

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED BALANCE SHEETS

31st DECEMBER, 2003, and 30th JUNE 2004,

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

(All amounts in thousands of Euro)

<u>ASSETS</u>	30.06.2004	31.12.2003
	<u>UNAUDITED</u>	<u>AUDITED</u>
Non-Current Assets:		
Property, plant and equipment, net	9.065.951	9.035.127
Software, net	9.290	11.257
Investments in associates	15.582	17.614
Other non-current assets	10.843	12.033
Deferred tax assets	144.920	147.423
Total non-current assets	9.246.586	9.223.454
Current Assets:		
Materials, spare parts and supplies, net	585.788	537.849
Trade receivables, net	608.465	596.711
Other receivables, net	70.219	79.150
PPC Personnel Insurance Organisation	-	-
Other current assets	8.782	6.766
Derivative asset	3.603	11.194
Marketable and other securities	21.280	19.802
Cash and cash equivalents	33.871	27.493
Total current assets	1.332.008	1.278.965
Total assets	10.578.594	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	222.680	221.201
Retained earnings	502.020	471.558
Total equity	3.515.695	3.483.754
Non-Current Liabilities:		
Interest bearing loans and borrowings	3.138.620	3.115.646
Post retirement benefits	221.818	221.159
Provisions	216.878	223.346
Deferred customers' contributions and subsidies	1.317.467	1.276.680
Deferred income tax liability	52.501	43.001
Other non-current liabilities	372.063	357.564
Total non-current liabilities	5.319.347	5.237.396
Current Liabilities:		
Trade and other payables	713.028	693.247
Short-term borrowings	101.230	57.100
Current portion of interest bearing loans and borrowings	666.838	766.547
Derivative liability	31.997	47.821
Dividends payable	83.753	279
Income tax payable	53.938	141.264
Accrued and other current liabilities	92.768	75.011
Total current liabilities	1.743.552	1.781.269
Total liabilities and equity	10.578.594	10.502.419

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED 30th JUNE, 2004 AND 2003,

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

	2004	2003	
	UNAUDITED	AUDITED	Δ%
REVENUES:			
Revenue from energy sales	1.853.462	1.775.976	4,4%
Other	149.403	139.211	7,3%
	<u>2.002.865</u>	<u>1.915.187</u>	4,6%
EXPENSES:			
Payroll cost	435.705	433.498	0,5%
Lignite	282.849	255.915	10,5%
Liquid fuel	185.965	218.984	-15,1%
Natural gas	137.352	133.240	3,1%
Depreciation and amortization	226.603	215.230	5,3%
Energy purchases	74.568	64.210	16,1%
Materials and consumables	51.573	50.217	2,7%
Transmission system usage	127.443	122.542	4,0%
Utilities and maintenance	46.956	28.724	63,5%
Third party fees	9.873	9.130	8,1%
Taxes and duties	12.700	12.227	3,9%
Provision for risks	150	753	-80,1%
Provision for slow-moving materials	511	6.756	-92,4%
Allowance for doubtful balances	1.624	21.146	-92,3%
Other expenses	25.869	23.995	7,8%
PROFIT FROM OPERATIONS	<u>383.124</u>	<u>318.620</u>	20,2%
Financial expenses	82.151	89.286	-8,0%
Financial income	26.174	20.018	30,8%
Share of loss of associates	7.031	18.714	-62,4%
Foreign currency gains/ (losses), net	(17.492)	47.823	-136,6%
Other income/ (expense), net	9.257	8.829	4,8%
PROFIT BEFORE TAX	<u>311.881</u>	<u>287.290</u>	8,6%
Income tax expense	119.006	111.621	6,6%
PROFIT AFTER TAX	<u>192.875</u>	<u>175.669</u>	9,8%
Earnings per share, basic and diluted	<u>0,83</u>	<u>0,76</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 SIX MONTHS ENDED 30th JUNE, 2004 AND 2003,
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
(All amounts in thousands of Euro)

	2004	2003
	UNAUDITED	AUDITED
Cash Flows from Operating Activities		
Profit before tax	311.881	287.290
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortisation	328.791	313.764
Amortisation of customers' contributions and subsidies	(54.001)	(49.678)
Fair value (gain)/ loss of derivative instruments	(8.233)	(11.239)
Share of loss of associates	7.032	-
Interest income	(9.869)	(10.081)
Sundry provisions	2.909	46.155
Gain on disposal of fixed assets	(6.765)	-
Unrealised foreign exchange gains on interest bearing loans and borrowings	11.509	(41.950)
Unbilled revenue	11.450	(27.091)
Interest expense	76.117	84.236
Operating profit before working capital changes	<u>670.821</u>	<u>591.406</u>
(Increase)/ Decrease in:		
Accounts receivable, trade and other	(15.239)	(30.614)
Other current assets	(2.016)	(3.021)
PPC Personnel Insurance Organisation	-	38.905
Materials, spare parts and supplies	(41.838)	15.524
Other non-current assets	-	6
Increase/ (Decrease) in:		
Accounts payable	19.781	5.757
Other non-current liabilities	14.499	11.127
Accrued liabilities excluding bank loan interest	13.684	32.037
Provisions	(7.244)	-
Income taxes paid	(189.522)	(215.686)
Net Cash from Operating Activities	<u>462.926</u>	<u>445.441</u>
Cash Flows from Investing Activities		
Interest received	5.009	4.853
Capital expenditure for fixed assets and software	(363.799)	(301.247)
Disposal of fixed assets and software	6.239	232
Proceeds from customers' contributions and subsidies	94.788	81.341
Investments	(5.000)	(9.354)
Net Cash used in Investing Activities	<u>(262.763)</u>	<u>(224.175)</u>
Cash Flows from Financing Activities		
Net change in short-term borrowings	44.130	(49.724)
Proceeds from interest bearing loans and borrowings	355.000	287.493
Principal payments of interest bearing loans and borrowings	(443.244)	(369.996)
Loan expenses and fees paid	-	(1.098)
Interest paid	(70.852)	(79.696)
Dividends paid	(78.926)	(25)
Other	107	(226)
Net Cash used in Financing Activities	<u>(193.785)</u>	<u>(213.272)</u>
Net decrease in cash and cash equivalents	6.378	7.994
Cash and cash equivalents at beginning of year	27.493	28.407
Cash and cash equivalents at end of year	<u><u>33.871</u></u>	<u><u>36.401</u></u>

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31st DECEMBER 2003, AND FOR THE SIX MONTHS ENDED 30th JUNE, 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	-	-	-	-	-	-	-	-	192.875	192.875
Valuation of marketable securities	-	-	-	-	-	1.479	-	1.479	-	1.479
Dividends	-	-	-	-	-	-	-	-	(162.400)	(162.400)
Other movements	-	-	-	-	-	-	-	-	(13)	(13)
Balance, June 30, 2004	1.067.200	106.679	21.116	2.543.342	(947.342)	11.119	211.561	222.680	502.020	3.515.695