

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED BALANCE SHEETS

FOR THE YEAR ENDED 31st DECEMBER 2003, AUDITED,

AND FOR THE NINE MONTHS ENDED 30th SEPTEMBER, 2004, UNAUDITED

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

(All amounts in thousands of Euro)

<u>ASSETS</u>	30.09.2004	31.12.2003
	<u>UNAUDITED</u>	<u>AUDITED</u>
Non-Current Assets:		
Property, plant and equipment, net	9.065.413	9.035.127
Software, net	8.401	11.257
Investments in associates	15.712	17.614
Other non-current assets	10.247	12.033
Deferred tax assets	149.216	147.423
Total non-current assets	9.248.989	9.223.454
Current Assets:		
Materials, spare parts and supplies, net	565.017	537.849
Trade receivables, net	677.505	596.711
Other receivables, net	77.563	79.150
Other current assets	13.919	6.766
Derivative asset	-	11.194
Marketable and other securities	23.236	19.802
Cash and cash equivalents	32.677	27.493
Total current assets	1.389.917	1.278.965
Total assets	10.638.906	10.502.419
<u>EQUITY AND LIABILITIES</u>		
EQUITY:		
Share capital	1.067.200	1.067.200
Share premium	106.679	106.679
Legal reserve	21.116	21.116
Revaluation surplus	2.543.342	2.543.342
Reversal of fixed assets' statutory revaluation surplus included in share capital	(947.342)	(947.342)
Reserves	224.637	221.201
Retained earnings	565.429	471.558
Total equity	3.581.061	3.483.754
Non-Current Liabilities:		
Interest bearing loans and borrowings	3.260.347	3.115.646
Post retirement benefits	223.640	221.159
Provisions	217.509	223.346
Deferred customers' contributions and subsidies	1.398.834	1.276.680
Deferred income tax liability	59.653	43.001
Other non-current liabilities	379.245	357.564
Total non-current liabilities	5.539.228	5.237.396
Current Liabilities:		
Trade and other payables	652.199	693.247
Short-term borrowings	62.250	57.100
Current portion of interest bearing loans and borrowings	531.669	766.547
Derivative liability	30.859	47.821
Dividends payable	193	279
Income tax payable	83.824	141.264
Accrued and other current liabilities	157.623	75.011
Total current liabilities	1.518.617	1.781.269
Total liabilities and equity	10.638.906	10.502.419

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED 31st DECEMBER 2003, AUDITED,

AND FOR THE NINE MONTHS ENDED 30th SEPTEMBER, 2004, UNAUDITED

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

	2004	2003
	UNAUDITED	UNAUDITED
REVENUES:		
Revenue from energy sales	2.852.332	2.725.423
Other	226.069	209.596
	<u>3.078.401</u>	<u>2.935.019</u>
EXPENSES:		
Payroll cost	654.309	623.752
Lignite	442.236	378.799
Liquid fuel	323.227	358.195
Natural gas	223.847	227.546
Depreciation and amortization	344.190	329.033
Energy purchases	146.276	113.446
Materials and consumables	72.540	66.911
Transmission system usage	192.011	184.700
Utilities and maintenance	70.437	51.577
Third party fees	14.466	13.395
Taxes and duties	18.629	17.852
Provision for risks	220	2.266
Provision for slow-moving materials	562	11.250
Allowance for doubtful balances	1.671	20.177
Other expenses	60.273	36.246
PROFIT FROM OPERATIONS	<u>513.507</u>	<u>499.874</u>
Financial expenses	123.923	133.403
Financial income	30.119	17.813
Share of loss of associates	9.902	26.808
Foreign currency gains/ (losses), net	(13.474)	34.178
Other income/ (expense), net	11.701	19.608
PROFIT BEFORE TAX	<u>408.028</u>	<u>411.262</u>
Income tax expense	151.748	150.806
PROFIT AFTER TAX	<u>256.280</u>	<u>260.456</u>
Earnings per share	<u>1,10</u>	<u>1,12</u>
Weighted average number of shares	<u>232.000.000</u>	<u>232.000.000</u>

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st DECEMBER 2003, AUDITED,
AND FOR THE NINE MONTHS ENDED 30th SEPTEMBER, 2004, UNAUDITED
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
(All amounts in thousands of Euro)

	2004	2003
	UNAUDITED	UNAUDITED
Cash Flows from Operating Activities		
Profit before tax	408.028	411.262
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortisation	499.715	477.531
Amortisation of customers' contributions and subsidies	(83.749)	(73.861)
Fair value (gain)/ loss of derivative instruments	(5.768)	(5.099)
Share of loss of associates	9.902	-
Interest income	(12.462)	(12.482)
Sundry provisions	3.016	42.667
Gain on disposal of fixed assets	(6.765)	-
Unrealised foreign exchange gains on interest bearing loans and borrowings	5.443	(34.178)
Unbilled revenue	(18.702)	(36.669)
Interest expense	114.617	124.263
Operating profit before working capital changes	913.275	893.434
(Increase)/ Decrease in:		
Accounts receivable, trade and other	(58.887)	(35.148)
Other current assets	(7.153)	(4.869)
PPC Personnel Insurance Organisation	-	38.829
Materials, spare parts and supplies	(17.677)	13.218
Other non-current assets	-	-
Increase/ (Decrease) in:		
Accounts payable	(41.049)	4.819
Other non-current liabilities	21.682	18.423
Accrued liabilities excluding bank loan interest	64.970	38.243
Provisions	(7.384)	-
Income taxes paid	(189.522)	(215.686)
Net Cash from Operating Activities	678.255	751.263
Cash Flows from Investing Activities		
Interest received	7.603	6.952
Capital expenditure for fixed assets and software	(537.064)	(490.435)
Disposal of fixed assets and software	6.630	680
Proceeds from customers' contributions and subsidies	205.903	123.650
Investments	(8.000)	(11.423)
Net Cash used in Investing Activities	(324.928)	(370.576)
Cash Flows from Financing Activities		
Net change in short-term borrowings	5.150	130.965
Proceeds from interest bearing loans and borrowings	480.000	355.169
Principal payments of interest bearing loans and borrowings	(575.620)	(640.566)
Loan expenses and fees paid	-	(1.099)
Interest paid	(95.186)	(107.694)
Dividends paid	(162.487)	(115.537)
Other	-	-
Net Cash used in Financing Activities	(348.143)	(378.762)
Net increase/ (decrease) in cash and cash equivalents	5.184	1.925
Cash and cash equivalents at beginning of year	27.493	28.407
Cash and cash equivalents at end of year	32.677	30.332

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31st DECEMBER 2003, AUDITED, AND FOR THE NINE MONTHS ENDED 30th SEPTEMBER, 2004, UNAUDITED
 IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
 (Expressed in thousands of Euro)

	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of Revaluation Gains	Reserves			Retained Earnings/ (Accumulated Deficit)	Total Equity
						Marketable Securities Valuation Surplus	Tax-free and Other Reserve	Reserves Total		
Balance, December 31, 2002	1.067.200	106.679	11.127	2.547.711	(947.342)	2.405	206.031	208.436	293.329	3.287.140
Net income for the year	-	-	-	-	-	-	-	-	304.628	304.628
Revaluation surplus of fixed assets disposed transferred to retained earnings	-	-	-	(4.369)	-	-	-	-	4.369	-
Transfers	-	-	9.989	-	-	-	5.530	5.530	(15.519)	-
Valuation of marketable securities	-	-	-	-	-	7.235	-	7.235	-	7.235
Dividends	-	-	-	-	-	-	-	-	(116.000)	(116.000)
Other movements	-	-	-	-	-	-	-	-	751	751
Balance, December 31, 2003	1.067.200	106.679	21.116	2.543.342	(947.342)	9.640	211.561	221.201	471.558	3.483.754
Net income for the year	-	-	-	-	-	-	-	-	256.280	256.280
Valuation of marketable securities	-	-	-	-	-	3.435	-	3.435	-	3.435
Dividends	-	-	-	-	-	-	-	-	(162.400)	(162.400)
Other movements	-	-	-	-	-	-	-	-	(8)	(8)
Balance, September 30, 2004	1.067.200	106.679	21.116	2.543.342	(947.342)	13.075	211.561	224.636	565.430	3.581.061