



Public Power Corporation S.A.

Financial Results 2017

Athens, April 30, 2018



Agenda

Financial Results

1/1/2017 – 31/12/2017

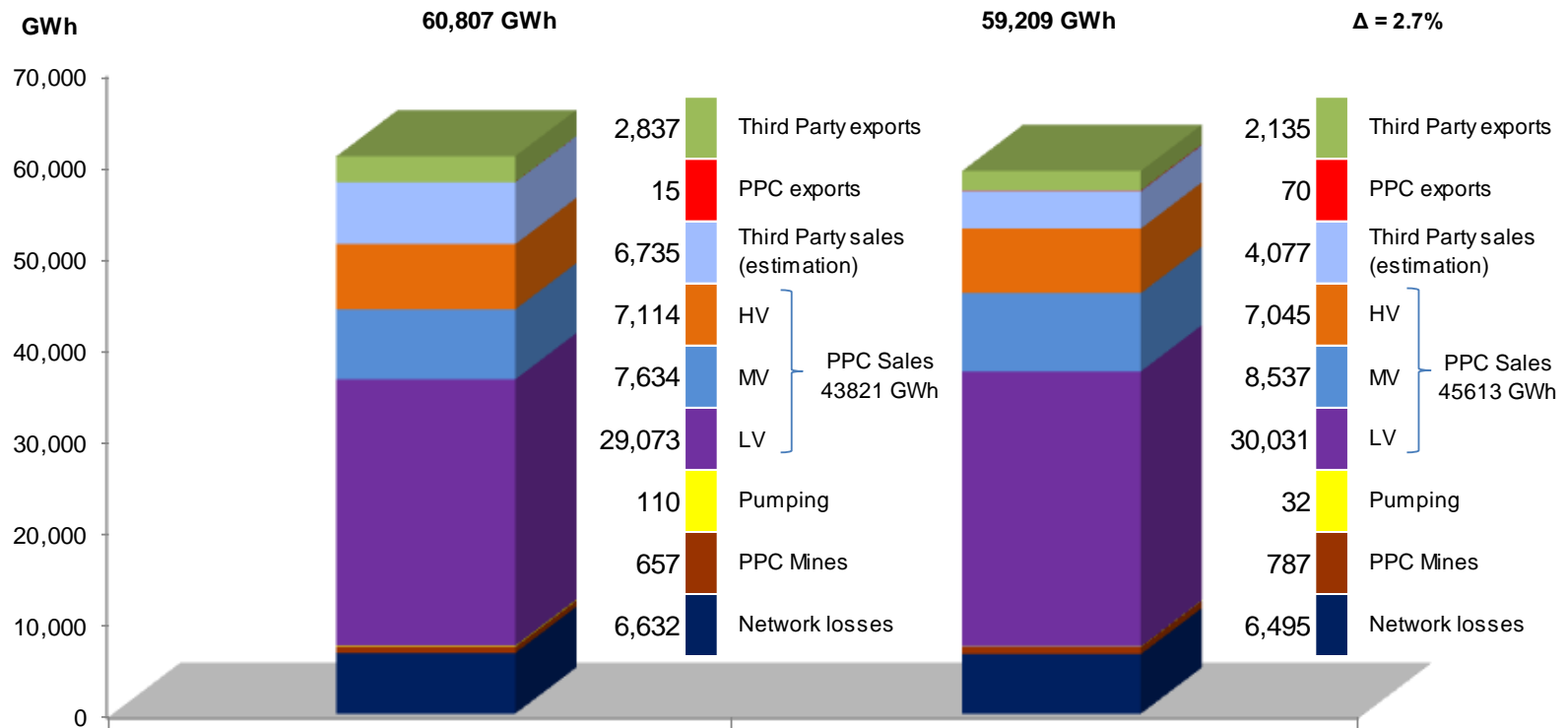
Alexandra Konida

Chief Financial Officer

Public Power Corporation S.A.



Electricity Demand 2017 / 2016



2017

PPC domestic sales :	43,821 GWh
Average Market Share (estimation):	86.7%

PPC exports:	15 GWh
Average Market Share :	0.5%

2016

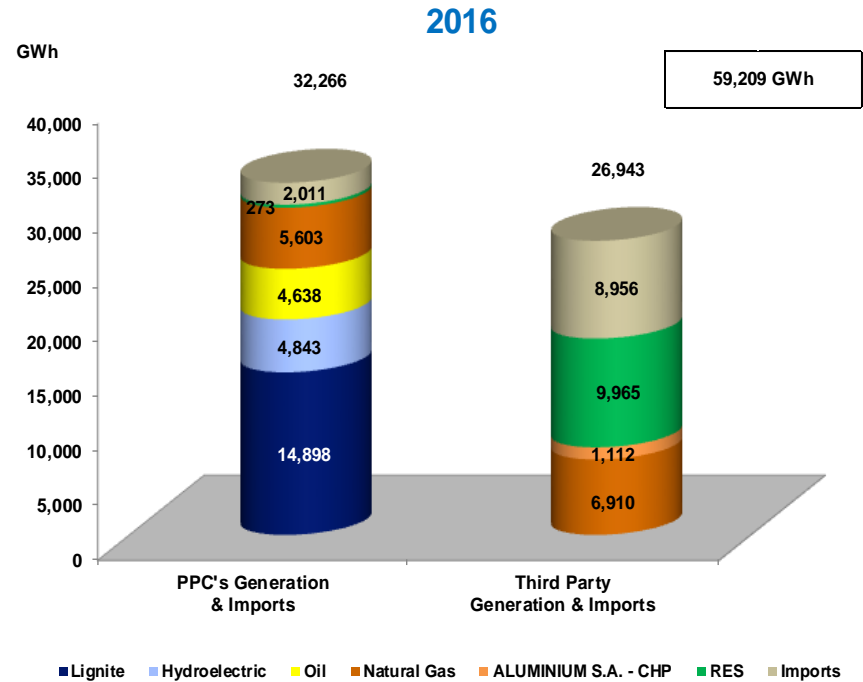
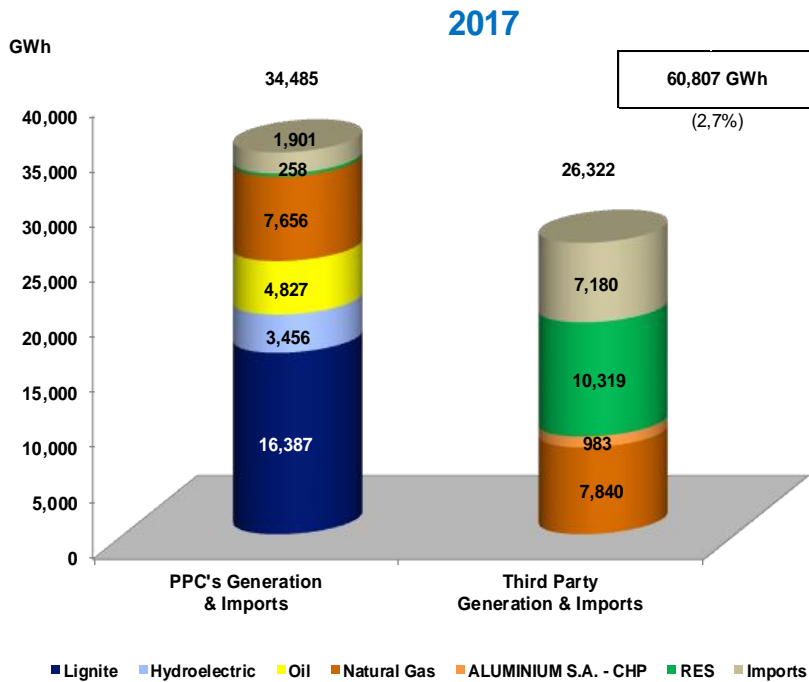
PPC domestic sales :	45,613 GWh
Average Market Share (estimation) :	91.8%

PPC exports:	70 GWh
Average Market Share :	3.2%

**Domestic electricity demand increased by 1,5%.
However, PPC's sales, excluding exports, decreased by 3.9% (1,792 GWh),
as the average market share was reduced by 5.1 percentage points.**



Electricity Generation and Imports 2017 / 2016



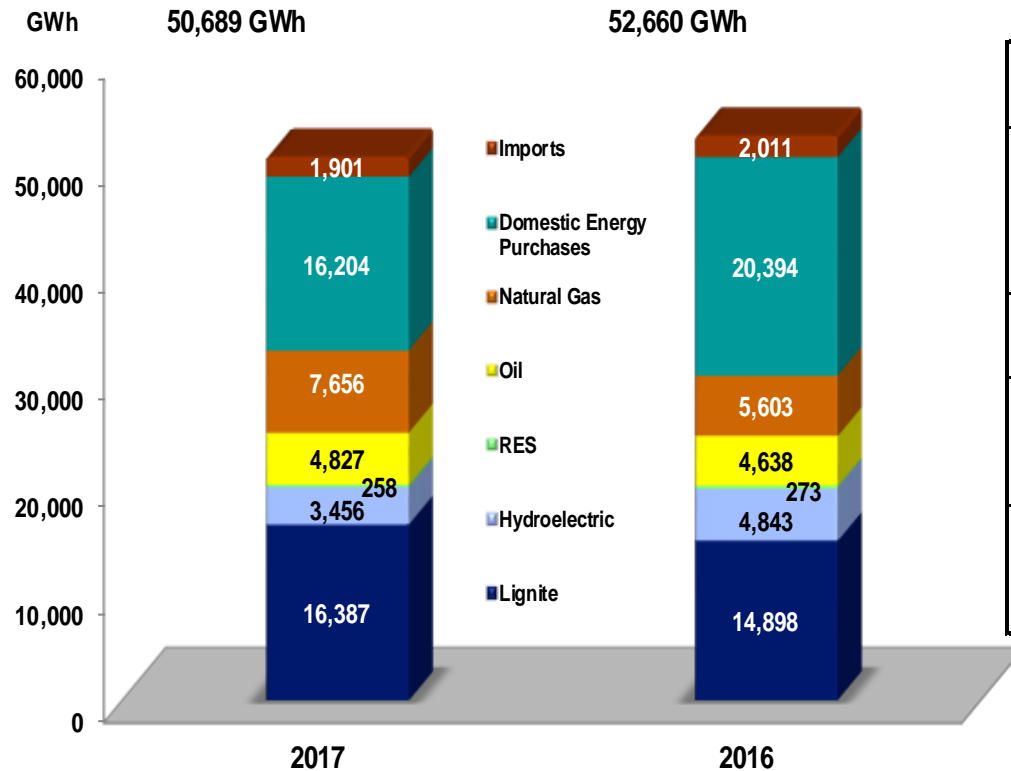
PPC generation: 32,584 GWh	PPC imports: 1,901 GWh
Average Market Share: 63.0%	Average Market Share: 20.9%
PPC's Average Market Share in Generation as percentage of total load in the Interconnected System: 50.2%	

PPC generation: 30,255 GWh	PPC imports: 2,011 GWh
Average Market Share: 62.7%	Average Market Share: 18.3%
PPC's Average Market Share in Generation as percentage of total load in the Interconnected System: 47.6%	

**In 2017, PPC's electricity generation and imports, covered 56,7% of total demand (53,7% in the Interconnected System).
PPC's market share in electricity generation, as a percentage of the total load of the Interconnected System increased to 50,2% from 47,6% in 2016.**



PPC/ Energy Generation and Purchases (GWh) 2017/2016



	TOTAL	Δ GWh	Δ %	% Participation	
		-1,971	-3.7%	2017	2016
PURCHASES	Imports	-110	-5.5%	3.8%	3.8%
	Domestic Energy Purchases	-4,190	-20.5%	32.0%	38.7%
IMPORTED FUELS	Natural Gas	2,053	36.6%	15.1%	10.6%
	Oil	189	4.1%	9.5%	8.8%
DOMESTIC FUELS	RES	-15	-5.5%	0.5%	0.5%
	Hydroelectric	-1,387	-28.6%	6.8%	9.2%
	Lignite	1,489	10.0%	32.3%	28.3%
TOTAL	PURCHASES			35.7%	42.5%
	IMPORTED FUELS			24.6%	19.4%
	DOMESTIC FUELS			39.7%	38.0%

In 2017, electricity generation from lignite increased by 10%.
 The participation of lignite in PPC's total energy mix, increased to 32.3% from 28.3%.
 Natural gas-fired generation marked an increase by 36.6% settling at 7,656 GWh.
 Energy purchases (excluding PPC's imports) from the System and the Network decreased by 20.5%, while hydro generation decreased by 28.6%.



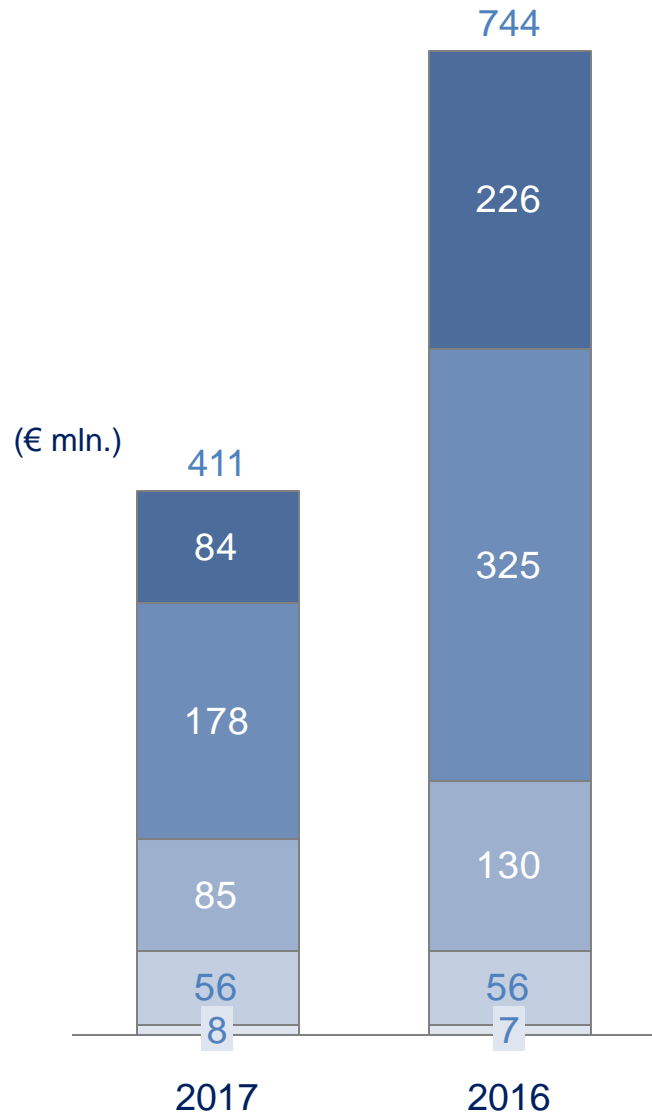
Summary Financial Results (excluding IPTO S.A.) 2017 / 2016

Key Figures - Group (€ mln.)	2017	2016 Restated (*)	Δ	Δ%
Total Revenues	4,943.9	5,130.1	(186.2)	(3.6)
Revenues from Energy Sales	4,593.6	4,906.8	(313.2)	(6.4)
Payroll Expense	821.1	822.7	(1.6)	(0.2)
Liquid Fuel	662.6	481.2	181.4	37.7
Natural Gas	409.1	265.7	143.4	54.0
Expenditure for CO ₂ emission rights	181.2	178.2	3.0	1.7
Energy Purchases	1,567.7	1,210.5	357.2	29.5
<i>Cover of Special RES account deficit</i>	<i>353.6</i>	<i>28.4</i>	<i>325.2</i>	<i>1,145.1</i>
<i>Net expense from NOME type auctions</i>	<i>96.6</i>	<i>4.5</i>	<i>92.1</i>	<i>2,046.7</i>
Provisions	77.0	440.7	(363.7)	(82.5)
Revenue recognized for PSOs for the years 2012-2016	(359.8)	0.0	(359.8)	
EBITDA	804.7	811.3	(6.6)	(0.8)
EBITDA MARGIN (%)	16.3%	15.8%		
Income from capital return from IPTO S.A.	0.0	92.9	(92.9)	
Pre-tax profits / (Losses)	60.5	125.4	(64.9)	(51.8)
Net income / (Loss)	88.7	170.2	(81.5)	(47.9)

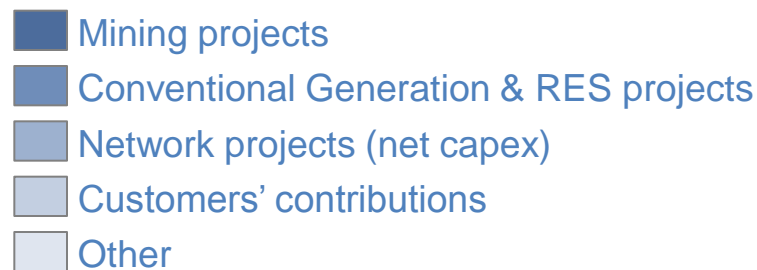
(*) Restated figures for 2016 due to a) the re-estimation of “Unbilled revenue” and b) the recalculation of deferred tax on the lower electricity tariff provided to pensioners of PPC Group. The total negative impact of these restatements was € 11.4 m on Net income of 2016. In addition, 2015 figures were restated due to the re-estimation of “Unbilled revenue” with a negative impact of € 143.4 m on Net income of 2015. These restatements, both for 2015 and 2016, did not have a cash impact, whereas there was no dividend distributed for these years.



Capex (excluding IPTO S.A.)

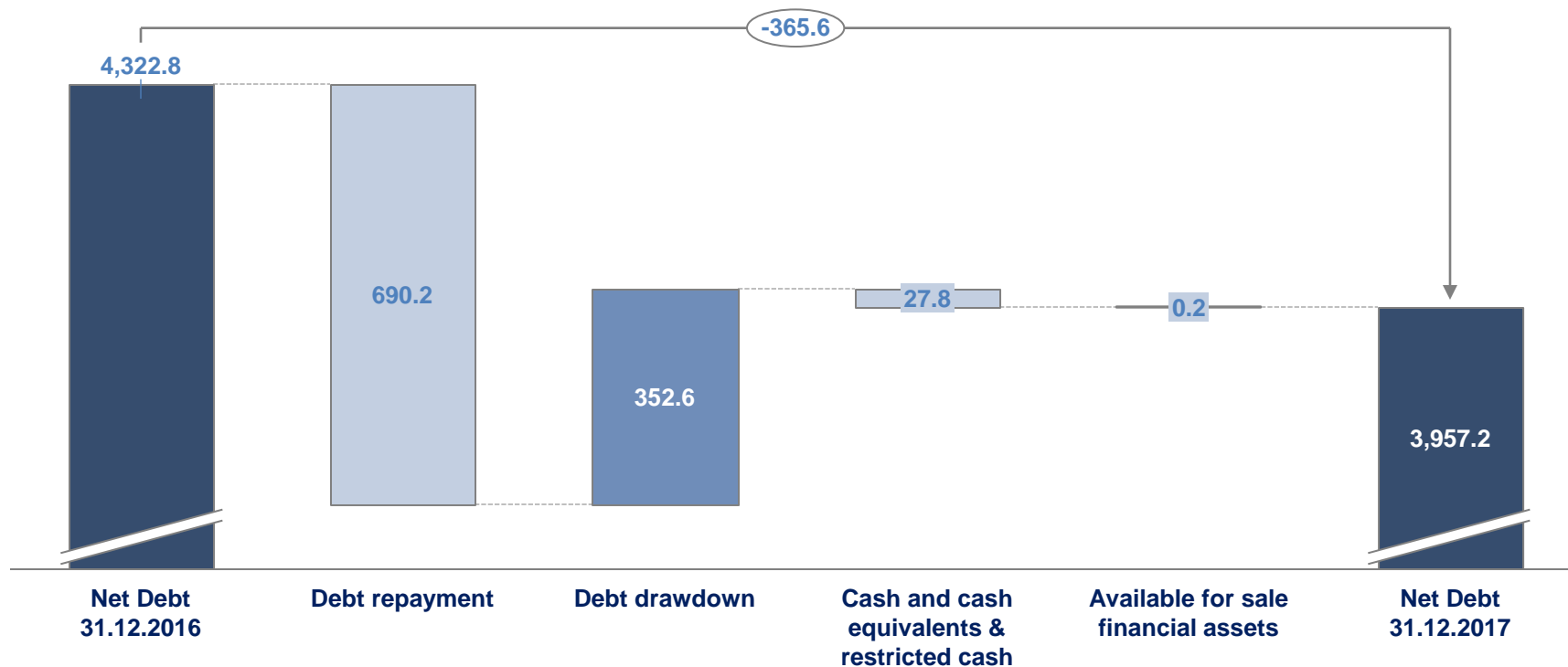


- Capital expenditure in 2017 (excluding Transmission Networks) amounted to € 411 m. compared to € 744 m. in 2016.
- Excluding network users' participation for their connection to the network (€ 55.6 m. and € 55.9 m. in 2017 and 2016 respectively), which fund part of network projects, capital expenditure amounted to € 355 m in 2017 and € 688 m in 2016.





Debt Evolution – Liquidity (excluding IPTO S.A.)





Comments on Financial Results & Recent Developments

Emmanouil Panagiotakis
Chairman and CEO
Public Power Corporation S.A.



Comments on financial results

- ❑ In 2017, Group operational profitability excluding IPTO S.A. stood at 805 m.
- ❑ Significant decrease of bad debt provisions by c. € 400 m., reflecting the actions of the Company for the improvement of collection.
- ❑ Decrease of controllable operational expenses by c. € 50 m.
- ❑ Recovery of € 360 m. for PSOs for the years 2012-2016.

Profitability would have been higher, without :

- the additional charge for RES Account,
- the additional cost from NOME type auctions,
- the cost of the energy crisis during December 2016 – January 2017 and
- the increase of the Special Consumption Tax on diesel.

Total negative impact of c. € 520 m. absorbed by the Company and not passed on to its customers.



Major financial developments

Ownership unbundling of IPTO

PPC's proceeds :

- € 92.9 m. cash upstream by IPTO S.A.
- € 295.6 m. by PHC ADMIE (IPTO) S.A. for 25% of IPTO's share capital
- € 327.6 m. by State Grid Europe Limited for 24% of IPTO's share capital

Partial Bond Redemption

- PPC proceeded in February 2018 to a €150 m. redemption out of a €500 m. international bond loan maturing in May 2019.
- Savings of € 7.7 m. in interest expense until the maturity date of the bond.



Major business initiatives

Acquisition of EDS

- Electricity trading and supply company, based in FYROM.
- It has subsidiaries in Serbia, Slovakia and Kosovo.
- Member of the Hungarian Power Exchange having electricity trading licenses in Serbia, Kosovo, Croatia, Bulgaria and Hungary.
- Acquisition price is € 4.8 m.

MoU with General Electric

- MoU signed with GE Power for the provision of operation and maintenance services, commissioning, training, overhauling and repairing of gas and steam turbines, generators, boilers and other equipment used in power plants or for industrial purposes to other companies in Greece and abroad.

PPC enters the Natural Gas market

- 20 year license for natural gas supply to eligible customers, either through the Gas Transmission System or the Gas Distribution Network or through other means.



Key priorities going forward

Lignite divestment

- Creation of two subsidiaries which will include:
 1. Meliti I plant and the license for Meliti II plant
 2. Megalopoli III and Megalopoli IValong with the exploitation rights of the relevant mines.
- Tender for the Expression of Interest to be launched by May 31, 2018.
- Signing of SPA by October 17, 2018 (6 months after the European Commission decision regarding the transaction).
- Closing of the transaction by January 17, 2019.

Strategic & Business Plan

- Expected to be completed soon leading to restructuring and increased efficiency of Company's operations, as well as growth initiatives in geographic expansion and product/services diversification

Collections

- Intensification of actions for the improvement of collection in 2018.
- Actions to be undertaken in the following months by our specialized advisor across our customer portfolio following the pilot program, currently implemented.



DISCLAIMER

Some of the information contained herein includes forward-looking statements. It is noted that the Group is subject to various risks, which, among other, relate to macroeconomic conditions, €/€ exchange rate, oil, natural gas, electricity prices and the price of CO₂ emission rights, as well as changes in the market, legal, regulatory and fiscal framework and bad debt evolution, that could cause actual results to differ materially from those anticipated in the forward-looking statements.