

**Clarifications on the Agenda regarding the Invitation
to the Extraordinary General Meeting of PPC S.A. Shareholders
to be held on January 31st , 2014.**

1st item:

As it is known since 1966 PPC SA supplies ALUMINIUM SA with electricity. Following expiration of the initial contract, in March 2006, strong disagreement and disputes arose between the parties with regard to the supply and billing terms. Aiming at resolving such disputes, the two parties sought recourse to both ordinary and arbitration court proceedings.

Following the Decision no 1/31.10.2013 issued by the Permanent Arbitration Tribunal at the Regulatory Authority for Energy (RAE), to which the parties sought recourse on 2011, the Arbitration Tribunal ruled by a two to one majority, among others, to partly accept the petition of ALUMINIUM SA and updated, adapted and formulated the terms of electricity supply to ALUMINIUM SA by PPC SA, setting the total price for the period from 1.7.2010 until 31.12.2013 as follows:

(1) fixed and variable cost of energy (competitive part of the tariff)	36.6€/MWh	
(2) regulated charges	4.06€/MWh	
Total price (3)=(1)+(2)	40.66€/MWh	rounded to 40.7€/MWh

In determining such price, the majority of the arbitration tribunal chose to ignore the official published and audited financial data of PPC, as well as the reports of PwC submitted to the Arbitration Tribunal, and was based – in the most unjustified, unexplainable and wrongful manner– almost exclusively on the estimations of ALUMINIUM SA itself concerning the cost of energy supplied to it by PPC.

PPC SA has already informed the investor community that the price set for the competitive part (36.6€/MWh) is clearly below cost¹ causing significant direct and indirect financial impact to PPC SA and that such decision may not be accepted. To this end, PPC SA is going to file all legal actions for the annulment and suspension of the aforementioned Arbitration Decision.

Following the aforementioned Arbitration Decision taken by majority vote, the Company aiming at protecting its interests as well as the interests of its shareholders, decided to exceptionally disclose in a fully transparent way its cost data, in order to demonstrate to all interested parties the enormous deviation between the price set arbitrarily and unjustifiably by the majority of the Arbitration Tribunal and the actual PPC cost.

To this end PPC SA assigned ERNST&YOUNG Certified Auditors SA, the Certified Auditors of the Company, to verify PPC calculations with regard to the generation cost of electricity per MWh, for both lignite-fired plants and for all power plants of

¹ See <http://www.dei.com.gr/en/anakoinwseis/xrimatistiriaka-etairikes-prakseis-katavoli-merismatos-ka/xrimatistiriakes-anakoinwseis-2013/apofasi-rae-gia-timi-ie-stin-alouminion-ae>

the interconnected system, for the fiscal years from 2009 to 2012. The key data of the said Report were published by PPC on 25-11-2013.²

Following the aforementioned announcement, a detailed analysis was published on 3-12-2013, with the 16 key mistakes and omissions in the calculations of the lignite generation cost of PPC presented under oath to the Arbitration Tribunal by a Manager of ALUMINIUM SA and was adopted with no further consideration by the majority of the Arbitration Tribunal, considering that it "contains the only reliable cost data", disregarding at the same time the data submitted by the Consulting Firm PwC London concerning the generation cost of PPC. Indicatively, the mistakes of the aforementioned analysis are as follows: incorrect reference period (2009 instead of 2010 -2013), use of incorrect data for key figures such as quantities and cost of lignite, disregard of published data, use of incomplete data, arbitrary conclusions, errors in calculations, use of incorrect formulas, underestimated return on capital for the mines, zero return on capital for the generation, disregard of important cost elements such as the CO2 cost. Using the methodological approach of the Manager of ALUMINIUM SA but with the actual data and with no incorrect calculations and formulas, one would be led to the actual cost data concerning the lignite generation already announced by PPC, namely 56.7€/MWh for 2009.

With regard to the relation with ALUMINIUM SA, PPC SA Board of Directors, aiming at protecting the interests of the Company, took the following actions:

1. On 6.11.2013 the Board decided to terminate the contract between PPC SA and ALUMINIUM SA for electricity supply to the aluminum production plant of ALUMINIUM SA in Agios Nikolaos, Viotia and to stop representing the registered meters of the facilities in Viotia, effective as of November 18th, 2013.
2. ALUMINIUM SA sent on November 12 and 13, out-of-court notices to PPC SA requesting the suspension of the aforementioned decision.
3. ADMIE SA sent a letter to PPC SA on 13.11.2013, expressing the view that the required deadline to be set for the implementation of the PPC SA decision to stop representing ALUMINIUM SA should be more than ten (10) days as of the date of receipt of the termination notice and asking PPC whether it adheres to its decision to terminate the contract and withdraw from representing ALUMINIUM SA as of 18.11.2013.
4. Following the aforementioned letter, on 14.11.2013, PPC SA informed ADMIE SA that it adheres to its decision to stop representing ALUMINIUM SA and requested from ADMIE SA to proceed to its implementation within a reasonable period of time, which shall in no case exceed the 31.12.2013. In parallel and given the fact that the said Arbitration Decision shall not be effective after 31.12.2013, PPC decided, pursuant to the relevant provisions of the regulatory framework, to initiate negotiations with ALUMINIUM SA, provided that the latter wishes to keep being supplied with electricity by PPC SA as of 1.1.2014, initially based on seven (7) new tariffs offered by PPC SA to High Voltage customers as of 1.11.2013.
5. Within the context of implementation of the above, PPC sent a relative billing proposal to ALUMINIUM SA on 18.11.2013, which is the commencement date of the negotiations.
6. During said negotiations, ALUMINIUM SA put forward the following main points:

² See <http://www.dei.com.gr/en/anakoinwseis/xrimatistiriaka-etairikes-prakseis-katavoli-merismatos-ka/xrimatistiriakes-anakoinwseis-2013/sxoliasmos-tis-apofasis-tis-diaitisias-gia-tin-alo>

- i. The duration of the Contract shall be long-term, namely until 31.12.2025.
- ii. The formulation of a customized billing proposal based on the characteristics of ALUMINIUM SA.
- iii. The price should be 40.7€/MWh (that is the price set by the Decision no 1/2013 of the Arbitration Tribunal, including the regulated charges), agreeing to add on top of it the CO2 cost.
- iv. ALUMINIUM SA has no alternative of electricity supply, other than PPC.
- v. The automatic fluctuation of the basic price of item iii. depending on the international price of aluminum in the London Metal Exchange.

7. Subsequently, PPC submitted a new customized proposal concerning a single zone tariff for 24-hour operation of the industrial plants of ALUMINIUM S.A. with stable capacity for the entire year, through the conclusion of an electricity supply contract for a duration of one year, namely from 1.1.2014 to 31.12.2014.

In order to implement those mentioned above, the new customized proposal for a single zone tariff was formulated with the collaboration of the Consulting Firm, PricewaterhouseCoopers Business Solutions (PwC). The said proposal leads to a price of 59.14 Euro/MWh for the competitive part of the tariff (Energy+Capacity+CO2). Following the "volume discount", which is offered to all large customers of PPC SA and which amounts to 5% for the annual consumption of ALUMINIUM SA, the price is set at 56.18 Euro/MWh.

8. This new proposal was submitted to ALUMINIUM SA on 13.12.2013, but there has not been any reply from its part yet. Moreover, PPC SA in its proposal clarified the following:

- The selling electricity price (36.6 Euro/MWh) set in the decision No 1/2013 of the Permanent Arbitration Tribunal at RAE is clearly below PPC cost thus leading to significant economic impact for PPC SA, as well as to the distortion of competition and to unlawful state aid.
- The arbitration decision is not in effect after 31.12.2013. PPC SA has already declared that it will contest such decision.
- PPC SA made public its cost data, which have been confirmed by the internationally recognized Certified Auditors SA, Ernst & Young and which prove an enormous divergence.
- The present negotiation concerns the conclusion of a new annual electricity supply contract starting as of 1.1.2014.
- The alleged inability of ALUMINIUM SA to find an alternative electricity supplier, apart from PPC SA, is completely unfounded, since such allegation is only related to the economic advantage of such solution compared to any other option available to ALUMINIUM SA for electricity supply by the Pool, importers, third suppliers, as well as to its option for self supply.
- The proposal concerning the link of electricity billing to the fluctuation of aluminum price at an international level may not be implemented as it is considered to be illegal since it violates the rules of the Billing Key Principles.

9. On 20.12.2013, the Board of Directors decided:

1. In the context of good faith and common practice and aiming at achieving an agreement on the terms of electricity supply as of 1.1.2014, the extension of the negotiations with ALUMINIUM SA (even beyond the deadline provided for by the Code) until 31.1.2014.
2. Such extension of negotiations does in no case mean the extension or renewal of the resulting at any time billing terms concerning electricity supply after 31.12.2013.
3. The suspension of implementation of PPC statement of withdrawal from representing ALUMINIUM SA meters for the above duration and the submission of a relevant letter to ADMIE SA.

4. As of 1.1.2014 the electricity consumption of ALUMINIUM SA, provided that an agreement has not been achieved till then, shall be billed based on the last proposal of PPC SA to ALUMINIUM SA (in accordance with the above paragraph 7), or on any proposal submitted subsequently by PPC SA, during the phase of negotiations. In case of successful completion of the negotiations, the billing shall have retroactive effect as of 1.1.2014, pursuant to the terms of the achieved agreement.

Moreover, it is noted that:

- On 18.12.2013, the Competition Commission sent a letter to PPC SA by which, within the framework of examination of the complaint filed by the companies "MYTILINEOS SA Group" and "ALUMINIUM SA", it requests the provision of certain on 9.12.2013 data.
- On 23.12.2013, PPC SA sought recourse to the Directorate-General for Competition of the European Commission for unlawful state aid resulting from the price set in the above Arbitration Decision.

Taking into consideration, as already mentioned, the significant direct and indirect importance for PPC SA of the agreement on the terms of billing with ALUMINIUM SA, as a high value contract, the Board of Directors decided on 7.1.2014 to refer to the Shareholders of the Company by convening an Extraordinary General Meeting on 31.1.2014 in order to submit for approval its actions taken on the matter until 31.1. 2014, as well as to take a relevant decision.

PPC SA will proceed to further announcements to the investor community, in case there are any developments.

2nd item:

Pursuant to article 9, par. 2, item d) of PPC S.A. Articles of Incorporation, as applicable, the Economic and Social Committee shall designate one Member of the Board of Directors of the Company, to be appointed upon decision of the Minister of the Environment, Energy and Climate Change.

The term of office of the former Member Mr. Ilias Antoniou expired on 29.6.2013 and by the decision of the Minister of the Environment, Energy and Climate Change with reg. no D13/B/F9.6.10/13018/4.7.2013 the representative of the Economic and Social Committee Mr. Filippos Tavis was appointed to the Board of Directors with term of office until 29.6.2016.

By virtue of L. 3016/2002, as modified and currently in force, the capacity of a Member of the Board of Directors, Executive or non Executive, is approved by the Board of Directors. The capacity of a Member of the Board of Directors as Independent is approved by the General Meeting.

The Board of Directors by virtue of its Resolution no 118/10.7.2013 has appointed its Member Mr. Filippos Tavis as Independent Non Executive Member.

The General Meeting is called to approve the capacity of the Member of the Board of the Directors Mr. Filippos Tavis as Independent Member.

3rd item:

By virtue of article 37 of L.3693/2008 providing for the establishment and operation of the Audit Committee which shall consist of at least two Non Executive Members and one Independent Non Executive Member of the Board of Directors and shall be appointed by the General Meeting of the Shareholders of the Company, the Extraordinary General Meeting of the Shareholders is called to approve the appointment of Mr. Konstantinos Zontanos, as Member of the Audit Committee of the Company pursuant to the Resolution of the PPC S.A. Board of Directors no. 128/17.7.2013, in replacement of the former Member of the Board of Directors Mr. Ilias Antoniou, whose term of office expired on 29.6.2013. The other Members of the Audit Committee are Mr. Panagiotis Alexakis and Mr. Nikolaos Vernikos, whose appointment was approved by the Ordinary General Meeting, held on July 12, 2012.