PPC GROUP 1Q2012 FINANCIAL RESULTS

Athens, May 29, 2012

SUMMARY FINANCIAL RESULTS

- **Turnover: € 1,549.8 m.**
- **EBITDA: € 232.0 m.**
- **Pre-Tax Profits: € 15 m.**
- **Net Losses: € 1.4 m.**

- EBITDA amounted to € 232.0 m in 1Q2012 compared to € 327.6 m in 1Q2011, reduced by € 95.6 m (-29.2%). EBITDA margin reached 15.0%, versus 23.8% in 1Q2011. Compared to the respective figures of 4Q2011, EBITDA posted a € 257.3 m increase, whereas EBITDA margin settled at 15.0% from -1.9%.

- Total electricity demand increased in 1Q2012 by 546 GWh (+3.6%) to 15,916 GWh versus 15,370 GWh in 1Q2011. Excluding exports and pumping, electricity demand increased by approximately 2.2% (313 GWh). The increase in demand was recorded during the first two months of the year, and was weather related, whereas in March, demand decreased by 2.7%.

- PPC's total electricity sales, including exports, increased by 717 GWh (+5.8%) to 13,021 GWh, due to higher demand and market share recovery in the retail market, after the suspension of the operation of two alternative suppliers from January 25, 2012. The corresponding revenues increased by 17.4%, driven also by the increase in Low and Medium Voltage tariffs since January 1, 2012 and February 1, 2012 respectively.

- PPC's electricity sales and revenues in the domestic retail market increased by 6.4% (779 GWh) and by 17.4% (€ 215 m) respectively, compared to 1Q2011.

- Turnover reached € 1,549.8 m, compared to € 1,374.4 m in 1Q2011, an increase of € 175.4 m (+12.8%), whereas, compared to 4Q2011 the increase amounted to € 239.8 m (+18.3%).
  Turnover includes an amount of € 38.1 m reflecting network users' contributions for their connection to the network. The respective amount for 1Q2011 was € 27.7 m. Despite the adverse financial conjuncture, this increase is attributed to the increased number of RES generators' connections with the network (mainly

Photovoltaic).

- In 1Q2012, PPC's electricity generation and imports covered 67.5% of total demand, while the corresponding percentage in 1Q2011 was 72.8%, a reduction of 446 GWh.

- PPC imports increased to 456 GWh from 412 GWh in 1Q2011 (+10.7%).

- The expenditure for liquid fuel, natural gas and energy purchases increased by € 373.1 m, an increase of 83.4% compared to 1Q2011, mainly driven by the higher expense for energy purchases and imports (+ € 238.6 m), but also due to the increase in the prices of heavy fuel oil, diesel oil and natural gas, the doubling of the Special Consumption Tax on heavy fuel oil from June 2011, and the imposition of a Special Consumption Tax on natural gas since September 2011. The lower hydro and lignite-fired generation combined with the increase in demand and PPC's retail market share, led to the increase of energy purchases (including imports) by 1,320 GWh (+44.2%). Furthermore, the average price of energy purchases from the System increased significantly by 34.8%, since, especially in February, the declaration of force majeure from the System Operator in Bulgaria, resulted to the cutback of electricity exports to Greece as well as a reduction of natural gas flows, which did not allow natural gas units to operate at full load. The abovementioned situation led also to the dispatching of oil units in the Interconnected System, which resulted in the daily System Marginal Price exceeding € 100/MWh for several days.

- The total reduction of payroll cost, including capitalized payroll, between the two periods amounts to € 55.7m (-17.4%) and to € 31.5 m compared to 4Q2011 (-10.6%). The net decline in the number of permanent employees on payroll amounted to 651, from 21,509 on 31/3/2011 to 20,858 on 31/3/2012. It is important to note that, despite the lower number of personnel, overtime and shifts (in hours) decreased by 6.8%.

- In 1Q2012, 54.8% of the Company's total revenues were expensed for fuel, energy purchases and CO_2 emission rights compared to 35.3% in 1Q2011. On the other hand, payroll expense is further reduced to 15.2% of total revenues compared to 20.8% in 1Q2011 and 23.7% in 1Q2010. In 4Q2011, the respective percentage was 20%.

- 1Q2012 pre-tax profits amounted to €15 m, compared to € 121.3 in 1Q2011, a reduction of € 106.3 m.

- The subsidiaries IPTO S.A. and PPC Renewables S.A. posted pre-tax profits of € 32.4 m and € 1.1 m respectively. The resulting tax obligation amounted to € 6.7 m.

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

"Revenues from electricity sales, following a downward trend observed for 3 consecutive years, were up by 17.4% in the first quarter, driven by tariff increases in Low and Medium Voltage customer categories, market share recovery and weather related increase of demand. Compared to the fourth quarter of 2011, the respective revenues were up by 29.4%.

However, this positive impact was outweighed by the significant increase of the expenses relating to purely exogenous factors, namely liquid fuel, natural gas and energy purchases, in the order of 80%, with the wholesale market price trending 35% higher than the respective period of 2011 and an additional negative impact of € 25 mln from the variable cost recovery mechanism of IPPs. As stated in the past, the tariff increase granted, mainly offsets taxes imposed on fuels in 2011 as well as the increase of the annual expenditure for Public Service Obligations, while a small part of that increase (1.1% in Low Voltage) is left to compensate mainly for the increase in the cost of generating electricity in the Interconnected System.

As far as endogenous costs are concerned, it should be noted that payroll expenses, making up approximately 65% of total controllable expenses, continued to decrease for yet another quarter. Specifically, payroll expenses decreased by 17.5% compared to the first quarter of 2011 and by approximately 10% compared to the previous quarter. As far as productivity is concerned and taking into account the increase in demand by 3.6%, we note that total distributed energy per employee increased by 6.8% compared to the first quarter 2011, while salary cost per MWh of total distributed energy, decreased by 20.4%. In addition, other controllable expenses, marked a considerable decrease of € 28 m, versus the last quarter of 2011.

For the full year, and taking into account that:

- the impact of the tariff increase and the market share recovery has not been fully reflected in the results of the first quarter,
- demand has been sluggish since March and the wholesale market price has retreated to below budgeted levels in April and May, and
- water reserves have substantially increased,

we expect EBITDA margin to reach the budgeted level, under the condition that the macroeconomic environment will not deteriorate further.

Amidst a tough macroeconomic environment coupled with conditions of extremely limited liquidity, it is becoming imperative that the largely unresolved structural issues in the energy market are addressed."

ANALYSIS OF FINANCIAL RESULTS

REVENUES

Revenues from electricity sales, including exports, increased by € 215 m (+17.4%), from € 1,232.6 m in 1Q2011, to € 1,447.6 m, as a result of the tariff increase and the increase in the volume of sales by 5.8% (717 GWh). Specifically, apart from the increase of demand by 3.6%, revenues were positively impacted by the retail market share recovery, after the suspension of operation of two alternative suppliers as of January 25, 2012. As a result, PPC's market share increased to an average of 97.3% compared to 93.4% in 1Q2011.

The change in the volume of sales is analyzed as follows:
- increase of sales to the residential sector by 11.2%,
- increase of sales to the agricultural sector by 5.6%,
- increase of sales to the commercial sector by 13.3%,
- reduction of sales to the industrial Medium Voltage & Low Voltage sector by 9.3%,
- reduction of sales to the industrial High Voltage sector by 4.6%,
- increase of sales to other sectors by 1.7 %,
- reduction of exports by 62 GWh.

OPERATING EXPENSES

The decrease in payroll expense between 1Q2012 and 1Q2011 amounted to € 50.1 m (-17.5%), mainly as a result of the impact from the implementation of Law 4024/2011. The reduction of overtime and shifts expense and natural attrition also contributed to this decrease.

Operating expenses, excluding depreciation, increased by € 271.0 m (+25.9%) from € 1,046.8 m in 1Q2011 to € 1,317.8 m.

More specifically:

- Electricity generation from lignite decreased by 4.4% (313 GWh) compared to 1Q2011, but it stood at the budgeted level.

- Hydro generation compared to 1Q2011, decreased by 27.2% (279 GWh), mainly due to the low hydro reserves at the beginning of 2012 (-32.9% compared to January 1, 2011) and the cautious management of these reserves in order to secure adequate levels in view of the summer period.

- Despite the fact that electricity generated from natural gas remained approximately at the same level (+15 GWh), the increase of the natural gas prices by 35.4% combined with the negative impact of € 20.5 m from the imposition of a Special Consumption Tax on this fuel from September 2011, resulted in an increase in the relevant expenditure by € 72.4 m, from € 103.7 m in 1Q2011 to € 176.1 m.

- The increase of electricity generation from liquid fuel by 91 GWh (+8.8%) compared to 1Q2011, combined with the increase of the prices of heavy fuel oil and diesel oil (by 31.2% and 17% respectively) and the doubling of the Special Consumption Tax on heavy fuel oil (+ € 3.5 m), led to the increase in the liquid fuel expense by € 62.1 m (+41.3%) from € 150.4 m in 1Q2011 to € 212.5 m in 1Q2012. It is noted that, out of the total increase of 91 GWh, 66 GWh are due to the increased generation from liquid fuel in the Interconnected System for the reasons already mentioned.

- The purchase of significantly greater quantities of energy (including imports) by 1,320 GWh (+44.2%) as well as the increase of the average energy purchase price from the System by 34.8% (+32.9% concerning prices of imports) resulted in the increase of the expenditure for energy purchases and imports by € 238.6 m (+123.3%) from € 193.5 m in 1Q2011 to € 432.1 m.
  It is noted that an amount of € 40.1 m relates to the compensation of the Independent Power Producers (IPPs) with their variable cost plus 10%, whereas in 1Q2011 the respective amount was € 15.2 m. (additional impact of € 24.9 m).

- Provisions for bad debt, litigation and slow moving materials increased by € 54.1 m (+118.4%) compared to 1Q2011 due to the large increase in bad debt provisions for Low and Medium Voltage customers by € 35.5 m. This increase was offset by the reversal of a provision due to the offsetting of € 52.7 m, representing overdue receivables from the Attica region traffic lights.

- Depreciation expense in 1Q2012 amounted to € 158.3 m compared to € 168.0 m in 1Q2011, a reduction of € 9.7 m (-5.8%).

- Net financial expenses increased by € 18.8 m (+47.6%), from € 39.5 m in 1Q2011, to € 58.3 m, mainly due to the increase of the funding cost and the increase of the average debt between the two periods.

- Capital expenditure amounted to € 253.9 m compared to € 180.4 m in 1Q2011, increased by € 73.5 m, largely attributed to the construction of the new CCGT unit "Megalopolis V". Specifically, the main components of 1Q2012 capital expenditure (in brackets the respective figures of 1Q2011), were the following:

  - Capital expenditure for mine projects: € 23.8 m. (€ 19.7 m)
  - Capital expenditure for generation projects: € 128.9 m. (€ 40.6 m)
  - Capital expenditure for transmission projects: €16.6 m. (€ 26.6 m)
  - Capital expenditure for distribution projects: € 81.7 m. (€ 85.9 m)
  - Capital expenditure for RES projects: € 2.1 m. (€ 6.8 m)

- Net debt amounted to € 4,850.3 m, an increase of € 147.6 m compared to 31/12/2011 (€ 4,702.7 m).

FINANCIAL RESULTS OF THE PARENT COMPANY

- Turnover: € 1,517.1 m.
- EBITDA: € 177.4 m.
- Pre - tax losses: € 18.5 m.
- Net losses : € 28.2 m.

FINANCIAL RESULTS OF SUBSIDIARIES

Independent Power Transmission Operator (IPTO S.A/ADMIE)

- Turnover: € 350.2 m.
- EBITDA: € 52.3 m.
- Pre - tax profits : € 32.4 m.
- Net income : € 25.9 m.

It is noted that the financial statements of IPTO do not include financial data from the spin off of a segment of the former Hellenic Transmission System Operator (currently Electricity Market Operator/LAGIE), whose contribution to IPTO was concluded on 31/1/2012.

PPC Renewables S.A.

- Turnover: € 5 m.
- EBITDA: € 2.2 m.
- Pre - tax profits : € 1.1 m.
- Net income : € 0.9 m.

Summary Financials (€ mil)

	1Q2012 Unaudited	1Q2011 Unaudited	Δ%	1Q2012 Unaudited	1Q2011 Unaudited	Δ%
	GROUP			PARENT COMPANY		
Total Revenues	1,549.8	1,374.4(2)	12.8%	1,517.1	1,301.7(1)	16.5%
EBITDA	232.0	327.6(2)	-29.2%	177.4	273.1(1)	-35.0%
EBITDA Margin	15.0%	23.8%		11.7%	21.0%(1)	
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	73.7	159.6(2)	-53.8%	33.8	120.3(1)	-86.5%
EBIT Margin	4.8%	11.6%		2.2%	9.2%(1)	
Net Income/(Loss)	(1.4)	93.3	-101.5%	(28.2)	91.3(1)	-130.9%
EPS/(Loss) (In euro)	(0.01)	0.40	-102.5%	(0.12)	0.39(1)	-130.8%
No of Shares (m.)	232	232		232	232	
Net Debt	4,850.3	4,143.5	17.1%	4,387.8	4,143.8	5.9%

Summary Profit & Loss (€ mil)

	1Q2012 Unaudited	1Q2011 Unaudited	Δ%	1Q2012 Unaudited	1Q2011 Unaudited	Δ%
	GROUP			COMPANY		
Total Revenues	1,549.8	1,374.4[2]	12.8%	1,517.1	1,301.7[1]	16.5%
-Revenues from energy sales	1,447.6	1,232.6	17.4%	1,444.7	1,229.0[1]	17.6%
- Revenues from TSO	0.6	68.4[2]	-99.1%	0.0	0.0[1]	
- Customers' contributions	38.1	27.7	37.5%	38.1	27.7[1]	37.5%
-Third Party Distribution network fees and PSO	11.8	24.9	-52.6%	11.8	24.9[1]	-52.6%
- Other revenues	51.7	20.8	148.6%	22.5	20.1[1]	11.9%
Total Operating Expenses (excl. depreciation)	1,317.8	1,046.8[2]	25.9%	1,339.7	1,028.6[1]	30.2%
Payroll Expenses	235.4	285.5	-17.5%	221.8	268.7[1]	-17.5%
-Third parties fossil fuel	11.3	13.5	-16.3%	11.3	13.5[1]	-16.3%
Total Fuel Expenses	388.6	254.1	52.9%	388.6	254.1[1]	52.9%
- Liquid fuel	212.5	150.4	41.3%	212.5	150.4[1]	41.3%
-Natural Gas	176.1	103.7	69.8%	176.1	103.7[1]	69.8%
Expenditure for CO2 emission rights	4.8	8.8	-45.5%	4.8	8.8[1]	-45.5%
Energy Purchases	432.1	193.5[2]	123.3%	419.1	195.1[1]	114.8%
- Purchases From the System and the Network	285.4	149.4	91.0%	285.4	149.4[1]	91.0%
-PPC Imports	27.3	19.9	37.2%	27.3	19.9[1]	37.2%

- Other	119.4	24.2[2]	393.4%		106.4	25.8[1]	312.4%
Transmission System Usage	32.3	74.0	-56.4%		85.3	74.0[1]	15.3%
Provisions	47.1	45.7	3.1%		47.1	45.7[1]	3.1%
(Profit)/loss from valuation of CO2 liabilities of prior year	15.8	2.5	532.0%		15.8	2.5[1]	532.0%
Taxes and Duties	9.5	7.8	21.8%		9.1	7.6[1]	19.7%
Other operating expenses	140.9	161.4	-12.7%		136.8	158.6[1]	-13.7%
EBITDA	232.0	327.6[2]	-29.2%		177.4	273.1[1]	-35.0 %
EBITDA Margin	15.0%	23.8%			11.7%	21.0[1]	
Depreciation and amortization	158.3	168.0	-5.8%		143.6	152.8[1]	-6.0%
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	73.7	159.6[2]	-53.8%		33.8	120.3[1]	-71.9
EBIT Margin	4.8%	11.6%			2.2%	9.2%[1]	
Total Net Financial Expenses	58.8	38.7	51.9%		52.3	33.1[1]	58.0%
- Net Financial Expenses	58.3	39.5	47.6%		51.8	33.9[1]	52.8%
-Foreign Currency (Gains) / Losses	(0.5)	0.8			(0.5)	0.8[1]	
- Share of Profit / (Loss) in associated companies	0.1	0.4	-75.0%		-	-	
Pre-tax Profits/ (Losses) from continuing operations	15.0	121.3[2]	-87.6%		(18.5)	87.2[1]	-121.2%

Profit after tax / (Losses) from continuing operations	(1.4)	93.3	-101.5%		(28.2)	65.9[1]	-142.8%
Profit after tax / (Losses) from disposal group	-	-				25.4[1]	
Net Income/ (Loss)	(1.4)	93.3	-101.5%		(28.2)	91.3[1]	-130.9%
EPS (in Euro)	(0.01)	0.40	-102.5%		(0.12)	0.39[1]	-130.8%

Summary Balance Sheet & Capex (€ m)

	1Q2012 Unaudited	1Q2011 Unaudited	Δ%		1Q2012 Unaudited	1Q2011 Unaudited	Δ%
	GROUP				PARENT COMPANY		
Total Assets	16,814.1	16,395.2	2.6%		15,603.9	16,341.6	-4.5%
Net Debt	4,850.3	4,143.5	17.1%		4,387.8	4,143.8	5.9%
Total Equity	6,444.7	6,854.7	-6.0%		6,272.7	6,829.6	-8.2%
Capital expenditure	253.9	180.4	40.7%		235.2	147.0	60.0%

(1) Restated due to the spin-off of the Transmission activities.
(2) Reclassifications have taken place for comparative reasons.

For further information please contact:

George Angelopoulos, Chief Financial Officer, Tel: +30210 5225346.

The financial data and relevant information on the Financial Statements for 1Q2012, shall be published in the Press, on May, 30, 2012.

The financial data and relevant information on the Financial Statements for 1Q2012, as well as the Financial Statements for 1Q2012, on a standalone and on a consolidated basis shall be uploaded to the Company's web site (www.dei.gr) on May, 29, 2012, after the closing of the Athens Stock Exchange.