PPC GROUP 2012 FINANCIAL RESULTS

Athens, March 28, 2013

- **Reduction of total payroll, including capitalized payroll, by € 178.8 m (-14.3%) compared to 2011.**

- **Further negative impact of € 189.5 m due to taxes on fuels and € 188.6 m due to the variable cost recovery mechanism of Independent Power Producers (IPPs).**

- **Positive impact of € 191.7 m. due to the settlement of outstanding financial issues between PPC and DEPA up to 31.12.2011.**

Summary Financial Results

- **Turnover: € 5,985.2 m.**
- **EBITDA: € 990.9 m.**
- **Pre-Tax Profits: € 95.4 m.**
- **Net Income: € 30.5 m.**

- EBITDA amounted to € 990.9 m in 2012 compared to € 779.8 m in 2011, increased by € 211.1 m (+27.1%), as a result of the significant reduction of payroll expense by € 154.3 m and the one-off positive impact after the settlement of outstanding financial issues between PPC and DEPA, with EBITDA margin reaching 16.6% versus 14.1% in 2011. With the exception of this settlement, EBITDA would amount to € 799.2 m (+2.5% vs 2011) with the respective margin settling at 13.4%.
  On a quarterly level, EBITDA margin settled at 12.5% in 4Q2012 from -1.1% in 4Q2011.

- Total electricity demand increased in 2012 by 1,473 GWh (+2.4%) to 63.4 TWh versus 61.9 TWh in 2011. Excluding exports and pumping, electricity demand remained practically flat at 58.5 TWh. In 4Q2012, excluding pumping and exports, electricity demand decreased by 2.4% (-338 GWh) compared to the respective period of 2011.

- PPC's total electricity sales, including exports, increased by 3,437 GWh (+7%) to 52.8 TWh, mainly due to market share recovery in the retail market, after the suspension of the operation of alternative suppliers, primarily in January, and to a lesser extent in May of 2012. The corresponding revenues increased by 17.2%, driven also by the increase in Low and Medium Voltage tariffs since January 1, 2012 and February 1, 2012 respectively. On the contrary, there has been no increase in High Voltage tariffs, while the Regulator imposed a lower temporary price of € 42 /MWh for the energy component of the tariff for ALUMINIUM S.A. (effective as of 16th of May 2012) and of € 50 /MWh for LARCO S.A. (effective for 3 months starting from 10th of October 2012). As far as 4Q2012 is concerned, total revenues from electricity sales increased by

22.5% compared to the respective quarter of 2011.

- Turnover reached € 5,985.2 m, compared to € 5,513.6 m in 2011, an increase of € 471.6 m (+8.6%). The 2011 figures include € 302 m. from revenues for Transmission System Usage, whereas the respective revenues in 2012 are eliminated due to the spin-off of the Transmission segment. Thus, not accounting for the impact of the Transmission System Usage revenues, the actual increase would have been € 773.6 m (+14.8%).Turnover also includes an amount of € 112.4 m reflecting network users' contributions for their connection to the network. The abovementioned figure is reduced by € 28.2 m compared to 2011.

- In 2012, PPC's electricity generation and imports covered 66.7% of total demand, while the corresponding percentage in 2011 was 70%, a reduction of 1,083 GWh, due to lower generation from PPC's gas-fired units and the increasing share of third party generation (RES -mainly PVs- and natural gas) in the country's energy mix. In 4Q2012, PPC's share in electricity generation and imports amounted to 64.2% of total demand compared to 68.3% in 4Q2011, again due to its lower gas-fired generation. It should be noted that gas-fired generation was down by 51.3% in 4Q2012, versus 20.9% in the nine-month 2012 period.

- Expenditure for liquid fuel, natural gas and energy purchases increased by € 771.4 m, an increase of 33.1% compared to 2011, mainly driven by the higher expense for energy purchases and to a lesser extent for liquid fuel. It must also be noted that part of this increase is attributed to the impact of the following elements:
  - + € 188.6 m for the recovery of the variable cost +10% of third party generators
  - + € 143 m for the Special Consumption Tax on natural gas (€ 29.7m from the fuel purchase price of PPC and € 113.3 m associated with energy purchases from natural gas IPPs).
  - + € 48.3 m for the special lignite levy.

- The increase in PPC's retail market share, combined with lower generation from the gas-fired units of PPC, only partly offset by a slight increase of hydro power plant generation, led to a significant increase of energy purchases – not taking into account imports - from the System and the Network by 4,684 GWh (+39.8%) compared to 2011. More importantly, the total cost per MWh of the energy purchased from the System increased by 25.9%, whereas the System Marginal Price marked a decrease of 4.6%, evidencing the significant divergence between the wholesale market price, based on energy supply and demand and the final energy cost that PPC has to pay.

- The total reduction of payroll cost, including capitalized payroll, between the two periods amounts to € 178.8 m (-14.3%). The net decline in the number of permanent employees on payroll amounted to 823, from 20,821 on 31/12/2011 to 19,998 on 31/12/2012. The latter number, includes 196 employees of the segment of the former Hellenic Transmission System Operator (HTSO) that were transferred to the Independent Power Transmission Operator (IPTO) and 44 employees of the Personnel Insurance Organization that were transferred to the Hellenic Electricity Distribution Network Operator (HEDNO) and the Parent Company. The abovementioned employees (240 in total) were not included in the Group's headcount as of 31/12/2011. It is important to note that, despite the lower number of personnel, overtime and shifts (in hours) decreased by 2.9%.

- In 2012, 51.7% of the Company’s total revenues were expensed for fuel and energy purchases compared to 42.3% in 2011, a fact which relates mainly to the increase of the share of energy purchase expenses, to 28.6% from 19.2% and clearly demonstrates the significant dependence of PPC’s profitability on the fluctuation of exogenous factors. On the other hand, payroll expense, which is an endogenous cost factor, continues to decrease, reaching 15.8% of total revenues compared to 19.9% in 2011.

- Net income amounted to € 30.5 m compared to losses of € 148.9 m in 2011, increased by € 179.4 m.

- The subsidiaries Hellenic Electricity Distribution Network Operator (HEDNO S.A.), IPTO S.A. and PPC Renewables S.A. posted pre-tax profits of € 29.4 m, € 35.7 m and € 9.9 m respectively. The resulting tax obligation for all three subsidiaries amounts to € 37.1 m.

- Due to the fact that:
  1. the revaluation of the networks fixed assets, which resulted from the 2009 asset appraisal conducted by an independent firm, is still not included in the Regulated Asset Base (RAB) of Transmission and Distribution networks, and thus does not earn any return, and
  2. the allowed pre-tax return of 8% on RAB, for Transmission and Distribution networks, does not reflect the current cost of capital conditions in Greece,

  an impairment test was performed on the Transmission and Distribution fixed assets. As a result, the equity of IPTO, on 31.12.2012, was reduced by € 95 m and the equity of the Parent Company (owner of the Distribution assets) by € 582 mln.

- Based on the net income of the Parent Company, PPC’s Board of Directors will propose to the Shareholders General Assembly, a dividend payment of € 5.8 m.

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

“In an environment that remains challenging, both for the economy but also for the Greek businesses and especially for the energy sector, we improved our operating profitability (EBITDA) by 27.1% leading to pre-tax profits of € 95.4 m at the Group level compared to losses of € 85.8 m in the previous year. Results were positively impacted by the increase in turnover, the reduction in payroll and the settlement of financial disputes with DEPA. It is noted that the reduction of payroll between 2009 and 2012, amounted to approximately € 650 m.

On the other hand, remaining distortions in the energy market operation, such as the Variable Cost Recovery Mechanism, burdened our results with € 319.2 m. The total cost of energy purchases reached € 92.1/MWh, while the average System Marginal Price settled at € 56.6/MWh, evidencing, as I have also mentioned in the past, the divergence between the wholesale market price, based on energy supply and demand and the final energy cost that PPC has to pay. It is also noted that results were also burdened by a total amount of € 384.4 m, resulting from the taxation on fuel.

In 2012, we successfully concluded the spin-off of the Networks, a challenging exercise, given the size and the nature of the operations, as well as the number of employees transferred to the two new subsidiaries and we implemented investments, during the year, in excess of € 800 m. More specifically, the new 417MW CCGT plant in Aliveri was completed and was recently set into operation, while great progress was made towards the completion of the CCGT plant of Megalopolis (811MW). Regarding the Hydro Power Plant of Ilarionas (157MW), following the tapping of the deviation tunnel in July 2012, the reservoir was filled and trial operation is expected in the second half of 2013.

I would also like to mention the significant positive development of the insurance cover approval for a loan in the order of €700 mln by the German Export Credit Agency Euler-Hermes for the funding of the "Ptolemais V" project. This insurance cover, from an Organization of the magnitude of Euler-Hermes, especially in the current challenging conditions, demonstrates the support to this specific large development project and to the Company as well. The new 660 MW unit will contribute to the renewal of the generation fleet and hence, to the reinforcement of PPC's competitiveness, as the operational cost of the new unit will be significantly lower than that of the old units.

In addition, we successfully refinanced 1.1 bln of debt and repaid € 383 m, under tight liquidity conditions, while at the same time, we proceeded in December with the drawdown of €148 m from the European Investment Bank.

Given the current economic and electricity market environment, our key priorities for 2013 are the completion of our refinancing program with a target to extend the maturity profile of our debt, as well as the continuous monitor of collections, active management of working capital and further cost optimization actions.

However, we cannot secure a sustainable future for our Company, only by streamlining operations and cutting costs; a regulatory framework that supports fair returns is absolutely necessary to provide the required visibility and thus contribute to the implementation of key strategic investments, in order to achieve our long term positioning and performance."

ANALYSIS OF FINANCIAL RESULTS

REVENUES

Revenues from electricity sales, including exports, increased by € 838.6 m (+17.2%), from € 4,878.6 m in 2011, to € 5,717.2 m, as a result of the tariff increase in LV and MV and the increase in the volume of sales by 7% (3,437 GWh). PPC's market share in the retail market increased to an average of 98.5% compared to 92.3% in 2011.

The change in the volume of sales is analyzed as follows:
- increase of sales to the residential sector by 5.4%,
- increase of sales to the agricultural sector by 9.5%,
- increase of sales to the commercial sector by 15.1%,
- reduction of sales to the industrial Medium & Low Voltage sector by 0.4%,
- reduction of sales to the High Voltage sector by 1.5%,
- increase of sales to other sectors by 3.8 %,
- increase of exports by 273 GWh.

The increase in sales to the commercial and the residential sector are essentially due to the market share recovery after the suspension of the operation of alternative suppliers.

OPERATING EXPENSES

Operating expenses, excluding depreciation and the positive impact from the settlement with DEPA, increased by € 452.2 m (+9.6%) from € 4,733.8 m in 2011 to € 5,186 m, despite the significant decrease in payroll expense by € 154.3 m (-14%). On a quarterly basis, operating expenses excluding depreciation decreased by € 84.3 m (-6.3%) between 4Q2012 and 4Q2011.

More specifically:

- Although electricity generation from lignite remained practically at the 2011 level, it must be noted that the percentage participation of lignite in PPC's total energy mix declined to 46.9% vs 50% for 2011, as a result of PPC's market share increase in the retail market, which was covered by purchases from third party generators (natural gas and RES).

- Due to the significant rise in hydro generation in 4Q2012 by 46.2% (+307 GWh) compared to the respective period of 2011, hydro generation for the full year increased by 5.9% (+216 GWh).

- The natural gas expense decreased by € 24.9m, from € 469.4 m in 2011 to € 444.5 m, as despite the increase of the natural gas prices by 31.6% (including the Special Consumption Tax effect), gas-fired generation decreased by 1,459 GWh (-27.9%). The above magnitudes do not include the positive impact from the settlement with DEPA (€191.7 m). In 4Q2012, the decrease in natural gas expense was actually higher, amounting to € 70 m (-48.6%) in line with the aforementioned decrease in the electricity generated from natural gas compared to the respective period of 2011.

- The increase in the liquid fuel expense by € 137 m (+17%) from € 803.7 m in 2011 to € 940.7 m in 2012 is attributed to the increase of the international prices of heavy fuel oil and diesel oil by 22.5% and 21.1% respectively, as electricity generation from liquid fuel remained practically stable. In 4Q2012, the increase in the liquid fuel expense amounted to € 16 m (+8.8%) also as a result of the increased prices of heavy fuel oil and diesel by 11.3% and 19.3% respectively, whereas the decrease of the Special Consumption Tax on diesel from € 412/klt to € 330/klt had a positive impact.

- The purchase of significantly larger quantities of energy, as well as the increase of the total cost per MWh of the energy purchased from the System by 25.9% resulted in the increase of the expenditure for energy purchases from the System and the Network by € 641.6 m (+66.7%) from € 962.5 m in 2011 to € 1,604.1 m.
  It should be noted that an amount of € 319.2 m relates to the compensation of the Independent Power Producers with their variable cost plus 10%, whereas in 2011 the respective amount was € 130.6 m., ie an additional impact of € 188.6 m.
  In 4Q2012, the additional impact from the variable cost recovery mechanism was € 65.7 m compared to 4Q2011, with the effective wholesale market cost reaching € 84.8 /MWh, when the average System Marginal Price for the period stood at € 44.1/MWh.

- PPC's imports increased to 1,992 GWh in 2012 compared to 2011 (+ 146 GWh) with an increase in the respective expense by € 17.7 mln.

- Provisions for bad debt, litigation and slow moving materials amounted to € 337.4 m, increased by € 113.5 m (+50.7%) compared to 2011 mainly due to:
  - the increase in bad debt provisions for Low and Medium Voltage customers by € 85.3 m,
  - the increase in bad debt provision for LARCO, a High Voltage customer, by € 85.9 m.
  - the negative impact for IPTO of € 43 m due to provisions of the segment of the Transmission System Operator of former HTSO, which was transferred to IPTO and relate to third party suppliers debt (Hellas Power and Energa),
  - bad debt provisions from the Distribution Operator (HEDNO S.A.) amounting to € 15.8 m for receivables from third party suppliers, regarding rights for the use of the network (almost exclusively from Hellas Power and Energa) and
  - the reversal of a provision representing overdue receivables for energy consumption of the Attica region traffic lights amounting to €57.5 m.

- Depreciation expense in 2012 remained practically stable at € 659.9 m compared to € 657.3 m in 2011.

- Net financial expenses increased by € 51.8 m (+28.3%), from € 183.2 m in 2011, to € 235 m, due to the increase of the funding cost between the two periods.

- Capital expenditure in 2012 amounted to € 820.6 m. compared to € 1,107.6 m. in 2011, reduced by € 287 m, while, as a percentage of total revenues there was a decline to 13.7% from 20.1%. Excluding network users' contributions for their connection to the network (€112.4 mln. and € 140.6 mln. in 2012 and 2011 respectively), which fund a significant part of distribution projects, capital expenditure amounted to 12.1% and 17.5% of total revenues in 2012 and 2011 respectively. Specifically, the main components of 2012 capital expenditure (in brackets the respective figures of 2011), were the following:
  - Capital expenditure for mining projects: € 140 m. (€ 144 m)
  - Capital expenditure for generation projects: € 276 m. (€ 453 m)
  - Capital expenditure for transmission projects: € 84 m. (€ 79 m)
  - Capital expenditure for distribution projects: € 298 m. (€ 402 m)
  - Capital expenditure for RES projects: € 14 m. (€ 26 m)

- Net debt amounted to € 4,679 mln., slightly decreased compared to 31/12/2011 (€ 4,702.7 mln.).

FINANCIAL RESULTS OF THE PARENT COMPANY *(in brackets the amounts for 2011)*

- Turnover: € 5,887.9 m. (€ 5,180.3 m.)
- EBITDA: € 812.3 m. (€ 533.7 m.)
- EBITDA margin : 13.8% (10.3%)
- Pre - tax profits : € 44.9 m. (losses € 247.1 m.)
- Net income: € 17.1 m. (losses € 272.9 m.)

FINANCIAL RESULTS OF SUBSIDIARIES *(in brackets the amounts for 2011)*

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

- Turnover: € 251.9 m. (€ 320.8 m.)
- EBITDA: € 117.9 m. (€ 233.3 m.)
- EBITDA margin : 46.8% (72.7%)
- Pre - tax profits: € 35.7 m. (€ 153.2 m.)
- Net income: € 25.5 m. (€ 117.6 m.)

Hellenic Electricity Distribution Network Operator (HEDNO S.A./DEDDIE)

- Turnover: € 471.9 m.
- EBITDA: € 34.6 m.
- EBITDA margin : 7.3%
- Pre - tax profits: € 29.4 m.
- Net income: € 4.9 m.

PPC Renewables S.A.

- Turnover: € 24.3 m. (€ 23 m.)
- EBITDA: € 13.7 m. (€ 12.9 m.)
- EBITDA margin : 56.3% (56%)
- Pre - tax profits: € 9.9 m. (€ 8.2 m.)
- Net income: € 7.6 m. (€ 6.5 m.)

Summary Financials (€ mil)						
	2012 Audited	2011 Audited	Δ%	2012 Audited	2011 Audited	Δ%
	GROUP			**PARENT COMPANY**		
Total Revenues	5,985.2	5,513.6	8.6%	5,887.9	5,180.3	13.7%
EBITDA	990.9	779.8	27.1%	812.3	533.7	52.2%
EBITDA Margin	16.6%	14.1%(1)		13.8%	10.3%(1)	
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	331.0	122.5	170.3%	217.1	-63.7	-440.8%
EBIT margin (%)	5.5%	2.2%		3.7%	-1.2%	
Net Income/(Loss)	30.5	-148.9	-120.5%	17.1	-272.9	-106.3%
EPS/(Loss) (In euro)	0.13	-0.64		0.07	-1.18	
No of Shares (m.)	232	232		232	232	
Net Debt	4,679.0	4,702.7	-0.5%	4,239.0	4,200.9	0.9%

Summary Profit & Loss (€ mil)						
	2012 Audited	2011 Audited	Δ%	2012 Audited	2011 Audited	Δ%
	GROUP			**PARENT COMPANY**		
Total Revenues	5,985.2	5,513.6	8.6%	5,887.9	5,180.3	13.7%
- Revenue from energy sales	5,717.2	4,878.6	17.2%	5,705.1	4,864.3	17.3%
- Revenues from TSO	0.6	310.7	-99.8%	0.6	0.0	
- Customers' contributions	112.4	140.6	-20.1%	106.5	134.8	-21.0%
- Third Party Distribution network fees and PSO	12.6	116.7	-89.2%	12.6	116.7	-89.2%
- Other revenues	142.4	67.0	112.5%	63.1	64.5	-2.2%
Total Operating Expenses (excl. depreciation)	4,994.3	4,733.8	5.5%	5,075.6	4,646.6	9.2%
- Payroll Expenses	945.4	1,099.7	-14.0%	619.4	1,028.5	-39.8%
- Third parties fossil fuel	48.4	53.6	-9.7%	48.4	53.6	-9.7%
- Total Fuel Expenses	1,385.2	1,273.1	8.8%	1,385.2	1,273.1	8.8%
- Liquid fuel	*940.7*	*803.7*	17.0%	*940.7*	*803.7*	17.0%
- Natural Gas	*444.5*	*469.4*	-5.3%	*444.5*	*469.4*	-5.3%
- Energy Purchases	1,716.3	1,057.0	62.4%	1,734.4	1,067.6	62.5%
-Purchases From the System and the Network	*1,027.4*	*765.0*	34.3%	*1,027.4*	*765.0*	34.3%
- PPC Imports	*112.2*	*94.5*	18.7%	*112.2*	*94.5*	18.7%
- Other	*576.7*	*197.5*	192.0%	*594.8*	*208.1*	185.8%

- Transmission System Usage	92.7	315.6	-70.6%	283.8	315.6	-10.1%
- Distribution System Usage	-	-		407.9	-	
- Provisions	337.4	223.9	50.7%	274.8	228.5	20.3%
- Taxes and Duties	57.8	42.3	36.6%	50.7	39.3	29.0%
- Settlement of outstanding issues with DEPA up to 31.12.2011	-191.7	-		-191.7	-	
- Other Operating Expenses (including lignite and CO2)	602.8	668.6[1]	-9.8%	462.7	640.4[1]	-27.7%
EBITDA	990.9	779.8[1]	27.1%	812.3	533.7[1]	52.2%
EBITDA margin (%)	16.6%	14.1%[1]		13.8%	10.3%[1]	
Depreciation and Amortisation	659.9[2]	657.3[1],[2]	0.4%	595.2[2]	597.4[1],[2]	-0.4%
Profit/(Loss) before Taxes & Fin. Expenses (EBIT)	331.0	122.5	170.3%	217.1	-63.7	-440.8%
EBIT margin (%)	5.5%	2.2%		3.7%	-1.2%	
Total Net Financial Expenses	236.2	182.9	29.1%	170.8	157.7	8.3%
- Net Financial Expenses	*235.0*	*183.2*	28.3%	*169.6*	*158.0*	7.3%
- Foreign Currency (Gains)/ Losses	*1.2*	*-0.3*	-500.0%	*1.2*	*-0.3*	-500.0%
Impairment loss of marketable securities	1.4	25.6	-94.5%	*1.4*	*25.6*	-94.5%
Share of profit /(losses) in associated companies	2.0	0.2	900.0%	-	-	
Gain/(Loss) / (impairment loss on join venture, securities)	-	-		0.0	0.1	-100.0%
Pre-tax Profits/ (Losses) from continuing operations	95.4	-85.8	-211.1%	44.9	-247.1	-118.2%
Profit after tax / (Losses) from continuing operations	-	-		17.1	-272.9	-106.3%
Profit before tax / (Losses) from discontinuing operations	-	-		0.0	113.9	-100.0%
Loss on transfer SPIN-OFF of transmission operations	-	-		0.0	-113.9	-100.0%
Net Income/ (Loss)	30.5	-148.9	-120.5%	17.1	-272.9	-106.3%
EPS (in Euro)	0.13	-0.64		0.07	-1.18	

Summary Balance Sheet & Capex (€ m)						
	2012 Audited	2011 Audited	Δ%	2012 Audited	2011 Audited	Δ%
	GROUP			PARENT COMPANY		
Total Assets	16,059.1	16,644.8	-3.5%	14,996.1	15,640.2	-4.1%
Net Debt	4,679.0	4,702.7	-0.5%	4,239.0	4,200.9	0.9%
Total Equity	5,854.5	6,500.4	-9.9%	5,786.8	6,351.7	-8.9%
Capital expenditure	820.6	1,107.6	-25.9%	717.2	1,002.3	-28.4%

[1] Reclassifications have taken place for comparative reasons.

[2] Including € 14.5 mln in 2012 and € 10.4 mln in 2011 for asset impairment.

For further information please contact:

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The financial data and relevant information on the Financial Statements for 2012, as well as the Financial Statements for 2012, on a standalone and on a consolidated basis shall be uploaded to the Company's web site (www.dei.gr) on March, 29th, 2013, after the closing of the Athens Stock Exchange.