

ANALYSIS OF FINANCIAL RESULTS

REVENUES

Revenues from electricity sales, including exports, decreased by € 274.2 m (-5.0%), from € 5,507.5 m in 2009, to € 5,233.3 m, as a result of the decrease in the volume of sales by 2.7% (1,450 GWh), mainly due to the market share loss in the domestic market (share of 95.8% in 2010 from 99.5% in 2009).

As far as market loss of commercial customers in the Interconnected System is concerned, it reached 13.3 percentage points, from 98.1% in 2009 to 84.8% in 2010, since this segment of the market is open to competitive cherry picking due to the tariff distortions in 2010.

Third party suppliers are estimated to have increased their total sales by 1,949 GWh (from 283 GWh in 2009 to 2,232 GWh in 2010).

The change in the volume of sales is analyzed as follows :

- reduction of sales to the residential sector by 0.7%.
- increase of sales to the agricultural sector by 2.2%.
- reduction of sales to the commercial sector by 10.7%,
- reduction of sales to the industrial Medium Voltage & Low Voltage sector by 2.5%.
- increase of sales to the industrial High Voltage sector by 5.8%.
- reduction of sales to other sectors by 1.3 %.

Electricity tariffs in 2010 remained at 1.7.2008 levels.

OPERATING EXPENSES

The decrease in payroll costs between 2010 and 2009 amounted to € 247 m, mainly as a result of the implementation of Laws 3833/2010 and 3845/2010 and personnel retirements significantly outnumbering hirings.

Operating expenses, excluding depreciation, remained practically at 2009 levels, € 4,313.7 m compared to € 4,352.9 m in 2009, primarily due to the increase in energy purchases, the significant rise of the Special Consumption Tax on diesel and the contribution of € 99.6 m to the Personnel Insurance Organisations.

More specifically:

- Within the framework of broadening its suppliers' portfolio, PPC has proceeded, in the second half of 2010, to the purchase of LNG in competitive prices. The decrease in power generation from natural gas by 1,722 GWh, despite the fact that natural gas prices rose by 30.5%, coupled

to the supplies of LNG, resulted in a decrease in the relevant expenditure by € 8.8 m (-1.9%), from € 467.4 m in 2009 to € 458.6 m.

- Electricity generation from liquid fuel declined by 1,556 GWh (-23.5%) compared to 2009. This reduction is due to the very small oil generation in the Interconnected System of 113GWh (1,583 GWh less than 2009), resulting from higher oil generation costs compared to energy purchases together with lower electricity demand. Oil-fired generation in the non-interconnected islands increased by 27 GWh. On the other hand, heavy fuel oil and diesel oil prices in Euros increased by 40.8% and 59.2% respectively. Thus, the expenditure for liquid fuel increased between the two periods by € 103.4 m (+18.3%) from € 564.4 m in 2009 to € 667.8 m. This increase is mainly attributed to the increased expenditure for diesel consumption which is primarily related to the increase of the Special Consumption Tax.
- Despite the decrease in PPC import prices by 21.1% and the decrease of PPC imports by 519 GWh (-18.7%), the purchase of greater quantities of energy from the System and the Network by 3,120 GWh (+49.7%) as well as the increase of the energy purchase price from the System by 13.1% resulted in the increase in the expenditure for energy purchases by € 104.9 m (+19.2%) from € 545.3 m in 2009 to € 650.2 m.
- The decrease in CO₂ emission rights deficit, as a result of the lower generation mainly from lignite-fired units, led to a reduction of € 45.8 m in the relevant expenditure in the 2010 results, compared to 2009 from € 68.3 m to € 22.5 m.
- Depreciation expense in 2010 amounted to € 626.4 m compared to € 541.4 m in 2009, an increase of € 85.0 m (+15.7%). In 2009, the Group assigned an independent firm for the appraisal of its property, plant and equipment at December 31, 2009 fair values. The results of the appraisal have been recorded in the financial statements of December 31, 2009. The new appraised values are depreciated from January 1, 2010. The increase in depreciation which is due to the revaluation of assets amounts to € 33 m.
- The share of profit in associated companies amounted to € 1.4 m in 2010 and is the result of profit from PPC RENEWABLES' participation in its associated companies, while the respective magnitude in 2009 was € 0.8 m.
- Net financial expenses decreased by € 15.4 m (-10.6%), from € 144.8 m in 2009, to € 129.4 m, mainly due to the significant increase in the average amount of time deposits, despite the increase of reference interest rates during the greater part of the period .
- Capital expenditure amounted to € 963 m compared to € 1,104 m in 2009. Specifically, the main components of 2010 capital expenditure, were the following:

- Capital expenditure for mine projects: € 121 m.
 - Capital expenditure for generation projects: € 247 m.
 - Capital expenditure for transmission projects: € 89 m.
 - Capital expenditure for distribution projects: € 463 m.
 - Capital expenditure for RES projects: € 35m.
- Net debt amounted to € 4,210.3 m, an increase of € 154 m compared to 31/12/2009 (€ 4,056.3 m). In 2010 PPC paid 2009 dividends of € 232 m, income tax of € 113 m, as well as € 90 m for Advance Tax Payment.

FINANCIAL RESULTS OF THE PARENT COMPANY

- Turnover: € 5,793.7 m.
- EBITDA: € 1,483.2 m.
- EBT: € 726.2 m.
- Net income: € 546.5 m.

Summary Financials (€mil)

	2010 Audited	2009 Audited	Δ%		2010 Audited	2009 Audited	Δ%
	GROUP				PARENT COMPANY		
Total Revenues	5,811.4	6,030.4	-3.6%		5,793.7	6,017.1	-3.7%
EBITDA	1,497.7	1,677.5	-10.7%		1,483.2	1,668.1	-11.1%
EBITDA Margin	25.8%	27.8%			25.6%	27.7%	
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	871.3	1,136.1	-23.3%		861.1	1,131.8	-23.9%
EBIT Margin	15.0%	18.8%			14.9%	18.8%	
Net Income/(Loss)	557.9	693.3	-19.5%		546.5	690.7	-20.9%
EPS/(Loss) (In euro)	2.40	2.99	-19.7%		2.36	2.98	-20.8%
No of Shares (m.)	232	232			232	232	
Net Debt	4,210.3	4,056.3	3.8%		4,213.2	4,064.6	3.7%

Summary Profit & Loss (€mil)

	2010 Audited	2009 Audited	Δ%		2010 Audited	2009 Audited	Δ%
	GROUP				COMPANY		
Total Revenues	5,811.4	6,030.4	-3.6%		5,793.7	6,017.1	-3.7%
-Revenues from energy sales	5,233.3	5,507.5	-5.0%		5,215.6	5,494.2	-5.1%
- Revenues from TSO	259.9	285.9	-9.1%		259.9	285.9	-9.1%
- Customers' contributions	194.5	168.9	15.2%		194.5	168.9	15.2%
-Distribution network fees and PSO	50.9	5.7			50.9	5.7	
- Other revenues	72.8	62.4	16.7%		72.8	62.4	16.7%
Total Operating Expenses (excl. depreciation)	4,313.7	4,352.9	-0.9%		4,310.5	4,349.0	-0.9%
Payroll Expenses	1,245.1	1,492.1	-16.6%		1,242.2	1,485.4	-16.4%
One off contribution to PPC Personnel Insurance Organisations	99.6	-			99.6	-	
-Third parties fossil fuel	62.3	54.4	14.5%		62.3	54.4	14.5%
Total Fuel Expenses	1,126.4	1,031.8	9.2%		1,126.4	1,031.8	9.2%
- Liquid fuel	667.8	564.4	18.3%		667.8	564.4	18.3%
-Natural Gas	458.6	467.4	-1.9%		458.6	467.4	-1.9%
Expenditure for CO2 emission rights	22.5	68.3	-67.1%		22.5	68.3	-67.1%
Energy Purchases	650.2	545.3	19.2%		657.6	555.1	18.5%
- Purchases From the System and the Network	502.8	316.5	58.9%		502.8	316.5	58.9%
-PPC Imports	103.3	160.9	-35.8%		103.3	160.9	-35.8%
- Other	44.1	67.9	-35.1%		51.5	77.7	-33.7%
Transmission System	248.2	291.1	-14.7%		248.2	291.1	-14.7%

Usage						
Provisions	179.5	125.5	43.0%	179.4	125.1	43.4%
(Profit)/loss from valuation of CO2 liabilities of prior year	(18.6)	(18.2)	2.2%	(18.6)	(18.2)	2.2%
Taxes and Duties	44.6	51.2	-12.9%	43.7	50.4	-13.3%
Negative valuation of fixed assets	-	138.7		-	138.2	
Other operating expenses	653.9	572.7	14.2%	647.2	567.4	14.1%
EBITDA	1,497.7	1,677.5	-10.7%	1,483.2	1,668.1	-11.1%
EBITDA Margin	25.8%	27.8%		25.6%	27.7%	
Depreciation and amortization	626.4	541.4	15.7%	622.1	536.3	16.0%
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	871.3	1,136.1	-23.3%	861.1	1,131.8	-23.9%
EBIT Margin	15.0%	18.8%		14.9%	18.8%	
Total Net Financial Expenses	132.0	143.8	-8.2%	132.1	142.8	-7.5%
- Net Financial Expenses	129.4	144.8	-10.6%	129.5	143.8	-9.9%
- Foreign Currency Gains / (Losses)	2.6	(1.0)		2.6	(1.0)	
- Share of Profit / (Loss) in associated companies	1.4	0.8		-	-	
- Loss/ (impairment loss on join venture)	-	-		2.8	-	
Pre-tax Profits/ (Losses)	740.7	993.1	-25.4%	726.2	989.0	-26.6%
Net Income/ (Loss)	557.9	693.3	-19.5%	546.5	690.7	-20.9%
EPS (in Euro)	2.40	2.99	-19.7%	2.36	2.98	-20.8%

Summary Balance Sheet & Capex (€m)

	2010 Audited	2009 Audited	Δ%		2010 Audited	2009 Audited	Δ%	
	GROUP				PARENT COMPANY			
Total Assets	16,200.4	15,784.2	2.6%		16,171.2	15,768.9	2.6%	
Net Debt	4,210.3	4,056.3	3.8%		4,213.2	4,064.6	3.7%	
Total Equity	6,769.5	6,461.3	4.8%		6,746.3	6,449.2	4.6%	
Capital expenditure	962.7	1,103.6	-12.8%		928.1	1,088.3	-14.7%	

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The financial data and relevant information on the Financial Statements for 2010, shall be published in the Press, on March 30, 2011.

The financial data and relevant information on the Financial Statements for 2010, as well as the Financial Statements for 2010, on a standalone and on a consolidated basis shall be uploaded to the Company's web site (www.dei.gr) on March 29, 2011, after the closing of the Athens Stock Exchange.