

PPC's CONSOLIDATED FY2011 FINANCIAL RESULTS

Athens, March 30, 2012

GROUP FINANCIAL RESULTS

- **Turnover: € 5,513.6 m.**
 - **EBITDA: € 769.4 m.**
 - **Pre-Tax Losses: € 85.8 m.**
 - **Net Losses: € 148.9 m.**
 - **Net Losses (adjusted for the impairment of marketable securities): € 123.3 m.**
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- EBITDA amounted to € 769.4 m in FY2011 compared to € 1,497.7 m in FY2010, reduced by € 728.3 m (-48.6%). EBITDA margin reached 14%, compared to 25.8% in 2010.
 - Total electricity demand remained practically at the same level between 2011 and 2010 at 61,834 GWh vs 61,817 GWh in 2010. However, excluding exports and pumping, electricity demand decreased by approximately 1.1% (622 GWh). On the other hand, and with respect to the fourth quarter, total demand increased by 2%, whereas excluding exports and pumping the increase was 2.2%.
 - PPC's total electricity sales, including exports, decreased by 2,270 GWh (-4.4%) to 49,317 GWh, whereas the corresponding revenues declined by 6.8%. Despite the increased demand in 4Q2011, electricity sales decreased by 1.2%, mainly due to market share loss.
 - PPC's electricity sales and revenues in the domestic retail market decreased by 4.7% (2,405 GWh) and by 7% (€ 367 m) respectively compared to 2010.
 - Turnover reached € 5,513.6 m, compared to € 5,809.8 m in 2010, a reduction of € 296.2 m (-5.1%). Turnover includes an amount of € 140.6 m reflecting network users' contributions for connections to the network. The respective amount for 2010 was € 194.5 m.
 - In 2011, PPC's electricity generation and imports, covered 70.1% of total demand, while the corresponding percentage in 2010 was 77.3%, a reduction of 4,451 GWh.

- PPC imports decreased to 1,846 GWh from 2,255 GWh in 2010 (-18.1%).
- Concerning RES generation in 2011, PPC RENEWABLES generated 248 GWh compared to 274 GWh in 2010, a decrease of 26 GWh, mainly due to reduced hydro generation by 20%.
- The expenditure for liquid fuel, natural gas and energy purchases increased by € 553.2 m, an increase of 31.1% compared to 2010, mainly driven by the higher expense for energy purchases and imports (+ € 406.5 m), the increase in international prices of heavy fuel oil, diesel and natural gas, the increase of Special Consumption Tax on heavy fuel oil and on diesel, and the imposition of Special Consumption Tax on natural gas since September 2011.
Excluding the positive impact of an amount of € 37.3 m from previous years' settlements, which are included in energy purchases expense for 2010, the increase of the relevant expense amounts to € 369.2 m. This increase is on one hand, attributed to the increase of energy purchases quantities from the System by 24.6%, mainly due to the reduced hydro generation and the increased IPPs' output and, on the other hand, to the increase in energy purchase prices by 22.5% , whereas the impact from the variable cost recovery mechanism amounted to an additional expense of € 102.1 m compared to 2010.
- The total reduction of payroll cost, including capitalized payroll, between the two periods amounts to € 161m (-11.4%). This reduction is attributed to a large extent (€ 95 m) to the net decline in the number of permanent employees on payroll by 1,024 to 20,821 on 31/12/2011 from 21,845 on 31/12/2010. In addition, internal actions for the reduction in overtime and shifts expense by € 42 m. contributed significantly to the reduction of payroll cost. In this context, despite the lower number of personnel, overtime and shifts in hours decreased by 10.6%.
- During 2011, Transmission System charges decreased by € 8.3 m (from € 248.4 m in 2010 to € 240.1).
Other expense concerning Transmission System usage, such as ancillary services, administrative expense of HTSO etc., were increased by € 39.9 m.
As a result, total expense for Transmission System usage increased by € 31.6 m (from € 284.0 m in 2010 to € 315.6 in 2011), excluding the positive impact in 2010 from previous years' settlements, a total amount of € 37.7 m.
- In 2011, 43.6% of the Company's total revenues were expensed for fuel, energy purchases and CO2 emission rights compared to 32% in 2010. On the contrary and despite the decrease in total revenues, payroll expense is further reduced to 19.9% of total revenues compared to 21.4% in 2010.
- 2011 pre-tax losses amounted to €85.8 m, compared to pre tax profits of € 740.7m in 2010, a reduction of € 826.5 m. Pre-tax losses were impacted with an amount of € 25.6 m associated with the impairment of marketable securities. Excluding the abovementioned impact, pre-tax losses would have reached € 60.2 m. Furthermore, the parent company recorded a € 83.5 m. provision for

receivables from third party suppliers, regarding rights for the use of network. Without taking into account this provision, the Group would report pre-tax profits in the order of € 23.3 m.

- Group results are burdened with taxes of € 63.1 m., leading to net losses of € 148.9 m., mainly due to tax obligations resulting from profits generated at the level of the subsidiaries IPTO S.A and PPC Renewables S.A. as well as provisions for tax unaudited years.
- No dividend will be distributed for the financial year 2011.

Commenting on the financial results of the period, Arthouros Zervos, Public Power Corporation's Chairman and Chief Executive Officer said:

“2011 has been an exceptionally challenging year, as the Greek economy is going through the greatest recession of the last decades. Nonetheless, PPC managed to contain its losses. The significant decrease in payroll expense combined with the more efficient utilization of resources as well as the rationalization of controllable expenses, contributed to this direction, resulting to the increase of productivity.

2011 financial results reflect the significant changes in exogenous factors, such as the decrease in total demand, the intensifying competition in the wholesale and the retail market, the increase in international fuel prices and the imposition or increase of taxes on fuel, as well as the unfavorable hydrological conditions. The regulatory framework within which the Company operates and the regulated tariffs' regime do not allow, to a great extent, the link between wholesale prices and retail tariffs, and as result the increase of the energy generation cost has a direct negative impact on Company's profitability prospects.

Within such a difficult environment and taking into consideration the significant increase of financing cost, the unprecedented limited liquidity in the Greek economy and the major developments taking place in the electricity market, PPC has adapted its investment model by implementing strict criteria for the containment of investments so as to optimize the use of its resources and secure the maximum possible return. At the same time, significant progress has been made in the organizational restructuring of the company with the completion of the spin-off of the Transmission Segment, while following the relative approval by the Extraordinary General Meeting of Shareholders yesterday, the spin-off of the Distribution Segment is expected to be completed soon.

In 2012 we expect that the increase in tariffs and further payroll savings as well as all other initiatives for expense rationalization will have a positive impact on the financial results. However, it is evident that the environment, for the Greek economy in general and the electricity market as well as the Company in particular, continues to be

characterized by significant risks associated with persisting recessionary conditions and lack of liquidity in the market. PPC shall continue to play a key role in the Greek economy. As I have stated many times, the sustainable growth of PPC also depends on the rational operation of the market according to rules which will ensure that tariffs reflect the generation cost, as well as a reasonable compensation for all energy services, while providing incentives for the reduction of the wholesale market cost in favour of the customer''.

ANALYSIS OF FINANCIAL RESULTS

REVENUES

Revenues from electricity sales, including exports, decreased by € 354.7 m (-6.8%), from € 5,233.3 m in 2010, to € 4,878.6 m, as a result of the decline in the volume of sales by 4.4% (2,270 GWh), mainly due to market share loss in the domestic market (share of 92.3% in 2011 from 95.8% in 2010).

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

- increase of sales to the residential sector by 0.1%.
- reduction of sales to the agricultural sector by 0.6%.
- reduction of sales to the commercial sector by 11.9%,
- reduction of sales to the industrial Medium Voltage & Low Voltage sector by 12.6%.
- increase of sales to the industrial High Voltage sector by 4.1%.
- reduction of sales to other sectors by 3.1 %.
- increase of exports by 135 GWh.

OPERATING EXPENSES

The decrease in payroll expense between 2011 and 2010 amounted to € 145.4 m (-11.7%), mainly as a result of natural attrition and the containment of overtime and shifts expense. The carry over effect from the implementation of Laws 3833 and 3845 of 2010 also contributed to this decrease.

Operating expenses, excluding depreciation, increased by € 432.1 m (10%) from € 4,312.1 m in 2010 to € 4,744.2 m.

More specifically:

- On a full year basis, electricity generation from lignite increased by 0.5% (130 GWh) compared to 2010, due to the significant increase in electricity generation from lignite by 836 GWh in 4Q2011 (+13.5% compared to 4Q2010).

- Hydro generation compared to 2010, which was the best year, in hydro terms, of the last decades, decreased by 45.2% (3,027 GWh). Especially in 4Q2011, this reduction was substantial (-68.2%) compared to 4Q2010 (664 GWh vs 2,087 GWh respectively) due to significantly lower water inflows (-83.5%) which resulted to the decrease in hydro reserves in the end of 2011 by 30.4% compared to 2010.
- The increase of natural gas prices by 18.4% and the negative impact of € 21 m. from the imposition of the Special Consumption Tax resulted in an increase in the relevant expenditure by € 10.8 m, from € 458.6 m in 2010 to € 469.4 m., despite the decrease in generation from natural gas by 816 GWh (-13.5%).
- Electricity generation from liquid fuel decreased by 303 GWh (-6%) compared to 2010, due to the very low oil-fired generation in the Interconnected System in 2011 and the reduced oil-fired generation in the non-interconnected islands by 198 GWh. On the contrary, the increase of the international prices of heavy fuel oil and diesel oil (by 21.7% and 17% respectively) and the additional impact of Special Consumption Tax (by € 6.6 m and € 38.3 m respectively) led to the increase in the liquid fuel expense by € 135.9 m (+20.4%) from € 667.8 m in 2010 to € 803.7 m in 2011.
- The purchase of greater quantities of energy from the System and the Network by 2,308 GWh (+24.5%) as well as the increase of the average energy purchase price from the System by 22.5% resulted in the increase of the expenditure for energy purchases and imports by € 406.5 m (+62.5%) from € 650.5 m in 2010 to € 1,057 m.
It is noted that an amount of € 130.6 m relates to the compensation of the Independent Power Producers (IPPs) with their variable cost plus 10%, whereas in 2010 the respective amount was € 28.5 m. (additional impact of € 102.1 m).
- Provisions for bad debt, litigation and slow moving materials reached € 223.9 m, marking an increase of € 44.4 m (+24.7%) compared to 2010, which is attributed to the increase in bad debt provisions for third party suppliers. As already mentioned, the parent company recorded a € 83.5 m. provision for receivables from third party suppliers, regarding rights for the use of network.
- Depreciation expense in 2011 amounted to € 646.9 m compared to € 626.4 m in 2010, an increase of € 20.5 m (+3.3%).
- The share of profit in associated companies amounted to € 0.2 m in 2011 and relates to profits from PPC RENEWABLES' participation in its associated companies, while the respective magnitude in 2010 was € 1.4 m.
- Net financial expenses increased by € 53.8 m (+41.6%), from € 129.4 m in 2010, to € 183.2 m, mainly due to the increase of the total funding cost and the increase of the average debt between the two periods.

- Capital expenditure amounted to € 1,107.6 m compared to € 962.7 m in 2010, increased by € 144.9 m, mainly due to the construction of the new CCGT unit “Megalopolis V”. Specifically, the main components of 2011 capital expenditure, were the following:
 - Capital expenditure for mine projects: € 144 m.
 - Capital expenditure for generation projects: € 453 m.
 - Capital expenditure for transmission projects: €79 m.
 - Capital expenditure for distribution projects: € 402 m.
 - Capital expenditure for RES projects: € 26 m.

- Net debt amounted to € 4,703 m, an increase of € 493 m compared to 31/12/2010 (€ 4,210 m).

FINANCIAL RESULTS OF THE PARENT COMPANY

- Turnover: € 5,180.3 m.
- EBITDA: € 523.3 m.
- Pre - tax losses from continuing operations: € 247.1 m.
- Net losses from continuing operations : € 272.9 m.

FINANCIAL RESULTS OF SUBSIDIARIES

Independent Power Transmission Operator (IPTO S.A)

- Turnover: € 320.8 m.
- EBITDA: € 233.3 m.
- Pre - tax profits : € 153.2 m.
- Net income : € 117.6 m.

PPC Renewables S.A.

- Turnover: € 23.0 m.
- EBITDA: € 12.9 m.
- Pre - tax profits : € 8.2 m.
- Net income : € 6.5 m.

Summary Financials (€ mil)

	2011 Audited	2010 Audited	Δ%		2011 Audited	2010 Audited	Δ%
	GROUP				PARENT COMPANY		
Total Revenues	5,513.6	5,809.8	-5.1%		5,180.3	5,519.4	-6.1%
EBITDA	769.4	1,497.7	-48.6%		523.3	1,310.1	-60.1%
EBITDA Margin	14.0%	25.8%			10.1%	23.7%	
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	122.5	871.3	-85.9%		(63.7)	744.9	-108.6%
EBIT Margin	2.2%	15.0%			-1.2%	13.5%	
Net Income/(Loss)	(148.9)	557.9	-126.7%		(272.9)	546.5	-149.9%
EPS/(Loss) (In euro)	(0.64)	2.40	-126.7%		(1.18)	2.36	-149.9%
No of Shares (m.)	232	232			232	232	
Net Debt	4,702.7	4,210.3	11.7%		4,355.7	4,213.2	3.4%

Summary Profit & Loss (€ mil)

	2011 Audited	2010 Audited	Δ%		2011 Audited	2010 Audited	Δ%
	GROUP				COMPANY		
Total Revenues	5,513.6	5,809.8 ⁽²⁾	-5.1%		5,180.3	5,519.4 ⁽¹⁾	-6.1%
-Revenues from energy sales	4,878.6	5,233.3	-6.8%		4,864.3	5,215.6 ⁽¹⁾	-6.7%
- Revenues from TSO	310.7	258.3 ⁽²⁾	20.3%		0.0	0.0 ⁽¹⁾	
- Customers' contributions	140.6	194.5	-27.7%		134.8	194.5 ⁽¹⁾	-30.7%
-Distribution network fees and PSO	116.7	50.9	129.3%		116.7	50.9 ⁽¹⁾	129.3%
- Other revenues	67.0	72.8	-8.0%		64.5	58.4 ⁽¹⁾	10.4%
Total Operating Expenses (excl. depreciation)	4,744.2	4,312.1 ⁽²⁾	10.0%		4,657.0	4,209.3 ⁽¹⁾	10.6%
Payroll Expenses	1,099.7	1,245.1	-11.7%		1,028.5	1,174.1 ⁽¹⁾	-12.4%
-Third parties fossil fuel	53.6	62.3	-14.0%		53.6	62.3 ⁽¹⁾	-14.0%
Total Fuel Expenses	1,273.1	1,126.4	13.0%		1,273.1	1,126.4 ⁽¹⁾	13.0%
- Liquid fuel	803.7	667.8	20.4%		803.7	667.8 ⁽¹⁾	20.4%
-Natural Gas	469.4	458.6	2.4%		469.4	458.6 ⁽¹⁾	2.4%
Expenditure for CO2 emission rights	18.3	22.5	-18.7%		18.3	22.5 ⁽¹⁾	-18.7%
Energy Purchases	1,057.0	650.5 ⁽²⁾	62.5%		1,067.6	657.9 ⁽¹⁾	62.3%
- Purchases From the System and the Network	765.0	502.8	52.1%		765.0	502.8 ⁽¹⁾	52.1%
-PPC Imports	94.5	103.3	-8.5%		94.5	103.3 ⁽¹⁾	-8.5%
- Other	197.5	44.4 ⁽²⁾	344.8%		208.1	51.8 ⁽¹⁾	301.7%
Transmission System Usage	315.6	246.3 ⁽²⁾	28.1%		315.6	246.3 ⁽¹⁾	28.1%

Provisions	223.9	179.5	24.7%		228.5	179.7 ⁽¹⁾	27.2%
(Profit)/loss from valuation of CO2 liabilities of prior year	(11.5)	(18.6)	-38.2%		(11.5)	(18.6) ⁽¹⁾	-38.2%
Taxes and Duties	42.3	44.6	-5.2%		39.3	43.7 ⁽¹⁾	-10.1%
One off contribution to PPC Personnel Insurance Funds	-	99.6			-	99.6 ⁽¹⁾	
Other operating expenses	672.2	653.9	2.8%		644.0	615.4 ⁽¹⁾	4.6%
EBITDA	769.4	1,497.7	-48.6%		523.3	1,310.1 ⁽¹⁾	-60.1 %
EBITDA Margin	14.0%	25.8%			10.1%	23.7% ⁽¹⁾	
Depreciation and amortization	646.9	626.4	3.3%		587.0	565.2 ⁽¹⁾	3.9%
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	122.5	871.3	-85.9%		(63.7)	744.9 ⁽¹⁾	-108.6%
EBIT Margin	2.2%	15.0%			-1.2%	13.5% ⁽¹⁾	
Total Net Financial Expenses	182.9	132.0	38.6%		157.7	107.2 ⁽¹⁾	47.1%
- Net Financial Expenses	183.2	129.4	41.6%		158.0	104.6 ⁽¹⁾	51.1%
- Foreign Currency (Gains) / Losses	(0.3)	2.6	-111.5%		(0.3)	2.6 ⁽¹⁾	-111.5%
Impairment loss of marketable securities	25.6	-			25.6	-	
- Share of Profit / (Loss) in associated companies	0.2	1.4	-85.7%				
-Loss/ (impairment loss on joint venture)	-	-			0.1	2.8 ⁽¹⁾	-96.4%
Pre-tax Profits/ (Losses) from	(85.8)	740.7	-111.6%		(247.1)	634.9 ⁽¹⁾	-138.9%

continuing operations						
Profit after tax / (Losses) from continuing operations	-	-		(272.9)	476.0 ⁽¹⁾	-157.3%
Pre-tax Profits/ (Losses) from discontinued operations	-	-		113.9	70.5 ⁽¹⁾	61.6%
Loss on transfer SPIN-OFF of transmission operations	-	-		(113.9)		
Net Income/ (Loss)	(148.9)	557.9	-126.7%	(272.9)	546.5 ⁽¹⁾	-149.9%
EPS (in Euro)	-0.64	2.40	-126.7%	(1.18)	2.36 ⁽¹⁾	-149.9%

Summary Balance Sheet & Capex (€ m)

	2011 Audited	2010 Audited	Δ%		2011 Audited	2010 Audited	Δ%
	GROUP				PARENT COMPANY		
Total Assets	16,644.8	16,200.4	2.7%		15,455.8	16,171.2	-4.4%
Net Debt	4,702.7	4,210.3	11.7%		4,355.7	4,213.2	3.4%
Total Equity	6,448.7	6,769.5	-4.7%		6,300.0	6,746.3	-6.6%
Capital expenditure	1,107.6	962.7	15.1%		1,002.3	839.3	19.4%

⁽¹⁾ Restated due to the spin-off of the Transmission activities.

⁽²⁾ Reclassifications have taken place for comparative reasons.

For further information please contact:

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The financial data and relevant information on the Financial Statements for 2011, shall be published in the Press, on March, 31, 2012.

The financial data and relevant information on the Financial Statements for 2011, as well as the Financial Statements for 2011, on a standalone and on a consolidated basis shall be uploaded to the Company's web site (www.dei.gr) on March, 30, 2012, after the closing of the Athens Stock Exchange.