PUBLIC POWER CORPORATION S.A.
TREASURY & INVESTOR RELATIONS DEPARTMENT

December 21, 2017

PPC GROUP

Key operating and financial figures for 9M2017

Key operating figures

Domestic electricity demand increased by 2.8% in 9M2017, which is mainly attributed to weather conditions in the first and the third quarter of 2017, as well as to the increase in tourism activity during 3Q2017. Especially in 3Q2017, the increase in demand was 1.7%.
Total electricity demand (including pumping and exports) increased by 4.6% in 9M2017, due to an increase in exports from third parties through interconnections in northern Greece towards Central Europe electricity markets, where prices were more attractive and due to the possibility of exporting part of the NOME auctioned quantities.

Despite the above mentioned increase in demand, PPC electricity sales decreased in 9M2017 due to the reduction in its average retail market share. Specifically, PPC's average retail market share in the whole country, in terms of electricity (GWh) and not in terms of number of clients declined to 87.3% in 9M2017 from 92.5% in 9M2016.
In particular, the average retail market share in the Interconnected System was contained to 83.6% in September 2017 from 88.1% in September 2016, while PPC's average market share, per voltage, was 98.3% in High Voltage, 64.4% in Medium Voltage and 89% in Low Voltage compared to 99.7%, 69% and 93.5% in September 2016, respectively.

PPC's electricity generation and imports covered 56.8% of total demand in 9M2017 (53.6% in the Interconnected System), while the corresponding percentage in 9M2016 was 53% (49.5% in the Interconnected System). PPC's market share in electricity generation, as a percentage of the total load of the Interconnected System was 50.2% in 9M2017 compared to 45.7% in 9M2016.

Said increase is attributed to the fact that PPC's generation in 9M2017 covered the largest part of higher demand by increasing its generation by 13.4% while generation by third parties increased by 7.1%. It is noted that, during the same period, electricity imports from third party traders decreased by 23% compared to the respective period of last year, since the latter opted for exports to Central Europe electricity markets due to higher prices. Consequently, PPC was burdened with addressing the problems stemming from the emergency status in the National Natural Gas System during the period 20.12.2016 – 12.02.2017, as it was obliged to operate the natural gas fired units of Komotini and Lavrio IV burning diesel oil instead of natural gas.

Key financial figures

Group Key financial figures including IPTO S.A. until 15.06.2017

(in € mln.)	**9M2017**	**9M2016**	**Δ(%)**
Turnover (1)	3,766.8	4,040.8	*- 6.8%*
Total Operating Expenses (excl. tax, depreciation, net financial expenses and share of profit/ (losses) in associated companies) (2)	3,291.8	3,264.9	*0.8%*
EBITDA (3) = (1) - (2)	475.0	775.9	*-38.8%*
EBITDA margin (4) = (3) / (1)	12.6%	19.2 %	
Depreciation, total net financial expenses, share of profit/ (losses) in associated companies (5)	597.9	663.7	*-9.9%*
Income from the sale of IPTO S.A. (6)	172.2	-	
Pre-tax profits / (Losses) (7) = (3) - (5) + (6)	49.3	112.2	*-56.1%*
Net income / (Loss)	23.8	69.5	*-65.8%*

Group Key financial figures (from continued operations) excluding IPTO S.A.

(in € mln.)	**9M2017**	**9M2016**	**Δ(%)**
Turnover (1)	3,743.3	3,986.1	*-6.1%*
Total Operating Expenses (excl. tax, depreciation, net financial expenses and share of profit/ (losses) in associated companies) (2)	3,350.9	3,355.7	*-0.1%*
EBITDA (3) = (1) - (2)	392.4	630.4	*-37.8%*
EBITDA margin (4) = (3) / (1)	10.5%	15.8 %	
Depreciation, total net financial expenses, share of profit/ (losses) in associated companies (5)	526.6	573.8	*-8.2%*
Income from the sale of IPTO S.A. (6)	172.2	-	
Pre-tax profits / (Losses) (7) = (3) - (5) + (6)	38.0	56.6	*-32.9%*
Net income / (Loss)	15.8	30.0	*-47.3%*

(in € mln.)	**3Q2017**	**3Q2016**	**Δ(%)**
Turnover (1)	1,282.5	1,356.6	*-5.5%*
Total Operating Expenses (excl. tax, depreciation, net financial expenses and share of profit/ (losses) in associated companies) (2)	1,092.3	1,158.7	*-5.7%*
EBITDA (3) = (1) - (2)	190.2	197.9	*-3.9%*
EBITDA margin (4) = (3) / (1)	14.8%	14.6 %	
Depreciation, total net financial expenses, share of profit/ (losses) in associated companies (5)	183.2	196.2	*-6.6%*
Income from the sale of IPTO S.A. (6)	-	-	
Pre-tax profits / (Losses) (7) = (3) - (5) + (6)	7.0	1.7	*310.6%*
Net income / (Loss)	9.4	(0.4)	

***Note**: For further information regarding definitions of ratios included in abovementioned figures, please refer to the Financial Report for the six-month period ended June 30, 2017 (Report of the Board of Directors – Appendix)*

The Group's key financial figures from continued operations are the following:

Group turnover decreased in 9M2017 by € 242.8 m or by 6.1%. This decrease is attributed to the following factors:

- the loss of market share
- the reward of customers who pay on time by providing tariff discounts and
- the increase in the percentage ratio for the recording of losses (mainly non technical - power thefts).

The reduction of revenues from electricity sales due to the above mentioned factors was contained by the increase in domestic demand by 2.8%.

In 9M2017, EBITDA from continuing operations decreased by € 238 m. (37.8%) compared to 9M2016, with the respective EBITDA margin standing at 10.5% compared to 15.8%. This reduction is essentially attributed to the negative impact - of a total amount of € 411.2 m. - from exogenous factors, such as the additional cost due to the energy crisis during last winter, the additional charge of electricity suppliers for the Special Account for Renewables, the NOME type auctions, as well as the increase in the unit charge of the Special Consumption Tax in diesel. On the opposite side, it is noted that there is a positive development in bad debt provisions, since for the first time in recent years there was a reversal of provisions by € 105.5 m in 3Q2017.

Pre - tax profits in 9M2017, including the positive impact by the sale of IPTO SA., of € 172.2 m which was recorded in 2Q2017, amounted to 38 m compared to € 56.6 m in 9M2016.
Respectively, net income stood at € 15.8 m. in 9M2017 compared to € 30 m. in 9M2016.

Especially in the 3Q2017, it is noted that despite the reduction in turnover by 5.5%, EBITDA remained practically stable compared to the respective quarter of last year, whereas it there was improvement compared to the two previous quarters of 2017 (€ 120.8 m in 2Q2017 and € 81.4 m in 1Q2017).
Pre – tax profits amounted to € 7 m in 3Q2017 compared to € 1.7 m in 3Q2016 and net income amounted to € 9.4 m in 3Q2017 compared to net losses of € 0.4 m in 3Q2016.

Total capex amounted to € 303.7 m in 9M2017 compared to € 482.7 m in 9M2016.

Net debt, excluding IPTO, stood at € 3,846.1 m on 30.09.2017, a reduction by € 476.7 m. compared to 31.12.2016 and by € 476.1 m. compared to 30.09.2016.

Net Debt evolution

(in € m)	**30.09.2017**	**31.12.2016**	**30.09.2016**
Gross Debt (1)	4,338.4	4,642.1	4,709.3
Cash and cash equivalents & Restricted cash (2)	489,9	318	385,3
Available for sale financial assets (3)	2.4	1.3	1.8
Net Debt (4) = (1) - (2) - (3)	3,846.1	4,322.8	4,322.2

Commenting on the key operating and financial results of the period, Mr. Emmanuel Panagiotakis, Public Power Corporation's Chairman and Chief Executive Officer said:

"The Group's operating profitability was improved in the third quarter of 2017, resulting to an EBITDA margin of 14.8% compared to 11% in the second quarter and 6% in the first quarter of 2017. This improvement is mainly attributed to the positive evolution of bad debt provisions, since for the first time in recent years, there was a reversal of provisions by € 105.5 m in the third quarter of 2017. Compared to the respective quarter of 2016, EBITDA remained practically stable due to the continued negative impact from exogenous factors, such as the additional cost due to the energy crisis, the additional charge of electricity suppliers for the Special account for Renewables, the NOME auctions, as well as the increase of the unit charge of the Special Consumption Tax in diesel. The total negative impact from these factors amounted to approximately € 120 m, for the third quarter of 2017 only.

The abovementioned decrease of bad debt provisions is the result of actions undertaken by the Company in order to improve collection. Towards this direction: a) We recently awarded to a specialized advisor the project of providing supporting services for the effective management of our portfolio of customers. Through this collaboration, we aim at upgrading the relationship with our customers and consequently further increasing collection b) Along with our Strategy advisor we have planned and we are immediately initiating specific actions for the reduction of overdue receivables from selected customer categories and c) We are proceeding with the establishment of monthly electricity bills for customers who are registered in our web based payment platform, an action that currently relates to approximately 800,000 consumers, targeting at reaching 2 million customers in 2018.

A highly important development was the reduction of net debt by € 476.7 m since 31.12.2016.

There is no doubt that a positive development is the recent decision of the Greek State for the payment of € 476 m in order to cover part of the cost for the provision of Public Service Obligations and the commitment that the Greek State pays all its debt until June 2018.

With respect to the divestment of 40% of PPC's lignite capacity, we are aiming at turning this obligation to an opportunity. This is the reason why, it is highly important for the Company, that the sale is implemented under favourable terms in order to receive a fair price, so that on one hand we improve our financials and on the other, we proceed to other investments in line with the new focus of our business model such as the investments in RES.

I would also like to mention the signing of a loan contract of € 85 m, which took place yesterday between our subsidiary, PPC Renewables and the European Investment Bank, for the financing of RES projects in both the mainland and the islands. This financing will support the change of the energy mix generated at Group level towards the direction of further growth in RES. The financing of PPC Renewables by the European Investment Bank under the current challenging financial conditions underlines the exceptional long-standing cooperation between PPC Group and the Bank and its catalytic role in promoting investments in RES.

Finally, the development of the Strategic and Business Plan of the Company and of PPC Group, with the support of McKinsey, is progressing, a project which is expected to be concluded in the first quarter of 2018. In the meantime, actions for cost reduction and efficiency improvement have been planned and are underway, among which, the new evaluation system for the personnel which is in place from this year, stands out".