billing, through which the Company aims at improving its customer service, understanding their needs, as well as implementing a new billing policy.

- PPC offices renovation in accordance with a uniform visual identity

  Customer Service offices are being renovated in accordance with a unified visual identity aiming at developing a consistent corporate identity which matches the customer - oriented philosophy of the company, in a pleasant and modern environment.

The actions of the Supply Division within 2015 are focused on the following

- Electricity market

  Expression of the Supply Division's position on electricity market matters in more than 10 Public consultations with direct or indirect economic impact for the Company.
  Escalation to the Ministry of Environment, Energy and Climate Change of pending regulatory issues concerning the readjustment of the unit charges for Public Service Obligations and the recovery of the compensation owed to PPC for the period 2012-2013.
  Technical support to legal actions in progress.
  Monthly monitoring of the unbilled electricity consumption.
  Targeted training of employees in issues concerning Energy Market Deregulation and the reorganization of the domestic Market in view to future developments for the integration of the European Markets.

- Tariff policy

  In the context of the new competitive environment and in order to retain the Company's vital customer base, new custom and more competitive tariffs were implemented within 2015 for the new group of corporate customers (major LV and MV customers) based on consumption and consistency in payments. Moreover, a new tariff policy for HV customers is being implemented.
  The Supply Division has implemented the new discount policy for Large Customers and the provision of incentives to consistent customers, for the large group of Residential Customers, by crediting twice the value of fixed charges of the 2016 bills to customers which paid on time their 2015 bills.
  At the same time PPC Supply maintains its social role, by substantially contributing to the relief of the most vulnerable customer groups, through the application of the law on extreme poverty, by supplying 1200 Kwh of electricity for free for four – month periods, as well as freely reconnecting electricity services.

- Actions for increasing the Company's liquidity

  In June 2015, PPC revised for the third time its Settlements Regulation, covering all customer categories, giving a greater degree of flexibility for the viable settlement of past due electricity bills with more favorable terms and installments (up to 36 installments).
  With a view to increasing its effectiveness and revenues, the Supply Division proceeded with the implementation of new actions in order to claim overdue payments by concluding contracts with companies specializing in soft calls aiming at reminding customers that their payments are past due, as well as with law firms, in close collaboration with PPC's Legal Department, in order to proceed to prelegal actions.

Support Operations General Division

During 2015 investments of the Support Operations Division were of small scale and primarily concerning construction works, purchasing of land for Distribution substations, as well as equipment.

However, the following points are worth mentioning:

- Low voltage customers were migrated to the new information system SAP/ISU of the Supply Division and the operation of the old «HERMES» system was terminated.
- The effort for reducing paper based communication was continued with the implementation of an electronic signature system (payroll slips, customer contracts), the improvement of paperless reporting and the reduction by 70% of the traditional paper reports.
- Major upgrade of IT security.
- Full overhauling and functional improvement of the electricity bill enveloping systems.
- Support of important actions of large social impact: «extreme poverty», subsidy of social domestic tariff e.t.c.
- Opening of the mines conveyor belts market with important participation to the bidding procedures and very satisfactory results (total value awarded € 63 M for three years).
- Very fast implementation of the purchasing procedures for gas turbines for Paros and Mykonos (total value € 16,5 M) before the summer peak of 2015.

- Extension of the exploitation of time chartered ships for the transportation of fuel oil to Crete and Rhodes with important economic benefits.
- Modernization of the Tests, Research & Standards Center (TRSC) laboratory equipment.
- Penetration of the TRSC in the European market by the selling of testing services.

The challenges for 2016 include:

- Establishment of a new IT security framework.
- Additional reduction of paper usage by digitizing customer files and commissioning a new e-mail archiving system.
- Improvement of customer service by providing internet access to their personal records, making available e-bills for electricity and implementation of an e-payment system.
- Reduction of diesel oil (beyond fuel oil) transportation cost to the island power generation units using time-chartered ships.
- Search for optimal housing solution for the administration headquarters.
- Upgrading of security policy and installations safety.
- Modernization of TRSC premises and accreditation of 8 new tests.

HEDNO S.A.

Development & Operation of Networks

In 2015, the length of distribution lines increased by 530 km in the medium voltage grids, by 660 km in the low-voltage grids, while an additional 450 Low/Medium transformers were installed and 2,600 commutations were made.

Therefore, Medium Voltage network extends to 111,130 km and Low Voltage network extends to 125,160 km while transformers stand at 162,350.

Active users of the Distribution network totaled 7,438,455 of which 11,444 in the medium voltage.

Total investment in 2015 for the Distribution activity reached €186 million.

In 2015, the Project for the telemetering and demand management of 64,000 big customers' Low Voltage electricity supply points of a total cost of €28 million, was completed. The completion of the above Project will offer significant benefits to Low Voltage customers, that thereby will obtain a better management of their electricity consumption and subsequently a potential reduction of their energy costs. In the same time, telemetering will provide important tools to HEDNO for improving quality and costs of services provided, as well as better managing the electricity distribution network.

Turnaround Times of New Connections

In 2015, the average time for the design and construction of basic power supplies was 14 days, while for supplies requiring network construction it was 28 days and 32 days for commutation requests.

Environmental Issues

1,850km of twisted cables have been installed at the Low Voltage network under the generalized use in place of stripline, with positive effects on the environment.

Significant events for the period 01.01.2015 – 31.12.2015

Significant events for the year 2015 are presented in detail in Note 39 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.

Macroeconomic conditions in Greece – Imposition of capital Controls

By the Legislative Act of 06/28/2015 (GG 65 A / 06.28.2015) a bank holiday was declared while capital controls were imposed. The bank holiday ended on 07.20.2015, while capital controls remain in effect. Capital controls include a weekly limit for all ATM withdrawals and restrictions on payments abroad, consequently, affecting domestic transactions and transactions with foreign suppliers and creditors. Thus, household customers, corporate customers and the public sector are likely to delay their obligations payment, adversely affecting the Group's and the Parent Company's cash flows. Moreover, a significant part of the Group's and the Parent Company's debt is due to financial institutions abroad. While capital controls imposed currently remain in force, the Group and the Parent Company are required to seek the approval of the competent authorities in order to use cash to serve their debt. Finally, the Group's and the Parent Company's operations depend to a significant extent from foreign suppliers As capital controls imposed remain in force, the Group and the Parent Company are required to seek the approval of the competent authorities to use available cash to serve payments to suppliers abroad.

The lack of liquidity of the Greek banking sector which led to the imposition of capital controls, as well as Greek fiscal crisis, has exacerbated economic uncertainty in Greece, which has and will likely in the future affect the operation, the activity, the financial situation and the cash flows of the Group and the Parent Company.

On August 14, 2015, the Greek Parliament passed Law 4336/2015 on the Third Program on the Greek Economy Support amounting to Euro 86 billion, providing for the disbursement of the said amount in installments after successfully achieving specific objectives. The first two packages of prerequisite measures are already been approved by the Greek Parliament, while the four systemic greek banks were successfully recapitalized.

The degree of the successful implementation of the Support Program, which lies beyond the Group's control, will have an equaly proportional effect on the activities, the operating results, the financial condition and the cash flows mainly of the Parent Compny, as well as of the Group's other companies.

Credit Risk

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

- Difficulties in payment and increases in delayed payments, by Low and Medium voltage customers as well as High voltage customers.
- A sizeable number of enterprises, especially small and medium sized, which cease their operations due to the economic conjecture and leave behind unpaid bills.
- The prospective increase of the Social Solidarity Tariff (SRT) beneficiaries along with the increased difficulty that these customers face in paying their electricity bills.

- The fact that some customers under the pretext of the current economic downturn are not fulfilling their obligations or delay their payments, despite the fact that they afford to do so.

The Group and the Parent Company may also face difficulties or delays in their ability to collect payments from their customers as a result of potential new measures that burden electricity bills with new or increased charges in favor of third parties, such as the Renewables levy (ETMEAR).

This might extend the delay of collecting 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 its customers.

Additionally, the Parent Company's collection enforcement mechanisms may be affected by legislation or other administrative acts, (for example by restricting disconnections for non-payment of electricity bills for certain categories of customers), which can adversely affect the Parent Company's business activities, results of operations, financial condition and cash flows.

Liquidity Risk

Current macroeconomic and financial environment in Greece, especially after the imposition of capital controls, which remains volatile, may have a considerable adverse effect on the Group's and the Parent Company's business activity, financial position and prospects. Currently, the economic situation in Greece has directly affected the capital levels, liquidity and financial position of the Greek financial system, which highly affect the Group's and the Parent Company's liquidity and access to credit as well as the liquidity of the Greek economy as a whole and the Group's as well as the Parent Company's customers' ability to access credit. In addition, access to foreign financial markets is limited. Liquidity risk is connected with the need to ensure adequate cash flow for the financing of the Group's and the Parent Company's operations, including working capital needs, capital expenditure, as well as the servicing of the Group's and the Parent Company's debt.

The Group's and the Parent Company's working capital needs may increase due to a number of factors, including:

- The increased delays in the payment or even non-payment of electricity bills.
- The obligation to pay Renewables levy (ETMEAR), Special Consumption Tax on electricity as well as VAT when due, irrespective of whether relevant amounts have been collected from the Group's and the Parent Company's customers.
- The burden associated with the collection of taxes and levies that are not related to the sale of electricity such as municipal taxes and levies that are currently collected through electricity bills and the inability to pay for the electricity bills without paying as well amounts due to third parties;
- The continuous increase in the number of financially vulnerable citizens included in the register of vulnerable customers that based on decisions of the State enjoy special privileges regarding a) longer repayment periods for paying their bills. b) the settlement of their debts, an increased number of installments and the privilege not to have electricity disconnected due to debt, in their residence, almost throughout the year.
- Regulatory measures on the operation of the wholesale market, which burden the cost of purchasing electricity for PPC as a Supplier.
- Potential increase of commercial losses (non-technical losses), i.e. increase of incidents of electricity thefts and arbitrary tampering of meters or reconnection of electricity supply in cases of electricity disconnection due to debt.

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

Risk from exposure to the Banking Sector

The Group and the Parent Company may be exposed to risks arising from Greek banks ,although they were successfully recapitalized.

It should be noted that as of 31/12/2015 the Group's and the Parent Company's debt obligations towards the Greek banking sector amounted to 39.2% and 36.2% respectively of their total loan obligations.

Interest rate risk and foreign currency risk

The Group's and the Parent Company's debt obligations consist of bank loans, bonds and overdrafts. It is the Group's and the Parent Company's 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 their debt portfolio. Existing derivative transactions include forward currency contracts.

Furthermore, the fluctuation of the Euro against the U.S. dollar exchange rate may adversely impact the Parent Company's liquid fuel purchase (diesel and heavy fuel oil) prices. As oil prices are expressed in U.S. dollars, the Parent Company is 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, the Parent Company examines the possibility of undertaking, on a case by case basis and according to the prevailing market liquidity circumstances, hedging transactions for this risk. It should be noted that a) any undertaken hedging transactions may not provide full or adequate protection against these risks and b) capital controls and Greece's as well as the greek banking sector's economic situation significantly limit the ability of the Parent Company in undertaking derivative hedging transactions to cover currency risk.

Credit Rating Risk

The Group's and the Parent Company's ability to access capital markets and other forms of financing (or refinancing), and the costs associated with such activities, depend in part on their credit rating witch is closely related to that of the Greek State's and the greek banking sector's as well.

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 the Group's and the Parent Company's credit or debt ratings are lowered by the rating agencies, the Group and the Parent Company may not be able to raise additional indebtedness on terms similar to their existing indebtedness or at all, and their ability to access credit and bond markets as well as other forms of financing (or refinancing) could be limited.

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, CO_2 emission rights as well as electricity prices of direct PPC imports. The Parent Company has established a policy of oil hedging transactions, based on which the implementation of specific hedging transactions is decided on a case by case basis and according to the prevailing circumstances, taking into account also that oil is primarily consumed for electricity generation in the NIIs and its full purchase cost is included in the calculation of PSOs. It should be noted that any undertaken hedging transactions, may not provide full or adequate protection against this risk. The Parent Company has not established a hedging policy against the risk arising from the volatility of natural gas prices.

Currently, 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, there is a potential risk that 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 share in the wholesale market as of 31.12.2015 amounted to 61%, while at the same period, PPC Supply's share in the retail market amounted to 96%.

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

CO_2 Emmission Rights

The Group's and Parent Company's generation business is subject to EU Directives 2003/87/EC and 2009/29/EC, which established the European Emissions Trading System (EU ETS). In order to operate its bound thermal power plants, PPC is required to acquire CO_2 emission rights under the EU ETS (the "EU Allowances" or "EUAs") to cover CO_2 emissions.

Since 2013, PPC is no longer allocated CO_2 free emissions allowances (with the exception of small quantities corresponding to thermal power generation for district heating) and as it's thermal power plants currently emit 30-35 Mt of CO_2 approximately on an annual basis, increased prices of CO_2 emission rights will affect its operating costs. As PPC must acquire sufficient amounts of CO_2 emission rights per year, there can be no assurance on the price level that such CO_2 emission rights will be obtained in any future year. For the period from 2013 to 2020, the Parent Company expects to acquire the needed CO_2 emission rights on both the European and international markets, either through exchanges or through bilateral agreements. Although the Parent Company attempts to manage the risk arising from potentially increasing CO_2 emission rights prices by monitoring markets and developments in Europe, it is not possible to guarantee that this risk will be completly offset.

Capital controls imposed in Greece during the summer of 2015 have lead to a few months' delay in carrying out PPC's emission rights buying schedule. Consequently, PPC adjusted its buying policy, and has covered its needs for emission allowances for year 2015 in full and is back on track with its buying schedule for 2016.

The exposure of the Parent Company to the risk of increasing CO_2 emission rights prices is linked to its ability to fully incorporate these increases in its electricity tariffs. Therefore, any increase in CO_2 emission rights prices could materially, directly or indirectly, affect the Group's and the Parent Company's financial condition, results of operations and cash flows.

It should also be noted that, the European Union's (EU's) decision for withdrawing significant quantities of CO_2 rights from emission rights auctions during the beginning of the 2013 – 2020 period and its reinstatement at the end of the period (backloading) is being implemented. In addition, the EU has taken a decision to actively control the supply of CO_2 emission rights by establishing a Market Stability Reserve mechanism (MSR). Last, there is a deliberation on an EU ETS reform, to be applied during its 4th phase (beginning in 2021). These regulatory reforms have a direct impact on emission rights prices, and consequently on PPC's compliance cost.

Risk of exposure in competition

The Parent Company faces intense competition mainly in the wholesale market where share loss is due to IPPs' new power plants and the increased penetration of Renewables units in the System and the Network, as well as to increased electricity imports from the neighboring countries. 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 may have a negative impact on the Group's and the Parent Company's results of operations and cash flows.

For instance, RAE recently introduced into public consultations a new transitory "Capacity Assurance Mechanism", as well as a proposed new "Variable Cost Recovery Mechanism" for electricity generation units. For the variable cost recovery, L. 4336/2015 provides that "Until September 2015 the Authorities shall modify the regulations of the electricity market in order to prevent the necessity of plants' operating below their variable cost", while for the Capacity Assurance Mechanism, the same Law provides that

"Until September 2015 the Authorities will apply a regime for the temporary and the permanent capacity payments' system". With RAE's decision 392/2015 the new Variable Cost Recovery Mechanism was introduced, while implementation details were determined with RAE's decision 468/2015. Final outcome on the public consultation as well as decisions are pending concerning Capacity Assurance Mechanism. The implementation of both above mentioned mechanisms, may have a considerable impact on the Group's operation, cash flows and financial results.

Furthermore, RAE has proposed as an interim, transitional, measure to further wholesale market liberalization, the creation of a regulated forward electricity market that will provide access of third parties to PPC's electricity generation, through the introduction of NOME type of auctions. For this matter, L.4336/2015 provides that "Until September 2015 the Authorities will discuss with the European Commission the design of NOME auctions, aiming to the reduction of PPC's wholesale and retail market shares by 25%.in order to reach a below 50% level until 2020. In case of not reaching an agreement for the NOME auctions until late October 2015, the authorities will agree with the institutions on the structural measures, which will be immediately adopted and will lead to the same results mentioned above". However, decisions both on the procedure and the implementation details (eg. amount of electricity to be auctioned, as well as the reserved price of the auctions) are still pending.

Pursuant to L.4336/2015 PPC's market share in both the wholesale and the retail electricity markets should promptly be decreased by 25%, while from 01/01/2020 no company would be allowed to produce or import either directly or indirectly more than 50% of the electricity produced or imported in Greece.

The Parent Company already faces increasing competition in the retail market, following the liberalization of tariffs for Low Voltage customers and third party suppliers becoming active in the market, together with the adverse effects of low electricity prices in the wholesale market. Competition in the retail market is expected to intensify due to the implementation of the NOME model and the provisions of L. 4336/2015. Unless there are reforms in the regulatory framework to ensure the correction of existing distortions in the wholesale market, setting conditions of healthy competition and balanced development of suppliers in the market and promotion of competitive tariffs without cross-subsidization, a further increase in the competition in the supply electricity sector could have a material adverse effect on the Group's and the Parent Company's business, prospects, financial condition and results of operations.

Tariff risk for the competitive activities

Following the liberalization of High and Medium Voltage tariffs, Low Voltage tariffs are fully liberalized from 01.07.2013 for end customers, excluding vulnerable ones.

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

Furthermore, the Parent Company may face difficulties incorporating a potentially increased commodity cost, as well as costs related to electricity and CO2 emission rights to electricity bills, through increased tariffs.

With respect to HV customers:

There are several tariff disputes, amongst others between ALUMINION 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, forcing PPC, to provide electricity to ALUMINIUM for that period below cost. PPC has filed an appeal for the annulment of the Arbitration Decision and a complaint to the European Commission (Commission) for state aid due to the price set by the arbitration court. The Commission subsequently issued on 25/03/2015 a decision which found that PPC's appeal required no further investigation because no state aid exists. PPC appealed (on June 29, 2015) before the Court against this decision. Regarding PPC's appeal for the annulment of the Arbitration Decision, the Athens Court of

Appeals issued on 18.02.2016 a decision rejecting it. PPC may appeal on the Supreme Court against this decision.Nevertheless, the final outcome cannot be predicted, and an unfavourable outcome may negatively affect PPC's relationship with ALUMINION and other industrial customers. ALOUMINION does not accept tariffs for the High Voltage Customers, which were decided on PPC's 28.02.2014 General Shareholders' Meeting and proceeds with a partial payment of the amounts due to PPC.For this reason, PPC proceeded on 02.01.2015 to an order for the deactivation of ALOUMINION's load meters and invited IPTO to proceed to all necessary actions. Following that ALOUMINION has filed to RAE (on 9.01.2015) a complaint –application of interim measures- application of special regulatory measures against PPC, which was notified to IPTO. RAE, by a letter addressed to all parties postponed the discussion and the taking of a decision on the application. On 20.03.2015 a document of the Competition Committee (CC) was notified to PPC, by which CC asked the submission of PPC's views on a memo submitted by ALOUMINION. At the set date of the hearing (25.09.2015), CC interrupted the discussion of the case for 14.10.2015 (its next Meeting date) and granted to PPC a deadline for submitting a commitment proposal under the provision of Law .3959/2011.

After the discussion of the case, PPC submitted the relevant commitments, undertaking that : a) within ten (10) days of the notification of the CC's decision, will proceed in recalling the order for the deactivation of ALOUMINION's load meters which has been sent by PPC to ALOUMINION and IPTO SA. and b) that It will continue to supply electricity to ALOUMUNION under the current terms and conditions, until the issue of ALOUMINION's electricity tariffs, will be resolved through either direct negotiation between the parties or by any other means. Negotiations should have been completed within three (3) months from the date of CC's acceptance of the commitments. Meanwhile PPC would refrain from adopting, and generally taking any measures against ALOUMINION. The above mentioned PPC's commitments were accepted by the CC, which issued the relevant decision (621 / 2015). Abiding by its commitments, PPC recalled the order for the deactivation of ALOUMINION's load meters.

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. Given the fact that LARCO disputes electricity tariffs applied for the period 01.07.2010 – 31.12.2013, both PPC and LARCO submitted this dispute to arbitration which is in progress. Similarly, other industrial customers do not fully pay their electricity consumption bills, primarily alleging lack of liquidity due to the adverse economic environment.Also, some industrial customers dispute part of the competitive charges of the relevant tariffs. There is no assurance that LARCO or such other industrial customers will fully pay their debts for the amounts billed in relation to their electricity consumption.

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

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 ALUMINION, and ii) an extraordinary decrease of High Voltage customers' tariffs were approved. In the context of PPC's intention to sign supply contracts with ALUMINION, as well as with all other High Voltage customers, several meetings were 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, PPC signed new electricity supply contracts (having 31.12.2015 as a termination date) with all its HV customers, restructuring in the same time any overdue debt, with the exception of ALUMINION.

PPC offers from 01.01.2016 to HV customers seven (7) new tariffs for Competitive Charges, which practically correspond to the distinct consumption profiles of these customers. These tariffs are applicable for electricity consumption for the period 01.01.2016 up to 31.12.2017 and customers are entitled to choose between a monthly and a ten day period billing.

These new tariffs are accompanied by incentives (discounts) to HV customers for high electricity consumption

during the Minimum Load Zone (nights, weekends and holidays).

In addition to the above, the recent Extraordinary General Meeting of PPC;s Shareholders of 7.12..2015 decided on the duration period for the new tariffs, on the provision of volume discounts for the competitive load and energy charges based on the total annual HV electricity consumption for individual Companies or Group of companies.PPC's HV customers are in the process of selecting tariffs that fit their individual profiles, as well as signing Supplementary Electricity Supply Contracts. In particular, out of the twenty four (24) HV supplies, (of a total of 80 HV supplies) representing, in terms of consumption, more than 99% of the total of High Voltage consumption, four (4) customers have already signed the Supplementary Electricity Supply Contracts, fourteen (14) of them are in the process before signing it, whereas four (4) of them are in the process of the final negotiation.

A special mention is made above for HV customers ALOUMINION and LARCO, which have not until today signed either an Electricity Supply Contract or a Supplementary Electricity Supply Contract.

Of the remaining 56 HV electricity supplies, a total of thirty nine (39) have signed Supplementary Electricity Supply Contracts, while the remaining seventeen (17) are in the final stage of completing the procedures for the signing of the Supplementary Electricity Supply Contract.

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, as well as to hamper the Group's ability to raise equity or loans for funding its investment plans.

Risks from the implementation of the 2014/25/EU Directive and L. 4281/2014 provisions

From May 1, 2016 the new EU directive (Directive 2014/25/EU of the European Parliament and the European Counsil) comes into effect, relating to the rules of procurement, for companies operating in the transport,water, energy and postal services sectors, while repealing Directive 2004/17 / EU and Presidential Decree 59/2007.

The intergration of Directive 2014/25 / EU in the Greek legislation through Law 4281/2014 has been adjourned until December 31, 2015 and currently until April 30,2016.

Since according to Law 4281/2014 the activities of PPC Group fall within the provisions of the above mentioned law and further the «Regulation on Works, Supplies and Services acquired by PPC (Board Decision 206/30.09.2008)» are included in the repealed provisionsof Law. 4281/2014(Art.199par.1B), there is a serious possibility that the introduction of dysfunctional and rigid procedures regarding procurement and Contracts execution awards for «Contracting Entities», would adversely affect the smooth operation of PPC Group and will lead to delaysin the Group's and the Parent Company's business activities, adverely affecting in the same time their financial condition, results of operations and cash flows.

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 RAE concerning the regulation and functioning of the Greek electricity market in general, and any restructuring or other changes to the Group's business driven by the regulatory framework, may have a materially adverse effect on the Group's and the Parent Company's business, financial condition, results of operations and cash flows.

The Group's and the Parent Company's business and capital investment activity program are subject to decisions of numerous national, international and European Union institutions, as well as to regulatory and administrative authorities. Such authorities may issue decisions that restrict or significantly affect the Group's and the Parent Company's operations without taking into account and weigh all the relevant factors and interdependences which affect the Group's and the Parent Company's business and operations and may adversely impact the Group's and the Parent Company's 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, the Group and the Parent Company cannot give any assurances that they will be at all times in a position to fully and timely satisfy the regulatory, environmental, financial, and any other requirements imposed by the above mentioned authorities.

Additionally, RAE submitted into public consultation certain measures that would provide access of third parties to the electricity generation of PPC, through auctions resembling the "NOME" model implemented in France, a model which was designed to provide access of third parties (mainly suppliers and industrials) to low-cost electricity generation (i.e. EDF's nuclear power plants), at a regulated price.

The implementation of the "NOME" model in Greece that was proposed by RAE in order to set the framework for a regulated forward electricity market shall include auctions and bilateral forward contracts between PPC and third parties. The main characteristics of the NOME model implementation in Greece are still pending, including the quantity of electricity to be auctioned, starting auction prices, period of application etc. Regarding the application of the NOME model, Law 4336/2015 (Pension provisions – Ratification of the Agreement Plan for the Financial Assistance from the European Stability Mechanism and Arrangements for the implementation of the Funding Agreement) provides that "Until September 2015 the Authorities will discuss with the European Commission the design of NOME auctions, aiming to the reduction of PPC's wholesale and retail market shares by 25%.in order to reach a below 50% level until 2020. In case of not reaching an agreement for the NOME auctions until late October 2015, the authorities will agree with the institutions on the structural measures, which will be immediately adopted and will lead to the same results mentioned above, in respect of market shares as well as timetables of implementation».

The Parent Company 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 plus a reasonable return and therefore no assurance can be provided that the implementation of such or other structural measures (in case of no agreement on the NOME model) will not have a material adverse effect on the Group's and the Parent Company's business, prospects, financial condition and results of operations.

Risk from providing Public Service Obligations (PSOs)

The PSOs for which the Parent Company is 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 PPC and other electricity suppliers providing PSOs and is calculated according to a methodology published by RAE.

With RAE's Decision 14/2014 (for implementation in 2012), the PSO compensation calculation methodology was determined 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 to, compared to their costs on the Interconnected System, in order to ensure a 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.

Also, 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. 4001/2011 Art.56 par 4.

Finally, with RAE's decision 457/2015 the SRT's compensation for the year 2014 was determined.

Despite the fact that with RAE's decision, the PSO compensation for 2012 and 2013 was determined, in

order to be integrated to electricity bills a legislative act is required. Such legislative act has not been effected till now, resulting in the partial recovery of the determined PSO compensation. PPC has raised this issue with the competent Ministry.

In Addition, PPC raised objections on the proper application, from RAE's part, of the calculation methodology used to determine PSO calculation for 2012 and 2013 resulting, according to PPC's estimation, to a reduced PSO compensation by €52 mil.

To this end, PPC has filed a request for annulment with the Counsil of State against RAE's Decision 356/2014. The additional claimed amount from PCC's part(for the years 2012 & 2013), amounts to €452 mil. no PSO compensation amount has been determined yet for the year 2014.

Potential changes in compensation rights for the existing PSOs that PPC provides, or changes in the methodology for the estimation of such PSO compensation, which do not allow the full recovery of PPC's costs, or a potential introduction of new PSOs for which PPC may not be entitled to compensation may have an adverse effect on the Group's and the Parent Company's costs, financial position and results of operations.

Finally, the potential opening of the retail electricity market for Crete and Rhodes, will pose the risk of compensating alternative suppliers for the provision of PSO's to their clients, prior to PPC, as provided by the NII Code as applicable.

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 electricity producers at the expense of existing market participants. These include measures such as the Variable Cost Recovery Mechanism, the Capacity Assurance Mechanism and the introduction of measures to promote Renewables 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 and the temporary CAM, there can be no assurance that replacement regulatory measures (which may create new distortions or market effects that are unfavourable to PPC) will not be introduced. To the extent that such measures remain, or similar new measures are implemented, the Group's results of operations and profitability may be negatively affected. For instance, 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 totally abolished from July 1st, 2014. However, on February 2015, RAE submitted into public consultation a new proposal for a revised VCRM. Also, Law 4336/2015 (Pension provisions – Ratification of the Agreement Plan for the Financial Assistance from the European Stability Mechanism and Arrangements for the implementation of the Funding Agreement) provides that "Until September 2015 the Authorities shall modify the regulations of the electricity market in order to prevent the necessity of plants' operating below their variable cost". In this context, RAE introduced the new VCRM with its decision RAE 392/2015, while with decision RAE 468/2015 the details of implementing the new mechanism were determined.

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), whereas natural gas generating units received an additional Capacity Availability Certificate, in the expense of lignite fired and hydro generating units. The above mentioned Mechanism was abolished by 31.12.2014.

On January 2015, RAE submitted to public Consultation a new transitory Capacity Assurance Mechanism for the period January 2015 – October 2015, solely compensating the generating units' flexibility, while decisions are pending concerning the Capacity Assurance Mechanism regime in the future. It should be noted, that based on RAE's transitory proposal, only natural gas generating units, as well as, only 582

MW of hydro generating units are compensated through this mechanism, resulting in an advantage of natural gas generating units over lignite fired and hydro generating units and consequently risking PPC's position over its gas generating competitors in the future. Furthermore, Law 4336/2015 provides that "Until September 2015 the Authorities will apply a regime for the temporary and permanent capacity payments' system", without giving any further details.

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 L. 4111/2013, the deficit should have been reduced to zero by the end of 2014 and to this end, various measures have already been taken, while further measures have been taken under the provisions of L. 4254/2014 to reduce the deficit. However, by the end of 2015, a deficit still remained (although decreasing over time). This deficit amounted approximately to € 63 m., as of 31.12.2015 according to HEMO's published data and to deal with it, additional measures may be adopted, affecting the Group's and the Parent Company's cash flows.

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 (according to L.4152/2013 is 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 the Group's results of operations and financial condition. For instance, on January 2016 RAE submitted into public consultation a proposal for the inclusion of the Special Consumption Tax on natural gas in calculating conventional thermal power plants' average cost, a measure that, if adopted, will further increase PPC's financial burden.

HEMO, is also operating at a considerable deficit, in part caused by the due and unpaid obligations of two major alternative energy suppliers which 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, proportionally to their market share. PPC's obligation, which is contested, 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 the 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. However, Law 4336/2015 provides that "Until September 2015, the authorities should implement rules in line with the final decision of the State Council on the settlement of debts between PPC and the market operator»

This or any similar decisions by RAE in the future, addressing electricity market deficits resulting from incompetence 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 their financial condition, cash flows and cash.

Risk from the potential implementation of measures relating to the electricity and natural gas market harmonization to the European legislation and practices

Negotiation between the Hellenic Republic and the European Union, the European Central Bank, the European Stability Mechanism and the International Monetary Fund for reviewing the terms for Greece's financing program provides for decisions and relevant actions for the electricity market, 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 for the implementation of Law 4336/2015 (Pension provisions – Ratification of the Agreement Plan for the Financial Assistance from the

European Stability Mechanism and Arrangements for the implementation of the Funding Agreement), may have a significant impact on the Group's and the Parent Company's activities, contractual commitments and financial results.

Risks relating to Law 4336/14.8.2015

Law 4336/2015 introduces provisions for the energy and natural gas market in relation to the following:

- RAE's jurisdiction on monitoring the accounts of entities operating in the energy and the natural gas sectors as well as the accounts of the Transmission System's and Distribution Network's Operators, ensuring that there will be no cross subsidies between generation, transmission, distribution and supply of energy and
- entities operating in the energy markets in the interconnected system and network of the country, which will not be allowed from 01.01.2020 to either generate or import - directly or indirectly- energy quantities greater than 50% of the total energy quantity either generated by domestic plants or imported, annually. The Competition Commission will assess the possibility of achieving the above mentioned objective by 01.01.2019 and in case of failure to achieve it, will propose appropriate measures. In case of the companies' non-compliance, fines amounting to 5% up to 10% on their annual turnover of the previous year will be imposed.
- the obligation of the Authorities to apply, until September 2015, a regime for the temporary and permanent capacity payments' system. The Authorities shall modify the regulations of the electricity market in order to prevent the plants' forced operation below their variable cost and shall enact laws concerning the offsetting of debts between PPC and the market operator. They will implement discontinuation contracts as adopted by the European Commission. PPC's tariffs will be revised based on cost, replacing among others, the 20% discount on the high voltage tariffs, with tariffs based on generation's marginal cost. The design of the NOME auctions system will be discussed with the European Commission, aiming to the reduction of PPC's retail market share by 25%. In case of not reaching an agreement for the NOME auctions until late October 2015, the authorities will agree with the institutions on the structural measures, which will be immediately adopted and will lead to the same results mentioned above, regarding both market shares and timelines of implementation.
- The obligation of the Authorities, until October 2015, to take irreversible steps towards the privatization of the electricity transmission system operator, IPTO, unless an alternative plan will be proposed, with equivalent results on competition and investment prospects, according to the best European practices and in agreement with the institutions, in order to achieve IPTO's full ownership unbundling. Moreover, they will introduce a new plan for the upgrade of electricity networks, in order to improve performance, enhance interoperability and reduce costs for consumers. The action map for the electricity market should be completed by December 2017. In this context, the balancing market should be completed by June 2017.
- The Authorities' obligation, by October 2015, to review energy's taxation as well as to reinforce RAE's financial and operational independence.
- The Authorities' obligation, by December 2015, to approve a new framework for the support of the Renewable Energy Sources, preserving their economic viability, establish a new scheme for the upgrading of the energy Networks and to initiate the implementation of the roadmap for the harmonization of the energy market with the European Target Model by December 2017.

In addition, by Law 4336/14.08.2015 the Greek State commits to follow with the ongoing privatization program. The Hellenic Republic Asset Development Fund's (HRADF) BoD has already approved the Asset Development Plan (ADP) which provides for the privatization of assets already held by HRADF by 31.12.2014.

Risks relating to Law 4336/14.8.2015 – IPTO's ownership unbundling

Currently, the competent authorities are in consultation with Greece's Lenders regarding the ownership of IPTO. Law 4336/2015 provides that «... the authorities: a) will take irreversible measures (including the announcement of the date for the submission of binding offers) for the privatization of the electricity transmission business, IPTO, unless an alternative plan, with equivalent effects on competition and investment prospects, according to the best European practices and in agreement with the Institutions to achieve full ownership unbundling of IPTO (standard delivery) is proposed. The final agreement is one of the priorities for the smooth implementation of Greece's third financial support program.

Considering the above, the greek government proposed a new shareholder structure, where the Greek Sate will at first aquire 100% of IPTO's shares and subsequently 49% of the shares will be transferred to a strategic investor and to other private investors. Following the proposed new shareholder structure, IPTO's financial figures will no longer be consolidated in the financial statements of the PPC Group.

More specifically:

- Fixed assets of a value of Euro 1,598 m., as well as loan liabilities amounting to Euro 490 m., as of 31.12.2015, will not be included henceforth.
- Operating profitability (EBITDA) of the new Group will be reduced by about € 180 m. on an annual basis (the average EBITDA of the last four years), as IPTO, being a regulated electricity transmission company enjoys an especially high amount of operational profitability, as well as a very high EBITDA margin.

It is noted that as at 31.12.2014, the value of IPTO's fixed assets (valued by an independent valuation house) amounted to Euro 1,537 m. Additionally, in the accounting books of the Parent Company, its participation in IPTO amounts to Euro 916.4 m.

In addition, for a significant portion of the Parent Company's loans, a waiver should be approved by the banks for the sale of assets of considerable value, based on already included terms in existing loan agreements. At the same time, specific financial indicators might not be met in the future, due to both the significant reduction in the profitability as well as the capital structure change of the new PPC Group, leading to the possibility of early repayment of existing loans (including the relevant indicators) and in any case creating additional difficulties in the Group's future financing and development

In conclusion to the above, any solution that would be adopted, should on the one hand (based on already included terms in existing loan agreements) provide for an arm's length transaction as well as to provide for a reasonable financial consideration, resulting from the economic valuation of IPTO's shares at market terms, taking into consideration as well all other aspects of the transaction (e.g. the kind of the financial consideration and the time frame within which this consideration will be collected by PPC).

Currently, given that L.4336/2015 provisions are under consideration, it is not possible to assess the potential impact on the activities, the operating results, the financial condition and cash flows of the Group and the Parent Company from the application of provisions of Law. 4336/2015.

Risk from the absence of Fixed Asset insurance

Currently, the Group and the Parent Company do not maintain insurance against the usual risks associated with their power plants, transmission and distribution assets, property and 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 the dispersed network of power plants. Additionally, the Group does 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 key power plants, transmission and distribution assets or mining equipment could have a significant adverse impact on the Group's and the Parent Company's 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 the Group.

Hydrologic Conditions

The evolution of hydrologic conditions is a completely unpredictable factor and has a very significant impact on the Group's and the Parent Company's profitability, taking into account, of course, that PPC 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 the Group's and the Parent Company's control that can affect 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 the Parent Company's mining operations may result in a 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 the Parent Company's own resources.

EPC related risks

The Group and the Parent Company face risks relating to the construction of 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. They 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 permits 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 especially after the imposition of capital controls, may have a negative impact on the Group's and the Parent Company's ability to purchase liquid fuels, spare parts and materials, have engineering, procurement and construction ("EPC") contracts completed in a timely manner and may increase the Group's and the Parent Company's operating and maintenance costs as well as planning times.

Risk from Potential Undertaking of Social Security Liabilities

Despite the fact that under the current legislation the Group and the Parent Company do 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 Risks

The Group and the Parent Company are involved in several legal proceedings arising from their operations, and any adverse outcome against PPC or any other of the Group's companies may have a negative impact on their business, financial condition and reputation.

In addition, as a majority state owned utility, the Group is subject to laws, rules and regulations designed to protect the public interest, such as of public procurement, environmental protection, or even controlling its management decisions. Violation of legislation, rules or regulations, entail, among others, criminal sanctions for the Board of Directors members and executive officers as well as the employees of the companies and utilities that are subject to those rules.

Simultaneously, the Group is one of the largest industrial groups in Greece, with complex activities and operations across the country. In the ordinary course of its business, from time to time, competitors, suppliers, customers, owners of property adjacent to the Group's properties, media outlets, activists, and ordinary citizens, raise complaints (even to public prosecutors) about the Group's operations and activities, to the extent they feel that such 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 the Group 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, the Group and the Parent Company, their Board of Directors members 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 their activities in the ordinary course of business. These investigations and legal proceedings may be disruptive to the Group's and the Parent Company's daily operations to the extent that the officers and directors involved need to spend time and resources in connection therewith. They may also adversely affect the Group's and the Parent Company's reputation.

Risk from tax and other regulations

The taxation regime for corporations in Greece is frequently revised and the Group 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 the Group and the Parent Company, which could have a material adverse effect on their 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, the Parent Company has been subject to a special levy for lignite generated electricity equal to €2.00 / MWh and a special tax on natural gas. Currently, the Group does not pay any royalty, concession fee or other fee for lignite extraction or for water used on its hydropower plants. The application of any new royalty regime may require the abolishment of the current regime and the Group cannot guarantee that any form of royalties, concession fees or other fees on its 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 the effect of any new taxes, levies, etc. is passed onto the Group's and the Parent Company's customers, such taxes, levies, etc. may impact collection rates for PPC's electricity bills or result in a loss of market share due to competition. Conversely, if the Group and the Parent Company do not increase tariffs to match an increase in taxation, an adverse impact on their financial results will follow.

The Group and PPC are 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 respects, continue to be considered a public sector company in Greece. Therefore, its operations shall continue to be subject to certain laws and regulations generally applicable to public sector, 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 did not have for several years (till today) the ability to recruit experienced personnel in the range of its business activities while, today's average personnel age is above 49 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 experienced personnel to the 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. 3833/2010 and L. 4057/2012 , concerning the recruiting of permanent staff an approval of the Interministerial Committee is necessary (AIC 33/2006), as well as an allocative act of the Minister of the Interiors and Administrative reorganization according to the 1:5 ratio (a recruitment for every five employees leaving).By the above mentioned and introduced by law hiring procedure, the Parent Company's recruitment needs are significantly hindered, creating critical lack of personnel and managers and may have a negative impact on the implementation of the Groups' activity.

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, as a result of the lack of experienced staff 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 Board of Directors regarding the design and approval of specific risk management procedures and policies. The Group and the Parent Company can provide no assurance that such procedures and policies provide full protection against the risks that they face.

The Group may face strikes

Most of the Group's and the Parent Company'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 and the Parent Company'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 and the Parent Company's profitability as well as its cash flow program.

Furthermore, due to the nature of their operations, the Group and the Parent Company 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 the Group's and the Parent Company's business, results of operations and financial position.

The Group and the Parent Company are also required to obtain environmental and safety permits for their 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. The Group and the Parent Company cannot give any assurance that they will be able to renew such permits or that material changes to their permits requiring significant expenditures on its end will not be imposed.

Environmental, health and safety laws are complex, change frequently and tend to become more stringent over time. As a result, the Group and the Parent Company 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, the Group and the Parent Company 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 the Group's and the Parent Company's operations are based on information systems; therefore they are exposed to the risk of non-availability, data integrity corruption and unauthorized access to these systems. In order to minimize these risks, the Group and the Parent Company take measures for the enhancement of their IT security.

The Group and the Parent Company believe that they currently have adequate security policies in place to cover risks associated with the operation and maintenance of their IT infrastructure and perform regular audits of their systems. However, there can be no assurances that they 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 their operations or harm their reputation and have a materially adverse effect on their 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 the Group's and the Parent Company's 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 the Group's and the Parent Company's ability to purchase liquid fuels, spare parts and materials and may increase their operating costs.

The Group's and the Parent Company's 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 the Group and the Parent Company believe that their 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 their equipment suppliers or manufacturers or EPC contractors rather than by them, 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. The Group and the Parent Company 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.

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

Licensing Risk

The procedures for obtaining and renewing authorizations and permits for the Group's and the Parent Company's 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, the Group and the Parent Company 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 the Group's and the Parent Company's operations, including also the ability to obtain funding for their activities.

Any failure to obtain, maintain, renew or extend all the administrative authorizations and licenses necessary

for the operation of their business and execution of their strategy, could have a material adverse effect on the Group's and the Parent Company's 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 to 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 their tangible assets in the context of their periodic reassessment.

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.

Balances and Transactions with Related Parties

PPC balances with its subsidiaries and its associates as of December 31, 2015 and 2014 are as follows:

	December 31, 2015		December 31, 2014	
	Receivables	(Payables)	Receivables	(Payables)
Subsidiaries				
IPTO S.A.	65,468	(824,137)	306,804	(1,058,258)
PPC Renewables S.A.	1,741	-	5,583	(837)
HEDNO S.A.	89,441	(347,258)	75,696	(192,711)
PPC Finance PLc	-	(6,169)	-	(6,171)
PPC Elektrik	239	(96)	-	-
PPC Bulgaria JSCO	-	(709)	-	-
	156,889	**(1,178,369)**	**338,083**	**(1,257,977)**
Associates				
Larco S.A. (energy, lignite and ash)	272,163	-	229,321	-
	272,163	**-**	**229,321**	**-**

PPC's transactions with its subsidiaries and its associates as of December 31, 2015 and 2014 are as follows:

	2015		2014	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
IPTO S.A.	129,011	(1,367,353)	582,582	(2,085,867)
PPC Renewables S.A.	3,419	-	3,506	-
HEDNOS.A.(former PPC Rhodes S.A.)	1,247,817	(1,982,423)	1,405,449	(2,083,953)
PPC Finance PLc	-	(37,125)	-	(33,818)
PPC Elektrik	1,184	(3,300)	144	(122)
PPC Bulgaria JSCO	-	(6,379)	-	-
	1,381,431	**(3,396,580)**	**1,991,681**	**(4,203,760)**
Associates				
Larco S.A.	67,254	(4,907)	64,792	(8,961)
	67,254	**(4,907)**	**64,792**	**(8,961)**

Guarantee in favor of the subsidiary PPC Renewables S.A.

As of 31.12.2015, the Parent Company has guaranteed total loans of Euro 8 mil., through account credit agreements. As of 31.12.2015 PPC Renewables S.A. has used Euro 874.9, concerning letters of guarantee.

Guarantee in favor of the subsidiary IPTO SA

At December 31, 2015 the Parent Company had provided guarantees for bilateral loans amounting to Euro 325 mil. The provision of said guaranties has been approved by the Parent Company's General Shareholders Meeting.

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 Additionally, purchases and balances with EMO, the Electricity Market Operator, are presented.

	PURCHASES		BALANCE	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
ELPE, purchases of liquid fuel	107,837	132,342	8,176	4,416
DEPA, purchases of natural gas	324,493	345,727	67,632	29,987
	432,330	**478,069**	**75,808**	**34,403**

	December 31, 2015		December 31, 2014	
	Receivables	(Payables)	Receivables	(Payables)
EMO S.A.	**165,547**	**(57,891)**	**166,038**	**(65,349)**

	31.12.2015		31.12.2014	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
EMO S.A.	**1,945,418**	**(2,565,727)**	**2,187,443**	**(2,863,920)**

Further to the above, PPC enters into transactions with many government owned or - nonprofit 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 Remunerations

Management's remunerations (Board of Directors and General Managers) for the year ended December 31, 2015 and 2014 are as follows:

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Remuneration of Board of Directors' members				
- Remuneration of executive members	318	222	88	57
- Remuneration of non-executive members	51	72	-	-
- Compensation / Extraordinary fees	30	61	-	-
- Employer's Social Contributions	62	49	-	-
- Other Benefits	97	125	82	87
	558	**529**	**170**	**144**
Remuneration of Deputy Managing Directors and General Managers				
- Regular remuneration	653	684	539	627
- Employer's Social Contributions	201	218	163	199
- Compensation / Extraordinary fees	-	-	-	-
	854	**902**	**702**	**826**
	1,412	**1,431**	**872**	**970**

Remuneration to members of the Board of Directors does not include standard salaries and employer's social contribution, relating to the representatives of employees that participate in the Parent Company's Board of Directors. Also, it does not include the benefit of the electricity supply based on the PPC personnel tariff to the executive members of the Board of Director, the Deputy Managing Directors and the General Managers.

STATEMENT OF CORPORATE GOVERNANCE

1. INTRODUCTION

1. Code of Corporate Governance applying to the Company

Corporate Governance is a system of principles, based on which the optimal organization, administration and operation of the a société anonyme, as well as the transparency in its relations with the shareholders and the safeguarding in general of corporate interests are pursued.

The observance of the principles of corporate governance constitutes an essential commitment and priority of Public Power Corporation S.A. (PPC or the Company) due to its important role in the greek economy, and the public interest services it provides.

It is to be noted that the Company is governed by specific laws and regulations applicable to the corporations of the wider public sector, as long as the Hellenic Republic, as the main shareholder, holds 51% of its share capital. Consequently, its operations shall continue to be subject to the laws and regulations applicable to the companies of the Greek public sector affecting specific procedures, as those concerning, indicatively but not limited to, personnel remuneration policy. The said laws and regulations, to which the current competitors of the Company are not expected to be subject, are likely to limit its operational flexibility and the implementation of the relevant "best practices" of corporate governance.

The Hellenic Republic holds directly and indirectly, through the Hellenic Republic Asset Development Fund (TAIPED[1]), 51.12% of PPC S.A. common shares. TAIPED holds 17% of the Company's share capital, which is included in the aforementioned percentage held by the Hellenic Republic, since TAIPED is 100% owned by the Hellenic Republic. In accordance with the Act of Legislative Content dated 7.9.2012, which was ratified by article 2 of Law 4092/2012 (OG A' 220/8.11.2012), the obligatory participation of the Hellenic Republic by at least 51% in the share capital was abolished and the Company's Articles of Incorporation were adapted accordingly.

PPC prepares the current statement of Corporate Governance pursuant to the provisions of Article 43a par. 3 item d' of Codified Law 2190/1920, as applicable and where appropriate, in accordance with the International Accounting Standards which have been established under the Regulation (EC)1606/2002.

PPC has drawn up and implements its own Code of Corporate Governance. Said Code was updated in March 2015 and is posted on the Company's website (www.dei.gr).

The main axes of the Code of Corporate Governance implemented by PPC are the following:

Administration
Composition of the Governing Bodies, jurisdiction and functioning.
Committees of the Board of Directors and jurisdiction thereof.

Shareholders
Jurisdiction and operation of the General Meeting of Shareholders, shareholders' rights, briefing of the shareholders', as well as reference to the information data required pursuant to article 10 par. 1 of Directive 2004/25/EC of the European Parliament, as incorporated in Law 3461/2006.

Internal audit and risk management
Main characteristics of the Company's internal audit and risk management systems, regarding the procedure of preparing its financial statements.

2. Corporate Governance Practices implemented by PPC in addition to Law (article 43a par. 3 item d. sub item bb. of CL 2190/1920, as applicable)[2]

1) The prohibition applied to the members of the Board of Directors concerning the conduct of competitive acts applied for a period of two years following termination for any reason whatsoever of the term of office of the Board member or his retirement from the Board of Directors (article 13 par.2 of Articles of Incorporation, Code of Corporate Governance "Prohibition of competition – Participation in the Board of Directors of subsidiary companies").

2) The Board of Directors consists of different categories of members: eight (8) members, including the Chief Executive Officer, elected by the General Meeting of shareholders of the company, two (2) members representing the Company's employees are elected by direct and universal ballot one (1) member designated by the Economic and Social Committee (article 9 of Articles of Incorporation, Code of Corporate Governance "Composition of the Board of Directors").This particular composition of the Board of Directors and this approach of designating the Members of the Board constitute the reason for not establishing the Committee of Candidatures' Designation of the Board of Directors based on the applicable (as of October 2013) Greek Code of Corporate Governance for Listed Companies.

3) In case both positions of Chairman and CEO coincide to the same person, the Board of Directors shall also elect a Vice Chairman (article 14 of Articles of Incorporation, Code of Corporate Governance "Chairman and Vice Chairman of the Board of Directors").

4) Apart from the Board of Directors and the CEO, the Governing Bodies of the Company include the Management Board (article 8 of Articles of Incorporation, article 3 of Rules of Operation, Code of Corporate Governance "Governing Bodies").

5) There are Deputy CEOs reporting to the CEO (article 15a of Articles of Incorporation, Code of Corporate Governance "Deputy Chief Executive Officers").

6) A Remunerations Committee has been established, consisting of three (3) non-executive members of the Board of Directors, at least two (2) of them independent (article 17 of Articles of Incorporation, Code of Corporate Governance "Remuneration and Compensation of Members").

7) A Management Contract is signed between PPC and the CEO (article 16 of Articles of Incorporation, Code of Corporate Governance "Management Contract and follow-up of its implementation).

8) Persons of recognized standing or with specialized experience or expertise in specific areas may be employed as Special Consultants, in order to support the CEO or the Deputy CEOs or the General Managers in carrying out their duties. The number of special consultants shall not exceed ten (10). The employment/assignment contracts with the Special Consultants are signed by the Chief Executive Officer, that decides upon the nature of their relationship with the Company as well as upon the terms of such contracts, indicatively the duration of the contract, remuneration/fees and other benefits (article 21 Code of Operation).

9) By virtue of the Resolution of the Board of Directors no 38/23.02.2009, a Corporate Governance and Monitoring Committee of the subsidiary company of PPC S.A. under the trade name "PPC Renewables S.A." was established. The said Committee, by virtue of the Resolution of the Board of Directors no 97/14.04.2010, consists of the Chairman of PPC Renewables S.A., the CEO of PPC Renewables S.A., the Deputy CEO of PPC S.A. who supervises the Corporate Functions Divisions of PPC SA[3], the General Manager of Finance of PPC S.A. and the General Counsel of PPC S.A.

10) Based on the Company's Rules of Operation as applicable which were approved by the Resolution of the BoD no 183/26.11.2013, the Members of the Board of Directors as well as any third person to whom any competencies of the Board have been assigned by the latter, shall not be allowed to pursue own interests that are contrary to those of the Company. Members of the Board as well as any third person to whom any competencies of the Board have been assigned, are required to disclose promptly and adequately to the rest of the Board Members their own interests, that may arise from any transactions of the Company which fall within the scope of their duties, as well as any conflict of own interests with those of the Company or of any associated company, which may arise during the performance of their duties. In the event that such conflict of interests is reported or occurs in accordance with the aforementioned, such Member of the Board shall have no voting right during the relevant meeting of the Board. Any vote cast by such Member of the Board shall not be counted toward a quorum and majority.

1. TAIPED or HRADF is a Societé Anonyme under the name «HELLENIC REPUBLIC ASSET DEVELOPMENT FUND S.A.» which was established by Law 3986/2011 (O.G. A' 152/2011) as amended and in effect.
2. as modified by Article 2 par. 2 of L. 3873/2010 (Official Gazette volume A issue 150/ 6.9.2010).

3. Currently Deputy CEO supervising the Divisions of Finance and Human Resources.

3. **Description of internal audit and risk management systems in relation to the procedure of financial statements' preparation**

3.1 Safeguards at corporate level

The Internal Audit of the Company is performed by the Internal Audit Department (IAD). The IAD is supervised by the Audit Committee which consists of two (2) at least non-executive members and one (1) independent non-executive member, that have been appointed by the General Meeting of the Shareholders.

The members of the Audit Committee, in accordance with the Operation Rules of the Company, assume the obligations provided for by law concerning corporate governance, including:

- The follow up of the financial information procedure.
- The follow up of the effective operation of the internal audit and risk management systems, as well as the follow up of the proper operation of the IAD.
- The follow up of the process of compulsory audit of separate and consolidated financial statements.
- The review and follow up of issues relating to the existence and preservation of the objectivity and independence of chartered auditors-accountants concerning, in particular, other services rendered by them to the Company and its subsidiaries.
- The follow up of the execution of the Company's budget (BoD decision 128/18.7.2013).
- Recommendation of the Board proposal to the General Meeting, for the appointment of Chartered Auditors-Accountants.

The annual audit plan of the IAD is drawn up based on the determination, updating and assessment of the corporate risks of the Group and taking into consideration the strategic goals of the Company and all developments concerning the Company and its environment. The audit plan is submitted via the Audit Committee to the BoD for approval.

PPC's BoD assesses the main risks and uncertainties that PPC may face and a detailed reference to them is included in the Annual Financial Report of the BoD.

3.2 Safeguards for information systems

The Company has developed a Framework of Information Systems Security within which the policies concerning Information Systems Security are defined regarding information classification, security in matters of personnel, physical and environmental security, management of communications and information systems operations, access control, development and maintenance of information systems, business continuity management, compliance with the obligations deriving from the regulatory - legislative framework.

Moreover, the roles and competencies concerning the information systems security are defined.

3.3 Safeguards for the procedure of preparing financial statements and reports

The basic areas where safeguards concerning the preparation of the Company's financial statements and financial reports are implemented, are the following:

• **Allocation of Competencies**

The executives being involved have clearly defined roles and areas of responsibility, thus reinforcing the effectiveness of the Internal Audit System.

• **Procedures for accounting monitoring and drawing up of financial statements**

- Integrated policy principles for the operation of the Accounting Services of the Group.
- Procedures in relation to the issuing of financial statements and their consolidation at Group level.
- Regular follow up of the International Financial Reporting Standards, as these are adopted by the European Union, and the respective adaptation of the accounting principles and policies of the Group, as required.
- A special approval by the top executives of the Company is required for the posting of accounting entries, which concern special, non - recurring accounting events.
- Controls are being carried out by the Information Department on the information subsystems' data, before their integration in the General Ledger.
- Regular communication of the executives of the Finance Division with the Top Management and the Audit Committee for the ratification and recording of important events affecting financial statements.
- Regular communication of the Chartered Auditors with the Top Management and the Audit Committee with regard to the progress and the results of the Company's compulsory audit.

• **Procedures for property safekeeping**

Safeguards are in place for the management of fixed assets, stock of materials and spare parts , cash and cheques and customers' information systems. Indicatively we mention the existence of detailed procedures and audit mechanisms for carrying out the annual materials' inventory.

• **Transaction approval limits**

The operation of all departments, at all management levels, as well as the Company Bodies' is governed by the Financial and Administrative Jurisdictions System by which the jurisdictions in matters of approvals by the Governing Bodies and the executives of the Company are defined.

4. **Information required in accordance with article 10 par. 1 items c), d), f), g) and h) of Directive 2004/25/EC of the European Parliament and of the Council, dated April 21st, 2004 concerning Takeover Bids - EXPLANATORY REPORT OF BOARD OF DIRECTORS (Article 4, paragraph 7 & 8 of L. 3556/2007)**

4.1 Share Capital Structure

The Company's share capital amounts to Euro 1,067,200,000 divided into 232,000,000 ordinary registered shares corresponding to 232,000,000 voting rights with a nominal value of Euro 4.60 each.

4.2 Restrictions in transferring Company shares

Article 8 of PPC's Articles of Incorporation which provided that the percentage of the Hellenic Republic in the PPC's share capital could not be less than 51% of the shares with voting rights of the Company following any increase of the share capital, was abolished pursuant to the Act of Legislative Content dated 7.9.2012 (which has been already ratified by article 2 of L. 4092/2012).

4.3 Significant direct or indirect participations within the meaning of articles 9 to 11 of L. 3556/2007

As of December 31, 2015, the Hellenic Republic, HRADF and Silchester International Investors LLP have a significant participation (over 5%).

11/4/2014	Hellenic Republic (1)	**34.12%**
11/4/2014	Hellenic Republic Asset Development Fund (HRADF)	**17.00%**
13/9/2011	«Silchester International Investors LLP» acting as investment manager for its client - Silchester International Investors International Value Equity Trust.	**5.01%**
8/12/2011	«Silchester International Investors LLP» acting as investment manager for the following clients: - Silchester International Investors International Value Equity Trust, - Silchester International Investors International Value Equity Taxable Trust, - Silchester International Investors International Value Equity Group Trust, - Silchester International Investors Tobacco Free International Value Equity Trust, - The Calleva Trust.	**13.80%**

(1) The Hellenic Republic controls, directly and indirectly through HRADF, 51.12% of the ordinary shares of PPC S.A. In September 2012 the HRADF was appointed as proxy holder of the Hellenic Republic, entitled to exercise at its sole discretion, in the most appropriate way and without any guidance by the shareholder "Hellenic Republic", the voting rights of 39,440,000 ordinary shares with voting rights corresponding to 17% of the existing share capital of the Company (the "HRADF Shares") without any transfer of the Hellenic Republic voting rights on PPC S.A. to HRADF.
The duration of such proxy was thirty six (36) months as of the date of signing of the relevant agreement, unless the objective of the proxy was achieved earlier. On April 8, 2014, the Greek ministerial committee for restructurings and privatizations decided the transfer, without consideration, of the HRADF Shares, by the Hellenic Republic to the HRADF , pursuant to the provisions of Law 3986/2011. The transfer was announced on April 11, 2014 following execution of an over-the-counter transaction effected on April 9, 2014. Following the transfer, the abovementioned proxy agreement is no longer in effect.

4.4 Shares with special control rights

There are no shares granting special control rights, stricto sensu.

4.5 Voting rights restrictions

There are no restrictions on voting rights.

4.6 Agreements between Company's shareholders

The Company has no knowledge of agreements existing between its shareholders.

4.7 Regulations on appointing and replacing members of the Board of Directors

According to article 9 of the Company's Articles of Incorporation, the Company's Board of Directors is composed of eleven (11) members, divided into executive and non-executive members, among which:

- Eight (8) members, including the Chief Executive Officer, are elected by the General Meeting of the shareholders of the company. The Board of Directors shall elect from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Company's Articles of Incorporation.
- Two (2) members representing the Company's employees are elected by direct and universal ballot after having notified the most Representative Trade Union (ASOP) of the Company.
- One (1) member, who is involved in bodies related to the Company's activities, is designated by the Economic and Social Committee (ESC) and is appointed by decision of the Minister of the Environment, Energy and Climate Change (now the Minister of Environment and Energy).

In the event that for any reason whatsoever any representative of the employees or the representative of ESC is not elected or in the event any vacancy in the office of the aforesaid representatives is not promptly filled within the time limit of two (2) months as of the notification of the agencies (ESC and ASOP), this shall not impede the constitution and functioning of the Board of Directors.

According to article 9 par. 4 case a) of the Company's Articles of Incorporation, in case that for any reason whatsoever there shall be a vacancy in the office of a Board Member elected in accordance with the procedure set forth in paragraph 2 case a) at the article 9 of the Company's Articles of Incorporation, the remaining members of the Board shall elect another member for the remaining term of the member in the office of whom a vacancy has occurred, and such election is posted on the websites of the company and of the General Electronic Commercial Registry (GECR or GEMI) and is announced by the Board of Directors at the next meeting of the General Meeting.

4.8 Duties of the Board of Directors with regard to the issuance of new or the purchase of own shares

According to article 6 par.2 case a) of the Company's Articles of Incorporation, the Company may, by resolution of the Board of Directors, increase the share capital through the issuance of new shares. The amount of the increase cannot exceed the amount of the original share capital or of the share capital which shall have been paid up on the date of the decision by the General Meeting on the renewal of the relevant power of the Board of Directors.

The above mentioned authority of the BoD can be renewed by the General Meeting for a period that cannot exceed 5 years for each renewal.

The provisions of article 16 and 16a of Codified Law 2190/1920, as amended and currently in force, provide for the Company's ability to purchase own shares, with the Board of Directors responsibility, under the requirements specifically indicated by the above article.

There is no such provision in the Company's Articles of Incorporation, concerning specifically the Board of Directors' competence for the purchase of own shares.

4.9 Significant agreements that become effective, are amended or are terminated in the event of change in control

A significant part of loan agreements provide that in case the Greek State's participation in the share capital of the Company falls below 34% or 51%, or in case the State ceases to control the Company, it may lead to Mandatory Prepayment of these loans or constitute an Event of Default.

In addition, the change in PPC's shareholders' structure, which will lead to a change in control over the Company is a reason for an "Accelerated Put/Call Event" according to the Shareholders Agreement between PPC S.A. and TERNA ENERGY relating to WASTE SYCLO S.A. This fact initiates the procedure of the "Accelerated Put/Call Notice". The Non Defaulting Party may require to purchase all the shares of the Defaulting Party, or may proceed to the disposal of its shares to the Defaulting Party, according to the foreseen procedure in the Shareholders Agreement.

With regard to the shareholders agreement with ALPIQ, based on which the subsidiary company under the trade name PPC Bulgaria was established in Bulgaria, in the event of any change in the shareholder structure of one out of the two shareholders which leads in a change of control over the company, the other shareholder may exercise his right to sell his shares to the first shareholder, within 30 working days, pursuant to the procedure provided for in the shareholders agreement.

4.10 Agreements with members of the Board of Directors or Company Personnel

There are no share distribution plans to the members of the Board of Directors and / or employees of the Company.

PPC has signed contracts for the provision of independent services with the Chairman and Chief Executive Officer Mr. E. Panagiotakis, with the Deputy CEO Mr. K. Dologlou and with the Deputy CEO Mr. S. Goutsos.

5. Information on the functioning of the General Meeting of the shareholders and its main powers, as well as description of the shareholders' rights and of their exercise

5.1 Shareholders' General Meeting jurisdiction

1. The Shareholders' General Meeting is the supreme authority of the Company and shall have the right to make decisions on all matters concerning the Company, unless otherwise stipulated in the Articles of Incorporation, and more particularly to decide regarding:
   a) The amendment of the Articles of Incorporation. Such amendments are also deemed to include the increase or decrease of the share capital, subject to the provisions of article 6 of the Articles of Incorporation and article 34 par. 2 of Codified Law 2190/1920, as applicable. The decisions concerning amendments to the Articles of Incorporation shall be valid, provided that the relevant amendment is not prohibited by an expressed provision of the Articles of Incorporation or by law.
   b) The election of Board Members, pursuant to article 9 of the Articles of Incorporation, of the Chief Executive Officer and of the regular auditors.
   c) The approval of the balance sheet of the Company.
   d) The distribution of the annual profits.
   e) The issuance of loan through bonds convertible into shares, subject to the provisions of article 6 of the Articles of Incorporation. The issuance of bond loans non-convertible into shares shall be permitted also by virtue of a resolution of the Board of Directors.
   f) The merger, demerger, transformation, revival, extension of term or dissolution of the Company and
   g) the appointment of liquidators.
2. Any holder of fully-paid up voting shares shall participate in the General Meeting of shareholders of the Company only to the extent of the number of shares which he holds.

5.2 Convocation of the General Meeting

1. The Shareholders' General Meeting of the Company shall be convened by the Board of Directors and shall meet at the seat of the Company and / or at any other place outside such seat, in accordance with the provisions of article 25 of Codified Law 2190/1920, at least once a year, always within the first six months following the end of the financial year. The Board of Directors may convene an Extraordinary Shareholders' General Meeting, whenever this is required by special provisions or whenever the Board considers it appropriate.
2. Within ten (10) days from the submission by the auditors of a request to the Chairman of the Board of Directors, the Board of Directors shall be bound to convene the Shareholders' General Meeting having for items on the agenda those listed in the submitted request.

5.3 Invitation to the General Meeting

1. The Invitation to the General Meeting, with the exception of repeat General Meetings and of meetings regarded as such, shall clearly state at least the venue, date and time of the meeting, the items on the agenda,the shareholders entitled to participate, as well as precise instructions about the way the shareholders shall be able to participate in the meeting and exercise their rights in person or by proxy, or potentially through remote attendance (from a distance), shall be available in a prominent place at the registered office of the Company and shall be published through posting on the website of the Company and of GEMI and in any case, as provided for by the law each time.
2. The General Meeting shall be convened at least twenty (20) days prior to the date set for the meeting, inclusive of days legally excluded (holidays). The posting on the website of the GEMI shall be made at least ten (10) full days prior to such date and the posting on the website of the Company twenty (20) days prior to the date that the Company announced to the GEMI, without any delay such posting on the website. In the event of repeat General Meetings, the time limits set forth herein are reduced by one half.
3. The day of publication of the notice of invitation to attend a General Meeting and the day on which such meeting shall be held are not counted.
4. Besides the information of par.1 herein, the invitation shall also:
   a) include at least the following information:
   aa) shareholders rights of par. 2, 3, 6 and 7 of article 28 of the Articles of Incorporation, stating the time period within which each right may be exercised, by the respective deadlines specified in the above paragraphs of article 28 of the Articles of Incorporation or alternatively the closing date by which such rights may be exercised, on condition that the detailed information is posted, with an explicit reference in the invitation, on the Company's website www.dei.gr, and
   bb) the procedure for the exercise of the voting rights by proxy and more in particular the printed forms used by the Company to this end, as well as the means and methods provided for in article 22 of the Articles of Incorporation, in order that the Company receives electronic notifications of any appointment and revocation of proxy holders,
   b) the record date as provided for in article 22 par. 2 of the Articles of Incorporation in accordance with article 28a par. 4 of Codified Law 2190/1920, as applicable, pointing out that only those persons having the shareholding capacity on such date shall have the participation and voting right at the General Meeting,
   c) the location where the full text of documents and draft resolutions provided for in cases c) and d) of par. 5 of article 22 of the Articles of Incorporation are made available, as well as their reception mode,
   d) the Company's website address where the information of par. 5 of article 22 of the Articles of Incorporation is posted.
5. The company publishes in the media mentioned in par. 1 herein a summary of the invitation containing at least the precise address of the venue, the time and the hour of the meeting, the shareholders entitled to participate, as well as an explicit reference

to the address of the company's website where the full text of the invitation and the information provided for in par. 3 of article 27 of Codified Law 2190/1920 are posted. In case of enforcement of par. 2 article 39 of Codified Law 2190/1920 the publication in the media in accordance with the above par. 1 herein shall contain at least a clear indication that any revised agenda shall be posted on the company's website and in the media mentioned in the following section. Besides the publication in the media of par. 1 herein including the company's website, the full text of the invitation shall also be published within the prescribed deadline of par. 2, in such a way as to ensure rapid and non - discriminatory access to it, in the media that the Board of Directors considers reasonably reliable for the effective diffusion of information to the investors, in particular at print and electronic media with national and Europe-wide circulation.

5.4 Participation in the General Meeting

1. Any shareholder shall be entitled to attend and vote at the General Meeting.
2. Any person appearing as a shareholder in the registry of the body where the securities of the Company are being kept, shall be entitled to participate in the General Meeting without being required to block his shares.
   The shareholding capacity shall be evidenced by providing a relative written certificate from the above body or alternatively a confirmation through direct online connection of the Company with the records of the latter. The shareholdings capacity shall be valid on the commencement of the fifth (5th) day prior to the date of the General Meeting (Record Date) and the relative written or electronic certificate with regard to the shareholding capacity shall be serviced to the Company at the latest the third (3rd) day prior to the date of the General Meeting. Shareholders may attend the repeat General Meeting in accordance with the same formal requirements set out above. The shareholding capacity shall be valid on the commencement of the fourth (4th) day prior to the holding of the repeat General Meeting (Record Date of repeat General Meetings), while the relative written or electronic certificate with regard to the shareholding capacity shall be serviced to the Company at the latest the third (3rd) day prior to the General Meeting. Only those holding the shareholding capacity on the above Record Date shall be considered vis-à-vis the Company to be entitled to participate and vote at the General Meeting. In case of non - compliance with the provisions of Article 28a of Codified Law 2190/1920, as applicable, said shareholders may attend the General Meeting only upon authorization of the General Meeting.
   Shareholders shall participate and vote at the General Meeting either in person or by proxy. Each shareholder may appoint up to three (3) proxy holders. A proxy holder holding proxies by several shareholders may cast votes differently for each shareholder. The appointment and revocation of proxy holders shall be made in writing or by mail and shall be notified to the Company in accordance with the same procedure as above at least three (3) days prior to the date set for such General Meeting. Legal entities participating in the General Meeting may appoint up to three (3) individuals as proxies.
3. Ten (10) days prior to the ordinary General Meeting, every shareholder may obtain from the Company the annual financial statements thereof, together with the relevant reports of the Board of Directors and of the auditors.
4. Twenty-four (24) hours prior to each General Meeting, a list of shareholders with voting right at the said meeting shall be posted in a prominent place at the registered office of the Company. The said list shall indicate any proxies of the shareholders, in compliance with article 28a of Codified Law 2190/1920, as applicable, and paragraph 2 herein, the number of shares and votes of each shareholder, as well as the addresses of the shareholders and of their proxies.
5. As of the date of publication of the invitation to the General Meeting and until the date of the General Meeting, at least the following information shall be posted on the Company's website:
   a) the notice of invitation to the General Meeting,
   b) the total number of shares and voting rights on the date of such invitation,
   c) the documents to be submitted at the General Meeting,
   d) a draft resolution for each item on the agenda or in case no resolution has been submitted for approval, a comment by the Board of Directors on each item on the agenda and any draft resolutions submitted by the shareholders, right after being received by the Company,
   e) the printed forms to be used for the exercise of voting rights by proxy.

5.5 Ordinary Quorum and Majority

1. A quorum of the General Meeting shall be deemed to be achieved for the proper discussion of the issues on the agenda, when shareholders representing at least one fifth (1/5) of the paid-up share capital are present or represented thereat.
2. If the quorum referred to in the preceding paragraph is not obtained, the General Meeting shall be held again within twenty (20) days from the date of the postponed meeting, following invitation being notified at least ten (10) days prior to the meeting date. At such repeat meeting a quorum shall be deemed to be obtained in order to duly discuss the items set out in the original agenda, independently of the percentage of the paid-up share capital represented thereat.
   A new notice of invitation is not required, in the event that the original notice of invitation states the venue and date of the repeat meetings provided for by the law, in case a quorum has not been reached, on condition that at least ten (10) full days intervene between the postponed meeting and the repeat one.
3. The resolutions of the General Meeting shall be made by absolute majority of the votes represented thereat.

5.6 Extraordinary Quorum and Majority

1. Especially, for resolutions involving
   a) change in the nationality of the Company,
   b) modification of the object of the Company,
   c) issuance of bond loans convertible into shares, as stipulated by article 19 par. 1(e) of the Articles of Incorporation,
   d) increase of the shareholders' obligations,
   e) increase of the share capital subject to the provisions of article 6 of the Articles of Incorporation, or unless it is imposed by law or is effected by capitalization of reserves,
   f) decrease of the share capital, with the exception of the case of par. 6 article 16 of Codified Law 2190/1920, as applicable, or with the exception of those cases which are regulated in a different manner, according to a special law or to the Articles of Incorporation,
   g) change in the manner of profits' distribution,
   h) restriction or abolition of the pre-emption right of the old shareholders in all cases of increase of the share capital not effected by transfers in kind or by the issuance of convertible bonds,
   i) merger, demerger, transformation, revival, extension of term or dissolution of the Company,
   j) granting or renewing of powers to the Board of Directors for the increase of the share capital or the issuance of bondloan in accordance with the provisions of article 6 par. 2(b) of the Articles of Incorporation, and
   k) any amendment to the section herein and in any other case provided for by the law, a quorum shall be deemed to be obtained for the proper transaction of the business set out in the agenda, when shareholders representing two thirds (2/3) of the paid-up share capital are present or represented at the relevant meeting.

2. If the said quorum is not obtained, a second General Meeting shall be held in accordance with the provisions of paragraph 2, article 23 of the Articles of Incorporation, a quorum of which shall be obtained for the proper transaction of the business set out in the original agenda when at least one half (1/2) of the paid-up share capital is represented thereat. If such quorum is still not obtained, the General Meeting shall be held upon notice of invitation and convened as stipulated above, a quorum of which shall be obtained when shareholders representing at least one fifth (1/5) of the paid-up capital are present or represented at said meeting.
   In the event that quorum has not been obtained, a new notice of invitation is not required on condition that the venue and time of the repeat meetings, as provided for by law, are set in the initial invitation, and that at least ten (10) full days intervene between each postponed meeting and each repeat one.
3. The resolutions stipulated in par. 1 herein shall be made by a two-thirds (2/3) majority of the votes represented at the General Meeting.

5.7 Chairmanship of the General Meeting

1. The Chairman of the Board of Directors shall preside, provisionally, as chairman at the General Meetings. If unable to perform his/her duties, he/she shall be replaced by his/her substitute. Secretarial duties at the meetings shall be performed, provisionally, by a person appointed by the Chairman.
2. Following approval of the final list of shareholders with voting rights, the General Meeting shall proceed to the election of its Chairman and of one (1) Secretary, who shall also act as scrutineer.

5.8 Agenda - Minutes of the Meetings

1. The discussions and the resolutions of the General Meeting shall be limited to the items on the agenda published in accordance with article 21 of the Articles of Incorporation.
2. A summary of all the items discussed and resolved at the General Meeting shall be entered in a minute book signed by the Chairman and the Secretary. Following request, if any, by any shareholder, the Chairman shall record an exact summary of the said shareholder's opinion in the minutes. In the same minute book shall also be recorded a list of shareholders who attended the General Meeting in person or by proxy, drawn up in accordance with par. 2 of article 27 of Codified Law 2190/1920, as applicable. The results of the voting shall be posted on the Company's website under the responsibility of the Board of Directors within five (5) days at the latest from the date of the General Meeting, indicating for each resolution at least the number of shares for which valid votes were cast, the proportion of the share capital represented by such votes, the total number of valid votes as well as the number of votes cast in favour and against each resolution and the number of abstentions.
3. Copies of and excerpts from the minutes of the General Meeting shall be certified by the Chairman of the Board of Directors or his/her substitute.
4. If only one shareholder is present at a meeting of the General Meeting, then a representative of the Supervising Ministry – Section of Supervision of Sociétés Anonymes or a notary public authorized to do business in the district where the seat of the Company is located, shall attend the said General Meeting and countersign the minutes thereof.

5.9 Discharge from Liability of the Members of the Board of Directors and of the Auditors

1. Following the approval of the annual financial statements, the General Meeting shall decide by a special vote taken by roll call, regarding the discharge of the members of the Board of Directors and of the auditors from any liability for damages. The said discharge shall be null and void in those instances provided by article 22a of Codified Law 2190/1920, as applicable.
2. Shareholders shall be entitled to participate in the voting for the discharge of the members of the Board of Directors only with the shares they own or as proxy holders of other shareholders, provided that they have obtained a relative authorization with clear and specific voting instructions. The same also applies for the employees of the Company.

5.10 Minority Rights

1. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be bound to convene an extraordinary General Meeting, setting the date of such a meeting, which shall not be later than forty five (45) days from the date of service of such request to the Chairman of the Board of Directors. The agenda items shall be stated in detail in the said request. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the service of the said request, the meeting shall be convened by the requesting shareholders at the expense of the Company, upon decision of the Single-Member Court of First Instance at the Company's registered seat, issued following the procedure of interim measures. The place and date of the meeting, as well as the items on the agenda, shall be defined by the said decision.
2. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be obliged to insert additional items in the agenda of a General Meeting already convened, if the relative request has been submitted to the Board of Directors at least fifteen (15) days prior to the General Meeting. The request for the insertion of additional items in the agenda shall be accompanied by the reasoning or a draft resolution to be approved by the General Meeting. The revised agenda shall be published or notified under the responsibility of the Board of Directors, pursuant to article 26 of Codified Law 2190/1920, as applicable, according to the same procedure as above, thirteen (13) days prior to the date of the General Meeting; at the same time it shall be made available to the shareholders on the Company's website along with the reasoning or the draft decision submitted by the shareholders in accordance with the provisions of par. 5 of article 22 of the Articles of Incorporation.
3. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders in accordance with the provisions of par. 5 article 22 of the Articles of Incorporation, at least six (6) days prior to the General Meeting any draft resolutions on items included in the initial or the revised agenda, provided that such request is submitted to the Board of Directors at least seven (7) days prior to the date of the General Meeting.
4. The Board of Directors shall have no obligation to proceed to the insertion of items in the agenda nor to publish or notify such items along with the reasoning and the draft resolutions submitted by the shareholders in accordance with the above par. 2 and 3 respectively, if their content is obviously contrary to Law and morality.
5. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Chairman of the General Meeting shall be obliged to postpone, only once, the procedure of decision taking by an ordinary or an extraordinary General Meeting for all or for specific items, setting at the same time, as date for the continuation of the meeting, the one specified in the request of the shareholders, which may not be later than thirty (30) days from the date of postponement.
   The General Meeting, which follows the postponed one, is deemed to be in continuation of the previous one and no repetition of the formalities for the publication of the shareholders' invitation is required. New shareholders may also attend this meeting, by complying with the provisions of article 22 of the Articles of Incorporation.
6. a) At the request of shareholders representing one twentieth (1/20) of the paid-up share capital submitted to the Company, the Board of Directors shall be bound to announce to the General Meeting of shareholders, provided it is an ordinary General Meeting, the amounts paid by the Company for any reason whatsoever, within the last two (2) years, to members of the Board of Directors, to the General Managers, to the Managers or other employees of the Company, as well as any other benefit paid to the said persons or any contract the

Company has entered into with the above mentioned persons for any reason whatsoever.

b) At the request of any of the shareholders, submitted to the Company within at least five (5) full days prior to the General Meeting, the Board of Directors shall be obliged to provide the requested information with respect to the Company's affairs, to the extent that such information is useful for the actual evaluation of the agenda items. The Board of Directors may give a common reply to all shareholders' requests having the same content. There shall be no obligation to provide information, on condition that such information is already posted on the Company's website, especially in question and answer form.
In both cases a) and b) above, the Board of Directors may refuse to provide the requested information, if sufficient material grounds exist, recording the reasons for such refusal in the minutes.

7. At the request of shareholders representing one fifth (1/5) of the paid-up share capital submitted to the Company within the time limit referred to in the preceding paragraph, the Board of Directors shall be obliged to provide during the General Meeting to the said shareholders information on the progress of the affairs and on the financial condition of the Company. The Board of Directors may refuse to provide the requested information, if sufficient material grounds exist, recording the reasons for such refusal in the minutes.
8. In the cases referred to in paragraphs 6 a) and 7 herein, any issue in dispute over the validity of the reasons for such refusal by the Board of Directors shall be resolved by the Single-Member Court of First Instance at the Company's registered seat, following the procedure of interim measures.
9. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, a resolution concerning any item on the agenda of the General Meeting shall be made by roll call.
10. In all cases referred to in paragraphs 1 up to 7 herein, the shareholders submitting such a request shall be obliged to provide evidence of their shareholding capacity, in accordance with article 22 of the Articles of Incorporation,as well as of the number of their shares granting them the above rights, whether by providing a relative certificate by the entity where the respective securities are being kept or by confirmation of their shareholding capacity through direct online connection between the above-mentioned entity and the Company.
11. Shareholders of the Company representing one twentieth (1/20) of the paid-up share capital shall have the right to request by the Single-Member Court of First Instance of the Company's registered seat the performance of an audit of the Company. Such audit shall be ordered, in the event it is assumed that certain acts reported against the Company violate the provisions of the law, of the Articles of Incorporation, or of the resolutions of the General Meeting. In all cases, the petitions requesting an audit shall be filed within three (3) years from the date of approval of the annual financial statements of the financial year within which such reported acts took place.
12. Shareholders of the Company representing one fifth (1/5) of the paid-up share capital shall have the right to request of the court referred to in the preceding paragraph the performance of an audit of the Company, provided that it is assumed from the general progress of the Company's affairs, that management thereof is not carried out in accordance with the principles of honesty and prudence. The last subparagraph of paragraph 3 article 40 of Codified Law 2190/1920 shall not be applicable.
13. Shareholders who make a request in accordance with paragraphs 11 and 12 herein,must provide evidence to the Court that they are in possession of the shares, as stipulated in article 22 of the Articles of Incorporation, granting them the right to request the audit of the Company.

6. Composition and operation of the Governing Bodies

6.1 Governing Bodies

The Governing Bodies of the Company (Article 8 of PPC Articles of Incorporation) shall be:

a) the Board of Directors,

b) the Chief Executive Officer and

c) the Management Board.

1. The Board of Directors (BoD) shall consist of eleven (11) members divided into executive and non-executive members (independent or not) and elected for a three-year term. In order to ensure continuity in the administration of the affairs and the representation of the Company, the term of office of each member may be extended ipso jure until the first Ordinary General Meeting to be held after the expiration of term of each member.
2. The Board of Directors shall consist of:
   a) Eight (8) members, including the Chief Executive Officer, elected by the General Meeting of the shareholders of the Company. The Board of Directors shall elect from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Articles of Incorporation.
   b) Two (2) members representing the employees of the Company. These members shall be elected by direct, general ballot and by means of the proportional representation system within a time period of two (2) months from the relevant notification to the most representative trade union (ASOP). The election of the representatives of the employees to the Board of Directors shall be conducted by an election committee appointed by the most representative trade union of the Company, in which (committee) at least one representative from the remaining trade unions of the Company shall participate. The procedure of the said election, the appointment of the local election committees, the time and the details of the polling, as well as the counting of the votes and the announcement of the results thereof, shall be the job of said committee, which shall be presided over by a judicial functionary pursuant to the provision of article 11 of Law 1264/1982 concerning "Democratization of the Trade-union Movement – The Rights of the Unions" (Official Gazette, volume A, issue no. 79). The same procedure shall also apply to the appointment of the substitute members in replacement of the members of the Board elected in accordance with the procedure set forth in the paragraph herein. In case the substitute member resigns or leaves his office vacant, for any reason whatsoever, his position shall be occupied by the substitute member who follows next in order.
   c) One (1) member designated by the Economic and Social Committee (ESC) and coming from agencies relating to the activities of the Company. The member designated by the ESC shall be proposed as a member within a time period of two (2) months as of its notification to the said Committee by the Minister of Environment, Energy and Climate Change (now the Minister of Environment and Energy) and shall be appointed by virtue of Decision of the said Minister. The same procedure shall also apply to the substitution of the said member, in the event of resignation or vacancy in the office of said member for any reason whatsoever as well as to the revocation of said member.
3. In the event that for any reason whatsoever any representative of the employees or the representative of ESC is not elected or in the event any vacancy in the office of the aforesaid representatives is not promptly filled within the time limit of two (2) months as of the notification of the agencies, this shall not impede the constitution and functioning of the Board of Directors.
4. a) In case that for any reason whatsoever there shall be a vacancy in the office of a Board Member elected in accordance with the procedure set forth in paragraph 2a herein, the remaining members of the Board shall elect another member for the remaining term of the member in the office of whom a vacancy has occurred, and such election shall be posted on the websites of the company and the General Electronic Commercial Registry (G.E.M.I.) and shall be announced by the Board of Directors at the next meeting of the General Meeting.
   b) In the event of a vacancy in the office of the Chief Executive Officer for any reason whatsoever the Chairman of the Board of Directors shall temporarily act as Chief Executive Officer or

if the posts of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors, appointed pursuant to article 14 par. 1 of the Articles of Incorporation, shall act as Chief Executive Officer. In such instances, the Board of Directors shall call a meeting of the General Meeting of shareholders within the shortest possible time for the election of the new Chief Executive Officer.

c) In the event of a vacancy in the office of the Chairman of the Board of Directors for any reason whatsoever the Chief Executive Officer of the Company shall temporarily act as Chairman or if the posts of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors, appointed pursuant to article 14 par. 1 of the Articles of Incorporation, shall act as Chairman. In the event of a vacancy in the office of both the Chairman and the Chief Executive Officer, and should no Vice Chairman of the Board of Directors have been elected, the Chairman shall be substituted by the senior member of the Board of Directors.

d) In the event that the Chief Executive Officer or the Chairman are absent or temporarily unable to perform their functions, the Vice Chairman and, if there is no Vice Chairman, a person designated by the Board of Directors among its members who have been elected by the General Meeting in accordance with Article 9 par. 2 a) of the Articles of Incorporation, shall substitute for them.

5. Failure to post on the websites of the company and of the G.E.M.I. and to announce the election or the substitution of a Board Member by the General Meeting shall not invalidate the resolutions of the Board of Directors taken with the participation of the said member.

6.2 Competence of the Board of Directors

1. The Board of Directors is the supreme governing body of the Company which shall primarily formulate its strategy and development policy, as well as supervise and exercise control over the management of its property. The Board of Directors shall approve, upon recommendation of the Chief Executive Officer: a) the Strategic Plan, which determines the strategic goals for the attainment of the purpose of the Company, b) the Business Plan of the Company of a duration between three (3) and five (5) years, which specifies the goals of the Strategic Plan for each year of its duration, c) the methods for the implementation of the Strategic Plan and the Business Plan for each year of their duration. The Board of Directors shall also follow up the implementation of both the Strategic and the Business Plan.
2. The Board of Directors shall represent the Company and shall be vested with unlimited authority to decide on any act and to exercise full power concerning the management of the Company, the management of its property and in general the fulfillment of its object, with the exception of those issues which either by law or by the Articles of Incorporation, expressly fall within the jurisdiction of the General Meeting.
3. The Board of Directors shall, upon recommendation of the Chief Executive Officer, approve the annual budget of the Company, prepare, approve and submit to the General Meeting for approval the annual financial statements of the Company and prepare and submit to the General Meeting the annual report.
4. The Board of Directors shall, upon the recommendation of the Chief Executive Officer decide on: a) the necessity of creating positions of Deputy Chief Executive Officers, as well as on their number and competences thereof, b) the basic organization of the Company divided into General Divisions, which constitute the highest administrative level of its organizational structure, c) the creation of positions of General Managers and their competences.
5. The Board of Directors may, upon recommendation of the Chief Executive Officer delegate part of its competences, except for those which, pursuant to Codified Law 2190/1920 and to the Articles of Incorporation, require collective action or fall within the exclusive jurisdiction of the Chief Executive Officer in accordance with Article 15 of the articles of Incorporation, as well as the administration, management or supervision of the affairs or the representation of the Company, to the Chairman, to the Chief Executive Officer, to the Deputy Chief Executive Officers, to one or more of its members, to the Management Board, to the General Managers, to the Managers or the employees of the Company. The aforesaid persons to whom the competences of the paragraph herein are delegated and who have not the capacity of Board Member carry the same responsibility towards the Company as the members of the Board of Directors, pursuant to par. 6, article 22a of Codified Law 2190/1920, as applicable and to article 12 of the Articles of Incorporation.

6.3 Convocation and Functioning of the Board of Directors

1. The Board of Directors shall meet at the seat of the Company and/or outside its seat at the facilities of PPC at Kozani, Megalopolis and Aliveri, upon the call of the Chairman or his substitute on such day and hour as determined by him, whenever required following the needs of the Company.
2. The Board of Directors may lawfully meet by way of teleconference upon invitation to the members of the Board of Directors, which includes all necessary information with respect to their participation in the meeting.
3. Upon application by two (2) members, the Chairman or his substitute shall be obliged to convoke the Board of Directors, setting the date of the meeting, which shall not be later than seven (7) days from the submission of the relevant application, in which (application) the Chairman or his substitute shall be obliged to include any proposed item on the agenda of the first meeting held following submission of the relevant application.
4. The agenda of the meetings shall be determined by the Chairman and its items shall be included in the notice sent to the members of the Board at least two (2) working days prior to the date of the meeting, otherwise the decision taking is permitted only if all members of the Board of Directors are present or represented at the meeting and none of them objects to the decision taking.
5. A quorum of the Board shall be deemed to be present and the meeting shall be deemed valid if, pursuant to paragraph 6 herein, one more than half the number of members are present or represented. In no case, however, shall the number of members physically present be less than three (3). In determining the number required to form a quorum, fractions, if any, shall be ignored.
6. The Board of Directors shall take its decisions by absolute majority of the members present or represented. In case of equality in votes, the Chairman's vote shall prevail.
7. Each Board Member may, following written authorization, validly represent only one member thereof. The representation to the Board of Directors may not be assigned to a person who is not a member of the Board of Directors.
8. Minutes of the proceedings and decisions of the Board of Directors shall be kept in accordance with the Law (Article 20, par. 6 of Codified Law 2190/1920, as applicable). The minutes are signed by the Chairman and the members of the Board present at the relevant meeting and are certified at the next meeting of the Board of Directors.
9. The copies of and the excerpts from the minutes of the Board of Directors shall be signed by the Chairman or, in the event he is absent or unable to perform his duties, by his substitute without any other validation being necessary.
10. The Legal Counsel may attend the meetings of the Board of Directors, except as otherwise decided by the Board of Directors, without having the right to vote.
11. The drawing up and the signing of the minutes by all the members of the Board of Directors or their representatives is equal to a resolution of the Board of Directors, even if no meeting has proceeded.

6.4 Liability of the Board Members

1. The Board Members shall be liable to the Company for any fault committed by them during the performance of their duties, as specifically provided for under articles 22a and 22b of Codified Law 2190/1920, as applicable.
2. The Board Members shall be bound to keep absolute secrecy with regard to all confidential information in respect of the affairs of the Company coming to their knowledge in their capacity as Board Members.
3. The appointment and the dismissal for any reason whatsoever of the Board Members and of the persons empowered to represent the Company jointly or individually shall be subject to publicity, as stipulated by articles 7a and 7b of Codified Law 2190/1920, as applicable, together with their identity particulars and in any case, as provided for by the law each time.

6.5 Prohibition of competition - Participation in the Board of Directors of subsidiary companies

1. The members of the Board of Directors, the Deputy Chief Executive Officers, the General Managers, the Managers, as well as the employees of the Company shall not be permitted to perform on occasion or by profession without the authorization of the General Meeting of shareholders of the Company, either on their own behalf or on behalf of third parties, acts falling within the object of the Company or be members of Boards of Directors, executives, employees or representatives of companies pursuing aims similar to those of the Company. In addition, all the aforementioned are not allowed to participate in all types of companies or joint ventures with an object similar to the one of the Company. The subsidiary companies of the Company or the companies in the capital of which the Company participates shall not be subject to the abovementioned prohibition.
2. The prohibition referred to above shall be valid for a period of two years following expiry for any reason whatsoever of the term of office of the Board Member or following his/her retirement from the Board or following retirement from the Company of an officer or employee, who had participated in the Management Board of the Company or in the Board of Directors.

6.6 Chairman and Vice Chairman of the Board of Directors

1. The Board of Directors shall elect its Chairman, whose position may coincide with that of the Chief Executive Officer. In the event that the aforesaid positions shall coincide to the same person, the Board shall elect a Vice Chairman also.
2. The Chairman shall represent the Company and follow up the implementation of the decisions of the Board of Directors. He/She shall convene the Board, preside at the meetings thereof, determine the items on the agenda, conduct the meetings and put said items under vote. The Chairman shall also submit, at regular intervals, the reports regarding the conduct of business and the activities of the Company stipulated by the standing provisions and the Articles of Incorporation.

6.7 Chief Executive Officer

1. The Chief Executive Officer of the Company shall be elected by the General Meeting of shareholders for a three-year term of office.
2. The Chief Executive Officer shall be the highest-ranking executive officer of the Company, he/she shall be at the head of all the services thereof, conduct their activities, decide on the further organization of the Company within the scope of the Articles of Incorporation and the relevant resolutions of the Board of Directors, make the necessary decisions within the framework of the provisions governing the operation of the Company, of the approved plans and budgets, of the Strategic Plan (S.P.), of the Business Plan (B.P.), and of the terms of the Management Contract he/she has entered into with the Company pursuant to Article 16 of the Articles of Incorporation. The Chief Executive Officer shall represent the Company within the limits of his duties on the basis of the Articles of Incorporation or of the resolutions of the Board of Directors and may authorize or empower other persons, members of the Board or other executives or senior executives of the Company to represent him/her.

3. The Chief Executive Officer shall have the following duties under the Articles of Incorporation, as well as all other duties, which shall be delegated to him/her upon resolution of the Board of Directors. He/She shall:
   a) Submit to the Board of Directors of the Company the proposals and recommendations required for the attainment of the Company's objects, as specified in the Strategic Plan and the Business Plan.
   b) Make decisions on the conclusion of contracts of a value to be determined on each occasion by decision of the Board of Directors.

6.8 Deputy Chief Executive Officers

1. The Deputy Chief Executive Officers shall report to the Chief Executive Officer and shall be at the head of wider business activities structured into General Divisions. They may be members of the Board of Directors among those elected by the General Meeting of the shareholders of the Company.
2. The number and duties of the Deputy Chief Executive Officers shall be determined by the Board of Directors upon recommendation of the Chief Executive Officer.
3. The Deputy Chief Executive Officers shall be selected through public proclamation, unless otherwise decided by the Board of Directors in special cases. The Deputy Chief Executive Officers shall be appointed by decision of the Chairman of the Board of Directors, upon the recommendation of the Chief Executive Officer. In the event that the positions of the Chairman and of the Chief Executive Officer coincide to the same person, the decision for their appointment shall be made by the Board of Directors. The Deputy Chief Executive Officers, in case they are also members of the Board of Directors elected by the Shareholders' General Meeting, shall be appointed by decision of the Board of Directors and upon recommendation by the Chief Executive Officer. Their term of office shall be for three years; their remuneration and other benefits shall be decided by the Chief Executive Officer, who shall sign the relevant contract subject to article 17 of the Articles of Incorporation. The contract shall refer among others to their evaluation as provided for by the Rules of Operation of the Company.

6.9 Management Contract and follow-up of its implementation

1. A Management Contract shall be entered into by and between the Company, represented by the Chairman and, in the event that the positions of Chairman of the Board and Chief Executive Officer coincide, by a specially authorized member of the Board of Directors designated by decision of the Board of Directors and the Chief Executive Officer. By virtue of the said Contract, the goals which the Chief Executive Officer undertakes to achieve during his/her term of office shall be specified within the framework of the Strategic Plan and the Business Plan.
2. The Management Contract shall in particular include:
   a) The terms and rules for the achievement of the goals of the Business Plan and the procedure of follow-up of its implementation.
   b) The terms and conditions of its amendment, particularly in case of revision of the Business Plan.
   c) The exceptional occasions of the Chief Executive Officer's material or moral reward at the end of the financial year and/or at the expiry of his/her term of office. This reward is given in such cases where the annual or overall goals of the Business Plan have been achieved to a degree higher than the one provided for in the Management Contract thanks to his/her special skills, initiatives and diligence.
   d) The grounds for its termination.
   e) Critical financial figures' indices, which might include indicatively indices of product manufacturing cost or provision of services, of productivity, of HR degree of development, of quality of manufactured products or of services provided.
   f) The total amount allocated annually for personnel expenditures in relation to the other key

financial figures of the Company.

3. The Management Contract shall be terminated by the Board of Directors on the grounds stipulated therein, in the event that there is a substantial deviation from the financial figures or from the deadlines set for the achievement of its goals that cannot be sufficiently justified or for any other important reason. The Chief Executive Officer shall have no voting right in the meeting for the adoption by the Board of Directors of the decision authorizing termination of the Management Contract. Upon termination of the Management Contract, the Chief Executive Officer shall be ipso jure removed from office and relieved from his/her capacity as member of the Board of Directors. As regards his/her substitution up until the election of a new Chief Executive Officer by the General Meeting, the provisions of article 9, par. 4b. of the Articles of Incorporation shall be applicable.

6.10 Remuneration and Compensation of Members

Any remuneration or compensation paid for any reason whatsoever to members of the Board of Directors shall be deemed to be borne by the Company, only if the relevant amount pertaining to each Board Member is approved by special resolution of the Ordinary Shareholders' General Meeting and is proportional to the time that the members of the Board of Directors devote to either the meetings of the Board of Directors or any meetings of Committees except for the Board of Directors and in general to the performance of their assigned duties, in accordance with the provisions of Codified Law 2190/1920 and Law 3016/2002 regarding corporate governance, as applicable. All remunerations and compensations of the non-executive Board Members shall be stated in a separate category in the Appendix of the annual financial statements and the annual report of the Company (remuneration report), which shall be also posted on the Company website.

The consideration and submission for approval of proposals to the Board of Directors regarding the determination of any kind of remunerations and compensations: a) of the Board Members and b) of the top executives of the Company, in this case in cooperation with the Chief Executive Officer, are effected by the Remuneration Committee of the Company (R.C.) which consists of three (3) non-executive Board Members, among which two (2) at least are independent.

6.11 General Managers

1. The General Managers shall be high-ranking executives of the Company at the head of independent sectors of the Company's business activities. They shall report to the Chief Executive Officer or/and to the Deputy Executive Officers. In case of absence of the General Manager, for any reason whatsoever, the temporary execution of his/her duties may be assigned by the Chief Executive Officer to another General Manager.
2. The number and duties of the General Managers, as well as of the Divisions shall be determined by the Board of Directors upon recommendation of the Chief Executive Officer. The General Managers, who may or may not be employees of the Company, shall be selected through open competition, unless otherwise decided by the Board of Directors in special cases. The General Managers shall be appointed for a five-year term of office by the Chief Executive Officer upon the recommendation of the competent Deputy Chief Executive Officer.
3. The General Managers shall conclude a special contract with the Chief Executive Officer, by which among others their remuneration, any benefits and matters related to their evaluation shall be determined. More specifically, their evaluation is regulated by the Rules of Operation of the Company.

6.12 Management Board

1. A Management Board (MB) shall be formed within the Company.
2. The MB shall be composed of the Chief Executive Officer who acts as its Chairman, the Deputy Chief Executive Officers, if any, and the General Managers.
   The Legal Counsel of the Company may attend its meetings at the discretion of the Chief Executive Officer.

3. The Management Board shall operate in conformity with the decisions of the Board of Directors, ensuring the necessary collective handling of administrative and operational issues of the Company, as well as the consistency in its operation. Within this framework, the MB shall be responsible for important matters concerning inter alia the productivity, the performance of the Company units, the organization and operation of activities of the Company, as well as the budget and the Strategic and the Business Planning.

   Moreover, the MB shall decide on the conclusion of contracts concerning supplies, assignment of projects, provision of services and generally any kind of financial contract up to an amount fixed as per case by the Board of Directors. It shall also make decisions and settle any matter pertaining to the execution of said contracts.
4. The MB shall operate in accordance with its Rule of Operation, as approved by the Board of Directors upon recommendation by the Chief Executive Officer.

6.13 Board of Directors' Committees

In compliance with the legislation in force as well as in line with the best practices of corporate governance, an Audit Committee as well as a Remunerations Committee have been set up. Each Committee is composed of members of the Board of Directors of the Company.

The **Audit Committee** consists of at least two (2) non-executive members and one independent non-executive member of the Board of Directors, who shall have proven knowledge of accountancy and auditing. The members of the Audit Committee are appointed by the General Meeting of the Shareholders and, without altering or restricting their obligations as members of the Board of Directors, they undertake the obligations provided for by the law on corporate governance, including:

- the follow up of the financial information procedure,
- the follow up of the efficient operation of the internal audit system and of the risk management system, as well as the follow up of the proper operation of the Internal Audit Department,
- the follow up of the process of compulsory audit of separate and consolidated financial statements,
- the review and follow up of issues related to the objectivity and independence of chartered auditors-accountants, particularly with regard to other services they provide to the Company and its subsidiaries.
- the follow-up of the execution of the Company's budget.

The proposal of the Board of Directors to the General Meeting for the appointment of chartered auditors-accountants is submitted following recommendation of the Audit Committee. The chartered auditors-accountants are obliged to report to the Audit Committee any issue regarding the process and results of the compulsory audit, as well as to submit a separate report on the weaknesses of the internal audit system, and in particular the weaknesses in the procedures concerning financial information and the preparation of financial statements.

On 31.12.2015 the Audit Committee consisted of Mr. P. Alexakis (Independent - Non Executive Member of the BoD), Mr. G. Andriotis (Independent - Non Executive Member of the BoD) and Mr. Ch. Papageorgiou (Independent - Non Executive Member of the BoD). The two latter, on 21.04.2015, replaced Messrs N. Vernikos and S. Papasotiriou.

In 2015,the Audit Committee, within the framework of its competencies related to the monitoring of Internal Audit Department's (IAD) smooth operation, met 6 times with executives of the said Department. The aim of these meetings was to brief the Audit Committee about the findings and the results of the audits performed by the IAD, as well as issues regarding the operation of the IAD. In addition, the Audit Committee met 5 times to discuss issues concerning the Finance Division.

Mr. Alexakis participated in 11 meetings, Mr. Vernikos in 2 meetings, Mr. Andriotis in 10 meetings, Mr. Papageorgiou in 10 meetings and Mr. Papasotiriou in 2 meetings.

The **Remunerations Committee** of the Company consists of three (3) non-executive members of the Board of Directors, out of which two (2) at least are independent. They are responsible for the consideration and submission of proposals to the Board of Directors on the determination of any remunerations and emoluments whatsoever: a) of the members of the Board of Directors and b) of the managers of the Company, in this case with the collaboration of the Chief Executive Officer.

On 31.12.2015 the Remunerations Committee consisted of Mr. Andriotis G. (Independent - Non Executive Member of the BoD), Mr. P. Prammantiotis (Independent - Non Executive Member of the BoD) and Mr. F. Tavris (Independent - Non Executive Member of the BoD). Mr. P. Prammantiotis was appointed as member of the Remuneration Committee on 23.12.2015 in replacement of Mr. P. Thomoglou while on 12.05.2015, Messrs G. Andriotis, P. Thomoglou and F. Tavris were appointed in replacement of members Messrs P. Alexakis, N. Vernikos and S. Papasotiriou.

The Company is subject to specific laws and regulations which apply to the wider public sector companies. As long as the Hellenic Republic, as the main shareholder, holds 51% of its share capital. PPC shall continue to be considered as a Public Sector Company in certain areas. Consequently, its business shall continue to be subject to the laws and provisions which are applicable to the Greek Public Sector companies and shall affect specific procedures.

By virtue of L.3833/10, L.3845/10 and L.4092/12, the remunerations of the collective governing bodies and of the members of the Board of Directors were reduced by 50% per meeting. In parallel, the remunerations of the executives may in no case exceed the ceiling set forth by the said laws.

As a result, the remunerations of the Board members are clearly defined and the Remunerations Committee practically has not the power to perform its duties. That means that the establishment of the above remunerations directly by the Law renders to a great extent inactive the duties of the said committee.

The Remunerations Committee did not convene in 2015.

6.14 Board of Directors' Composition (Members)

PPC S.A. BOARD OF DIRECTORS (31/12/2015)

NAME	POSITION		
PANAGIOTAKIS Emmanuel	CHAIRMAN OF THE BoD & C.E.O. - EXECUTIVE MEMBER	As of 07.04.2015	Until 07.04.2018
ANDRIOTIS George	VICE CHAIRMAN OF THE BoD INDEPENDENT - NON EXECUTIVE MEMBER	As of 03.04.2015	Until 29.06.2016
MEMBERS			
GOUTSOS Stavros	EXECUTIVE MEMBER	As of 03.04.2015	Until 29.06.2016
ALEXAKIS Panagiotis	INDEPENDENT - NON EXECUTIVE MEMBER	As of 18.12.2015	Until 17.12.2018
VATALIS Aris	NON EXECUTIVE MEMBER	As of 27.05.2013	Until 27.05.2016
KARALEFTHERIS Pantelis	NON EXECUTIVE MEMBER/ REPRESENTATIVE OF EMPLOYEES	As of 27.05.2013	Until 27.05.2016
PAPAGEORGIOU Christos	INDEPENDENT – NON EXECUTIVE MEMBER	As of 03.04.2015	Until 29.06.2016
PRAMMANTIOTIS Panagiotis	INDEPENDENT – NON EXECUTIVE MEMBER	As of 03.04.2015	Until 29.06.2016
TAVRIS Filippos	INDEPENDENT - NON EXECUTIVE MEMBER / REPRESENTATIVE OF THE GREEK ECONOMIC AND SOCIAL COMMITTEE	As of 29.06.2013	Until 29.06.2016
FOTOPOULOS Nikolaos	NON EXECUTIVE MEMBER / REPRESENTATIVE OF EMPLOYEES	As of 27.05.2013	Until 27.05.2016
CHATZIATHANASIOU Vasilios	INDEPENDENT – NON EXECUTIVE MEMBER	As of 12.05.2015	Until 29.06.2016

On April 3, 2015 Ms. Ekaterinari Our., Mr. Dologlou Kon. Mr. Vassilogeorgis Char., Mr. Vernikos Nik. and Mr. Papasotiriou St., resigned from their position as members of the Board and on 07.04.2015 the Chairman and Chief Executive Officer of PPC Mr. Zervos Arthouros resigned as well.

On April 3, 2015 PPC's Extraordinary General Shareholders' Meeting elected Messrs Andriotis G. (Independent - Non Executive Member), Goutsos St. (Executive Member), Koroniotakis Emm. (Non Executive Member), Papageorgiou Chr. (Independent - Non Executive Member) and Prammantiotis Pan. (Independent - Non Executive Member) with a term of office until 29.06.2016, in replacement of the above mentioned resigned members.

On 07.04.2015 PPC's Extraordinary General Shareholders' Meeting, Mr. Panagiotakis Emm. was elected Chief Executive Officer of the Company with a term of office until 07.04.2018.

PPC's Board of Directors was formed into body on 21.04.2015 and elected Mr. Panagiotakis Emm. as its Chairman and Mr. Andriotis G. as its Vice-Chairman.

In its meeting held on 12.05.2015, PPC's BoD elected Mr. Chatziathanasiou V. (Independent - Non Executive Member) in replacement of the resigned member Mr. Koroniotakis Emm., with a term of office until 29.06.2016.

An Extraordinary General Shareholders' Meeting which was convened on 07.12.2015 reelected Mr. Alexakis Pan. (Independent - Non Executive Member), whose term of office would have ended on 17.12.2015, and elected Mr. Vatalis Ar. (Non Executive Member) in replacement of Mr. Thomoglou P. whose term of office would have ended on 17.12.2015, as well. Both members terms of office will end on 17.12.2018.

The total number of the Board of Directors meetings in 2015 was 24, out of which the meeting 3/10.03.2015 was canceled. The participation frequency of each member at the BoD meetings is as follows:

S/N	MEMBERS	BOD MEETINGS 2015
1	**PANAGIOTAKIS EMMANUEL**	17
2	**ZERVOS ARTHOUROS**	6
3	**ANDRIOTIS GEORGE**	17
4	**DOLOGLOU KONSTANTINOS**	6
5	**EKATERINARI OURANIA**	6
6	**GOUTSOS STAVROS**	17
7	**ALEXAKIS PANAGIOTIS**	19
8	**VASSILOGEORGIS CHARILAOS**	5
9	**VERNIKOS NIKOLAOS**	6
10	**VATALIS ARIS**	1
11	**THOMOGLOU PAVLOS**	20
12	**KARALEFTHERIS PANTELIS**	22
13	**KORONIOTAKIS EMMANUEL**	2
14	**PAPAGEORGIOU CHRISTOS**	17
15	**PAPASOTIRIOU STAVROS**	5
16	**PRAMMANTIOTIS PANAGIOTIS**	17
17	**TAVRIS FILIPPOS**	23
18	**FOTOPOULOS NIKOLAOS**	23
19	**CHANTZIATHANASIOU VASILIOS**	14

CVs OF THE BOARD MEMBERS

Emmanuel Panagiotakis, Chairman & CEO

Mr. Emmanuel Panagiotakis is the Chairman and CEO of PPC S.A since April 2015. He has been working in PPC S.A. since 1974, holding for the past 20 years senior management positions in the Company.

He is a Mechanical-Electrical Engineer from NTUA since 1972 and holder of the Diploma in Management from Henley Management College.

He has worked as a self-employed professional on studies and constructions of electromechanical building installations.

At the beginning of his career in PPC, he prepared studies on transmission substations, as well as studies and inspections on distribution centers.

As an administrative executive in the Organization Department, he was responsible for all the studies referring to PPC's organization and operation including the internal organizational structure of the departments, the transition to the new Corporation's organization, in view of its transformation into a Société Anonyme and, within the framework of the unbundling activities in 2001, the establishment and organization of the Supply Division, the systems of financial and administrative jurisdiction, the regulations governing works, supplies and services, as well as the institutional framework of corporate governance.

He has been member of the executives committee that carried out the separation of the Distribution sector from PPC and implemented HEDNO's basic organizational structure, as well as its operation systems.

Also, he has been an Assistant Director and Director of the Organization Department, Director of the Distribution Planning & Performance Department, Director of the Distribution's Human Resources, Director of Human Resources Training, Occupational Health & Safety, Housing and General Services of HEDNO.

From managerial positions, he has participated actively in all PPC's modernization and reorganization projects, among which the "THALES" Agreement with Électricité de France (EDF).

He participated as a Member in the Board of Directors of the Organization of Mediation and Arbitration, where he designed among others the systems for recruitment and selection by employers and syndicates, as well as for the remunerations of Mediators-Arbitrators.

He served as a Member of the Social Security Council under the presidency of the General Secretary of the relevant Ministry, as well as a Member of the first Board of Directors of PPC Employees' Insurance Organization with active and substantial role in the formation of the legal and institutional framework of its operation.

He has prepared multiple studies regarding energy issues, the operation and strategy of PPC and of Public sector bodies in general, as well as the Electricity Market in Greece.

He has organized many conferences referring to issues such as Human Resources, Government Owned Organizations, Energy and has participated in many others in Greece and abroad.

He speaks English and French.

He is married and has two children.

George Andriotis, Vice Chairman

He is a Civil Engineer, pensioner of Public Power Corporation (PPC), with 45 years of experience (1970-2015) in design, supervision, construction contract management and coordination of the implementation of Large and Small Hydropower projects, as well as in providing Consulting and Engineering Services for large hydraulic projects.

Furthermore, he has 6 years of experience (1986-1992) in PPC administration operations, as elected member of the Representative Assembly of Social Monitoring. He was a member of the Energy Committee (2008-2011) of the Technical Chamber of Greece (TEE) representing TEE at evaluation committees for PPC's large projects tendering procedures. He is a Member of the Greek Committee on Large Dams.

He was born in Lesvos in 1944. He holds a diploma in Civil Engineering from Thessaloniki University (1962-1967). Self employed hydraulic engineering (1970-1974), specialized in hydraulic project designs.

Public Power Corporation employee from 1974 to 1997 (Hydro Projects Development Department), with experience in designing and construction of hydroelectric projects (Assomata and Giona HPP). As Head of the Small Hydro Section (1990-1997) he was responsible for the coordination and supervision of designs for Makrochori and Glafkos HPP as well as for engineering reports for Eleoussa, Gitani, Vorino HEPs, Ikaria hybrid project, etc.

Consulting Engineer specializing in small hydro and large hydraulic projects (1998-today). General Coordinator of consulting engineering services in various projects such as "Construction of Acheloos-Thessaly Diversion Tunnel", "Implementation and Impoundment of Smokovo Dam", "Patras Water Supply Project from Peiros and Parapeiros Rivers", etc.

Panagiotis Alexakis

Mr Panagiotis Alexakis, has studied Economics in Greece, (B.A., 1975) and in Great Britain, (M.SC., 1977 in Economics and Finance and Ph.D. in International Money and Finance, 1981).

He is a professor in the Department of Economics University of Athens.

He has been a scholar of the "Alexander S. Onassis Public Benefit Foundation". He has also taught at the Department of Business Administration of the University of the Aegean and at the Hellenic Open University. His scientific work is recognized worldwide.

He has worked as financial consultant, member of the board and has held managerial posts in various companies. Indicatively: He was responsible for the organization and functioning of the organized derivative exchange market, May 1998-June 2004 (Athens Derivatives Exchange and Athens Derivatives Clearing House S.A.). He was appointed Chairman and CEO of the Athens Stock Exchange S.A. (August 2000-June 2004) as well as Chairman (2000-2003) and CEO (2000-2004) of the Hellenic Exchanges S.A.

He was member of the Board of Directors of the Hellenic Capital Market Commission (August 2000-September 2004), member of the Scientific Council of the Hellenic Banks Association (1994-2004), Member of the Corporate Advisory Committee of the Cyprus Stock Exchange (Sept. 2004-Sept. 2007). Since 2010 he is member of the Board of Directors of TA.NE.O. S.A.

Aris Ch. Vatalis

He was born in Kozani in 1966, where he resides until today. He is married and has two daughters. He graduated from the General Lyceum and then attended a Secondary Technical School with a specialty in engineering.

He has been working for PPC SA as a technician, in the Western Macedonia's Lignite Center, since September 1993.

Since 1995 he has developed a strong trade union activity and has also participated in sports and cultural organizations. He is currently the Deputy Secretary at the Union ¨SPARTAKOS¨ that represents the workers of PPC SA.

He has participated in international conferences on matters that refer to Energy and the Environment.

For a long time he was the President of the largest and most historic sports club in Kozani, and has also been a member of the Board at Greek Handball Federation (where he was in charge of the women's National Teams).

Stavros Goutsos, Deputy CEO supervising the Divisions of Finance and Human Resources

Mr. Stavros Goutsos is professor (Assistant) at the Department of Mechanical and Aeronautics Engineering, of the University of Patras. His scientific field is business administration.

He is the coordinator of a group of 10 professors at the Greek Open University, in the field of quality assurance systems.

He holds a degree in mathematics (1973) from the University of Patras. He continued his studies at the Université Paris IX – Dauphine, where, he obtained his Diplôme des Etudes Approfondies (D.E.A.) in Gestion des Activités non Marchandes (1984) and his Doctorat (1987).

He has been involved in funded research projects, as partner/ scientific coordinator/ researcher. He has participated in numerous workshops in the framework of these projects, in Greece and abroad.

He made numerous publications in Greek and international scientific journals and in the proceedings of conferences,

He has taught also in other Greek universities and abroad.

He has supervised PhD dissertations, Post graduate theses and final year theses. He has been involved in the organization of conferences and seminars.

He participated as a member of councils and working groups in several organisations.

Pantelis Karaleftheris, Representative of the Employees

Mr. Pantelis Karaleftheris was born in 1962 in Ardassa of Ptolemaida.

He is a qualified electrical foreman and works for PPC SA Mines.

From 1984 to 1987 he worked as an electrical technician at the project construction companies PPC ASPATE – ALSTHOM and BIOKAT.

In 1987 he was hired at the Main Field Mine of PPC as an electrician of fixed equipment maintenance and failure restoration.

He has served as President of the Coordination Body of Students of the Democritos and the Professional and Technical School of Thessaloniki (KETE).

He is very interested in folklore and has made many research trips in Asia Minor, Pontus and the Black Sea.

He has been a founding member of the 1st administration of Pontian Greek Youth and member of the Board of Directors of the International Confederation of Pontian Greeks.

Since 1994 he is a senior member of the PPC trade union and has participated in many European and Word Conferences on carbon, energy and the environment.

For six years he has served as the General Secretary of the SPARTAKOS trade union, while he was the Deputy Secretary of GENOP/PPC for six years (2008-2013).

Later he was elected as a member of the Board of Directors of PPC S.A. as a representative of the employees.

He has graduated from the Academy of KANEP of the GGCL and trains trainers in lifelong learning.

He is married and has two children.

Christos Papageorgiou

Mr Christos Papageorgiou has served as a Director of the West Macedonia Lignite Center (WMLC) of Public Power Corporation S.A. (PPC S.A.) from September 2000 to March 2006. He then moved on to assume the position of the Director of the Project Team of Mines Development in WMLC, from April 2006 to December 2010.

He was recruited in PPC S.A., in WMLC, in July 1979 as a Mining & Metallurgical Engineer, serving thus WMLC for 31,5 years in total. He was occupied with the opening, operation and development of the South Field Mine, which is the biggest lignite surface mine in the Balkans region and one of the biggest of this kind worldwide, for 21 years, out of which 14 as the South Field Mine Director (September 1986 – August 2000).

During the period 2001 – 2005 of his service as the WMLC Director, the personnel of WMLC consisted of approximately 5,150 employees. Moreover, during the same period, the biggest average annual total volume of excavations in history with the use of own (WMLC) equipment (217.4 mil m^3 / year), the highest lignite production (53.7 mil tons / year), as well as the biggest quantity of electricity produced from lignite (23,450 GWh per year) by the 4 power plants of PPC in Ptolemaida – Amyntaio region, excluding S.E.P. Meliti, which covered 55.5% of the total electricity to the country's interconnected system, were recorded.

During his service in the WMLC lignite mines, Christos developed intense professional activity, characterized by the development, submission and implementation of technical suggestions for the solution of the problems related to the development and the formation of the overall mines' excavations and exploitation strategy (MINE MASTER PLAN). He has also contributed significantly to the elaboration of the operational plans of the PPC S.A. Mines Division, as well as through translating articles about mining issues and editing manuals with instructions regarding personnel training. Moreover, he has participated into many business trips and missions abroad (mine visits, conferences, exhibitions, consultancy services, visit to mines' equipment production plants), as well as to national events (scientific – technical seminars, business re – engineering and management seminars etc).

Mr Papageorgiou was born in Mikrovalto, Kozani (1953). He graduated from Valtadorio high school of Kozani (1971) and from the faculty of Mining and Metallurgical Engineering of the National Technical University of Athens (1971 – 1976).

He served his 30 – month military duty as a Reserve Second Lieutenant – and more specifically as the Head of Worksites (quarries – road construction) of the Composite Reconstruction Unit in the prefectures of Kilkis and Evros in northern Greece, as well as of the Technical Office of the 113th Combat Wing of the Greek Military Air Force. Furthermore, he has worked as a professor of mining courses in the Mines Gaffer Department of the Euclid Technical School of Thessaloniki (January 1978 – June 1978).

He was elected as a member of the Local Managing Committee (1985) and of the Delegation of the regional department of the Technical Chamber of Greece in Western Macedonia (2000 and 2003). He has also served, after his retirement, as a member of the Permanent Energy Commission of the regional department of the Technical Chamber in Western Macedonia.

He speaks English. He is married and has two children and two grandsons.

Panagiotis Prammantiotis

Head of IT & digital technologies Department, Management Organization Unit SA

DATE OF BIRTH: 13-9-1959, Athens, Greece

STUDIES: 1982, Bachelor's Degree in Physics, University of Bucharest, Romania. Degree recognition by the Hellenic NARIC.

1992, PhD in Particle Physics, from the Nuclear & Particle Physics Department, National and Kapodistrian University of Athens, Greece.

EMPLOYMENT:

1982-1983 Greece and CERN (European Center for Nuclear Research, Geneva, Switzerland) Research software development. Attendance of graduate physics courses at the Hellenic National Physics Research Center DIMOKRITOS. Scholarship by the National Institute for Research.

1984-1985 U.S.A, FermiLab, (Fermi National Accelerator Laboratory), Scholarship by the National Institute for research (E.I.E). Collaboration with the Experiment E705. Development of online and offline research software.

1985-1989 U.S.A, FermiLab employee, Research Associate at FermiLab. Software development. For the last two years, collaboration with Northwestern University, Chicago, Illinois as supervisor of a three graduate students team, working on the development of Advanced Computer Program (ACP).

March 1990 until March 1991 Military Service.

March 1991 until December 1996 Doctoral Degree (PhD), Post Doctoral Associate under contract with the University of Athens. Worked for the Experiments DELPHI (CERN) και NESTOR (University of Athens Pylos, Greece). Supervisor of a team of graduate students. Software development, installation of computer networks WAN.

1997 – 1999 Free enterprise and collaboration with University of Athens.

2000 – April 2009 MOU S.A. staff. Worked on the design and development of the initial MOU's WAN VPN (Virtual Privet Network, 26 remote points) for the support of the 3rd NSRF, in order for the Special Management Authorities to access the NSRF MIS. Worked on the design, management and implementation of IT projects. Also write up of RFP's and project management for various IT projects (infrastructure, networks, e-conference, e-learning, MIS for the State Aids for SME's and Investment Laws.

5/2009 – Today Head of MOU S.A. IT Department. The responsibilities include the supervision and coordination of the department staff on the successful implementation of the objectives and goals. These include, the support and management of the NSRF network of 48 remote countrywide nodes, the development and support of the central information systems of the NSRF (MIS NSRF, State Aids MIS, Investment Law MIS, NSRF Portal gateway www.espa.gr , E-Learning Portal, etc). Through the development of innovating techniques (virtual servers and cloud technologies) in MOU's Data Center, we provide hosting for a considerable number of NSRF beneficiaries institutions on a IAAS and PAAS basis. Such IT systems include 70+ beneficiaries web sites, the National Commercial Registry (GEMI), the startups portal StartUpGreece etc.

PUBLICATIONS: 17 publications in physics and technology

LANGUAGES: English fluent

Filippos N. Tavris, Representative of the Greek Economic and Social Committee

He was born in Athens in 1950.

He worked in the private sector and graduated in parallel from the Higher School for Industrial Studies (renamed to University of Piraeus). He worked in the General Bank, in most of the banking areas (Deposits, Grants, Currency, Accounting, Commercial Information - Analysis of Balance sheets), serving as Head in many of these and finally he reached the highest organizational level of Manager.

He participated in a series of seminars on banking techniques, as well as in seminars on Communication and Trainees' Formation, while for a long period of time he was training recently-hired employees.

In parallel, he was occupied with trade-unionism; from 1981 to date he was elected:

• In the Board of Directors of SYGTE (Association of Employees of the General Bank of Greece) as Vice Chairman.

• In the General Council of OTOE (Greek Federation of Bank Employee Unions).

• In the Board of Directors of EKA (Athens Labour Centre) from 1995 until 2004 as Deputy Secretary and Deputy Chairman.

• In the Board of Directors and the Executive Committee of GSEE (Greek General Confederation of Labour) from 2004 until 2010 as Deputy Organizational Secretary and Social Policy Secretary.

He participated as representative of employees in the following committees and boards:

• In the TDE (Financial Balance Fund) - Social Security Institute (IKA).

• In the PEEP & TSE (Association of Special Educators) of Attica

• OEEK (Professional Education & Training Organisation).

• In LAEK (Account for Employment and Professional Training) - OAED (Greek Manpower Employment Organisation), as member of the Management Committee.

• In the OKE (Economic and Social Committee).

He participated in the following Boards of Directors:

• TAAPTPGA-E (Insurance Fund for Personnel of the Credit Bank, General Bank, American-Express Bank) as elective member from 1990 till 1993, in the position of Vice Chairman.

• TAPGTE (Mutual Benefit Fund of personnel of the General Bank of Greece), as elected member of the Board, from 1984 till 2012, serving as Vice Chairman, Secretary General and Chairman (2008-2011).

• P-PSYGTE (Supplying and Credit Cooperative of employees of the General Bank of Greece), as elected Chairman (1992-1993).

• EIN (National Youth Institute), as Vice Chairman (April 2004-January 2007) and as Chairman (January 2007-May 2009).

• KEK-EIN (Vocational Training Centre-NYI), as Chairman of the Board of Directors (Representative-Operator), (May 2004-May 2009).

He is married and has one son.

Nikos Fotopoulos, Representative of the Employees

Mr. Nikos Fotopoulos was born in Agnata at the Prefecture of Ilia in 1962.

He is Electrical Technician (Technical School of PPC).

From the age of 16 he has been involved in politics and community affairs.

For 10 years he served as Secretary of the Energy Domain Committee of the Socialist Party (PASOK).

In 1998 he was elected at the Board of Directors of the Association of PPC's Technicians and served as Press Officer.

Since 2007 until July 2013, he was president of the General Federation of Employees at PPC-Electricity Sector (GENOP/DEI) and member of the Executive Committee of EMCF.

From 2010 he is member of the Administration of the Greek General Confederation of Labour (GSEE) and as of April 2013 he is member of the Executive Committee.

Vasilios Chatziathanasiou

Associate Professor at the School of Electrical and Computer Engineering (ECE) of Aristotle University of Thessaloniki (AUTh).

Research topic: «Thermal problems in Production, Transmission and Use of Electric Energy».

He was born in 1954.

He received his Diploma in Electrical and Mechanical Engineering from the Faculty of Engineers in 1978 and his PhD from the school of Electrical and Computer Engineering of the Aristotle University of Thessaloniki in 1989, in the research topic of Nuclear Technology

Since 1980 he is working at the school of Electrical and Computer Engineering of AUTH. Initially, as Scientific Researcher in the Chair of Wireless Communications, and then as member of the Academic Staff in the Electric Energy Department.

He has been Head of the Electric Machines Laboratory of ECE-AUTh.

He is teaching Electric Power Plants, Applied Thermodynamics and Heat Transfer.

He has been member of the Executive Committee, of the General Assembly as well as responsible of the Environmental Committee of the Technical Chamber of Greece/Central Macedonia Department, and President of the Association of Mechanical – Electrical Engineers of Northern Greece. He has also been member of the study group of Thessaloniki Planning Organization for the project «Updating the Master Plan of Thessaloniki».

6.15 Outside Professional Engagements of the Members of the Board of Directors

OUTSIDE PROFESSIONAL ENGAGEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS (2015)

NAME	PROFESSION	Participation as member in the BoD of other companies and non-profit Organizations (in any capacity e.g. Independent member, Executive member, Independent Non Executive member etc.)
PANAGIOTAKIS EMMANUEL	Mechanical Electrical Engineer	PPC Renewables S.A./ BoD Chairman
ZERVOS ARTHOUROS	Professor at the National Technical University of Athens	PPC Renewables S.A./ BoD Chairman
		PPC SOLAR SOLUTIONS S.A./ BoD Chairman
		PPC – QUANTUM ENERGY LTD / BoD Chairman
		HELLENIC ELECTRICITY ASSOCIATION / BoD Chairman
		RENEWABLE ENERGY POLICY NETWORK for the 21st CENTURY (REN21) / Chairman
		EURELECTRIC / Member
ANDRIOTIS GEORGIOS	Civil Engineer	-
DOLOGLOU KONSTANTINOS	Economist	"CONSTANTINOS KARAMANLIS" INSTITUTE FOR DEMOCRACY", Non-Executive Member of the BoD
GOUTSOS STAVROS	Assistant Professor University of Patras	PATRAS MUNICIPAL DEVELOPMENT AGENCY S.A., Member of the BoD
EKATERINARI OURANIA	Electrical Engineer	Geotechnologiki A.T.E. Vice Chairman of the BoD
ALEXAKIS PANAGIOTIS	Professor at the University of Athens	TA.NE.O S.A. Independent Non Executive Member
		AGROTIKI ASFALISTIKI SA Independent Non Executive Member
		DECA INVESTMENTS S.A. Independent Non Executive Member
		SILENT SEAS S.A. Independent Non Executive Member
		TSAGARIS S.A. Independent Non Executive Member
VASSILOGEORGIS CHARILAOS	Lawyer	P.C.D.C. S.A. Independent Non Executive Member of the BoD
		VIOTROS SA Independent Non Executive Member of the BoD

NAME	PROFESSION	Participation as member in the BoD of other companies and non-profit Organizations (in any capacity e.g. Independent member, Executive member, Independent Non Executive member etc.)
VERNICOS NIKOLAOS	Economist – Shipowner	National Greek Committee of the International Chamber of Commerce (ICC – Hellas) (NGO) Chairman
		Hellenic Chamber of Shipping Member of the BoD
		Piraeus Chamber of Commerce & Industry Member of the BoD
		N.E. Vernicos Tugs & Salvage Chairman
		VERNICOS YACHTS S.A. Vice Chairman
		CONSORTIUM TRAVEL S.A. Vice Chairman
		EUROCORP INVESTMENT SERVICES S.A. Vice Chairman
		NATIONAL MUSEUM OF CONTEMPORARY ART Member of the BoD
VATALIS ARIS	PPC S.A. employee	-
PRAMMANTIOTIS PANAGIOTIS	Dr. Nuclear Physics and Particle Physics	Management Organization Unit Of Development Programs S.A. Head of Information Technology Dept.
		PPC SOLAR SOLUTIONS BoD Chairman
KORONIOTAKIS EMMANUEL	Electrical Engineer	-
THOMOGLOU PAVLOS	Economist – Businessman	Vice President of the Athens Chamber of Commerce & Industry
		RED-LINE SA Member of the BoD
CHATZIATHANASIOU VASSILIOS	Mechanical Electrical Engineer Associate Professor at Aristotle University Thessaloniki	-
KARALEFTHERIS PANTELIS	PPC S.A. employee	-
PAPAGEORGIOU CHRISTOS	Mining Engineer Metallurgist	-
PAPASOTIRIOU STAVROS	Economist	PUBLIC LEGAL ENTITY FOR SOCIAL PROTECTION, SOLIDARITY, CULTURE AND SPORTS OF THE FLORINA MUNICIPALITY Member of the BoD
TAVRIS FILIPPOS	Bank Employee	-
FOTOPOULOS NIKOLAOS	PPC S.A. employee	-

6.16 Contracts with Members of the Board of Directors

There is no provision for the granting of shares, call options on the Company's stocks or other similar securities for the members of the Board.

Nevertheless, there are other contractual provisions regarding executive members of the Board of Directors, such as:

- Compensation for service termination in case that the Company decides to terminate the contract.
- Personal use of company-provided vehicle, maintenance, insurance and fuels.
- Expense benefit during the performance of their duties (travel expenses, mobile phone, restaurant bills, etc.) provided that these expenses are accompanied by the necessary receipts and are approved by the Company based on its policy.

In the past according to the policy of the Company, the remunerations of the executive members and the members of the Board were fixed as follows: a) firm part (basic fees-salary) and b) variable performance-related part (variable part of the remuneration). An annual bonus was provided for in the past, valid only for a short period.

By virtue of L.3833/10 and L.3845/10 and L.4092/12, the remunerations of the executive members of the Board of Directors are not allowed to exceed the ceiling established by the said Laws. As a result, they are clearly defined and do not include variable performance related elements.

6.17 Information on the Deputy CEOs and the General Managers

On December 31, 2015, the Deputy CEOs and the General Managers of PPC S.A. were as follows:

Dologlou Kostantinos,
Deputy CEO supervising the Mines, Generation and Supply Divisions.

Goutsos Stavros,
Deputy CEO supervising the Finance Division and Human Resources Division.

Angelopoulos George,
General Manager of Finance Division, Economist.

Aravantinos Nikolaos,
General Manager of Support Operations Division, Mechanical-Electrical Engineer.

Damaskos George,
General Manager of Human Resources Division - Electrical Engineer - Economist.

Karalazos Lazaros,
General Manager of Supply Division, Electrical Engineer.

Kopanakis Ioannis,
General Manager of Generation Division, Electrical Engineer.

Kouridou Olga,
General Manager of Mines Division, Mining Metallurgical Engineer.

Athens, March 29, 2016

For the Board of Directors The Chairman and CEO

Emmanuel Panagiotakis

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CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of PUBLIC POWER CORPORATION S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of PUBLIC POWER CORPORATION S.A., which comprise the separate and consolidated statement of financial position as of December 31, 2015 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines are necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company PUBLIC POWER CORPORATION S.A. and its subsidiary as at December 31, 2015, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matters

We draw your attention to the following issues:

1. In Note 36 of the financial information, where among other matters, the claim of the Electricity Market

Operator SA (LAGIE) against the Company amounting to € 96.6 m is described, as a result of the allocation of deficit of the energy market to producers and the accounting treatment of the Company for this issue. As it is also discussed in the note, 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 final outcome of the legal case.

2. In Note 36 of the financial information, where among other matters, the adjusting settlements amounting to € 48.2 m that were issued in October 2013 from the Independent Power Transmission Operator SA (IPTO) are discussed, 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 opinion is not qualified in respect of these matters.

Other matter

The financial statements of PUBLIC POWER CORPORATION S.A. for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on those statements on March 27, 2015.

Report on Other Legal and Regulatory Requirements

a) On the Board of Directors' report is included a corporate governance statement which provides all information that is determined in paragraph 3d of article 43a of Codified Law 2190/1920.

b) We verified the consistency and conformity of the content of the Board of Directors' Report with the accompanying separate and consolidated financial statements, within the context defined by articles 43a (paragraph 3a), 108 and 37 of Codified Law 2190/1920.

c) Management is responsible for the preparation of the Company's unbundled financial statements, in accordance with Law 4001/2011 and the unbundling methodology approved by the Regulatory Authority for Energy. The above methodology is further discussed in detail in Appendix I on the accompanying notes. We have audited the Company's unbundled balance sheets as at 31st December 2015 and the unbundled statements of income before tax for the period from 1st January 2015 to 31st December 2015.

BDO	Agia Paraskevi, March 29, 2016
BDO Certified Public Accountants SA	The Certified Public Accountant
449, Mesogion Avenue, Agia Paraskevi	Ioannis Kalogeropoulos
SOEL Reg.No: 173	SOEL Reg.No: 10741

PUBLIC POWER CORPORATION S.A.

Consolidated and Separate Financial Statements December 31, 2015

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

The attached separate and consolidated financial statements have been approved by the Board of Directors of Public Power Corporation S.A.on March 29th, 2016 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	CHIEF FINANCIAL OFFICER	ACCOUNTING DEPARTMENT DIRECTOR
EMMANUEL M. PANAGIOTAKIS	GEORGE A. ANDRIOTIS	GEORGE C. ANGELOPOULOS	EFTHIMIOS A KOUTROULIS

CONSOLIDATED AND SEPARATE STATEMENT OF INCOME
for the year ended December 31, 2015

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

		Group		Company	
	Note	2015	2014	2015	2014
Revenues					
Revenue from energy sales	4	5,547,082	5,654,609	5,535,753	5,644,395
Other sales	4	188,574	209,048	139,649	152,355
		5,735,656	5,863,657	5,675,402	5,796,750
Expenses					
Payroll cost	5	880,268	914,210	565,940	589,467
Lignite		26,800	82,664	26,800	82,664
Liquid Fuel		582,819	767,947	582,819	767,947
Natural Gas		326,494	345,778	326,494	345,778
Depreciation and Amortization	7	737,749	606,047	663,211	539,924
Energy purchases	6	1,313,162	1,514,687	1,350,718	1,543,593
Materials and consumables		143,962	160,465	111,707	123,308
Transmission system usage		-	-	206,011	205,559
Distribution system usage		-	-	412,602	393,662
Utilities and maintenance		284,290	283,682	236,638	231,530
Third party fees		44,023	48,040	27,969	32,815
CO_2 emission rights	8	251,128	216,946	251,128	216,946
Provision for risks		64,120	2,954	36,572	29,171
Provision for slow – moving materials	18	9,390	5,492	8,358	5,745
Allowance for doubtful balances	19	876,889	422,690	878,973	433,044
Financial expenses	9	266,035	277,994	240,992	251,434
Financial income	10	(67,587)	(64,191)	(107,699)	(89,952)
Other (income) expenses, net	11	103,891	75,956	60,973	12,210
Devaluation of fixed assets		-	60,577	-	29,332
Loss / (Gain) of associates and joint ventures	16	(3,243)	(551)	-	-
Impairment loss /(gain) of marketable securities	21	1,488	2,526	1,488	2,526
Foreign currency (gain)/loss, net		588	2,120	565	2,137
		5,842,266	**5,726,033**	**5,882,259**	**5,748,840**
Profit / (loss) before tax		**(106,610)**	**137,624**	**(206,857)**	**47,910**
Income tax	12	4,094	(46,304)	54,346	(13,682)
Net profit / (loss)		**(102,516)**	**91,320**	**(152,511)**	**34,228**

		Group		Company	
	Note	2015	2014	2015	2014
Attributable to					
Owners of the Parent		(102,518)	91,322		
Non-controlling interests		2	(2)		
Earnings per share, basic and diluted		(0.44)	0.39		
Weighted average number of shares		**232,000,000**	**232,000,000**		

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
for the year ended December 31, 2015

(All amounts in thousands of Euro)

	Group		Company	
	2015	2014	2015	2014
Profit/(loss) for the year	**(102,516)**	**91,320**	**(152,511)**	**34,228**
Other Comprehensive income / (loss) for the year				
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 year	(619)	-	(420)	-
Foreign Exchange Differences	(95)	-	-	-
Net Other Comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	**(714)**	**-**	**(420)**	**-**
Items not to be reclassified to profit or loss in subsequent periods				
Revaluation from appraisal of fixed assets (Note 13)	-	908,587	-	847,954

	Group		Company	
	2015	2014	2015	2014
Deffered taxes of revaluation of fixed assets (Notes 12,13)	-	(236,231)	-	(220,468)
Actuarial gains/(losses) (Note 29)	(35,732)	(32,590)	(24,588)	(16,316)
Deferred taxes due to the change of the income tax rate of fixed assets' revaluation surplus	(71,550)	-	(56,132)	-
Net Other Comprehensive income / (loss) not being reclassified to profit or loss in subsequent periods	**(107,282)**	**639,766**	**(80,720)**	**611,170**
Other Comprehensive income / (loss) for the year after tax	**(107,996)**	**639,766**	**(81,140)**	**611,170**
Total Comprehensive income / (loss) after tax	**(210,512)**	**731,086**	**(233,651)**	**645,398**
Attributable to:				
Owners of the Parent	**(210,514)**	**731,088**		
Non controlling interests	**2**	**(2)**		

The accompanying notes are an integral part of these financial statements

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION as of December 31, 2015

(All amounts in thousands of Euro)

		Group		Company	
ASSETS	**Note**	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**
Non–current assets					
Tangible assets	13	13,590,247	13,689,537	11,751,414	11,902,455
Intangible assets, net	14	78,558	69,946	74,330	65,765
Investments in subsidiaries	15	-	-	1,130,727	1,130,064
Investments in associates	16	23,616	21,665	1,201	1,142
Available for sale financial assets	21	316	2,394	316	2,394
Other non-current assets		119,732	131,488	119,204	131,030
Total non-current assets		**13,812,469**	**13,915,030**	**13,077,192**	**13,232,850**
Current assets					
Materials, spare parts and supplies, net	18	747,370	737,763	569,811	559,078
Trade receivables, net	19	1,844,208	1,772,670	1,699,805	1,638,789
Other receivables, net	20	245,875	294,088	221,843	267,728
Income tax receivable		22,533	21,445	-	-
Other current assets		62,622	53,134	41,206	46,997
Cash and cash equivalents	22	451,670	434,511	197,592	248,318
Restricted Cash	22	127,842	144,720	127,842	144,720
Total current assets		3,502,120	3,458,331	2,858,099	2,905,630
Total assets		**17,314,589**	**17,373,361**	**15,935,291**	**16,138,480**
EQUITY AND LIABILITIES					
Equity					
Share capital	23	1,067,200	1,067,200	1,067,200	1,067,200
Share premium		106,679	106,679	106,679	106,679
Legal reserve	24	109,203	109,203	109,203	109,203
Fixed assets' statutory revaluation surplus included in share capital		(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus		4,752,277	4,833,594	4,020,016	4,082,686
Other Reserves	25	(119,718)	(83,272)	(16,043)	8,965
Retained earnings		943,165	1,048,597	1,383,482	1,541,057
		5,911,464	6,134,659	5,723,195	5,968,448
Non-controlling interests		92	90	-	-
Total equity		**5,911,556**	**6,134,749**	**5,723,195**	**5,968,448**
Non-current liabilities					
Long-term borrowing	27	4,491,174	4,851,491	4,365,184	4,763,477
Post retirement benefits	29	446,821	420,150	264,644	245,365
Provisions	30	280,635	230,394	196,541	173,504
Deferred tax liabilities	12	717,255	794,739	605,010	723,268
Deferred customers' contributions and subsidies	31	1,611,897	1,664,014	1,472,461	1,534,494
Other non-current liabilities	32	562,591	552,396	529,969	538,495
Total non-current liabilities		8,110,373	8,513,184	7,433,809	7,978,603
Current liabilities					
Trade and other payables	33	1,848,740	1,672,772	1,830,239	1,601,802
Short-term borrowings	34	127,016	97,016	80,000	50,000
Current portion of long–term Borrowing	27	713,787	581,528	396,652	262,493
Dividends payable	26	149	147	149	147
Income tax payable		198,810	74,932	176,129	71,908
Accrued and other current liabilities	35	403,469	295,468	294,429	201,514
Derivative liability	28	689	3,565	689	3,565
Total current liabilities		3,292,660	2,725,428	2,778,287	2,191,429
Total liabilities and equity		**17,314,589**	**17,373,361**	**15,935,291**	**16,138,480**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the year ended December 31, 2015

(All amounts in thousands of Euro)

	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Foreign Exchange Differences, Tax-free and Other Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
Balance January 1, 2014	**1,067,200**	**106,679**	**107,491**	**4,186,763**	**(947,342)**	**33,019**	**849,763**	**5,403,573**	**-**	**5,403,573**
- Net profit for the year	-	-	-	-	-	-	91,322	91,322	(2)	91,320
- Other comprehensive income/(loss) for the year after tax	-	-	-	672,356	-	(32,590)	-	639,766	-	639,766
Total comprehensive income/(loss) for the year after tax	**-**	**-**	**-**	**672,356**	**-**	**(32,590)**	**91,322**	**731,088**	**(2)**	**731,086**
- Transfers from retirements of fixed assets	-	-	-	(25,525)	-	-	25,525	-	-	-
- Transfer to non taxable reserves	-	-	-	-	-	(83,701)	83,701	-	-	-
- Incorporation of subsidiary	-	-	-	-	-	-	-	-	92	92
- Legal Reserve	-	-	1,712	-	-	-	(1,712)	-	-	-
- Other movements	-	-	-	-	-	-	(2)	(2)	-	(2)
Balance December 31, 2014	**1,067,200**	**106,679**	**109,203**	**4,833,594**	**(947,342)**	**(83,272)**	**1,048,597**	**6,134,659**	**90**	**6,134,749**
Balance January 1, 2015	**1,067,200**	**106,679**	**109,203**	**4,833,594**	**(947,342)**	**(83,272)**	**1,048,597**	**6,134,659**	**90**	**6,134,749**
- Net loss for the year	-	-	-	-	-	-	(102,518)	(102,518)	2	(102,516)
- Other comprehensive income/(loss) for the year after tax	-	-	-	(71,550)	-	(36,446)	-	(107,996)	-	(107,996)
Total comprehensive income/(loss) for the year after tax	**-**	**-**	**-**	**(71,550)**	**-**	**(36,446)**	**(102,518)**	**(210,514)**	**2**	**(210,512)**
- Transfers from retirements of fixed assets	-	-	-	(8,721)	-	-	8,721	-	-	-
- Dividends	-	-	-	-	-	-	(11,600)	(11,600)	-	(11,600)
- Other movements	-	-	-	(1,046)	-	-	(35)	(1,081)	-	(1,081)
Balance December 31, 2015	**1,067,200**	**106,679**	**109,203**	**4,752,277**	**(947,342)**	**(119,718)**	**943,165**	**5,911,464**	**92**	**5,911,556**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the year ended December 31, 2015

(All amounts in thousands of Euro)

	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Tax-free and Other Reserve	Retained Earnings	Total Equity
Balance, January 1, 2014	**1,067,200**	**106,679**	**107,491**	**3,478,917**	**(947,342)**	**108,983**	**1,401,121**	**5,323,049**
- Net profit for the year	-	-	-	-	-	-	34,228	34,228
- Other comprehensive income/(loss) for the year after tax	-	-	-	627,486	-	(16,316)	-	611,170
Total comprehensive income/(loss) for the year after tax	**-**	**-**	**-**	**627,486**	**-**	**(16,316)**	**34,228**	**645,398**
		-						
- Transfers from retirements of fixed assets	-	-	-	(23,717)	-	-	23,717	-
- Transfer to non taxable reserves	-	-	-	-		(83,702)	83,702	-
- Legal Reserve	-	-	1,712	-	-	-	(1,712)	-
- Other movements	-	-	-	-	-	-	1	1
Balance, December 31, 2014	**1,067,200**	**106,679**	**109,203**	**4,082,686**	**(947,342)**	**8,965**	**1,541,057**	**5,968,448**
Balance, January 1, 2015	**1,067,200**	**106,679**	**109,203**	**4,082,686**	**(947,342)**	**8,965**	**1,541,057**	**5,968,448**
- Net loss for the year	-	-	-	-	-	-	(152,511)	(152,511)
- Other comprehensive income/(loss) for the year after tax	-	-	-	(56,132)	-	(25,008)	-	(81,140)
Total comprehensive income/(loss) or the year after tax	**-**	**-**	**-**	**(56,132)**	**-**	**(25,008)**	**(152,511)**	**(233,651)**
- Transfers from retirements of fixed assets	-	-	-	(6,538)	-	-	6,538	-
- Dividends	-	-	-	-	-	-	(11,600)	(11,600)
- Other movements	-	-	-	-	-	-	(2)	(2)
Balance, December 31, 2015	**1,067,200**	**106,679**	**109,203**	**4,020,016**	**(947,342)**	**(16,043)**	**1,383,482**	**5,723,195**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
for the year ended December 31, 2015

(All amounts in thousands of Euro)

	Group		Company	
	2015	2014	2015	2014
Cash flows from operating activities				
(Loss) / Profit before tax	(106,610)	137,624	(206,857)	47,910
Adjustments				
Depreciation and amortization	821,218	682,564	738,791	611,151
Devaluation of fixed assets	-	60,577	-	29,332
Amortisation of customers' contributions and subsidies	(83,469)	(76,517)	(75,580)	(71,227)
Impairment loss of marketable securities	1,488	2,526	1,488	2,526
Fair value (gain)/loss of derivative instruments	(2,876)	(2,248)	(2,876)	(2,248)
Share of loss (profit) of associates	(3,243)	(551)	-	-
Interest income and dividends	(67,587)	(64,191)	(107,699)	(89,952)
Sundry provisions	956,611	427,758	920,765	468,929
Unrealised foreign exchange (gains)/losses on loans and borrowings	1,565	(102)	1,565	(102)
Unbilled revenue	(137,139)	(225,969)	(137,139)	(225,969)
Retirements of fixed assets and software	19,514	15,711	18,482	14,855
Amortization of loan origination fees	7,329	10,320	7,143	9,859
Interest expense	236,988	240,975	213,626	216,070
Operating profit before working capital changes	1,643,789	1,208,477	1,371,709	1,011,134
(Increase)/decrease in				
Trade receivables	(779,112)	(729,326)	(772,672)	(621,542)
Other receivables	(4,221)	(115,244)	11,312	(124,674)
Materials, spare parts and supplies	(18,956)	42,071	(19,091)	23,363
Increase/(decrease) in				
Trade payables	175,968	(25,487)	228,437	(88,296)
Other non – current liabilities	10,196	12,040	(8,527)	4,327
Accrued/ other liabilities excluding interest	162,527	55,970	156,788	11,993
Income tax paid	(28,393)	(13,284)	(23,712)	-
Net Cash from Operating Activities	**1,161,798**	**435,217**	**944,244**	**216,305**
Cash Flows from Investing Activities				
Interest and dividends received	64,711	64,191	104,823	79,389
Capital expenditure for tangible and intangible assets	(753,130)	(670,396)	(616,565)	(570,826)
Proceeds from customers' contributions and subsidies	31,353	11,721	13,547	10,633
Investments in subsidiaries and associates	(1,951)	(38)	(722)	(21,900)
Net Cash used in Investing Activities	**(659,017)**	**(594,522)**	**(498,917)**	**(502,704)**

	Group		Company	
	2015	2014	2015	2014
Cash Flows from Financing Activities				
Net change in short-term borrowings	30,000	(269)	30,000	-
Proceeds from long-term borrowing	65,000	1,234,363	-	1,199,363
Principal payments of long-term borrowing	(301,111)	(612,799)	(272,004)	(583,692)
Interest paid and loans' issuance fees	(267,913)	(287,750)	(242,451)	(266,460)
Dividends paid	(11,598)	(7)	(11,598)	(7)
Net Cash used in Financing Activities	**(485,622)**	**333,538**	**(496,053)**	**349,204**
Net increase / (decrease) in cash and cash equivalents	17,159	174,233	(50,726)	62,805
Cash and cash equivalents at beginning of the year	434,511	260,278	248,318	185,513
Cash and cash equivalents at the end of the year	**451,670**	**434,511**	**197,592**	**248,318**

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

(All amounts in thousands of Euro unless otherwise stated)

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, Chalkokondyli Street, Athens, 104 32 Greece.

At December 31, 2015, the number of staff employed by the Group was 18,356 (2014: 18,572).

At December 31, 2015, 98 employees of the Group (2014: 105), have been transferred to several State agencies out of which, 94 were on PPC's payroll (2014: 101). The total payroll cost of these employees, for the twelve-month period ended December 31, 2015 amounted to Euro 3,221(2014: Euro 3,792) .

Additionally, PPC's transferred employees in TAYTEKO-KAP/DEI and IKA –ETAM-TAP/DEI amounted to 317 in 2015, for whom payroll for the twelve-month period ended December 31, 2015, amounted to Euro 13,591.

PPC Group generates electricity from the 62 main power generating stations of the Parent Company as well as from additional stations (Wind Parks, Small Hydro stations and Photovoltaic plants) that belong to its wholly owned subsidiary PPC Renewables, transmits electricity through its 12,310 kilometres long High voltage System, out of which 11,365 kilometres are owned by its wholly owned subsidiary Independent Power Transmission Operator (IPTO S.A.) and distributes electricity to consumers through its 236,290 kilometres long Distribution Network of Medium and Low voltage which are managed by its wholly owned subsidiary "Hellenic Distribution Network Operator (HEDNO S.A.)". Lignite consumed by the Parent Company's lignite-fired power stations is extracted, mainly, from its own lignite mines. PPC Group has also installed a fibre optics network of approximately 2,153 kilometres along its transmission lines and approximately 164 kilometres of urban fibre optics network.

2. Legal Framework

CHANGES IN THE LEGAL FRAMEWORK OF THE ELECTRICITY MARKET 2015

General provisions for the domestic electricity market

- Law 4336/14.08.2015 introduces provisions for the energy and natural gas market in relation to:

- RAE's jurisdiction on monitoring the account of entities operating in the energy and the natural gas sectors as well as the account of the Transmission System's and Distribution Network's Operators, ensuring that there will be no cross subsidies between the activities of generation, transmission, distribution and supply of energy
- Entities operating in the energy markets in the interconnected system and network of the country, which will not be allowed from 01.01.2020 to either generate or import - directly or indirectly- energy quantities greater than 50% of the total energy quantity either generated by domestic plants or imported, annually. The Competition Commission will assess the possibility of achieving the above mentioned objective by 01.01.2019 and in case of failure to achieve this, it will propose appropriate measures. In case of the companies' non-compliance, fines amounting from 5% and up to 10% on their previous year's annual turnover, will be imposed.
- The Authorities' obligation to apply, until September 2015, a regime for the temporary and permanent capacity payments' system. The Authorities shall modify the regulations of the electricity market in order to prevent the plants' forced operation below their variable cost and shall enact laws concerning the offsetting of payments between PPC and the market operator. Discontinuation contracts, as adopted by the European Commission, will be implemented. PPC's tariffs will be revised based on cost, replacing among others, the 20% discount on the high voltage tariffs, with tariffs based on the generation's marginal cost. The design of the NOME auctions system will be discussed with the European Commission, aiming to the reduction of PPC's wholesale and retail market share by 25%. In case of not reaching an agreement for the NOME auctions until the end of October 2015, the authorities will agree with the institutions on the structural measures, which will be immediately adopted and which will lead to the same outcome as mentioned above, relating to market shares and timelines.
- The Authorities' obligation, until October 2015, to take irreversible steps towards the privatization of the electricity transmission system operator, IPTO, unless an alternative plan with equivalent outcome regarding competition and investment prospects, is proposed, in accordance with the best European practices and in agreement with the institutions for the achievement of IPTO's full ownership unbundling from PPC. Moreover, they will introduce a new plan for the upgrade of electricity networks, in order to improve their performance, enhance interoperability and reduce costs for consumers. The action roadmap for the electricity market has to be completed until December 2017. In this context, the balancing market should be completed by June 2017.
- The Authorities' obligation, until October 2015, to revisit the energy market's taxation framework as well as to reinforce RAE's financial and operational independence.
- The Authorities' obligation, until December 2015, to approve a new framework supporting Renewable Energy Sources so as to preserve their economic viability, establish a new scheme for the upgrade of the energy Networks and to initiate the implementation of the Roadmap for the harmonization of the energy market with the European Target Model by December 2017.

- In addition, by Law 4336/14.08.2015, the Greek State commits to continue with the privatization program already in progress. The Hellenic Republic Asset Development Fund's (HRADF) BoD has already approved the Asset Development Plan (ADP) which provides for the privatization of assets already held by HRADF by 31.12.2014.

  It is noted that the legislative process to apply the provisions of L. 4336/14.08.2015 is in progress.

- Law 4320/2015 (OG A'29/19.03.2015) "Provisions for immediate actions to address the humanitarian crisis, the organization of Government and Governmental Institutions and other provisions" has entered into force. Specifically for the electricity sector, and in combination with the Joint Ministerial Decision 494/2015and the Legislative Act published in OG A' 182/24.12.2015, the following provisions are enacted:
  - The supply of electricity, free of charge for up to 1200kWh per four month period, for two such periods for the year 2015, which correspond to two settlement of four month period bills, is provided for the electricity needs of the households' main residence who resided under extreme poverty conditions. In case of beneficiaries whose electricity supply had been disconnected till 31st January 2015, that will be connected free of charge, whilst the overdue debts will be settled. The provision of free electricity could be extended in the consumption of the following year to provide to the beneficiaries two full four-month periods of free electricity.
  - The terms and conditions for settling overdue billings, are agreed, according to contracts between the Ministry of Labor and Social Solidarity and the electricity suppliers.
  - The monetary value of the above mentioned benefits, will not affect any other income prerequisites set out in order to receive any other social or welfare benefits.

  The eligibility criteria for the beneficiaries of the benefits, according to the law's provisions, are specified in the Joint Ministerial Decision 494 (OG B' 577 / 09.04.2015). Specifically, the criteria related to the income thresholds for the beneficiaries were further amended by the Joint Ministerial Decision 1082 (FIN 22220-OG B' 938/22.05.2015). The new Joint Ministerial Decision (Fin 861) amended the criteria regarding the beneficiaries for the free reconnection and supply of electricity, regardless of their inclusion or not in the Social Residential Tariff, as well the method of charging their consumption to the electricity bills.

- Law 4342/2015 was enacted (OG' A 143/09.11.2015) on the adaptation of Directive 2012/27/EU on energy efficiency. According to the provisions of the Law, the following are enacted a) a framework of actions for the promotion of energy efficiency so as for the country to contribute towards the achievement of the EU 2020 set target of twenty percent (20%) energy efficiency, as well as to pave the way for further energy efficiency improvements beyond 2020 and b) indicative national energy efficiency targets for 2020, measures for their promotion and, rules, aiming to overcome the energy market inefficiencies that impede the well-functioning of the supply and usage of electricity.

  Especially for the Supply activities:
  - Effective from January 1, 2017, an energy efficiency obligation framework shall be enacted, which ensures that energy distributors and/or retail energy sales companies achieve a cumulative energy saving target at the end-use until December 31, 2020.
  - Energy distributors and retail energy sales companies that are responsible for the installation, operation and maintenance of electricity, gas, heating, cooling and hot water for domestic consumption meters, are required to provide individual meters - reflecting the actual energy consumption and providing information on the actual time of use - to the final consumers in a competitive price. The costs for the installation of those meters may be considered eligible for final consumers in the context of the implementation of co-financed programs or other policy measures, as long as the conditions laid down in the relevant Union legislation are met.
  - Effective from January 1 2016, energy distributors and retail energy sales companies, are required, regardless of the installation or not of a smart metering system, to the extent that such data concerning the energy pricing and historical consumption of the final consumers is available, to provide them to an energy service provider designated by the final consumer on his request. Energy distributors and retail energy sales companies are required to post online the results of their actions to improve energy efficiency every six (6) months.

- The validity of the temporary unified Generation Operation License of PPC S.A. (granted according to L. 2941/2001 in PPC's Units, which are referred in article 42 of the L. 2773/1999 and are included in the unified Generation License as valid until 31.12.2015) was extended until 31.12.2017 by a Legislative Act (OG A' 182/24.12.2015). Those referred in this paragraph are being also applied in PPC's units that have been transferred to PPC Renewables S.A.

- In the context of the Intermittent Load Service, the type and the content of the intermittent load contracts were enacted, according to the provisions of the A.17 of L.4203/2013 (Ministerial Decision FIN 184898 - OG B' 2861/28-12-2015), where the scope of the intermittent load service is defined (Consumers categories, participation conditions, activation reasons, the way of definition, the time and the preconditions for the financial payments of the contracting parties, the recovery of the amounts paid by the System Operator), the Intermittent Load Register, the service activation procedures, the types of the intermittent load services and the context of the intermittent load contracts auctions for the participation in the Service and for the signing intermittent load contracts. The Decision is valid until 15.10.2017.

- The National Plan of the Energy Efficiency Action, which includes the national target for the energy efficiency in the final energy consumption for 2020, was approved by a ministerial decision (OG B' 3023/31.12.2015).

Hellenic Electricity Transmission System (HETS)

- The new use charges for the transmission system were announced by RAE Decision 466/2015 for 2016 (effective from 01.02.2016), which are significantly lower in almost all the consumers categories or at least stabilized (prevention or restrain of large changes) for the HV and MV customers with an annual consumption greater than 13 GWh, marking the smooth adjustment of those charges to the requirements of the European law. The annual allowed revenue for the use of the transmission system was lowered by 1.7% compared to 2015.
- RAE by its Decision 453/2015 approved the required revenue for 2016 to Euro 203.4 m. in accordance with its previous Decision 572/2014 which had approved the Allowed Revenue for the regulated period 2015 - 2017 to Euro 254.7 m., 250.2 m. and 261 m. per year, respectively.
- Additionally RAE by its Decision 253/2015 amended the Manual for the Market Settlementand the calculation methodology of the required revenue so that the calculation of the required revenue takes into consideration the costs from the auctions of Interconnection Rights.

Hellenic Electricity Distribution Network (HEDN)

- The distribution network operator (HEDNO), announced that the market opening for the electrical systems of Crete and Rhodes begins from 01.09.2015 under the provisions of the Non - interconnected Islands (NII) Code. The announcement determines the process of activating a Load Representative's participation contract, as a Supplier in the NII, as well as the process of initiating the operation of said Load Representative per NII system. It is noted that, per HEDNO'S announcement, any Load Representative, already operating in an NII system or several NII systems and wishing to operate in any other NII system whenever that is allowed in the near future, is to be treated as a new Load Representative for that system and should follow, in a similar way, the process of its operation initiation in the new NII system.
- Concerning the Non Interconnected Islands Code and the Action Plan of the HEDNO for the implementation of the necessary infrastructure, the implementation time schedule is extended regarding certain actions and activities, by almost a semester compared to the provisions of the NII Code. In any case, the NII Operator must complete the installation and certification of all the Systems including I.T. so that all the Code's provisions to be fully implemented till the 1st semester of 2020 (RAE Decision 330/2015).
- HEDNO created a new web application for property fees, which upgrades and modernizes the communication with the Municipalities. The new web application will replace the real estate data changes of all Greece's Municipalities delivery method (by post) to HEDNO, drastically reducing bureaucracy and delays. All the Municipalities,using corresponding passwords provided by HEDNO, will be able to input data modification files, to check any erroneous entries and make the necessary corrections.
- With Decision 373/2015, RAE approved the Concession Contract concerning the management of the Hellenic Electricity Distribution Network, jointly submitted by the Owner and the Operator, setting the obligation for both the Owner and the Operator to jointly maintain a concession contract for the management of the HEDN, exclusively for the regulation of issues concerning the calculation and

payment method of the annual compensation due to the Owner of the HEDN. This compensation is part of the total annual revenue of the distribution activity that HEDNO receives through the HEDN use tariffs.

- The Action Plan for the HEDNO's infrastructure implementation was approved according to EC decision 2014/536/EK/14.08.2014, aiming to the full implementation of measures in the Non Interconnected Islands Code for the management of the operation of the autonomous island systems and for the opening of the electricity market in third suppliers (RAE Decision 389/2015).
- By RAE Decision (454/2015) the annual cost and the required revenue for the HEDN were approved for 2015 amounting to Euro 774.2 m. and Euro 765.8 m. respectively.
- By RAE Decision (455/2015) the annual cost and the required revenue for the use of HEDN were also approved for 2016 amounting to Euro 757.8 m. and Euro 747.4 m. respectively. Concerning the use charges for HEDN for 2016, there is either reduction (in MV customers) or stabilization of the power and energy charges in all customers categories, compared to 2015.

Codes and Manuals

- Following IPTO's proposal, unit charges, uplift coefficients and other parameters were determined for calculating the non - compliance charges, due to irregular offers and declarations for the calendar year 2015 (RAE Decision 1/2015). Specifically, for 2015, the numeric value for the tolerance BAL _TOL is amended, while the remaining numerical values of the coefficients / parameters used in the calculation of the non - compliance Charges remain unchanged. With a recent decision (RAE Decision 456/2015) for year 2016, the numeric value for the tolerance BAL _TOL is decreased from 0.6 to 0.5 for the subcase of the area 1-20MW, whilst there is no alteration for the rest of the numerical values of the coefficients/parameters used in the calculations of the non - compliance charges.
- According to RAE's Decision 253/2015 (OG B' 1965/11-9-2015) the Manual for the Market Settlement is amended concerning : a) the calculation of the charge for the cross-border trade for each allocation period to include charges for the cost of losses as well as infrastructure usage for the cross-border trade with Turkey, b) the calculation methodology of the required revenue of IPTO so that amounts for Interconnection Rights minus costs for services rendered relating to the concession of electricity transmission rights in the interconnections of the Hellenic System with those of neighboring countries, to reduce the Required Revenue. and c) the special fee for the CO2 emissions reduction (ETMEAR), so that collected amounts from load Representatives regarding ETMEAR, PSOs, System use and the Transitional Assurance Capacity Mechanism to be recovered by IPTO within the second month after the end of the month in which those amounts relate.
- By amending article 159 "Daily payments and charges" of the Hellenic Electricity Transmission System Management Code (RAE Decision 392/2015) a transitional mechanism is introduced for the variable cost recovering concerning the electricity generation units for specific cases, under the provision of L. 4336/2015.
- According to RAE's Decision (467/2015), article 116, par.8 of the Hellenic Electricity Transmission System Management Code is amended as follows:

  In case that a dispatched natural gas fired unit is operating following a dispatch command in a way that diversifies its expected operation from the Daily Ahead Schedule or the Dispatch Schedule, whichever of the above has been published last before the deadline for the submission of the declarations to the Hellenic Natural Gas Operator, resulting to an increased or decreased natural gas consumption, an additional payment may be in order if an additional fuel supply cost is incurred because of specific conditions of the respective contract. That payment is paid following RAE's approval.

Public Service Obligations (PSOs)

- The highest annual customer charge per consumption point, covering PSOs charges for the year 2015, was set to 793,525 Euro (RAE Decision 106/2015). That limit is being annually readjusted according to the respective annual change of the consumer price index, as published by the Hellenic Statistical Authority.

- The annual compensation amounts of PPC for the social households tariffs and for the large families tariffs have been approved for 2014 to Euro 54 m. and Euro 306 m. respectively (RAE Decision 457/2015).

Etmear – Special Fee for the Reduction of CO_2 Emissions (Ex Res Fee)

- Following L.4254/2014, RAE began monitoring the progress of integrating the necessary procedures for the implementation of the above mentioned Law's provisions as well as assessing the effects of the implementation, taking into account data provided by the Monthly Bulletin Monitoring of the Special Account of EMO SA, by monthly calculating and making publicly known, both inputs and outputs relating to the balancing of the Special Account.

  In the context of the above mentioned monitoring, RAE's Decision (772/2014) was issued where ETMEAR's allocation coefficients are readjusted and increased as well as the relative charges per customer category, effective from 01.01.2015, aiming to a total ETMEAR amount – for the year 2015 - of Euro 1,048.35 m.

  Following this decision, Law 4324/2015 annulled the above mentioned decision by RAE, stating that, for the year 2015, the unit charges for the ETMEAR will remain unchanged at the level set for the year 2014. This regulation will be applied retroactively from 1.1.2015. The amounts that have already been charged by electricity suppliers, in excess of the law's provisions, will be recalculated and any resulting differences will be offset or included in the corresponding ETMEAR fee, in the next clearing bill.

- The highest annual customer charge per consumption point, covering ETMEAR charges is being annually readjusted according to the annual change of the consumer price index, as published by the Hellenic Statistical Authority. That charge, for the year 2015, was set to 978,117 Euro (RAE Decision 105/2015) due to the 1.3% decrease of the average consumer prices index for the year 2014 compared to that of 2013.

- The new 2016 charges for ETMEAR were announced. The reduction of the ETMEAR required revenue of Euro 130 m. for 2016, leads to a weighted average reduction of the charges of 8.1% for the same year, compared to the corresponding charges of 2014-2015 (RAE Decision 465/2015). The abovementioned unit charges are also applied to self-generators according to the category they belong.

Other Issues

- In December 2011, the EU adopted Regulation 1227/2011 on the integrity and transparency of the wholesale energy market (Regulation on Wholesale Energy Markets Integrity and Transparency - REMIT). The REMIT Regulation applies to wholesale energy products' trading and sets the framework for identifying and avoiding abusive practices affecting wholesale energy markets establishing rules for the obligatory publication of trading energy products details in the wholesale market. In this context EMO started the registration process with ACER («Agency for the Cooperation of Energy Regulators»), in order to be included in the list of the Registered Reporting Mechanisms (RRMs). The registration process was successfully completed and EMO was certified and included in the list, given the ACER code B0000118K.GR.

  EMO, as an RRM, is ready to undertake on behalf of the Participants, following an enforced agreement to EMO, in order to be able to meet the reporting requirements to ACER ("REMIT Reporting Service Agreement v0.2"), the obligation of sending the relevant transaction reports for the Greek wholesale electricity market, thus satisfying the REMIT regulation requirements.

- The platform CEREMP (Central European Registry of Energy Market Participants) was enabled for the registration of participants in the wholesale energy markets according to the provisions of the REMIT Regulation (RAE Announcement 27.02.2015).

- After the appointment of EMO as the Competent Body for the granting of aid in undertakings exposed in significant risk of carbon leakage due to the cost of the Rights of the EU Emissions Trading Scheme, which is passed on electricity price (aid for indirect emissions cost) (Joint Ministerial Decision 21906 - OG B΄3304/09.12.2014), the Annual Compensation Settlement was announced for the year 2014. Eligible companies may be informed for the results concerning them through their authorized verification Bodies, registered in the "Verification Bodies Register" of EMO S.A.

- EMO is also appointed as the competent "Electricity Market Operator", for the accomplishment of the single day ahead coupling and the single intraday coupling for the following four (4) years, according to the article 4 of the EU Regulation 2015/1222 (OG B' 2678/11.12.2015), aiming to the fulfillment of an operational and interconnected domestic energy market.

- In accordance with PPC's recommendation to RAE the uplift percentages on PPC supply tariffs, in its capacity as Supplier of Last Resort, for its third year of the service are decreased as follows (RAE Decision 212/2015):

  (a) by 5% for HV customers on the wholesale market cost

  (b) by 10% for MV customers on the valid MT customers PPC tariffs (it was 12%)

  (c) by 10% for LV customers on the valid LV customers PPC tariffs (it was 12%)

  The uplift percentage on PPC's supply tariffs, in its capacity as Universal Service Provider, is also maintained for its third year of the service (RAE Decision 213/2015), i.e. 12% on the applicable PPC tariffs for specific LV customer categories (residential customers and small businesses with power supply up to 25kVA).

- RAE's contribution fees imposed on businesses operating in the energy sector are adjusted annually, according to the annual change in the consumer price index, as published by the Hellenic Statistical Authority. Due to the decrease of 1.3% of the average consumer price index for 2014 compared with that of 2013, the amount of the annual contribution fee charged to suppliers, depending on the total amount of their customers energy absorbed by the System or by the Network, is set to 0.07 € per absorbed MWh for 2015 (RAE Decision 147/2015). The corresponding amount imposed on electricity generators is set to 8.16 € per MW of max net capacity.

3. Basis of Preparation and Principal Accounting Policies

3.1. BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Approval of financial statements

The Board of Directors of the Parent Company approved the accompanying financial statements for the year ended December 31, 2015 on March 29th, 2016. These financial statements are subject to approval by the Parent Company's General Assembly of shareholders.

Basis of preparation of financial statements

The 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 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries, drawn up to December 31 each year. Subsidiaries (companies in which the Group directly or indirectly through other subsidiaries has an interest of more than one half of the voting rights or otherwise has power to exercise control over their operations) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Losses within a subsidiary are apportionedto the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary is accounted for as an equity transaction. All significant inter-company balances and transactions have been fully eliminated as well as unrealized inter – group gains and losses.

Where necessary, the accounting policies of subsidiaries have been revised to ensure consistency with the policies adopted by the Group. It is noted that certain of the abovementioned requirements have not a retrospective effect. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests, prior to January 1, 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of net assets acquired were recognized as goodwill.
- Losses incurred by the Group were not attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a biding obligation to cover these.

In case that the Group loses control of a subsidiary then the following are:

Derecognized:

- The assets (including the surplus value) and liabilities of the subsidiary.
- The book value of the non-controlled participation.
- The accumulated exchange differences, which have been recorded in Equity.

Recognized:

- The fair value of the price obtained
- The fair value of the remaining participation
- Any surplus or deficit in the income statement
- The Parent Company's share in the elements previously recognized in the comprehensive income statement, in the income statement or the retained earnings where that is judged necessary.

3.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 2015:

- 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 January 2015:
  - **IFRS 3 Business Combinations:** This improvementclarifies 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.

3.3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates.The principle judgments and estimates referring to events the development of which could significantly affect the items of the financial statements during the forthcoming twelve month period are as follows:

Post-retirement benefits

The Parent Company's employees and pensioners of the Group are entitled to supply of electricity at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout their working period. The above mentioned obligations are calculated on the basis of financial and actuarial assumptions. Further details, according to the basic assumptions and estimates, are included in Note 29.

Fair value and useful lives of property, plant and equipment

The Group carries its property, plant and equipment at revalued amounts (estimated fair values) as determined by an independent firm of appraisers. Revaluation is performed periodically (every three to five years). The determination of the fair values of property, plant and equipment requires from management to make assumptions, estimates and judgements with respect to the ownership, the value in use and the existence of any economic, functional and physical obsolescence of property, plant and equipment. On December 31, 2014, the Group has conducted its latest revaluation of property, plant and equipment. The management of the Group believe that any change in the fair value of tangible fixed assets will not have a significant impact on the accompanying separate and consolidated financial statements of December 31, 2015. Furthermore, the management makes estimates regarding the total and the remaining useful lives of fixed assets which are subject to periodic review. Useful lives as estimated are included in Note 3.4.

Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. The determination of whether such indications exists, require assumptions and judgments with respect to external and internal factors that may affect the recoverability of its assets, as well as assumptions on the determination of its cash flows generating units.

Cost of dismantling of property, plant and equipment

Based on the provisions of IAS 16 "Property, plant and equipment" the cost of an item of property, plant and equipment includes, among others, the initiale estimate of the costs required for the dismantling and removal of such an item. These costs are quantified and recognized in the financial statements in accordance with the provisions of IAS 37 "Provisions, contingent liabilities and contingent assets".

The management estimates that the cost of dismantling may, especially in the cases of lignite fired power plants as well as gas fired stations, be funded by the proceeds of the materials that will result from such a dismantling and, on that basis has not made any provision for such costs for all categories of the above mentioned power plants.

Provisions for risks

The Group is establishing provisions concerning claims by third parties against companies of the Group and which might lead to an outflow of resources for their settlement. The provision is established based on amounts claimed and the possible outcome of the legal dispute.

Provisions for trade receivables

Provision for doubtful debts is established for individual high voltage customers on specific balances, when there are indications that the debts will not be collected. For medium and low voltage customers, the Company establishes a general provision for the total of their outstanding balances of more than 3 and 6 months respectively, per customer. This policy is reviewed periodically in order to be readjusted according to the prevailing circumstances. Additional details are included in Note 19.

Provisions for income taxes and recognition of deferred tax receivables

Current provisions for income tax liabilities for current and prior years are calculated at the amounts expected to be paid to the taxation authorities, using the tax rates that have been enacted by the balance sheet date. Provision for income taxes includes current taxes reported in the respective income tax returns and potential additional tax assessments that may be imposed by the tax authorities upon settlement of the unaudited tax years on the basis of the findings of prior tax audits. The final settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements. From the year 2011 onwards, the Parent Company and several of its subsidiaries are audited for tax purposes by the Certified Auditors Accountants in accordance with the provisions of L. 4174/2013 as applicable today. The audit for the year 2015is ongoing and the relative tax conformity report will be issued after the publication of the financial statements for the year 2015. If, at the completion of the tax audit, additional tax liabilities result, we estimate that these will have no material effect on the financial statements.Deferred taxes are recognized on carried forward tax losses to the extent that it is probable that future taxable profits will occur to offset carried forward tax losses. Deferred tax receivables that are recognized require Management to make assessments as to the time and level of realization of future taxable profits.

Accounting treatment of a business activity's spin –off to a subsidiary

The management proceeds to significant judgments regarding the proper presentation of the spin –off and contribution of a segment by the Parent Company to a100% subsidiary in exchange for shares, as the accounting treatment for similar transactions between companies under common control is not explicitly provided for in IFRS.

Provision for unbilled revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from all types of electricity sales is accounted for on an accrual basis. Especially for the low voltage customers at each balance sheet date, unbilled revenue is recorded to account for electricity delivered and consumed by these customers but not yet billed. Unbilled revenue is estimated using certain assumptions with respect to quantities of electricity consumed, network losses and average electricity sale prices. The actual amounts that will be finally billed, may differ from those provided for.

3.4. PRINCIPAL ACCOUNTING POLICIES

Foreign currency translation

The functional and reporting currency of all the Group entities is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities that are denominated in other currencies are adjusted to reflect the current exchange rates at the balance sheet date. Gains or losses resulting from foreign currency adjustments are reflected in foreign currency gains (losses), net, in the accompanying statements of income. The non-monetary elements in foreign currency which are valuated at acquisition cost are converted usingthe exchange rate of the date of acquisition. The non-monetary elements which are measured at fair value in foreign currency are converted using the exchange rate of the fair value's calculation date. The profit or loss from the conversion of non-monetary elements is treated the same way as the profit or loss from the conversion of fair value of these elements.

Intangible assets

Intangible assets include software and CO_2 emission rights allowances.

Software

Software programs are measured at their acquisition cost minus accumulated depreciation and impairments. For all assets retired or sold, their acquisition cost and related depreciation are removed from the accounts. Any gain or loss is included in the statement of income. Software costs are amortized on a straight-line basis over a period of five years.

CO_2 Emissions Rights

The Parent Company acquires CO_2 emission rights in order to meet its liability stemming from the actual CO_2 emissions of its generation units. This liability is measured at fair values to the extent that the Parent Company has the obligation to cover its emissions through purchases (after the offset of any free CO_2 emission rights held). Emission rights purchased and held are recognized as intangible assets, at cost less any accumulated impairment losses.

Tangible Assets

Tangible assets are initially recognised at their acquisition cost which includes all direct attributable expenses for their acquisition or construction. Subsequent to their initial recognition, tangible assets (with the exception of mines and lakes which are valued at cost minus accumulated depreciation and eliminations) are valued at their fair values minus accumulated depreciation and eliminations. Estimations of fair values are performed periodically by independent appraisers (every three to five years) in order to ensure that fair value does not differ significantly from the net value of the asset. The last assets' evaluation was completed on December 31st 2014. Any valuation increase is credited to the revaluation surplus net of deferred taxes. At the date of revaluation, accumulated depreciation is offset against pre depreciation accounting values and net amounts are restated according to revalued amounts.

Any decrease is first offset against an earlier valuation increase in respect of the same fixed asset and thereafter charged to the income statement. Upon disposal of a revalued tangible asset, the relevant portion of the revaluation surplus is released from the revaluation surplus directly to retained earnings. Repairs and maintenance are charged to expenses as incurred. Subsequent expenditures are capitalized if they meet the recognition criteria as tangible assets. For all assets retired or sold, their acquisition cost and related depreciation are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the statement of income.

Borrowing costs

From January 1st, 2009, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that needs a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the relevant assets. The new accounting policy is implemented on fixed assets recognized from January 1, 2009 herein (new constructions). All the remaining borrowing costs are recognized as expenses in the period in which they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the average estimated remaining useful economic life of the assets. The useful lives (in years) applied for the calculation of depreciation, have as follows:

Buildings and Technical Works	
Buildings of general use	50
Industrial buildings	40-50
Dams	50
Machinery and Equipment	
Thermal power plants	35-40
Gas Turbines	35
Mines	20-40
Hydro power plants	50
Autonomous diesel power plants	25
Transmission	
Lines	35
Substations	35
Distribution	
Substations	35
Low and medium voltage distribution network	35
Transportation assets	15
Furniture, fixtures and equipment	5-25

Mining activities

The Parent Company owns and operates open-pit lignite mines. Land acquisition (mainly through expropriation) and initial (pre-operational) development costs relating to mines are capitalized and amortized (upon commencement of the mines' commercial operation) over the shorter of the life of the mine and 20 years. Exploration, evaluation and ongoing development costs are charged to the cost of lignite production as incurred. A provision for land restoration is established for the Group's estimated current obligation for restoration and is calculated based on the surface disturbed to date and the average cost of restoration per metric unit. It is accounted for at the present value of the related obligation to restore land back to a beneficial use and is included both in fixed assets(mines) and in provisions.

Investments in subsidiaries

In the separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses. The spin off and contribution of an activity from the Parent Company to a wholly owned subsidiary in exchange for shares, is accounted for as a transaction between companies under common control. In cases of such transactions the shares received are recognised as an addition to the cost of investment in the subsidiary with a value equivalent to the carrying value of the net assets contributed at the transaction date.

Investments in associates

These are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture of the Group. The Group's investments in associates are accounted for under the equity method of accounting. Investments in associates are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less possible provisions for any impairment in value. In case that the Group's share in an associate's losses is equal, or exceeds its participation in the associate, the Group does not recognise the losses exceeding its participation. The income statement reflects separately the Group's share of the results of its associates, while amounts that are registered by the associates directly to their equity are recognized directly to the Group's equity. Non – realizable profit or loss resulting from the transactions of the Group with said associates are eliminated to the extent of the interest in the associates. The associates' accounting principles are adjusted, when necessary, in order to comply with those adopted by the Group. In the separate financial statements such investments are accounted for at cost less any accumulated impairment losses.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value , the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. The fair value of sale (after the deduction of sales costs) is determined, in each case, according to the implementation of a revaluation model. Impairment losses of continuing operations are recognized to the income statement, except if the particular asset is valued in fair values and then the impairment loss is recognised as a decrease of the already recognised surplus value. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognized.

That increased amount cannot exceed the carrying amount that would have been determined (net of depreciation), if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at fair value amounts in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, to be divided equally to future time spans on a systematic basis over its remaining useful life.

Fair value measurement

The Group measures financial instruments, such as, derivatives, and its available for sale investments at each balance sheet date and non-financial assets such as investment properties, periodically (every 3-5 years) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group defines policies and procedures applied for both recurring measurements and assets held for distribution on discontinued operations.

Assets of substantial value, as tangible assets as well as substantial value liabilities are evaluated by the Group and the Parent Company with the assistance of external valuators. External valuators involvement need, is annually decided by the Group, the selection criteria being market knowledge and expertise, reputation, independence and observance of professional standards.

On each reporting date, the Group, according to its accounting policies, assesses if there is any change on the carrying values of assets and liabilities being subject to periodic reassessment and revaluation. For the above mentioned assessment, the management verifies considerable inputs applied to the last asset or liability evaluation, confirming data used for the evaluation against contracts and other relevant documents. For disclosing fair values, the Group's assets and liabilities are categorized according to their nature, characteristics, potential risks stemming from specific asset or liability categories, as well as fair value hierarchy described above.

Investments and other financial assets

Financial assets in the scope of IAS 39 are classified based on their nature and their characteristics in financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by law or convention in the market place.

Financial assets at fair value through profit and loss

This category includes financial assets classified as held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognized in income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Held - to - maturity investments

Financial assets with fixed payments and fixed maturity are classified as held - to - maturity, when the Group has the intention and the ability to hold them to maturity. Held – to – maturity investments which are held for an infinite or non – defined maturity cannot be classified into this category.

Held – to – maturity investments are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the investments are derecognized or eliminated as well as through the amortization process.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are not classified in any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognized as a separate component of equity. On disposal, impairment or de-recognition of the investment, the cumulative gain or loss is transferred to the income statement. The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models. When the fair value cannot be determined reliably, the investments are measured at their acquisition cost.

If an available-for-sale asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to the income statement. Impairment losses that have been recognized previously in the income statement and relate to investments in shares are not reversed through the profit or loss. Reversals of impairment losses on bonds are reversed through profit or loss if the increase in its fair value can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred).

The cash flows are discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The asset's carrying amount can be impaired either through disposal or through establishment of a provision.The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in profit or loss. The

Group first assesses whether objective evidence of impairment exists individually for financial assets that are deemed significant, while these which are not,are grouped and assessed as a whole. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Inventorie

Inventories include consumables, materials, lignite and liquid fuel.

Materials and consumables

Materials and consumables are stated at the lower of cost or net realizable value,which takes under consideration the net realisable value of the end product in which they are incorporated. The cost is determined using the weighted average method.These materials are recorded in inventory when purchased and then are expensed or capitalized to plant, as appropriate, when installed.

Lignite (self-produced and purchased)

The cost of lignite inventories which have been excavated / purchased but not yet consumed at the date of the financial statements is stated at the balance sheet. Lignite inventories are stated at the lower of production cost / purchase cost and net realizable value, which takes under consideration the net realizable value of the end product in which they are incorporated with the cost being determined using the weighted average production / purchase cost method. Production / purchase cost mainly consists of expenses incurred in order for lignite inventories to be used for electricity generation.

Liquid fuel

Liquid fuel is stated at the lower of cost and net realisable value which takes under consideration the net realisable value of the end product in which it is incorporated. The cost of liquid fuel reflects purchase price plus any taxes (other than VAT), levies and other costs necessary to bring it to its present location and condition and is determined using the weighted average method for the period. Liquid fuel costs are expensed as consumed and are separately reflected in the accompanying statements of income.

Cash and cash equivalents

The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents.

Share capital

Share capital represents the par value of the Parent Company's shares fully issued and outstanding. Any proceeds in excess of par value are recorded in share premium. Expenses related directly to new shares issuance are recognized directly to Equity net of proceeds.

De-recognition of financial assets and liabilities

Financial Receivables

Financial receivables (or, where applicable a part of a financial receivable or part of a group of similar financial receivables) are derecognized when: (1) the rights to receive cash flows from the asset have expired, (2) The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement and (3) The Parent Company/ Group has transferred its rights to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Where the Group / Parent Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

Financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the balance sheet only when the Group has a legally enforceable right to set off the recognized amounts and intends to either settle such asset and liability on a net basis or realize the asset and settle the liability simultaneously.

Interest bearing loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs.

Provisions for risks and expenses, contingent liabilities and contingent claims

Provisions are recognised when the Group has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

Post-retirement benefits

The Parent Company employees and pensioners of the Group are entitled to the supply of electricity at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout the working period. Retirement obligations are calculated on the basis of financial and actuarial assumptions.

Net costs for the period are included in the payroll cost in the statements of income and consist of the present value of the benefits earned in the year, decreased by the benefits offered to the pensioners.

The retirement benefit obligations are not funded. Unrecognized actuarial gains or losses of the projected benefit obligation at the beginning of each period are recognized in the comprehensive statement of income.

Subsidies for fixed assets

The Group obtains subsidies from the Hellenic Republic and from the European Union (through the investment budget of the Hellenic Republic) in order to fund specific projects executed through a specific time period. Subsidies are recorded upon collection and are reflected as deferred income in the accompanying balance sheet. Amortization is accounted for in accordance with the remaining useful life of the related assets, and is included in depreciation and amortization in the accompanying statements of income.

Customers and producers contributions in the construction of fixed assets and Contributions of fixed assets from customers and producers

Customers and producers, who are connected with the transmission and distribution network, are required to participate in the initial network connection cost (metering devices, lines, substations, etc.) or other type of infrastructure, through the deposit of institutionally defined amounts or through fixed assets contribution (few cases). Until December 31, 2008, due to the lack of detailed accounting guidance under current IFRS, the Group has elected to record upon collection of contribution from customers and producers., for the construction of assets needed for their connection with the network, and were reflected in the Balance Sheet as deferred income. Their amortization was accounted for in accordance with the remaining useful life of the related financed assets and was included in the depreciation and amortisation of the income statement (the Group / Parent Company implemented the accounting policy used for contributions). From January 1st, 2009, the Group / Parent Company implementing earlier the Interpretation 18 "Transfers of Assets from Customers" recognize the cash and the assets received from customers and producers needed for their connection with the network, in fair values in the Income Statement. For cash received until December 31st, 2008, the Group / Parent Company used the previous adopted accounting policy.

Derivative financial instruments and hedging

The Parent Company uses derivative financial instruments to hedge its risks associated with interest rate, of foreign currency and liquid fuel prices fluctuations consumed by the Parent Company. Such derivative financial instruments are measured at fair value at the balance sheet date. The fair value of such derivatives is determined by reference to fair values for similar instruments and is confirmed with the respective financial institutions with which the Parent Company has concluded the relative contacts. The effective part of hedges that qualify for hedge accounting is recognized directly to equity if it is related to cash flow hedges while the ineffective part is charged to the separate income statement. If the hedge is related to effective fair value hedges, the gain or loss from remeasuring the derivative hedging instrument at fair value is recognized in profit or loss and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss. Under cash flow hedge accounting, when the hedged firm commitment results in the recognition of non-financial asset or a non-financial liability, then, at the time the asset or liability is recognized the associated gains or losses that had previously been recognized in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognized in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the year.

Certain derivatives, although characterized as effective hedges based on Group policies, do not meet the criteria for hedge accounting in accordance with the provisions of IAS 39 and, therefore, gains or losses are recognized in the statement of income.

Income taxes (current and deferred)

Current Income Taxes

Current income tax expense consists of income taxes for the current year based on the Parent Company's profits and on the other companies of the Group as adjusted in their tax returns and, provisions for additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted or substantively enacted tax rates at the close of business on the balance sheet date.

Deferred Income Taxes

Deferred income tax is calculated, using the liability method, on all temporary differences at the balance sheet date between the tax base and the book value of assets and liabilities. Deferred income tax liabilities are recognized for all taxable temporary differences,except where the deferred income tax liability arises from initial recognition of goodwill or of an asset or of a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences carried forward as well as unused tax credits and unused tax losses, to the extent that it is possible that taxable profit will be available against the deductible temporary differences and the carried forward of unused tax credits and unused tax losses can be utilized.

No deferred income tax asset relating to the deductible temporary differences is recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.Deferred tax assets are reviewed at each balance sheet date and are reduced at the time where it is not considered possible that enough taxable profits will be presented against which, a part or the total of assets can be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of income.

Defined contribution plans

The Parent Company and the Group recognize as an expense the contribution for the employees' services payable to IKA –ETAM /TAP DEH, ETEA, TAYTEKO (defined contribution plans) and as a liability the amount that has not been paid yet.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues from all types of electricity sales are accounted for on an accrual basis. At each balance sheet date, unbilled revenue is recorded to account for electricity delivered and consumed by customers but not yet billed. Deductions from reduced consumption of electricity as defined by specific return policies of the Group are accounted when they can reliably be estimated (based on historical data), if available or on prior year's data. Revenues from rendering of services is recognized based on the stage of completion of the service rendered and to the extent that the related receivable will be collected. Revenue from interest is recognized within the period incurred and revenue from dividends is recognized when the Group's right on such dividends is approved by the respective bodies of the companies' that declare them.

Electricity

Electricity costs are expensed as purchased and separately reflected in the accompanying statement of income.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right or use the asset.

Group as a lessee

Leases, which do not transfer to the Group substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight line basis over the lease term.

Group as a lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognized as revenue in the statement of income on a straight line basis over the lease term.

Earnings/ (Losses) per share

The basic and diluted earnings per share, are computed by dividing net income by the weighted average number of shares outstanding during the relevant year. The weighted average number of shares is derived by adding the existing shares, that the share capital is divided, with the rights that the Parent Company owns and potentially could exercise.

Subsequent events

Post period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes.

Non-current Assets Held for Sale and Discontinued Operations

The Group classifies a non-current asset (or disposal group) as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In sale transactions, all exchanges of non – current assets for other non – current assets are included, if the transaction has a commercial value.

The basic preconditions to classify a non-current asset (or a disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets / groups and its sale must be highly probable.

Immediately, before the original classification of the non - current asset or disposal group as held for sale , the current asset or disposal group is evaluated according to the adopted IFRS's at the date of classification.

Non - current assets (or a group of assets and liabilities) classified as held for sale will be measured at the lower of its carrying amount and fair value less costs to sell and any possible resulting impairment losses will be recognized in the income statement. Any subsequent increase in fair value will be recognized, but not in excess of the cumulative impairment loss which was previously recognized.

No depreciation or amortization is recognized as a non-current asset (or non-current assets that are included in a disposal group) from the date that is classified as held for sale.

Operating Segment

According to L. 4001/2011, the Group is obliged to prepare and integrate in its financial statements, accounting unbundled financial statements for each segment. These include the Parent Company's activities in the Sectors of Mines, Generation, Distribution,Supply. In 2011,the Transmission activity was transferred to IPTO which is a PPC's subsidiary, according to the model of the Independent Transmission Operator and all organizational units as well as activities of HTSO that pertained to management, operation, development and maintenance of the Transmission System apart from the Daily Ahead Schedule. In 2012 the Distribution Activity was transferred to HEDNO. By the contribution of the General Division of Distribution as well as the Department of Islands' Region, to its subsidiary HEDNO, PPC has maintained the ownership of the fixed assets as well as the assets of the Distribution Network and the Non- Interconnected Islands'

Network. As a result, information disclosures by operational segment as well as the principles of segment as presented in IFRS 8 "Operating Segment" are stated in Appendix 1.

3.5. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The new standards, amendments / improvements of standards or Interpretations listed below, were issued but have not been adopted in the accounting period, beginning in January 1, 2015:

- **IAS 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendments): Clarification of Acceptable Methods of Depreciation and Amortization**

  The amendment is effective for annual periods beginning on or after 1 January 2016. 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 Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IAS 19 Employee benefits (Amendment): Employee Contributions**

  The amendment is effective for annual periods beginning on or after 1 February 2015. 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.The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IFRS 9 Financial Instruments – Classification and measurement**

  The standard is applied for annual periods beginning on or after 1 January 2018 with early adoption permitted. The final phase of IFRS 9 reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The standard has not yet been endorsed by the EU.The Group is in the process of assessing the impact of this standard on the Group's financial statements.

- **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 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 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 Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IAS 27 Separate Financial Statements (Amendment)**

  The amendment is effective for annual periods beginning on or after 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 Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 The IASB postponed indefinitely the implementation date of this amendment pending the outcome of its work for the equity method. The amendments have not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IFRS 10, IFRS 12 and IAS 28: Investment Entities - Applying the Consolidation Exception (Amendments)**

  The amendments address three issues arising in practice in the application of the investment entities consolidation exception. The amendments are effective for annual periods beginning on or after 1 January 2016. The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Also, the amendments clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. Finally, the amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments have not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IAS 1: Disclosure Initiative (Amendment)**

  The amendments to IAS 1 Presentation of Financial Statements further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. The narrow-focus amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments relate to materiality, order of the notes, subtotals and disaggregation, accounting policies and presentation of items of other comprehensive income (OCI) arising from equity accounted Investments. These amendments have not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- 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 February 2015. The Group is in the process of assessing the impact of this amendment 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.

Finally, the IASB has issued the Annual Improvements to IFRSs 2012 – 2014 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016. These annual improvements have not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- ***IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:*** The amendment clarifies that changing from one of the disposal methods to the other (through sale or through distribution to the owners) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5.The amendment also clarifies that changing the disposal method does not change the date of classification.
- ***IFRS 7 Financial Instruments: Disclosures:*** The amendment clarifies that a servicing contract that

includes a fee can constitute continuing involvement in a financial asset. Also, the amendment clarifies that the IFRS 7 disclosures relating to the offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

- ***IAS 19 Employee Benefits:*** The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- ***IAS 34 Interim Financial Reporting:*** The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).The IASB specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

- **IFRS 16: Leases**

The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The standard has not been yet endorsed by the EU.The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

4. Revenues

	Group		Company	
	2015	**2014**	**2015**	**2014**
Energy sales				
- High voltage	357,801	344,594	357,601	344,683
- Medium voltage	990,202	1,048,003	992,245	1,049,943
- Low voltage	4,185,907	4,249,769	4,185,907	4,249,769
- Renewable Energy Sources	13,172	12,243	-	-
	5,547,082	**5,654,609**	**5,535,753**	**5,644,395**
Fees charged to EMO				
- Transmission system fees	8,741	5,988	-	-
- Administrative fees	117	314	-	-
	8,858	**6,302**	-	-
- Interconnection rights	17,237	26,945	-	-
- Received customers' contributions	56,320	72,130	54,343	68,442
- Public Service Obligations	26,367	16,925	26,454	16,925
- Distribution Network Revenue	25,168	18,818	-	-
- Other	54,624	67,928	58,852	66,988
	179,716	**202,746**	**139,649**	**152,355**
Total	**5,735,656**	**5,863,657**	**5,675,402**	**5,796,750**

5. Payroll Cost

	Group		Company	
	2015	**2014**	**2015**	**2014**
Payroll cost	750,612	765,909	453,476	460,910
Employers' social contributions	228,419	242,291	139,905	148,485
Provision for reduced tariffs (Note 29)	(9,059)	(3,099)	(5,310)	(1,822)
Payroll cost included in fixed assets	(89,704)	(90,891)	(22,131)	(18,106)
Total	**880,268**	**914,210**	**565,940**	**589,467**

6. Energy Purchases

	Group		Company	
	2015	**2014**	**2015**	**2014**
DAS and arrangements of differences	845,905	869,189	845,905	869,189
Energy imports from abroad	132,130	127,551	141,562	127,818
Other domestic energy purchases	129,443	140,621	144,471	153,359
Net charge to secure sufficient capacity	-	175,735	-	175,735
Purchase rights	15,064	13,954	31,190	23,487
Net charge for coverage of the generation variable cost recovery	-	18,814	-	18,814
Special taxes	66,899	54,437	66,899	54,437
Arrangement of losses	32,770	44,070	32,770	44,070
Average variable cost thermal units	28,720	33,380	28,720	33,380
Net charge of ancillary services	43,338	23,617	43,338	23,617
Other purchases	18,893	13,319	15,863	19,687
Total	**1,313,162**	**1,514,687**	**1,350,718**	**1,543,593**

7. Depreciation and Amortization

	Group		Company	
	2015	**2014**	**2015**	**2014**
Depreciation/amortization				
- Fixed assets (Note 13)	815,841	678,737	734,857	608,043
- Software (Note 14)	5,377	3,827	3,934	3,108
- Transfer to subsidies and customers' contributions (Note 31)	(83,469)	(76,517)	(75,580)	(71,227)
Total	**737,749**	**606,047**	**663,211**	**539,924**

8. Emission Allowances (CO_2)

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 CO_2 emissions for 2014, the emission allowances that PPC delivered to the Greek part of the EU Greenhouse Gas Emission Allowances Trading Registry (EU Registry) to fulfil its compliance obligations for the the period 01.01.2014 – 31.12.2014 amounted to 39.2 Mt. During 2014, PPC has been allocated with about -150.6 thousand emission 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 01.01.2015 – 31.12.2015 amount to 34.30 Mt. It should be noted that the emissions of 2015 will be considered final by the end of March 2016, when the verification of the annual emissions reports (for the year 2015) by accredited third party verifiers is completed. Consequently, the total CO_2 emissions that PPC will have to deliver for the period 01.01.2015 – 31.12.2015 are estimated at 34.30 Mt.

The CO_2 emission rights'deficit consumptions are as follows:

	2015	2014
Cover of emissions from purchased EUAS	250,981	217,637
Cover of emissions from purchased CERS	-	-
Cover of prior year deficit	46	(702)
Provision for cover of current year deficit	-	-
Managing expenses	101	11
Total	**251,128**	**216,946**

9. Financial Expenses

	Group		Company	
	2015	2014	2015	2014
Interest Expenses	228,063	240,975	204,701	216,070
Bank charges	1,651	1,094	1,124	501
Amortization of loans' issuance costs	7,329	10,320	7,143	9,859
Commissions on letter of guarantee	27,458	24,113	26,490	23,512
Finance cost on mine's restorations provision (Note. 30)	1,534	1,492	1,534	1,492
Total	**266,035**	**277,994**	**240,992**	**251,434**

10. Financial Income

	Group		Company	
	2015	2014	2015	2014
Interest on outstanding energy receivables	54,708	52,504	54,708	52,504
Commission on subsidiary loans' guarantee	-	-	9,425	10,563
Interest on bank and time deposits (Note 22)	8,967	7,580	4,832	4,124
Dividends from Subsidiaries	-	-	34,987	19,007
Change in derivatives' fair value (Note 28)	2,876	2,248	2,877	2,248
Other	1,036	1,859	870	1,506
Total	**67,587**	**64,191**	**107,699**	**89,952**

11. Other (Income) Expense, Net

	Group		Company	
	2015	2014	2015	2014
Other Expense				
Transportation and travel expenses	14,679	20,148	8,238	8,574
Taxes and duties	58,763	56,775	52,549	49,661
Losses on disposals of fixed assets	17,749	10,343	17,915	10,259
Consumables	6,993	11,964	5,582	5,737
Other	29,662	19,530	14,731	10,906
	127,846	118,760	99,015	85,137
Other Income				
Penalties to suppliers/ contractors	(1,887)	(4,030)	(1,077)	(2,584)
Subsidies on expenses	(1,653)	(4,549)	(1,653)	(4,549)
Income from rentals	(4,349)	(2,570)	(12,632)	(13,171)
Income from settlement with DEPA	-	(23,344)	-	(23,344)
Other	(16,066)	(8,311)	(22,680)	(29,279)
	(23,955)	(42,804)	(38,042)	(72,927)
Grand Total	**103,891**	**75,956**	**60,973**	**12,210**

12. Income Taxes (Current And Deferred)

	Group		Company	
	2015	2014	2015	2014
Current income taxes	142,020	5,450	117,124	-
Deferred income tax	(165,980)	39,053	(200,509)	11,881
Deferred income tax - Effect of change in tax rate	16,946	-	26,119	-
Additional taxes	2,920	1,801	2,920	1,801
Total income tax	**(4,094)**	**46,304**	**(54,346)**	**13,682**

According to L. 4334/2015, the income tax rate for legal entities residing in Greece, increased to 29% from 26%, while at the same time the tax prepayment increased to 100% from 80%. The new tax rate is effective from January 1, 2015 while the increase concerning the tax prepayment, based on the provisions of L.4336/2015, is effective from January 1, 2014.

Tax returns for the companies residing in Greece are filed annually but profits or losses declared for tax purposes remain provisional until such time, as the tax authorities audit the returns and the records of the company and a final assessment is issued. The Group establishes a provision, if deemed necessary, on a case by case basis and per company, against an event of additional taxes being imposed by the tax authorities.

Based on the applicable Income Tax Code, which is in effect since the fiscal year 2011, the certified auditors issue an "Annual Tax Compliance Report" after conducting a tax audit at the same time with the financial audit. The tax audit is conducted on specific tax areas, determined by an audit program, in accordance to the provisions of the tax law. Audit matters which are not covered by the above mentioned decision are dealt in accordance to ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

The Group's companies that are subject to the above mentioned provisions are: PPC S.A., IPTO S.A., HEDNO S.A., and PPC Renewables S.A.

Moreover, effective from January 2014, the appropriate tax authorities (Centre for Auditing Big Companies) have initiated a tax audit of the Parent Company's fiscal years 2009, 2010 and 2011, which is still in progress.

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	2012
HEDNO S.A.	Greece	2012
IPTO S.A	Greece	2009
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 BULGARIA JSCo	Bulgaria	2014
PPC Elektrik Tedarik ve Ticaret A.S.	Turkey	2014
PHOIBE ENERGIAKH S.A.	Greece	2007

For the unaudited tax years the Group establishes a provision on the basis of the findings of prior tax audits. An analysis and numerical reconciliation between tax expense and the product of accounting profit multiplied by the nominal applicable tax rate is set out below:

	Group		Company	
	2015	2014	2015	2014
Profit / (Loss) before tax	**(106,610)**	**137,624**	**(206,857)**	**47,910**
Nominal tax rate	29%	26%	29%	26%
Income tax calculated at nominal tax rate	(30,917)	35,782	(59,989)	12,457
Provision for additional taxes	2,920	1,801	2,920	1,801
Non deductible expenses	24,559	8,069	7,845	3,716
Non taxable income	-	-	(10,146)	(4,942)
Non taxable expense	-	652	-	650
Items for which no deferred taxes have been recognized	(25,462)	-	(21,095)	-
Impact from tax rate change	16,946	-	26,119	-
Investments in subsidiaries	(7,860)	-	-	-
Income tax	**(4,094)**	**46,304**	**(54,346)**	**13,682**
	3.84%	33.6%	26.27%	28.6%

The movement of the deferred income tax account is as follows:

	Group		Company	
	2015	2014	2015	2014
At January 1 2015	**(794,739)**	**(519,455)**	**(723,268)**	**(490,919)**
Profit and loss account (debit)/credit	149,034	(39,053)	174,390	(11,881)
(Debit) /Credit directly in other total income	(71,550)	(236,231)	(56,132)	(220,468)
At December 31 2015	**(717,255)**	**(794,739)**	**(605,010)**	**(723,268)**

Deferred income tax receivables and liabilities are disclosed in the accompanying balance sheets as follows:

	Group		Company	
	2015	2014	2015	2014
Deferred income tax				
- Asset	980,215	628,164	894,174	551,388
- Liability	(1,697,470)	(1,422,903)	(1,499,184)	(1,274,656)
Total	**(717,255)**	**(794,739)**	**(605,010)**	**(723,268)**

	Group		Company	
	2015	2014	2015	2014
Deferred tax receivables				
- Materials and spare parts	46,579	39,343	37,324	31,289
- Trade receivables	602,464	363,324	568,151	331,668
- Provision for risks and accruals	62,562	39,191	27,804	15,952
- Subsidiesand customers' contributions	157,831	106,886	148,128	101,312
- Provision for CO_2	(688)	666	(688)	666
- Fixed assets	79,775	70,559	79,415	70,122
- Tax losses	-	13,279	-	3,573
- Derivatives	199	95	199	95
- Other	31,493	(5,179)	33,841	(3,289)
Deferred tax receivables	980,215	628,164	894,174	551,388
Deferred tax liabilities				
- Long-term debt fees and expenses	(34,990)	(27,699)	(35,072)	(27,733)
- Depreciation and revaluation of assets	(1,407,778)	(1,166,790)	(1,209,410)	(1,010,649)
- Foreign exchange (gains)	(102)	(152)	(102)	(152)
- Investment in IPTO S.A.	(254,600)	(228,262)	(254,600)	(236,122)
Deferred tax liability	**(1,697,470)**	**(1,422,903)**	**(1,499,184)**	**(1,274,656)**
Deferred Tax Liability net	**(717,255)**	**(794,739)**	**(605,010)**	**(723,268)**

Deferred income tax charged in the statement of income is attributable to the following items:

	Group		Company	
	2015	2014	2015	2014
- Materials and spare parts	7,236	1,415	6,034	1,493
- Trade receivables	239,140	86,157	236,483	88,931
- Provision for risks and accruals	23,371	(268)	11,852	6,752
- Subsidies	50,945	36,891	46,816	34,013
- Fixed assets	5,776	24,600	5,776	24,600
- Derivatives	104	(585)	104	(585)
- Long-term debt fees and expenses	(7,291)	(22,500)	(7,339)	(22,620)
- Subsidiaries and associates	(26,338)	-	(18,478)	-
- Depreciation	(165,998)	(144,375)	(139,111)	(126,478)
- Foreign exchange (gains)	50	(61)	50	(61)
- Provision for CO_2	(1,354)	-	(1,354)	-
- Tax losses	(13,279)	4,236	(3,573)	3,573
- Other	36,672	(24,563)	37,130	(21,499)
Deferred tax charge	**149,034**	**(39,053)**	**174,390**	**(11,881)**

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. 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 applicable for 2013 income tax rate of 26%, a deffered tax liability of Euro 228,262 was derived. On September 2015, due to the income tax rate change from 26% to 29%, the deferred tax liability was adjusted to Euro 254,600, while the difference of Euro 26,338 was charged to the current income statement.

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 treatment which was performed by PPC relating to the segment and which relates to future benefits or liabilities, is 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 derived 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.

13. Tangible Assets

GROUP	Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transportation Assets	Fixtures and Furniture	Construction in progress	Total
Net book value									
December 31, 2013	**861,117**	**363,638**	**9,113**	**1,646,247**	**8,152,455**	**56,059**	**93,021**	**1,750,070**	**12,931,720**
- Additions	122	2,953	-	174	200,996	1,127	11,997	413,585	630,954
- Depreciation expense	-	(42,730)	(683)	(88,367)	(524,893)	(7,244)	(14,820)	-	(678,737)
- Disposals	(408)	-	-	(240)	(10,107)	(35)	(350)	(517)	(11,657)
- Transfers from CIP	2,972	72,619	15,580	269,655	216,848	1,156	6,550	(593,362)	(7,982)
- Transfers	-	-	-	(5,417)	5,417	-	-	-	-
- Other movements	-	(13,117)	-	-	-	245	(245)	(9,653)	(22,770)
- Revaluation / Devaluation surplus	(270,937)	-	-	252,438	887,032	5,442	(25,965)	-	848,010
December 31, 2014	**592,866**	**383,363**	**24,010**	**2,074,490**	**8,927,748**	**56,750**	**70,188**	**1,560,123**	**13,689,537**
- Additions	-	2,546	-	510	151,525	2,109	7,466	591,998	756,154
- Depreciation expense	-	(46,691)	(761)	(107,991)	(641,222)	(7,696)	(11,478)	-	(815,839)
- Disposals	-	(354)	-	(605)	(18,335)	(203)	(48)	-	(19,545)
- Transfers from CIP	2,237	12,748	-	26,444	87,301	39	2,132	(146,045)	(15,144)
- Transfers	6,462	10,279	-	(33)	(73)	(2)	8	(16,641)	-
- Other movements	(489)	(43)	-	(26)	(163)	349	83	(4,680)	(4,917)
December 31, 2015	**601,076**	**361,848**	**23,249**	**1,992,841**	**8,506,781**	**51,346**	**68,351**	**1,984,755**	**13,590,247**
At December 31, 2013									
Gross carrying amount	861,117	799,961	22,603	2,037,583	10,385,965	91,864	226,985	1,750,070	16,176,148
Accumulated depreciation	-	(436,323)	(13,490)	(391,336)	(2,233,510)	(35,805)	(133,964)	-	(3,244,428)
Net carrying amount	**861,117**	**363,638**	**9,113**	**1,646,247**	**8,152,455**	**56,059**	**93,021**	**1,750,070**	**12,931,720**
At December 31, 2014									
Gross carrying amount	592,866	852,753	38,174	2,096,048	9,032,326	57,111	122,231	1,560,123	14,351,631
Accumulated depreciation	-	(469,390)	(14,164)	(21,558)	(104,578)	(361)	(52,043)	-	(662,094)
Net carrying amount	**592,866**	**383,363**	**24,010**	**2,074,490**	**8,927,748**	**56,750**	**70,188**	**1,560,123**	**13,689,537**
At December 31, 2015									
Gross carrying amount	601,076	877,929	38,174	2,122,390	9,252,581	59,403	131,872	1,984,755	15,068,180
Accumulated depreciation	-	(516,081)	(14,925)	(129,549)	(745,800)	(8,057)	(63,521)	-	(1,477,933)
Net carrying amount	**601,076**	**361,848**	**23,249**	**1,992,841**	**8,506,781**	**51,346**	**68,351**	**1,984,755**	**13,590,247**

PARENT COMPANY	Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transportation Assets	Fixtures and Furniture	Construction in progress	Total
Net book value									
December 31, 2013	**639,162**	**363,638**	**9,111**	**1,539,103**	**7,042,810**	**25,533**	**73,650**	**1,457,921**	**11,150,928**
- Additions	-	2,953	-	153	200,996	1,111	10,860	315,279	531,352
- Depreciation expense	-	(42,730)	(683)	(83,110)	(467,193)	(3,418)	(10,909)	-	(608,043)
- Disposals	(408)	-	-	(234)	(10,107)	(23)	(271)	-	(11,043)
- Transfers from CIP	2,972	72,619	15,580	268,684	211,511	263	5,569	(581,980)	(4,782)
- Transfers	-	-	-	(5,417)	5,417	-	-	-	-
- Other movements	-	(13,117)	-	-	-	-	-	38,538	25,421
- Revaluation / Devaluation surplus	(245,213)	-	-	235,198	855,734	2,442	(29,539)	-	818,622
December 31, 2014	**396,513**	**383,363**	**24,008**	**1,954,377**	**7,839,168**	**25,908**	**49,360**	**1,229,758**	**11,902,455**
- Additions	-	2,546	-	477	150,997	1,937	5,959	457,533	619,449
- Depreciation expense	-	(46,691)	(761)	(101,924)	(574,206)	(4,083)	(7,193)	-	(734,858)
- Disposals	-	(354)	-	(33)	(17,985)	(70)	(40)	-	(18,482)
- Transfers from CIP	1,987	12,748	-	19,193	72,695	-	1,483	(120,972)	(12,866)
- Transfers	6,462	10,279	-	(33)	(73)	(2)	8	(16,641)	-
- Other movements	-	(43)	-	(1)	-	-	-	(4,240)	(4,284)
December 31, 2015	**404,962**	**361,848**	**23,247**	**1,872,056**	**7,470,596**	**23,690**	**49,577**	**1,545,438**	**11,751,414**
At December 31, 2013									
Gross carrying amount	639,162	799,961	22,594	1,903,749	9,030,599	42,716	160,729	1,457,921	14,057,431
Accumulated depreciation	-	(436,323)	(13,483)	(364,646)	(1,987,789)	(17,183)	(87,079)	-	(2,906,503)
Net carrying amount	**639,162**	**363,638**	**9,111**	**1,539,103**	**7,042,810**	**25,533**	**73,650**	**1,457,921**	**11,150,928**
At December 31, 2014									
Gross carrying amount	396,513	852,753	38,174	1,974,891	7,943,292	25,908	100,315	1,229,758	12,561,604
Accumulated depreciation	-	(469,390)	(14,166)	(20,514)	(104,124)	-	(50,955)	-	(659,149)
Net carrying amount	**396,513**	**383,363**	**24,008**	**1,954,377**	**7,839,168**	**25,908**	**49,360**	**1,229,758**	**11,902,455**
At December 31, 2015									
Gross carrying amount	404,962	877,929	38,174	1,994,494	8,148,926	27,773	107,725	1,545,438	13,145,421
Accumulated depreciation	-	(516,081)	(14,927)	(122,438)	(678,330)	(4,083)	(58,148)	-	(1,394,007)
Net carrying amount	**404,962**	**361,848**	**23,247**	**1,872,056**	**7,470,596**	**23,690**	**49,577**	**1,545,438**	**11,751,414**

Revaluation of Fixed Assets

Within 2014, the Group proceeded with the revaluation of its operating fixed assets as of December 31, 2014. The revaluation was carried out by an independent firm of appraisers, according to IAS 16. The results of the above appraisal which excluded lakes, land for the extraction of lignite and construction in progress, were recorded in the Company's books on December 31, 2014. The previous revaluation took place on December 31, 2009.

The revalued amounts, from the appraisers' work, compared to the Net Book Value of the fixed assets, resulted to a net surplus for the Group, amounting to approximately Euro 672.4 mil., (Parent Company 627.5 mil.), which was credited directly in Revaluation Surplus in Comprehensive Income (Euro 848 mil. and Euro 818.6 mil. net of Deferred Taxes for the Group and the Parent Company, respectively). Additionally, an amount of Euro 44.8 mil. which was not offset by previous years' Revaluation Surplus was charged in the Statement of Income for the year ended at December 31, 2014 (Parent Company: 21.7 mil.).

Encumbrances on tangible assets: Tangible assets are held free from encumbrances and any claims against the Group's tangible assets are deemed as not substantial.

14. Intangible Assets, Net

	Group					
	31.12.2015			31.12.2014		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	10,954	58,992	69,946	5,577	16,597	22,174
Additions	13,066	250,549	263,615	1,227	260,032	261,259
Consumptions (Note 8)	-	(251,027)	(251,027)	-	(217,637)	(217,637)
Depreciation (Note 7)	(5,377)	-	(5,377)	(3,827)	-	(3,827)
Disposals	(29)	-	(29)	(5)	-	(5)
Transfers	1,430	-	1,430	7,982	-	7,982
December 31	**20,044**	**58,514**	**78,558**	**10,954**	**58,992**	**69,946**

	Company					
	31.12.2015			31.12.2014		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	6,773	58,992	65,765	5,021	16,597	21,618
Additions	13,006	250,549	263,555	81	260,032	260,113
Consumptions (Note 8)	-	(251,027)	(251,027)	-	(217,637)	(217,637)
Depreciation (Note 7)	(3,934)	-	(3,934)	(3,108)	-	(3,108)
Disposals	(29)	-	(29)	(3)	-	(3)
Transfers	-	-	-	4,782	-	4,782
December 31	**15,816**	**58,514**	**74,330**	**6,773**	**58,992**	**65,765**

The net carrying amount of software is further analyzed as follows:

	Group	Company
At December 31, 2013		
Gross carrying amount	52,106	44,641
Accumulated amortization	(46,529)	(39,620)
Net carrying amount	**5,577**	**5,021**
At December 31, 2014		
Gross carrying amount	61,310	49,501
Accumulated amortization	(50,356)	(42,728)
Net carrying amount	**10,954**	**6,773**
At December 31, 2015		
Gross carrying amount	75,777	62,478
Accumulated amortization	(55,733)	(46,662)
Net carrying amount	**20,044**	**15,816**

15. Investments in Subsidiaries

The direct subsidiaries of the Parent Company and the value of the investment are as follows:

	Company	
	31.12.2015	31.12.2014
IPTO S.A	916,376	916,376
HEDNO S.A.	56,982	56,982
PPC Renewables S.A.	155,438	155,438
PPC FINANCE PLC	59	59
PPC BULGARIA JSCo	522	522
PPC ELEKTRIK TEDARIK VE TICARET A.S.	1,350	687
	1,130,727	**1,130,064**

In July 2015, the increase of the share capital of its wholly owned subsidiary PPC ELEKTRIK TEDARIK VE TICARET A.S, by Euro 663, was decided by the Parent Company. The additional share capital amount was paid in August 2015.

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 31.12.2015	Ownership Interest 31.12.2014	Country and Year of Incorporation	Principal Activities
PPC Renewables S.A.	100%	100%	Greece, 1998	RES
HEDNO S.A.	100%	100%	Greece, 1999	HEDN
IPTO S.A.	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	Note 1	51%	Cyprus, 2011	Engineering, construction and operation of a power plant
PPC BULGARIA JSCo	85%	85%	Bulgaria, 2014	Supply of power
PPC Elektrik Tedarik ve Ticaret A.S.	100%	100%	Turkey, 2014	Supply of power
PHOIBE ENERGIAKI S.A	100%	100%	Greece,2007	RES

Note 1: In October 2015 the Parent Company decided not to participate in the share capital increase of PPC Quantum Energy Ltd (now EUROASIA INTERCONNECTOR Ltd). As a consequence of this decision the above mentioned PPC's participation decreased to 3.5% from 51% and is classified as an investment available for sale (Note 21 and 36).

16. Investments in Associates

The Group's and the Parent Company's associates as of December 31, 2015 and December 31, 2014 are as follows (equity method):

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Larco S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	2,110	2,326	-	-
PPC Renewables TERNA Energiaki S.A.	2,877	2,297	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,389	1,639	-	-
PPC Renewables MEK Energiaki S.A.	1,421	1,241	-	-
PPC Renewables ELTEV AIFOROS S.A.	2,373	2,292	-	-
PPC Renewables EDF EN GREECE S.A.	11,242	10,683	-	-
Aioliko Parko LOYKO S.A.	24	28	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	28	31	-	-
Aioliko Parko KILIZA S.A.	31	30	-	-
Aioliko Parko LEFKIVARI S.A.	31	35	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	32	36	-	-
Renewable Energy Applications LTD	27	27	-	-
WASTE SYCLO S.A.	55	26	221	162
PPC Solar Solutions S.A.	976	974	980	980
	23,616	**21,665**	**1,201**	**1,142**

In September 2015, the Parent Company participated in the share capital increase of its associate (49%) Waste Syclo S.A. by Euro 59.

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

Name	Note	Ownership Interest 31.12.15	31.12.14	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
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece, 2008	RES
Aioliko Parko BAMBO 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%	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.

	December 31, 2015		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	3,054	551	2,503
PPC Renewables TERNA Energiaki S.A.	7,433	4,556	2,877
PPC Renewables NANKO Energy – MYHE Gitani S.A.	3,376	110	3,266
PPC Renewables MEK EnergiakiS.A.	2,972	1,551	1,421
PPC Renewables ELTEV S.A.- SMIXIOTIKO	4,312	1,939	2,373
PPC Renewables EDF EN GREECE S.A.	21,979	15,648	6,331
Renewable Energy Applications LTD	29	2	27
Aioliko Parko LOYKO S.A.	68	-	68
Aioliko Parko MBAMBO VIGLIES S.A.	81	3	78
Aioliko Parko KILIZA S.A.	72	1	71
Aioliko Parko LEFKIVARI A.E.	85	1	84
Aioliko Parko AGIOS ONOUFRIOS S.A.	73	1	72
Waste Syclo S.A.	-	-	-
	43,534	**24,363**	**19,171**

	December 31, 2014		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	2,854	742	2,112
PPC Renewables TERNA Energiaki S.A.	7,228	4,440	2,788
PPC Renewables NANKO Energy – MYHE Gitani S.A.	3,530	1,089	2,441
PPC Renewables MEK EnergiakiS.A.	2,350	1,007	1,343
PPC Renewables ELTEV AIFOROS S.A.	4,670	2,451	2,219
PPC Renewables EDF EN GREECE S.A.	22,455	18,778	3,677
Good Works Real Estate and Development S.A.	-	-	-
Renewable Energy Applications LTD	29	2	27
Aioliko Parko LOYKO S.A.	29	11	18
Aioliko Parko MBAMBO VIGLIES S.A.	36	25	11
Aioliko Parko KILIZA S.A.	37	19	18
Aioliko Parko LEFKIVARI A.E.	41	2	39
Aioliko Parko AGIOS ONOUFRIOS S.A.	37	15	22
Waste Syclo S.A.	-	-	-
	43,296	**28,581**	**14,715**

The following table presents PPC's share of its associates' revenue and results:

	December 31, 2015		December 31, 2014	
	Sales	Profit/(Loss)	Sales	Profit/(Loss)
PPC Renewables ROKAS S.A.	690	464	515	301
PPC Renewables TERNA Energiaki S.A.	1,198	596	1,087	416
PPC Renewables NANKO Energy – MYHE Gitani S.A.	637	329	703	396
PPC Renewables MEK EnergiakiS.A.	1,268	793	1,124	666
PPC Renewables ELTEV S.A. SMIXIOTIKO	530	211	459	92
PPC Renewables EDF EN GREECE S.A.	3,008	764	2,263	(613)
Good Works Real Estate and Development S.A.	-	-	-	-
Renewable Energy Applications LTD	-	-	-	-
Aioliko Parko LOYKO S.A.	-	(3)	-	(8)
Aioliko Parko BAMBO VIGLIES S.A.	-	(5)	-	(11)
Aioliko Parko LEFKIVARI A.E.	-	(3)	-	(12)
Aioliko Parko AGIOS ONOUFRIOS S.A.	-	(3)	-	(9)
Aioliko Parko KILIZA S.A.	-	(3)	-	(8)
Waste Syclo S.A.	-	-	-	-
	7,331	**3,140**	**6,151**	**1,210**

17. Balances and Transactions with Related Parties

PPC balances with its subsidiaries and its associates as of December 31, 2015 and 2014 are as follows:

	December 31, 2015		December 31, 2014	
	Receivables	(Payables)	Receivables	(Payables)
Subsidiaries				
IPTO S.A.	65,468	(824,137)	306,804	(1,058,258)
PPC Renewables S.A.	1,741	-	5,583	(837)
HEDNO S.A.	89,441	(347,258)	75,696	(192,711)
PPC Finance PLc	-	(6,169)	-	(6,171)
PPC Elektrik	239	(96)	-	-
PPC Bulgaria JSCo	-	(709)	-	-
	156,889	**(1,178,369)**	**388,083**	**(1,257,977)**
Associates				
Larco S.A. (energy, lignite and ash)	272,163	-	229,321	-
			-	-
	272,163	**-**	**229,321**	**-**

PPC transactions with its subsidiaries and its associates as of December 31, 2015 and 2014 are as follows:

	2015		2014	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
IPTOS.A.	129,011	(1,367,353)	582,582	(2,085,867)
PPC Renewables S.A.	3,419	-	3,506	-
HEDNOS.A.	1,247,817	(1,982,423)	1,405,449	(2,083,953)
PPC Finance PLc	-	(37,125)	-	(33,818)
PPC Elektrik	1,184	(3,300)	144	(122)
PPC Bulgaria JSCo	-	(6,379)	-	-
	1,381,431	**(3,396,580)**	**1,991,681**	**(4,203,760)**
Associates				
Larco S.A.	67,254	(4,907)	64,792	(8,961)
	67,254	**(4,907)**	**64,792**	**(8,961)**

Guarantee in favor of the subsidiary PPC Renewables S.A.

As of 31.12.2015, the Parent Company has guaranteed for a total credit line of up to Euro 8 mil., through overdraft facilities. As of 31.12.2015 PPC Renewables S.A. has used from the above mentioned credit line an amount of Euro 874.9, which relates to letters of guarantees.

Guarantee in favor of the subsidiary IPTO S.A.

As of 31.12.2015, the Parent Company has guaranteed IPTO's bilateral loans for a total amount of Euro 325 mil. The above mentioned guarantee was approved by the Parent Company's Annual Shareholders'Meeting.

Transactions and balances with other companies into which the Greek State participates

The following table presents transactions and balances with Hellenic Petroleum ("ELPE S.A.") and National Gas Company ("DEPA S.A."), which are PPC's liquid fuel and natural gas suppliers, respectively and into which the Greek State participates. Furthermore, transactions and balances with the Electricity Market Operator ("EMO"), are presented.

	Purchases		Balance	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
ELPE, purchases of liquid fuel	107,837	132,342	8,176	4,416
DEPA, purchases of natural gas	324,493	345,727	67,632	29,987
	432,330	**478,069**	**75,808**	**34,403**

	December 31, 2015		December 31, 2014	
	Receivables	(Payables)	Receivables	(Payables)
EMO S.A.	165,547	(57,891)	166,038	(65,349)

	31.12.2015		31.12.2014	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
EMO S.A.	1,945,418	(2,565,727)	2,187,443	(2,863,920)

In addition to the above mentioned transactions, PPC enters into commercial transactions with many state-owned entities, both profit and nonprofit, 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 remunerations

Management's remunerations (Board of Directors and General Managers) for the year ended December 31, 2015 and 2014 are as follows:

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Remuneration of Board of Directors' members				
- Remuneration of executive members	318	222	88	57
- Remuneration of non-executive members	51	72	-	-
- Compensation / Extraordinary fees	30	61	-	-
- Employer's Social Contributions	62	49	-	-
- Other Benefits	97	125	82	87
	558	**529**	**170**	**144**
Remuneration of Deputy Managing Directors and General Managers				
- Regular remuneration	653	684	539	627
- Employer's Social Contributions	201	218	163	199
- Compensation / Extraordinary fees	-	-	-	-
	854	**902**	**702**	**826**
	1,412	**1,431**	**872**	**970**

Remuneration to members of the Board of Directors does not include standard salaries and employer's social contribution, relating to the representatives of employees that participate in the Parent Company's Board of Directors.Also, it does not include the benefit of the electricity supply based on the PPC personnel tariff to the executive members of the Board of Director, the Deputy Managing Directors and the General Managers.

18. Materials, Spare Parts and Supplies, Net

	Group		Company	
	2015	2014	2015	2014
Lignite	78,074	49,283	78,074	49,283
Liquid fuel	188,174	211,944	188,174	211,944
Materials and consumables	685,096	676,322	475,844	466,970
Purchased materials in transit	14,653	9,492	14,139	8,943
	965,997	947,041	756,231	737,140
Provision for materials' write down to recoverable amount	(218,627)	(209,278)	(186,420)	(178,062)
Total	**747,370**	**737,763**	**569,811**	**559,078**

During 2015, the Group and the Parent Company established an additional provision for materials' and spare parts'write down amounting to Euro 9,349 and Euro 8,358, (2014: Euro 5,491 and Euro 5,745) respectively. Materials, spare parts and supplies of the Parent Company and the Group are held free of encumbrances.

19. Trade Receivables, Net

	Group		Company	
	2015	2014	2015	2014
High voltage	459,758	390,531	459,996	390,531
Medium and low voltage	2,692,388	1,965,775	2,692,380	1,965,775
Customers' contributions	4,502	10,027	4,502	10,027
Other energy suppliers	163,864	146,768	-	-
Subsidiaries' receivables	99,651	108,729	-	-
	3,420,163	2,621,830	3,156,878	2,366,333
Unbilled revenue	963,531	826,393	963,531	826,393
	4,383,694	3,448,223	4,120,409	3,192,726
Allowance for doubtful balances	(2,539,486)	(1,675,553)	(2,420,604)	(1,553,937)
Total	**1,844,208**	**1,772,670**	**1,699,805**	**1,638,789**

High voltage customer balances relate to (a) receivables from sales of energy to 81 companies, including large industrial companies, which are invoiced at the end of each calendar month, based on individual agreements and actual metering and (b) exports to customers abroad.

Medium voltage customers are mainly industrial and commercial companies. Billing is made on a monthly basis based on actual meter readings. Low voltage customers are mainly residential and small commercial companies.

The majority of low voltage customers are billed every four months based on actual meter readings, while interim bills are issued every two months based mainly on the energy consumed during the corresponding period in the prior year.

There are different types of tariffs for both medium and low voltage customers with different tariff structures based on different types of energy use (commercial, residential, etc). Revenues from the supply of electricity to medium and low voltage customers provided during the period from the last meter reading or billing through each reporting date are accounted for as unbilled revenue.

The provision for doubtful receivables is established, on specific customer balances. For medium and low voltage customers, the Parent Company was establishing a provision for the total of their outstanding balances of more than 3 and 6 months respectively, per customer.

The movement of the provision for doubtful receivables is as follows:

	Group		Company	
	2015	2014	2015	2014
As at January 1	1,675,553	1,306,251	1,553,937	1,174,665
- Provision charge	870,995	398,671	870,995	397,970
- Reversal of unused provision	(2,494)	(23,920)	-	(13,249)
- Utilisation	(4,328)	(5,449)	(4,328)	(5,449)
As at December 31	**2,539,486**	**1,675,553**	**2,420,604**	**1,553,937**

At December 31, 2015 και 2014, the ageing analysis of the invoiced trade accounts receivable, impaired by the established provisions of the Parent Company,are as follows:

		Non Past due and not impaired	Past due and not impaired (days) trade receivables			
	Total	Trade receivables	< 45	45 – 180	180– 365	> 365
2015	736,275	124,418	130,019	352,911	75,414	53,513
2014	812,396	144,628	204,658	354,493	54,653	53,964

20. Other Receivables, Net

	Group		Company	
	2015	2014	2015	2014
Value Added Tax	17,216	107,828	14,208	103,359
Assessed taxes and penalties	54,810	39,003	54,696	39,009
Social security funds				
- in dispute	18,059	18,059	18,059	18,059
- current	3,195	3,195	3,195	3,195
State participation in employees' social security contributions	1,546	1,546	1,546	1,546
Pensioners' advances, in dispute	5,262	5,262	5,262	5,262
Loans to employees	12,118	11,469	8,323	7,728
Receivables from contractors	4,066	5,189	4,066	5,082
Receivables from subsidiaries	-	-	1,760	4,754
Receivable by DEPA	42,330	42,330	42,330	42,330
Receivable by EMO	108,030	100,689	107,656	100,689
Fiber optic rentals	17,187	18,952	14,894	14,904
Other	70,043	24,975	51,760	4,038
	353,862	378,497	327,755	349,955
Allowance for doubtful balances	(107,987)	(84,409)	(105,912)	(82,227)
Total	**245,875**	**294,088**	**221,843**	**267,728**

Assessed taxes and penalties

The amount represents additional income taxes and penalties assessed to and paid by the Parent Company as a result of a preliminary tax audit performed in previous years by the tax authorities for the fiscal years from 1992 through to 1997. The amounts were paid in order for the company to be able to file an appeal to the tax courts. These amounts have as follows:

- For the fiscal year 1992, an amount of Euro 8,048 was paid (during 2006) (income tax of Euro 1,064, additional taxes of Euro 2,724 and penalties of Euro 4,260).
- For the fiscal years from 1995 through to 1997, an amount of Euro 30,728 was paid (Euro 18,173 paid in 2005 and Euro 12,555 paid in periods prior to December 31, 2004).
- For the fiscal years from 1994 through to 1995, an amount of Euro 1,480 was paid. Within 2007, this amount was settled against other tax liabilities.

Against the above receivables, the Parent Company has established a provision of Euro 42,676 (Note 30).

Social Security Funds in Dispute

The amount relates to social security contributions and deductions (during years 1983-1993) for employees who have worked with other employers before joining PPC. As PPC undertook the obligation to cover the whole amount of their pensions and other related benefits, part of their contributions to other social security funds [mainly IKA (SSI i.e. Social Security Institute), the major Greek social security fund] has been claimed by PPC. The claim was not accepted by IKA and the case was brought by PPC before the courts. Following an adverse court decision, PPC together with PPC – PIO (currently TAYTEKO based on L. 3655/2008) appealed against said decision before the second degree courts. The second degree court rejected PPC's appeal, whereas PPC – PIO's appeal against IKA is still pending. For the abovementioned amount, an equal provision has been established at the attached financial statements.

Advances to Pensioners in Dispute

The amount of Euro 5,262 represents an advance payment made in 1993 to pensioners. A respective provision has been established of this amount.

State Participation in Employees' Social Security Contributions

The amount represents the claim of PPC from the State for the latter's contribution to the social security contributions of employees who started working after January 1, 1993. For the above mentioned amount, an equal provision has been established.

The movement in the allowance for other receivables is as follows:

	Group		Company	
	2015	2014	2015	2014
As at January 1	84,409	36,471	82,227	33,903
- Provision charge	23,578	47,938	23,685	48,324
- Reversal of unused provision	-	-	-	-
-Utilisation	-	-	-	-
As at December 31	**107,987**	**84,409**	**105,912**	**82,227**

21. Investments Available for Sale

	Group		Company	
	2015	2014	2015	2014
-National Bank of Greece	24	1,512	24	1,512
-Heracles Cement S.A.	-	641	-	641
-Evetam	241	241	241	241
-Euroasia Interconnector	51	-	51	-
Total	**316**	**2,394**	**316**	**2,394**

The change in the fair value of available for sale investments (shares) totalled Euro 1,488/loss (2014: Euro 2,526/loss).

During the year 2015, the Parent Company:

- Accepted the bid of Lafarge Cementos SAU company for the sale of all its shares in Heracles Cement S.A., for the amount of 656 Euro.

- Categorized its participation in Euroasia Interconnector company as an investment available for sale (Note 15 and 36).

Moreover, the Group participated in December 2015 to the increase in the share capital of Attica Bank with the amount of Euro 10 mil. to purchase approximately 33 mil. Shares (the Parent Company with Euro 6 mil. for purchasing 20 mil. shares).

The new shares were credited to PPC's Securities Account on 18.01.2016 and as a consequence on 31.12.2015, the above mentioned investment was not classified as available for sale.The Group and the Parent Company carried out a valuation of the investment by 31.12.2015 and the change in fair value was directly included in "Other reserves" in equity (Note 25).

22. Cash and Cash Equivalents

	Group		Company	
	2015	2014	2015	2014
Cash in hand	1,383	1,526	1,273	1,512
Cash at banks	101,927	97,914	52,319	56,806
Time deposits	348,360	335,071	144,000	190,000
Total	**451,670**	**434,511**	**197,592**	**248,318**

Interest earned on cash at banks and time deposits is accounted for on an accrual basis and amounted to Euro 8,967 (2014: 7,580 Euro), for the Group and to Euro 4,832 (2014: Euro 4,124) for the Parent Company and is included in financial income in the accompanying statements of income (Note 10).

All cash and cash equivalents are denominated in Euro.

Additionally on December 31, 2015 the Group and the Parent Company kept in a pledged deposit account an amount of Euro 127,842 (2014: 144,720).

23. Share Capital

Under Law 2773/1999 and P.D. 333/2000 PPC was transformed, into a société anonyme.

By the Legislative Act of 07.09.2012, which was ratified by art. 2 of L. 4092/2012, the obligatory participation of the Greek State with at least 51% of the company's share capital was abolished. The Extraordinary General Shareholders' Meeting, which was convened on November 30, 2012 decided to abolish the article of incorporation which provided for the participation of the Greek State by at least 51% to the company's share capital. This amendment of the Articles of Incorporation on one hand harmonizes the articles with the legislation in effect, and on the other hand renders possible the reduction of the current participation percentage of the Greek State to the company's share capital.At December 31, 2015 and 2014, PPC's share capital (fully authorised and issued) amounted to Euro 1,067,200 divided into 232,000,000 common shares of Euro four and sixty cents (Euro 4.60) per value each.

24. Legal Reserve

Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their financial statements to a legal reserve, until such reserve equals one-third of the paid-in share capital. This reserve cannot be distributed through the life of the corporation.

25. Other Reserves

	Group		Company	
	2015	2014	2015	2014
Tax free	7,362	7,362	7,362	7,362
Specially taxed reserves	95,597	95,597	95,597	95,597
Actuarial losses (Note 29)	(221,963)	(186,231)	(118,582)	(93,994)
Fair value of investments available for sale (Note 21)	(619)	-	(420)	-
Foreign exchange differences	(95)	-	-	-
Total	**(119,718)**	**(83,272)**	**(16,043)**	**8,965**

26. Dividends

Under Greek corporate law, companies are required each year to pay dividends of at least 35% of after-tax profit, after the formation of the legal reserve. However, with the consent of at least the 70% of the Company's shareholders, a company may not distribute any dividend. Furthermore, Greek corporate law requires certain conditions to be met before dividends can be distributed. Specifically, no dividends can be distributed (a) as long as a company's net equity, as reflected in the statutory financial statements, is, or after such distribution, will be less than the outstanding capital plus non-distributable reserves, and (b) as long as the unamortized balance of "Pre-operating Expenses", as reflected in the statutory financial statements, exceeds the aggregate of extraordinary reserves plus retained earnings.

At December 31st, 2015, the unpaid balance of dividends was Euro 149 (2014: Euro 147).

Based on L. 4172/2013, the distributable earnings approved by the General Shareholders' Meetings since 01.01.2014 are subject to a withholding tax of 10%.

Since there is a loss for the year 2015, no dividend will be distributed.

27. Long-term Borrowing

	Group		Company	
	2015	2014	2015	2014
Bank Loans	2,320,446	2,388,538	2,167,423	2,271,406
Bonds Payable	2,921,078	3,087,959	2,630,976	2,797,856
Unamortized portion of loan issuance fees	(36,563)	(43,478)	(36,563)	(43,292)
Total	**5,204,961**	**5,433,019**	**4,761,836**	**5,025,970**
Less current portion:				
- Bank Loans	191,491	133,305	164,468	104,196
- Bonds Payable	530,976	456,991	240,864	166,879
Unamortized portion of loan issuance fees	(8,680)	(8,768)	(8,680)	(8,582)
Total	**713,787**	**581,528**	**396,652**	**262,493**
Total long term portion of loans and borrowings	**4,491,174**	**4,851,491**	**4,365,184**	**4,763,477**

The Group's principal payments on loans for the year 2015 amounted to Euro 301.4 mil. (Parent Company: Euro 272.3 mil.), without taking into account payments for Overdraft Facilities (Note 34).

In the category "Bonds Payable" in the above table , the amount of Euro 114,353 is included which concerns the partial financing of the construction of the new lignite–powered unit "PTOLEMAIDA V" and which is registered in the category "Project Financing" Floating Rate of the following table.

The total interest expense on total debt for the period ended December 31, 2015, besides capitalized interest expense of the construction period amounting approximately to Euro 8.9 mil., is included in financial expenses in the accompanying statements of income (Note 9).

A further analysis of the long term borrowings of the Group and the Company is presented in the table below:

	Group		Company	
	2015	2014	2015	2014
Bank loans and bonds				
- Fixed rate	700,000	700,000	700,010	700,010
- Floating rate	2,106,725	2,273,607	1,816,614	1,983,493
European Investment Bank				
- Fixed rate	1,660,256	1,692,323	1,551,922	1,638,573
- Floating rate	660,190	696,214	615,500	632,833
Project Financing				
- Fixed rate	-	-	-	-
- Floating rate	114,353	114,353	114,353	114,353
Total	**5,241,524**	**5,476,497**	**4,798,399**	**5,069,262**

Long-term borrowings represent unsecured obligations of the Group and the Company (excluding services of collateral in the form of pledged deposits provided by the Group and the Company, totaling Euro 127,814 on December 31, 2015).

Certain loans and bonds include certain non-financial terms, the most important of which being that the Company should not cease to be a corporation controlled at least 51% by the Greek State.

It is noted that in the loan agreements which have been concluded after the implementation of the Medium Term Financial Strategy Framework in July 2011, this percentage has been adjusted in 34%, following the transfer of 17% by the Greek State to HRADF, which is owned by the Greek State by 100%.

Certain loan agreements, with an outstanding balance of Euro 1,899.2 mil on December 31, 2015, (Euro 1,740.1mil. for the Parent Company) include financial covenants, the non-compliance of which may lead to an event of default.

For the provision of a guarantee by the Greek State in favor of PPC to all loans with the European Investment Bank, the Parent Company pays a guarantee commission to the Greek State.

During 2015, the subsidiary company IPTO S.A. signed a second loan agreement with the European Investment Bank for financing the project named «Transmission I-B» of Euro 70 mil. and a project named "Cyclades Interconnection Phase A΄ " of Euro 65 mil., respectively. The aforementioned amounts are subsets of the total, approved by EIB, financing lines of Euro 140 mil. and Euro 130 mil., respectively.

During 2015, the subsidiary company IPTO S.A. disbursed Euro 35 mil. (September 2015) from the European Investment Bank for the project «Transmission I-A» and Euro 30 mil. (December 2015) for the project "Cyclades Interconnection Phase A΄ ". The aforementioned amounts are subsets of the total, approved by EIB, financing lines of Euro 140 mil. and Euro 130 mil., respectively guaranteed by the Greek State.

Finally, the subsidiary IPSO S.A. is under negotiations with banks for the issuance of a Syndicated Medium-Term Bond Loan of Euro 337.1 mil. which will refinance all loans from Greek Banks.

The annual principal payments of the long-term borrowings required to be made subsequent to December 31, 2015 (based on the exchange rates as at December 31, 2015) are as follows:

	Group		Company	
	2015	2014	2015	2014
Within one year	722,467	590,296	405,332	271,075
In the second year	639,091	432,143	623,090	405,119
In the third to fifth years	2,495,309	2,895,431	2,482,985	2,869,441
After five years	1,384,657	1,558,627	1,286,992	1,523,627
Total	**5,241,524**	**5,476,497**	**4,798,399**	**5,069,262**

In the above debt redemption program, an amount of Euro 90,864 is included which concerns specific purpose financing for using it as collateral for existing financing lines, and for which the Parent Company keeps an equal amount in a pledged deposit account.

Credit rating of PPC from rating agencies

As of December 31,2015 PPC's credit rating from the rating agencies of Standard and Poor's (S&P) and ICAP is set to "CCC-" with negative outlook and "C" respectively.

PPC's credit rating downgrades from S&P during 2015, were the result of Greek State's downgrades.

28. Financial Instruments

	Group		Company	
	2015	2014	2015	2014
Derivatives financial instruments				
Liabilities	689	3,565	689	3,565
Assets	-	-	-	-

Derivative financial instruments represent interest swap agreements as well as currency forward contracts.

Changes in the fair values of these derivatives are included in financial (expense) or/and income, in the accompanying income statement.

The Parent Company had an outstanding forward currency contract, stemming from the purchase of an initial amount of JPY 4.1 bil. and of an outstanding amount on 31.12.2015 of JPY 0.3 bil., which related to an existing loan paid in January 2016.

Moreover, PPC had an interest rate swap agreement in effect (from floating to fixed rate) for a loan agreement of a nominal value of Euro 50 mil which expired in December 2015.

The net movement in the fair values of derivative financial instruments amounted to Euro 2,876.

29. Post Retirement Benefits

The Group's employees and pensioners are entitled to the supply of electricity (which the Parent Company provides) at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout the working period. The relevant retirement obligations are calculated on the basis of financial and actuarial assumptions.

Net costs for the period are included in the payroll cost in the accompanying income statement consisting of the present value of the benefits earned in the year, interest cost on the benefit obligation, as well as prior service cost. The actuarial gains or losses are now recognized in other comprehensive income (OCI) based on the revised IAS 19 (effective from 2013). Retirement benefit obligations are not funded. Results of the actuarial study for the years December 31, 2015 and 2014, are as follows:

	Group		Company	
	2015	2014	2015	2014
Change in benefit obligation				
Liability at beginning of year	420,135	390,643	245,365	230,870
Current Service cost	4,916	4,513	2,816	2,856
Interest cost	8,403	14,063	4,907	8,311
Actuarial (gains)/losses	35,731	32,591	24,589	16,316
Benefits utilised	(22,378)	(21,675)	(13,033)	(12,988)
Liability, end of the year	**446,807**	**420,135**	**264,644**	**245,365**
Components of net service cost				
Current Service cost	4,916	4,513	2,816	2,856
Interest cost	8,403	14,063	4,907	8,311
	13,319	**18,576**	**7,723**	**11,167**
Statement of Comprehensive income				
Cumulative amount,beginning of year	186,231	153,641	93,994	77,677
Actuarial (gains)/losses	35,732	32,590	24,588	16,316
Cumulative amount , end of year	**221,963**	**186,231**	**118,582**	**93,994**

Assumption values, Actuarial Study

Valuation date	Discount rate	Tariff increases	Profit margin	Expectancy of future services
31/12/2014	2.00%	2015: 0.2%		13.09
		2016: 1.9%	2015:15%	
		2017:2.5%		
		2018: 1.2%	2016+:16%	
		2019+:0%		
31/12/2015	2.00%	2015: (0.6%)		11.36
		2016: (0.5%)	2016:2.33%	
		2017: (0.5%)	2017: 11.70%	
		2018: (0.5%)	2018: 13.04%	
		2019+: 0%	2019+:14.04%	

Sensitivity disclosures

	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	416,464	(6.8%)
Decrease in discount rate by 0.5%	480,777	7.6%
Anticipated tariff increase rate by 1% for all years	514,649	15.2%
Anticipated tariff increase rate by 1% for 2016 - 2019	464,184	3.9%

Further to the abovementioned benefits, the subsidiary company PPC Renewable S.A., has established a provision for personnel compensation in case of service termination amounting to Euro 14 concerning the personnel which is directly employed from PPC Renewables (2014: Euro 15).

30. Provisions

	Group		Company	
	2015	2014	2015	2014
Litigation with employees / third parties (Note 36)	204,148	160,901	123,617	107,918
Disputes with the tax authorities (Note 20)	42,676	42,676	42,676	42,676
Mines' land restoration	22,682	20,510	22,682	20,510
PPC-PIO fixed assets	2,400	2,400	2,400	2,400
Other	8,729	3,907	5,166	-
Total	**280,635**	**230,394**	**196,541**	**173,504**

During the year ended December 31, 2015, the Group established an additional provision for litigation with employees and third parties by Euro 43,247 (2014: reduction of provision of Euro 5,869). In parallel during the year ended December 31, 2015 the Parent Company established an additional provision for litigation with employees and third parties of Euro 15,699 (2014: Euro 26,728).

The movement of the provisions for mines' restoration has as follows:

	Group		Company	
	2015	2014	2015	2014
Balance at beginning of the year	**20,510**	**17,719**	**20,510**	**17,719**
- Change in future outflows (fixed assets)	2,546	2,953	2,546	2,953
- Reversal of unused provision	(1,908)	(1,654)	(1,908)	(1,654)
- Finance cost (Note 9)	1,534	1,492	1,534	1,492
Balance at the end of the year	**22,682**	**20,510**	**22,682**	**20,510**

31. Customers' Contributions and Subsidies

GROUP	Subsidies	Customer Contributions	Total
Net book value			
December 31, 2013	403,953	1,324,836	1,728,789
- Subsidies and contributions received	11,741	-	11,741
- Transfer to revenues (Note 7)	(18,833)	(57,684)	(76,517)
December 31, 2014	396,861	1,267,152	1,664,013
- Subsidies and contributions received	31,353	-	31,353
- Transfer to revenues (Note 7)	(25,566)	(57,903)	(83,469)
December 31, 2015	402,648	1,209,249	1,611,897

PARENT COMPANY	Subsidies	Customer Contributions	Total
Net book value			
December 31, 2013	285,317	1,309,772	1,595,089
- Subsidies and contributions received	10,633	-	10,633
- Transfer to revenues (Note 7)	(14,144)	(57,083)	(71,227)
December 31, 2014	281,806	1,252,688	1,534,495
- Subsidies and contributions received	13,546	-	13,546
- Transfer to revenues (Note 7)	(18,278)	(57,302)	(75,580)
December 31, 2015	277,074	1,195,387	1,472,461

32. Other Non-current Liabilities

	Group		Company	
	2015	2014	2015	2014
Customers' advances	534,854	544,611	529,931	538,457
Received guarantees	6,606	7,747	-	-
Other	21,131	38	38	38
Total	**562,591**	**552,396**	**529,969**	**538,495**

The amount of customers' advances relates to advances made from customers upon initial connection to the transmission and/or distribution networks and is considered as coverage against unbilled consumption outstanding as of any time. Such advances are refundable (non-interest bearing) upon termination of connection by the customer. As the refund of such amounts, which are payable on demand, is not expected to be realised within a short period of time the amounts are classified as non-current liabilities and they are not discounted.

33. Trade and Other Payables

	Group		Company	
	2015	2014	2015	2014
Trade Payables:				
Suppliers and contractors	732,564	667,702	439,566	346,028
Municipalities' duties	169,217	144,871	169,217	144,871
Social security funds, other	37,578	49,279	23,307	35,001
Greek TV	33,378	29,393	33,378	29,393
EMOS.A.	637,402	569,504	-	-
Taxes withheld	43,979	30,085	20,989	14,573
Excise Tax	12,710	13,612	12,710	13,612
Credit customers' balances	44,746	61,447	44,746	61,447
IPTO S.A.	-	-	735,095	747,517
HEDNO S.A.	-	-	238,075	128,298
Bank of Crete	12,053	12,053	12,053	12,053
Lignite Levy	86,954	58,577	86,954	58,577
Other	38,159	36,249	14,149	10,432
Total	**1,848,740**	**1,672,772**	**1,830,239**	**1,601,802**

34. Short-term Borrowings

	Group		Company	
	2015	2014	2015	2014
Binding overdraft facilities				
- Credit lines available	127,016	147,016	80,000	100,000
- Unused portion	-	50,000	-	50,000
- Used portion	127,016	97,016	80,000	50,000

It is noted that in December 2015, PPC's Board of Directors approved financing through a Revolving Credit Facility (RCF) of a total amount of Euro 65mil. out of which an amount of Euro 50 mil. refers to a refinancing of an overdraft facility which was disbursed in 2015, and is included in Short-term borrowings and expired in February 2016, with the disbursement of the above mentioned total amount of Euro 65 mil (Note 27).

35. Accrued and Other Current Liabilities

	Group		Company	
	2015	2014	2015	2014
Accrued interest on loans and borrowings	18,545	29,287	15,534	25,671
Natural gas and liquid fuel purchases	47,797	24,139	47,797	24,139
Energy purchases	5,935	7,197	1,001	4,080
Personnel day off and overtime	79,971	81,789	49,571	51,621
RAE fees	6,961	3,581	6,961	3,581
Deferred interconnection rights	55,120	27,965	-	-
Deferred non-compliance charges	24,906	24,430	-	-
Purchase of Emission Allowances	76,241	75,489	76,241	75,489
Discounts on Medium voltage customers	19,438	6,032	19,438	6,032
Discounts on Low voltage customers	30,000	-	30,000	-
Other	38,555	15,559	47,886	10,901
Total	**403,469**	**295,468**	**294,429**	**201,514**

36. Commitments, Contingencies and Litigation

<u>**Ownership of Property**</u>

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, it 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.

<u>**Litigation and Claims**</u>

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at December 31, 2015 amounts to Euro 1,666 mil. as further detailed below:

1. **Claims 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 581 mil. 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 43 mil. and Euro 11 mil., respectively.

3. **Claims by employees**

   Employees are claiming the amount of Euro 215 mil., 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)**

   Until December 31, 2015,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 87.7 mil., of which five (5) are pending for a total amount of Euro 28.3 mil.

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 but it was postponed for February 23, 2017. 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 (see also 299 and 805/2015) 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. The discussion of the appeal took place and the issuance of a decision is expected.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.

7. **Lawsuits against HEDNO**

The companies "KENTOR" (former "ENERGA") and "NEW APPLICATION" (former "HELLAS POWER") have filed lawsuits before the MMCFA against HEDNO, which were 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. On 02.03.2015 both companies resigned expressly and unreservedly by the above mentioned lawsuits, by an out of court declaration.

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 (5) 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 December 5, 2014 and a decision is pending. It is noted that apart from the above mentioned annulment requests, a relevant lawsuit is pending in the civil courts with a court date of 11/05/2016 (the interim measures hearing has taken place on October 14, 2014 for which a rejection decision (247/2014) was issued) for the annulment of PPC's BoD decision concerning the RfP.

9. **Lawsuits of IPTO against PPC.**

IPTO has filed against PPC, two lawsuits for a total amount of Euro 540 mil. for amounts due – according to IPTO- to the Parent Company's participation in the wholesale electricity market. In particular:

- By its first lawsuit IPTO is asking for an amount of Euro 242.7(with interest) for amounts due which the Parent Company collects from supply bills and conveys to IPTO, that in turn conveys them to EMO (LAGIE). The interest for the above mentioned sums amounts to Euro 22.5 mil.
- By its second lawsuit, IPTO is asking for the payment of Euro 232.6 mil. (with interest) for amounts due which the Parent Company collects from supply bills and conveys to IPTO. The interest for the above mentioned sums amount to Euro 40.6 mil.

The lawsuits are scheduled to be heard on May 18, 2017 in the Multimember Court of First Instance in Athens. The Parent Company considers that there is a chance of paying interest on certain sums due and has established a provision of Euro 30.3 mil. It is noted that PPC will file lawsuits against IPTO as well.

On its side, the company has served an extrajudicial document inviting IPTO to pay a total amount of Euro 14 mil. The above mentioned amount corresponds to overdue interest of invoices which incorporate debts to PPC from March 2012 until the 02.02.2015. IPTO, up to this date, has not answered to this extrajudicial document.

10. **Lawsuits ofthe Municipality of Keratsini against PPC**

The Municipality of Keratsini with its lawsuit on 19.03.2014 which (after various postponements and cancellations) will be discussed before the Multimember Court of First Instance in Piraeus on 19.10.2016, claims from PPC a total amount of Euro 62,616. The Municipality of Keratsini claims that PPC failed to comply with its obligations under its BoD's Decision (No. 231/1996), which ratified the Protocol of Collaboration between the Municipality,the Ministry of Development and the Ministry of Environment.On the one hand, the Protocol provided that PPC should transfer an area of 41,744 sq.m. to the Municipality and on the other hand stop the operation of its Unit Agios Georgios in Keratsini from July 2006.

It is noted that the above mentioned lawsuit is in the same context with two lawsuits of PPC against Municipality of Keratsini before the Multimember Court of First Instance in Piraeus, ie, No.1220/2005 and No.1221/2005, with which PPC claims from the Municipality the amounts of Euro 17,770 and Euro 479, respectively, as compensation for trespassing on PPC's property. For the above mentioned lawsuits a preliminary decision was already issued by the Multimember Court of First Instance in Piraeus (No. 5883/2013), which initially accepted PPC's requests and appointed an expert to draft an expertise. The expert will vow, after postponement, on 27.05.2016.

For the above amounts, the Group and the Parent Company have established provisions which as of December 31, 2015 amounted to Euro 204 mil. and Euro 124 mil., respectively (31.12.2014: Group: Euro 161 mil. and Parent Company: 108 mil.), which are considered adequate for the expected losses arising from 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.

Litigations Risk

The Group and the Parent Company are involved in several legal proceedings arising from their operations, and any adverse outcome against PPC or any other of the Group's companies may have a negative impact on their business, financial condition and reputation.

In addition, as a majority state owned utility, the Group is subject to laws, rules and regulations designed to protect the public interest, such as of public procurement, environmental protection, or even controlling its management decisions. Violation of legislation, rules or regulations, entail, among others, criminal sanctions for the Board of Directors members and executive officers as well as the employees of the companies and utilities that are subject to those rules.

Simultaneously, the Group is one of the largest industrial groups in Greece, with complex activities and operations across the country. In the ordinary course of its business, from time to time, competitors, suppliers, customers, owners of property adjacent to the Group's properties, media outlets, activists, and ordinary citizens, raise complaints (even to public prosecutors) about the Group's operations and activities, to the extent they feel that such 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 the Group 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, the Group and the Parent Company, their Board of Directors members 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 their activities in the ordinary course of business. These investigations and legal proceedings may be disruptive to the Group's and the Parent Company's daily operations to the extent that the officers and directors involved need to spend time and resources in connection therewith. They may also adversely affect the Group's and the Parent Company's reputation.

Litigation with "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 this price both the fixed and variable energy costs are included, as well as System Use Charges, Ancillary Services Charges, Public Service Obligations, and state fees on 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 was scheduled to be heard on 04.12.2014, and was postponed for 01.10.2015 and, in addition, submitted a complaint for state aid before the European Commission (December 2013).

Regarding PPC's appeal for the annulment of RAE's Arbitration Decision, the Athens Court of Appeals issued on 18.02.2016 a decision (634/2016), not accepting PPC's lawsuit for the annulment of RAE's arbitration decision No 1/2013 and against ALOUMINION. PPC may appeal on the Supreme Court against this decision

The Commission by a letter in June 12th, 2014, has notified PPC that it does not intend to further examine the complaint. PPC has challenged the Commission's decision in front of the General Court of the European Union by its appeal dated 22/08/2014 (case T-639/2014).

On 17.04.2015 PPC was notified of a subsequent decision (dated 25.03.2015) of the European Commission, through which, the latter concluded, as the decision dated 12.06.2014 had, thatPPC's complaint, concerning illegal state aid towards ALOUMINION, does not require furtherinvestigation concerning state aid but using a different rationale. Specifically, the new decision isbased mostly on the fact that the decision to resort to arbitration met the criteria of a private investorand therefore that it could not lead to an illegal state aid.

On 20.05.2015 the General Court of the European Union forwarded to PPC an application by the European Community , by which the latter requests the dismissal of the above mentioned trial, which is pending following the T-639/14 complaint by PPC, reasoning that, a decision is no longer necessary, since the Commission has issued a subsequent decision dated 25.03.2015, replacing its previous decision dated 12.06.2015. PPC filed a relevant memo in front of the General Court. It has also filed (on June 29th 2015) an action for annulment according to art. 263 of the Treaty for the Operation of the European Union, against the abovementioned decision of the Commission, dated 25.03.2015 [Case SA 38101 (2015/NN) (former 2013/CP)]. The hearing's date is still pending.

2. State Aid of Euro 17.4 mil.

   Furthermore case C-590/14 P is pending, relating to PPC's petition for the annulment of the General Court's decision dated 8.10.2014 in case T-542/11 "ALOUMINION against Commission". This decision has annulled the Commission's decision dated 13.07.2011, which awarded to PPC an amount of €17.4 mil., payable by ALOUMINION, for an illegal state aid, as a result of the implementation of a favourable tariff for the period January 2007 – March 2008.

   PPC submitted in October 2015 a written request to the Court, to hold before an audience a hearing, regarding the case, in accordance with Article 76.1 of the Court's Rules of Procedure.

3. ALOUMINION does not accept tariffs for the High Voltage Customers, which were decided on PPC's 28.02.2014 General Shareholders' Meeting and proceeds with a partial payment of the amounts due to PPC for the consumptions of its industrial installations, calculating, by its statement, the supply tariff of the energy consumed for the year 2014, on the base of the abovementioned 1/31.10.2013 Arbitration Decision.

   In addition, ALOUMINION, in months of negotiations has denied all proposed tariffs by PPC, since 2013, including the tariff decided by PPC's General Shareholders Meeting on 28.02.2014.

   PPC through its General Shareholders' Meeting on 22.12.2014 has decided concerning High Voltage Customers that do not accept its 28.02.2014 Decision that: "The Management should have been commited to take measures against companies that do not sign an electricity supply contract for 2014".Following that, PPC proceeded on 02.01.2015 to an order for the deactivation of ALOUMINION's load meters and invited IPTO to proceed to all necessary actions.

   Following that ALOUMINION has filed the RAE I-191545/09.01.2015 complaint - application of interim measures - application of special regulatory measures against PPC, which was notified to IPTO. RAE, by its letter to PPC and IPTO - notified to ALOUMINION - recommended to all parties not to execute the above mentioned order of deactivation.Afterwards, on 28.04.2015 RAE, notified by a letter an excerpt of its 11.03.2015 plenary session, by which the discussion and decision on ALOUMINION's complaint was suspended until the resolving of some issues relating to the quorum set by law in order to take a decision on the abovementioned complaint.

   On 20.03.2015 a document of the Competition Committee (CC) was notified to PPC, by which CC asked the submission of PPC's views on a memo submitted by ALOUMINION, with which the latter asked the CC, on 25.02.2015, to apply interim measures (among others the suspension of PPC's complaint regarding its supply relationship dated 07.11.2013, as well as its January 2015 declaration of discontinuation of representation of ALOUMINION's meters). PPC has submitted the relevant data in time. The CC set 29.07.2015 as the hearing date. Finally the hearing was held on 25.09.2015 and on 14.10.2015 and the CC granted to PPC a deadline for submitting a commitment proposal under the provision of par. 6 of article 25 of Law. 3959/2011.

   Following an oral hearing of the case on 15.10.2015, PPC submitted the final set of commitments undertaking that : a) within ten (10) days of the notification of the CC's decision, will proceed in recalling the order for the deactivation of ALOUMINION's loadmeters which has been sent by PPC to ALOUMINION and IPTO SA by its extra judicial statements on 02.01.2015 and 19.01.2015 and b) that It will continue to supply electricity to ALOUMINION under the current terms and conditions, until the issue of ALOUMINION's electricity tariffs, will be resolved through either direct negotiation between the parties or by any other means. Negotiations should have been completed within three (3) months from the date of CC's acceptance of the commitments. Meanwhile PPC would refrain from adopting, and generally taking any measures against ALOUMINION. The above mentioned PPC's commitments were accepted by the CC, which issued the relevant decision (621 / 2015). Abiding by its commitments, PPC recalled the order for the deactivation of ALOUMINION's load meters. There are ongoing negotiations between PPC and ALOUMINION and until the dispute will be resolved in accordance with the commitments that PPC undertook, the company will be billed as for the biennium 2014-2015.

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 throught installments. 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.

PPC's lawsuit against the Bank 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 have taken 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.

Decision 3680/2014 of the Court of Appeals was issued, which only partially accepts PPC's lawsuit while essentially accepting the results of the ordered by the Court above mentioned official expert report, as following : a) the amount due 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 due 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 the annulment of the Commission's decision of March 5, 2008 regarding the granting by the Hellenic Republic of lignite extraction rights to PPC.The Greek State has intervened before the aforementioned Court in favour of PPC, while two 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.

The Commission's Decision made 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 were no other valid and binding offers.

The Hellenic Republic was also obliged, to ensure 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 the annulment of the said decisions of the Commission before the CFI ofthe 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 (Case T-169/08 and T-421/09) in favor of PPC.

The Commission appealed for the revision of the relevant decisions before the General Court of the European Union (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 Decisions 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 drives the company to an abuse of its 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 tothe 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.

Before the hearing of the case, the General Court of the European Union requested that the parties reply to inquiries sent to them on February 2016 and the parties submitted to the Court their written replies. On 08.03.2016 both Case T-169/08 RENV, in which parties are PPC as an applicant and the Greek Republic as intervener in support of PPC and on the other hand the European Commission and the "Thessaloniki Energy A .E. " Greek Energy & Development SA (UN & D.S. A.) " as interveners in support of the Commission and" MYTILINEOS SA. "," PROTERGIA SA " and "ALOUMINIUM SA" as interveners in the appeal, as well as Case T-421/09 RENV between the same parties (but without interveners) were discussed before the General Court. The decision of the Court is still pending.

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 by RAE for "the 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 monthly installments starting from August 2013, sent to PPC the related briefing notes amounting to Euro13.8 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 March18, 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% ofthe amount of Euro 96.6 mil. due to the uncertainty of the recoverability of this amount in the future.

  At the same time, EMO has filed a lawsuit in the Multimember Court of First Instance for an amount of Euro 55 mil. which is the equivalent of 4 equal installments out the total amount of Euro 96.6 mil. The hearing of this lawsuit has been scheduled for June 7, 2017. The above mentioned case depends on the State Council's decision for the validity of RAE's Decision 285/2013,which constitutes the legal basis of the dispute in the court. Consequently PPC has not established a provision beyond the one mentioned previously.

In addition, the company "ELPEDISON" by a lawsuit requests EMO to be ordered to pay to "ELPEDISON" an amount of Euro 89.4 mil. (with interest), stemming from its participation to DAS. The lawsuit is founded to RAE's Decision 285/2013, according to its second part, which forbids the practice of offsetting claims from the participating in DAS with claims from other causes. Specifically, it claims that EMO's negligence to demand from PPC to stop the practice of offsetting amounts not pertaining to the DAS market leaded to EMO's inability to timely pay ELPEDISON which is why it claims the above mentioned amounts from EMO. The lawsuit was scheduled to be heard in the Multimember Court of Piraeus on May 25, 2016

EMO has asked PPC to participate in the trial as a procedural guarantor asking with an incidental request that PPC is reprobated to pay the above mentioned sums (according to PPC's share of the electricity supply market energy) in case of and adverse decision. The notice of EMO against PPC for the latter's participation in the trial of Elpedison against EMO is going to be heard together with the main trial at the hearing of 25.5.2016. Meanwhile, PPC already brought additional independent intervention into trial hearing on 30.03.2016, but it is likely to be heard for relevant reasons together with the abovementiond main trial and notice of the EMO. In any case, PPC considers that the discussion of the abovementioned lawsuit (main and the others trials which will be heard together with the main), should be postponed, because the decision by the Council of State for the validity of the RAE Decision 285/2013, which constitutes the legal basis of the dispute in the Court is pending.

- **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 EMO based on DAS settlement, including energy generated by PVs on rooftops, with the amounts that PPC is contractually required to pay directly to the generators inquestion, based on the feed - in tariff, leads to delays in recovering the latter amounts from EMO. Non implementation of an offset does not impact financial results but will have a negative effect on cash flows, due to the increased working capital needs, since PPC is obliged to await payments in cash from EMO 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. EMO 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 amounts due from DAS with amounts claimed from other causes at a rate of 50% of the amounts claimed. The hearing is scheduled for January 12, 2017, nonetheless 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 in the Interconnected System are disbursed though the market operation, on the higher amount of either their income from DAS and Imbalances settlements or the value of 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 to an amount of Euro 48.2 m, based on the retrospective application of the relevant methodology. For this amount, PPC considers that the retrospective application is not included in the relevant provisions of the Law and thus has not recorded any relevant provision. For the above, PPC S.A. has filed a lawsuit at the Multimember Athens Court, which is scheduled to be discussed on 22.09.2016.

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 Law 3481/2006, the environmental terms for the construction and operation of the projects of the Acheloos River Diversion Scheme to Thessaly, in which Messochora HPP is included, were approved and their fulfilment was 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 were under construction and were related to projects of the Acheloos River Diversion Scheme to Thessaly as well as energy projects were 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 were finally delivered by 17.06.2010. After the publication of Law 3734/2009, matters concerning the Messochora Hydroelectric Project were arranged. These matters concerned expropriation of areas in the Messochora HEP Reservoir, expropriation of the Messochora Village and of the areas where it will be relocated, as well as arranging compensations for the affected inhabitants. All the above mentioned expropriations are declared of great importance in the public's interest and their settlement will allow the completion of the Project and the operation of the Messochora Power Plant.

   Following ruling No 141/2010 by the competent Suspension Committee of the Council of State, theimmediate cease of all works has been ordered at all relevant projects, as well as the cease ofoperation 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 theEuropean Court of Justice, to which relevant preliminary questions had been addressed referring to the compatibility of the provisions of 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 HPP Messochora.

   The Parent Company (PPC S.A.), considering 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 and examining 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, independently from the other Projects of the Diversion Scheme, proceeded to the review and the updating of the Environmental Impact Assessment (EIA) for HPP Messochora.

   After the completion of the approval process and the publication, by the relevant OG (9.2014), of the Decisions for the approval of Management Plans for River basins of the Western Sterea Hellas Water District and the Thessaly Water District the EIA is completed and submitted to the Directory of Environmental Permits (DEP) of the Ministry of Environment, Energy and Climate Change (now Ministry of Environment and Energy), which has proceeded to the procedures for the issuance of the Joint Ministerial Decision regarding the Environmental Terms for the Project.

   DEP sent the EIA to competent bodies for consultation. The Thessaly Region and the Western Greece Water Directorate of Decentralized Administration of Peloponnese, Western Greece and the Ionian Sea have delivered positive opinions on the subject.

   It is estimated that the procedure for the publication of the Environmental Terms Decision for the Project will be completed in the first semester of 2016.

After the publication of the Environmental Terms Decision, the construction of the remaining works and the procedure for expropriation of the remaining land will proceed, in order to make it possible to start the operation of the Project, which is estimated in the 1st semester of 2019.

On December 31, 2015 the aggregate expenditure amount for HPP Messochora amounted to Euro281 mil., while an additional amount of Euro 122 mil.is estimated to be required in order to complete the project.

2. Under IPPC (Integrated Pollution Prevention and Control) Directive, the Reference Document on Best Available Techniques for Large Combustion Plants – BREF LCP (with a thermal capacity greater than 50 MW) was issued in July 2006. In accordance with the 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 Greece for the period 2008-2015, according to the provisions of the aforementioned Directive.

   In December 2010, the new Directive (2010/75/ EC) was issued for industrial emissions (Industrial Emissions Directive – IED), revising Directives IPPC and 2001/80/ EC, which is effective from 06.01.2011. 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 Greece 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 Ministry of Environment and Energy 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 from the Ministry of Environment and Energy the revised TNERP was resubmitted on March 18, 2014 by the Greek authorities and was approved by the EU on July 07, 2014. Finally, according to the above, SES Agios Dimitrios, Meliti and Megalopolis A' and B' are included in the TNERP, while SES Amyntaion and Kardia will use the limited life-time derogation.

   In 2011 began the process of revising the Reference Document on Best Available TechniquesManual for Large Combustion Plants, which is underway, within the framework of Directive 2010/75 / EU and is coordinated by the EIPPCB (Europeian IPPC Bureau). Following the adoption, of the legally binding, conclusions of the revised Manual expected in 2016 or early 2017, additional investments in PPC's major thermal stations may be required.

3. On November 28, 2015 Directive 2015/2193 of the European Parliament and the Council's of November 25th 2015 was published in the Official Journal of the European Union, on the limitation of emissions of certain pollutants into the air from Medium Combustion Units, regardless of the type of fuel used. As Medium Combustion Units, are defined units with a rated thermal input equal to or greater than 1 MWth and less than 50 MWth. Pollutants in question are sulfur dioxide (SO2), Nitrogen oxides (NOx) and dust, while rules for the monitoring of emissions of carbon monoxide (CO) are led down. Production units of such a size, operate mainly in the islands (engines and turbines). Also, in many of PPC's SES, there are many G/S and auxiliary boilers, but with limited operating time. The provisions of the new Directive should be thoroughly examined by the competent services of PPC, so as together with the competent greek authorities to timely promote the appropriate strategies for the electrification of the islands with technically and economically viable solutions which should also be promptly implemented, and in any case before the expiry of the deadline laid down by the Directive. Indicatively, major projects such as the islands' interconnection, should be planned and implemented in such a way as to fully cover the needs of all islands in electricity, while any remaining production units will be used as a backup solution and will be operating only in an emergency, not exceeding 500 hours of operation per year.

4. The extent of land contamination has to be assessed for many of PPC's installations, following 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, 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 in the future.

5. 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 by PPC, in its premises in Ptolemaida area of an environmentally – controlled Industrial Waste Management Area for the management and final disposal of asbestos containing construction materials, from the plants of the Northern System. With the real estate transfer contract no. 37 244 / 06.05.2015, which is legally transcribed, PPC transferred full ownership of the Industrial Waste Management Area, located at the Kardia Mine of the Western Macedonia Lignite Center, in DIADYMA SA From the date of signing the contract, DIADYMA SA is responsible for the Area's management.

6. 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.

7. The Environmental Permit for Klidi Mine is expected to be issued.

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

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 2015, the verification of the annual emissions reports regarding the year 2014 by accredited third party verifiers was successfully completed and the reports were promptly submitted to the Competent Authority. The total verified emissions of all 31 bound plants of PPC for 2014 amounted to 39.2 Mt CO_2.

COMMITMENTS - INVESTMENTS

A new Steam Electric unit 660 MW in Ptolemaida

The drawing up by the Contractor of the studies for the Project licensing and their submission to PPC for review have been completed. On 24.04.2015, the Installation License of the Project was issued by the Ministry of Reconstruction of Production, Environment and Energy. On 01.07.2015 the Building Permit was issued and the Contractor was informed accordingly. Following that, PPC paid to the Contractor the first advance payment of € 198 mil. against a Letter of Guarantee of Advance Payment of € 227 mil., which was submitted to PPC by the Contractor, in order for the second stage (construction) of the Project to start.

The construction on the Project will be completed within 50 months as from the date of issuance of the Building Permit and the signing of the relevant Protocol for unhindered access to the Worksite and the necessary utilities (water, power). The above mentioned Protocol was signed on 24.11.2015.

On 31.12.2015 the total expenditure for the Project amounted to Euro 325 mil.

A new diesel engine Power Plant 115,4MW in South Rhodos burning of heavy fuel oil with low sulphur content

Civil Works which begun in September 2014 at the area of the main facilities of the Power Station in accordance with the Environmental Impact Assessment study and the new time schedule, are in progress.

Since 9.11.2015, the gradual transportation of the Project's equipment (engines, generators and transformers) began from Elefsis port, where said equipment was temporarily stored, to Project site.The transportation has already been completed and the installation of the said equipment has started.

On 31.12.2015 the total expenditure for the project amounted to Euro 121 mil.

A new combined cycle unit at Megalopolis 811MW

After the completion of all required works the Unit was put into commercial operation in January 2016.

On 31.12.2015 the total expenditure for the Project amounted to Euro 505mil.

PPC RENEWABLE (PPCR)

Construction of Wind Park in Rethimnon

In March 2014, the construction of eight wind turbines, out of a total of eleven, in the wind park of Rethimnon (Koprino) was completed, since by its 13.02.2014 Temporary Order, followed by its Decision 401/2014, the Suspension Committee of the Council of State, ordered the cessation of construction and operation of three non- installed wind turbines until the issuance of a decision on the relevant suspension request, which has already been discussed in the Council of State's Section E'. The decision was in PPCR's favor.In December 2014 the interconnection of the wind park to HEDNO's network was initiated, following the issuance of a partial operation license by Crete's Decentralized Administration. In October 2015 the construction of the remaining three (3) wind turbines was initiated by the Constructor, but works are delayed due to reaction from the local community.

Hybrid Project in Ikaria

The project of a 6.85 MW total capacity combines the utilization of two renewable energy sources, Wind and Hydroelectric. The hybrid project in Ikaria is expected to be completed and commence operation in 2017.

Exploitation Rights of the geothermal fields

By decisions of the Deputy Minister for Environment, Energy and Climate Change concerning the outcome of the Public International Bidding Contest (tender date 07.09.2011) for the lease of rights of exploitation of geothermal fields has been awarded in the following areas: a) Sousaki in the Corinthos prefecture, b) the Sperhios basin in the Fthiotida prefecture, c) Akropotamos in the Kavala prefecture and d) the island of Ikaria. PPCR's BoD has approved the acceptance of leases, however, the notarial deeds have not been signed by the Ministry yet. The deadline for signing the above notarial deeds leases has been extended until June 30, 2016. Moreover, according to article of L. 4342/2015 (OG 9 B΄ 143/9.11.2015) leases of research and management of the Geothermal Resources have been extended by five years in the following areas: a) Milos-Kimolos-Polyegos, b) Nisiros Island c) Lesvos Island and d) peninsula of Méthana.

Production Licenses of two new Wind Parks in Rodopi

In November 2015, the Regulatory Authority of Energy issued amendments of the production licenses of three new PPC Renewables' wind parks of a total capacity of 122.5 MW and a budgeted cost of Euro 155.2 mil.in the Rodopi region.

Repowering of SHPP Louros

In March 2014, PPC Renewables issued a public tender concerning the assignment of the project for the modernization and renovation of SHHP LOUROS, of a nominal capacity of 8.84 MW, with a budgeted cost of Euro 6.4 mil. and a submission deadline of June 24, 2014.During the evaluation of the bids, new data arose as far as the amendment of technical requirements is concerned, thus leading to the annulment of the tender and its reissuance.

IPTO S.A.

New investments by IPTO in the Energy Transmission System

- **Electrical Interconnection of "NEA MAKRI - POLYPOTAMOS" and High Voltage Network in South Evia**

  Following yearly endeavors, the subterranean interconnection section between the Nea Makri High Voltage Center to the Polypotamos High Voltage Center was successfully electrified on 07/04/2015. The overhead cable of the interconnection between the Polypotamos High Voltage Center and South Evia (Evia 7 High Voltage Center) has been received with some qualifications. The above mentioned portion was successfully electrified on 24/07/2015 and was then turned off,still remaining inactive as wind projects in the southern tip of Evia are paused at present.

- **High Voltage Center (HVC) in Aliveri**

  The construction of Aliveri's (GIS) HVC, which will serve the new thermal power unit and RES generators in Evia, was concluded and is in operation. On 24.12.2015 the temporary as well as the final acceptance of the HVC were concluded.

- **High Voltage Center (HVC) in Megalopolis and connection with the Transmission System (400 kVand 150 kV)**

  Within a time frame of only two years, IPTO constructed the new High Voltage Center (HVC) of GIS type and open air insulation in Megalopolis. The HVC was electrified in August 2013.

  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 was granted on May 23, 2014 and the completion of the land expropriations is pending. It must be noted that there is a recourse against the Ministry of Environment (currently the Ministry of Reconstruction of Production, Environment & Energy) in the State Council against the annulment of the obligatory land expropriations in the Antirio area and objections to the construction of the transition station in the area of the Patras University. In order to override objections a modification for the Environmental Study for the 400Kv transmission line (Athens – Aheloos) – Interconnection to Antirio – Patras HVC – as well as for the 400kV Patras HVC – Megalopolis HVC was submitted on August 6th, 2015 and on October 19th,2015 respectively to the appropriate authorities. At the same time preliminary construction works are underway aiming to shorten the period of time needed for completing the project.

- **Interconnection of Cyclades to the Mainland Transmission System**

  The contracts of the project have been signed since September 10, 2014 with the four contractors with a cost of Euro 231 mil., approximately.

  The submarine cables of the interconnection are under construction, and the immersion of the Syros – Mykonos and Syros-Tinos interconnection cable has already been completed. The submarine cable on Tinos has also been installed. Moreover, civil engineer works have began on the High Voltage Station in Syros, and on the High Voltage Station in Paros as well as on the link station of GIS Lavrion.

Civil engineer works are also expected to start in Mykonos on March 21, 2016 as major archaeological issues have been overcome. The overall project is scheduled for completion by the end of July 2016 although there are delays in the civil engineer works, that will lead to the completion of the project by the end of the first quarter of 2017.

- **Interconnection of Crete to the Mainland Transmission System**

  IPTO has proceeded to preliminary actions for the implementation of the project, aiming to achieve the main interconnection (Direct Current or DC) within the next decade and the "saving" interconnection (Alternating Current or AC) towards the end of 2019. In the abovementioned context, a seabed's preliminary study for the main interconnection (DC) has been conducted in collaboration with the University of Patras. At the same time several locations that have been deemed appropriate for the construction of terminal stations were considered in Crete, without being accepted by local authorities in Crete. The Crete Region and other local authorities, have indicated the Korakia location along the borders of the Rethimnon and Heraklion provinces as a desirable location, which has been deemed acceptable by IPTO as a terminal location, as well as for the creation of a lagoon. Research on the construction of terminal stations has been done and the most appropriate place would be a barren land space between Damasta-Marathos.

  The route and the finalization of the required works for the "saving" interconnection (Alternating Current or AC) have been concluded. This interconnection will connect the High Voltage Center (HVC) of Molai with the High Voltage Center (HVC) of Chania. The submarine cable E.P, 150 kV, 200 MVA will connect the southern tip of Cape Malea with the Ravdoucha (Chania) and from Ravdoucha through an underground cable will end to the High Voltage Center (HVC) of Chania. The invitation to find a contractor to prepare EIA has already been posted on the web since 11.03.2016.

- **Project for the reinforcement of the "Nea Santa" High Voltage Center (HVC)**

  The "Nea Santa" HVC is a project of extreme importance for the Eastern Macedonia and Thrace areas. Through the "Nea Santa" HVC the interconnection of the Hellenic Electricity Transmission System with the Turkish one and the Bulgarian one (Maritsa) in the future, the absorption of the total of the produced energy by the new RES station in Thrace as well as the upgrade of the reliability of the Northeastern System has been achieved.

  The project is in the acceptance stage (150kV side and automated substation system).

- **Construction project for the transmission line of 400 kV between the Lagadas and Filippi HVCs**

  In July 2014, the contract for the construction of the transmission line 400 kV from the HVC Lagadas to the HVC Filippi, with an approximate length of 110 km, was signed with ATERMON S.A. as the contractor and a contractual price of Euro 26.7 mil. The project is to be completed by early 2017.

Ten Year Network Development Plan (TYNDP) of the subsidiary IPTO S.A.

From February 9, 2016 to March 9, 2016, IPTO, by its BoD's Decision 8/03.02.2016, put into public consultation the preliminary draft of the TYNDP for the period 2017-2026. Following that and after taking under consideration the outcome of the above mentioned public consultation, IPTO will submit the Ten Year Network Development Plan (TYNDP) 2017-2026 to RAE.

Use of Congestion Income, from the country's international interconnections access rights, for the year 2016

With its 425/2015 decision, RAE (Use of Congestion Income, from the country's international interconnections access rights, for the year 2016 (OG 2559-2015)), approved the use of Euro 60.1 mil., from the Reserve 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 Annual Cost for the use of the Transmission System, for the year 2016. With the same decision, RAE has set the maximum amount derived from the revenues of the interconnection's allocation, which takes under consideration when it approves the Allowed Revenue for the Hellenic Transmission System to Euro 61 mil.

BUSINESS COLLABORATIONS

PPC's Participation in waste management tenders

Waste Syclo, is a joint company by PPC S.A. and Terna Energy, with Terna Energyowning 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.

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' when it will be tendered.

At the same time the revision of the framework for the management of Attica's waste is expected, following the annulment of the previous tenders by the Attica prefecture in December 2014, within the establishment of the new National Waste Management framework, which has been published in June 2015. The Regional Council of Attica adopted on 08.10.2015 the 2nd Revision of the Regional Waste Management Plan of Attica, which was under consultation.

Business Collaboration with Quantum Corporation Ltd and the former Bank of Cyprus

PPC - QUANTUM ENERGY LTD, is a company founded in 2011 by PPC, Quantum Corporation LTD and the Bank of Cyprus, with a share capital participation of 51%, 40% and 9% respectively. This company has been appointed as the contractor for the "EuroAsia Interconnector Project", within the framework of the European Regulation 347/2013.

During October 2015 the company was renamed to "EUROASIA INTERCONNECTOR LIMITED LTD", while due to the increase of its share capital of Euro 1,350 in which PPC did not participate, PPC's share capital participation is 3.5%.

Moreover, a new change in its shareholding structure is expected, following a decision of Shareholders' General Meeting for the increase in its share capital of Euro 40. At that time and until the preparation of the Business Plan of the company, PPC has decided not to participate in this share capital increase.

Consequently, the EUROASIA INTERCONNECTOR LIMITED is no longer a subsidiary of PPC, but is classified as an investment available for sale (Note 21).

Collaboration framework with DEPA S.A.

PPC covers its needs for natural gas by the new contract signed on October 29th, 2012 with DEPA which pertains to the procurement and transportation of natural gas through the Hellenic Natural Gas System (HNGT).

Following DEPA's commitments, which were accepted by the Competition Commission in relation to the existing contractual quantitative obligations by DEPA's clients, the Parent Company proceeded for the years 2015 and 2016to the readjustment of the Annual Contractual Quantity according to its real needs.

Furthermore the Parent Company proceeded to the supply of small quantities of natural gas through auctions (annual – 2015 and quarterly - Q1 2015) held by DEPA, in application of the Competition Commission's decisions.

Since 2013 - and until today – DEPA has proceeded to the unilateral determination of the implementation of the new DESFA tariffs on the contract between DEPA - PPC, as far as the usage cost of borders' entry points is concerned, as well as the pricing of natural gas purchases. The abovementioned charges have not been accepted by PPC and the relevant amounts of the invoices issued by DEPA, have not yet been paid. The negotiations between the parties for the settlement of the aforementioned abeyance, are in their final stages.

Furthermore, the certification of the relevant calculation formulae by an independent verifier, in accordance with the long term contracts between DEPA and its suppliers, is still pending for the previous years (2012-2014).

Finally, following the publication of the revised Operational Code for the National Gas System and in accordance to both the contractual provisions as well as DEPA's commitments to the Competition Commission, the latter has sent to PPC a draft version of the contract for the supply of natural gas without the inclusion of transportation service through the national network. This draft version is currently being negotiated.

Special Consumption Tax on Electricity

The tax audit by the Audit Department of the Customs House and the Piraeus Custom House D', in relation to the special consumption tax on electricity for the period May 2010 to September 2012, has been concluded.The audit pertained to energy self-consumption by thermal plants, mines and hydro power stations. In the context of the audit result, the Parent Company paid via the due process, the related special consumption tax for the aforementioned period while also resorting to the Administrative Courts. Moreover, the Parent Company, paid with recourse the relevant special consumption tax on self-consumption for the period October 2012 to August 2015 and is also including it in its monthly special consumption tax returns, the relevant tax on self-consumption, until a final decision by the court is issued.

The Group and PPC are 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 respects, continue to be considered a public sector company in Greece. Therefore, its operations shall continue to be subject to certain laws and regulations generally applicable to public sector, 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 did not have for several years (till today) the ability to recruit experienced personnel in the range of its business activities, while today's average personnel age is above 49 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 experienced personnel to the 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. 3833/2010 and L. 4057/2012 , concerning the recruiting of permanent staff, an approval of the Interministerial Committee is necessary (AIC 33/2006), as well as an allocative act of the Minister of the Interiors and Administrative reorganization according to the 1:5 ratio (a recruitment for every five employees leaving).By the above mentioned and introduced by law hiring procedure, the Parent Company's recruitment needs are significantly hindered, creating critical lack of personnel and managers and may have a negative impact on the implementation of the Groups' activity.

37. 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 in 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,as well as those of tangible fixed assets which are revalued periodically at their revalued amounts:

	Carrying Amount		Fair Value	
Group	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Non – financial assets (Note13)				
Fixed Assets	13,590,247	13,689,537	13,590,247	13,689,537
Financial Assets				
Trade receivables	1,844,208	1,772,670	1,844,208	1,772,670
Restricted cash	127,842	144,720	127,842	144,720
Cash and cash equivalents	451,670	434,511	451,670	434,511
Financial Liabilities				
Long-term borrowings	5,204,961	5,433,019	5,105,970	5,314,018
Trade payables	1,848,740	1,672,772	1,848,740	1,672,772
Short term borrowings	127,016	97,016	127,016	97,016

	Carrying Amount		Fair Value	
Parent Company	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Non – financial assets (Note13)				
Fixed Assets	11,751,414	11,902,455	11,751,414	11,902,455
Financial Assets				
Trade receivables	1,699,805	1,638,789	1,699,805	1,638,789
Restricted cash	127,842	144,720	127,842	144,720
Cash and cash equivalents	197,592	248,318	197,592	248,318
Financial Liabilities				
Long-term borrowings	4,761,836	5,025,970	4,662,845	4,906,969
Trade payables	1,830,239	1,601,802	1,830,239	1,601,802
Short term borrowings	80,000	50,000	80,000	50,000

The fair value of investments available for sale, of restricted cash, of cash and cash equivalents, as well as of financial derivative instruments equals their carrying amount.

The fair value of trade receivables and trade accounts payable approximates their carrying amounts.

The fair value of the remaining financial assets and financial liabilities is based on future cash flows discounted using either direct or indirect observable inputs and are within the Level 2 of the fair value hierarchy.

Fair value of tangible assets is included in level 3 of fair value hierarchy.

As at December 31, 2015, the Group and the Parent Company held the following financial instruments measured at fair value:

	Fair Value		Fair Value Hierarchy
Group and Parent Company	**31.12.2015**	**31.12.2014**	
Financial Assets			
Investments available for sale	316	2,394	Level 1
Financial derivative instruments	689	3,565	Level 2

Macroeconomic conditions in Greece – Imposition of capital Controls

By the Legislative Act of 06/28/2015 (GG 65 A / 06.28.2015) a bank holiday was declared while capital controls were imposed. The bank holiday ended on 07.20.2015, while capital controls remain in effect. Capital controls include a weekly limit for all ATM withdrawals and restrictions on payments abroad, consequently, affecting domestic transactions and transactions with foreign suppliers and creditors. Thus, household customers, corporate customers and the public sector are likely to delay their obligations payment, adversely affecting the Group's and the Parent Company's cash flows. Moreover, a significant part of the Group's and the Parent Company's debt is due to financial institutions abroad. While capital controls imposed currently remain in force, the Group and the Parent Company are required to seek the approval of the competent authorities in order to use cash to serve their debt. Finally, the Group's and the Parent Company's operations depend to a significant extent from foreign suppliers. As capital controls imposed remain in force, the Group and the Parent Company are required to seek the approval of the competent authorities to use available cash to serve payments to suppliers abroad.

The lack of liquidity of the Greek banking sector which led to the imposition of capital controls, as well as Greek fiscal crisis, has exacerbated economic uncertainty in Greece, which has and will likely in the future affect the operation, the activity, the financial situation and the cash flows of the Group and the Parent Company.

On August 14, 2015, the Greek Parliament passed Law 4336/2015 on the Third Program on the Greek Economy Support amounting to Euro 86 billion, providing for the disbursement of the said amount in installments after successfully achieving specific objectives. The first two packages of prerequisite measures are already been approved by the Greek Parliament, while the four systemic greek banks were successfully recapitalized.

The degree of the successful implementation of the Support Program, which lies beyond the Group's control, will have an equaly proportional effect on the activities, the operating results, the financial condition and the cash flows mainly of the Parent Company, as well as of the Group's other companies.

Financial Risk Management

Credit Risk

The Group's and the Parent Company's business, results of operations, financial condition, cash flows and prospects depend highly on the social and macroeconomic conditions in Greece, as practically almost all of the Group's assets and economic activities are in Greece. Despite the fact that, electricity sales are dispersed over a large number of customers with a wide and diversified range of operations, the Group's and the Parent Company's business activities, results of operations and cash flows are highly

dependent on their customers' ability to repay their liabilities. The current economic environment, the imposition of capital controls and the recent intense recession had a material adverse impact on the Group's and the Parent Company's liquidity, mainly resulting from:

- Difficulties in payment and increases in delayed payments, by Low and Medium voltage customers as well as High voltage customers.
- A sizeable number of enterprises, especially small and medium sized, which cease their operations due to the economic conjecture and leave behind unpaid bills.
- The prospective increase of the Social Solidarity Tariff (SRT) beneficiaries along with the increased difficulty that these customers face in paying their electricity bills.
- The fact that some customers under the pretext of the current economic downturn are not fulfilling their obligations or delay their payments, despite the fact that they afford to do so.

The Group and the Parent Company may also face difficulties or delays in their ability to collect payments from their customers as a result of potential new measures that burden electricity bills with new or increased charges in favor of third parties, such as the Renewables levy (ETMEAR).

This might extend the delay of collecting 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 its customers.

Additionally, the Parent Company's collection enforcement mechanisms may be affected by legislation or other administrative acts, (for example by restricting disconnections for non-payment of electricity bills for certain categories of customers), which can adversely affect the Parent Company's business activities, results of operations, financial condition and cash flows.

Interest rate risk and foreign currency risk

The Group's and the Parent Company's debt obligations consist of bank loans, bonds and overdrafts. It is the Group's and the Parent Company's 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 their debt portfolio. Existing derivative transactions include forward currency contracts.

Furthermore, the fluctuation of the Euro against the U.S. dollar exchange rate may adversely impact the Parent Company's liquid fuel purchase (diesel and heavy fuel oil) prices. As oil prices are expressed in U.S. dollars, the Parent Company is 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, the Parent Company examines the possibility of undertaking, on a case by case basis and according to the prevailing market liquidity circumstances, hedging transactions for this risk. It should be noted that a) any undertaken hedging transactions may not provide full or adequate protection against these risks and b) capital controls and Greece's as well as the greek banking sector's economic situation significantly limit the ability of the Parent Company in undertaking derivative hedging transactions to cover currency risk.

The following table depicts the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group' s profit before tax (through the impact on floating rate borrowings). (in € million):

	Increase / Decrease in basis points (%)	Effect on profit before tax (Group)	Effect on profit before tax (Parent)
2015			
Euro	+50	(15.04)	(13.13)
Euro	-50	15.04	13.13
2014			
Euro	+50	(15.66)	(13.65)
Euro	-50	16.16	14.15

Liquidity Risk

Current macroeconomic and financial environment in Greece, especially after the imposition of capital controls, which remains volatile, may have a considerable adverse effect on the Group's and the Parent Company's business activity, financial position and prospects. Currently, the economic situation in Greece has directly affected the capital levels, liquidity and financial position of the Greek financial system, which highly affect the Group's and the Parent Company's liquidity and access to credit as well as the liquidity of the Greek economy as a whole and the Group's as well as the Parent Company's customers' ability to access credit. In addition, access to foreign financial markets is limited. Liquidity risk is connected with the need to ensure adequate cash flow for the financing of the Group's and the Parent Company's operations, including working capital needs, capital expenditure, as well as the servicing of the Group's and the Parent Company's debt.

The Group's and the Parent Company's working capital needs may increase due to a number of factors, including:

- The increased delays in the payment or even non-payment of electricity bills.
- The obligation to pay Renewables levy (ETMEAR), Special Consumption Tax on electricity as well as VAT when due, irrespective of whether relevant amounts have been collected from the Group's and the Parent Company's customers.
- The burden associated with the collection of taxes and levies that are not related to the sale of electricity such as municipal taxes and levies that are currently collected through electricity bills and the inability to pay for the electricity bills without paying as well amounts due to third parties.
- The continuous increase in the number of financially vulnerable citizens included in the register of vulnerable customers that based on decisions of the State enjoy special privileges regarding a) longer repayment periods for paying their bills. b) the settlement of their debts, an increased number of installments and the privilege not to have electricity disconnected due to debt, in their residence, almost throughout the year.
- Regulatory measures on the operation of the wholesale market, which burden the cost of purchasing electricity for PPC as a Supplier.
- Potential increase of commercial losses (non-technical losses), i.e. increase of incidents of electricity thefts and arbitrary tampering of meters or reconnection of electricity supply in cases of electricity disconnection due to debt.

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

The contractual maturities of the principal financial liabilities (borrowings), not including interest payments are as follows (In million Euro):

	On demand	3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 December2015 (Group)						
Overdraft facilities	97.01	30.0				**127.01**
Short term borrowings						
Long term borrowings	-	276.31	446.16	3,134.4	1,384.66	**5,241.53**
	97.01	**306.31**	**446.16**	**3,134.4**	**1,384.66**	**5,368.54**
Year ended 31 December2014 (Group)						
Overdraft facilities	-	97.0	-	-	-	**97.0**
Short term borrowings	-	-	-	-	-	**-**
Long term borrowings	75.2	17.2	497.9	3,327.6	1,558.6	**5,476.5**
	75.2	**114.2**	**497.9**	**3,327.6**	**1,558.6**	**5,573.5**
Year ended 31 December2015 (Company)						
Overdraft facilities	50.0	30.0				**80.0**
Short term borrowings						
Long term borrowings	-	49.26	356.07	3,106.08	1,286.99	**4,798.4**
	50.0	**79.26**	**356.07**	**3,106.08**	**1,286.99**	**4,878.4**
Year ended 31 December2014 (Company)						
Overdraft facilities	-	50.0	-	-	-	**50.0**
Short term borrowings	-	-	-	-	-	**-**
Long term borrowings	-	17.2	253.9	3,274.6	1,523.6	**5,069.3**
	-	**67.2**	**253.9**	**3,274.6**	**1,523.6**	**5,119.3**

Risk from exposure to the Banking Sector

The Group and the Parent Company may be exposed to risks arising from Greek banks ,although they were successfully recapitalized.

It should be noted that as of 31/12/2015 the Group's and the Parent Company's debt obligations towards the Greek banking sector amounted to 39.2% and 36.2% respectively of their total loan obligations.

Market risk

The sensitivity analysis on natural gas, liquid fuel and system marginal price are as follow:

	Heavy fuel oil (tones)	Diesel (klit)	Natural Gas (in m³)	SystemMarginal Price (MWH)
Change in price unit	+ 1 € (+ one Euro)	+ 1 € (+ one Euro)	+ 0.01 € (+ one Cent of Euro)	+ 1 € (+ one Euro)
Impact	828.84 Euro thousand	302,63 Euro thousand	5.9 Euro million	17.8 Euro million

The change in the $/€ rate by 5 cents of the dollar is estimated to affect the profit before tax 2016 by Euro 14.9 mil. for the period February-December 2016.

Progression of net debt ratio

The Group's net debt/equity ratio is as follows:

	2015	2014
Long term loans	5,241,524	5,476,497
Short term borrowings	127,016	97,016
Minus: cash and pledged deposits	(579,512)	(579,231)
Net debt	**4,789,028**	**4,994,282**
Shareholders' equity	5,911,556	6,134,749
Net debt/equity ratio	**81.0%**	**81.4%**

In long term loans, as presented above, the unamortized portion of loan issuance fees of Euro 36.6 mil., approximately is not included (2014: 43.5 mil. approximately) (Note 27).

Risks relating to Law 4336/14.8.2015 – IPTO's ownership unbundling

Currently, the competent authorities are in consultation with Greece's Lenders regarding the ownership of IPTO. Law 4336/2015 provides that "... the authorities: a) will take irreversible measures (including the announcement of the date for the submission of binding offers) for the privatization of the electricity transmission business, IPTO, unless an alternative plan, with equivalent effects on competition and investment prospects, according to the best European practices and in agreement with the Institutions to achieve full ownership unbundling of IPTO (standard delivery) is proposed. The final agreement is one of the priorities for the smooth implementation of Greece's third financial support program.

Considering the above, the greek government proposed a new shareholder structure, where the Greek State will at first aquire 100% of IPTO's shares and subsequently 49% of the shares will be transferred to a strategic investor and to other private investors. Following the proposed new shareholder structure, IPTO's financial figures will no longer be consolidated in the financial statements of the PPC Group. More specifically:

- Fixed assets of a value of Euro 1,598 mil, as well as loan liabilities amounting to Euro 490 mil,as of 31.12.2015, will not be included henceforth.

- Operating profitability (EBITDA) of the new Group will be reduced by about € 180 mil. on an annual basis (the average EBITDA of the last four years), as IPTO, being a regulated electricity transmission company enjoys an especially high amount of operational profitability, as well as a very high EBITDA margin.

It is noted that as at 31.12.2014, the value of IPTO's fixed assets (valued by an independent valuation house) amounted to Euro 1,537 mil. Additonally, in the accounting books of the Parent Company, its participation in IPTO amounts to Euro 916.4 mil.

In addition, for a significant portion of the Parent Company's loans, a waiver should be approved by the banks for the sale of assets of considerable value, based on already included terms in existing loan agreements. At the same time, specific financial indicators might not be met in the future, due to both the significant reduction in the profitability as well as the capital structure change of the new PPC Group, leading to the possibility of early repayment of existing loans (including the relevant indicators) and in any case creating additional difficulties in the Group's future financing and development

In conclusion to the above, any solution that would be adopted, should on the one hand (based on already included terms in existing loan agreements) provide for an arm's length transaction as well as to provide for a reasonable financial consideration, resulting from the economic valuation of IPTO's shares at market terms, taking into consideration as well all other aspects of the transaction (e.g. the kind of the financial consideration and the time frame within which this consideration will be collected by PPC).

Currently, given that L.4336/2015 provisions are under consideration, it is not possible to assess the potential impact on the activities, the operating results, the financial condition and cash flows of the Group and the Parent Company from the application of provisions of Law. 4336/2015.

38. Operating Lease Arrangements

	Group		Company	
	2015	2014	2015	2014
Minimum lease payments under operating leases recognised as expense	**22,774**	**24,992**	**16,276**	**19,660**

At the balance sheet date, the Group's outstanding commitments for future minimum lease payments under non-cancellable operating leases are approximately the current year's lease expenses, which are expected not to significantly be altered during the next years. Operating lease payments represent mainly rentals payable by the Group for certain of its office properties, machinery, vehicles, furniture and equipment. Lease fees for office properties are generally fixed for an average term of twelve years. Lease fees for machinery and vehicles are generally fixed for an average of 1 and 3 years, respectively.

39. Significant Events

High Voltage Tariffs

In the context of the February 28, 2014 Extraordinary General Shareholders Meeting, 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 all High Voltage customers with the duration of one year plus one, effective 01.01.2014. Out of the 24 High Voltage supplies, that represent, in terms of consumption, more than 99% of the total of High Voltage consumption, PPC initially proceeded in signing 22 supply contracts.

In addition, in January 2015, PPC announced that, in applying the decision of the Extraordinary General Shareholders Meeting of December 22, 2014 and in view of securing the public interest, the Parent

Company has reached an initial agreement with LARCO, for the signing of a contract for the supply of electricity, from 01.01.2014 onwards according to PPC's General Shareholders' Meeting of February 28, 2014, as well as methods of settling past differences between the two companies.

Specifically, PPC's BoD by its decision dated 30.12.2014 has decided to accept LARCO's proposal for the direct referral to arbitration, according to the provisions of Civil Procedure, of the dispute between the two companies relating to the energy supply tariff for the sums due by LARCO until December 31, 2013 and the signing of a supply contract with the above mentioned company with a tariff in accordance with the decision of PPC's Extraordinary Shareholders' Meeting of 28.02.2014, for the year 2014 as well as the year 2015 and until the next convention of PPC's General Meeting relevant to the matter of the High Voltage Tariffs. In the above mentioned supply contract it is provided that in two months' time the two parties will agree on the settlement of LARCO's debts for the period 01.01.2014 – 31.12.2014.

LARCO's General Shareholders' Meeting, by its 30.12.2014 decision, has also decided to sign the supply contract with PPC and to refer to arbitration, according to the provisions of Civil Procedure, about the dispute between the two companies. The parties have signed an arbitration agreement, in order to determine the price of supply of energy for the period 01.07.2010 – 31.12.2013 and in order for debts incurred by LARCO to be settled for the period before 31.12.2013, according to the provisions of the Code for Civil Procedure (Article 867 and subs) on 25.06.2015. At the same date the contract for the supply of energy was signed as well.

Furthermore, it was initially assessed that, following the appointment of a new Board of Directors in LARCO, the revisit of the tariff issue for the period 01.07.2010 - 31.12.2013 would be feasible, by using all reconciliation means between the two companies and leaving the arbitration procedure as the last resort.

On 05.11.2015, following written communication, LARCO was invited, to proceed to the settlement of its debts relating to electricity consumption for the period 01.01.2014 – 31.08.2015 until 20.11.2015. Since LARCO did not settle until 20.11.2015 its debts, PPC sent an out of court letter to LARCO and to IPTO, inviting IPTO to deactivate LARCO's load meters, setting at the same time a tight deadline for the settlement of LARCO's debts.

Meanwhile, in December 2015 the Arbitration Court was formed into body and the arbitration for determining the price of electricity for the period 01.07.2010-31.12.2013 as well as the corollary to this settlement of LARCO's debts to PPC is in process.

Additionally, it should be noted that PPC and SOVEL and Sidenor were in dispute relating with the increase of ten (10%) percent to PPC's High Voltage Tariff. This increase was effected on 1.7.2008 for PPC's High Voltage customers and hence the dispute relates to the amounts due of the aforementioned companies regarding the above mentioned increase. Then the parties agreed to fully and finally settle the dispute through arbitration proceedings before the Arbitration Court, consisting of three (3) arbitrators and according to the provisions of the Code of Civil Procedure (Articles 873). After conducting the above mentioned arbitration proceedings, the relevant arbitration decision was issued (January 2016). With this decision, the Arbitration Court determined the amount of the relative increase for the period from 1.7.2008 to 31.12.2013 to a certain percentage of the 30.6.2008 applicable Invoice A 150, obliging the parties to pay the amounts due.

New tariffs for medium and low voltage customers

In August 2015, PPC's new tariffs for medium and low voltage customers were approved. PPC's new tariffs policy followsmodern trendsin the retail marketand is designedin such away in order to meet consumer needs, through the newdiscount policy. Furthermore, aloyalty programfor residential customers paying their bills on time and in full is launched. More specifically:

a) Creation of new corporate tariffs

PPC designed a new tariff product – "Corporate Tariff" – offering highlycompetitive ratestolarge size companies and groups of companies (with an aggregate annual electricity consumption equal to or greater than 10 GWh), serving their customers on a nationwide level through many and different points of service (100 or more power supplies) in medium and low voltage. The new "Corporate Tariff" is effective for electricity consumption as of September 1st, 2015.

b) Medium voltage customers

- The highly competitive tariffs BM1andBM2involving largecommercial andindustrial companies with an annualconsumptionper power supply greater than 13GWh will also apply to power supplies with an annualconsumption greater than 10GWh and
- Reduction of the remaining tariffs BΓ, BY and BX.

c) Low voltage customers

After the substantial reduction in July 2014 of Tariff G21 addressing primarily business premises,such asshops, workshops, smallcrafts and office buildings, Tariff G22 for commercialand industrial customerswithpower greater than 25KVA is also reduced.

Reductions in the Medium and Low voltage tariffs are effective for electricity consumption as of October 1st, 2015.

d) Customer rewarding

PPC will refund to residential customers timely and fully paying their bills, twice thevalue of thefixed fee in each clearingaccountfor the year 2016, i.e. to those whohave paidon timeand in full their clearing billsfor the year2015. In this manner, PPC will refund approximately Euro30 mil., to customers that timely and fully pay their bills.

New High Voltage Tarrifs for the period 2016 - 2017

PPC offers from 01.01.2016 to HV customers seven (7) new tariffs for Competitive Charges, which practically correspond to the distinct consumption profiles of these customers. These tariffs are applicable for electricity consumption for the period 01.01.2016 up to 31.12.2017 and customers are entitled to choose between a monthly and a ten day period billing.

These new tariffs are accompanied by incentives (discounts) to HV customers for high electricity consumption during the Minimum Load Zone (nights, weekends and holidays).

In addition to the above, the recent Extraordinary General Meeting of PPC's Shareholders of 12.7.2015 decided on the duration period for the new tariffs, on the provision of volume discounts for the competitive load and energy charges based on the total annual HV electricity consumption for individual Companies or Group of companies.PPC's HV customers are in the process of selecting tariffs that fit their individual profiles, as well as signing Supplementary Electricity Supply Contracts

For ALOUMINION, following decision 621/2015 of the Competition Committee, negotiations are in progress and until the solution of the dispute, this customer will be billed the same way as for the period 2014 – 2015.

LARCO S.A. has not up to this day signed a Supplementary Electricity Supply Contract.

VAT refund request

On December 3rd, 2014 the Parent Company submitted a request for the return of credit VAT amounting to Euro 40 mil., relating to the period 01.01.2014 - 30.09.2014. The return procedure was completed in July 2015, following a tax audit and the whole requested amount was approved for return. The refund was realized through offsets with the Parent Company's tax obligations.

Dividend for the year 2014

In June 2015, PPC SA announced that according to the decision of its 13th Ordinary General Shareholders Meeting held on July 13th, 2015 (after the postponement of June 29th 2015) that, the dividend for 2014, would amount to EURO 11,600 or EURO 0.05 / share, without any further tax charge of both the Company and its shareholders.

40. Subsequent Events

Repayment of loans and new loans

Within the period 01.01.2016 - 31.03.2016, the Group proceeded to debt repayments of loan installments amounting to Euro 99.3 mil. (Parent Company Euro 99.3 mil.), of which approximately Euro 50 million. (as of 31.12.2015) related to a short-term limit overdraft that is included in short term borrowings (Note 34) which was refinanced in February 2016, with the raising of Euro 65 mil. through an issuance of a revolving bond credit facility (revolving Credit Facility-RCF), maturing in 2019.

Also, the subsidiary company IPSO SA, following the first disbursement in 2015 of an amount of Euro 30 mil., from the European Investment Bank, on March 18, 2016, proceeded to a draw down of an additional amount of Euro 35 mil.for the project "Interconnection of Cyclades phase A" from a total financing line of Euro 130 mil.withthe guarantee of the Greek State.

Subsequent arrangements for the settlement of customer debts

On 22.02.2016, the Management Board of the Parent Company decided to recommend to the Board of Directors the following arrangements for the payment of the Parent Company's customer debts.

- From 01.04.2016 until 31.07.2016, all customers can settle their debts in thirty six (36) installments without any advance payment.

  In the above mentioned arrangement will have the opportunity to participate also for the remaining of their debt and those customers that have already settled their debts under the applicable at present Settlements Regulation.

  The payment of the first installment shall be effected with the approval of the Arrangement.

- From 01.08.2016 onwards for all residential and business customers (except seasonal and agricultural customers) the following will apply:
  - Monthly installments : An amount equal (at first) to 30% of the average monthly bill (on an annual basis) but with a minimum number of eighteen (18) installments and a maximum of thirty six (36)
  - Advances:

  (a) Customers without unconventional behavior: 5%

  (b) Customers with unconventional behavior: 15%

APPENDIX I
Unbundled Financial Statements

Under the provisions of L.4001/2011
and the approved methodology
of the Regulatory Authority for Energy.

System Integration Unbundled Balance Sheets - December 2015

(expressed in million euro)

	Administration		Mines		Generation	
	2015	2014	2015	2014	2015	2014
ASSETS						
Non-current assets						
Tangible assets	89.1	83.3	1,607.1	1,623.6	6,093.2	6,382.2
Intangible assets	4.4	5.2	0.2	0.2	59.3	60.2
Investments in subsidiaries	21.5	20.8	155.7	155.7	631.8	631.8
Investments in associates	1.2	1.1				
Available for sale financial assets	0.3	2.4				
Other non-current assets	45.5	6.8			82.2	82.2
Administration non-current assets	(162.1)	(119.6)	29.4	19.1	55.2	44.9
Total non-current assets	**0.0**	**0.0**	**1,792.3**	**1,798.6**	**6,921.7**	**7,201.3**
Current assets						
Materials, spare parts and supplies, net	7.8	9.9	98.9	82.1	462.0	466.7
Trade receivables, net	103.5	29.7	0.9	0.2	214.6	452.3
Other receivables, net	144.3	104.0	(19.8)	136.5	(92.6)	(252.9)
Other current assets	53.5	16.2	6.1	2.8	(23.6)	(11.0)
Cash and cash equivalents	0.3	(0)	17.1	23.3	68.4	37.7
Restricted Cash		0	25.2	28.1	40.4	64.2
Administration current assets	(309.4)	(159.7)	53.3	3.8	111.5	35.2
Total current assets	**0.0**	**0.0**	**181.6**	**276.8**	**780.8**	**792.2**
Total assets	**0.0**	**0.0**	**1,974.0**	**2,075.4**	**7,702.5**	**7,993.6**
EQUITY AND LIABILITIES						
Equity						
Share Capital			144.9	144.9	587.9	587.9
Paid-in surplus			15.0	15.0	60.8	60.8
Legal reserve	1.7		15.1	15.1	61.2	61.2
Fixed assets' statutory revaluation surplus included in share capital			(127.7)	(127.7)	(543.0)	(543.0)
Revaluation surplus law 2941	64.1	65.2	696.3	711.3	2,533.8	2,572.5
Other Reserves in Equity	(86.6)	(85.9)	(1.0)	9.4	43.2	55.0
Retained earnings	72.4	85.3	(89.7)	46.9	747.0	1,767.7
Administration equity	(51.6)	(64.6)	13.0	16.8	25.6	28.8
Total equity	**0.0**	**0.0**	**665.8**	**831.5**	**3,516.5**	**4,590.7**
Non-current liabilities						
Interest bearing loans and borrowings	2.2		598.4	608.9	2,297.0	1,559.1
Post retirement benefits	27.8	1.9	107.7	99.5	131.1	121.9
Provisions	12.9	12.1	74.9	72.7	43.2	43.2
Deferred tax liability		12.9	223.6	183.3	921.7	818.2
Deferred customers' contributions and subsidies		0.0	1.3	1.4	189.1	202.8
Other non-current liabilities	16.6	9.5	0.2	0.3	141.7	163.5
Administration non-current liabilities	(59.5)	(36.5)	15.8	6.0	(23.1)	(31.6)
Total non-current liabilities	**0.0**	**0.0**	**1,021.9**	**972.2**	**3,700.8**	**2,877.3**
Current liabilities						
Trade and other payables	148.3	155.6	218.4	156.9	4.3	160.8
Short – term borrowings			2.6	7.0	48.2	28.5
Current portion of interest bearing loans and borrowings			10.7	41.0	118.4	91.8
Dividends payable	0.2	0.1				
Income taxes payable	(33.6)	(37.3)	32.1	28.6	69.8	35.9
Accrued and other current liabilities	1.5	14.0	18.5	19.6	191.8	166.9
Derivatives liability	0.7	3.6				
Administration current liabilities	(117.0)	(135.9)	4.0	18.5	52.7	41.7
Total current liabilities	**0.0**	**0.0**	**286.3**	**271.7**	**485.2**	**525.5**
Total liabilities and equity	**0.0**	**0.0**	**1,974.0**	**2,075.4**	**7,702.5**	**7,993.6**

	Distribution Network		Supply		Eliminations		Total PPC	
	2015	2014	2015	2014	2015	2014	2015	2014
ASSETS								
Non-current assets								
Tangible assets	3,744.3	3,778.1	18.9	35.3	198.8		11,751.4	11,902.5
Intangible assets		0	10.4	0.2			74.3	65.8
Investments in subsidiaries	321.8	321.8			(0.1)		1,130.7	1,130.1
Investments in associates							1.2	1.1
Available for sale financial assets					0.1		0.3	2.4
Other non-current assets				42.0	(8.5)		119.2	131.0
Administration non-current assets	65.8	55.2	11.7	0.4				
Total non-current assets	**4,131.9**	**4,155.0**	**41.1**	**77.9**	**190.2**		**13,077.2**	**13,232.8**
Current assets								
Materials, spare parts and supplies, net					1.0	0.4	569.8	559.1
Trade receivables, net	30.6	58.3	2,454.5	1,806.1	(1,104.3)	(707.8)	1,699.8	1,638.8
Other receivables, net	1.5	(8.8)	28.3	162.8	160.2	126.1	221.8	267.7
Other current assets	12.6	15.3	5.2	34.0	(12.6)	(10.3)	41.2	47.0
Cash and cash equivalents	11.3	115.6	76.4	60.0	24.2	11.7	197.6	248.3
Restricted Cash	61.5	69.1	0.7	(16.7)			127.8	144.7
Administration current assets	4.1	9.0	140.5	111.7				
Total current assets	**121.6**	**258.5**	**2,705.5**	**2,157.9**	**(931.5)**	**(579.9)**	**2,858.1**	**2,905.6**
Total assets	**4,253.4**	**4,413.5**	**2,746.6**	**2,235.8**	**(741.2)**	**(579.9)**	**15,935.3**	**16,138.5**
EQUITY AND LIABILITIES								
Equity								
Share Capital	299.4	299.4	35.0	35.0			1,067.2	1,067.2
Paid-in surplus	30.9	30.9					106.7	106.7
Legal reserve	31.2	31.2				1.7	109.2	109.2
Fixed assets' statutory revaluation surplus included in share capital	(276.6)	(276.6)					(947.3)	(947.3)
Revaluation surplus law 2941	729.5	730.5	(3.6)	3.2			4,020.0	4,082.7
Other Reserves in Equity	31.6	31.6	(3.2)	(1.1)			(16.0)	9.0
Retained earnings	586.1	693.7	66.6	(1,123.4)	1.0	70.9	1,383.5	1,541.1
Administration equity	15.3	18.5	(2.4)	0.6				
Total equity	**1,447.5**	**1,559.2**	**92.4**	**(1,085.7)**	**1.0**	**72.6**	**5,723.2**	**5,968.4**
Non-current liabilities								
Interest bearing loans and borrowings	1,192.4	1,190.5	305.2	1,477.1	(30.1)	(72.2)	4,365.2	4,763.5
Post retirement benefits			23.6	22.0	(25.7)		264.6	245.4
Provisions			45.4	45.4	20.1		196.5	173.5
Deferred tax liability	48.2	56.8	(601.4)	(347.9)	12.9		605.0	723.3
Deferred customers' contributions and subsidies	1,282.1	1,330.2			(16.6)		1,472.5	1,534.5
Other non-current liabilities		5.9	529.3	537.9	(81.7)	(178.6)	530.0	538.5
Administration non-current liabilities	58.2	56.4	8.7	5.6	(59.5)			
Total non-current liabilities	**2,580.8**	**2,639.8**	**310.9**	**1,740.1**	**(180.6)**	**(250.8)**	**7,433.8**	**7,978.6**
Current liabilities								
Trade and other payables	66.2	100.7	1,930.5	1,410.0	(537.4)	(382.2)	1,830.2	1,601.8
Short – term borrowings	28.0	14.5	1.2				80.0	50.0
Current portion of interest bearing loans and borrowings	110.7	71.2	165.6	58.5	(8.7)		396.7	262.5
Dividends payable							0.1	0.1
Income taxes payable	3.9	1.8	103.9	42.9			176.1	71.9
Accrued and other current liabilities	19.6	15.9	78.6	4.8	(15.6)	(19.5)	294.4	201.5
Derivatives liability							0.7	3.6
Administration current liabilities	(3.2)	10.5	63.6	65.2				
Total current liabilities	**225.1**	**214.6**	**2,343.4**	**1,581.3**	**(561.7)**	**(401.7)**	**2,778.3**	**2,191.4**
Total liabilities and equity	**4,253.4**	**4,413.5**	**2,746.6**	**2,235.8**	**(741.2)**	**(579.9)**	**15,935.3**	**16,138.5**

Interconnected System Unbundled Balance Sheet - December 2015

(expressed in million euro)

	Mines		Generation		Distribution Network		Supply		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
ASSETS										
Non-current assets										
Tangible assets	1,607.1	1,623.6	4,934.8	5,187.6	3,125.0	3,163.2	16.2	30.7	9,683.1	10,005.1
Intangible assets	0.2	0.2	52.1	62.3	0.0	0.0	9.0	0.2	61.3	62.7
Investments in subsidiaries	155.7	155.7	511.8	511.8	271.0	271.0			938.4	938.4
Investments in associates										
Available for sale financial assets										
Other non-current assets			82.2	82.2				42.0	82.2	124.2
Derivative assets										
Administration non-current assets	29.4	19.1	44.9	34.2	52.3	43.4	10.6	0.4	137.2	97.1
Total non-current assets	**1,792.3**	**1,798.6**	**5,625.8**	**5,878.1**	**3,448.3**	**3,477.6**	**35.8**	**73.2**	**10,902.2**	**11,227.5**
Current assets										
Materials, spare parts and supplies, net	98.9	82.1	307.2	304.1			0.0	(0.0)	406.1	386.2
Trade receivables, net	0.9	0.2	213.6	449.7	25.7	50.3	2,133.2	1,776.7	2,373.4	2,276.9
Other receivables, net	(19.8)	136.5	(66.0)	(100.6)	0.1	(14.9)	18.3	31.1	(67.4)	52.1
Other current assets	6.1	2.8	(58.7)	(11.1)	0.4	0.4	3.9	32.0	(48.4)	24.0
Cash and cash equivalents	17.1	23.3	30.8	2.6	9.3	58.0	62.4	26.2	119.6	110.1
Restricted Cash	25.2	28.1	30.1	52.0	51.0	58.2	0.6	(14.6)	106.9	123.7
Administration current assets	53.3	3.8	82.3	17.4	0.5	5.5	120.1	98.0	256.1	124.8
Total current assets	**181.6**	**276.8**	**539.2**	**714.1**	**87.0**	**157.5**	**2,338.5**	**1,949.3**	**3,146.3**	**3,097.8**
Total assets	**1,974.0**	**2,075.4**	**6,165.0**	**6,592.2**	**3,535.3**	**3,635.1**	**2,374.3**	**2,022.6**	**14,048.5**	**14,325.3**
EQUITY AND LIABILITIES										
Equity										
Share Capital	144.9	144.9	476.2	476.2	252.2	252.2	30.6	30.6	903.8	903.8
Paid-in surplus	15.0	15.0	49.2	49.2	26.1	26.1			90.3	90.3
Legal reserve	15.1	15.1	49.6	49.6	26.3	26.3			90.9	90.9
Fixed assets' statutory revaluation surplus included in share capital	(127.7)	(127.7)	(439.9)	(439.9)	(232.9)	(232.9)			(800.5)	(800.5)
Revaluation surplus law 2941	696.3	711.3	2,080.3	2,111.2	612.2	611.7	(4.0)	2.3	3,384.9	3,436.5
Other Reserves in Equity	(1.0)	9.4	35.7	44.4	26.6	26.6	(2.8)	(1.0)	58.4	79.5
Retained earnings	(89.7)	46.9	336.6	1,399.1	488.2	597.8	88.4	(916.4)	823.5	1,127.4
Administration equity	13.0	16.8	22.0	24.5	13.0	15.7	(2.2)	0.5	45.8	57.5
Total equity	**665.8**	**831.5**	**2,609.7**	**3,714.4**	**1,211.7**	**1,323.4**	**110.0**	**(884.0)**	**4,597.1**	**4,985.4**
Non-current liabilities										
Interest bearing loans and borrowings	598.4	608.9	1,998.9	1,294.6	979.3	923.8	181.5	1,293.0	3,758.1	4,120.3
Post retire ment benefits	107.7	99.5	99.9	93.0			20.9	19.5	228.5	212.0
Provisions	74.9	72.7	32.9	32.9			39.7	41.0	147.5	146.6
Deferred tax liability	223.6	183.3	750.2	663.4	48.7	56.7	(505.9)	(301.5)	516.6	602.0
Deferred customers' contributions and subsidies	1.3	1.4	188.8	202.5	1,083.7	1,126.1	0.0	0.0	1,273.9	1,330.0
Other non-current liabilities	0.2	0.3	116.1	166.0	(0.0)	5.2	462.4	470.9	578.7	642.4
Administration non-current liabilities	15.8	6.0	(19.1)	(45.6)	35.8	34.3	7.0	5.4	39.5	0.2
Total non-current liabilities	**1,021.9**	**972.2**	**3,167.8**	**2,406.9**	**2,147.6**	**2,146.1**	**205.6**	**1,528.2**	**6,542.8**	**7,053.5**
Current liabilities										
Trade and other payables	218.4	156.9	(3.0)	157.5	51.0	84.2	1,748.0	1,271.5	2,014.5	1,670.1
Short – term borrowings	2.6	7.0	38.4	23.1	23.6	12.2	0.8		65.4	42.3
Current portion of interest bearing loans and borrowings	10.7	41.0	56.0	74.6	94.6	53.9	64.2	51.2	225.5	220.8
Dividends payable							(0.0)		(0.0)	
Income taxes payable	32.1	28.6	50.6	28.1	1.3	1.3	107.9	53.8	192.0	111.9
Accrued and other current liabilities	18.5	19.6	198.9	147.7	9.8	6.9	84.6	(9.9)	311.8	164.2
Derivatives liability										
Administration current liabilities	4.0	18.5	46.6	39.8	(4.3)	7.1	53.3	11.7	99.5	77.1
Total current liabilities	**286.3**	**271.7**	**387.5**	**470.8**	**176.1**	**165.6**	**2,058.8**	**1,378.3**	**2,908.6**	**2,286.4**
Total liabilities and equity	**1,974.0**	**2,075.4**	**6,165.0**	**6,592.2**	**3,535.3**	**3,635.1**	**2,374.3**	**2,022.6**	**14,048.5**	**14,325.3**

Crete Unbundled Balance Sheet - December 2015

(expressed in million euro)

	Generation		Distribution Network		Supply		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
ASSETS								
Non-current assets								
Tangible assets	436.0	551.4	265.7	265.7	1.1	1.9	702.8	819.0
Intangible assets	1.0	1.2			0.6	0.0	1.6	1.2
Investments in subsidiaries	46.2	46.2	20.9	20.9			67.1	67.1
Investments in associates								
Available for sale financial assets								
Other non-current assets								
Derivative assets								
Administration non-current assets	4.4	3.0	4.9	4.3	0.4	0.0	9.7	7.3
Total non-current assets	**487.5**	**601.8**	**291.5**	**290.8**	**2.1**	**2.0**	**781.2**	**894.6**
Current assets								
Materials, spare parts and supplies, net	75.4	82.7					75.4	82.7
Trade receivables, net	0.2	1.4	2.2	3.5	185.2	60.0	187.6	64.9
Other receivables, net	(14.1)	(74.7)	0.3	5.5	(1.3)	76.4	(15.1)	7.2
Other current assets	70.1	1.1	1.9	1.9	0.7	1.0	72.8	4.1
Cash and cash equivalents	2.5	15.7	0.5	35.2	5.8	23.6	8.8	74.5
Restricted Cash	4.1	4.7	4.5	4.5	0.0	(1.0)	8.6	8.1
Administration current assets	10.8	5.6	1.1	1.3	8.5	12.1	20.3	19.0
Total current assets	**149.0**	**36.5**	**10.5**	**51.9**	**198.9**	**172.1**	**358.4**	**260.5**
Total assets	**636.5**	**638.4**	**302.0**	**342.7**	**201.1**	**174.1**	**1,139.6**	**1,155.1**
EQUITY AND LIABILITIES								
Equity								
Share Capital	43.0	43.0	19.4	19.4	2.2	2.2	64.6	64.6
Paid-in surplus	4.4	4.4	2.0	2.0			6.5	6.5
Legal reserve	4.5	4.5	2.0	2.0			6.5	6.5
Fixed assets' statutory revaluation surplus included in share capital	(39.7)	(39.7)	(17.9)	(17.9)			(57.7)	(57.7)
Revaluation surplus law 2941	221.3	224.1	45.2	31.4	(0.1)	0.1	266.4	255.6
Other Reserves in Equity	2.8	4.0	2.1	2.1	(0.2)	(0.1)	4.7	6.0
Retained earnings	171.8	143.7	17.0	42.8	(1.5)	(76.1)	187.3	110.4
Administration equity	2.1	2.4	(0.8)	0.3	(0.1)	0.0	1.2	2.7
Total equity	**410.3**	**386.4**	**68.9**	**82.1**	**0.3**	**(73.9)**	**479.5**	**394.6**
Non-current liabilities								
Interest bearing loans and borrowings	93.4	168.6	121.6	145.3	59.0	141.3	274.0	455.2
Post retire ment benefits	12.0	11.0			1.5	1.4	13.4	12.4
Provisions	3.5	3.5			3.5	2.4	7.0	6.0
Deferred tax liability	79.1	71.2	(1.8)	0.4	(42.4)	(25.8)	34.8	45.8
Deferred customers' contributions and subsidies	0.2	0.2	87.3	88.0			87.5	88.1
Other non-current liabilities	11.0	(0.2)	(0.0)	0.4	31.6	31.9	42.6	32.1
Administration non-current liabilities	(2.2)	(4.6)	6.2	6.3	0.6	0.0	4.7	1.8
Total non-current liabilities	**196.9**	**249.8**	**213.3**	**240.4**	**53.9**	**151.2**	**464.1**	**641.3**
Current liabilities								
Trade and other payables	(0.6)	(13.7)	5.4	6.3	96.8	65.0	101.7	57.6
Short – term borrowings	4.0	2.1	1.7	0.9	0.1		5.7	3.0
Current portion of interest bearing loans and borrowings	23.8	6.9	5.4	8.5	45.5	2.8	74.6	18.2
Dividends payable					(0)			
Income taxes payable	8.1	2.8	1.3	0.2	(6.7)	(5.4)	2.8	(2.4)
Accrued and other current liabilities	(7.2)	5.2	5.2	2.9	4.9	7.3	2.9	15.5
Derivatives liability								
Administration current liabilities	1.3	(1.2)	0.7	1.4	6.3	27.1	8.3	27.3
Total current liabilities	**29.3**	**2.2**	**19.8**	**20.2**	**146.9**	**96.8**	**196.0**	**119.2**
Total liabilities and equity	**636.5**	**638.4**	**302.0**	**342.7**	**201.1**	**174.1**	**1,139.6**	**1,155.1**

Other non Interconnected Islands Unbundled Balance Sheet (Incl. Rhodes) - December 2015

(expressed in million euro)

	Generation		Distribution Network		Supply		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
ASSETS								
Non-current assets								
Tangible assets	722.5	643.2	353.5	349.2	1.6	2.7	1,077.6	995.0
Intangible assets	6.2	(3.3)			0.9	0.0	7.1	(3.3)
Investments in subsidiaries	73.8	73.8	29.9	29.9			103.7	103.7
Investments in associates								
Available for sale financial assets								
Other non-current assets								
Derivative assets								
Administration non-current assets	6.0	7.7	8.6	7.5	0.7	0.0	15.2	15.3
Total non-current assets	**808.4**	**721.4**	**392.0**	**386.6**	**3.1**	**2.7**	**1,203.6**	**1,110.7**
Current assets								
Materials, spare parts and supplies, net	79.5	79.7					79.5	79.8
Trade receivables, net	0.8	1.2	2.7	4.5	136.0	(30.6)	139.6	(24.9)
Other receivables, net	(12.5)	(77.6)	1.1	0.6	11.3	55.3	(0.1)	(21.7)
Other current assets	(35.1)	(1.0)	10.3	13.0	0.6	1.0	(24.1)	13.0
Cash and cash equivalents	35.1	19.6	1.5	22.4	8.1	10.3	44.8	52.2
Restricted Cash	6.3	7.5	6.0	6.4	0.1	(1.1)	12.4	12.9
Administration current assets	18.5	12.2	2.6	2.1	11.9	1.6	32.9	15.9
Total current assets	**92.6**	**41.6**	**24.1**	**49.1**	**168.1**	**36.5**	**284.9**	**127.3**
Total assets	**901.1**	**763.0**	**416.2**	**435.7**	**171.2**	**39.2**	**1,488.4**	**1,237.9**
EQUITY AND LIABILITIES								
Equity								
Share Capital	68.7	68.7	27.9	27.9	2.2	2.2	98.8	98.8
Paid-in surplus	7.1	7.1	2.9	2.9			10.0	10.0
Legal reserve	7.1	7.1	2.9	2.9			10.1	10.1
Fixed assets' statutory revaluation surplus included in share capital	(63.4)	(63.4)	(25.7)	(25.7)			(89.2)	(89.2)
Revaluation surplus law 2941	232.2	237.2	72.1	87.4	0.4	0.9	304.7	325.4
Other Reserves in Equity	4.7	6.5	2.9	2.9	(0.2)	(0.1)	7.4	9.4
Retained earnings	238.6	224.9	80.9	53.1	(20.3)	(130.8)	299.3	147.1
Administration equity	1.5	1.9	3.1	2.5	(0.1)	0.0	4.5	4.4
Total equity	**496.5**	**489.9**	**167.0**	**153.8**	**(17.9)**	**(127.8)**	**645.5**	**515.9**
Non-current liabilities								
Interest bearing loans and borrowings	204.8	95.9	91.5	121.4	64.7	42.9	360.9	260.1
Post retire ment benefits	19.3	17.9	-		1.2	1.1	20.5	19.0
Provisions	6.8	6.8	-		2.2	2.0	9.0	8.8
Deferred tax liability	92.4	83.6	1.3	(0.3)	(53.1)	(20.6)	40.7	62.7
Deferred customers' contributions and subsidies	0.1	0.1	111.0	116.2			111.1	116.3
Other non-current liabilities	14.6	(2.3)	(0.0)	0.3	35.3	35.2	49.9	33.2
Administration non-current liabilities	(1.9)	18.6	16.1	15.7	1.1	0.2	15.4	34.5
Total non-current liabilities	**336.2**	**220.6**	**219.9**	**253.3**	**51.5**	**60.7**	**607.6**	**534.6**
Current liabilities								
Trade and other payables	7.8	16.9	9.8	10.2	85.6	73.5	103.2	100.6
Short – term borrowings	5.8	3.3	2.7	1.3	0.3		8.8	4.7
Current portion of interest bearing loans and borrowings	38.7	10.3	10.7	8.8	55.8	4.4	105.2	23.5
Dividends payable							(0)	
Income taxes payable	11.1	4.9	1.2	0.3	2.7	(5.5)	15.0	(0.3)
Accrued and other current liabilities	0.1	14.0	4.6	6.0	(10.9)	7.4	(6.2)	27.4
Derivatives liability								
Administration current liabilities	4.8	3.1	0.3	2.0	4.1	26.4	9.2	31.5
Total current liabilities	**68.4**	**52.5**	**29.3**	**28.7**	**137.6**	**106.2**	**235.3**	**187.4**
Total liabilities and equity	**901.1**	**763.0**	**416.2**	**435.7**	**171.2**	**39.2**	**1,488.4**	**1,237.9**

System Integration Unbundled Income Statement - December 2015

(expressed in million euro)

	Mines		Generation		Distribution Network		Supply		Eliminations		Total PPC	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUES												
Revenues from 3rd Parties												
Energy sales to customers							4,935.0	5,044.8			4,935.0	5,044.8
PSO's revenues							596.3	597.8			596.3	597.8
Energy exports							4.4	1.8			4.4	1.8
Energy sales to wholesale market			2,462.9	2,879.8					(2,462.9)	(2,879.8)		
Capacity assurance mechanism			(4.4)	378.6					4.4	(378.6)		
Other services to wholesale market			12.0	20.3					(12.0)	(20.3)		
Network rentals					277.9	303.9			(277.9)	(303.9)		
Customer's contribution					54.3	68.4					54.3	68.4
PSO's revenues of other suppliers							26.4	16.8			26.4	16.8
Other sales	0.4	1.6	6.8	8.1	0.1	9.0	1,002.1	972.6	(950.4)	(924.2)	58.9	67.1
Allocated administration revenues	16.0	7.8	13.1	5.0			2.6	1.3	(31.7)	(14.1)		
Interdepartmental revenues												
Lignite yard & ash revenue	18.9	22.7							(18.9)	(22.7)		
Public service obligations							626.9	619.3	(626.9)	(619.3)		
Energy							73.1	96.2	(73.1)	(96.2)		
Lignite	660.4	731.1							(660.4)	(731.1)		
REVENUES	**695.7**	**763.2**	**2,490.2**	**3,291.7**	**332.3**	**381.4**	**7,266.8**	**7,350.5**	**(5,109.6)**	**(5,990.0)**	**5,675.4**	**5,796.8**
Expenses (3rd parties)												
Payroll cost	209.7	217.4	252.9	261.8			41.8	41.4	61.5	68.9	565.9	589.5
Own production lignite			638.0	735.8					(611.2)	(653.1)	26.8	82.7
Third party lignite - hard coal			57.6	74.4					(57.6)	(74.4)		
Natural gas			326.5	345.8							326.5	345.8
Liquid fuel			582.8	767.9							582.8	767.9
Materials & consumables	67.3	68.0	43.2	53.9			1.0	1.0	0.2	0.4	111.7	123.3
Depreciations	135.0	125.1	380.6	249.4	137.6	158.9	2.8	1.1	7.3	5.5	663.2	539.9
Energy purchases from third party			1.1	4.4			1,121.0	1,138.9	(1,122.1)	(1,143.3)		
Energy imports							174.2	151.6	(174.2)	(151.6)		
Energy purchases to wholesale market							3,453.5	4,417.5	(2,102.8)	(2,873.9)	1,350.7	1,543.6
Transmission network fees							206.0	205.6			206.0	205.6
Distribution network fees							690.5	697.6	(277.9)	(303.9)	412.6	393.7
Utilities & maintenance	161.3	150.4	37.2	41.0			24.9	26.3	13.3	13.9	236.6	231.5
Third party fees	1.3	1.3	10.2	11.4			10.6	12.7	5.9	7.4	28.0	32.8
Taxes and duties	29.0	30.3	44.2	49.2			3.6	4.7	(76.8)	(84.2)		
CO_2 emissions rights			251.1	216.9							251.1	216.9
Provisions	16.2	1.4	13.0	53.2			871.0	415.0	23.7	(1.7)	923.9	468.0
Financial expenses	28.2	36.9	122.5	83.2	66.4	64.2	23.9	67.1			241.0	251.4
Financial income	(6.8)	(6.0)	(26.9)	(12.4)	(14.5)	(9.4)	(59.5)	(62.2)			(107.7)	(90.0)
Other (income)/ expense, net	3.3	6.0	13.3	(20.3)	11.1	3.6	(14.8)	(19.0)	48.0	41.9	61.0	12.2
Devaluation of fixed assets				7.4		21.4		0.5				29.3
Impairment loss of marketable securities	0.2	0.4	0.7	0.8	0.4	0.6	0.2	0.7			1.5	2.5
Foreign currency gains/ (losses), net	0.0	0.5	0.4	(0.2)		0.9	0.1	0.9			0.6	2.1
Allocated administration expenses	70.0	65.0	54.5	25.3			12.1	9.9	(136.6)	(100.2)		
Interdepartmental expenses												
Lignite yard & ash expenses			18.9	22.7					(18.9)	(22.7)		
Change in stock	(8.1)	3.9							8.1	(3.9)		
Public service obligations							626.9	619.3	(626.9)	(619.3)		
Energy	51.3	64.3	21.7	31.9					(73.1)	(96.2)		
Profit (loss) before tax	**(62.3)**	**(1.8)**	**(353.2)**	**288.2**	**131.3**	**141.1**	**77.1**	**(380.0)**	**-**	**-**	**(206.9)**	**47.9**

Interconnected System Unbundled Income Statement - December 2015

(expressed in million euro)

	Mines		Generation		Distribution Network		Supply		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUES										
Revenues from 3rd parties										
Energy sales to customers							4,355.0	4,468.2	4,355.0	4,468.2
PSO's revenues							515.0	518.6	515.0	518.6
Energy exports							4.4	1.8	4.4	1.8
Energy sales to wholesale market			1,604.5	1,894.2					1,604.5	1,894.2
Capacity assurance mechanism			(4.4)	378.6					(4.4)	378.6
Other services to wholesale market			12.0	20.3					12.0	20.3
Network rentals					244.9	264.9			244.9	264.9
Customer's contribution					44.2	57.8			44.2	57.8
PSO's revenues of other suppliers							26.4	16.8	26.4	16.8
Other sales	0.4	1.6	6.6	7.6	0.1	6.9	880.5	955.8	887.6	971.9
Allocated administration revenues	16.0	7.8	9.2	3.6			2.2	1.1	27.5	12.4
Interdepartmental revenues										
Lignite yard & ash revenue	18.9	22.7							18.9	22.7
Public Service Obligations										
Energy							71.1	94.5	71.1	94.5
Lignite	660.4	731.1							660.4	731.1
REVENUES	**695.7**	**763.2**	**1,627.8**	**2,304.2**	**289.2**	**329.5**	**5,854.6**	**6,056.9**	**8,467.3**	**9,453.8**
Expenses (3rd parties)										
Payroll cost	209.7	217.4	187.4	195.4			37.0	36.6	434.1	449.4
Own production lignite			638.0	735.8					638.0	735.8
Third party lignite - hard coal			57.6	74.4					57.6	74.4
Natural gas			326.5	345.8					326.5	345.8
Liquid fuel			36.0	55.5					36.0	55.5
Materials & consumables	67.3	68.0	24.8	36.0			0.9	0.9	93.0	104.9
Depreciations	135.0	125.1	297.3	200.7	116.5	133.9	2.4	1.0	551.2	460.6
Energy purchases from third party										
Energy imports							174.2	151.6	174.2	151.6
Energy purchases to wholesale market							3,453.5	4,417.5	3,453.5	4,417.5
Transmission network fees							206.0	205.6	206.0	205.6
Distribution network fees							606.1	622.5	606.1	622.5
Utilities & maintenance	161.3	150.4	28.1	32.3			21.1	23.6	210.6	206.4
Third party fees	1.3	1.3	7.7	7.7			9.1	11.4	18.2	20.3
Taxes and duties	29.0	30.3	43.4	48.5			3.1	4.5	75.4	83.3
CO_2 emissions rights			225.7	198.2					225.7	198.2
Provisions	16.2	1.4	10.3	50.0			765.2	383.2	791.7	434.6
Financial expenses	28.2	36.9	103.5	67.6	54.7	48.6	12.4	58.9	198.9	212.1
Financial income	(6.8)	(6.0)	(22.8)	(10.1)	(11.9)	(7.1)	(49.7)	(55.2)	(91.3)	(78.3)
Other (income)/ expense, net	3.3	6.0	5.2	(18.5)	7.7	2.3	(11.9)	(16.7)	4.3	(26.9)
Devaluation of fixed assets				6.8		17.8		0.5		25.2
Impairment loss of marketable securities	0.2	0.4	0.6	0.7	0.3	0.5	0.2	0.6	1.2	2.1
Foreign currency gains/ (losses), net	0.0	0.5	(0.3)	1.0	0.0	0.7	0.1	0.8	(0.2)	3.0
Allocated administration expenses	70.0	65.0	39.1	19.5			10.4	8.3	119.5	92.8
Interdepartmental expenses										
Lignite yard & ash expenses			18.9	22.7					18.9	22.7
Change in stock	(8.1)	3.9							(8.1)	3.9
Public service obligations							545.6	540.1	545.6	540.1
Energy	51.3	64.3	19.7	30.2					71.1	94.5
Profit (loss) before tax	**(62.3)**	**(1.8)**	**(419.1)**	**203.9**	**121.9**	**132.7**	**69.1**	**(338.6)**	**(290.4)**	**(3.8)**

Crete Unbundled Income Statement - December 2015

(expressed in million euro)

	Generation		Distribution Network		Supply		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUES								
Revenues from 3rd parties								
Energy sales to customers					301.5	302.4	301.5	302.4
PSO's revenues					41.8	41.2	41.8	41.2
Energy exports								
Energy sales to wholesale market	407.5	491.3					407.5	491.3
Capacity assurance mechanism								
Other services to wholesale market								
Network rentals			17.5	19.3			17.5	19.3
Customer's contribution			3.8	4.5			3.8	4.5
PSO's revenues of other suppliers								
Other sales	0.2	0.2		0.6	60.7	8.4	60.9	9.2
Allocated administration revenues	1.2	0.4			0.2	0.1	1.3	0.5
Interdepartmental revenues								
Lignite yard & ash revenue								
Public service obligations					298.7	308.3	298.7	308.3
Energy					1.6	1.2	1.6	1.2
Lignite								
REVENUES	**408.8**	**491.9**	**21.3**	**24.4**	**704.5**	**661.7**	**1,134.6**	**1,178.0**
Expenses (3rd parties)								
Payroll cost	25.2	24.7			2.6	2.7	27.8	27.4
Own production lignite								
Third party lignite - hard coal								
Natural gas								
Liquid fuel	280.2	385.8					280.2	385.8
Materials & consumables	4.1	4.2			0.1	0.1	4.1	4.2
Depreciations	34.6	19.1	9.2	8.6	0.1	0.1	43.9	27.8
Energy purchases from third party					566.4	589.2	566.4	589.2
Energy imports								
Energy purchases to wholesale market								
Transmission network fees								
Distribution network fees					43.8	41.5	43.8	41.5
Utilities & maintenance	1.3	2.9			2.0	1.3	3.3	4.2
Third party fees	0.3	0.4			0.7	0.6	1.0	1.0
Taxes and duties	0.6	0.3			0.2	0.1	0.9	0.5
CO_2 emissions rights	13.4	10.2					13.4	10.2
Provisions	1.1	1.1			51.9	16.0	53.0	17.1
Financial expenses	7.1	6.3	6.4	7.6	5.4	3.4	18.9	17.2
Financial income	(1.5)	(0.9)	(1.4)	(1.1)	(4.8)	(3.3)	(7.7)	(5.3)
Other (income)/ expense, net	0.2	(1.2)	0.8	0.4	(1.6)	(1.2)	(0.6)	(1.9)
Devaluation of fixed assets		0.1		2.7				2.7
Impairment loss of marketable securities	0.0	0.1	0.0	0.1	0.0	0.0	0.1	0.2
Foreign currency gains/ (losses), net	0.1	(2.2)	0.0	0.1	0.0		0.1	(2.1)
Allocated administration expenses	5.0	3.0			0.9	1.0	5.9	3.9
Interdepartmental expenses								
Lignite yard & ash expenses								
Change in stock								
Public service obligations					41.8	41.2	41.8	41.2
Energy	1.6	1.2					1.6	1.2
Profit (loss) before tax	**35.5**	**36.8**	**6.2**	**6.1**	**(5.0)**	**(31.0)**	**36.6**	**11.9**

Other non Interconnected Islands Unbundled Income Statement (Incl. Rhodes) - December 2015

(expressed in million euro)

	Generation		Distribution Network		Supply		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUES								
Revenues from 3rd parties								
Energy sales to customers					278.5	274.1	278.5	274.1
PSO's revenues					39.6	38.0	39.6	38.0
Energy exports								
Energy sales to wholesale market	450.8	494.2					450.8	494.2
Capacity assurance mechanism								
Other services to wholesale market								
Network rentals			15.4	19.7			15.4	19.7
Customer's contribution			6.4	6.2			6.4	6.2
PSO's revenues of other suppliers								
Other sales	0.0	0.3	(0.0)	1.5	60.8	8.3	60.9	10.2
Allocated administration revenues	2.7	1.1			0.2	0.1	2.9	1.1
Interdepartmental revenues								
Lignite yard & ash revenue								
Public service obligations					328.2	310.9	328.2	310.9
Energy					0.4	0.5	0.4	0.5
Lignite								
REVENUES	**453.6**	**495.6**	**21.8**	**27.4**	**707.7**	**631.9**	**1,183.1**	**1,155.0**
Expenses (3rd parties)								
Payroll cost	40.3	41.6			2.2	2.1	42.5	43.7
Own production lignite								
Third party lignite - hard coal								
Natural gas								
Liquid fuel	266.6	326.6					266.6	326.6
Materials & consumables	14.3	13.8			0.1	0.1	14.3	13.8
Depreciations	48.6	29.5	12.0	16.4	0.2	0.1	60.8	46.0
Energy purchases from third party	1.1	4.4			554.6	549.7	555.7	554.1
Energy imports								
Energy purchases to wholesale market								
Transmission network fees								
Distribution network fees					40.6	33.6	40.6	33.6
Utilities & maintenance	7.7	5.7			1.8	1.4	9.5	7.1
Third party fees	2.1	3.3			0.8	0.7	2.9	4.0
Taxes and duties	0.2	0.4			0.3	0.1	0.5	0.5
CO_2 emissions rights	12.0	8.6					12.0	8.6
Provisions	1.6	2.1			53.9	15.9	55.5	17.9
Financial expenses	11.9	9.3	5.2	7.9	6.1	4.9	23.2	22.1
Financial income	(2.6)	(1.4)	(1.1)	(1.2)	(5.0)	(3.8)	(8.7)	(6.3)
Other (income)/ expense, net	7.9	(0.6)	2.6	0.9	(1.3)	(1.1)	9.2	(0.8)
Devaluation of fixed assets		0.5		0.9				1.4
Impairment loss of marketable securities	0.1	0.1	0.0	0.1	0.0		0.1	0.2
Foreign currency gains/ (losses), net	0.6	1.0	0.0	0.1	0.0	0.1	0.6	1.2
Allocated administration expenses	10.4	2.8			0.8	0.7	11.2	3.5
Interdepartmental expenses								
Lignite yard & ash expenses								
Change in stock								
Public service obligations					39.6	38.0	39.6	38.0
Energy	0.4	0.5					0.4	0.5
Profit (loss) before tax	**30.5**	**47.5**	**3.1**	**2.2**	**13.1**	**(10.5)**	**46.7**	**39.3**

Consolidated and Separate Balance Sheet as of December 31, 2015

(all amounts in millions of euro - except per share data)

	Company		IPTO		HEDNO		Other Companies		Eliminations		Group	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
ASSETS												
Non – current assets:												
Tangible assets	11,751.4	11,902.5	1,597.7	1,537.4	40.1	43.1	176.5	181.7	24.5	24.9	13,590.2	13,689.5
Intangible assets, net	74.3	65.8	0.1	0.3	4.1	3.8	0.5	0.5	(0.5)	(0.4)	78.6	69.9
Investments in subsidiaries	1,130.7	1,130.1	-	-	-	-	-	-	(1,130.7)	(1,130.1)	-	(0.0)
Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-
Investments in associates	1.2	1.1	-	-	-	-	22.4	20.5	(0.0)	(0.0)	23.6	21.7
Available for sale financial assets	0.3	2.4	-	-	-	-	-	-	-	-	0.3	2.4
Other non - current assets	119.2	131.0	-	(0.0)	0.0	0.0	700.6	700.6	(700.0)	(700.2)	119.7	131.5
Total non - current assets	**13,077.2**	**13,232.8**	**1,597.8**	**1,537.7**	**44.2**	**46.9**	**900.0**	**903.3**	**(1,806.8)**	**(1,805.7)**	**13,812.5**	**13,915.0**
Current assets:												
Materials, spare parts and supplies, net	569.8	559.1	40.0	38.2	177.0	180.2	0.8	0.7	(40.2)	(40.4)	747.4	737.8
Trade receivables, net	1,699.8	1,638.8	850.8	843.3	254.9	140.5	18.6	14.4	(979.9)	(864.3)	1,844.2	1,772.7
Other receivables, net	221.8	267.7	34.8	58.6	11.7	14.3	9.9	9.7	(32.3)	(56.2)	245.9	294.1
Income tax receivable	-	-	-	-	-	-	0.0	-	22.5	21.4	22.5	21.4
Other current assets	41.2	47.0	37.6	30.7	33.1	11.4	4.4	0.2	(53.7)	(36.1)	62.6	53.1
Cash and cash equivalents	197.6	248.3	188.4	118.3	19.0	28.8	46.6	39.1	-	-	451.7	434.5
Restricted cash	127.8	144.7	-	-	-	-	-	-	-	-	127.8	144.7
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	**2,858.1**	**2,905.6**	**1,151.6**	**1,089.1**	**495.7**	**375.1**	**80.3**	**64.0**	**(1,083.6)**	**(975.6)**	**3,502.1**	**3,458.3**
Total assets	**15,935.3**	**16,138.5**	**2,749.4**	**2,626.8**	**539.9**	**422.0**	**980.3**	**967.3**	**(2,890.3)**	**(2,781.3)**	**17,314.6**	**17,373.4**
EQUITY AND LIABILITIES												
Equity												
Share capital	1,067.2	1,067.2	38.4	38.4	37.6	37.6	97.4	96.6	(173.4)	(172.6)	1,067.2	1,067.2
Share premium	106.7	106.7	-	-	-	-	55.3	55.3	(55.3)	(55.3)	106.7	106.7
Legal reserve	109.2	109.2	12.8	12.8	0.2	0.2	2.1	1.8	(15.2)	(14.8)	109.2	109.2
Fixed assets' statutory revaluation surplus included in share capital	(947.3)	(947.3)	639.7	653.5	-	-	-	-	(639.7)	(653.5)	(947.3)	(947.3)
Revaluation surplus	4,020.0	4,082.7	-	-	43.6	46.6	24.7	26.5	664.0	677.8	4,752.3	4,833.6
Other reserves	(16.0)	9.0	173.9	174.7	-	-	(0.3)	-	(277.2)	(266.9)	(119.7)	(83.3)
Retained earnings	1,383.5	1,541.1	149.1	148.6	(34.5)	(55.6)	47.4	35.0	(602.4)	(620.4)	943.2	1,048.6
Total equity attributable to owners of the parent	5,723.2	5,968.4	1,014.0	1,028.0	46.9	28.7	226.7	215.3	(1,099.2)	(1,105.8)	5,911.5	6,134.7
Non controlling interest	-	-	-	0.0	-	0.0	-	-	0.1	0.1	0.1	0.1
Total equity	**5,723.2**	**5,968.4**	**1,014.0**	**1,028.0**	**46.9**	**28.7**	**226.7**	**215.3**	**(1,099.2)**	**(1,105.7)**	**5,911.6**	**6,134.7**
Non - current liabilities:												
Interest bearing loans and borrowings	4,365.2	4,763.5	126.0	88.0	-	-	700.0	700.0	(700.0)	(700.0)	4,491.2	4,851.5
Post retirement benefits	264.6	245.4	27.7	27.3	154.5	147.5	-	-	0.0	0.0	446.8	420.2
Provisions	196.5	173.5	43.6	16.0	37.0	37.0	3.6	3.9	-	-	280.6	230.4
Deferred tax liabilities	605.0	723.3	138.0	103.0	(42.4)	(37.3)	11.5	9.0	5.1	(3.2)	717.3	794.7
Deferred customers' contributions and subsidies	1,472.5	1,534.5	134.9	124.8	-	-	4.5	4.7	(0.0)	(0.0)	1,611.9	1,664.0
Other non - current liabilities	530.0	538.5	6.6	7.7	4.8	6.1	21.3	0.0	(0.1)	-	562.6	552.4
Total non - current liabilities	**7,433.8**	**7,978.6**	**476.7**	**366.8**	**153.9**	**153.3**	**740.9**	**717.7**	**(695.0)**	**(703.2)**	**8,110.4**	**8,513.2**
Current liabilities:												
Trade and other payables	1,830.2	1,601.8	743.2	751.5	260.7	190.6	4.6	27.8	(990.0)	(898.9)	1,848.7	1,672.8
Short - term borrowings	80.0	50.0	47.0	47.0	-	-	0.0	0.0	-	-	127.0	97.0
Current portion of interest bearing loans and borrowings	396.7	262.5	317.1	319.0	-	-	-	0.0	-	-	713.8	581.5
Dividends payable	0.1	0.1	-	-	-	-	-	-	-	-	0.1	0.1
Income tax payable	176.1	71.9	5.2	-	16.0	2.9	1.6	0.2	0.0	-	198.8	74.9
Accrued and other current liabilities	294.4	201.5	146.2	114.5	62.4	46.5	6.6	6.5	(106.2)	(73.5)	403.5	295.5
Derivative liability	0.7	3.6	-	-	-	-	-	-	-	-	0.7	3.6
Total current liabilities	2,778.3	2,191.4	1,258.7	1,232.0	339.1	240.0	12.7	34.4	(1,096.2)	(972.4)	3,292.7	2,725.4
Total liabilities and equity	**15,935.3**	**16,138.5**	**2,749.4**	**2,626.8**	**539.9**	**422.0**	**980.3**	**967.3**	**(2,890.3)**	**(2,781.3)**	**17,314.6**	**17,373.4**

Consolidated and Separate Statement of Income for the Year Ended December 31, 2015

(all amounts in millions of euro - except per share data)

	Company		IPTO		HEDNO		Other Companies		Eliminations		Group	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
REVENUES												
Revenue from energy sales	5,535.8	5,644.4	1,180.6	1,976.5	1,045.0	1,156.4	39.3	25.2	(2,253.6)	(3,147.8)	5,547.1	5,654.6
Revenue from system usage	-	-	239.7	242.3	715.6	716.4	-	-	(955.4)	(958.7)	-	-
PSO's revenues	-	-	26.3	23.6	-	-	-	-	(26.3)	(23.6)	-	-
Other sales	139.6	152.4	16.8	20.6	198.6	83.4	37.0	33.8	(203.5)	(81.1)	188.6	209.0
	5,675.4	**5,796.8**	**1,463.5**	**2,263.1**	**1,959.2**	**1,956.1**	**76.3**	**59.0**	**(3,438.7)**	**(4,211.3)**	**5,735.7**	**5,863.7**
EXPENSES												
Payroll cost	565.9	589.5	62.7	63.4	258.4	270.0	2.5	3.0	(9.2)	(11.6)	880.3	914.2
Lignite	26.8	82.7	-	-	-	-	-	-	-	-	26.8	82.7
Liquid fuel	582.8	767.9	-	-	-	-	-	-	-	-	582.8	767.9
Natural gas	326.5	345.8	-	-	-	-	-	-	-	-	326.5	345.8
Depreciation and amortization	663.2	539.9	61.7	53.2	6.6	6.1	6.2	6.8	-	-	737.7	606.0
Energy purchases	1,350.7	1,543.6	1,180.6	1,976.5	1,045.0	1,156.3	10.9	0.2	(2,274.1)	(3,162.0)	1,313.2	1,514.7
PSO's fees	-	-	26.3	23.6	-	-	-	-	(26.3)	(23.6)	-	-
Materials and consumables	111.7	123.3	1.5	2.6	30.7	34.5	0.0	-	-	-	144.0	160.5
Transmission system usage	206.0	205.6	-	-	-	-	-	-	(206.0)	(205.6)	-	-
Distribution system usage	412.6	393.7	-	-	278.0	304.0	-	-	(690.6)	(697.6)	-	-
Utilities and maintenance	236.6	231.5	5.5	5.3	255.0	144.1	3.6	3.8	(216.4)	(101.1)	284.3	283.7
Third party fees	28.0	32.8	6.9	5.0	26.7	28.4	0.5	0.8	(18.0)	(18.9)	44.0	48.0
CO_2 emission rights	251.1	216.9	-	-	-	-	-	-	-	-	251.1	216.9
Provision for land restoration	-	-	-	-	-	-	(0.4)	-	0.4	-	-	-
Provision for risks	36.6	29.2	27.5	(21.7)	-	(4.5)	0.0	0.0	(0.0)	(0.0)	64.1	3.0
Provision for slow – moving materials	8.4	5.7	(0.4)	2.3	1.3	(2.6)	0.1	0.0	-	-	9.4	5.5
Allowance for doubtful balances	879.0	433.0	(2.1)	(10.0)	-	(0.3)	-	-	-	-	876.9	422.7
Profit from evaluation of CO_2 liabilities of prior year	-	-	-	-	-	-	-	-	-	-	-	-
Financial expenses	241.0	251.4	34.3	36.7	0.1	0.1	37.1	34.1	(46.4)	(44.3)	266.0	278.0
Financial income	(107.7)	(90.0)	(3.2)	(2.3)	(0.5)	(0.9)	(0.6)	(0.6)	44.4	29.6	(67.6)	(64.2)
Other (income) expenses, net	61.0	12.2	0.0	2.8	18.6	16.2	0.8	1.5	23.5	43.2	103.9	76.0
Devaluation of fixed assets	-	29.3	-	29.5	-	-	-	1.7	-	-	-	60.6
Loss / (gain) of associates and joint ventures, net	-	-	-	-	-	-	(3.2)	(0.6)	-	-	(3.2)	(0.6)
Impairment loss of marketable securities	1.5	2.5	-	-	-	-	-	-	-	-	1.5	2.5
Foreign currency (gain)/loss, net	0.6	2.1	-	-	-	-	0.0	0.0	(0.0)	(0.0)	0.6	2.1
Profit / (loss) before tax	**(206.9)**	**47.9**	**61.9**	**96.1**	**39.4**	**4.6**	**18.9**	**8.2**	**(20.0)**	**(19.2)**	**(106.6)**	**137.6**

APPENDIX I

Notes to the Unbundled Financial Statements

1. General Information

According to the provisions of European Directive 2009/72/EC, as well as the provisions of Law 4001/2011, which integrates the aforementioned European Directive into the national legislation, unbundling is the separation of financial statements (balance sheet and income statement) of an integrated electric utility into different financial statements for each one of its activities.

The unbundled financial statements will reflect each activity's financial position, assets and liabilities, as if such activities prepared financial statements had they been separate (independent) legal entities.

PPC, as a vertically organized integrated electric utility, keeps in its internal accounting, separate accounts for its activities and prepares separate balance sheets and statements of income for each one of its activities (balance sheet and statement of income before tax – hereinafter referred to as "unbundled financial statements"), as if these activities were carried out by different entities, in order to avoid discriminations, cross subsidization and distortion of competition.

Further to the above, PPC should keep separate accounts for its activities carried out in the non-interconnected islands.

The accounting principles applied for the preparation of the unbundled financial statements are those applied for the preparation of the Company's separate and consolidated financial statements.

The unbundling methodology applied by the Company for the preparation of the accompanied unbundled financial statements was approved by the 266/2014 Decision of the Regulatory Authority for Energy. Additionaly, in the Non – Interconnected System the transactions of energy between PPC's Generation and Supply and HEDNO, are carried out according to RAE's Decision 641/2013.

2. Accounting Unbundling Methodology

The methodology applied for the preparation of the unbundled financial statements consists of the following phases:

- Determination of activities into which the integrated electric utility should be unbundled.
- Preparation of unbundled trial balances.
- Preparation of unbundled balance sheets.
- Preparation of the unbundled statements of income.
- Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system.

Determination of activities into which the integrated electric utility should be unbundled

The activities for unbundled financial statements prepared, on a first level, are Mines, Generation, Distribution Network, Supply, and Corporate.

On a second level, these activities are presented as follows:

- Interconnected System
  - Mines
  - Generation
  - Distribution network
  - Supply
- System of Crete
  - Generation
  - Distribution network
  - Supply
- System of other Non Interconnected Islands
  - Generation
  - Distribution network
  - Supply
- Corporate

Mines

Mines include the lignite extraction activity carried out in the Lignite Centers of West Macedonia and Megalopolis.

Generation

Generation includes the electricity generation activities in the Interconnected System, the System of Crete and the System of Non Interconnected Islands.

Distribution

Distribution Network includes the rental of assets to HEDNO SA in the Interconnected System, the System of Crete and the System of Non Interconnected Islands.

Supply

Supply reflects the Company's activity which monitors relationships with final customers in the Interconnected System, the System of Crete and the System of Non Interconnected Islands.

Corporate

The Corporate is the administrative departments of the Parent Company, which provide support to PPC's activities.

The Balance Sheet and Statement of Income of the Corporate is further allocated based on certain allocation rules, which are described in detail in the following pages.

Related parties are reflected as a separate activity in the group unbundled financial statements

Preparation of unbundled trial balances

In the Company's accounting system, each of the cost centre and the profit centre represents an organizational entity, in which the assets and liabilities are recorded. In order for these trial balances to be generated, the following tasks are performed, which are applied per account and cost / profit centre for the minimum account degree in General Accounting:

- Cost / profit centers are recorded in order to identify the boundaries of activities and then all cost / profit centers to be assigned to activities with which they are related to.
- The sum totals of the cost / profit centers and accounts are reconciled with the comprehensive trial balance of the Company.
- The trial balance accounts are codified and grouped into sections of the balance sheet and of the income statement based on Company's consolidated Financial Statements.

Preparation of unbundled balance sheets

At the and of each financial year, balance sheets are prepared for each of the four activities (Mines, Generation, Distribution Network, Supply) in the Interconnected System, in the Crete System and in the Non – Interconnected Islands System.

The balance sheet for each activity is prepared under the principle of independent accounting.

The accounts of each balance sheet are as follows:

- Direct, which include the direct charges and credits of the accounts of the relevant profit centers of the corresponding level of activit.
- Indirect of the administration departments, which derive from the administration departments of each activity and include its allocated balance sheet accounts.

- Indirect of the Corporate, which include the allocated balance sheet accounts, which are presented in a separate line on each activity's balance sheet.

Additionaly, the Balance Sheets of PPC's subsidiaries are depicted separately.

Preparation of the unbundled statements of income

For each accounting period income statements are prepared for each of the four activities (Mines, Generation, Distribution Network, Supply) in the Interconnected System, in the Crete System and in the Non – Interconnected Islands System. Additionaly, the Income Statements of PPC's subsidiaries are depicted separately.

Income statement accounts of financial nature are allocated to activities based on the loans of each activity.

Then, income statement account balances that have remained in Corporate are allocated in the activities.

For the allocation of revenues and expenses to Activities the criterion is based on direct expenses of every Activity, with the exception of expenses that relate to the system of customers' monitoring and billing that are assigned only to Supply. Upon completion of the above allocations, the Statements of income for each Activity are prepared.

The Corporate expenses and revenues allocated to the activities are presented separately in a line item in each activity.

Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system

Within the framework of an integrated utility products and services are exchanged among its activities, which would be recorded if these activities would operate as independent entities.

In order for these products and services to be quantified and recorded, an internal pricing system is applied if necessary (where there is no external determination of internal exchanges). The most important services and products internally exchanged in PPC among its Activities, that are presented in the Unbundled Financial Statements are the following:

Product / Service	Activity which Renders	Activity which Receives
Interconnected system		
Lignite	Mines	Generation
Other Services	Mines	Generation
Self-consumption energy	Supply	Mines, Generation
System of Crete		
Self-consumption Energy	Supply	Generation
Return of receivable Public Service Obligations	Interconnected	Supply of Crete
System of other non-interconnected islands		
Self-consumption Energy	Supply	Generation
Return of receivable Public Service Obligations	Interconnected Supply	Supply of non-interconnected islands

Each activity's revenues from product sales or services to another activity are quantified, through the internal pricing system. Also, the activity that receives the product/ service records the related cost.

The internal revenues – expenses for each activity are defined as follows

In the interconnected system:

- The internal energy sales for self-consumption are calculated based on each Activity's metered consumption of energy with the average marginal price including the Return of receivable Public Service Obligations, Transmission System Tariffs and IPTO uplift charge.
- The Mines internal revenue is calculated in accordance of the agreement for the lignite supply between Mines and Generation. The lignite supply contract determines the internal lignite market, i.e the lignite sales of the activity of the Lignite General Division to the activity of the Generation General Division. The contract covers the consumption of the lignite stations on a continuous basis, as well as with the necessary stock for the specific period. The calculation of the relative amounts takes place on a monthly basis, taking into account the monthly consumption and the calorific value of the lignite delivered.

In the Non-Interconnected system:

- The internal energy sales are calculated based on each activity's metered consumption of energy priced by the average revenue of PPC's tariffs for the sale of electricity to Medium Voltage for Industrial Use customers.
- The Public Service Obligations (PSOs) that are invoiced by Supply to its customers, third party PSOs as well as self consumption PSOs are allocated as an internal revenue of Crete and the Non Interconnected Islands' Supply.

Additionaly Supply receives as revenue electricity sales (self consumptions) to Generation (internal expense).

Analysis of Revenues – Expenses from Generation and Supply

(expressed in million euro)

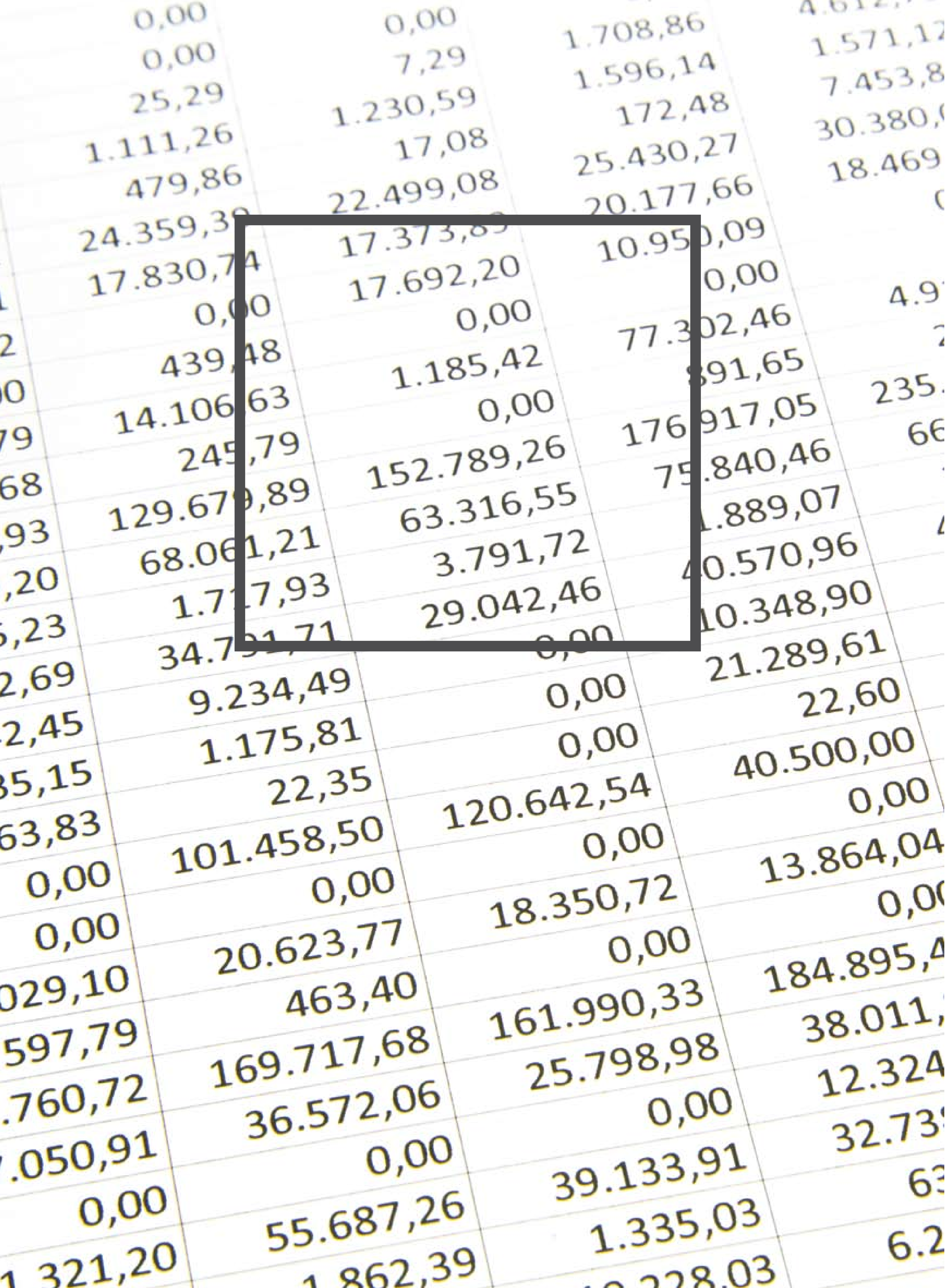
	Generation		Supply	
	2015	2014	2015	2014
	in million €	in million €	in million €	in million €
INCOME				
Energy sales			**5,531.36**	**5,642.56**
Competitive charges			3,914.36	3,663.71
Revenue from low voltage sales			2,825.60	2,848.06
Revenue from medium vioItage sales			764.83	815.65
*Revenue from high voltage sales**			323.93	0.00
Transmission system usage			210.90	202.38
Revenue from low voltage sales			162.87	163.65
Revenue from medium vioItage sales			31.53	38.73
*Revenue from high voltage sales**			16.49	0.00
Distribution system usage			701.65	684.17
Revenue from low voltage sales			642.49	622.15
Revenue from medium vioItage sales			59.16	62.02
Revenue from other charges			18.58	18.68
Revenue from low voltage sales			14.18	14.11
Revenue from medium vioItage sales			4.40	4.57
Revenue from High voltage sales*			0.00	331.12
Unbilled revenue and other revenue**			89.55	144.70
Revenue from PSO			596.32	597.79
Revenue from low voltage sales			460.73	457.09
Revenue from medium vioItage sales			125.40	128.98
Revenue from high voltage sales			10.19	11.72
Wholesale energy sales	**2,470.42**	**3,278.63**		
Sales of energy to IPTO - EMO	1,546.78	1,809.78		
Sales of energy to HEDNO	858.36	985.54		
Revenue from special consumption tax	53.90	47.73		
Revenue from covering the generation variable cost recovery	3.83	36.70		
Revenue from securing sufficient capacity	-4.43	378.62		
Ancillary services	11.97	20.26		
Other sales			**1,002.10**	**972.52**
Revenue from reconnection fees			0.97	2.58
Other income from consumers			3.20	2.93
Revenue from the special fee for the reduction of CO_2 emissions			970.25	940.13
Commission from Municipal Levy and tax			27.68	26.88
EXPENSES			**4,748.58**	**5,707.95**
Purchases of energy - Interconnected System			**3,453.48**	**4,417.43**
Purchases of energy by IPTO - EMO			2,392.69	2,678.97
Special consumption tax			81.97	56.75
Special fee for the reduction of CO_2 emissions			854.74	942.66
Securing sufficient capacity			-0.44	554.35
Coverage of the generation variable cost recovery			5.27	55.51
Charge according to the thermal units' variable cost			28.72	33.38
Ancillary services			55.31	43.87
Settlement of losses - clearances			32.77	44.07
Other expenses			2.45	7.86
Energy imports			**174.15**	**151.62**
Energy purchases from non interconnected islands			**858.36**	**985.54**
Energy purchases from RES			**144.47**	**153.36**
Revenue from the special fee for the reduction of CO_2 emissions from non interconnected islands			**118.13**	**0.00**

*For the revenue resulting from High Voltage Sales for the year 2014 there is no breakdown in competitive - monopoly charges to customers
**For the revenue resulting from unbilled and other income there is no breakdown in competitive - monopoly charges to customers

2 | DISTRIBUTION OF PROFITS FOR THE YEAR 2015

	Loss of the year	206,861,313.64
PLUS	Profit carried forward	606,036,614.02
	Total	**399,175,300.38**
MINUS	Income Tax	-54,346,160.69
	Retained Earnings	**453,521,461.07**
	1. Legal Reserve	0.00
	2. Dividends	0.00
	3. Retained Earnings	453,521,461.07
	Total	**453,521,461.07**

Note:
Because of the loss of financial results for the fiscal year 2015, there is no obligation for profit distribution.



3 FINANCIAL DATA AND INFORMATION FOR THE YEAR JANUARY 1, 2015 - DECEMBER 31, 2015

(Published in accordance to the article 135 of the corporate law 2190, for companies who prepare the annual consolidated and stand alone financial statements in accordance with IAS/IFRS)

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

The purpose of the following data is to provide users with general financial information about the financial condition and the results of operations of "Public Power Corporation S.A." and PPC Group. Therefore, we recommend users that, before proceeding to any kind of investing activity or transaction with the Company, to access the company's web site where the financial statements and the auditor's review report, when is required are published.

COMPANY'S DATA

Appropriate Authority	Ministry of Enviroment and Energy
Web site address	www.dei.gr
Date of approval by the Board of Directors	March 29, 2016
Certified auditor accountant	Ioannis V. Kalogeropoulos
Audit company	BDO Certified Public Accountants S.A.
Type of auditors' report	Unqualified Opinion - emphasis of matters
Board of Directors	
Chairman & Chief Executive Officer	Panagiotakis Emmanuel
Vice Chairman	Andriotis George
Deputy Chief Executive Officer	Goutsos Stavros
Independent - non executive members	Alexakis Panagiotis
	Papageorgiou Christos
	Prammantiotis Panagiotis
	Tavris Filippos
	Chatziathanasiou Vasilios
Non executive members	Karaleftheris Pantelis
	Fotopoulos Nikolaos
	Vatalis Aris

Athens, March 29, 2016

Chairman & Chief Executive Officer	Vice Chairman	Chief Financial Officer	Accounting Department Director
Emmanuel M. Panagiotakis	George A. Andriotis	George C. Angelopoulos	Efthimios A. Koutroulis License Number 0051612

DATA FROM STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Euro)

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Assets				
Tangible assets	13,590,247	13,689,537	11,751,414	11,902,455
Intangible assets, net	78,558	69,946	74,330	65,765
Other non- current assets	143,348	153,153	1,251,132	1,262,236
Materials, spare parts and supplies	747,370	737,763	569,811	559,078
Trade receivables	1,844,208	1,772,670	1,699,805	1,638,789
Other current assets	331,030	368,667	263,049	314,725
Available for sale financial assets	316	2,394	316	2,394
Restricted cash	127,842	144,720	127,842	144,720
Cash and cash equivalents	451,670	434,511	197,592	248,318
Total Assets	**17,314,589**	**17,373,361**	**15,935,291**	**16,138,480**
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	4,737,585	4,960,780	4,549,316	4,794,569
Equity attributable to shareholders of the parent (a)	5,911,464	6,134,659	5,723,195	5,968,448
Minority interests (b)	92	90	0	0
Total Equity (c)=(a)+(b)	5,911,556	6,134,749	5,723,195	5,968,448
Interest bearing loans and borrowings	4,491,174	4,851,491	4,365,184	4,763,477
Provisions / other non current liabilities	3,619,199	3,661,693	3,068,625	3,215,126
Short term borrowings	840,803	678,544	476,652	312,493
Other current liabilities	2,451,857	2,046,884	2,301,635	1,878,936
Total Liabilities (d)	11,403,033	11,238,612	10,212,096	10,170,032
Total Equity and Liabilities (c) + (d)	**17,314,589**	**17,373,361**	**15,935,291**	**16,138,480**

DATA FROM STATEMENT OF CHANGES IN EQUITY

(Amounts in thousands of Euro)

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Total equity at beginning of the year (01.01.2015 and 01.01.2014, respectively)	6,134,749	5,403,573	5,968,448	5,323,049
Total comprehensive income /(loss) after tax	(210,512)	731,086	(233,651)	645,398
Dividends	(11,600)	0	(11,600)	0
Incorporation of subsidiary	0	92	0	0
Other	(1,081)	(2)	(2)	1
Equity at the end of the year (31.12.2015 and 31.12.2014, respectively)	**5,911,556**	**6,134,749**	**5,723,195**	**5,968,448**

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Euro)

	Group	
	01.01-31.12.2015	01.01-31.12.2014
Sales	5,735,656	5,863,657
Gross operating results	1,113,982	960,865
Profit / (Loss) before tax, financing and investing activities	90,671	355,522
Profit / (Loss) before tax from continuing operations	(106,610)	137,624
Profit / (Loss) after tax from continuing operations (a)	(102,516)	91,320
Profit / (Loss) after tax from discontinuing operations (b)	0	0
Profit / (Loss) after tax from (continuing and discontinuing operations) (a)+(b)=(c)	**(102,516)**	**91,320**
Distributed to:		
- Owners of the Parent	(102,518)	91,322
- Minority interests	2	(2)
Other comprehensive income / (loss) after tax (d)	(107,996)	639,766
Total comprehensive income / (loss) after tax (c)+(d)	**(210,512)**	**731,086**
- Owners of the Parent	(210,514)	731,088
- Minority interests	2	(2)
Earnings / (Loss) per share, basic and diluted (in Euro)	(0.4419)	0.3936
Interim dividend (in Euro)	0.0000	0.0500
Profit before tax, financing and investing activities and depreciation and amortisation	828,420	1,022,146

	Company	
	01.01-31.12.2015	01.01-31.12.2014
Sales	5,675,402	5,796,750
Gross operating results	929,820	754,124
Profit / (Loss) before tax, financing and investing activities	(71,511)	214,055
Profit / (Loss) before tax from continuing operations	(206,857)	47,910
Profit / (Loss) after tax from continuing operations (a)	(152,511)	34,228
Profit / (Loss) after tax from discontinuing operations (b)	0	0
Profit / (Loss) after tax from (continuing and discontinuing operations) (a)+(b)=(c)	**(152,511)**	**34,228**
Distributed to:		
- Owners of the Parent	(152,511)	34,228
- Minority interests	0	0
Other comprehensive income / (loss) after tax (d)	(81,140)	611,170
Total comprehensive income / (loss) after tax (c)+(d)	**(233,651)**	**645,398**
- Owners of the Parent	(233,651)	645,398
- Minority interests	0	0
Earnings / (Loss) per share, basic and diluted (in Euro)	(0.6574)	0.1475
Interim dividend (in Euro)	0.0000	0.0500
Profit before tax, financing and investing activities and depreciation and amortisation	591,700	783,311

DATA FROM STATEMENT OF CASH FLOW

(Amounts in thousands of Euro)

	Group		Company	
	01.01-31.12.2015	01.01-31.12.2014	01.01-31.12.2015	01.01-31.12.2014
Cash Flows from Operating Activities				
Profit / (Loss) before tax	(106,610)	137,624	(206,857)	47,910
Adjustments:				
Depreciation and amortisation	821,218	682,564	738,791	611,151
Devaluation of fixed assets	0	60,577	0	29,332
Amortisation of customers' contributions and subsidies	(83,469)	(76,517)	(75,580)	(71,227)
Impairment loss of marketable securities	1,488	2,526	1,488	2,526
Fair value (gain) / loss of derivative instruments	(2,876)	(2,248)	(2,876)	(2,248)
Share of loss of associates	(3,243)	(551)	0	0
Interest income	(67,587)	(64,191)	(107,699)	(89,952)
Sundry provisions	956,611	427,758	920,765	468,929
Unrealised foreign exchange losses (gains) on interest bearing loans and borrowings	1,565	(102)	1,565	(102)
Unbilled revenue	(137,139)	(225,969)	(137,139)	(225,969)
Retirement of fixed assets and software	19,514	15,711	18,482	14,855
Amortisation of loan origination fees	7,329	10,320	7,143	9,859
Interest expense	236,988	240,975	213,626	216,070
Working capital adjustments:				
(Increase) / Decrease in:				
Accounts receivable, trade and other	(779,112)	(729,326)	(772,672)	(621,542)
Other current assets	(4,221)	(115,244)	11,312	(124,674)
Materials, spare parts and supplies	(18,956)	42,071	(19,091)	23,363
Increase / (decrease) in:				
Trade and other payables	175,968	(25,487)	228,437	(88,296)
Other non-current liabilities	10,196	12,040	(8,527)	4,327
Accrued / other liabilities excluding interest	162,527	55,970	156,788	11,993
Income tax paid	(28,393)	(13,284)	(23,712)	0
Net Cash from Operating Activities (a)	**1,161,798**	**435,217**	**944,244**	**216,305**
Cash Flows from Investing Activities				
Interest received	64,711	64,191	104,823	79,389
Capital expenditure of fixed assets and software	(753,130)	(670,396)	(616,565)	(570,826)
Proceeds from customers' contributions and subsidies	31,353	11,721	13,547	10,633
Investments in subsidiaries and associates	(1,951)	(38)	(722)	(21,900)
Net Cash used in Investing Activities (b)	**(659,017)**	**(594,522)**	**(498,917)**	**(502,704)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	30,000	(269)	30,000	0
Proceeds from interest bearing loans and borrowings	65,000	1,234,363	0	1,199,363
Principal payments of interest bearing loans and borrowings	(301,111)	(612,799)	(272,004)	(583,692)
Loans' issuance fees and interest paid	(267,913)	(287,750)	(242,451)	(266,460)
Dividends paid	(11,598)	(7)	(11,598)	(7)
Net Cash used in Financing Activities (c)	**(485,622)**	**333,538**	**(496,053)**	**349,204**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**17,159**	**174,233**	**(50,726)**	**62,805**
Cash and cash equivalents at the beginning of the year	434,511	260,278	248,318	185,513
Cash and cash equivalents at the end of the year	**451,670**	**434,511**	**197,592**	**248,318**

ADDITIONAL DATA AND INFORMATION

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

1. The Group's companies which are included in the 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 12, 15 and 16 of the Financial Report.
2. The accounting policies adopted in the preparation of the financial statements are presented in Note 3 of the Financial Report and are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2014, except from these which are presented in Note 3.2 of the 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 December 31, 2015 are as follows:

	Group	Company
a) Provision for litigation and arbitration	64.120	36.572
b) Tax provisions	2.920	2.920
c) Other provisions	886.279	887.331

6. Total payrolls of the Group and the Parent Company number 18.356 and 10.454 as of December 31, 2015 (2014: 18.572 and 10.554 respectively). Further information is presented in Note 1 of the Financial Report.
7. Sales and purchases of the Group and the Parent Company for the year ended December 31, 2015 as well as receivables and payables as of December 31, 2015 of the Group and the Parent Company, according to IAS 24 are as follows:

	Group	Company
a) Sales	67.254	1.448.685
b) Purchases	4.907	3.401.487
c) Receivables from related parties	272.163	429.052
d) Payables to related parties	0	1.178.369
e) Key management personnel compensations	1.412	872
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 year ended December 31, 2015 amounted to Euro 617 million and to Euro 753,6 million respectively.
9. Other Comprehensive income / (loss) after tax which was recognized directly in equity for the year ended December 31, 2015 are as follows:

	Group	Company
Profit / (Loss) from fair value available for sale financial assets	(619)	(420)
Foreign exchange differences	(95)	0
Actuarial gains/(losses)	(35.732)	(24.588)
Deferred taxes due to the change of the income tax rate of fixed assets' revaluation surplus	(71.550)	(56.132)
Total	**(107.996)**	**(81.140)**

10. Information regarding ALOUMINION S.A. is presented in Note 36 of the 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 36 of the 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 36 of the Financial Report.

4 | RELATED PARTIES TRANSACTIONS

RELATED PARTY TRANSACTIONS FOR THE YEAR 2015

(Amounts in thousands of Euro)

	31.12.15
Due from:	
IPTO S.A.	65,468
PPC RENEWABLES S.A.	1,741
HEDNO S.A.	89,441
PPC Elektrik	239
TOTAL	**156,889**
Due to:	
IPTO S.A.	824,137
PPC RENEWABLES S.A.	0
HEDNO S.A.	347,258
PPC FINANCE Plc	6,169
PPC Elektrik	96
PPC Bulgaria JSCO	709
TOTAL	**1,178,369**
Revenues from:	
SERVICES RENDERED TO IPTO S.A.	129,011
SERVICES RENDERED TO PPC RENEWABLES S.A.	3,419
SERVICES RENDERED TO HEDNO S.A.	1,247,817
SERVICES RENDERED TO PPC Elektrik	1,184
TOTAL	**1,381,431**
Expenses to:	
EXPENSES FROM SERVICES TO IPTO S.A.	1,367,353
EXPENSES FROM SERVICES TO PPC RENEWABLES S.A.	0
EXPENSES FROM SERVICES TO HEDNO S.A.	1,982,423
EXPENSES FROM SERVICES TO PPC Finance Plc	37,125
EXPENSES FROM SERVICES TO PPC Elektrik	3,300
EXPENSES FROM SERVICES TO PPC Bulgaria JSCO	6,379
TOTAL	**3,396,580**

5 | STOCK NEWS 2015

TABLE OF ANNOUNCEMENTS 2015

The Company's announcements that were publicized for the briefing of the investor community, during 2015, according to the Law 3401/2005 –article 10, are available on the company's website (www.dei.gr), in the electronic address www.dei.gr/Investor Relations/Announcements.

1	Jan-02-2015 HV customers pricing
2	Mar-04-2015 Clarifications concerning the Collective Labor Agreement
3	Mar-05-2015 Resignation of Chairman & CEO of PPC S.A.
4	Mar-13-2015 Invitation to an EGM on 03.04.2015
5	Mar-13-2015 Resignation of Members of the Bod
6	Mar-16-2015 Release Date of FY2014 Financial Results
7	Mar-20-2015 Comments on press articles
8	Mar-27-2015 FY 2014 Financial Results of PPC GROUP
9	Mar-27-2015 Financial Calendar for the year 2015
10	Mar-28-2015 Clarifications on the Agenda of EGM
11	Mar-30-2015 FY2014 Financial Results Presentation
12	Apr-02-2015 Additional Clarifications on the Agenda of EGM
13	Apr-03-2015 Resolutions of the Extraordinary General Meeting of Shareholders of PPC S.A.
14	Apr-07-2015 Resolutions of the Extraordinary General Meeting of Shareholders of PPC S.A.
15	Apr-21-2015 Formation in a body of BoD of HEDNO S.A.
16	Apr-21-2015 Departure of Deputy CEO
17	Apr-21-2015 Formation in a body of BoD of PPC S.A.
18	Apr-22-2015 Appointment of Members of PPC's Audit Committee
19	Apr-23-2015 E.C.'s Decision for the pricing of AoG

20	Apr-30-2015	Comment on Press Articles
21	May-12-2015	Election of new member of the Board of PPC S.A.
22	May-15-2015	Formation of body of the BoD of IPTO S.A.
23	May-19-2015	Release date of 1Q2015 Financial Results
24	May-21-2015	Formation into a body of the Board of Directors of HEDNO S.A.
25	May-27-2015	Comment on a press article
26	May-28-2015	PPC Group 1st Quarter 2015 Financial Results
27	May-29-2015	Presentation to Analysts - 1Q2015 Financial Results
28	May-29-2015	Invitation to the OGM of Shareholders of PPC S.A.
29	Jun-02-2015	REVISION - Financial Calendar 2015
30	Jun-03-2015	New Bod at PPC Renewables S.A.
31	Jun-08-2015	Clarifications on the Items of the OGM Agenda
32	Jun-25-2015	Subsidiary Licensing in Bulgaria
33	Jun-29-2015	Postponement of Annual Ordinary General Meeting
34	Jul-13-2015	New General Manager of Mines Division
35	Jul-14-2015	Resolutions of the Ordinary General Meeting of PPC S.A.
36	Jul-15-2015	Payment of dividend for the financial year 2014
37	Aug-20-2015	Date of 1H2015 Financial Results
38	Aug-27-2015	Q2 2015 financial Results of PPC S.A
39	Aug-27-2015	1H 2015 Financial Results - Presentation to the Analysts
40	Aug-28-2015	New commercial policy for Low and Medium Voltage customers
41	Aug-31-2015	Comments on press articles
42	Aug-31-2015	Media Relations Director of PPC S.A., Mr. Andreas Petsinis
43	Sep-17-2015	Provision of LG for the Construction of the new Lignite Unit "Ptolemaida V"

44	Oct-01-2015	Expiration of the five year period for the collection of the year 2009 dividend
45	Nov-03-2015	Signing of loan agreement with EIB
46	Nov-03-2015	Signing of two loan agreements between IPTO and EIB
47	Nov-11-2015	Invitation to an EGM of Shareholders on 07.12.2015
48	Nov-20-2015	Clarifications on the Items 1&3 of the Agenda of the EGM
49	Nov-20-2015	Date of 9M2015 Financial Results
50	Nov-26-2015	Resignation of CEO of PPC RENEWABLES S.A.
51	Nov-26-2015	Q32015 Financial Results of PPC S.A.
52	Nov-27-2015	Q32015 Financial Results - Presentation to the Analysts
53	Nov-27-2015	Clarifications on the second item of the Agenda of the EGM
54	Dec-04-2015	Information on the First item on the Agenda of the EGM of PPC SA Shareholders
55	Dec-08-2015	Resolutions of the Extraordinary General Meeting of Shareholders on 07.12.2015
56	Dec-11-2015	Comments on Press Articles
57	Dec-11-2015	New BoD composition at PPC Renewables
58	Dec-14-2015	Statement of the Chairman & CEO OF PPC S.A., Mr. M. Panagiotakis, regarding the agreement for ADMIE
59	Dec-18-2015	Comments on press articles
60	Dec-23-2015	Formation in a body of BoD of PPC S.A.
61	Dec-23-2015	Appointment of Members of PPC's Audit Committee

Public Power Corporation S.A.-Hellas
Energy for everyone

Company's number: 786301000 (former Company's Reg. No: 47829/06/B/00/2)

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Investor Relations and Treasury Department, PPC S.A.
Accounting Department, PPC S.A.

Publication Supervision:

Corporate Affairs and Communications Department PPC S.A.

Design - Art Supervision:

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Copies of the Report are available at:

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