PPC's CONSOLIDATED 9M2011 FINANCIAL RESULTS

Athens, November 25, 2011

GROUP FINANCIAL RESULTS

- **Turnover: € 4,203.6 m.**
- **EBITDA: € 794.7 m.**
- **Net Income: € 90.8 m.**
- **Net Income (adjusted for the impairment of marketable securities): € 111.7 m.**

- EBITDA amounted to € 794.7 m in 9M2011 compared to € 1,223.6 m in 9M2010, reduced by € 428.9 m (-35.1%). EBITDA margin reached 18.9%, compared to 27.4% in 9M2010.

- Total electricity demand, decreased in 9M2011 by 289 GWh (-0.6%) to 46,635 GWh vs 46,924 GWh in 9M2010. Excluding exports and pumping, electricity demand decreased by approximately 2% (926 GWh).

- PPC's total electricity sales, including exports, decreased by 2,131 GWh (-5.4%) to 37,414 GWh, while the corresponding revenues declined by 6.6%.

- PPC's electricity sales and revenues in the domestic retail market decreased by 6% (2,377 GWh) and by 7% (€ 280.5 m) respectively compared to 9M2010.

- Turnover reached € 4,203.6 m, compared to € 4,467.6 m in 9M2010, a reduction of € 264 m (-5.9%). Turnover includes an amount of € 91.1 m reflecting network users' contributions for connections to the network (9M2010: € 149.5 m).

- In 9M2011, PPC's electricity generation and imports, covered 70.6% of total demand, while the corresponding percentage in 9M2010 was 77.8%, a reduction of 3,573 GWh.

- PPC imports decreased to 1,399 GWh from 1,701 GWh in 9M2010 (-17.8%).

- Concerning RES generation in 9M2011, PPC RENEWABLES generated 195 GWh compared to 209 GWh in 9M2010, a decrease of 14 GWh, mainly due to reduced hydro generation by 11.4%. Pre-tax profits of PPC RENEWABLES amounted to € 8.2 m versus € 9.4 m in 9M2010.

- The expenditure for liquid fuel, natural gas and energy purchases increased by € 303.7 m, an increase of 21.8% compared to 9M2010, mainly driven by the higher expense for energy purchases and imports (€ 251 m), the increase of the

Special Consumption Tax on diesel (€ 40.5 m) and the increase in expense for heavy fuel oil (€ 42.2 m of which € 3.2 m relate to the doubling of the relative consumption tax as of the end of June 2011). Excluding the positive impact of an amount of € 37.3 m from previous years' settlements, which are included in energy purchases expense for 9M2010, the increase of the relevant expense amounts to € 213.7 m. This increase is on one hand, attributed to the increase of energy purchases quantities from the System by 18.2%, 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 12.3%.

- The total reduction of payroll cost, including capitalized payroll, between the two periods amounts to € 119.5 m (-11.2%). This reduction is attributed to a large extent (€ 98.2 m) to the net decline in the number of permanent employees on payroll by 852 to 21,075 on 30/9/2011 from 21,927 on 30/9/2010, as the impact of Laws 3833/2010 and 3845/2010 had already started being reflected in the accounts as of 2Q2010. In addition, the reduction in overtime and shifts expense by € 23.4 m, as a result of the decrease by 10.2% in the respective hours, despite the lower number of personnel, contributed also to the decrease of payroll expense. The net decline of the number of permanent employees on payroll for the period 1.1.2011 to 30.9.2011 amounts to 770.

- In 9M2011, 41.6% of the Company's total revenues were expensed for fuel, energy purchases and CO2 emission rights compared to 32.7% in 9M2010. On the contrary and despite the decrease in total revenues, payroll expense is further reduced to 19.9% of total revenues compared to 21.1% in 9M2010.

- EBT in 9M2011 declined by € 551.2 m (-79.9%), to € 138.4 m from € 689.6 m in 9M2010. EBT was impacted with an amount of € 20.9 m associated with the impairment of marketable securities. Excluding the abovementioned impact, EBT would have reached € 159.3 m (reduced by 76.9% compared to 9M2010).

- Net income amounted to € 90.8 m, versus € 520.2 m respectively in 2010, a reduction of € 429.4 m (-82.5%). Excluding the aforementioned impact, net income is adjusted to € 111,7 m (-78.5%).

- There is no provision related to the windfall tax, as the relevant law for 2011 corporate profits has not yet been voted.

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

"The slowdown in market share loss continued in the third quarter of 2011, offsetting to some extent the impact on revenues from the decrease in electricity demand.

However, the significant increase of the energy mix cost by 15.4% led to a reduction of EBITDA margin for 9M2011 to 18.9% from 27.4% in 9M2010, despite the continuing decrease in payroll expenses (-11.1%).

The worsening of the EBITDA margin highlights the unsustainable situation created by the fact that retail tariffs are still not linked to wholesale market prices, essentially wiping out the benefits from the significant payroll reductions. The Company has already communicated to RAE and the competent Ministry, the need for immediate transition to a new electricity market operation model, in order to address the existing inefficiencies.

For the full year:

- The decline in revenues from electricity sales is estimated to be approximately 6% compared to 2010, with turnover marking approximately a 5% decline.

- Assuming Brent oil price of $110/bbl and €/$ exchange rate of 1.37, EBITDA margin is estimated to be in the range of 16.5%-17%. The reduction in EBITDA margin compared to the nine month 2011 is attributed to a higher energy mix cost mainly due to the lower than expected hydro generation, the impact from the variable cost recovery mechanism, as well as the reduced demand.

In the difficult economic conditions that are currently prevailing, the limited liquidity and the increased financing costs create a new financial environment to which we are adapting our operational and our investment planning. Thus, we are focusing on the further rationalization of our controllable expenses, while we are proceeding with further actions for additional reduction in payroll expenses. In addition, we are carefully reviewing every new investment with respect to its expected return as well as the required funds and their availability. By carefully planning investments as well as expenses, and strictly evaluating all new projects, we formulate a revised business plan which will be submitted to the BoD for discussion and finalization in December.

However, for achieving the sustainable growth of our Group, we need a clear regulatory environment fostering a stable and rational market operation and ensuring the fair pricing of energy services and products and on this basis, we have already submitted to the Regulatory Authority for Energy cost data for the shaping of the energy component of 2012 tariffs and we expect its immediate actions.

Finally, PPC consistent with its commitments towards the State and European Commission and following complex procedures and intense negotiation, despite the adverse economic conditions, completed the spin-off of the Transmission Division, which is an enormous transaction for Greek standards, involving the transfer of assets with a net value of approximately € 1.7 bln. and 1,400 employees.

ANALYSIS OF FINANCIAL RESULTS

REVENUES

Revenues from electricity sales, including exports, decreased by € 264.1 m (-6.6%), from € 4,024.2 m in 9M2010, to € 3,760.1 m, as a result of the decline in the volume of sales by 5.4% (2,131 GWh), due to the reduced demand and market share loss in the domestic market (share of 92.4% in 9M2011 from 96.4% in 9M2010).

The change in the volume of sales is analyzed as follows:
- reduction of sales to the residential sector by 1.9%.
- reduction of sales to the agricultural sector by 7.6%.
- reduction of sales to the commercial sector by 14.5%,
- reduction of sales to the industrial Medium Voltage & Low Voltage sector by 9.7%.
- increase of sales to the industrial High Voltage sector by 5.9%.
- reduction of sales to other sectors by 3.8 %.
- increase of exports by 246 GWh.

OPERATING EXPENSES

The decrease in payroll costs between 9M2011 and 9M2010 amounted to € 105.1 m, mainly as a result of personnel retirements outnumbering hirings and the reduction in 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 € 164.9 m (+5.1%) from € 3,244.0 m in 9M2010 to € 3,408.9 m.

More specifically:

- On a nine month basis, electricity generation from lignite decreased by 3.3% (706 GWh) compared to the respective period of 2010. In 3Q2011, electricity generation from lignite was reduced by 719 GWh (-8.8% compared to 3Q2010).

- Hydro generation compared to 2010, which was the best year, in hydro terms, of the last decades, decreased by 34.7% (1,604 GWh), whereas in the third quarter of 2011, hydro generation was slightly below the level of last year's respective period (1,089 GWh vs 1,136 GWh).

- The decrease in power generation from natural gas by 639 GWh, despite the increase in pipe gas prices, resulted in a decrease in the relevant expenditure by € 42.9 m, from € 368.4 m in 9M2010 to € 325.5 m.

- Electricity generation from liquid fuel decreased by 308 GWh (-7.6%) compared to 9M2010, due to the very low oil-fired generation in the Interconnected System in 9M2011 and the reduced oil-fired generation in the non-interconnected islands by 203 GWh. On the other hand, heavy fuel oil and diesel oil prices in Euros increased by 20.8% and 35.9% respectively. Thus, the expenditure for liquid fuel increased between the two periods by € 95.6 m (+18.1%) from € 527.3 m in 9M2010 to € 622.9 m in 9M2011.

- Notwithstanding the decrease of PPC's imports by 302 GWh (-17.8%), the increase in PPC's import prices by 9.1% and the purchase of greater quantities of energy from the System and the Network by 1,365 GWh (+18.5%) as well as the increase of the energy purchase price from the System by 12.3% resulted in the increase of the expenditure for energy purchases by € 251 m (+50.1%) from € 500.5 m in 9M2010 to € 751.5 m. It is noted that an amount of € 88.7 m in the 9M2011 expenses relates to the compensation of the Independent Power Producers (IPPs) with their variable cost plus 10%. The respective amount in 9M2010 was € 13.1 m.

- Provisions for bad debt, litigation and slow moving materials reached € 95.5 m, a net increase of approximately € 7.5 m (+8.5%) compared to 9M2010, which is attributed to the increase in bad debt provisions by € 30.4 m (+ € 61.5 m from Low Voltage and Medium Voltage customers, after the adoption of a more conservative approach regarding the recognition of bad debt for these customers), an increase which was partly offset by the decrease in litigation provisions by € 21.5 m.

- Depreciation expense in 9M2011 amounted to € 505.5 m compared to € 438.6 m in 9M2010, an increase of € 66.9 m (+15.3%).

- The share of profit in associated companies amounted to € 0.9 m in 9M2011 and relates to profits from PPC RENEWABLES' participation in its associated companies, while the respective magnitude in 9M2010 was € 1.1 m.

- Net financial expenses increased by € 35.6 m (+37.8%), from € 94.3 m in 9M2010, to € 129.9 m, mainly due to the increase of the total cost of money and the increase of the average debt between the two periods.

- Capital expenditure amounted to € 875.8 m compared to € 694.6 m in 9M2010, mainly due to the construction of the new CCGT unit "Megalopolis V". Specifically, the main components of 9M2011 capital expenditure, were the following:

    - Capital expenditure for mine projects: € 97.5 m.

- Capital expenditure for generation projects: € 395.0 m.
- Capital expenditure for transmission projects: € 66.0 m.
- Capital expenditure for distribution projects: € 294.0 m.
- Capital expenditure for RES projects: € 20.7 m.

- Net debt amounted to € 4,664.5, an increase of € 454.2 m compared to 31/12/2010 (€ 4,210.3 m) and an increase of € 385.6 m compared to 30/9/2010 (€ 4,278.9 m).

FINANCIAL RESULTS OF THE PARENT COMPANY

- Turnover: € 3,979.5 m.
- EBITDA: € 630.8 m.
- EBT from continuing operations: € 39.5 m.
- Net income from continuing operations: € 22.8 m.
- EBT from discontinued operations: € 90.7 m.
- Net income from discontinued operations: € 61.9 m.
- Net income: € 84.7 m

Summary Financials (€ mil)

	9M 2011 Unaudited	9M 2010 Unaudited	Δ%	9M 2011 Unaudited	9M 2010 Unaudited	Δ%
	GROUP			PARENT COMPANY		
Total Revenues	4,203.6	4,467.6	-5.9%	3,979.5	4,239.6	-6.1%
EBITDA	794.7	1,223.6	-35.1%	630.8	1,078.1	-41.5%
EBITDA Margin	18.9%	27.4%		15.9%	25.4%	
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	289.2	785.0	-63.2%	173.2	685.0	-74.7%
EBIT Margin	6.9%	17.6%		4.4%	16.2%	
Net Income/(Loss)	90.8	520.2	-82.5%	84.7	510.5	-83.4%
EPS/(Loss) (In euro)	0.39	2.24	-82.6%	0.10	1.90	-94.7%
No of Shares (m.)	232	232		232	232	
Net Debt	4,664.5	4,278.9	9.0%	4,655.1	4,285.1	8.6%

Summary Profit & Loss (€ mil)

	9M 2011 Unaudited	9M 2010 Unaudited	Δ%	9M 2011 Unaudited	9M 2010 Unaudited	Δ%
	GROUP			COMPANY		
Total Revenues	4,203.6	4,467.6	-5.9%	3,979.5(1)	4,239.6(1)	-6.1%
-Revenues from energy sales	3,760.1	4,024.2	-6.6%	3,748.2	4,010.9	-6.5%
- Revenues from TSO	209.5	204.8	2.3%	2.5(1)	1.1(1)	127.3%
- Customers' contributions	91.1	149.5	-39.1%	88.1(1)	140.6(1)	-37.3%
-Distribution network fees and PSO	90.6	33.0	174.5%	90.6	33.0	174.5%
- Other revenues	52.3	56.1	-6.8%	50.1(1)	54.0(1)	-7.2%
Total Operating Expenses (excl. depreciation)	3,408.9	3,244.0	5.1%	3,348.7(1)	3,161.5(1)	5.9%

Payroll Expenses	837.7	942.8	-11.1%	786.0(1)	889.0(1)	-11.6%
-Third parties fossil fuel	37.2	43.0	-13.5%	37.2	43.0	-13.5%
Total Fuel Expenses	948.4	895.7	5.9%	948.4	895.7	5.9%
- Liquid fuel	622.9	527.3	18.1%	622.9	527.3	18.1%
-Natural Gas	325.5	368.4	-11.6%	325.5	368.4	-11.6%
Expenditure for CO2 emission rights	12.6	23.4	-46.2%	12.6	23.4	-46.2%
Energy Purchases	751.5	500.5	50.1%	757.6	506.3	49.6%
- Purchases From the System and the Network	554.9	401.9	38.1%	554.9	401.9	38.1%
-PPC Imports	68.8	77.7	-11.5%	68.8	77.7	-11.5%
- Other	127.8	20.9	511.5%	133.9	26.7	401.5%
Transmission System Usage	233.5	214.8	8.7%	233.5	214.8	8.7%
Provisions	95.5	88.0	8.5%	98.5(1)	87.8(1)	12.2%
(Profit)/loss from valuation of CO2 liabilities of prior year	(14.0)	(2.6)	438.5%	(14.0)	(2.6)	438.5%
Taxes and Duties	31.2	33.6	-7.1%	29.8(1)	32.3(1)	-7.7%
One off contribution to PPC Personnel Insurance Funds	-	51.1		-	51.1	
Other operating expenses	475.3	453.7	4.8%	459.1(1)	420.7(1)	9.1%
EBITDA	794.7	1,223.6	-35.1%	630.8(1)	1,078.1(1)	-41.5%
EBITDA Margin	18.9%	27.4%		15.9%(1)	25.4%(1)	
Depreciation and amortization	505.5	438.6	15.3%	457.6(1)	393.1(1)	16.4%

Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	289.2	785.0	-63.2%		173.2(1)	685.0(1)	-74.7%
EBIT Margin	6.9%	17.6%			4.4%(1)	16.2%(1)	
Total Net Financial Expenses	130.8	96.5	35.5%		112.6(1)	98.8(1)	14.0%
- Net Financial Expenses	129.9	94.3	37.8%		111.7(1)	96.9(1)	15.3%
- Foreign Currency (Gains) / Losses	0.9	2.2	-59.1%		0.9	1.9	-52.6%
Impairment loss of marketable securities	20.9	-			20.9	-	
- Share of Profit / (Loss) in associated companies	0.9	1.1	-18.2%		-	-	
- Loss/ (impairment loss on join venture)	-	-			0.1	2.8	-96.4%
Pre-tax Profits/ (Losses) from continuing operations	138.4	689.6	-79.9%		39.5(1)	583.4(1)	-93.2%
Profit after tax from continuing operations	90.8	520.2	-82.5%		22.8(1)	439.7(1)	-94.8%
Pre-tax Profits/ (Losses) from discontinued operations	-	-			90.7(1)	94.0(1)	-3.5%
Profit after tax from discontinued operations	-	-			61.9(1)	70.8(1)	-12.6%
Net Income/ (Loss)	90.8	520.2	-82.5%		84.7(1)	510.5(1)	-83.4%
EPS (in Euro)	0.39	2.24	-82.6%		0.10(1)	1.90(1)	-94.7%

Summary Balance Sheet & Capex (€ m)

	9M 2011 Unaudited	9M 2010 Unaudited	Δ%		9M 2011 Unaudited	9M 2010 Unaudited	Δ%
	GROUP				PARENT COMPANY		
Total Assets	16,270.7	16,409.4	-0.8%		16,217.3	16,398.1	-1.1%
Net Debt	4,664.5	4,278.9	9.0%		4,655.1	4,285.1	8.6%
Total Equity	6,693.2	6,736.1	-0.6%		6,663.4	6,714.8	-0.8%
Capital expenditure	875.8	694.6	26.1%		855.1	685.8	24.7%

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

For further information please contact:

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The financial data and relevant information on the Financial Statements for 9M2011, shall be published in the Press, on November, 29, 2011.

The financial data and relevant information on the Financial Statements for 9M2011, as well as the Financial Statements for 9M2010, on a standalone and on a consolidated basis shall be uploaded to the Company's web site (www.dei.gr) on November, 25, 2011, after the closing of the Athens Stock Exchange.