PPC's CONSOLIDATED 1H2011 FINANCIAL RESULTS

Athens, August 30, 2011

- EBITDA amounted to € 603.8 m in 1H2011 compared to € 821.1 m in 1H2010, reduced by € 217.3 m (-26.5%). EBITDA margin reached 22.2%, compared to 28.4% in 1H2010.

- Total electricity demand in Greece, increased in 1H2011 by 67 GWh (+0.2%) to 29,334 GWh vs 29,267 GWh in 1H2010. Excluding exports and pumping, electricity demand decreased by approximately 1.8% (529 GWh).

- PPC's total electricity sales, including exports, decreased by 1,323 GWh (-5.3%) to 23,600 GWh, while the corresponding revenues declined by 6.9% compared to 9% in the first quarter of 2011. The rate of the revenue decline has slowed down in the second quarter, mainly due to a more favorable sales mix and the reduced demand in low margin customer categories, whereas the market share loss rate is stabilizing.

- PPC's electricity sales and revenues in the domestic retail market decreased by 6.2% (1,533 GWh) and by 7.4% (€ 192.2 m) respectively.

- Turnover reached € 2,719.1 m, vs € 2,894.5 m in 1H2010, a reduction of € 175.4 m (-6.1%). Turnover includes an amount of € 59 m reflecting network users' contributions for connections to the network (1H2010: € 101.3 m).

- In 1H2011, PPC's electricity generation and imports, covered 70.5% of total demand, while the corresponding percentage in 1H2010 was 78%, a reduction of 2,153 GWh. This result was also impacted by the June strike.

- PPC imports decreased to 827 GWh from 1,002 GWh in 1H2010 (-17.5%).

- Concerning RES generation, in 1H2011 PPC RENEWABLES generated 120 GWh compared to 133 GWh in 1H2010, a decrease of 13 GWh, mainly due to reduced hydro generation by 15.6%. Pre tax profits of PPC RENEWABLES amounted to € 5.4 m versus € 5.8 m in 1H2010.

- Hydro generation compared to 2010, which was the best year, in hydro terms, of the last decades, decreased by 45% (1,557 GWh), whereas in the 2nd quarter of 2011, hydro generation was approximately at the same level of last year's respective period.

- On a semiannual basis, electricity generation from lignite remained almost at the same levels compared to 1H2010 (13,073 GWh vs 13,060 GWh respectively). In 2Q2011, electricity generation from lignite was reduced by 806 GWh (-12% compared to the respective period of the last year), out of which, 625 GWh is estimated to be associated to the June strike.

- In 1H2011, 37.4% of the Company's total revenues were expensed for fuel, energy purchases and CO2 emission rights compared to 30.4% in 1H2010. On the contrary, despite the decrease in total revenues, payroll expense absorbed 20.5% of total revenues compared to 22.3% in 1H2010.

- The expenditure for liquid fuel, natural gas and energy purchases increased by € 148.8 m, an increase of 17.7% compared to 1H2010, mainly driven by the higher expense for energy purchases (€ 123.5 m) and the increase of the Special Consumption Tax on diesel (€ 32.4 m).

- The total reduction of payroll cost, including capitalized payroll, between the two periods amounts to approximately € 98 m (-13.4%), as the impact of the relevant legislation started being reflected in the Group's accounts as of 2Q2010.

- Total payroll expense was reduced to a large extent (€ 63.3 m.), due to the net decline in the number of permanent employees on payroll by 668 to 21,288 on 30/6/2011 from 21,956 on 30/6/2010. The net decline in 1H2011 amounts to 557 employees on payroll. In addition, the reduction in overtime and shifts expense by € 18 m, as a result of the decrease by 11.3% in the respective hours, despite the lower number of personnel contributed also to the decrease of payroll expense.

- The financial results of the Company were impacted by the June strike, with an estimated impact of € 35 m.

- EBT in 1H2011 amounted to € 185.4 m, compared to € 463.6 m in 1H2010, a decrease of € 278.2 m (-60%), while net income amounted to € 128.8 m, versus € 347.9 m respectively, a reduction of € 219.1 m (-63%).

- Net income has not been burdened with a 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:

"In the 2nd quarter, the rate of the Group revenue decline has slowed down, due to a more favorable sales mix, while there are signs of market share loss stabilisation in the high margin customers segment.

As also mentioned before, it is expected that with the tariff rationalization that has already started and with the anticipated further adjustments of the tariffs in 2012, tariff distortions will be effectively addressed, supporting the development of healthy competition in the retail electricity market.

EBITDA margin was 22.2%, as despite the significant decrease in payroll expenses by 13.5%, energy balance cost increased by 12.4%, coupled with a 6.1% turnover reduction, also due to reduced domestic demand.

As the financial environment has deteriorated, we will continue to seek ways to further reduce our cost base and pull internal levers for improving cash flow. We want to transform PPC into a leaner organisation with increased efficiency, which can operate profitably in an increasingly competitive environment.

Enhancing our revenues by investing in renewables as well as tapping foreign markets and new business activities, remains a priority, and we are actively engaged in pursuing opportunities that we believe can contribute to our bottom line profitability and strengthen our competitive positioning.

In parallel, the implementation of the regulatory framework should lead to fair compensation for all energy services provided."

ANALYSIS OF FINANCIAL RESULTS

REVENUES

Revenues from electricity sales, including exports, decreased by € 178.7 m (-6.9%), from € 2,607.5 m in 1H2010, to € 2,428.8 m, as a result of the decrease in the volume of sales by 5.3% (1,323 GWh), due to the market share loss in the domestic market (share of 93% in 1H2011 from 97.4% in 1H2010). It is noted that in the 2nd quarter, the market share loss of PPC was contained to 4.1 percentage points compared to 4.7 percentage points in the 1st quarter.

The change in the volume of sales is analyzed as follows :

- reduction of sales to the residential sector by 2.3%.
- reduction of sales to the agricultural sector by 18.2%.
- reduction of sales to the commercial sector by 16.2%,
- reduction of sales to the industrial Medium Voltage & Low Voltage sector by 7.3%.

- increase of sales to the industrial High Voltage sector by 7.2%.
- reduction of sales to other sectors by 2.7 %.
- increase of exports by 210 GWh.

OPERATING EXPENSES

The decrease in payroll costs between 1H2011 and 1H2010 amounted to € 87.3 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 € 41.9 m (+2%) from € 2,073.4 m in 1H2010 to € 2,115.3 m.

More specifically:

- The decrease in power generation from natural gas by 258 GWh, despite the increase in pipe gas prices, resulted in a decrease in the relevant expenditure by € 35.2 m, from € 232.4 m in 1H2010 to € 197.2 m.

- Electricity generation from liquid fuel decreased by 163 GWh (-7%) compared to 1H2010, due to almost zero oil-fired generation in the Interconnected System in 1H2011 and the reduced oil-fired generation in the non-interconnected islands by 78 GWh. On the other hand, heavy fuel oil and diesel oil prices in Euros increased by 17.5% and 52.5% respectively. Thus, the expenditure for liquid fuel increased between the two periods by € 60.5 m (+21.8%) from € 277.5 m in 1H2010 to € 338 m. This increase is mainly attributed to the increased expenditure for diesel consumption which is primarily related to the aforementioned increase of the Special Consumption Tax.

- Notwithstanding the decrease of PPC's imports by 175 GWh (-17.5%), the increase in PPC's import prices by 10.7% and the purchase of greater quantities of energy from the System and the Network by 776 GWh (+16%) as well as the increase of the energy purchase price from the System by 16.6% resulted in the increase in the expenditure for energy purchases by € 123.5 m (+37.3%) from € 330.7 m in 1H2010 to € 454.2 m.

- Provisions for bad debt, litigation and slow moving materials reached € 53.8 m, a net decrease of approximately € 7.5 m (-12.2%) compared to 1H2010, which is attributed to the decrease in litigation provisions by € 13.7 m., a reduction which was partly offset by the increase in bad debt provisions by € 6.3 m.

- Depreciation expense in 1H2011 amounted to € 335.5 m compared to € 291.6 m in 1H2010, an increase of € 43.9 m (+15.1%).

- The share of profit in associated companies amounted to € 1.3 m in 1H2011 and relates to profits from PPC RENEWABLES' participation in its associated companies, while the respective magnitude in 1H2010 was € 1 m.

- Net financial expenses increased by € 20.6 m (+33.7%), from € 61.1 m in 1H2010, to € 81.7 m, mainly due to the increase of the interest rates and the increase of debt during the period.

- Capital expenditure amounted to € 457.4 m compared to € 489.6 m in 1H2010. Specifically, the main components of 1H2011 capital expenditure, were the following:

  - Capital expenditure for mine projects: € 55.1 m.
  - Capital expenditure for generation projects: € 157.3 m.
  - Capital expenditure for transmission projects: € 43.3 m.
  - Capital expenditure for distribution projects: € 186.9 m.
  - Capital expenditure for RES projects: € 13.2 m.

- Net debt amounted to € 4,302.4, an increase of € 92.1 m compared to 31/12/2010 (€ 4,210.3 m) and an increase of € 348.4 m compared to 30/6/2010.

FINANCIAL RESULTS OF THE PARENT COMPANY

- Turnover: € 2,711.6 m.
- EBITDA: € 597.7 m.
- EBT: € 180.1 m.
- Net income: € 124.3 m.

Summary Financials (€ mil)

	1H 2011 Audited	1H 2010 Audited	Δ%		1H 2011 Audited	1H 2010 Audited	Δ%
	GROUP				PARENT COMPANY		
Total Revenues	2,719.1	2,894.5	-6.1%		2,711.6	2,885.6	-6.0%
EBITDA	603.8	821.1	-26.5%		597.7	814.2	-26.6%
EBITDA Margin	22.2%	28.4%			22.0%	28.2%	
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	268.3	529.5	-49.3%		264.4	524.7	-49.6%
EBIT Margin	9.9%	18.3%			9.8%	18.2%	
Net Income/(Loss)	128.8	347.9	-63.0%		124.3	340.6	-63.5%
EPS/(Loss) (In euro)	0.56	1.50	-62.7%		0.54	1.47	-63.3%
No of Shares (m.)	232	232			232	232	
Net Debt	4,302.4	3,954.0	8.8%		4,293.5	3,968.3	8.2%

Summary Profit & Loss (€ mil)

	1H 2011 Audited	1H 2010 Audited	Δ%		1H 2011 Audited	1H 2010 Audited	Δ%
	GROUP				COMPANY		
Total Revenues	2,719.1	2,894.5	-6.1%		2,711.6	2,885.6	-6.0%
-Revenues from energy sales	2,428.8	2,607.5	-6.9%		2,421.3	2,598.6	-6.8%
- Revenues from TSO	144.9	134.4	7.8%		144.9	134.4	7.8%
- Customers' contributions	59.0	101.3	-41.8%		59.0	101.3	-41.8%
-Distribution network fees and PSO	49.5	14.0	253.6%		49.5	14.0	253.6%
- Other revenues	36.9	37.3	-1.1%		36.9	37.3	-1.1%
Total Operating Expenses (excl. depreciation)	2,115.3	2,073.4	2.0%		2,113.9	2,071.4	2.1%

Payroll Expenses	557.4	644.7	-13.5%		556.3	642.3	-13.4%
-Third parties fossil fuel	22.0	24.1	-8.7%		22.0	24.1	-8.7%
Total Fuel Expenses	535.2	509.9	5.0%		535.2	509.9	5.0%
- Liquid fuel	338.0	277.5	21.8%		338.0	277.5	21.8%
-Natural Gas	197.2	232.4	-15.1%		197.2	232.4	-15.1%
Expenditure for CO2 emission rights	6.1	14.3	-57.3%		6.1	14.3	-57.3%
Energy Purchases	454.2	330.7	37.3%		457.8	334.0	37.1%
- Purchases From the System and the Network	349.6	251.4	39.1%		349.6	251.4	39.1%
-PPC Imports	40.1	45.5	-11.9%		40.1	45.5	-11.9%
- Other	64.5	33.8	90.8%		68.1	37.1	83.6%
Transmission System Usage	156.2	141.5	10.4%		156.2	141.5	10.4%
Provisions	53.8	61.3	-12.2%		53.8	61.3	-12.2%
(Profit)/loss from valuation of CO2 liabilities of prior year	(6.3)	(0.3)			(6.3)	(0.3)	
Taxes and Duties	20.8	21.7	-4.1%		20.3	21.3	-4.7%
One off contribution to PPC Personnel Insurance Funds	-	52.1			-	52.1	
Other operating expenses	315.9	273.4	15.5%		312.5	270.9	15.4%
EBITDA	603.8	821.1	-26.5%		597.7	814.2	-26.6%
EBITDA Margin	22.2%	28.4%			22.0%	28.2%	
Depreciation and amortization	335.5	291.6	15.1%		333.3	289.5	15.1%

Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	268.3	529.5	-49.3%		264.4	524.7	-49.6%
EBIT Margin	9.9%	18.3%			9.8%	18.2%	
Total Net Financial Expenses	84.2	66.9	25.9%		84.3	66.9	26.0%
- Net Financial Expenses	81.7	61.1	33.7%		81.8	61.1	33.9%
- Foreign Currency (Gains) / Losses	2.5	5.8	-56.9%		2.5	5.8	-56.9%
- Share of Profit / (Loss) in associated companies	1.3	1.0	30.0%		-	-	
- Loss/ (impairment loss on join venture)	-	-			-	2.8	
Pre-tax Profits/ (Losses)	185.4	463.6	-60.0%		180.1	455.0	-60.4%
Net Income/ (Loss)	128.8	347.9	-63.0%		124.3	340.6	-63.5%
EPS (in Euro)	0.56	1.50	-62.7%		0.54	1.47	-63.3%

Summary Balance Sheet & Capex (€ m)

	1H 2011 Audited	1H 2010 Audited	Δ%		1H 2011 Audited	1H 2010 Audited	Δ%
	GROUP				PARENT COMPANY		
Total Assets	16,662.0	16,335.1	2.0%		16,613.6	16,310.7	1.9%
Net Debt	4,302.4	3,954.0	8.8%		4,293.5	3,968.3	8.2%
Total Equity	6,707.1	6,562.0	2.2%		6,679.4	6,543.3	2.1%
Capital expenditure	457.4	489.6	-6.6%		444.2	485.7	-8.5%

For further information please contact:

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The financial data and relevant information on the Financial Statements for 1H2011, shall be published in the Press, on August, 31, 2011.

The financial data and relevant information on the Financial Statements for 1H2011, as well as the Financial Statements for 1H2010, on a standalone and on a consolidated basis shall be uploaded to the Company's web site (www.dei.gr) on August, 30, 2011, after the closing of the Athens Stock Exchange.