**PPC GROUP 1Q2013 FINANCIAL RESULTS**

Athens, May 30, 2013

- **Profitability improvement by € 30.1 m on a pre-tax level.**
- **Further negative impact of € 65 m due to the variable cost recovery mechanism of Independent Power Producers (IPPs), partly offsetting energy balance expense reduction.**
- **$CO_2$ expense of approximately € 71 m.**

**Summary Financial Results**

- **Turnover: € 1,486.8 m.**
- **EBITDA: € 254 m.**
- **Pre-Tax Profits: € 45.1 m.**
- **Net Income: € 49.4 m.**

- EBITDA in 1Q2013, despite the turnover reduction, amounted to € 254 m compared to € 232 m in 1Q2012, increased by € 22 m (+9.5%), mainly as a result of the reduction of the total energy balance cost by € 198.2 m (-20.1%), with EBITDA margin reaching 17.1% versus 15% in 1Q2012. If we do not take into account the positive impact of the reversal of a € 52.7 m provision that was recorded in 1Q2012, relating to the settlement of overdue receivables for electricity consumption by the Attica region traffic lights, then the EBITDA margin in 1Q2013 (17.1%) compares to an adjusted EBITDA margin of 11.6% in 1Q2012.

- Total electricity demand decreased in 1Q2013 by 774 GWh (-4.9%) to 15,167 GWh versus 15,941 GWh in 1Q2012, when, as it is known, weather conditions were cold. Excluding exports and pumping, electricity demand decreased by 4.4% (-653 GWh).

- PPC's total electricity sales, including exports, decreased by 273 GWh (-2.1%) to 12,773 GWh, mainly due to lower demand, despite the slight market share recovery in the retail market by 1.3 percentage points. The corresponding revenues remained practically flat (-0.5%), as the tariff increases effective as of 1.1.2013 and the slight market share recovery were offset by the decrease in sales volume by 2.1% and the deterioration in PPC's sales mix.
  In addition, please note that compared to 1Q2012, in 1Q2013, there is a negative impact from the Regulator's decision to impose a lower temporary price of € 42 /MWh for the energy component of the tariff to ALUMINIUM S.A., effective as of May 16, 2012.

- Turnover reached € 1,486.8 m, compared to € 1,549.8 m in 1Q2012, a decrease of € 63 m (-4.1%). Turnover includes an amount of € 19.7 m reflecting network users' contributions for their connection to the network. The abovementioned figure is reduced by € 18.4 m compared to 1Q2012 (€ 38.1 m), due to lower construction activity and adverse financial conjecture, as well as due to the fact that in 1Q2012 there was an increased number of applications for connections with the network from RES generators (mainly Photovoltaic).

- In 1Q2013, PPC's electricity generation and imports covered 64.4% of total demand, while the corresponding percentage in 1Q2012 was 67.4%, a reduction of 967 GWh, due to lower generation from lignite-fired and gas-fired units, which was partly counterbalanced by the increased hydro generation. In addition, third party RES generation increased to 1,966 GWh (+606 GWh), with the relative share in the country's energy mix increasing to 13% from 8.5%.

- Expenditure for liquid fuel, natural gas and energy purchases decreased by € 181.7 m, a decrease of 22.1% compared to 1Q2012, mainly driven by the lower expense for natural gas and to a lesser extent for liquid fuel. The largest part of the reduction in energy purchases expense, which is attributed to the reduction of the System Marginal Price (SMP), was offset from the higher expense for the Variable Cost Recovery mechanism in favour of third party generators. Said mechanism, as it has been mentioned several times in the past, distorts the operation of the wholesale market, as IPPs get compensated at their variable cost +10%, thus having no incentive to seek a lower price for natural gas, as the higher the price, the higher their benefit from the margin of 10% will be. As a result, the market operates in a suboptimal way, imposing an unjustified burden on the trade balance of the country, on the consumer and on the national economy in general. It should be noted that, while SMP declined by € 31.9/ MWh, from € 72.2/MWh to € 40.3/MWh (-44.2%), between the two periods, the decline in the total energy purchase cost was only € 11.3/MWh (-12.1%) from € 93.1 / MWh to € 81.8 / MWh, evidencing that even in times when the SMP declines, there is no proportionate reduction in the total energy purchase cost.

- Expenditure for $CO_2$ emission rights amounted to €70.7 m in 1Q2013, increased by € 65.5 m compared to 1Q2012, due to the fact that as of 1.1.2013, PPC is not entitled to any free $CO_2$ emission rights. $CO_2$ emissions in 1Q2013 amounted to 9.7 mln tonnes, out of which 3.6 mln tonnes were covered with EUAs already purchased during the period 2008-2012 at an average price of approximately € 13.5/tn, representing an expense of € 48.6 m. On the contrary, the average price of EUAs purchased during 1Q2013 was € 4.27/tn. If this price was applied to the prepurchased 3.6 mln tonnes, the $CO_2$ emission rights expense in 1Q2013 would amount to € 37 m, reduced by € 33.7 m compared to the actual 1Q2013 figure (€ 70.7 m).

- The total reduction of payroll cost, including capitalized payroll, between the two periods amounted to € 4.8 m (-1.8%). 1Q2012 financial figures do not include payroll cost of € 2.1 m of the spinned off segment of the former Hellenic Transmission System Operator to IPTO. Taking into account said cost, total reduction of payroll cost between the two periods amounts € 6.9 m (-2.6%).
  The abovementioned figure is calculated after the deduction of an amount of € 3 m, which PPC recovers from the State, out of the total payroll cost of € 5 m of 481 employees, who work for the Social Security Fund (IKA-ETAM) and for PPC's Personnel Insurance Organization.
  The net decline in the number of permanent employees on payroll amounted to 899, from 20,858 on 31/3/2012 to 19,959 on 31/3/2013. The latter number, includes 110 employees of PPC's Personnel Insurance Organization that were transferred to the Hellenic Electricity

Distribution Network Operator (HEDNO) and the Parent Company. The abovementioned employees were not included in the Group's headcount as of 31/3/2012.
It is important to note that, despite the lower number of personnel, overtime and shifts (in hours) decreased by 2.5% in total.

- In 1Q2013, 47.7% of the Company's total revenues were expensed for fuel, $CO_2$ and energy purchases compared to 53.3% in 1Q2012, a fact which relates mainly to the decrease of the share of liquid fuel and natural gas expenses, to 15.2% from 25.1%, despite the fact that the participation of the expense for $CO_2$ and the Variable Cost Recovery Mechanism increased to 4.7% and 7.1% from 0.3% and 2.6%, respectively.

- In 1Q2013, pre-tax profits amounted to € 45.1 m compared € 15 m in 1Q2012, increased by € 30.1 m. Furthermore, the re-measurement of the deferred tax position of the companies of the Group due to the rise in the nominal tax rate in Greece from 20% to 26% resulted to a positive impact of € 4.3 m. on net profitability for 1Q2013, resulting to net profit of € 49.4 m compared to net losses of €1.4 m in the respective period of the previous year.

- The subsidiaries Hellenic Electricity Distribution Network Operator (HEDNO S.A.), Independent Power Transmission Operator (IPTO S.A.) and PPC Renewables S.A. posted pre-tax profits of € 3.2 m, € 29.5 m and € 2 m respectively. The resulting tax receivable for the two network subsidiaries amounts to € 11.5 m, whereas there is a tax obligation for PPC Renewables S.A. amounting to € 1.6 m.

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

"In the first quarter of 2013, operating profitability (EBITDA) improved by € 22 m. (+9.5%) compared to the respective period of 2012. Revenues from electricity sales remained at the same level, despite tariff increases, due to the decline in electricity demand and adverse sales mix.

The reduction in demand and the significant increase of hydro generation resulted to a sharp drop in PPC's natural gas fired generation by 75% with a corresponding decline of the relevant expense, positively affecting energy balance expenses.

Furthermore, the increased hydro generation combined with the accelerating penetration of photovoltaics in the country's energy mix led to a reduction of the System Marginal Price by 44.2%. However, this development did not translate into similar savings in PPC expenses, as the energy purchases cost settled at € 81.8 / MWh from € 93.1/MWh, that is a reduction only by 12.1%, due to the negative impact from the Variable Cost Recovery Mechanism.

In addition, first quarter results were burdened with $CO_2$ expenses of € 70.7 m.

I would also like to mention, that in the very recent period, we proceeded with the drawdown of € 285 m from the European Investment Bank, following another € 148 m drawn in December last year. Said financing relates to network and generation capex and constitutes an inflow of new capital and a vote of confidence for the Company and the Greek economy.

The electricity market and the Company are in a transitional phase. We anticipate and support market liberalization measures, which target the elimination of existing distortions, fair returns to all participants and the development of healthy competition for the benefit of the end consumer and the economy in general. We continue to focus on completing our refinancing plan, further optimizing costs and improving our operating performance."

## ANALYSIS OF FINANCIAL RESULTS

### REVENUES

Revenues from electricity sales, including exports, practically remained flat (-0.5%) at € 1,440.1 m, from € 1,447.6 m in 1Q2012. PPC's market share in the retail market increased to an average of 98.6% compared to 97.3% in 1Q2012.

The change in the volume of sales is analyzed as follows:
- reduction of sales to the residential sector by 4%,
- reduction of sales to the agricultural sector by 1.8%,
- reduction of sales to the commercial sector by 4.5%,
- increase of sales to the industrial Medium & Low Voltage sector by 1.2%,
- reduction of sales to the High Voltage sector by 2.5%,
- reduction of sales to other sectors by 1.7%,
- increase of exports by 147 GWh.

The reduction of demand in the residential and commercial sector is the main factor behind the 4.9% drop in demand and the adverse sales mix of PPC.

### OPERATING EXPENSES

Operating expenses, excluding depreciation, decreased by € 85 m (-6.5%) from € 1,317.8 m in 1Q2012 to € 1,232.8 m in 1Q2013.

More specifically:

- Electricity generation from lignite decreased significantly by 19.2% (-1,321 GWh), with a consequent decline of the percentage participation of lignite in PPC's total energy mix to 39.2% vs 47% for 1Q2012, due to the significant rise in hydro generation, the decline of electricity demand and the accelerating penetration of third party RES generation in the country's energy mix.

- Hydro generation in 1Q2013, increased significantly compared to 1Q2012 (748 GWh), reaching 2,300 GWh due to increased water inflows during 1Q2013 compared to 1Q2012 (3,194 GWh vs 1,354 GWh).

- Natural gas expense decreased by € 130.9m, from € 176.1 m in 1Q2012 to € 45.2 m, due to the significant decrease of gas-fired generation by 1,114 GWh (-75.3%), whereas natural gas prices remained practically flat (-0.6%).

- The decrease in the liquid fuel expense by € 31 m (-14.6%) from € 212.5 m in 1Q2012 to € 181.5 m in 1Q2013 is attributed to the reduction of electricity generation from liquid fuel by 210 GWh. Specifically, in 1Q2013, oil generation in the interconnected system was nil, compared to 66 GWh in 1Q2012 due to weather conditions, while generation in the non-interconnected islands was down by 144 GWh. At the same time, international prices of heavy fuel oil and diesel did not change materially (+2.3% and +0.4% respectively).

- Even though the SMP between the two periods declined by 44.2%, expenditure for energy purchases from the System and the Network declined only by 6.1% (- € 24.6 m) from € 404.8 m in 1Q2012 to € 380.2 m in 1Q2013, as the aforementioned reduction of the SMP was largely offset from the higher expense for the compensation of IPPs with their variable cost plus 10% (€ 105.1 m in 1Q2013 vs 40.1 m in 1Q2012).

- PPC's imports increased to 566 GWh in 1Q2013 (+ 110 GWh compared to 1Q2012) with an increase in the respective expense by € 4.8 m.

- Provisions for bad debt, litigation and slow moving materials amounted to € 98.3 m, increased by € 51.2 m (+108.7%) compared to 1Q2012. However, as already mentioned, if we do not take into account the reversal of a provision that was recorded in 1Q2012 due to the offsetting of € 52.7 m, representing overdue receivables from the Attica region traffic lights, provisions essentially remain at the same level, as provisions for 1Q2012 would then amount to € 99.8 m.

- Depreciation expense in 1Q2013 slightly decreased to € 152.4 m compared to € 158.3 m in 1Q2012.

- Net financial expenses slightly decreased to € 54.7 m (-7%), from € 58.8 m in 1Q2012, mainly due to the decrease of net debt between the two periods.

- Capital expenditure in 1Q2013 amounted to € 176.5 m. compared to € 253.9 m. in 1Q2012, reduced by € 77.4 m, while, as a percentage of total revenues it declined to 11.9% from 16.4%. Excluding network users' contributions for their connection to the network (€19.7 m. and € 38.1 m. in 1Q2013 and 1Q2012 respectively), which fund a significant part of distribution projects, capital expenditure amounted to 10.7% and 14.3% of total revenues in 1Q2013 and 1Q2012 respectively.
  More specifically, the main components of 1Q2013 capital expenditure, were the following (in brackets the respective figures of 1Q2012):
  - mining projects: € 21.6 m. (€ 23.8 m)
  - generation projects: € 27 m. (€ 128.9 m)
  - transmission projects: € 48.2 m. (€ 16.6 m)
  - distribution projects: € 76.2 m. (€ 81.7 m)
  - RES projects: € 1.8 m. (€ 2.1 m)

- Net debt amounted to € 4,645.4 m, a reduction of € 204.9 m. compared to 31.3.2012 (€ 4,850.3 m.) or € 33.6 m compared to 31.12.2012 (€ 4,679 m.).

**FINANCIAL RESULTS OF THE PARENT COMPANY** *(in brackets the amounts for 1Q2012)*

- Turnover: € 1,472.7 m. (€ 1,517.1 m.)
- EBITDA: € 194.9 m. (€ 177.4 m.)
- EBITDA margin : 13.2% (11.7%)
- Pre - tax profits : € 9.1 m. (losses € 18.5 m.)

- Net income: € 3.4 m. (losses € 28.2 m.)

**FINANCIAL RESULTS OF SUBSIDIARIES** *(in brackets the amounts for 1Q2012)*

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

- Turnover: € 66.1 m. (€ 68.7 m.)
- EBITDA: € 49.5 m. (€ 52.3 m.)
- EBITDA margin : 74.9 (76.2%)
- Pre - tax profits: € 29.5 m. (€ 32.4 m.)
- Net income: € 30 m. (€ 25.9 m.)

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

- Turnover: € 127.9 m.
- EBITDA: € 4.8 m.
- EBITDA margin : 3.7%
- Pre - tax profits: € 3.2 m.
- Net income: € 14.2 m.

**PPC Renewables S.A.**

- Turnover: € 6.7 m. (€ 5 m.)
- EBITDA: € 3.5 m. (€ 2.2 m.)
- EBITDA margin : 52.2% (44%)
- Pre - tax profits: € 2 m. ( € 1.1 m.)
- Net income: € 0.4 m. (€ 0.9 m.)

| Summary Financials (€ m.) | | | | | | |
|---|---|---|---|---|---|---|
| | 1Q2013 Unaudited | 1Q2012 Unaudited | Δ% | 1Q2013 Unaudited | 1Q2012 Unaudited | Δ% |
| | GROUP | | | PARENT COMPANY | | |
| Total Revenues | 1,486.8 | 1,549.8 | -4.1% | 1,472.7 | 1,517.1 | -2.9% |
| EBITDA | 254.0 | 232.0 | 9.5% | 194.9 | 177.4 | 9.9% |
| EBITDA Margin | 17.1% | 15.0% | | 13.2% | 11.7% | |
| Profit/(Loss) before Taxes & Fin. Expenses (EBIT) | 101.6 | 73.7 | 37.9% | 59.5 | 33.8 | 76.0% |
| EBIT margin (%) | 6.8% | 4.8% | | 4.0% | 2.2% | |
| Net Income/(Loss) | 49.4 | -1.4 | | 3.4 | -28.2 | -112.1% |
| EPS/(Loss) (in euro) | 0.21 | -0.01 | | 0.01 | -0.12 | |
| No of Shares (in m.) | 232 | 232 | | 232 | 232 | |
| Net Debt | 4,645.4 | 4,850.3 | -4.2% | 4,202.2 | 4,387.8 | -4.2% |

| Summary Profit & Loss (€ m.) | | | | | | |
|---|---|---|---|---|---|---|
| | 1Q2013 Unaudited | 1Q2012 Unaudited | Δ% | 1Q2013 Unaudited | 1Q2012 Unaudited | Δ% |
| | GROUP | | | PARENT COMPANY | | |
| Total Revenues | 1,486.8 | 1,549.8 | -4.1% | 1,472.7 | 1,517.1 | -2.9% |
| - Revenue from energy sales | 1,440.1 | 1,447.6 | -0.5% | 1,437.1 | 1,444.7 | -0.5% |
| - Revenues from HTSO | 0.0 | 0.6 | -100.0% | 0.0 | 0.0 | |
| - Customers' contributions | 19.7 | 38.1 | -48.3% | 19.3 | 38.1 | -49.3% |
| - Third Party Distribution network fees and PSO | 5.9 | 11.8 | -50.0% | 2.9 | 11.8 | -75.4% |
| - Other revenues | 21.1 | 51.7 | -59.2% | 13.4 | 22.5 | -40.4% |
| Total Operating Expenses (excl. depreciation) | 1,232.8 | 1,317.8 | -6.5% | 1,277.8 | 1,339.7 | -4.6% |
| - Payroll Expenses (1) | 234.5 | 235.4 | -0.4% | 152.6 | 221.8 | -31.2% |
| - Third parties fossil fuel | 9.0 | 11.3 | -20.4% | 9.0 | 11.3 | -20.4% |
| - Total Fuel Expenses | 226.7 | 388.6 | -41.7% | 226.7 | 388.6 | -41.7% |
| *- Liquid fuel* | *181.5* | *212.5* | *-14.6%* | *181.5* | *212.5* | *-14.6%* |
| *- Natural Gas* | *45.2* | *176.1* | *-74.3%* | *45.2* | *176.1* | *-74.3%* |
| - Expenditure for $CO_2$ emission rights | *70.7* | *5.2* (2) | | *70.7* | *5.2* (2) | |
| - Energy Purchases | 412.3 | 432.1 | -4.6% | 416.6 | 419.1 | -0.6% |
| *-Purchases From the System and the Network* | *216.2* | *285.4* | *-24.2%* | *216.2* | *285.4* | *-24.2%* |
| *- PPC Imports* | *32.1* | *27.3* | *17.6%* | *32.1* | *27.3* | *17.6%* |
| *- Other* | *164.0* | *119.4* | *37.4%* | *168.3* | *106.4* | *58.2%* |

| | | | | | | |
|---|---|---|---|---|---|---|
| - Transmission System Usage | 21.6 | 32.3 | -33.1% | 78.6 | 85.3 | -7.9% |
| - Distribution System Usage | 0.0 | 0.0 | | 107.3 | 0.0 | |
| - Provisions | 98.3 | 47.1 | 108.7% | 97.7 | 47.1 | 107.4% |
| - (Profit) / loss from evaluation of $CO_2$ liabilities of prior year and of sales of $CO_2$ | 0.0 | 15.8 | -100.0% | 0.0 | 15.8 | -100.0% |
| - Taxes and Duties | 12.4 | 9.5 | 30.5% | 10.0 | 9.1 | 9.9% |
| - Other Operating Expenses (including lignite) | 147.3 | 140.5[(2)] | 4.8% | 108.6 | 136.4[(2)] | -20.4% |
| EBITDA | 254.0 | 232.0 | 9.5% | 194.9 | 177.4 | 9.9% |
| EBITDA margin (%) | 17.1% | 15.0% | | 13.2% | 11.7% | |
| Depreciation and Amortisation | 152.4 | 158.3 | -3.7% | 135.4 | 143.6 | -5.7% |
| Profit/(Loss) before Taxes & Fin. Expenses (EBIT) | 101.6 | 73.7 | 37.9% | 59.5 | 33.8 | 76.0% |
| EBIT margin (%) | 6.8% | 4.8% | | 4.0% | 2.2% | |
| Total Net Financial Expenses | 54.7 | 58.8 | -7.0% | 48.2 | 52.3 | -7.8% |
| *- Net Financial Expenses* | *54.7* | *58.3* | *-6.2%* | *48.2* | *51.8* | *-6.9%* |
| *- Foreign Currency (Gains)/ Losses* | *0.0* | *0.5* | *-100.0%* | *0.0* | *0.5* | *-100.0%* |
| Impairment loss of marketable securities | 2.2 | 0.0 | | *2.2* | *0.0* | |
| Share of profit /(losses) in associated companies | 0.4 | 0.1 | 300.0% | *0.0* | *0.0* | |
| Pre-tax Profits/ (Losses) | 45.1 | 15.0 | 200.7% | 9.1 | -18.5 | -149.2% |
| Net Income/ (Loss) | 49.4 | -1.4 | | 3.4 | -28.2 | -112.1% |
| EPS/(Loss) (In euro) | 0.21 | -0.01 | | 0.01 | -0.12 | |

**Summary Balance Sheet & Capex (€ m.)**

| | 1Q2013 Unaudited | 1Q2012 Unaudited | Δ% | 1Q2013 Unaudited | 1Q2012 Unaudited | Δ% |
|---|---|---|---|---|---|---|
| | **GROUP** | | | **PARENT COMPANY** | | |
| Total Assets | 15,925.6 | 16,814.1 | -5.3% | 14,787.8 | 15,603.9 | -5.2% |
| Net Debt | 4,645.4 | 4,850.3 | -4.2% | 4,202.2 | 4,387.8 | -4.2% |
| Total Equity | 5,822.2 | 6,496.4 | -10.4% | 5,729.0 | 6,324.4 | -9.4% |
| Capital expenditure | 176.5 | 253.9 | -30.5% | 125.9 | 235.2 | -46.5% |

[(1)] Taking into account the payroll cost of € 2.1 m of the spinned off segment of the former Hellenic Transmission System Operator to IPTO, which is not included in 1Q2012 figures, the total reduction of payroll cost, between the two periods amounted to € 3 m (-1.3%).

[(2)] Reclassifications have taken place for comparative reasons.

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The financial data and relevant information on the Financial Statements for 1Q2013, as well as the Financial Statements for 1Q2013, on a standalone and on a consolidated basis shall be uploaded to the Company's web site (www.dei.gr) on May, 30th, 2013, after the closing of the Athens Stock Exchange.