PUBLIC POWER CORPORATION S.A.

Financial Report

for the six-month period ended June 30, 2012

The attached Financial Report for the six month period ended June 30th, 2012, has been established according to article 5 of Law 3556/2007, has been approved by the Board of Directors of "Public Power Corporation S.A." on August 30th, 2012, and is available for the investors, on the internet, at the web site address www.dei.gr, for at least the next 5 (five) years.

Public Power Corporation S.A.
Registration No 47829/06/B/00/2
Chalkokondyli 30 - 104 32 Athens

INDEX

I. Statement of the members of the Board of Directors

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

(According to article 5, par.2 of Law 3556/2007)

1. Arthouros Zervos, Chairman and C.E.O. of P.P.C. S.A.
2. Ourania Ekaterinari, Member of the Board of Directors and Deputy CEO
3. Panagiotis Alexakis, Member of the Board of Directors,

hereby

declare

that, to the best of our knowledge:

a) the accompanying interim Condensed Financial Statements of the Parent Company and the Group, for the six month period ended June 30, 2012, which were prepared according to the International Accounting Standards – currently in effect- as adopted by the European Union, are truthfully depicting assets, liabilities, equity and the statement of income of Public Power Corporation S.A., as well as the companies included in the consolidation, according to the provisions of the paragraphs 3 to 5 of article 5 of Law 3556/2007 and,

b) the accompanying Board of Directors' Report, truthfully depicts the development, the performance and the status of Public Power Corporation S.A. and the companies included in the consolidation, as well as a description of the confronted major risks and uncertainties.

Athens August 30, 2012

Chairman and C.E.O.	Member of the Board and Deputy CEO	Member of the Board
Arthouros Zervos	Ourania Ekaterinari	Panagiotis Alexakis

II. Report of the Board of Directors

PUBLIC POWER CORPORATION S.A.
SIX MONTH REPORT OF THE BOARD OF DIRECTORS
FOR THE PERIOD 1.1.2012 -30.6.2012
(In accordance with the provisions of Law 3556/2007, article 5 par. 6)

This is a condensed report of financial information of “Public Power Corporation S.A.” (the Parent Company) and its subsidiaries (the Group) for the first half of the current financial year, as well as, the major events of the period and their effect on the six month financial statements. There is, also, a description of the main risks and uncertainties that the Group might face in the second half of the financial year, the outlook for this semester, as well as, the balances and transactions between PPC and its related parties.

FINANCIAL DATA FOR THE FIRST HALF 2012

• EBITDA amounted to € 483.4 m in 1H2012 compared to € 603.8 m in 1H2011, reduced by € 120.4 m (-19.9%). EBITDA margin reached 16.5%, versus 22.2% in 1H2011.
On a quarter level, EBITDA margin improved to 17.9% in 2Q2012 from 15% in 1Q2012. Excluding the negative impact of € 28.1 m. due to provisions related to the segment of the Transmission System Operator which was spanned off from the former Hellenic Transmission System Operator (currently Electricity Market Operator/LAGIE) and which has been transferred to IPTO, EBITDA in 2Q2012 would amount to € 279.5 m and the respective margin to 19.9%, with the corresponding figures for 1H2012 amounting to € 511.5 m and 17.4%.
It should also be noted that if revenues from interconnection rights of the spanned off segment from HTSO amounting to € 32.3 m were included in the Group's total revenues, EBITDA in 1H2012 and the respective margin would have reached € 515.7 m and 17.4% respectively.

• Total electricity demand increased in 1H2012 by 873 GWh (+3%) to 30,207 GWh versus 29,334 GWh in 1H2011. Excluding exports and pumping, the increase of electricity demand is limited to 0.7% (206 GWh). More specifically, in 2Q2012, excluding pumping and exports, electricity demand decreased by 0.8% (107 GWh) compared to the respective period of 2011.

• PPC's total electricity sales, including exports, increased by 1,410 GWh (+6%) to 25,010 GWh, 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 15.4%, driven also by the increase in Low and Medium Voltage tariffs since January 1, 2012 and February 1, 2012 respectively. More specifically, in 2Q2012, total revenues from electricity sales increased by 13.3% compared to the respective quarter of 2011.

• Turnover reached € 2,938 m, compared to € 2,711.5 m in 1H2011, an increase of € 226.5 m (+8.4%). Turnover includes an amount of € 64.7 m reflecting network users' contributions for their connection to the network. The respective amount in 1H2011 was € 59 m. Despite the adverse financial conditions, this slight increase is attributed to the increased number of RES generators' connections with the network (mainly Photovoltaic).

• In 1H2012, PPC's electricity generation and imports covered 67.2% of total demand, while the corresponding percentage in 1H2011 was 70.5%, a reduction of 397 GWh.

• Expenditure for liquid fuel, natural gas and energy purchases increased by € 519.1 m, an increase of 52.6% compared to 1H2011, mainly driven by the higher expense for energy purchases and imports. It must also be noted that part of this increase is attributed to the impact of the following elements:

o the variable cost recovery of third party generators amounting to € 84.4 m

o the Special Consumption Tax on natural gas amounting to € 79.8 m (€ 29.1 m negative impact on the fuel purchase price and € 50.7 m negative impact on energy purchases expense from third parties)

o the Special Consumption Tax on heavy fuel oil amounting to € 8.5 m

• PPC's energy costs are further burdened by a new tax, the special lignite levy amounting to € 19.7 m.

• Despite the increased lignite fired generation, the lower gas-fired and hydro generation, combined with the increase in PPC's retail market share, led to the increase of energy purchases (including imports) by 2,038 GWh (+31.6%). Furthermore, the average price of energy purchases from the System increased by 9.7%.

• In 1H2012, total controllable expenses decreased further by € 91.6 m compared to the respective period of 2011. More specifically, the total reduction of payroll cost, including capitalized payroll, between the two periods amounts to € 93.3 m (-14.7%). The net decline in the number of permanent employees on payroll amounted to 754, from 21,288 on 30/6/2011 to 20,534 on 30/6/2012, including 196 employees of the segment of the former HTSO that was transferred to IPTO, which were not included in PPC's headcount as of 30/6/2011. It is important to note that, despite the lower number of personnel, overtime and shifts (in hours) decreased by 2.9%.

• In 1H2012, 51.9% of the Company's total revenues were expensed for fuel and energy purchases compared to 37.6% in 1H2011, a fact which 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 16.3% of total revenues compared to 20.6% in 1H2011.
• 1H2012 pre-tax profits amounted to €46.9 m, compared to € 185.4 in 1H2011, a reduction of € 138.5 m.
• Net income amounted to €18.3 m compared to € 128.8 m in 1H2011, reduced by € 110.5 m.
• The subsidiaries HEDNO S.A., IPTO S.A. and PPC Renewables S.A. posted pre-tax profits of € 25.9 m, € 26.3 m and € 3.9 m respectively. The resulting tax obligation amounted to € 20.3 m.

MAJOR EVENTS OF THE PERIOD

Significant events for the six month period of 2012 are analytically presented in Note 15 of the Financial Statements.

MAJOR RISKS - UNCERTAINTIES

The Group's activities are subject to various risks. Specifically:

Interest rate risk and foreign currency risk
The Group's principal financial liabilities comprise bank loans, bonds and overdrafts. It is the Group's policy to hedge, solely for protection purposes, through derivatives the risk arising from the fluctuation of the floating interest rates and the foreign currency exchange rates of its debt portfolio. The existing derivatives transactions refer to specific interest rate swaps (conversion of floating rate liabilities to fixed rates liabilities) and forward currency contracts, in order to manage the relative risks. The main risk arising from managing the Group's debt liabilities is focused in the financial results and cash flows, mainly as a consequence of the fluctuation of interest rates and, to a minimum extent, on foreign currency exchange rates fluctuation, considering that, in the recent years, almost 100% of the existing debt is denominated in Euro.
On the contrary, the fluctuation of € / $ exchange rate constitutes a risk concerning the Parent Company's liabilities arising from fuel purchases. In order to cover the foreign currency risk from liquid fuel purchases, the Board of Directors of the Parent Company approved in 2010 a framework policy for hedging transactions. The Parent Company is implementing hedging transactions for the aforementioned risk. It should be noted that, hedging transactions may not provide full protection against the above mentioned risks.

Merchandise price risk and risk from Electricity Market
The Parent Company is exposed to the risk of an increase in prices (commodity prices) of oil, natural gas, electricity purchased from the System and the Network, CO_2 emission rights as well as electricity prices of direct PPC imports. The Parent Company has established a policy for hedging transaction for oil, based on which the implementation of specific hedging transactions is decided.
Furthermore, the Parent Company has fully covered the estimated CO_2 deficit for the period 2008-2012, and has therefore covered the relevant price volatility risk.
The Parent Company has not established a hedging policy against the risk arising from the volatility of natural gas prices.
In terms of the risk arising from price volatility of electricity purchases, this is hedged less and less by the vertical integration of the Parent Company (internal hedge), since PPC's Generation share in the wholesale market as of the end of June 2012 amounted to 65%, while since January 25, 2012, PPC's Supply share in the retail market has exceeded 98%, following the developments in the retail market in the first half of 2012.
Additionally, the prices of the main materials (metals, etc.), apart from fuel, used by the Group for its operation and development are defined by the international merchandise markets resulting to the Group's exposure to the risk of fluctuation of the relevant prices as well as the foreign currency risk**.**

Credit Risk
Despite the fact that, the electricity sales are dispersed to a large number of clients within a wide range of economic activity, the current economic conditions affects seriously the liquidity of the company mainly resulting from:
• Difficulties in payment and increases in delayed payments, by Low and Medium voltage customers as well as High voltage (Industrial) customers, especially those with large outstanding balances.
• Increased number of small and medium enterprises that stop their operations due to the economic conjecture and leave outstanding balances for which adequate provisions are established.
• Continuing distortion due to regulated tariffs.
Credit risk may be increased due the persistence or even worse the intensification of depression, and in addition, due to the imposition to PPC by the State, of the collection of the Property tax (E.E.T.I.D.E.) for 2012, through the electricity bills, might significantly influence the extent of delay in the collection of electricity bills, creating greater needs of the Parent Company's working capital. In this context, the Parent Company shall manage the impact of these risks taking every possible measure to mitigate their impact, being simultaneously in fully alignment to the existing legislation and the current regulatory framework governing the electricity market.

In order to minimize the credit risk as far as cash and cash equivalents, financial instruments and derivatives are concerned the Group monitors its positions, the level and the duration of its transactions and follows a policy for the allocation of risk by conducting transactions solely with recognized financial institutions.

Liquidity Risk

Liquidity risk is connected with the need to ensure adequate cash flow for the financing of the operation and the development of the Group, as well as serving its debt. The Group manages its liquidity risk by continuously monitoring and programming its policy for fulfilling its cash flows liabilities. General aim of the Group it to ensure sufficient credit lines and cash deposits, while aiming at the same time at the extension of the average maturity of its debt and the diversification of its funding sources as well as controlling operating costs and improving the efficiency of its resources. As a matter of fact said risk is intensifying due to the general situation of the Greek economy and the banking sector, where the liquidity is limited or almost inexistent, as well as the general international economic environment. Thus, working capital needs caused by:

- The debt left by the alternative energy suppliers whose operation was suspended,
- The requirement by PPC, -due to the above- to undertake the role of Last Resort Supplier as well as of Universal Service for customers of the above suppliers, overloaded with surplus liquidity needs in order to finance customers' energy needs (65% share of production, market share over 98%),
- Increase of delays in the collection of energy bills,
- The provided by the present legal framework variable cost recovery plus 10% of the units of independent generators,

result to additional pressures to the Group's liquidity, while, due to the aforementioned status, finding working capital is proved difficult as well as financing projects. At the same context, delays may arise at the timely fulfillment of the Group's obligations, which may result in an increase of the financing cost.

It is noted that the borrowing cost for the Parent Company and the Group from the market and their access to liquidity have been negatively impacted by the Greek Economy's status while the uncertainty deriving from this fiscal crisis has and it is possible to continue to have significant negative impact to the Parent Company and the Group's operating results, cash flow and financial status.

The Group is exposed to risks that may arise from Financial Institutions

The deterioration of liquidity problems in the Financial Institutions sector, could have an extremely negative impact in the business activity, financial status and the financial results of the Group.

Risk of exposure in competition

The Parent Company faces increasing competition mainly in the wholesale market. Adverse changes in the competitive environment or/and actions by the competition is possible to have a negative impact to its results.

At the wholesale market share losses are due to the inclusion of independent producers' (IPPs) power plants and the increased permeation of RES units in the Energy System. At the retail market, after the suspension of operations of all alternative suppliers, PPC, acting as supplier, "Supplier of last resort" and "Universal Service", supplies with electricity the whole market. Additionally, the methodology for the calculation of PPC's compensation for any cost incurred by the Company for the provision of services as "last resort supplier", as well as the means for covering such compensation in accordance with L.4001/2011, have not yet been defined. On July 26th, 2012 RAE published a tender document for the selection of the provider of '' last resort'' and ''Universal'' supplier, for five years, according to L. 4001/2011, with a submission deadline of September 24, 2012. In the event that there is no interest expressed, in the context of the tender, as provider of '' last resort'' and ''Universal'' supplier is appointed, by RAE's decision, the supplier of the largest market share per customer category.

Tariff risk

Low Voltage tariffs remain regulated and do not reflect any unfavorable fluctuations of the cost of the wholesale market. It should be noted that since August 1st , 2010, the implementation of the existing fuel clause mechanism was suspended, while a mechanism for linking Low Voltage tariffs with the wholesale market prices has not be adopted. RAE has issued an opinion for the necessity of establishing a mechanism of tariff adjustments based on the wholesale market volatility, while, in the revised memorandum signed in February 2012, it is provided that further measures will be adopted to ensure that the energy component of regulated tariffs reflects, at the latest by June 2013, wholesale market prices, except for vulnerable consumers. As regards High Voltage tariffs, the envisaged consultation procedures have not yet been completed.

Additionally, on 16.5.2012 RAE, by its Decision No. 346/2012, has defined as a temporary price, on the request for interim measures on behalf of Alouminion SA, the amount of 42 € / MWh, plus the anticipated charges of PSO, RES Tax , Use of Transmission System and other taxes. The implementation of the decision would be applied to the total of working hours of the Aluminum S.A. The above provisional price will be applied until the issuance of RAE's decision on the complaint of the applicant, or the issuance of a decision of the competent arbitral court or earlier if there is a positive outcome to the negotiations between the interested parties. The abovementioned decision is causing restrictions to liquidity. The Parent Company estimates that the abovementioned decision is damaging and therefore has exercised all legal means against said RAE's decision before any National and/or European Authority.

CO_2 Emission allowances
In December 2008, the Greek National Allocation Plan for the period 2008 – 2012 was announced. The Parent Company buys systematically CO_2 emission rights in order to cover the deficit between the allocated rights and the actual CO_2 emissions. During the period 2008-2011, the deficit amounted to approximately 16.8 million tons. The deficit for 2012, based on the interim accounting data the first half of 2012 and the revised budget for the second half of 2012, is estimated in the range of 4.5 million tons CO_2. In total for the five year period 2008-2012, the deficit is estimated to vary between 20 to 22.5 million tons of CO_2.
Already 23 million tons (fully covering the period 2008-2012, with a surplus for 2013-2020) have been fully secured against price volatility risk as follows:
(a) part of them has been contracted through Carbon Funds for deliveries of CERs, in predetermined prices, up to the year 2012,
(b) the rest has already been covered by purchases of EUAs mainly through Stock Exchanges.
Based on current data, the impact of CO_2 emission right deficit on the generation cost for the year 2012 is in the order of € 46.5 million. To the extent that the deficit exceeds the abovementioned estimates due to unforeseen circumstances, the impact on generation cost and, as a consequence, on the financial results of the Parent Company shall be higher than the one projected.
Additionally, the operating profits may be affected from future changes in the legislation and the regulatory framework of the European System of CO_2 emissions rights trading, as the Parent Company may realize significant expenditures in the future, in order to cover the deficit of the CO_2 emission rights, especially if such expenditures are not reflected in the tariffs.
Additionally, increased capital expenditures may be required in the future for the environmental compliance with any potential revision or new legislation or regulations.

Regulatory Risk
Potential modifications and/or additions in the regulatory and legislative framework of the electricity market, according both to the provisions of EU legislation and the implementation of the Memorandum signed between the Hellenic Republic, IMF, EU, and ECB may have a significant impact on the operation, the contractual commitments and the financial results of the Group.

Risk from regulated rates of return on Network activities
The regulated rates of return on Network investments may have a negative impact on the Groups' profitability, if it does not cover the reasonable return on the invested capital.

Risk from providing Public Service Obligations (PSOs)
According to the methodology for PSOs calculation that was defined by a Ministerial Decision for the period 2007 – 2011 regarding the recovery of the additional cost for the electricity generation in the Non Interconnected Islands compared with the respective cost for the Interconnected System, the Group is not fully compensated for providing Public Service Obligations. According to the abovementioned methodology, the calculation of PSOs for each year, for the period 2007 – 2011, was based on the cost of electricity generation in the Non Interconnected Islands and in the Interconnected System for the year 2006, on the total electricity generation and liquid fuel quantities consumed each year in the Non Interconnected Islands, as well as on the international fuels prices and on the fluctuation of the consumer price index per year.
Specifically, for the estimation of the annual compensation of 2011 for providing PSOs that affects 2012 tariffs, the increase of the Special Consumption Tax on liquid fuels used in power generation in the non-interconnected islands was taken into account. However, factors affecting cost, such as the premium over the commodity price, as well as the cost of transportation of fuels to the islands are not taken into account yet.
It should be noted that within 2012 the new methodology for PSOs calculation is expected to be defined, following RAEs' relevant consultation.

Risk from the implementation of the Memorandum of Economic and Financial Policy
The new Memorandum of Economic and Financial Policies included in L 4046/14.02.12 concerning energy matters provides for actions, the unsuccessful implementation of which may create significant risks for the Group.

Any potential modification or/and additions of the electricity market legislation and regulatory framework, in order to implement the European Union legislation as well as the Memorandum of Economic and Financial Policy, may have a significant impact on the Group's activity, contractual commitments and financial results. Indicatively, the Memorandum foresees the opening of the Electricity Market, that may lead among others, to the sale of lignite or/and hydroelectric plants without a minimum price or / and without the retention of the asset(s) for sale within the Group, a fact that it is possible to have a negative impact on the Group's valuation and perspectives.

Risk from the absence of Fixed Asset insurance
The Group does not insure its fixed assets in use (with the exception of the information technology equipment), and therefore an eventual significant damage may possibly have a respective adverse impact on PPC's profitability. Moreover, materials and spare parts as well as liabilities against third parties are not insured. The possibility to proceed to a Request for Tenders for the selection of an insurance company for the insurance coverage of its assets and liabilities against third parties is examined.

Credit Rating Risk
Following the international financial crisis, International Credit Rating Agencies apply stricter criteria in the area of liquidity adequacy, and as a result even if a company has ensured, among other, a reliable coverage plan for its capital needs, it faces the risk of a rating downgrade in the event that it does not fulfill the new stricter criteria. As it is stated in ICAP's and STANDARD AND POORS (S&P) reports, the development of PPC's liquidity as well as the difficulty to find financing within the Greek Economy, are the basic factors of concern, and therefore S&P downgraded PPC on 07.06.2012 to CC from CCC with negative outlook and ICAP on 03.05.12 downgraded PPC to C from BB.
In case that ICAP proceeds to a further downgrade of PPC's credit rating, there is the risk that PPC's bonds/loans will not be accepted as collaterals from banks in order to find financing, with potential negative implication for PPC's financing.

Hydrologic Conditions
The evolution of hydrologic conditions is a completely unpredictable factor and has a very significant impact on the Group's profitability.

Availability of lignite reserves
The Parent Company believes that lignite reserves are adequate to cover medium term levels of supply required for power generation by lignite-fired thermal power plants.

EPC related risks
The Group is contractually exposed to risks related to the supply, construction and delivery of ready-to-operate energy facilities for an agreed price. Said risks may lead to delays, litigations and finally increase of the project cost.

Risk from Potential Undertaking of Social Security Liabilities
Despite the fact that under the current legislation the Group does not have any obligation to cover in the future any deficit whatsoever between income and expenses (deficit) to PPC's personnel Social Security Funds, there can be no assurance that this regime will not change in the future.

Litigations Risk
The Group is defendant in several legal proceedings, whereas any adverse outcome against PPC will have a significant impact on the financial results.

Risk from tax and other regulations
Any potential enforcement or/and alteration in tax and other regulations, may have a negative impact on the Group's financial results.

PPC is subject to certain laws and regulations generally applicable to companies of the broader public sector
As long as the Hellenic Republic, as the major shareholder of PPC, holds 51% of its share capital, the Company shall, in some sectors, continue to be considered as a public sector company in Greece. Therefore, its operations shall continue to be subject to certain laws and regulations generally applicable to public sector companies in Greece, affecting thus specific procedures, including but not limited to salaries, maximum level of salaries, recruitments of employees, as well as the procurement policies etc. The said laws and regulations, particularly within the framework of the current financial conjecture and the relevant decisions of the Central Administration, which are not expected to be applicable to the Parent Company's current and future competitors, may limit the Parent Companys' operational flexibility and may also have significant negative impact on its financial results, cash flow and on business risk management.
It should be noted that the Group does not have the possibility to recruit or keep its experienced personnel in the entire range of its business activities while, today's average personnel age is approximately 46 years. Additionally, the Group's inability to recruit specialized personnel has a negative impact on the ability of the new, under formation PPC Group to elaborate and implement its strategy in the new competitive and financial environment, as well as to adequately staff basic supportive operations at the level of new subsidiaries. Finally, there is a risk of losing managers and experts from competitors. But, the viability and the development of a new entity like PPC Group in the new business environment partially depend on the ability to attract and maintain experts and expertise personnel. According to L.4057/2012, concerning all kinds of recruitment, the approval of an Interministerial Committee is necessary. Potential denial or delay of the aforementioned approval will create basic lack of personnel and managers and may have negative impact on the implementation of the Groups' strategy.

Organisation and Risk Management
The Group has defined risk as an occurrence of uncertain or non-predictable conditions that may affect its overall operations, business activity, financial performance, as well as the execution of its strategy and the achievement of its goals.

The Group has not established yet a specific and discrete Risk Management Organizational structure. Till to date its line management is engaged in a continuous process of identifying and primarily assessing risks in order to submit its recommendation to the Board of Directors regarding the designing and approval of specific risk management procedures and policies.

The Group faces strikes

Most of the Group's employees are members of labour unions. Extensive labour unrest may have a significant negative impact on the Group's business activity.

Health, safety and environmental laws and regulations and cost / liabilities associated with such laws and regulations.

The Group's operations are subject to laws and regulations regarding employees' health and safety as well as environmental issues.

The cost for complying with such legislation and regulations may require major investments and/or significant expenses for actions regarding the environmental compliance, upgrade and rehabilitation, as well as the protection of health and safety of the Group's employees and cooperators.

Changes in the environmental legislation may have an impact on the Group's profitability as well as its cash flow program.

Information technology (IT) security

A large number of the Group operations are based on information systems; therefore the Group is exposed to the risk of non availability, data integrity corruption and unauthorized access to these systems.

In order to minimize these risks, we take measures for the enhancement of the IT security, including:

- The definition of IT security policies and standards followed during the whole lifecycle of the systems.
- The existence of a special organizational unit responsible for the continuous updating of IT security policies and standards, as well as the management of the end users access rights to the IT systems.
- The coverage by maintenance contracts of all the IT products and by insurance contracts of the relevant infrastructure.
- The auditing of the security of our systems by international authority consultants and the exploitation of their findings.

Furthermore, for the systems supporting the certification, billing and collection of our revenue:

- There exists a complete backup system, as well as an emergency plan that is activated in case of loss of the main datacenter in order to start operating the backup.

Unexpected events

Unexpected events, including natural disasters, fires, war, terrorist activities, strikes etc, may lead to a breakdown or the interruption of the generation function and the electricity distribution. Additionally, adverse macroeconomic developments, as well as financial or/and operating problems of basic suppliers, contractors etc may have negative impacts regarding the purchase of liquid fuels, spare parts and materials etc as well as may increase the cost.

2H 2012 OUTLOOK

For the full year, and taking into account:

- an average price for Brent oil at $113.5/bbl and an average €/$ exchange rate of 1.25, for the period September-December 2012,
- annual revenues from energy sales of € 5.8 bln and total annual revenues of € 6.1 bln,
- rising trend of provisions due to prolonged recession,

we expect EBITDA margin to reach 16% - 16.5%, under the condition that the macroeconomic environment will not deteriorate further.

BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of June 30, 2012 and December 31, 2011 are as follows:

	June 30, 2012		December 31, 2011	
	Receivable	**Payable**	**Receivable**	**Payable**
Subsidiaries				
- IPTO (former PPC Telecommunications)	165,142	(428,981)	2,422	(15,117)
- PPC Renewables S.A.	39,102	(892)	36,116	(1,215)
- HEDNO (former PPC Rhodes S.A.)	413,154	(514,310)	-	-
- Arkadikos Ilios Ena S.A.	3	-	3	-
- Arkadikos Ilios Dio S.A.	1	-	1	-
	617,402	**(944,183)**	**38,542**	**(16,332)**
Associates				
PPC Renewables ROKAS S.A.	-	-	-	(195)
PPC Renewables TERNA Energiaki S.A.	-	-	-	-
PPC Renewables DIEKAT Energy S.A.	-	-	-	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
EEN VOIOTIA S.A.	-	-	-	-
- Larco (energy, lignite and ash)	121,955	-	99,344	-
- Sencap	-	-	137	-
	121,955	**-**	**99,481**	**(195)**
Other				
HEMO S.A.	**258,065**	**(270,252)**	**-**	**-**
HTSO S.A	**-**		**413,384**	**(520,408)**

PPC's transactions with its subsidiaries and its associates are as follows:

	30.06.2012		30.06.2011	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
- IPTO S.A. (former PPC Telecommunications)	4,609	(561,266)	19	-
- PPC Renewables S.A.	2,967	(2,070)	2,255	(3,593)
-HEDNO (former PPC Rhodes S.A.)	177,803	(487,750)	5	-
- Arkadikos Ilios Ena S.A.	-	-	-	-
- Arkadikos Ilios Dio S.A.	-	-	-	-
	185,379	**(1,051,086)**	**2,279**	**(3,593)**
Associates				
PPC Renewables ROKAS S.A.	-	(337)	-	(663)
PPC Renewables TERNA Energiaki S.A.	-	-	-	-
PPC Renewables DIEKAT Energy S.A.	-	-	-	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
PPC Renewables ELTEV AEIFOROS S.A.	-	-	-	-
EEN VOIOTIA S.A.	5	-	16	(2,691)
Larco	38,227	(3,942)	37,556	-
Sencap S.A.	-	-	-	-
	38,232	**(4,279)**	**37,572**	**(3,354)**
Other				
HEMO S.A.	**45,365**	**(454,896)**	**-**	**-**
HTSO S.A	**-**	**-**	**45,889**	**(434,677)**

Transactions and balances with other government owned entities

The following table presents purchases and balances with government owned entities Hellenic Petroleum ("ELPE") and National Gas Company ("DEPA"), which are PPC's liquid fuel and natural gas suppliers, respectively, and into which the Hellenic Republic participates.

	Purchases		**Balance**	
	30.06.2012	**30.06.2011**	**30.06.2012**	**31.12.2011**
ELPE, purchases of liquid fuel	73,879	66,972	10,088	4,012
DEPA, purchases of natural gas	254,936	137,181	171,952	157,898
	328,815	**204,153**	**182,040**	**161,910**

Further to the above, PPC enters into transactions with many government owned or- nonprofit oriented entities within its normal course of business (sale of electricity, services received, etc.). All transactions with government owned entities are performed at arm's length terms.

Management compensation

Fees concerning management members (Board of Directors and General Managers) for the year ended June 30, 2012 and 2011 have as follows:

	GROUP		**COMPANY**	
	30.06.2012	**30.06.2011**	**30.06.2012**	**30.06.2011**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	218	125	62	70
- Non-executive members of the Board of Directors	34	80	-	64
- Compensation / Extra fees	-	-	-	-
- Contribution to defined contribution plans	19	-	-	-
- Other Benefits	91	6	79	6
	362	**211**	**141**	**140**
Compensation of Deputy Managing Directors and General Managers				
- Regular compensation	509	669	498	669
- Contribution to defined contribution plans	81	120	81	120
- Compensation / Extra fees	5	-	-	-
	595	**789**	**579**	**789**
Total	**957**	**1,000**	**720**	**929**

Compensation to members of the Board of Directors does not include standard payroll, paid to representatives of employees that participate in the Parent Company's Board of Directors and related contributions to social security funds. Also, it does not include the electricity benefit based on the PPC personnel invoice to the Board of Director members, the Deputy Managing Directors and the General Managers.

Athens, August 30, 2012

THE BOARD OF DIRECTORS

III. Certified Auditors’ Accountants’ Review Report

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
To the Shareholders of
Public Power Corporation S.A.

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of Public Power Corporation S.A. (the "Company") and its subsidiaries (" the Group") as at 30 June 2012, and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the six-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of matters

We draw your attention to:

1) Note 14.2 of the interim condensed financial information, disputes with Alouminio S.A. under legal and arbitration procedures regarding invoicing terms of supplied energy, are described and that, as the aforementioned legal and/ or arbitration procedures are currently outstanding, it is not possible to estimate any potential assets or liabilities that may arise from their final outcome.

2) Note 3 of the interim condensed financial information it is mentioned that as at June 30, 2012 the Group's and Company's total current liabilities exceeded their total current assets and, accordingly, they may not be able to meet part of their contractual obligations, if they do not proceed with the refinancing of their short term loan obligations. As further discussed in Note 3, a refinancing of loan agreements through bilateral agreements with the lending banks was achieved for a total amount of Euro 575 million, now

maturing on June 30, 2013. In addition, the Group is under negotiations with the lending banks for the refinancing of its existing loan obligations. The aforementioned conditions indicate the existence of uncertainty that may cast significant doubt on the Company's and Group's ability to continue as a going concern.

Our conclusion is not qualified in respect of these matters.

Report on other legal requirements

Our review has not identified any inconsistency between the other information contained in the six-month financial report prepared in accordance with article 5 Law 3556/2007 with the accompanying financial information.

Athens, August 30, 2012
THE CERTIFIED AUDITOR ACCOUNTANT

PANOS PAPAZOGLOU
S.O.E.L. R.No. 16631
ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
11TH KLM NATIONAL ROAD ATHENS – LAMIA, METAMORPHOSI
COMPANY S.O.E.L. R.N. 107

IV. Interim Condensed Financial Statements

PUBLIC POWER CORPORATION S.A.

Interim Condensed
Consolidated and Separate
Financial Statements

June 30, 2012

In accordance with
International Financial Reporting Standards
adopted by the European Union

The attached separate and consolidated financial statements have been approved by the Board of Directors of Public Power Corporation S.A. on August 30th, 2012 and they are available on the web site of Public Power Corporation S.A. at www.dei.gr.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER	**VICE CHAIRMAN AND DEPUTY CHIEF EXECUTIVE OFFICER**	**CHIEF FINANCIAL OFFICER**	**CHIEF ACCOUNTANT**
ARTHOUROS ZERVOS	**KONSTANTINOS THEOS**	**GEORGE C. ANGELOPOULOS**	**EFTHIMIOS A. KOUTROULIS**

Index

FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF INCOME
FOR THE SIX MONTH PERIOD ENDED JUNE 30,2012
(All amounts in thousands of Euro - except share and per share data)

	GROUP				COMPANY			
	01.01.2012-30.06.2012	**01.01.2011-30.06.2011**	**01.04.2012-30.06.2012**	**01.04.2011-30.06.2011**	**01.01.2012-30.06.2012**	**01.01.2011-30.06.2011**	**01.04.2012-30.06.2012**	**01.04.2011-30.06.2011**
REVENUES:								
Revenue from energy sales	2,802,493	2,428,836	1,354,858	1,196,196	2,795,484	2,421,290	1,350,755	1,192,308
Other	135,490	282,644	50,161	140,809	91,644	142,275	19,294	69,584
	2,937,983	**2,711,480**	**1,405,019**	**1,337,005**	**2,887,128**	**2,563,565**	**1,370,049**	**1,261,892**
EXPENSES:								
Payroll cost	366,562	426,208	186,691	208,970	200,475	394,644	34,212	194,264
Fuel	1,048,979	949,234	462,489	470,985	1,048,979	949,234	462,489	470,985
Depreciation and amortization	255,473	246,927	128,586	119,381	224,161	217,466	112,011	105,153
Energy purchases	812,229	451,662	380,156	258,280	818,106	455,255	399,002	260,106
Transmission system usage	29,501	151,035	14,096	77,008	147,708	151,035	62,387	77,008
Distribution system usage	-	-	-	-	198,107	-	198,107	-
Provisions	142,449	53,841	95,385	8,159	95,287	56,370	48,692	10,688
Financial expenses	138,525	105,340	70,556	54,978	123,571	89,296	62,333	44,441
Financial income	(21,612)	(23,624)	(11,949)	(12,695)	(57,379)	(23,509)	(47,999)	(12,614)
Other (income)/ expense, net	118,807	164,251	47,243	85,524	65,203	152,760	(2,144)	77,215
Share of loss/(profit) of associates and joint ventures, net	(488)	(1,349)	(353)	(951)	-	-	-	-
Foreign currency (gains)/ losses, net	667	2,552	203	3,370	667	2,552	203	3,370
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**46,891**	**185,403**	**31,916**	**63,996**	**22,243**	**118,462**	**40,756**	**31,276**
Income tax expense	(28,559)	(56,599)	(12,174)	(28,496)	(8,351)	(36,695)	1,373	(15,434)
PROFIT / (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**18,332**	**128,804**	**19,742**	**35,500**	**13,892**	**81,767**	**42,129**	**15,842**
PROFIT / (LOSS) AFTER TAX FROM DISCONTINUING OPERATIONS	**-**	**-**	**-**	**-**	**-**	**42,517**	**-**	**17,139**
NET PROFIT / (LOSS)	**18,332**	**128,804**	**19,742**	**35,500**	**13,892**	**124,284**	**42,129**	**32,981**
Attributable to:								
Owners of the parent	**17,686**	**128,804**	**19,096**	**35,500**				
Minority interests	**646**	**-**	**646**	**-**				
Earnings per share, basic and diluted	0,08	0,56	0,09	0,15				
Weighted average number of shares	232,000,000	232,000,000	232,000,000	232,000,000				

The accompanying notes are an integral part of these interim, condensed, consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED JUNE 30,2012
(All amounts in thousands of Euro - except share and per share data)

	GROUP				**COMPANY**			
	01.01.2012-30.06.2012	**01.01.2011-30.06.2011**	**01.04.2012-30.06.2012**	**01.04.2011-30.06.2011**	**01.01.2012-30.06.2012**	**01.01.2011-30.06.2011**	**01.04.2012-30.06.2012**	**01.04.2011-30.06.2011**
Profit for the period	**18,332**	**128,804**	**19,742**	**35,500**	**13,892**	**124,284**	**42,129**	**32,981**
Other Comprehensive income / (loss) for the period								
Profit / (Loss) from fair value available for sale valuation	(1,037)	(3,833)	(1,977)	(4,568)	(1,037)	(3,833)	(1,977)	(4,568)
Valuation of Derivatives	-	(6,615)	-	1,888	-	(6,615)	-	1,888
Other Comprehensive income / (loss) for the period after tax	(1,037)	(10,448)	(1,977)	(2,680)	(1,037)	(10,448)	(1,977)	(2,680)
Total Comprehensive income / (loss) after tax	**17,295**	**118,356**	**17,765**	**32,820**	**12,855**	**113,836**	**40,152**	**30,301**
Attributable to:								
Owners of the parent	**16,649**	**118,356**	**17,119**	**32,820**				
Minority interests	**646**	**-**	**646**	**-**				

The accompanying notes are an integral part of these interim, condensed, consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED BALANCE SHEETS

AS OF JUNE 30, 2012

(All amounts in thousands of Euro - except share and per share data)

	GROUP		COMPANY	
	30/6/2012	**31/12/2011**	**30/6/2012**	**31/12/2011**
ASSETS				
Non – Current Assets:				
Property, plant and equipment, net	13,816,066	13,702,609	11,906,571	11,885,466
Intangible assets, net	89,237	92,703	87,958	92,512
Available for sale financial assets	5,398	6,435	5,398	6,435
Other non-current assets	63,457	66,736	907,521	865,015
Total non-current assets	13,974,158	13,868,483	12,907,448	12,849,428
Current Assets:				
Materials, spare parts and supplies, net	865,824	847,585	625,584	793,809
Trade and other receivables, net and other current assets	1,943,293	1,564,241	1,705,783	1,473,061
Cash and cash equivalents	226,756	364,495	93,033	339,539
Total Current Assets	3,035,873	2,776,321	2,424,400	2,606,409
Total Assets	17,010,031	16,644,804	15,331,848	15,455,837
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	1,067,200	1,067,200	1,067,200	1,067,200
Share premium	106,679	106,679	106,679	106,679
Fixed assets' statutory revaluation surplus included in share capital	(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus	4,933,122	4,984,663	4,161,169	4,211,132
Reserves	314,192	315,229	314,192	315,229
Retained earnings	945,428	922,266	1,610,955	1,547,147
	6,419,279	6,448,695	6,312,853	6,300,045
Minority interests	44,794	-	-	-
Total Equity	6,464,073	6,448,695	6,312,853	6,300,045
Non-Current Liabilities:				
Interest bearing loans and borrowings	3,415,710	3,565,542	3,092,449	3,142,670
Provisions	462,075	454,163	291,266	422,652
Other non-current liabilities	2,862,918	2,822,288	2,494,919	2,422,920
Total Non-Current Liabilities	6,740,703	6,841,993	5,878,634	5,988,242
Current Liabilities:				
Trade and other payables and other current liabilities	1,976,850	1,664,393	1,552,777	1,608,274
Dividends payable	2,290	210	175	210
Income tax payable	85,862	26,577	48,751	-
Short-term borrowings	368,728	233,735	309,000	224,000
Current portion of interest bearing loans and borrowings	1,371,525	1,429,201	1,229,658	1,335,066
Total Current Liabilities	3,805,255	3,354,116	3,140,361	3,167,550
Total Liabilities and Equity	17,010,031	16,644,804	15,331,848	15,455,837

The accompanying notes are an integral part of these interim, condensed, consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

JUNE 30, 2012

(All amounts in thousands of Euro - except share and per share data)

						Other reserves						
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of Revaluation Gains	Marketable Securities Valuation Surplus	Tax-free and Other Reserve	Reserves Total	Retained Earnings/ (Accumulated Deficit)	Total	Minority interests	Total Equity
Balance, December 31, 2010	**1,067,200**	**106,679**	**107,491**	**5,013,103**	**(947,342)**	**(10,176)**	**207,987**	**197,811**	**1,224,586**	**6,769,528**		**6,769,528**
Net income for the period	-	-	-	-	-	-	-	-	128,804	128,804	-	128,804
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	(3,833)	(6,615)	(10,448)	-	(10,448)	-	(10,448)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(3,833)**	**(6,615)**	**(10,448)**	**128,804**	**118,356**	**-**	**118,356**
Transfers	-	-	-	(9,850)	-	-	-	-	12,424	2,574	-	2,574
Dividends	-	-	-	-	-	-	-	-	(183,280)	(183,280)	-	(183,280)
Other	-	-	-	-	-	-	-	-	(123)	(123)	-	(123)
Balance, June 30, 2011	**1,067,200**	**106,679**	**107,491**	**5,003,253**	**(947,342)**	**(14,009)**	**201,372**	**187,363**	**1,182,411**	**6,707,055**	**-**	**6,707,055**
Balance, December 31, 2011	**1,067,200**	**106,679**	**107,491**	**4,984,663**	**(947,342)**	**(249)**	**207,987**	**207,738**	**922,266**	**6,448,695**		**6,448,695**
Net income for the period	-	-	-	-	-			-	17,686	17,686	646	18,332
Other comprehensive income/(loss) for the period recognized directly in equity	-		-	-	-	(1,037)		(1,037)	-	(1,037)		(1,037)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(1,037)**	**-**	**(1,037)**	**17,686**	**16,649**	**646**	**17,295**
Transfers from retirements of fixed assets	-	-	-	(11,360)	-	-	-	-	10,051	(1,309)	-	(1,309)
Dividends	-	-	-	-	-	-	-	-	(2,115)	(2,115)	-	(2,115)
Transaction between parties under common control	-	-	-	(40,181)					(1,889)	(42,070)	44,148	2,078
Other	-	-	-	-	-			-	(571)	(571)	-	(571)
Balance, June 30, 2012	**1,067,200**	**106,679**	**107,491**	**4,933,122**	**(947,342)**	**(1,286)**	**207,987**	**206,701**	**945,428**	**6,419,279**	**44,794**	**6,464,073**

The accompanying notes are an integral part of these interim, condensed, consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

JUNE 30, 2012

(All amounts in thousands of Euro - except share and per share data)

						Other reserves				
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of Revaluation Gains	Marketable Securities Valuation Surplus	Tax-free and Other Reserve	Reserves Total	Retained Earnings/ (Accumulated Deficit)	Total Equity
Balance, December 31, 2010	**1,067,200**	**106,679**	**107,491**	**4,976,962**	**(947,342)**	**(10,176)**	**207,987**	**197,811**	**1,237,533**	**6,746,334**
Net income for the period	-	-	-	-	-	-	-	-	124,284	124,284
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	(3,833)	(6,615)	(10,448)	-	(10,448)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(3,833)**	**(6,615)**	**(10,448)**	**124,284**	**113,836**
Transfers	-	-	-	(9,939)	-	-	-	-	12,424	2,485
Dividends	-	-	-	-	-	-	-	-	(183,280)	(183,280)
Other	-	-	-	-	-	-	-	-	-	-
Balance, June 30, 2011	**1,067,200**	**106,679**	**107,491**	**4,967,023**	**(947,342)**	**(14,009)**	**201,372**	**187,363**	**1,190,961**	**6,679,375**
Balance, December 31, 2011	**1,067,200**	**106,679**	**107,491**	**4,211,132**	**(947,342)**	**(249)**	**207,987**	**207,738**	**1,547,147**	**6,300,045**
Net income for the period	-	-	-	-	-	-	-	-	13,892	13,892
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	(1,037)	-	(1,037)	-	(1,037)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**(1,037)**	**-**	**(1,037)**	**13,892**	**12,855**
Transfers from retirements of fixed assets	-	-	-	(11,360)	-	-	-	-	11,360	-
Transfers from retirements of HEDNO	-	-	-	(38,603)	-	-	-	-	38,603	-
Dividends	-	-	-	-	-	-		-	-	-
Other	-	-	-	-	-	-	-	-	(47)	(47)
Balance, June 30, 2012	**1,067,200**	**106,679**	**107,491**	**4,161,169**	**(947,342)**	**(1,286)**	**207,987**	**206,701**	**1,610,955**	**6,312,853**

The accompanying notes are an integral part of these interim, condensed, consolidated and separate financial statements.

PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED JUNE 30,2012

(All amounts in thousands of Euro - except share and per share data)

	GROUP		COMPANY	
	01.01.2012-30.06.2012	**01.01.2011-30.06.2011**	**01.01.2012-30.06.2012**	**01.01.2011-30.06.2011**
Cash Flows from Operating Activities				
Profit before tax from continuing operations	46,891	185,403	22,243	118,462
(Loss) / Profit before tax from discontinuing operations	-	-	-	61,601
Adjustments :				
Depreciation and amortization	357,942	372,914	323,587	340,747
Amortization of customers' contributions and subsidies	(38,575)	(37,404)	(35,344)	(34,721)
Interest expense	128,966	98,519	114,562	82,475
Other adjustments	75,498	48,087	(3,915)	46,428
Changes in assets	(441,354)	(306,225)	(343,050)	(362,392)
Changes in liabilities	387,902	85,154	163,514	70,522
Distribution business unit spin-off	-	-	216,998	-
Discontinuing operations	-	-	-	122,248
Net Cash from Operating Activities	**517,270**	**446,448**	**458,595**	**445,370**
Cash Flows from Investing Activities				
Capital expenditure/(disposal) of fixed assets and software	(479,107)	(462,138)	(416,871)	(405,891)
Proceeds from customers' contributions and subsidies	6,942	644	3,902	647
Interest and dividents received	21,612	23,624	20,403	23,509
Investments	(2,328)	(30)	(2,000)	(30)
Distribution business unit spin-off	-	-	(120,167)	-
Discontinuing operations	-	-	-	(43,291)
Net Cash used in Investing Activities	**(452,881)**	**(437,900)**	**(514,733)**	**(425,056)**
Cash Flows from Financing Activities				
Net change in short term borrowings	134,993	(52,128)	85,000	(65,000)
Proceeds from interest bearing loans and borrowings	567,500	593,000	540,000	593,000
Principal payments of interest bearing loans and borrowings	(775,569)	(301,421)	(695,986)	(176,718)
Interest paid	(129,017)	(95,938)	(119,347)	(79,894)
Dividends paid	(35)	(25)	(35)	(25)
Discontinuing operations	-	-	-	(140,555)
Net cash used in Financing Activities	**(202,128)**	**143,488**	**(190,368)**	**130,808**
Net increase/ (decrease) in cash and cash equivalents	(137,739)	152,036	(246,506)	151,122
Cash and cash equivalents at beginning of the period	364,495	620,449	339,539	617,040
Cash and cash equivalents at the end of the period	226,756	772,485	93,033	768,162

The accompanying notes are an integral part of these interim, condensed, consolidated and separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Public Power Corporation S.A. ("PPC" or the "Parent Company") was established in 1950 in Greece for an unlimited duration as a State owned and managed corporation for electricity generation, transmission and distribution throughout Greece.

In 1999, the Hellenic Republic enacted Law 2773/1999 ("the Liberalization Law"), which provided for, among other provisions, the transformation of PPC into a société anonyme. PPC's transformation to a société anonyme was effected on January 1, 2001, by virtue of Presidential Decree 333/2000 and its duration was set for 100 years.

Effective December 2001, PPC's shares are listed on the Athens and the London Stock Exchanges.

The accompanying financial statements include the separate financial statements of PPC and the consolidated financial statements of PPC and its subsidiaries ("the Group").
PPC headquarters are located at 30, Chalkokondili Street, Athens, 104 32 Greece.

At June 30, 2012, the number of staff employed by the Group and the Parent Company was 20,534 (2011: 21,288,).
At June 30, 2012, 80 employees (2011: 169), have been transferred to several State agencies (ministries, organizations, etc.) out of which, 36 were compensated by the Group (2011: 146). The total payroll cost of such employees, at June 30, 2012, amounted to Euro 1,735 mil.(2011: Euro 3,162 mil.), and is included in the income statement.

PPC Group generates electricity in its own 63 power generating stations of the Parent Company and from the additional 46 stations which belong to its wholly owned subsidiary PPC Renewables, facilitates the transmission of electricity through its own power lines of 12,178 kilometres (which belongs to its 94.6% owned subsidiary "IPTO S.A") and distributes electricity to consumers through its own distribution lines (Medium and Low voltage) of 229,450 kilometres, approximately.

Lignite consumed by the Parent Company's lignite-fired power stations is extracted mainly from its own lignite mines.

The Group PPC has also constructed approximately 1,900 kilometres of fibre-optic network along its transmission lines, approximately 200 kilometres of urban underground fibre optics network and approximately 17 kilometres of underwater fibre optics network.

2. CHANGES IN THE LEGAL FRAMEWORK

Changes in electricity legal framework

- The Memorandum of Understanding for reducing the public debt includes a detailed schedule of activities in the electricity sector, part of which was already foreseen in the third energy package package-n.4001/2011. Further, in N.4046/2012 (O.G. A'28, 02/14/2012), that is (Law 4046/2012, OG A' 28, 14.02.2012):
    a) The required actions for the establishment and operation of IPTO S.A.and HEDNO S.A. were completed (1st February 2012 and 1st May 2012 respectively) as well as the certification of IPTO (26/07/2012)
    b) the finalization and implementation of arrangements for third party access to both lignite (November 2012) and hydroelectric power generation and to other productive assets of the Company,
    c) the gradual full liberalization of the low voltage tariffs (except the one for vulnerable consumers) until the second quarter of 2013, as it is provided after the adoption of Law 4038/2012 Article 32 § 1,
    d) the completion of the transfer and implementation of EU Directive 2009/28/EC on RES and of the project supporting renewable energy programs in the first quarter of 2012 (including feed in premium model), to make them more compatible to the market developments
    e) to promote the implementation of the "Helios" project and to develop cooperation with our partners in the EU, for electricity exports.
    - Article 97 of L.4001/2011 as valid, which was stipulating that IPTO SA would always be under the direct or indirect control of the State, was amended according to the Governmental Gazette A' 268/31.12.2011..
    - IPTO has been certified as ITO, according to 672/2012 RAE Decision

2. CHANGES IN THE LEGAL FRAMEWORK (CONTINUED)

Pricing Policy

- IPTO announced, on 29.06.2012, that from Monday July 9, it will publish on daily basis an RES prediction, except wind parks that have already published. The publication of these forecasts will be done with the same schedule applied to the RES system, it will be by technology and will cover the 24 hours of the next day so as to be taken into account in the Day Ahead Scheduling..
- The final texts of the Grid Control Code and Power Exchange Code of the Hellenic Electricity Transmission System were approved by RAE (Decisions 56 and 57, Official Gazette B 104 and 103 respectively) for the transition of the Greek wholesale electricity market in its new structure under the provisions of L.4001/2011.
- The Ministerial Decision Δ5−ΗΛ/Β/Φ.1.19/90/οικ.2402/31.1.2012 was published in **OG B' 97**/31.01.2012, according which the provisions of the Customer Supply Code were amended in order to introduce the necessary regulatory arrangements due to the activation of the Last Resort Supplier (LRS).
- RAE also decided to promote a temporary arrangement to facilitate the consumers of LRS (**Decision 279**/12.04.2012).
- The methodology for the calculation of the return of the potential cost of PPC for the Universal Service Provider (USP) supply and the way to satisfy it was published (RAE **Decision 545**/2012 - **OG B 2043**/27.06.2012). In this context, and until the procedure completion of the Universal Service Provider definition, PPC may impose a surcharge of 7% on the competitive charges price list, for all customers who are part of this regime, as a return for covering the costs of providing this service. This increase will be valid until the USS customers sign a contract with a supplier of their choice.
- The Regulatory Authority for Energy, as part of its power under Article 57, of Law 4001/2011 called, through an announcement, the interested parties to express their interest in providing the services of "Last Resort Supplier of Electricity" and "Universal Service Provider". The deadline of interest will be the 24th of September 2012.
- The budgeting average variable cost for the non-interconnected islands was defined by RAE (**Decision 244**/2012 – OG B' 1269/11.04.2012) for the first half of 2012 to 180,20 €/MWh. For its determination RAE took into account the estimates of the competent Operator for the electricity produced by thermal plants and RES units, the quantities of fuel and the average additional variable cost of thermal units for Crete, Rhodes and the other non-interconnected islands for the first half of 2012, as well as international crude oil prices ($ / bbl) and the euro / dollar parity in the last quarter.
- Concerning the complaints - requests for interim measures of companies «ENERGA POWER TRADING SA", "KENTOR TRADING SA" and "NEA EFARMOGI S.A." against HTSO, it was decided (RAE Decisions 637 & 638/2012) a) the completion of the periodic settlement of the network suppliers and the settlement of the charges not referred to Daily Ahead Scheduling from the Distribution Network Operator (HEDNO) until 31.08.2012 and b) the issuance of any credit invoices from the Independent Transmission Operator (IPTO), which will contain the individual monthly charges of each Supplier .
- IPTO S.A., based on decision Δ5/Β/οικ.3982/17.2.2012 (**OG B' 342**/16.2.2012), will receive on monthly basis and by each registered lignite generator unit, a specific lignite generation electricity fee. The revenues from these fees are revenues of the special managing account and thus will be rendered each month by IPTO SA to HEMO SA.
- Following PPC S.A complaints (as the Network Operator) to RAE for the inconsistency of companies ENERGA POWER TRADING SA & HELLAS POWER SA concerning the payment of the fees for the network use, RAE justified PPC complaints and, until its final decision on the complaints, imposed provisional measures. These measures consist of guarantee provisions equal to 25% of the mentioned claims for each of the above companies, which will be provided in favor of the Network Operator (amounts of 29.071.800,70 € and 35.421.002,76 € respectively - **Decisions 63 and 64**). These companies have failed to provide guarantees and that is why a penalty of 5000€ for each day of non-compliance was imposed by RAE (**Decisions 138 & 138a**). Complaints are also existing by PPC S.A. against the companies REVMAENA LTD, ELPEDISON COMMERCIAL SA and Greek Alternative Energy Inc., for non fulfilling their obligations on the Network Use charges. The final RAE Decision on the complaints of PPC will be taken until 26/5/2012 for companies ENERGA POWER TRADING SA & HELLAS POWER SA (**Decisions 212 and 213** of 22.03.2012) and until 28.05.2012 for the companies ELPEDISON COMMERCIAL SA, REVMAENA LTD, and Greek Alternative Energy Inc. (**Decisions 214, 215 and 216** of 03.22.2012) have not been announced until today.
- To ensure public service obligations supply (PSOs) in the electricity sector Article 36 was added in Law 4067/2012 (OG A' 79 / 9.4.2012) according which, from 1.1.2012 the persons liable for the PSOs return are the respective users of each electricity supply, who pay it to electricity suppliers with a distinct charge to the bills they receive. The procedure and the attributing way are analytically described in the article. After the entry into force of this Law, the ministerial Decision ΗΛ/Β/Φ.1.17/2123/2857/2010 and the RAE decision 1527/2011 are repealed.

2. CHANGES IN THE LEGAL FRAMEWORK (CONTINUED)

- The max annual Customer charge limit per consumption point to cover the PSOs supply charges for the year 2012 was readjusted to 799.289 € according to RAE **Decision 433**/2012 (**OG B 1883**/14.06.2012).
- In **OG B' 65**/26.1.2012 the total amount of greenhouse gas emissions allowance offered for auction for the year 2012 and the additional quantity of allowances for the months November - December 2011 were announced (except the one specified in the ministerial decision οικ.186446/2011 (OG B' 575/11.04.2011 B)) through spot transactions, which can be equal to ten million allowances. The auction of the mentioned amount shall be gradually executed during the period from 1.11.2011 to 30.12.2012. The auctions are carried out as mandated by the Ministry or any other authorized person especially for that purpose, at a date which will promptly announced in each stock.
- According to Ministerial Decision (YAPE/F1/oik.28287), each year amounts of 1% on the pre-tax value of electricity sales from RES are retained by the Operator and delivered to the licensed suppliers in order to be, ultimately, credited to the beneficiary household customers (as an incentive to the areas where RES are installed) through electricity bills. The same decision contains also the credits return methodology to the licensed suppliers. In the context of that decision, RAE determined the that presumptive unit credit for 2012 to 124,31 € / MWh (OG B 1660/15.05.2012 - RAE Decision 325/2012
- By ministerial Decision published in OG B' 7/5.1.2012, the low voltage tariffs of PPC S.A. for the competitive part were defined for 2012, with the possibility of redefining them every semester, as proposed by PPC and for which RAE positively opinioned (Opinion 39/2011).
- Concerning the present complaint of "HALYVOURGIA SA" against PPC concerning the unilateral 10% high voltage tariff increase on the invoices in force till 30.06.2008, RAE posted the **Decisions 266**/2012 & **345**/2012. According to those decisions a) a time extension was given for the deadline for the decision on the complaint and b) PPC is being recommended to proceed to substantial negotiations with the complainant in order to reach an agreement on charges of the competitive part of the supply tariffs, and to sign a new contract to reflect the terms agreed during the negotiation. After a specific time limit and still no written agreement has been reached between the two members, RAE will automatically review the imposition of provisional measures.
- On the complaint of "Aluminion SA" for the application of interim measures against "PPC", RAE issued Decision 346/2012 according which it considers sufficient, as a temporary regulatory measure, the price of 42 €/MWh, plus anticipated charges for Public Service Obligations, RES fee, charges for the Transmission System use and other taxes. This temporary price will be applied until the issuance of the final decision. The power, which the applicant would obtain from PPC in that provisional price, will be finally settled on the price that will be determined upon completion of the process. That temporary price will be applied to the total hours of operation of the applicant.

Other Issues

- In the **Law 4051**/2012 (**OG A'40**/29.02.2012) settings concerning the amendment of the timetable for the return of the amounts collected for the electrified surfaces special fee (EETIDE) to the Greek State are included. More specifically it's clarified that the amounts of that fee collected by PPC S.A. and the alternative electricity suppliers will be attributed to the Greek State until the tenth of the month following the month in which the amounts were received.
- According to Decision 1972/2012 of the Council of State Plenary Session, the Decision of Alternative Minister of Finance ΠΟΛ 1211/2011 (OG B 2298/13.10.2011) has been cancelled in part, as far as it concerns power interruption in case of nonpayment of EETIDE. The above mentioned provisions have been replaced by provisions of Decision ΠΟΛ 1056/2012 (OG B 756/14.03.2012)
- Respectively, in **Law 4047**/2012 (OG A' 31/23.02.2012), details are included concerning the collection, certification and return procedures, e.t.c. Finally by the Act of Legislation published in OG A' 103/30.04.2012, PPC and alternative suppliers were given the opportunity to withhold the electrified surfaces special fee payments collected of March and April 2012 till 30/06/2012, removing in that case the withholding percentage of 0,25% from the collected amounts. In the case that those amounts have been already paid by PPC and the alternative suppliers to the Greek state, they will be returned within 10 days after entry into force of this Act.
- A recent announcement by the Ministry of Finance (18.07.2012) states that the procedure for collecting the electrified surfaces special fee (EETIDE) is not possible to be amended in the year 2012. Thus it will continue to be collected by PPC and other alternative suppliers in five bi-monthly installments, starting from the accounts that will be issued thereafter.
- Following recent liberalization of Medium Voltage Tarrifs, Article 195, paragraph 3c of Law 4011/2011 has been amended according to article 32, paragraph 1 of Law 4038/2012 (OG A' 14/02.02.2012) restoring Article 29, paragraph 6 of Law 2773/1999. As a result PPC's Low Voltage Tarrifs until 30.06.2013 will be approved by a Decision taken from Ministry of Environment, Energy and Climate Change, upon RAE's request of opinion (retroactivity is foreseen) .

2. CHANGES IN THE LEGAL FRAMEWORK (CONTINUED)

- RAE issued the **Decision 261**/2012 for approval - presentation of the final text of the Arbitration Regulation under Article 37 of Law 4001/2011.
- RAE issued Decision 1528/2011 (OG B 3221/30.12.2011) according to which Articles 44, paragraph 2 and 203 paragraph 1 of Grid Control Code and Power Exchange Code are amended so that Excise Duty in Natural Gas is excluded from operating cost of natural gas power plants.

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

Basis of preparation of financial statements
The accompanying interim condensed consolidated and separate financial statements ("financial statements") for the six month period ended June 30, 2012 have been prepared in accordance with IAS 34 "Interim Financial Reporting" which defines the form and the content of the interim financial statements. The accompanying financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the latest annual financial statements as at December 31, 2011 made publicly available.
The accompanying financial statements (thereon "financial statements") have been prepared under the historical cost convention (except for tangible assets, financial assets "held – for – sale" and derivative financial assets that have been measured at fair value), assuming that PPC and its subsidiaries will continue as a going concern. The financial statements are presented in thousands of Euro and all values are rounded to the nearest thousand, except when otherwise indicated.
At June 30, 2012 total current liabilities of the Group and the Parent Company exceed the total current assets by the amount of approximately Euro 769 mil. and Euro 715 mil., respectively, and they may not be able to meet part of their contractual obligations, if they do not proceed with the immediate refinancing of their short term loan obligations.
The liquidity risk is enhanced for the time being due to the predicament of the Greek economy as well as the Greek banks, which is characterised by a significantly reduced up to minimal liquidity, but the general economic conjecture, thus resulting to increased needs for working capital.
Although the fact that the above mentioned circumstances suggest the existence of uncertainty, which can lead to significant doubt about the continuation of the Parent Company and the Group as a going concern, the Parent Company has in the current period proceeded to actions for the containment of the above mentioned uncertainty.
In this context , the refinancing of existing loan obligations was achieved, through bilateral contracts with the lending banks for a total amount of Euro 575 mil. which now expire on June 30, 2013. At the same time the Parent Company is in preliminary discussions for the organization of a sundicated loan and / or the renewal of existing bilateral loans. In addition the Group is in discussion for the refinancing of other short term loan obligations as well as in the pursuit of new capital which will support its needs as much in working capital as in its developmental strategy.
The management estimates that the refinancing of its short term loan obligations will be achieved, which combined with its operational cash flows and the existing financing lines will enable the coverage of the above mentioned difference and therefore the financial statements of the Parent Company and the Group have been prepared on the basis that they will continue as a going concern.

Approval of Financial Statements: The Board of Directors approved the accompanying financial statements for the six month period ended June 30, 2012, on August 30th 2012.

3.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies applied to the separate and consolidated financial statements are the same as those applied to the annual separate and consolidated financial statements for the year ended December 31, 2011 with the exception of the following interpretations, that are valid as of 1 January 2012 onwards and which had no effect in the Group and the Parent Company for the reporting period:

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements**
- **IAS 12 Income Taxes (Amended) – Recovery of Underlying Assets**

The following new and amended IFRS standards and IFRIC interpretations have been issued but are not effective for the financial year beginning January 1, 2012:

- **<u>IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income</u>**
  The amendment is effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance. This amendment has not yet been endorsed by the EU. PPC is in the process of assessing the impact of this amendment on its financial position or performance.
- **<u>IAS 19 Employee Benefits (Amended)</u>**
  The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Early application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.
- **<u>IAS 27 Separate Financial Statements (Revised)</u>**
  The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group..
- **<u>IAS 28 Investments in Associates and Joint Ventures (Revised)</u>**
  The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.
- **<u>IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities</u>**
  The amendment is effective for annual periods beginning on or after 1 January 2014.This amendment clarifies the meaning of "currently has a legally enforceable right to set-off" and also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to IAS 32 are to be retrospectively applied. Earlier application is permitted. However, if an entity chooses to early adopt, it must disclose that fact and also make the disclosures required by the IFRS 7 Offsetting Financial Assets and Financial Liabilities amendments. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after 1 January 2013.The amendment introduces common disclosure requirements. These disclosures would provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity's financial position. The amendments to IFRS 7 are to be retrospectively applied. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact in the financial statements.
- **IFRS 9 Financial Instruments - Classification and Measurement**
  The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the FVO. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the first half of 2012. Early application is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 10 Consolidated Financial Statements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 11 Joint Arrangements**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 12 Disclosures of Involvement with Other Entities**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard has not yet been endorsed by the EU The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRS 13 Fair Value Measurement**
  The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.
- **IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine**
  The interpretation is effective for annual periods beginning on or after 1 January 2013.This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Costs incurred in undertaking stripping activities are considered to create two possible benefits a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period (striping activity asset). Where cost cannot be specifically allocated between the inventory produced during the period and the stripping activity asset, IFRIC 20 requires an entity to use an allocation basis that is based on a relevant production measure.

3.2 CHANGES IN ACCOUNTING POLICIES

Early application is permitted. IFRIC 20 has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the interpretation on the financial position or performance of the Group.

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the project on the financial position or performance of the Group.

- ***IAS 1 Financial Statement Presentation:*** Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. In addition, the opening statement of financial position (known as the third balance sheet) must be presented in the following circumstances: when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. The opening statement would be at the beginning of the preceding period. However, unlike the voluntary comparative information, the related notes are not required to accompany the third balance sheet.
- ***IAS 16 Property, Plant and Equipment:*** Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.
- ***IAS 32 Financial Instruments: Presentation:*** Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.
- ***IAS 34 Interim Financial Reporting:*** Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**
  The guidance is effective for annual periods beginning on or after 1 January 2013. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the guidance on the financial position or performance of the Group.

4. SPIN – OFF OF TRANSMISSION ACTIVITY AND CONTRIBUTION TO A NEW SUBSIDIARY "OPERATOR OF THE INDEPENDENT TRANSMISSION SYSTEM (IPTO) S.A."

On August 22nd, 2011, L. 4001 was published, based on which, the contribution of the General Division of Transmission, to PPC's 94.6% owned subsidiary "Independent Power Transmission Operator" (IPTO S.A), was provided for. The above mentioned contribution was realized based on the provisions of L. 2190/1920, L. 2166/1993 and L. 4001/2011.

By L. 4001/2011, IPTO is being assigned with the Hellenic Transmission System Operation (HETSO) management. IPTO is organized and operates as an independent transmission operator (model ITO - Independent Transmission Operator), under the provisions of Chapter V of Directive 2009/72/EK, through the Transfer to IPTO of the activities of management, operation, maintenance and development of the Hellenic Transmission System Operator (HETSO). is the above mentioned are accomplished through the contribution to IPTO by the spin – off of:

(All amounts in thousands of Euro, unless otherwise stated)

4. SPIN – OFF OF TRANSMISSION ACTIVITY AND CONTRIBUTION TO A NEW SUBSIDIARY "OPERATOR OF THE INDEPENDENT TRANSMISSION SYSTEM (IPTO) S.A." (CONTINUED)

- the total of assets, liabilities and personnel of the General Activity of Transmission ("PPC's Transmission Activity").
- all HTSO's activities except for the Electricity Market Operation - the operation of the Day-Ahead Electricity Market. The Day – Ahead Electricity Market will be conducted by the independent company "Hellenic Electricity Market Operator (HEMO)" a company which is wholly owned by the Greek State (note 5).

The PPC transmission activity's spin – off was concluded within the time limits defined by L. 4001/2011 (November 2011).

The share capital of IPTO as a result of the spin-off was increased by the amount of Euro 31,925. The spin – off and the contribution were accounted for in the separate financial statements of the Parent Company of December 31, 2011, as a transaction between companies under common control. The received shares were recognised as an addition to the investment cost of the subsidiary on November 30, 2011 (completion date off the transaction) with a value equal to the carrying value on January 1, 2011of the net assets contributed, according to L. 4001/2011 and L.2166/1993.

The contribution of the results of the transitory period (January 1st, 2011 – November 30, 2011) to the subsidiary, according to the provisions of L. 4001/2011 and L. 2166/1993 were completed and recorded at the same date.

The results of the Separate Financial Statements of the comparative period (01.01- 30.06./2011) were reclassified in order to depict the spin –off and become comparable with the respective amounts of the current period.

The results of the spin –off for the six month period ended in June 30, 2011 and which were reclassified were as follows:

	1.1.2011 - 30.06.2011	01.04.2011- 30.06.2011
SALES :		
Other sales	140,369	71,225
COSTS :		
Payroll cost	30,458	14,319
Depreciation	27,290	13,171
Materials and consumables	1,668	1,029
Other expenses	3,381	2,326
Interest expenses(income)net	15,971	10,502
PERIOD PROFIT BEFORE TAX	**61,601**	**29,878**
Income tax	**(19,084)**	**(12,739)**
NET PROFIT	**42,517**	**17,139**

5. SPIN – OFF AND CONTRIBUTION OF ACTIVITY OF MANAGEMENT OF TRANSMISSION SYSTEM BY HTSO (NOW HEMO)

According to article 99 L. 4001/2011 in a period of three months by the time the law came into force (until November 22, 2011) the societe anonyme “Operator of the Hellenic Transmission System S.A” (HTSO S.A.) which was incorporated according to P.D. 328/2000 and authorized by article 14 of L. 2773/1999 transfers to IPTO SA. the organizational units and activities that pertain to the management, operation, development and maintenance of the Transmission System (HETSO), including the relevant fixed assets as well as HTSO’s personnel, which is employed to the abovementioned activities which comprise HTSO’s Transmission Activity. The activities that are transferred are all of HTSO’s activities apart from the operation of the Electricity Market – “Daily Ahead Schedule” or “DAS”, which will be conducted by the independent “ Operator of Electricity Market” (HEMO S.A.).

HTSO’s above mentioned contribution is realized through spin-off, according to L. 4001/2011, articles 68 to 79 of L. 2190/1920 as well as articles 1 to 5 of L. 2166/1993, of the aggregate of HTSO’s fixed assets that pertain to the disposal group. According to the above mentioned provisions IPTO’s share capital is increased, due to the absorption, to the amount of the book value of the above mentioned HTSO’s contributing activity, as defined at the spin-off balance sheet date of August 31, 2011. With the completion of the absorption, IPTO S.A. issues new shares, which are consigned to HTSO. In a period of three months by the completion of the above mentioned spin – off, HTSO transfers to PPC the total of its IPTO shares due to spin off and contribution, for a return equal to the shares’ nominal value.

The above mentioned spin – off and contribution of activity to the Group’s subsidiary, does not fall under the scope of IFRS 3 “Business Combinations”, given that even though it regards acquisition of elements that comprise a business units, the transaction concerns entities that are under common control.

The spin –off and contribution of the Activity was formally completed on January 31st, 2012 and therefore since February 1st, 2012 the operational duties of the Hellenic Electricity Transmission System are undertaken by IPTO. Consequently all transactions (income and expenses) of those activities since the undertaking date by IPTO (February 1st, 2012) until June 30, 2012 are included to the consolidated financial results. ,

The undertaking of all assets and liabilities as well as income and expenses for the five month period which ended January 31st, 2012 (five month period since September 1st, 2011 – outset of spin off – until January 31st, 2012 formal completion of the spin off) were delivered by HEMO to IPTO recently (in June 2012) thus resulting for the sum of the financial data in question to be included to IPTO’s results (and hence in PPC Group’s results) in the 2nd quarter 2012.

IPTO’s share capital, due to the spinoff and the contribution of the activity, was increased by the amount of Euro 2,078. HEMO has not yet transferred its received IPTO shares to PPC, thus resulting to PPC owning 94.6% of IPTO’s share capital on June 30th, 2012.
The book value of the assets and liabilities that were contributed (IFRS) during the spin – off on February 1st, 2011 is follows:

(All amounts in thousands of Euro, unless otherwise stated)

5. SPIN – OFF AND CONTRIBUTION OF ACTIVITY OF MANAGEMENT OF TRANSMISSION SYSTEM BY HTSO (NOW HEMO) (CONTINUED)

	1/2/2012
ASSETS	
Non –Current assets:	
Tangible Assets	4,854
Intangible Assets	427
Other Long Term Assets	285
Total Non – Current Assets	**5,566**
Current Assets:	
Trade Receivables	108,859
Other Receivables	7,283
Cash	0
Total Current Assets	**116,142**
Total Assets	**121,708**
LIABILITIES AND SHAREHOLDERS' EQUITY	
Equity :	
Share capital	2,079
Retained Earnings	22,560
Total Equity	**24,638**
Long – term Liabilities:	
Customers' contributions and subsidies	3,358
Provisions	662
Other Long term Liabilities	3,557
Total Long – term Liabilities	**7,577**
Current Liabilities:	
Trade and other Payables	72,157
Accrued and other liabilities	17,337
Total Current Liabilities	**89,493**
Total Liabilities and Equity	**121,708**

The results for the five month period ended January 31st, 2012 for the activity (as documented by HEMO) , amounted to Euro 22,5 mil. (retained earnings above). The above mentioned results did not include provisions for the non-collectability of claims by customers for whom collection is not certain. Therefore, taking under consideration the effect of the above provisions, which IPTO's management has realized in retrospect, the activity's result for the above mentioned five month period was defined to Euro 5 mil. (loss), which did not have a significant impact on Equity and Results for PPC Group.
IPTO through the spin –off and contribution of the activity of Transmission Management of HEMO S.A., according to the provisions of L. 4001/2011, has also undertaken, among others, the activity of management of the interconnection with other countries.
According to the Regulation (EC) 714/2009 of the European Parliament and Commission of the 13th July 2009, concerning the terms for access to the network for the cross border exchanges of power and the abolition of the regulation (EC) 1228/2003, IPTO S.A., as responsible for the activity of managing the interconnections receives amounts by the allocation of interconnections to third parties, which are used further:

1. To ensure the real availability of the allocated capacity and /or
2. To maintain or increase the interconnection capabilities through investments in the system, particularly with new interconnection lines.

In the event that the above mentioned income cannot be used effectively for objectives (1) and/or (2) they can be used, under the proviso of approval by the regulatory authority (up to a maximum defined by the regulatory authority) as income to be taken under consideration during the approval of the methodology for the definition and / or the calculation of the tariffs for the system.
The remainder of the collected amounts is retained for as long as it takes to be used for purposes (1) and (2) above.

5. SPIN – OFF AND CONTRIBUTION OF ACTIVITY OF MANAGEMENT OF TRANSMISSION SYSTEM BY HTSO (NOW HEMO) (CONTINUED)

The accounting principle IPTO S.A. chose to follow for the accounting of the above mentioned amounts is as follows:

1. The collected amounts by the allocations of interconnections are initially recognized in Equity as unearned income
2. Afterwards, the relative amounts are carried in the statement of income
   a. Either gradually if they relate to the part that involves investments realized with the intention of interconnection capability or,
   b. Or in one lump sum payment, if they relate to amounts which were taken under consideration during the approval of the calculation of tariffs for the system.

In any case, the transfer of the collected amounts in the statement of income (either gradually or in lump sum payments) is under the proviso the approval of their use by the regulatory authority.
It is noted that in the condensed consolidated financial statements of March 30, 2012 the Group has recognized directly in income an amount of Euro 2.6 mil. from interconnection rights. If the Group applied retrospectively the above mentioned accounting principle, the Group's results before tax would have been reduced equally.

6. SPIN – OFF OF DISTRIBUTION ACTIVITY AND CONTRIBUTION TO A NEW SUBSIDIARY "OPERATOR OF THE HELLENIC ELECTRICITY DISTRIBUTION NETWORK (HEDNO) S.A."

By L. 4001/2011 the spin – off of the activity of the General Division of Distribution, including the Non – Interconnected Islands Operator as well as assets by PPC along with its liabilities which fall under the above mentioned activity with the exception of fixed assets of the Distribution Network and the Non – Interconnected Islands' Network (herein the "Distribution Division of PPC") was provided for and its contribution to a wholly owned subsidiary called "Operator of the Hellenic Electricity Distribution Network or HEDNO S.A." was decided.

This contribution is in accordance with the provisions of Laws 2190/20, 2166/93 and 4001/11.
It is noted that according to article 123 of L. 4001 (O.G. A 179/22.08.2011) PPC is obliged, in eight months by its effective date, to accomplish the legal as well as the operational unbundling of the activity of the management of the Hellenic Electricity Distribution Network (HEDN), as specified in article 2 of L. 4001/2011, from the other activities of the vertically integrated company, by contributing the Distribution Division to its subsidiary HEDNO.

HEDNO is responsible for the development, operation and maintenance, in an efficient manner, in order to ensure the reliable, efficient and secure operation, as well as, its long term ability to respond to plausible power needs, showing the necessary concern for the environment and energy efficiency as well as to ensure in the most economic, transparent and unbiased manner, the access of all users to HEDN, in order to exercise their activities, according to the Management Permit of HEDN which is granted according to the provisions of L. 4001/2011 and according to the Management Code of HEDN.

In November 2011 PPC's Board of Directors decided to set December 31st, 2011 (instead of January 1st, 2011) as the inventory date of the net assets to be contributed as well as the date for the spin-off Balance Sheet of PPC's Distribution Division.
In February 28th, 2012 PPC's Board of Directors has approved the spin- off of the PPC's Distribution Division, as defined in article 123 of L. 4001/2011,as is in effect, and its contribution to its existing wholly owned subsidiary "PPC RHODOS S.A." (renamed by law to "Hellenic Electricity Distribution Network Operator or HEDNO S.A.". It also approved:

- PPC's Distribution Division's financial position as at December 31ST, 2011
- PPC's Distribution Division's Audit Report and verification of the assets and liabilities as well as
- The Spin-off contract draft of the above mentioned Distribution Division

The above mentioned was approved by PPC's Extraordinary General Shareholders' Meeting, which took place on March 29th, 2012.
The spin – off was completed within the deadlines set by L. 4001/2011 (April 23rd, 2012). HEDNO's share capital due to the spin off was increased by Euro 35,342. By the completion of the absorption of the activity, HEDNO will issue new shares which will be delivered to PPC. The aforementioned shares provide PPC with a right to the absorbed company's profits.

(All amounts in thousands of Euro, unless otherwise stated)

6. SPIN – OFF OF DISTRIBUTION ACTIVITY AND CONTRIBUTION TO A NEW SUBSIDIARY "OPERATOR OF THE HELLENIC ELECTRICITY DISTRIBUTION NETWORK (HEDNO) S.A." (CONTINUED)

The Parent Company considers that during the preparation of Financial Statements as of June 30, 2012 the provisions of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are not applicable given that according to the management's judgment the above mentioned transaction does not have commercial substance. The spin –off and the contribution were recorded upon completion of the transaction. The attribution of the results of the transitional period (01.01.2012 -30.04.2012) to the subsidiary based on the provisions of L.4001/2011 and L. 2166/1993, was completed on April 30th, 2012 and was recorded at the same date.

The carrying value of the assets and liabilities that were contributed (IFRS) and which increased the investment's cost in the subsidiary during the spin – off on December 31, 2011 are as follows:

	31/12//2011
ASSETS	
Non-current assets:	
Tangible assets	64,490
Deferred tax asset	52,230
Total non – current assets	**116,720**
Current assets :	
Inventories	190,748
Trade receivables	15,130
Cash	158
Total current assets	**206,036**
Total Assets	**322,756**
LIABILITIES AND SHAREHOLDERS' EQUITY	
Equity:	
Share capital	35,342
Revaluation Surplus	38,603
Retained earnings	(29,528)
Total Equity:	**44,417**
Long – term Liabilities :	
Employee Benefits	72,018
Provisions	62,503
Deferred tax liabilities	14,485
Total current liabilities	**149,006**
Current liabilities:	
Trade and other payables	96,564
Accrued and other liabilities	32,769
Total Current Liabilities	**129,333**
Total Liabilities and Equity	**321,056**

7. SEASONALITY OF OPERATIONS

The Company's operations are subject to seasonality due to the increased demand for electricity during the summer and winter months, a trend which is not reflected in its operating results as these are affected by external factors (fuel prices, hydrological conditions etc.).

(All amounts in thousands of Euro, unless otherwise stated)

8. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	30.06.2012	**30.06.2011**	**30.06.2012**	**30.06.2011**
Current income taxes	17,227	45,492	-	44,519
Deferred income taxes	656	5,727	(2,325)	5,935
Additional taxes	10,676	5,380	10,676	5,325
Total income tax expense	**28,559**	**56,599**	**8,351**	**55,779**

Companies of the Group that have their residence in Greece are subject to an income tax of 20%.
Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the company and a final assessment is issued.

Tax losses, to the extent accepted by the tax authorities, can be used to offset future profits of the five fiscal years following the fiscal year to which they relate.

Based on the applicable Income Tax Code (article 82), from the financial year 2011 and onwards, certified auditors issue an "Annual Certificate" after conducting a tax audit at the same time with the financial audit. The tax audit is conducted on particular tax areas, specified by an audit program, according to the provisions of POL. 1159/2011. Audit matters which are not covered by the above mentioned decision are dealt in accordance to the ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

The tax conformity report as well as notes of detailed information, which is an indispensable part of the report, for the year 2011 for the Parent Company, were issued with an "unmodified opinion" and were submitted electronically by the Auditors to the Ministry of Finance on 26.04.2012.

In July 2011, the final audit reports of the Company's tax audit for the years 2006 – 2008, as far as the Income Tax is concerned were released and the Athens Intraperipheral Audit Center determined, after a relevant decision of the Ministry of Finance that electricity benefit from the personnel electricity tariff to the Group's employees and pensioners "constitutes the Company's' own discretion and free will and cannot be deducted from its gross revenue". The difference between the tariff for residential use and the personnel tariff to the Parent Company's employees and pensioners for the years 2006 - 2007 – 2008 amounts to € 107 m. Based on the Board of Directors' Decision 191/20.09.2011 the Parent Company, in October 2011 appealed to the Administrative Courts for the annulment of the final audit reports of the years 2006- 2007-2008, regarding the abovementioned difference.

Furthermore, in October 2011 a partial audit report was delivered to the Parent Company for the auditing year 2009 for the settlement of the abovementioned difference (€ 107 m), given the fact that the aforementioned amount reclassifies the taxable loss of the previous years. The Parent Company in December 2011 has filed a new appeal for the annulment of the partial audit report for the auditing year 2009 by paying an amount of Euro 17.9 mil. within the first quarter 2012, to the Greek State, which corresponds to 50% of the income tax, which is predetermined after the appeal is filed.

On May 28th, 2012 the Parent Company was given a partial audit report, following an audit for the fiscal years 2009 and 2010 concerning the personnel electricity tariff to the Parent Company's employees and pensioners. The difference between the tariff for residential use and the personnel tariff to the Parent Company's employees and pensioners for the years 2009 - 2010 amounts to € 86.5 m. On July 27th, 2012, PPC has filed a petition, through the competent tax authority to the commission provided for in article 70a of L. 2238/1994 in order to pursue an administrative solution to the dispute.

For the accounting differences for the years 2006 -2010 (Euro 192.8 mil.) the Parent Company has established adequate provisions.

(All amounts in thousands of Euro, unless otherwise stated)

8. INCOME TAXES (CURRENT AND DEFERRED) (CONTINUED)

Tax unaudited years for the Parent Company and the subsidiaries of the Group:

Company	Country	Unaudited years since
- PPC (Parent Company)	Greece	2009
- PPC Renewables S.A.	Greece	2009
- PPC Rhodes S.A.(now HEDNO)	Greece	1999
- IPTO S.A.(former PPC Telecommunications S.A.)	Greece	2007
- Arkadikos Ilios Ena S.A.	Greece	2007
- Arkadikos Ilios Dio S.A.	Greece	2007
- Iliako Velos Ena S.A.	Greece	2007
- Iliako Velos Dio S.A.	Greece	2007
- SOLARLAB S.A.	Greece	2007
- Iliaka Parka Ditikis Makedonias Ena S.A.	Greece	2007
- Iliaka Parka Ditikis Makedonias Dio S.A.	Greece	2007
- HPP OINOUSA S.A.	Greece	2010
- PPC FINANCE PLC	United Kingdom	-
- PPC QUANTUM ENERGY LTD	Cyprus	-
- IAPETOS ENERGIAKI S.A.	Greece	-
- PHOIBE ENERGIAKH S.A.	Greece	-

9. INVESTMENTS IN SUBSIDIARIES

	Group		Company	
	30.06.2012	**31.12.2011**	**30.06.2012**	**31.12.2011**
IPTO S.A (former PPC Telecommunications)	-	-	729,973	729,973
HEDNOS.A. (former PPC Rhodes S.A. note 6)	-	-	47,331	838
PPC Renewables S.A.	-	-	87,799	85,799
PPC FINANCE PLC	-	-	-	-
PPC Quantum Energiaki Ltd	-	-	-	-
Total	**-**	**-**	**865,103**	**816,610**

The consolidated financial statements include the financial statements of PPC and its subsidiaries. The subsidiaries included in the consolidation are the following:

Name	Ownership Interest		Country and Year of Incorporation and activity	Principal Activities
	30.06.12	**31.12.11**		
PPC Renewables S.A.	100%	100%	Greece - 1998	RES
HEDNO S.A. (former PPC Rhodes S.A.)	100%	100%	Greece - 1999	HEDN
IPTO S.A.(former PPC Telecommunications S.A.)	94.6%	100%	Greece - 2000	HETS
Arkadikos Ilios Ena S.A.	100%	100%	Greece - 2007	RES
Arkadikos Ilios Dio S.A.	100%	100%	Greece - 2007	RES
Iliako Velos Ena S.A.	100%	100%	Greece – 2007	RES
Iliako Velos Dio S.A.	100%	100%	Greece – 2007	RES
Solarlab S.A.	100%	100%	Greece – 2007	RES
Iliaka Parka Ditikis Makedonias Ena S.A.	100%	100%	Greece – 2007	RES
Iliaka Parka Ditikis Makedonias Dio S.A.	100%	100%	Greece – 2007	RES
HPP OINOUSA S.A.	100%	-	Greece – 2010*	RES
PPC FINANCE PLC	100%	100%	UK - 2009	General Commercial Company
PPC Quantum Energy Ltd	51%	-	Cyprus	Engineering, construction and operation of a power plant
IAPETOS ENERGIAKI S.A.	100%	49%	Greece – 2007**	RES
PHOIBE ENERGIAKH S.A.	100%	49%	Greece – 2007**	RES

*HPP Oinoussa SA was incorporated in 1999 but it was acquired by the Group in 2010
** The above mentioned companies were acquired by the Group the 2nd quarter 2012. Until the 1st quarter 2012 they were consolidated by the associate company Good Works S.A.

(All amounts in thousands of Euro, unless otherwise stated)

10. INVESTMENTS IN ASSOCIATES

	Group		Company	
	30.06.2012	**31.12.2011**	**30.06.2012**	**31.12.2011**
Larco S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	1,653	1,537	-	-
PPC Renewables TERNA Energiaki S.A.	2,258	1,570	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,266	2,014	-	-
PPC Renewables MEK Energiaki S.A.	1,402	1,012	-	-
PPC Renewables ELTEV AIFOROS S.A.	1,317	1,322	-	-
PPC Renewables EDF EN GREECE S.A.	9,062	8,194	-	-
Good Works S.A.	108	217	-	-
Aioliko Parko LOYKO S.A.	2	3	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	-	-	-	-
Aioliko Parko KILIZA S.A.	1	3	-	-
Aioliko Parko LEFKIVARI S.A.	12	14	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	7	10	-	-
Renewable Energy Applications LTD	27	27	-	-
WASTE SYCLO S.A.(Note 39)	31	20	49	49
	18,146	**15,943**	**49**	**49**

Data concerning the above mentioned associates as well as the Group's ownership interest in them as at June 30, 2012 and 2011 are as follows:

Name		Ownership Interest 30.06.2012	Ownership Interest 31.12.11	Country and year of Incorporation	Principal Activities
Larco S.A.		11.45%	11.45%	Greece – 1989	Metallurgical
PPC Renewables ROKAS S.A.		49.00%	49.00%	Greece - 2000	RES
PPC Renewables TERNA Energiaki S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables NANKO Energy – MYHE Gitani S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables MEK Energiaki S.A.		49.00%	49.00%	Greece - 2001	RES
PPC Renewables ELTEVAIFOROS S.A.		49.00%	49.00%	Greece – 2004	RES
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece – 2007	RES
EEN VOIOTIA S.A.	1	46.60%	46.60%	Greece – 2007	RES
Good Works ENERGIAKI S.A. P/V projects		49.00%	49.00%	Greece – 2005	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko MAMBO BIGLIES S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko KILIZA S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko LEFKIVARI A.E.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko AGIOS ONOUFRIOS S.A.		49.00%	49.00%	Greece - 2008	RES
Renewable energy applications LTD		49.00%	49.00%	Cyprus - 2010	RES
Waste Syclo S.A.		49.00%	49.00%	Greece - 2011	Waste Management

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.

In L. 4046/2012 (OG A' 28/14.02.2012) by which the Memorandum of Economic and Financial Policies was ratified by the Greek Parliament and especially in the privatization schedule, it is provided that the privatization period for LARCO will start on the second quarter of 2012. As an intermediate stage, the adoption of a restructuring law, by March 2012, is provided for. By O.G. B' 2061/16.09.2011 and O.G. B' 1363/26.04.2012, 7,686,362 of LARCO's shares are transferred to the Hellenic Republic Asset Development Fund, which were owned by the Greek State and which represent 55.19% of LARCO's share capital along with the relevant voting rights.
The acquisition cost of PPC's share in Larco on June 30, 2012 amounts to Euro 46,787. The above mentioned cost is fully impaired since 2008. Given that PPC participates in Larco's Board of Directors, it considers that it exercises significant influence and therefore classifies this investment as an investment in associates.

(All amounts in thousands of Euro, unless otherwise stated)

11. INVESTMENTS IN JOINT VENTURES

At June 30, 2012 and December 31, 2011 PPC's share (50%) in assets, liabilities, income and expenses of SENCAP was as follows:

	30.06.2012	31.12.2011
Assets	126	129
Liabilities	(3)	(3)
Equity	(123)	(126)
Income	-	-
Profit/ (Loss) after taxes	(3)	110
Profit/ (Loss) recognized in the consolidated income statement	-	-

SENCAP's General Extraordinary Shareholders' Meeting during its meeting held in August 5th, 2011,unanimously decided to dissolve the company. Liquidation phase was concluded in 30/7/2012 and the decision of the Supervising Authority for the deletion of the company from the register is expected..

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of June 30, 2012 and December 31, 2011 are as follows:

	June 30, 2012		December 31, 2011	
	Receivable	Payable	Receivable	Payable
Subsidiaries				
- IPTO (former PPC Telecommunications)	165,142	(428,981)	2,422	(15,117)
- PPC Renewables S.A.	39,102	(892)	36,116	(1,215)
- HEDNO (former PPC Rhodes S.A.)	413,154	(514,310)	-	-
- Arkadikos Ilios Ena S.A.	3	-	3	-
- Arkadikos Ilios Dio S.A.	1	-	1	-
	617,402	**(944,183)**	**38,542**	**(16,332)**
Associates				
PPC Renewables ROKAS S.A.	-	-	-	(195)
PPC Renewables TERNA Energiaki S.A.	-	-	-	-
PPC Renewables DIEKAT Energy S.A.	-	-	-	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
EEN VOIOTIA S.A.	-	-	-	-
- Larco (energy, lignite and ash)	121,955	-	99,344	-
- Sencap	-	-	137	-
	121,955	**-**	**99,481**	**(195)**
Other				
HEMO S.A.	**258,065**	**(270,252)**	**-**	**-**
HTSO S.A	**-**		**413,384**	**(520,408)**

(All amounts in thousands of Euro, unless otherwise stated)

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

PPC's transactions with its subsidiaries and its associates are as follows:

	30.06.2012		30.06.2011	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
- IPTO S.A. (former PPC Telecommunications)	4,609	(561,266)	19	-
- PPC Renewables S.A.	2,967	(2,070)	2,255	(3,593)
-HEDNO (former PPC Rhodes S.A.)	177,803	(487,750)	5	-
- Arkadikos Ilios Ena S.A.	-	-	-	-
- Arkadikos Ilios Dio S.A.	-	-	-	-
	185,379	**(1,051,086)**	**2,279**	**(3,593)**
Associates				
PPC Renewables ROKAS S.A.	-	(337)	-	(663)
PPC Renewables TERNA Energiaki S.A.	-	-	-	-
PPC Renewables DIEKAT Energy S.A.	-	-	-	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
PPC Renewables ELTEV AEIFOROS S.A.	-	-	-	-
EEN VOIOTIA S.A.	5	-	16	(2,691)
Larco	38,227	(3,942)	37,556	-
Sencap S.A.	-	-	-	-
	38,232	**(4,279)**	**37,572**	**(3,354)**
Other				
HEMO S.A.	**45,365**	**(454,896)**	**-**	**-**
HTSO S.A	**-**	**-**	**45,889**	**(434,677)**

In November 2011, the Parent Company has provided a guarantee for a short term loan amounting to Euro 5 million of PPC Renewables.

Procurement of lignite from LARCO S.A.:
On August 24, 2007 the Parent Company signed a contract for the procurement of lignite from LARCO S.A. for a total amount of 1.2 million tonnes (with a right to increase up to 15%) for a period of four years and a total amount of Euro 25.8 million. Given the fact that at the time of signing the contract LARCO S.A. had outstanding payables of an equal amount to PPC from the supply of electricity, payments for the procurement of lignite will be settled against the abovementioned receivable from LARCO S.A. PPC had made a provision for the abovementioned receivables, which was reversed in 2007, due to the fact that the collection of the amount was secured not only by the abovementioned contract, but also by a guarantee bond that LARCO S.A. raised in favour of PPC, covering the total duration of the contract and the total contractual amount. Taking under consideration the worth of lignite deliveries until July 2011 and the invoicing for August 2011 for the revised lignite prices for the deliveries of the period 01.01.2010 – 31.12.2010, the payment in full of LARCO's old debt, through the 2007 contract is considered to be completed by July 2011.

LARCO S.A. is liable for sums due and payable to PPC related to the consumption of electricity since December 2008. For all sums due to PPC for the period November 1, 2008 until April 30, 2009, an action has been filed by PPC before the competent Multimembered Court of Athens (for a sum of Euro 24.2 m.) whereas, for the sums due to PPC for the period May 2009 – October 2009 (for a total sum of Euro 18.8 m.) an action has been filed against the said Company, the hearing of the case having been set for November 14, 2013.

In July 2010 the Board of Directors of the Parent Company approved an agreement for the settlement of new debts incurred by LARCO's electricity consumption for the period 1.11.2008 to 30.06.2010. The above mentioned framework agreement was already approved by LARCO's Board of Directors.

As foreseen in the above mentioned agreement, a new framework agreement for the settlement of LARCO's new debts will be conducted, part of which will be paid by concluding a new lignite procurement contract, following the pattern set by the existing one. As far as payment of the rest of the debt is concerned, LARCO will disburse predetermined amounts, on a monthly basis, based on the fluctuation of nickel's stock market price.

(All amounts in thousands of Euro, unless otherwise stated)

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

In addition with the aforementioned contract frame, LARCO is binded to pay in time the electricity bills for the consumption for the period following July1st, 2010. In this framework, LARCO has paid in time bills concerning electricity consumption for the months July 2010 to September 2011 and part of the consumption bills for October 2011. At June 30, 2012 there were overdue receivables of Euro 58.1 mil (2011: Euro 28.3 mil.)

The process of completing the contract for the settlement of new debts as well as the new contract for the procurement of lignite which depict the above mentioned framework agreement, was completed and approved by the Parent Company's Board of Directors in July 2011, while the respective contracts were signed on August 1st, 2011. It is noted that in view of the materialisation of the above mentioned contract for the settlement of new debts, LARCO has paid Euro 1 mil., in April 2011 and Euro 1 mil., in May 2011, and thus the final debt amounts to Euro 76.7mil. (principal not including interest).

PPC's Board of Directors decided on March 12, 2012, to address a Judicial Reminder of debtor's default to LARKO in accordance with the provision of article 11 par. 12 of the existing Code for Supply for the payment of sums due from LARKO to PPC. In case of non-payment within 20 days' time as of service of the same to LARKO, PPC to proceed with discontinuation of the supply of electricity to the respective customer. Furthermore, it was decided upon to file interim measures as against LARKO as well as an action due to debtor's default in payment before the competent Courts in order to safeguard the payment of sums due to PPC. PPC served on 16-3-2012 a Judicial Statement- Protest- Reminder of debtor's default and summoning to LARKO reserving all its rights.

PPC, after the relevant decision 100/10.04.2012 of its Board of Directors proceeded with the filing of an application of interim measures before the competent Court of Athens against LARKO for the provisory seizure of any and all of the movable assets as well as all the real property of LARKO , with the simultaneous filing of an application for an injunction and also, the filing of an action due to debtor's default in payment before the Multimembered Court of Athens. PPC accordingly, filed before the abovementioned application of interim measures and the application for the granting of an injunction, the hearing of which was initially set for the 9th of May 2012 on which LARKO petitioned for a continuance. The. hearing was held on the 8th of June 2012, where PPC's application for an injunction was not granted. The hearing for the abovementioned interim measures was set for the 27th of June 2012. Following a relevant request by LARKO on that date, the hearing has been postponed for November 2012.

In the context of the new contract for lignite procurement, deliveries of lignite amounting to a worth of Euro 10.8 m. have been made, by June 30, 2012 as well as two payments of Euro 2 mil. in total from the contractual settlement that concerns the nickel's prices and which results to the old debt of Euro 76.7 mil. being reduced to Euro 63.9 mil. The total amount of LARCO's debt on June 30, 2012 consisting of old debt and current consumption bills amounts to Euro 122 mil (2011: Euro 99 mil.). On August 29th 2012, LARCO's total debt amounted to Euro 127 mil.

For the above amounts the Parent Company has established an adequate provision.

Transactions and balances with other government owned entities

The following table presents purchases and balances with government owned entities Hellenic Petroleum ("ELPE") and National Gas Company ("DEPA"), which are PPC's liquid fuel and natural gas suppliers, respectively and into which the Hellenic Republic participates.

	Purchases		**Balance**	
	30.06.2012	**30.06.2011**	**30.06.2012**	**31.12.2011**
ELPE, purchases of liquid fuel	73,879	66,972	10,088	4,012
DEPA, purchases of natural gas	254,936	137,181	171,952	157,898
	328,815	**204,153**	**182,040**	**161,910**

Further to the above, PPC enters into transactions with many government owned or- nonprofit oriented entities within its normal course of business (sale of electricity, services received, etc.). All transactions with government owned entities are performed at arm's length terms.

(All amounts in thousands of Euro, unless otherwise stated)

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Management compensation

Fees concerning management members (Board of Directors and General Managers) for the year ended June 30, 2012 and 2011 have as follows:

	GROUP		COMPANY	
	30.06.2012	**30.06.2011**	**30.06.2012**	**30.06.2011**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	218	125	62	70
- Non-executive members of the Board of Directors	34	80	-	64
- Compensation / Extra fees	-	-	-	-
- Contribution to defined contribution plans	19	-	-	-
- Other Benefits	91	6	79	6
	362	**211**	**141**	**140**
Compensation of Deputy Managing Directors and General Managers				
- Regular compensation	509	669	498	669
- Contribution to defined contribution plans	81	120	81	120
- Compensation / Extra fees	5	-	-	-
	595	**789**	**579**	**789**
Total	**957**	**1,000**	**720**	**929**

Compensation to members of the Board of Directors does not include standard payroll, paid to representatives of employees that participate in the Parent Company's Board of Directors and related contributions to social security funds. Also, it does not include the electricity benefit based on the PPC personnel invoice to the Board of Director members, the Deputy Managing Directors and the General Managers.

13. INTEREST BEARING LOANS AND BORROWINGS

Bond Issues

In January 2012 the Group proceed to the refinancing of a bond amounted to € 200 mil., with initial maturity the first quarter 2012 with gradual repayments regarding the amount of € 150 mil during the period 2013 – 2015 and the remaining amount with bullet repayment in July 2014.

In March 2012 the Company proceeded to the refinancing of a bond series amount with initial maturity in May 2012 for three more years.

In June 2012 the Group proceeded to the refinancing of an amount €575 mil with initial maturity the period June to August 2012 until 30/06/2013.

The total available short term financing lines of the Company as of June 30, 2012 amounted to € 309 mil, which were disbursed as a whole, including € 110 mil. which were withdrawn by the Deposit and Loans Fund..

The loan repayments of the Group for the six month period ended June 30, 2012 amounted to € 158 mil while Euro 740 mil. were refinanced.

13. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Revision of PPC's outlook by rating houses
In February 2012, ICAP proceeded to a downgrade of the Company's credit rating to BB with negative outlook from A with negative outlook. In May 2012 ICAP proceed to a further downgrade from BB to C .
In June 2012 the rating agency S&P downgrade the Parent Company's credit rating to CC with negative outlook.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION

14.1 OWNERSHIP OF PROPERTY

Major matters relating to the ownership of PPC's assets, are as follows:
1. PPC is at the end of the process of registering in detail this property and creating a fixed assets registry at the relevant land registries in order to be able to register all its assets in the competent Cadastre and Mortgage Registries.
2. In a number of cases, expropriated land, as presented in the expropriation statements, differs (in quantitative terms), with what PPC considers as its property.
3. Agricultural land acquired by PPC through expropriation in order to be used for the construction of hydroelectric power plants, will be transferred to the State at no charge, following a decision of PPC's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by PPC S.A. for the fulfilment of its purposes.
4. The property, plant and equipment of PPC are located all over Greece and therefore the risk of a major loss is reduced. Currently, PPC does not carry any form of insurance coverage to date on its property, plant and equipment, except for its information technology equipment. The Company is evaluating the possibility to proceed to a procurement procedure in order to select an insurance company, to insure its property, plant and equipment operations, as well as liabilities against third parties.

14.2 LITIGATION AND CLAIMS

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at June 30, 2012 amounts to, Euro 698 m, as further analysed below:
1. Cla*ims with contractors, suppliers and other claims:* A number of contractors and suppliers have raised claims against the Company.
   These claims are either pending before courts or under arbitration and mediation proceedings. The total amount involved is Euro 365 m. In most cases the Group has raised counter claims, which are not reflected in the accounting records until the time of collection.
2. *Fire incidents and floods*: A number of individuals have raised claims against the Company for damages incurred as a result of alleged electricity-generated fires and floods. The total amount involved is Euro 45 m and Euro 10 m, respectively.
3. *Claims by employees:* Employees are claiming the amount of Euro 190 m, for allowances and other benefits that according to the employees should have been paid by PPC.
4. *Litigation with PPC Personnel Insurance Organization (PPC-PIO) (in Greek it is "OAP-DEI" i.e. PPC's Social Security Fund):* Until June 30, 2012, the PPC Personnel Insurance Organization (former "PPC PIO", TAYTEKO/IKA at present) had filed, before the courts, seven (7) lawsuits against PPC, claiming an amount in total of Euro 87,704 and, aiming to: (a) obtain the ownership of a building sold by PPC in 1999 for an amount of Euro 13,294, (b) obtain the ownership of certain properties owned by PPC and collect the rents earned by PPC over a specified period of time, for an amount of Euro 6,962 (three actions), these cases will be resolved with the decision of the Plenary Session of the Supreme Court for one of these actions, (c) obtain the

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

ownership of a building, of estimated value of Euro 8,000, (d) be compensated for securities and shares which became property of PPC, and part of which has been sold, as well as for related dividends collected by PPC for a total amount of Euro 59,393 and (e) to oblige PPC to render detailed accounts concerning management of bonds that PPC kept on behalf of PPC – PIO' of an amount of Euro 55.

The aforementioned cases are strongly expected to be resolved in favor of PPC pursuant to the recent issued Decision No 13/2010 of the Plenary Session of the Supreme Court regarding the (a) case, according to which invalidates the 2007 Decision of the Court of Appeal, that had originally accepted PIOs' action against PPC.

Under Judgment by the Supreme Court No. 13/2010, the Court reached inter alia the decision that the prohibition of conveyance or any kind of freezing or change of Insurance Fund´s "Insurance Fund of Personnel" (IFP / ΤΑΠ ΗΕΑΠ-ΕΗΕ) assets, provided for under art.5 par.3 Law No. 163/1975, extends from the application of Law No 163/1975 until the repeal of the above mentioned Insurance Fund (taken place on 31.5.1985) and does not extend to time subsequent of the repeal, when PPC would become the assets holder under art.5 par.1 Law No. 163/1975, PPC remains the asset holder also for the establishment of PPC/PIO according to Law No 2773/1999, as in force.

The abovementioned Decision of the Plenary Session remitted the case to the Court of Appeal for the typical final resolution of the said dispute. The aforementioned Decision creates a precedent in relation to all other abovementioned pending cases (b) to (e) and therefore the established provision on December 31, 2009 was reversed within 2010 fiscal year.

For the above amounts the Group and the Parent Company have established provisions, which as at June 30, 2012 amounted approximately Euro 159 m. and 76 m., respectively (2011: 156 m. for the Group and 136 mil. for the Parent Company) which is deemed adequate against the expected damages which will arise by the final trial of the above mentioned cases.

"Alouminion of Greece" (ALOUMINION)
There are pending actions before the Athens Multimembered Court of First Instance at the one hand of ALOUMINION versus PPC (the said action from ALOUMINION after many postponements, has been set for the December 15th, 2011), as well as, on the other hand, of PPC versus ALOUMINION. ALOUMINION claims the continuation of the status of the initial Contract between the parties whereas PPC claims, among others, the amounts regarding to the differences in tariffs. Specifically PPC has filed, an action before the competent Multimembered Athens Courts against "ALOUMINION" for all sums related to the consumption of electric energy due and payable to PPC by "ALOUMINION" for the period from July 2008 until end of September 2008 for an amount of Euro 4.3 mil., which corresponds to a 10% raise by the 23860/30.11.2007 Ministerial Decision of the Minister of Development and a lawsuit for an amount of Euro 48.9 mil for the period from 2008 until September 2009. plus an amount of Euros 414 for interest due to PPC by the "ALOUMINION" for four (4) electricity bills within the year 2009.The date of the hearing was set initially for April 29, 2010, but it was postponed for October 11, 2012 and it has a possible positive outcome.
On February 23, 2010 a decision has been issued by the Arbitration Court in relation to the application of the terms of the relevant ministerial decision of 30.11.2007 which held:

- That there was a valid contract as between PPC and ALOUMINION, which was valid before the date on which relevant increase of 10% was introduced (in consequence, before the 1st of July 2008) (tariff A-150).
- That the obligation to negotiate vis a vis ALOUMINION concerned only the percentage pertaining to the said increase (0%-10%), limited at the lowest, in all cases, to the ceiling of the tariff of A-150, currently in force.
- That the relevant obligation to negotiate with ALOUMINION, was under the condition that PPC would in all cases, respect, even on a unilateral basis, and not necessarily vis a vis each and every one of the different consumers, the general principles of good faith and of bonos mores, of free competition as well as the principle of the protection of the consumers, defined the limits of ALOUMINION's tariff.

In August 2010, PPC's Board of Directors by its Decision 177/03.08.2010 approved a framework agreement between PPC S.A. and ALOUMINION SA. The abovementioned framework agreement has been already accepted by ALOUMINION SA and will be the basis that the two counterparties will use in order to proceed to the signing of the new contract of electricity supply.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

According to the framework agreement, the following are in force until 31/12/2013:

1. PPC S.A. will supply electricity to ALOUMINION S.A. for the hours that are within the off peak demand zone, including Saturdays, Sundays and holidays, with a charge of € 40.70/MWh, which corresponds to A 150 tariff, as it was valid at 30.06.2008 plus 10% increase for the hours of off peak demand zone.
2. ALOUMINION SA will cover its electricity needs as self-supplied from the Pool for the rest hours of the day.
3. In addition, and under the same framework agreement, the financial disputes that had been raised in the past, are settled and specifically, the repayment of the remaining debt for the electricity consumption for the period 01.07.08 – 30.06.10, which is determined after compromise at the amount Euro 82.6m.

Since then ALOUMINION has made monthly payments thus resulting to the initial amount of 82.6 mil. to be reduced to the amount of Euro 36.6 mil. on June 30th ,2012.

ALOUMINION has also paid for current consumptions from 01.07.2010 until 31.08.2011. The provisions of the above mentioned Agreement were implemented at first in that part that there were no pending differences between the two companies (such differences being mainly the issue of how to share certain fees). PPC by a letter to RAE has asked for its comments for the contract as well as for the existing differences which are depicted further. RAE has responded with its Decision Nr 798/30.6.2011, by which it asks that the electricity tariffs as provided under the said Agreement between PPC and ALOUMINION are in accordance with the "Basic Principles for Tariffs of electric Energy" (RAE Decision 692/6.6.2011) as promulgated after the proposal by PPC for the new tariffs of High Voltage Customers. PPC after having taken into consideration the 798/2011 letter of RAE, asked ALOUMINION by its letter dated 7.7.2011 to countersign the final Agreement, also in view of the existing legal and regulatory regime.

According to payments made, since August 2011, it results that in general ALOUMINION paid less than the sums due after application of the said Agreement. . On 28.9.2011, ALOUMINION paid to PPC an amount of €25.624.027,88 by two cheques against the sum of €27,3 million plus interest (i.e. €28.308.065,11), which corresponds to the fees introduced by the State and the existing Regulatory Regime , without paying the remaining sum of € 2.684.037,23.

Following that, in November 2011 PPC and ALOUMINION agreed to recourse to Arbitration at RAE in accordance with the provision of Article 37 of Law 4001/22.8.2011 (OG A' 179) in order to resolve all pending differences between the parties as regards the terms of supply of electricity. The relevant petition has been submitted to RAE. RAE with its letter dated 16.05.2012 (no 0-51162) notified to both PPC and ALOUMINION the designation of the arbitrator in the above mentioned case according to article 37of L. 4001/2011.

It is mentioned that in the relevant Decision of the BoD of PPC which approved the relevant Agreement for recourse to Arbitration at RAE, , it was provided that until a Decision is issued by the Court of Arbitration at RAE, ALOUMINION would be under an obligation to pay regularly to PPC all sums due under the existing Agreement for the supply of energy, as provided by said Agreement dated 04.08.2010,. This condition wasmade known to ALOUMINION. ALOUMINION however did not abide by the said condition for the payment of sums due for the monthly consumption of electricity given that on the one hand it did not pay the relevant sums when due and on the other hand given that any sums paid by ALOUMINION, were only partial payments.

Following the above, PPC's Board of Directors has reached a decision to address a Judicial Reminder of debtor's default to ALOUMINION in accordance with the provision of article 11 para. 12 of the existing Code for Supply for the payment of sums due from ALOUMINION to PPC.

In case of non-payment within 20 days' time as of service of the Judicial Reminder to ALOUMINION, PPC is to proceed with discontinuation of the supply of electricity to the respective customer. Furthermore, it was decided that PPC will file interim measures against ALOUMINION as well as an action due to debtor's default in payment before the competent Courts in order to safeguard the payment of sums due to PPC.

PPC has served ALOUMINION with a Judicial Reminder of debtor's default reserving all its rights on March 15, 2012 .

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

The Board of Directors of PPC, after relevant discussion of the issue in its meetings of 30.03.2012, 04.04.2012 and 10.04.2012, decided that PPC was to proceed with the filing of an application of interim measures before the competent Court of Athens against ALOUMINION for the provisory seizure of any and all of the movable assets as well as all the real property of ALOUMINION , and also, with the filing of an action due to debtor's default in payment before the Multimembered Court of Athens. PPC, accordingly, filed before the competent Court the abovementioned application of interim measures and the application for the granting of an injunction, the hearing of which has been set for the 1st of October 2012.

ALOUMINION by a judicial statement and summoning to PPC dated 29.03.2012 and serviced to PPC on the same date, stated that it would pay to PPC the amount of Euro 27 mil. plus an amount of Euro 8.7 mil. for the supply of energy of February 2012, totally amounting to the sum of Euro 35.7mil., which ALOUMINION would pay to PPC by a bank note dated April 2, 2012. It furthermore reserved its rights as regards the total (final) settlement of any financial pending issues between the parties that may arise after the issuing of the Decision by RAE for the determination of a temporary price for the supply of energy by PPC to ALOUMINION and, finally, by the Decision to be issued by the Court of Arbitration. Furthermore, it invited PPC to refrain from actions that are based on the above mentioned default notice.
PPC by its judicial Statements dated April 2 and 10, 2012, stated to ALOUMINION, that it does not accept the aforementioned payment but as a partial payment of sums due to it by ALOUMINION, reserving its rights to file any and all claims it has or may have against ALOUMINION.

Furthermore, on March 16, 2012 ALOUMINION submitted to RAE a complaint (Art. 34 of Law 4001/2011) - a request for specific regulatory measures (article 140 of Law 4001/2011) - an application for interim measures (Article 35 L. 4001/2011) seeking, inter alia, that RAE judged "*that negotiations between ALOUMINION and PPC have been rejected and that the tariffing framework which is reflected in the various texts ... is contrary to mandatory rules ...*", that the especially necessary regulatory measures as defined in that document as well as the necessary provisional measures, also defined in the above document be taken by RAE, (i.e, prohibition of ALOUMINION to be invoiced until a final decision of RAE by the A150 tariff plus 10% or by the framework agreement and application of a temporary tariffing framework to a maximum of Euro 40 per MWH consumption for all hours, including all competitive charges, threat to PPC with a fine of Euro 100,000 per day for any non-compliance and, finally, any other appropriate measure at the discretion of RAE)

RAE has asked PPC to express an opinion on the above document of ALOUMINION. PPC submitted the relevant Statement of Pleas timely before RAE. On 16-5-2012, RAE served to PPC its Decision by which it ruled that the following interim measures shall apply:

1) The price for the supply of electricity for ALOUMINION will be temporarily fixed at 42 Euro/ MWh plus fees for PSOs, for Renewables and for the use of the Transmission System, plus other taxes and charges.
2) The above mentioned price is to be applied to the total of operating hours of ALOUMINION due to its monozonic profile during the day.
3) The temporary price for the supply of electricity is to be applied until the issuing of the Decision by RAE with regard to the complaint and request for specific regulatory measures filed by ALOUMINION, or until the issuing of the Decision of the competent Court of Arbitration, or until there is an (earlier) outcome of the negotiations between the two parties, which RAE is inviting (by the a.m. Decision) to continue negotiations in good faith.
4) The pricing of the electricity supply to ALOUMINION by PPC priced temporarily at the abovementioned temporary price, will be finally settled after the (final) determination of the price for the supply of electricity in the future (as above mentioned).

Given that RAE, by its a.m. Decision, accepts almost all pleas made before it by ALOUMINION whereas, it does not accept the relevant, fully substantiated (in the opinion of PPC) pleas of the latter, and thus resulting to PPC being under an obligation, until the final outcome of the case, to supply electricity to ALOUMINION below PPC's cost,, PPC filed an appeal of the abovementioned Decision before the Athens Administrative Court of Appeals, along with a request for the temporary suspension of its execution and has already informed the European Commission on the matter.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

In addition to the actions mentioned above and after the issuing of the Decision 346/2012, ALOUMINION, by a letter to the Hellenic Capital Market Commission, which was also notified to PPC and RAE, has announced .that it interprets said Decision as having retroactive effect as of the date of the framework agreement and as a result of that, ALOUMINION will therefore apply the price mentioned in the Decision unilaterally and retroactively. Consequently ALOYMINION has not been paying to PPC the full amounts due for the current electricity consumption of its facilities. It is noted that this interpretation on the part of ALOUMINION is arbitrary given the fact that the Decision by RAE does not have retroactive effect,. This has been confirmed by RAE itself, through a relevant letter of its President dated 22.6.2012 also addressed to ALOUMINION.

In light of the above, PPC continues to charge ALOUMINION according to the price stated in the RAE Decision since the date said decision was issued, while the debt of ALOUMINION on 30.06.2012 amounted to Eur. 127.7 mil. This claim includes also the sum of Euro 36,6 mil which is the unpaid sum of the total sum due after relevant deed of arrangement between the parties relating to the sums due for electricity consumption by ALOUMINION for the period as of 01.07.08 until 30.06.10 of Euro 82,6 mil. In addition to the total sum owed by ALOUMINION, a sum of Euro 91,1 Mil is included. The main part of the sums of said bills (amounting to Euro 82 Mil) is not recognized on the part of ALOUMINION , which makes the relevant payments on the basis of the arbitrary interpretation on its part of the RAE 346/2012 Decision. , Given that PPC -has inserted in the subsequent bills of ALOUMINION the price determined by the said RAE Decision, it does not consider its total claim against ALOUMINION as bad debt and has thus not made a relevant provision in its Financial Statements.

Furthermore, on 27.07.2011 PPC received notification of the Decision No. E (2011) 4916/13.07.2011 of the European Commission after investigation on whether state aid (C2/2010) exists in favour of ALOUMINION of Greece and its successor ALOUMINION S.A., addressed to the Hellenic Republic, with which the Commission decided that state aid of the amount of Euro 17.4 m. was granted in favour of ALOUMINION of Greece. According to this Decision, the Hellenic Republic shall ensure that this recovery takes place within four months from the date of the notification of the Decision. According to the Decision, the state aid was granted in the form of reduced electricity tariffs, which the state-controlled PPC supplied to ALOUMINION of Greece from January 2007 up to March 2008, and which provided an unjustified advantage to the Company of ALOUMINION of Greece, thus violating EU state aid regulations. It is noted that, according to the Decision, the Hellenic Republic must keep the European Commission informed and provide specific information (detailed description of the amounts including interest, and measures taken for the implementation of the Decision of the European Commission) within a two month period from the date of its notification to the Hellenic Republic.

The above mentioned aid, according to the Commission's Decision must be refunded to PPC SA with the addition of statutory interest in accordance with the law on state aid. PPC SA has already sent to ALOUMINION SA an out-of-court declaration-invitation-notice without prejudice to its rights which was served upon ALOUMINION SA on October 18, 2011, (also notified to the Minister of Environment, Energy and Climate Change, the Minister of Finance and RAE), by which ALOUMINION SA was asked to pay to PPC SA in order to implement the above Commission' s decision, the amount of Euro 21.6 mil. the latest by November 2, 2011, plus the amount of Euro 2.6 per day from the date of service until November 2, 2011. ALOUMINION has filed an action for the annulment of the European Commission's Decision of 13.07.2011. The date for the hearing has not yet been set. PPC has intervened in favour of the European Commission on 30.01.2012. The intervention was accepted by the General Court.

Given that the company has not made the requested payment, PPC has already filed judicial actions against ALOUMINION with a request for the payment of the total sum of the state aid due. An action, among others, has been filed by PCC before the Multimembered Court of Athens the hearing of which has been set for October 4, 2012. PPC also filed an application for the issuing of a Payment Order for the relevant sum..

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

On 04.07.2012 the Court of Athens has accepted the abovementioned PPC's application against ALOUMINION and issued Payment Order Nr. 13.601/2012 which orders ALOUMINION to pay to PPC the following amounts:

i) the sum of the unlawful state aid granted, which amounts to Eur 17.375.849,48
ii) the interest on the unlawful state aid for the period from the date on which every relevant bill was due until the date on which the request for the issuing of the Payment Order was made, i.e. 24.04.2012, which amounts to Eur 3.041.126,93
iii) interest in the amount of Eur 1.696,22 on the total sum of the unlawful state aid plus compound interest for each day that goes by in 2012 until the date of the full recovery of the unlawful state aid.

ALOUMINION filed for an appeal of the Payment Order with an additional request for the temporary suspension of its execution .This request was granted by the court on the condition that a hearing on the relevant appeal is held. The date for said hearing has been set for 31.10.2012.

Given the above, and given also that the outcome of the case as regards the said European Commission's Decision is still pending, PPC has not made a relevant revenue provision in its Financial Statements.

As the aforementioned legal and/ or arbitration procedures are currently outstanding, it is not possible to estimate any potential assets or liabilities that may arise from their final outcome.

Old Bank Of Crete

The dispute with the old "Bank of Crete" is dating back to 1989, when the bank was under liquidation. More precisely, by an action of the then trustee of the Bank, the claims of PPC were obliged to be converted to stake-holding in the share capital of the Bank and to obligatory credit to the Bank. PPC by its July 22, 1991 lawsuit against the bank asked to be compensated for GRD 2.2 billion approximately, (Euro 6.5 mil.) plus legal interest for the reason that the above mentioned Act of the trustee of the Bank was held invalid.
The action was rejected by the Multimember Court of Athens and PPC appealed against the said Decision of the Court which was also rejected by the Athens Appeal Court.
The above mentioned decision was brought to review by PPC before the Supreme Court, which accepted it and in consequence the case was again brought to trial before the Court of Appeals, which held that an expert report should take place. After the said expert report the Court's decision was held partially in PPC's favour.
However, a petition for review before the Supreme Court was filed against the aforementioned Decision which was then accepted by the Supreme Court and then was resubmitted to the Court of Appeals which by its inconclusive decision (Nr 4093/2009) ordered the completion of the expert report.
Until today the official expert report has not yet been notified to PPC while PPC's appeal was set to be heard before the Court of Appeals on May 17, 2012 , date on which the hearing was finally aborted.
Following that, the hearing of the case will take place on October 25, 2012. The above mentioned expert report deals with the calculation of interest owed by the Bank of Crete to PPC as well as with the calculation of the Bank's counterclaims which were offset with PPC's claim and which reduce the aforementioned claim.
The Parent Company, given that it has not yet been informed of the official expert report, is not able to estimate the possible consequences of the above mentioned report.

Complaint against the European Commission's Decision regarding lignite extraction rights

On May 13th, 2008, the parent Company filed before the General Court of the European Union (General Court), an application for annulment of the Commission's decision of March 5th 2008 regarding the granting by the Hellenic Republic of lignite extraction rights. The Greek State has intervened before the aforementioned Court in favour of PPC, while two undertaking– competitors of PPC – have intervened in favour of the European Commission. Furthermore, on August 4th, 2009, the European Commission issued a second decision (which was notified to PPC on August 7, 2009), in which the measures for the compliance with the decision of March 5th, 2008 were defined as obligatory for the Hellenic Republic. The Commission's Decision defined as obligatory for the Hellenic Republic the launching of public tender procedures for the concession of lignite rights for the mines of Drama, Ellassona, Vevi and Vegora to third parties excluding PPC, with the exception of those cases where there are no other valid and binding offers. The Hellenic Republic was also obliged to assure that the third parties that would be awarded the relevant extraction rights, would not sell to PPC the extracted lignite from the specific mines with the exception of those cases

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

where there would be no other valid and binding offers. With regard to the above mentioned mines, the Decision of August 4 2009, defined that the tender procedures should be launched within six (6) months from the notification of the decision and the extraction rights should be awarded to the successful bidders within twelve (12) months from the date of notification of the decision. PPC timely (on 19/10/09) and lawfully submitted an application for annulment of the said decision of the Commission before the CFI of the European Communities. Furthermore, the Hellenic Republic has timely intervened before the CFI in the said proceedings in favour of PPC. Finally the hearing of the Case T-169/2008 (regarding the a.m. Decision of the Commission of 5 March 2008-PPC S.A., "the Hellenic Republic as intervening party versus The Commission of the European Communities, "Energeiaki Thessalonikis s.a." and "HE&DSA" as intervening parties" was set for April 6, 2011 . The hearing of the case took place before the General Court on the scheduled date, namely on April 6, 2011 with a cross hearing of all litigant parties. Similarly, after a relevant summons of the Secretary of the EU General Court, on the scheduled date of hearing on 13th of July 2011, the application for the annulment of the Commission's Decision dated 4th of August 2009 regarding the above case [C (2009) 6244] was tried after a hearing before the General Court in Luxembourg. Due to the fact that the Chairman of the composition of the Court that heard the two appeals became Minister, the General Court of the European Union, decided to postpone the issuance of the relevant Decisions, and by an action determined a new trial date (February 2nd, 2012) for the repetition of the hearing under its new composition for both the above mentioned cases. The trial took place as programmed and the relevant decisions are expected at September 20th, 2012.

Litigation with DEPA SA.
In January, September and November 2011, DEPA sent letters to PPC regarding the commitment that arises from not receiving the minimum contractual quantities (take or pay) for the year 2010. The above mentioned letters do not include any relevant data that support the eligibility by law for the foundation of the payment of the take or pay clause for the year 2010.
PPC has resorted to arbitration according to the provision of article 23 of the 09.06.1994 Gas Supply Contract between DEPA and PPC requesting a compensatory return according to article 25 of the same Contract. Arbitration has already issued a decision fully in PPC's favor since the Court of Arbitration by its Decision 42/15.12.2011 recognized as valid PPC's right for the return of profits by DEPA, as described in article 25 of the above mentioned Contract and thus obliged DEPA to pay to PPC the amount of Euro 17.3 mil. plus interest by June 1, 2009 until its full payment. DEPA has filed an action for annulment of the said Decision before the Athens Court of Appeals on March 16, 2012, the hearing of which has been set for February 23, 2013.
In August 2010, the Parent Company's Board of Directors decided to proceed to the cash payment of 85% of the amount invoiced by DEPA for the procurement of natural gas, along the lines of the existing contract, given that PPC considers, in principle, that this reduced payment is reflecting the material change of circumstances, which define PPC's contractual obligation, beginning with the invoices concerning the consumption of July 2010.
In the Parent Company's financial statements, the cost for natural gas reflects the full charge (100%) by DEPA S.A. For the abovementioned issue, DEPA SA filed a petition for arbitration/writ of action dated 24.01.2011 against PPC SA before the Arbitration Court, by which DEPA SA requests to receive by PPC the total amount of Euro 22.1 mil. with additional statutory interest accrued on the dates specifically mentioned in the said petition. The above amount corresponds to 15% of the total amounts of PPC's gas consumption bills during the period from 1.7.2010 to 30.11.2010, which PPC SA has not paid to DEPA SA as it considers this amount as the reasonable amount PPC is entitled to deduct from the relevant monthly payments to DEPA SA, due to changes of the financial conditions of the Contract between the two parties.
Arbitration Decision 3/2012 has already been issued, since December 15, 2011 which has been notified to the related parties on January 30, 2012 PPC and which is partially in favor of PPC, by accepting that it is refundable to DEPA by PPC for the time of the above mentioned arbitration (August 2010 – November 2010) plus legal interest the amount of Euro 14.7 mil. against the requested amount by DEPA (for the above mentioned time) of Euro 22 mil. DEPA has filed an action for annulment of the said Decision before the Athens Court of Appeals in April 26th , 2012, the hearing of which has been set for March 23, 2013.
In the context of the conclusion of a new contract for purchase of natural gas, the managements of PPC and DEPA are in negotiation for the overall examination of all differences and mutual claims which derive from the already existing purchase contract for natural gas, including the take or pay clause, for the period until 2011.In the above mentioned context PPC's Board of Directors has approved by its Decision 98/10.04.2012 the relevant Framework Agreement for the settlement of existing differences between the two companies up to December 31, 2011. PPC's management estimates that the final outcome will be positive for the Parent Company and the Group.
Since the result of the above mentioned negotiations as well as both arbitrations is not yet finalized, PPC has not recognized any benefit in its accompanying financial statements.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Third Party Access to electricity generation from lignite
In the framework of the Memorandum signed in August 2010 between the Greek Government, the European Union, the European Central Bank and the International Monetary Fund, it provides for the adaption from the Greek Government of a plan for the, gradual and based on cost access, of third parties in lignite fired generation.
The Hellenic Republic in its capacity as shareholder and legislator is in discussions with the DG Competition of the EU in order to implement the respective commitment undertaken in the Memorandum, examining in parallel, together with other measures, the selling of lignite units.
PPC is examining its options in the new environment.
As far as third party access to electricity generation from lignite is concerned the memorandum of February 12th, 2012, provides that the deadline for completion of the application of measures ensuring third party (PPC competitors) access to electricity generation in lignite is November 2013 when third parties will be able to use effectively electricity generation from lignite.

General Federation of PPC Personnel (GENOP DEI/KHE) and Panhellenic Federation of Retirees' (POS DEI) lawsuit against PPC
GENOP DEI/KHE and POS DEI have filed a lawsuit against PPC in the Multimember Court of First Instance in Athens. By the above mentioned lawsuit they pursue that PPC will be obliged to pay to third parties, who are not litigants, in particular the insurance funds of IKA – ETAM and TAYTEKO the amount of Euro 634.8 mil. with interest, for the coverage of the resource, which according to the lawsuit, the State did not pay to the above mentioned insurance funds for the years 2010 and 2011. The lawsuit is scheduled to be heard in the Multimember Court of First Instance in Athens on September 18th, 2014. In view of the fact that the above mentioned lawsuit is based on admissions which are in contrast with the provisions of Decision 13/2010 of the Supreme Court and Decision 668/2012 of the Athens Court of Appeals, the Parent Company considers that the possibilities of a positive outcome for the lawsuit in question are minimal and therefore, has not formed a provision in the first half of 2012.

14.3 ENVIRONMENTAL OBLIGATIONS

Key uncertainties that may influence the final level of environmental investment which the Group will be required to make, over the forthcoming decade, include:

1. According to Greek Law 3481/2006, the environmental terms for the continuation, completion and operation of the projects of the Acheloos River Diversion Scheme to Thessaly, in which Messochora HP is included, were approved and their fulfilment is a prerequisite for the implementation of the projects and for which responsibility lies with the administrator, responsible for construction and operation of the respective projects.

   Public Projects, as well as PPC's projects that have been auctioned and constructed or are under construction and are related to projects of the Acheloos River Diversion Scheme to Thessaly and energy projects are allowed to operate or be completed, according to the approved Administration Plan and the above-mentioned environmental terms.

   Based on the above-mentioned terms the continuation of the project was allowed for the completion and operation of Messochora HP as well as the completion of the construction project of the tunnel, which are already been completed and are finally delivered from 17.06.2010.

   After the publication of Law 3734/2009, matters concerning the Messochora Hydroelectric Project are arranged, with which the completion and operation of the Project becomes possible. These matters concern expropriation of areas in the Messochora HEP Reservoir, expropriation of the Messochora Village and of the areas where it will be relocated and arrangement of compensations to the affected inhabitants. All the above mentioned expropriations are declared for public utility reasons of great importance and their settlement will allow the completion of the Project and the operation of the Messochora Power Plant.

   Following the ruling No 141/2010 by the competent Suspension Committee of the Council of State, the immediate cease of all works has been ordered at all relevant projects, as well as the cease of operation of all completed projects, until the final judgment is issued by the Plenary of the Council of State. Further developments, namely the final judgment, will be issued by the Plenary of the Council of State after taking into consideration the ruling of the European Court of Justice in relevant preliminary questions, already addressed to this Court, referring to the compatibility of the provisions of the Law 3481/2006 with the European legal framework.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

PPC S.A. considers that the Hydroelectric Plant of Messochora is independent from the Acheloos River Diversion to Thessaly Scheme and therefore it should be not affected from the abovementioned issues. PPC S.A. examines the possibility to disengage Messochora Power Plant from the overall Acheloos River Diversion Scheme, so that the Project can be dealt with as an independent unit and have its own environmental terms, i.e. independently from the other Projects of the Diversion Scheme. For this purpose, PPC has assign the updating of the Environmental Impact Assessment for HEP Messochora, whilst waits for the completion of the Water Management Study, ordered by the Ministry of Environment and Climate Change, related to the compilation of the Water Management Plan of the Catchment Areas in the water territories of the Western Central Greece, Epirus and Thessaly, in which the Catchment Area of the River Acheloos is included. This is estimated that it will be completed by October 2012. It is also estimated that the procedure for the issuance of the Environmental Permit for the project as an independent entity will be completed by December 2012. On June 30, 2012 the aggregate amount for HEP Messochora is amounted to Euro 284.3 million, which according to the above is considered to be fully recoverable and is expected to require further Euro 125 million(ΔΟΛ) to complete the project, estimated in 2015.

2. Under IPPC (Integrated Pollution Prevention and Control) Directive, the Best Available Techniques for Large Combustion Plants (with a thermal capacity greater than 50 MW) have been defined on July 2006 at a European level. These may: (a) require additional to the already foreseen investments at PPC's larger thermal power plant stations, (b) reduce the permitted hours of operation of its oil fired power stations. In accordance with European Directive 2001/80/EC, a pollutants emissions reduction plan for existing Large

Combustion Plants has been approved by PPC's Board of Directors, and this includes, among others, the following measures:

(i) Units I and II of Megalopolis A plant will enter the status of limited hours of operation (20,000 hours both of them as one installation) from January 1, 2008 until December 31, 2015 at the latest.
(ii) Until the end of 2007, all measures for facing the operational problems of the flue gas desulphurisation plant in unit IV of Megalopolis plant, should have been completed.
(iii) Until the end of 2007, all measures for the installation and continuous operation of the flue gas desulphurization plant in Unit III of Megalopolis plant, should have been completed.
(iv) Until the end of 2007, all necessary modifications for using low sulphur heavy fuel oil, in all the existing oil fired plants included in the pollutants emissions reduction plan, should have been implemented.

PPC's emission reduction plan was submitted to the authorities and has been incorporated in the National Emissions Reduction Plan of the country, according to the provisions of the aforementioned Directive. For the Linoperamata Steam Electric Station, the use of low sulphur heavy fuel oil has already started from January 1st, 2007. From October 2007, all oil fired power plants which use heavy fuel oil, are supplied with low sulphur heavy fuel oil, as requested in measure (iv). The aforementioned measure (ii) was completed during the first semester of 2008, while about measure (iii) on 29.03.2010 its commercial operation period was finished. The relative performance tests were started on April 2010 and were completed on August 11, 2010. Based on the results of performance tests' valuation report submitted by the assigned third party (TUV AUSTRIA), the guaranteed parameters of the project have been accomplished.The Temporary Acceptance Protocol was signed on 03.03.2011, having 30.03.2010 as valid Temporary Acceptance date. The approval of the Temporary Acceptance Protocol was accomplished on 19.07.2011. The guarantee period was completed on 13.12.2011. The Final Acceptance Protocol was signed on 11.04.2012 and its approval is pending.
After the issue (August 2008) of the Common Ministerial Decision for the National Emissions Reduction Plan (Directive 2001/80/EC), the environmental permits of SES Ptolemaida, Kardia, Amyntaio, Liptol and Agios Georgios were renewed. The same is expected within 2012 for the remaining thermal power plants as well. In December 2010, the new Directive (2010/75/ EC) was issued for industrial emissions (Industrial Emissions Directive – IED), which is effective from 06.01.2011 and which amends Directives IPPC and 2001/80/ EC. Additional investments that might be required to the already existing units will be assessed, taking into account remaining operational life of the units.

2. The extent of land contamination has yet to be assessed for many of PPC's installations. At present, there appears to be no requirement for large-scale remediation projects at PPC's sites in the short term, and it is unlikely that this will be required at the mining areas or at the lignite-fired power stations for the foreseeable future. Remediation, however, may be required, at some of the company's oil-fired power stations and depots, in the future.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

4. PPC has performed limited studies on the presence of asbestos-containing materials, at its premises. Upon submission by PPC of a full environmental impact assessment study, the Ministry of Environment issued in May 2004 the environmental permit for the construction and operation from PPC, in its premises in Ptolemaida area of an environmentally – controlled landfill site for the management and final disposal of asbestos containing construction materials, from the plants of the Northern System.
5. During the operation of the Transmission Lines, Substations and Hyperhigh Voltage Centers, there is no electromagnetic radiation, but two separate fields, the magnetic and the electric field. At places where the public or the Company's personnel might find themselves close to the above mentioned lines and substations, the values of those fields are substantially less than the limits. Those limits were established by the International Commission on Non Ionizing Radiation Protection (ICNIRP) in collaboration with the World Health Organization (WHO). The above mentioned limits have also been adopted by the European Union as well as the Greek State. It must be noted though, that the limits stated in the above regulations for both fields do not constitute dangerous values, but rather contain large safety factors, in order to cover for some vagueness due to the limited knowledge about both the magnetic and electric fields' influence in order to fulfil the requirement for the prevention of any adverse impacts.
6. The Environmental permit for the operation of Ptolemais mines was issued (CMD 133314 / 2929 / 09.11.2011), regulating the extraction waste and ash (lignite combustion for power generation product), the co- dumping within mine area and the Waste Management Plant according to Common Ministerial Decision 39627/2209/E103 (O.G. B 2076/25.09.2009). The renewal of environmental permit of the lignite burn for power generation in Megalopolis Power Station, solid by-products management, within Megalopolis Mine area (Thoknia Mine), is expected, within 2012.

CO2 Emissions

In November 2007, PPC submitted 31 applications to the competent authority for the issuance of the emissions permits for its bound power plants, concerning the period 2008-2012. In December 2007, the competent authority approved the submitted Monitoring Plans and issued the respective permits for the second trading period 2008-2012. In December 2008 the Greek National Allocation Plan for the period 2008 – 2012 was approved.

According to the final allocation, 44.2 Mt CO_2 allowances have been allocated to the 31 existing bound plants of PPC for 2011. Additional allowances 0.6 Mt CO_2 for the year 2011 were allocated to PPC's new entrance units (extension to the installed capacity of existing plants). By the end of March 2012, the verification of the annual emissions reports, for all 31 bound plants, by accredited third party verifiers was completed successfully and the reports were promptly submitted to the Competent Authority. The total verified emissions of all 31 bound plants of PPC for 2011 amount to 46.8 Mt CO_2. According to the allocation of CO_2 emissions allowances and the final CO_2 emissions from PPC's bound plants, PPC exhibited a CO_2 emission rights deficit of 3.1 Mt CO_2 for 2011.

The CO_2 emissions of PPC's bound plants for the period 01.01.2012 – 30.06.2012 amounts to 22.9 Mt CO_2. According to recent projections, the CO_2 emissions for the remaining period 01.07.2012 – 31.12.2012 are estimated to 24.2 Mt, thus the total CO_2 emissions for 2012 are estimated to 47.1 Mt, approximately. It should be noted that the emissions of 2012 will be considered final by the end of March 2013, when the verification of the annual emissions reports by accredited third party verifiers is completed. According to CMD 52115/2970/E103/2008 (Official Gazette/B/2575/ 19.12.2008) 42.5 Mt CO_2 allowances have been allocated to the 31 existing bound plants of PPC for 2012, while for the same year additional emission rights amounting to 0.6 Mt were allocated to PPC due to new entrance units, and 0.5 Mt CO_2 allowances were deducted due to the closure of Ptolemaida 1. According to the above, it is estimated that PPC will exhibit a shortage of emission allowances for 2012 amounting to 4.5 Mt CO_2.

14.4 INVESTMENTS

Combined cycle natural gas fired power plant of a 416,95 MW in Aliveri

After an international tender, the Project "Study, supply, transportation, installation and putting in operation of a 416,95 MW net combined cycle natural gas fired Unit V at Aliveri" was awarded to the successful bidder company Metka S.A. The contract for the construction of the Project was signed in October 2007, with a contractual price of Euro 219 mil.

In July 2009, the Building Permission was issued, and in September 2009, the construction began.

In May 2010, the Supplement No 2 of the Contract was signed, according to which PPC shall pay the Contractor the amount of Euro 31,15 mi. for the delay of the Project, due to antiquities found on the construction site and difficulties about the progress of the permissions, as well as for additional works.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

In October 2010, the Supplement No3 of the Contract was signed, according to which the valid period of guarantee of the Project and consequently of the Equipment is extended for 2 months with the payment to the Contractor of the amount of Euro 1,8 mil. and according to the provisions of the Supplement No2.
On February 18, 2011, PPC accepted the terms for the connection of the above Unit with the System following a relative correspondence with HTSO.
On January 21, 2011, the Board of Directors of PPC approved the additional extension of the new guarantee period of the Project and consequently of the Equipment, for 8 months, with the payment to the Contractor of the amount of Euro 7,2 million. In February 2011, the Supplement No4 of the Contract was signed.
The delivery of electromechanical equipment, the preparation of the studies for the Project and the installation of main electromechanical equipment have been completed. The civil works have been almost completed.
In addition, since August 10th, 2012 the above mentioned Unit's commissioning has been started, taking into consideration that the construction of the gas pipeline to Aliveri has already been completed and the high voltage transmission line (150 Kv) serving the unit has been completed too. Consequently the commercial operation of the unit is expected by the first quarter 2013.
On June 30, 2012 the total expenditure for the project amounted to Euro 266 mil.

International tender for the construction of the new lignite station in Florina
In July 2008, an international tender regarding the "Study, procurement, transportation, installation and putting in operation of the Steam-Electric Unit II in Meliti Power Station, with a power of 420-450 MW, using pulverized lignite as fuel and with the capability of providing thermal energy of 70 MWth for district heating" was announced. The budgeted cost for the new unit was Euro 675 million.
Due to the fact that no offer was submitted, the basic technical and commercial parameters of the Project are in reconsideration, so that a new international tender shall be announced.

International tender for the construction of a new Steam Electric unit in Ptolemaida
The International tender was announced on April 20, 2010. The total budget of the Project amounts to Euro 1.320 mil. and the Project is expected to be completed within 70 months as from the signing of the contract.
In September 2010, the Ministry of Environment Energy and Climate Change issued the permission for electricity production and the permission for the distribution of thermal energy.
On June 28, 2011, the following two bids were submitted:
- The bid from TERNA S.A
- The bid from the Consortium led by Alstom Power Systems S.A and including ALSTOM Power Systems GmbH, ALSTOM Hellas S.A, METKA S.A and DAMCO Energy S.A.

On November, 25, 2011, the Board of Directors of PPC decided to award the project to the successful bidder company "Terna SA" and the contractual price is 1.394.634.137,82 Euro.
For the financing of the construction of new lignite plant "Ptolemais V", the Parent Company examines among others, the partial financing with the provision of insurance from the German ECA Euler Hermes.
In line with the above initial meetings took place between PPC, its financial advisors and the ECA. Furthermore the relevant application has been already submitted, which is under consideration.

A new diesel engine Power Plant 115,4 MW in South Rodos burning of heavy fuel oil with low sulphur content
After an international tender, the Project was assigned to the successful bidder company (TERNA S.A.). On July 2009, the relevant Contract was signed. The Contract price is Euro 182,8 mil.
In September 2010, the Decision of the Ministry of Environment Energy and Climate Change for the modification of the Generation License concerning the power (115,439 MW) and the number of units (7 generating sets) was issued.
On 01.12.2010, the Common Ministerial Decision Approval of Environmental Terms was issued.
On June 29, 2011, the relevant contract for the purchase of the above land was signed.
In September 2011, the Installation License was issued and was modified on January 20, 2012.
On January 25th, 2011 the Building Permit (6/2011) was issued and on February 16th, 2012 the construction of a temporary warehouse begun.
On February 2nd, 2012 the Building Permit regarding earthworks has been issued and on March 23rd, 2012 begun the relevant works at the plot of the main facilities of the station.
On August 3rd, 2012 the building permit was issued for the main facilities of the station.
On August 20th, 2012 the certificate for the land uses was issued and the building terms for the coastal facilities were approved. After that, the procedure for the purchase of the land of the coastal facilities is in progress.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

In the context of the implementation of the Contract two supplements were issued until today.
By Supplement No 1 (15.05.2010) certain articles of the contract were modified and by Supplement No 2 (22.06.2012) certain subjects regarding the transfer of equipment, the assignment of a study and subsequently the construction of the temporary site warehouse, the surveyors' building as well as the guesthouse, were adjusted.
The realization of the provisions of the supplements will increase the contractual price by Euro 1,531,903 .
On February 15th, 2012 the society called "Citizen's initiative for environmental protection and development of Southern Rhodos" an application for a stay of execution was filed with the Council of State by application number 119, for the following:

a) Of the Environmental Impact Assessment 162761/12-2010 for the new diesel engine power plant and
b) The no 6/2011 environmental permit which was granted to PPC for the construction of the temporary site warehouse at the plot for the construction of the new power plant.

In implementation of the Temporary Order of the Council of State the competent authority for urban planning has issued the 2276/06.04.2012 suspension of construction for the 25/2012 building permit.
The issuance of the relevant decision of the Council of State is expected in September 2012, at which time works are expected to resume.
Since March 23rd, 2011 the delivery of equipment for the project to warehouses in the port of Elefsina has started. The equipment's worth that has been delivered until today amounts to Euro 51,339,965.08 (including revisions).
On June 30, 2012 the total expenditure for the project amounted to Euro 85.6 mil.

A new combined cycle unit at Megalopolis
On August 25, 2009 the Board of Directors of PPC approved the award of the Project to the successful bidder Consortium METKA S.A. and ETADE S.A. Furthermore, the contractor has accepted that he will not raise any claims related to eventual delay up to 13 months, due to unavailability of Transmission Network of 400 kV or/and Natural Gas. This time interval of 13 months starts, for the delay of supply of natural gas in the Unit, 26 months as from the date of signing of the Contract and for the delay of connection with the network 400 KV, 24 months as from the date of signing of the Contract.
On November 13, 2009, the relevant Contract for the implementation of the Project was signed and the contract price amounts to Euro 499,5 million.
In November 2010, PPC accepted the terms for the connection of the above Unit with the System following a relative correspondence.
On May 31, 2011 the Contract for the Long Term Maintenance of the Unit was signed with the company METKA S.A.
On July 8, 2011, the Building Permission of the above Unit was issued.
On October, 17, 2011, after a related request from the Contractor Joint Venture «METKA S.A. – ETADE S.A.», the Board of Directors of PPC approved the substitution of the above Joint Venture from the Joint Venture «METKA S.A. – TERNA S.A.»
The related Supplement No1 came into force on December, 12, 2011.
On May 8, 2012, the Board of Directors of PPC approved the assignment of additional works related to the water supply of the Unit V . The issue of the related Supplement is being expected.
The civil works, the delivery of electromechanical equipment and the erection works of electromechanical equipment are in progress.
On June 30, 2012 the total expenditure for the project amounted to Euro 388 mil.

HP Metsovitiko I, II (29 MW)
The process of evaluation of tenders for the main Electromechanical Equipment of the project is concluded. The relevant suggestion to PPC's Board of Directors for the awarding of the contract to the successful bidder has been forwarded. At the same time the auction for the remaining civil works is in progress. The projected date of operation of the project is in 2015.
The Parent Company has, under IAS 36, reviewed the recoverability of the total project cost, which at 31.12.2011 amounts to Euro 37,1 million. Based on the above mentioned audit the Parent Company has formed a special impairment provision of Euro 10,4 million, which had a negative impact in the results for the year 2011 (note 11). It is noted that in 2010 the Parent Company had formed an impairment provision of Euro 8 million. The impairment audit was conducted by calculating the value due to use by using estimation of future cash flows, which were projected to a period of fifty years by the estimated date of operation of the station, the estimated cost of completion of the project as well as the expected income by its operation.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

14.5 PPC RENEWABLE (PPCR)

Construction of new Wind Parks from PPCR S.A.
In February 2009, PPCR S.A. announced the construction of nine new Wind Parks, of total installed power 35.1MW, in the Greek islands and more particularly two in Crete (Akoumia and Koprino), two in Samos (Marathokampos and Pythagoreio) and one in Paros, Lesvos, Rhodes, Sifnos and Limnos respectively, a total investment of Euro 64 mil. The installation process of the Wind Farms in Paros, Lesvos, Rhodes, Samos (Marathokampos), Crete (Akoumia) and Limnos has been completed. In December 2011 the wind parks in Paros, Lesvos, Samos and Rhodes had been connected to the network, In January 2012 the park in Limnos was also connected and it is expected that the wind park in Crete (Akoumia) will be connected to the network in 2012.

Hybrid Project in Ikaria
The hybrid project in Ikaria is under construction and is expected to be completed in the beginning of 2013. The project is comprised of two small hydro power plants (SHPP of Proesperas, with an installed capacity of 1.05 MW and SHPP of Kato Proesperas with an installed capacity of 3.1 MW), a Pumping Station (with 12 pumps of 250 KW each) and a Wind Farm with three wind turbines with a total installed capacity of 2.7 MW, combining these two renewable energy sources.

Public Tender Procedure for the construction of Megalopolis Photovoltaic (PV) Plant
In June 2010, PPCR S.A. announced an open Public Tender, for the procurement, transfer, installation and operation of Megalopolis PV Plant, with total installed power 50MW and a total projected investment of €140m. Upon its completion, this plant will be one of the largest PV plants in Europe. The Megalopolis PV plant will be situated in an area of 2,000,000m2 and is due to enter operation within 2013. Following the evaluation of the technical components of the Bids, in August 2011 the financial bids were opened. J&P Avax S.A. was announced as the winning bidder. PPCR S.A. is engaged in contacts and discussions with Banks, including the European Investments Bank for the organization of the funding while it has hired HSBC as financial consultant for this purpose.

Partnership agreement between EP Global Energy Ltd and PPCR S.A. – Establishment of joint venture.
PPCR S.A., in the context of implementing its business plan, has signed a shareholders' agreement with EP Global Energy Ltd to jointly establish a holding company aiming at the development of RES projects in the Balkans and Middle East regions. In November 2010, PPC S.A. announced the signing of a Shareholders Agreement between PPCR S.A. and EP Global Energy Ltd (EPGE) for the establishment of a Portfolio Joint Venture, whose business objective is the development of projects related to:
a) the acquisition of RES production units
b) the development, including the financing, of units using RES, and
c) the electricity production through the operation and maintenance of RES units in the Balkans and Middle East regions

In the context of the aforementioned partnership, PPCR S.A. and EPGD have jointly established REA Ltd., with headquarters based in Cyprus, aiming at the development of RES projects and the implementation of their mutual collaboration agreement. The Joint Venture's initial share capital is €60 with PPCR S.A. and EPGD's shares being 49% and 51% respectively.

Approval of the partnership's framework between EDF Energies Nouvelles and PPCR S.A.
In September 2010, PPC S.A. has approved the framework of the partnership between the EDF Group (EDF Energies Nouvelles), EDF EN GREECE, Group PPC (PPC S.A. and PPCR S.A), to jointly develop RES projects in Greece. This partnership based on the know-how and experience of the two Groups, targets at the joint development and exploitation of large-scale, complex and technologically advanced RES projects. In the context of this partnership, the two Groups are due to jointly develop important projects in the RES sector. Priority will be given to the development of Wind Farms of at least 250MW in the Florina region, as well as in a Hybrid Power Plant in Crete, which combines Wind Farms of installed power 90MW with a pumped storage hydro plant. By signing this agreement, PPC S.A. and EDF Energies Nouvelles further strengthen their partnership in Greece, as they have already collaborated successfully in the past for the development and operation of a Wind Farm of installed power 38MW in the prefecture of Voiotia.

Memorandum of Understanding (MoU) with ELIKA S.A.
In January 2011, PPCR S.A. and ELIKA S.A., signed a MoU aiming at the joint development of RES projects. Such a project is ELIKA's large-scale Wind Farms in Crete which combines the development of Wind Farms of total installed power ~850MW, which have already obtained a Production License from RAE and whose design includes interconnection to the mainland Grid.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

PV Megalopolis NER 300 – 40MW
In February 2011, PPCR S.A. submitted a request for financing of a PV park of 40 MW in Megalopolis, through the European program NER300. The proposal is currently under evaluation from the European Investments Bank (EIB). The application for generation license has been submitted in April 2011.

Implementation of energy measures in Western Macedonia, including the development of Photovoltaic (PV) power stations 200 MW
In February 2011, after the application for a Generation License to RAE, PPC S.A., PPCR S.A. and Iliako Velos I (a PPCR S.A.'s wholly owned subsidiary) announced an Expression of Interest (EoI) process to find a strategic partner for the joint implementation of RES projects in Western Macedonia. These plans include, besides the development of the PV plant, the construction, operation and maintenance of a PV equipment factory, as well as other energy ventures with a strong local impact.
This investment will be situated on an approximately 5,000,000 m2 area within Western Macedonia Lignite Center. The PV plant's net annual production is estimated at 260 GWh, which covers the electricity consumption of about 55,000 households and contributes towards the "post-lignite" era of the energy center in the area of Ptolemaida. Another important benefit of the PV plant's operation will be the annual reduction in the CO_2 emissions by 300,000 tons CO_2.
In July 2011, PPC Group announced the completion of the 1st phase of the Invitation for Expression of Interest procedure for the selection of a long-term strategic partner. 15 out of the 21 groups, that submitted proposals in the Invitation for Expression of Interest procedure, met the acceptance criteria of the 1st phase.
In August 2011 the final stage of the tender begun by sending to the participants that were preselected, the invitation for the submission of their bidding offers. The target is for the final offers to be submitted in 2012. The generation license was granted on 22.09.2011.
It should be noted that, the investor's, ILIAKO VELOS S.A., request for the inclusion of its investment proposal to the Strategic Investments Procedures of Law No. 3894/10 has been approved by the Biministerial Committee for Strategic Investments and the investment has been included in the relevant provisions.

Strategic Partnership with Sinovel Wind Group Co Ltd
In April 2011, PPC Group and the Chinese company Sinovel Wind Energy Group Co Ltd, the second largest wind generators' constructor globally, announced the signing of a Strategic Partnership in order to develop wind parks as well as construct a plant for the production of wind generators in Greece. The above mentioned partnership includes the development of wind energy in the country with an indicative project being the construction of a 200-300 MW wind park in the interconnected system, the exploration of the possibility to develop a sea wind park, as well as the construction of a plant producing wind generators.

Rights of the exploitation of the geothermal fields
In June and July 2011 the rights of exploitation of the geothermal fields of Lesvos, Nisiros and Milos-Kimolos-Polyegos transferred to PPCR S.A. The rights of the geothermal field of Methana were transferred in December 2011. By decisions of the Deputy Minister of Development the Public International Bidding Contest for the lease of rights of exploitation of geothermal fields in the following areas : a)Sousaki in the Corinthos prefecture, b) the Sperhios basin in the Fthiotida prefecture, c) Akropotamos in the Kavala prefecture and d) the island of Ikaria

Application for wind parks of 1.34GW
In June 2011, PPCR S.A. applied for the production license for a number of wind farms with a total installed capacity of 1,339 MW in Crete, Kassos, Karpathos and Rhodes.
In August 2011 PPCR applied for a production license for a 210MW wind park in Rodopi.
In December 2011 PPCR applied for production licenses for a 117MW wind park in Rhodes, 25MW Biomass plant in Kozani and 5MW Geothermal plant in Kimolos.
In March 2012 PPCR applied for production license for a cluster of wind parks of 384MW in Rhodes and Crete
In June 2012 PPCR applied for production license for a cluster of wind parks of 873MW in Rhodes and Crete

PV Atherinolakkos park in Crete
In the fourth quarter of 2011, 4 P/V stations of a total capacity of 0.32 MW (4x80 MW) were completed and connected to the network, while in the first quarter 2012 2 P/V stations of a total capacity of 0.16 MW (2x80MW) were completed and connected to the network, in Atherinolakkos, Crete.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

14.6 IPTO S.A.

Construction of underwater line "POLYPOTAMOS – NEA MAKRI"
By this project the transfer of wind power of a total capacity of 400MW approximately, from South Evia to Attica, while at the same time East Attica's power supply is strengthened. The project is being constructed using submarine cables of 150kV, 200MVA of synthetic insulation, friendly to the environment, buried at approximately one meter under the sea floor and it is estimated to be completed in three years.
The signing of the contract with the concessionaire took place on May 14, 2010 with a deadline of May 2013.The project has a budget amounting to Euro 84.3 mil. The seabed survey works have been completed and the industrialization of the cable has begun. The intentions of the municipality of Nea Makri remain still unspecified in relation to the permit for the use of shore line and adjacent sea area as well as for the permit to excavate for the subterranean part of the Transmission line which passes through the municipality of Nea Makri.

Cyclades Interconnection
In March 2011, the declaration of the project was put in public consultation with a deadline of July 2010. At the same time, the issues of the declaration were sent for approval to Special Secretariat for Competitiveness – Special Management Service of the Ministry of Finance due to the project being financed by the National Strategic Reference Framework (NSRF) by 35%. The approval was granted in April 2011. The declaration of the project was published in June 2011 with a submission deadline of mid – October 2011, which was further extended to January 2012, which was when the bids were unsealed. There were two offers and the procedure is now at the stage of technical evaluation. One of the bidders has applied to the Court Of State for Interim Measures against the submitted legal documents comprising the bid and the acceptance under certain conditions of the technical offer submitted by the other bidder. The project's budget amounts to Euro 400 mil.

Construction of High Voltage Center (HVC) in Aliveri and interconnection transmission line of 400 kV
The project refers to the interconnection of the new unit in Aliveri power station and its budget amounts to Euro 120 mil. The construction of the HVCs has been concluded in mid June 2012, while the 400KV interconnection line of Aliveri with the System –the one circuit only (both the overhead and subterranean parts)- is expected to be completed by November 2012. At the same time works have already been completed for the extraction of energy through the 150kV system should that become necessary.

14.7 HEDNO S.A.

Public Consultation of the Regulatory Authority for Energy (RAE) pertaining to the modification of the methodology for the definition of annual cost of the distribution network.
On May 17th, 2012 RAE in view of the issuance of decisions for the modification of the Distribution Network Operation Code and the definition of the annual cost for the Hellenic Electricity Transmission System (HETS) and the Hellenic Electricity Distribution Network (HEDN) for 2012 has set its views in public consultation and specifically for:
- The definition of the value of the regulated asset base
- The settlement of the allowed income for the network cost.

HEDNO jointly with the Parent Company, has commented, in June 2012 to RAE's views and has cited its own views- propositions for items regarding the Network. RAE's final decisions are expected (to which PPC group will be duly adjusted) while it is estimated that there will be no subsequent consequences to the financial results of 2012 for both HEDNO and the Parent Company.

Action against alternative suppliers for confirmed unsettled amounts of charges for the use of Network.
HEDNO has proceeded to the necessary legal actions (lawsuits, foreclosure measures) against alternative suppliers for unsettled amounts of charges for the use of network for clients of the Medium and Low voltage, which occurred in 2010, 2011 and 2012. The above mentioned unsettled charges amount to Euro 99.3 mil. HEDNO has established an equal provision which burdens the results for 2011 and 2012. Hearings for the above mentioned lawsuits will take place in 2014 and 2015.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Cost recovery for energy purchases by RES generators.
Based in L. 4001/2011, art. 129. para. 2 case h' HEDNO concludes contracts for purchasing energy generated by RES or CHP and are connected to the distribution network of the Non – Interconnected Islands and pays the amounts provided for in the above - mentioned contracts. HEDNO must recover the above-mentioned amounts fully, according to L. 4001/2011 through the special account that is managed by the Operator of the Electricity Market.
In July 2012, HEDNO has notified RAE of its views in relation to the procedure for the RES monthly billing in the Non- Interconnected Islands, based on the existing legal and regulatory framework and awaits RAE's response.
Presently, RES monthly billing in the Non- Interconnected Islands is realized through billings to PPC/Supply Department (energy purchased multiplied by the average variable cost of thermal units in the Non Interconnected Islands) as defined by RAE and any residual difference (positive or negative) is settled through billings between HEDNO and IPTO.

Operation license for the Distribution Network and Power Systems of the Non Interconnected Islands.
HEDNO based on L. 4001/2011 art. 126, para. 1 and art. 129, para.1 is obligated in three months' time by the completion of the spin –off to receive by RAE the operation license of the Hellenic Electricity Distribution Network as well as all systems of the Non Interconnected Islands.
In this context HEDNO has submitted in due time the relative dossier to RAE with all necessary data including inter alia drafts of contracts between HEDNO and the Parent Company providing for their relations pertaining to the Network management.

Conformity Program
In order to avoid discriminating behavior, partial company practices and competition's distortions during the exercise of its duties, HEDNO is obliged to run a conformity program (article 124, para.7, L. 4001/2011).
The program in question has been compiled by the conformity expert in collaboration with HEDNO and was submitted in due time for approval to RAE, which has set it in public consultation in July 2012.

14.8 BUSINESS COLLABORATION

Joint venture between PPC S.A. and URBASER S.A. – Participation in DIADYMA'S tender.
Waste Syclo, joint company of PPC S.A. and Spanish Urbaser S.A, established in February 2011, with Urbaser owning 51% and PPC 49% of the share capital, responsible for the study, performance of projects, rendering of all types of services related to waste management in general, electricity generation from waste management, and urban and industrial waste water treatment, within the territory of Greece, submitted on March 15th, 2011, an Expression of Interest in the Tender launched by DIADYMA (Waste Management System of Western Macedonia S.A.) for the Project of "construction and operation of a Waste-treatment plant, a Waste disposal site, Refuse disposal and treatment transport services" in Kozani, and was successfully pre-selected in Phase A of the tender in June 23rd 2011. The consultation phase regarding the tender documents of Phase B, which have been sent by DIADYMA to all candidates, is expected to be concluded.

Kosovo Energy Project – Cooperation with Contour Global
On March 5th 2010 the consortium PPC and Contour Global was short-listed together with another three (3) competitive consortiums to participate in the second phase of tender by the Ministry of Energy and Mining of Kosovo, regarding the development of the allocated portion of the Sibovc Lignite Field, the rehabilitation of Kosovo B and the construction of a new electric power generation plant with estimated installed capacity of 2X350 MW. This tender had been announced again in the past but it was never completed. Due to the past delays of the issuance of the final RfP, Contour Global has decided not to pursue further the Kosovo tender since November 2011. PPC is negotiating with another possible partner who is interested in replacing CG for participation in the specific tender.
In March 2012, the final version of the RfP was issued, according to which the deadline for submitting an offer was set for September 28, 2012.The specific date will probably be reviewed, along with other provisions of the RfP, following consultation between the contracting authority and the candidates..

International public tender in FYROM
In January of 2011, the Ministry of Economy of the FY Republic of Macedonia (FYROM), published an invitation for Prequalification Applications for granting a water concession for water usage for generation of electricity from Hydro Plants on Crna River and participating in Public – Private Partnership with ELEM (State Company for electricity generation of FYROM).

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

This involves the design, financing, construction, operation and maintenance of new hydro power plants Cebren (333 MW) and Galiste (193.5 MW) as well as operation of the existing hydro power plant Tikves (116 MW).. In December 15 2011, bids were submitted by PPC and Chinese CWE. Government of FYROM has not yet announced the first ranked bidder.

Business Collaboration between PPC S.A. and the Renewable Energy Saving Center, for investments in order to improve energy efficiency in the residential sector.
In April 2011 PPC's Board of Directors approved a business collaboration with the Centre for Renewable Energy Sources and Saving (CRES) for investments in order to improve energy efficiency in households. In February 2012 a contract was signed between PPC and CRES and the planning of the materialization of the individual provisions of the contract has begun.

Business Collaboration with Quantum Corporation Ltd and the Bank of Cyprus - PPC's participation in a public tender in Republic of Srpska of Bosnia- Herzegovina.
In June 2011, the government of Republic of Srpska of Bosnia-Herzegovina announced a public invitation for the submission of a "Letter of Interest" in the pre-qualification phase of a tender, for the research, construction and exploitation of four new hydro plants in the upper Drina In July 2011, PPC submitted a "Letter of Interest" to the government of Republic of Srpska for this project. It is noted that the deadline for participation in the tender expired on August 11th, 2011 and that except PPC, RWE and Chinese CWE have also submitted an offer.
Negotiations between PPC and the government of Republic of Srpska for awarding the above projects began in March 2012. Contracting Authority informed PPC in July 27th 2012 that they decided to cancel the negotiations with PPC and CWE.
At the same time, PPC - QUANTUM ENERGY LTD, a joint company founded by PPC, Quantum Corporation LTD and Bank of Cyprus, with share capital participation 51%, 40% and 9% respectively, whose objectives are studying, designing, founding, constructing, operating, managing and exploiting of power plants in the region of the Republic of Srpska, is expanding the purpose of its establishment and is planning and exploring future energy needs of Greece and Cyprus and is studying the interconnection between Greece and Cyprus, as well as between Israel – Cyprus – Greece. In this direction, PPC QUANTUM ENERGY LTD has signed a Memorandum of Understanding with Israeli Electric Cooperation regarding the feasibility study of an underwater cable which will transfer electrical energy from Asia to Europe. (EuroAsia Interconnector Project). .

Option for acquisition of DEPA shares
PPC maintains its option for the acquisition of a number of DEPA shares, based on L. 2593/1998, in accordance with a relevant contract signed between the Greek State and PPC S.A.
The medium term framework of fiscal strategy 2012-2015, described in L. 3985/2011 (O.G. A' 151/01.07.2011) and specifically in the Privatization Program 2011-2015, provides for, the sale of 55% of DEPA's share capital out of 65% currently owned by the Greek State, in the 4th quarter of 2011.
It also provides for the sale of 31% of DESFA out of 65% currently owned by the Greek State in the same period. Consequently PPC is negotiating with the Privatization Fund, regarding its option for the acquisition of a number of DEPA shares, in view of the target for the privatization of DEPA.
Based on L. 4046/2012 (OG 28/A/14.2.2012) by which the Memorandum of Understanding between the Hellenic Republic, the European Commission and the Bank of Greece, the Greek Government is committed to initiate the privatization of DEPA/DESFA after the separation of the Operator of the Natural Gas Distribution System, in accordance with the commitments of the new memorandum and controls the procedure in order to ensure competition in the market.
Specifically in the privatization program of the new memorandum as far as DEPA/DESFA is concerned the privatization procedure is to be initiated in the first quarter of 2012.
By Decision 187/06.09.2011 of the Interministerial Committee for Restructuring and Privatizations, the "Hellenic Republic Asset Development Fund (HRADF) S.A." and the Hellenic Republic jointly agreed on a contract dated 16.11.2011 by which the Hellenic Republic granted to HRADF the voting rights which derive by the Hellenic Republic's capacity as owner of DEPA shares. According to Decision 206/25.04.2012 of the Interministerial Committee for Restructuring and Privatizations the Hellenic Republic granted its DEPA shares to HRADF (O.G B' 1363/26.04.2012).
Following PPC's Board of Directors' decision 201/04.10.2011, which approved the common (along with the Hellenic Republic) appointment of an independent appraiser for the evaluation of PPC's option, HRADF and PPC appointed Citi as an independent financial advisor who has to submit its evaluation regarding PPC's fair compensation in case of resigning the above mentioned option. Citi will base its opinion on internationally recognized evaluation methods, to the extent that Citi considers intentional and necessary, both methodologies reported in the original Option Agreement as well as the common views of both parties.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Excise duty on fuel
After the ratification, on June 30, 2011, of the measures for the application of the medium term fiscal strategy 2012-2015, a new excise tax is imposed on natural gas, amounting to 1.5 Euro/GJ and effective since September 1st, 2011 while the already existing excise tax on fuel oil was doubled, from 19 Euro/Mt to 38 Euro/Mt with a retrospective effect since June 27, 2011

Sale of PPC's share through the Privatization Fund.
In July 2011 and in application of the medium term fiscal strategy, the Privatization program of Law 3985 (O.G. A' 151) provided for the sale of 17% of PPC's share capital, currently owned by the Greek State, by the third quarter 2012. In Law 3986 (O.G. A'152) is stipulated that the sale will go through the Privatization Fund.
The Biministerial Committee for Reconstruction and Privatization, in order to realize the Greek Government's privatization program, has announced, the selection of the state's legal consultant covering Greek, international and European law, for the further privatization of PPC S.A. through the sale of shares and/or the sale generation units of the Company, and the assignment to ALPHA BANK S.A., BANK OF AMERICA MERILL LYNCH, CREDIT SUISSE SECURITIES (EUROPE) LIMITED and NATIONAL BANK OF GREECE as financial advisors. The law firm of "KYRIAKIDES, GEORGOPOULOS AND DANIOLOS ISAIAS Law firm" will act as legal advisor for matters of Greek law while "SHEARMAN STERLING LLP" will act as advisor for matters of international and European law.
By Decision of the Biministerial Committee for Privatizations (O.G B' 1363/26.04.2012), the Minister of Finance is authorized to stipulate with the "Hellenic Republic Asset Development Fund S.A." contracts by which the aforementioned company will exercise for the Hellenic Republic the voting rights which derive by the Hellenic Republic's capacity as owner of PPC's shares which correspond to a 17% of the share capital (39.440.000 shares) up to the completion of the privatization process as described in the Privatization Program of the Medium Term Fiscal Strategy 2012 – 2015 (L. 3985/2011, O.G. A' 151).

15. SIGNIFICANT EVENTS

Memorandum of Strategic Partnership with SILCIO Group
In January 2011, PPC's Board of Directors, approved the signing of a Memorandum of Strategic Partnership between PPC S.A. and SILCIO, a Greek Group of Companies - subsidiary of DAMCO ENERGY and INTERNATIONAL CONSTRUCTIONAL - for the joint establishment of a commercial Societe Anonyme, in which PPC S.A. will participate with 49%. The new entity will aim at promoting, through a national franchising network, integrated solutions for household photovoltaic systems, energy services and products for saving energy, as well as provision of services to PPC's customers, at the discretion of the Company. PPC S.A. will also participate by 49% in the share capital of the production facilities of photovoltaic equipment under the names PIRITIUM S.A. and SILCIO S.A. of the Group, which will provide the commercial company with the respective equipment.
The final partnership agreement will be signed once the necessary preparatory actions have been completed.

New Low Voltage Tariffs 2012
PPC SA, after on opinion of RAE and the decision of the Ministry of Environment, Energy and Climate Change, announced the new Low Voltage tariffs, applicable from January 5th, 2012.
According to these tariffs:
The weighted average tariff increase at low voltage reached 9.2%, including taxes on electricity, excluding the levy for Renewable Energy Sources (RES).
The Social Residential Tariff remains unchanged, as well as the tariffs for families with four or more protected children.
The increase in electricity bills for residential customers is ranging from 9.0% to 12.1%, Out of the weighted average increase 9.2% for the Low Voltage customers only 1.1% partly offsets the increase of PPC's expenditure costs. The remaining 8.1% refers to cost increases for:
-Public Service Obligations (PSOs) – due to the application of the Social Residential tariff, the excise duties (tax) on fuel and diesel oil, increases on international liquid fuel prices etc., 3.5%
-Special Consumption tax on natural gas used for electricity generation 2.6%,
-Lignite levy 0.9% and
-VAT 1.1%

New Medium Voltage Tariffs 2012
In accordance with the regulatory framework, Medium Voltage tariffs were liberalised from January 1st, 2012. The new Medium Voltage tariffs of PPC are applicable for the customers' consumptions starting from February 1st, 2012.

15. SIGNIFICANT EVENTS (CONTINUED)

PPC prepared the new basic tariffs, taking into account:
-Company's cost data for 2012.
-Customers' consumption profile.
-Removal of distortions between customer groups.
-Simplification of the consumptions' pricing.

New High Voltage Tariffs 2012
The High Voltage tariffs, according to the regulatory framework, are liberalised. PPC, in the framework of the obligations arising from the existing legislation, has proposed unbundled alternative tariffs, concerning the competitive and the regulated components.. These tariffs were formed after long deliberations. PPC has formed the final high voltage tariffs notifying the clients as well, of the necessity to sign new contracts.In any other case PPC will denounce the contracts. The Company's Board of Directors gave a deadline for signing new contracts at June 30, 2012.

CO2 sale
PPC S.A. proceeded to a sale of 2,500,000 tones of EUAs of a total value of Euro 21 mil., in the context of the management of its portfolio of CO2 emission rights

IPTO undertook the operation of the Greek Power Transmission System
PPC S.A. announced that as of February 1st, 2012, the operation of the Greek Power Transmission System was undertaken by the Independent Transmission System Operator (IPTO), a subsidiary of PPC S.A. with a participation percentage of 94.6%, which was established pursuant to Law 4001/2011, in accordance with the model of the Independent Transmission Operator (ITO), as it is provided for by the EU legislation.

2012 Budget approved by PPC's Board of Directors
In March 2012, the Parent Company's Board of Directors approved the budget of the Group for 2012. The budget is based on assumptions for Brent oil at $109/bbl and a €/$ exchange rate of 1.30, while the key financials are estimated to be as follows:
Revenues from energy sales : € 5.7 bln.
Total Revenues : € 6.2 bln.
EBITDA Margin : 17% - 18%
It is noted that Group results are impacted, among other, by fluctuations in €/$ exchange rate, oil, natural gas and electricity prices and the price of CO2 emission rights, as well as changes in the legal, regulatory and fiscal framework and bad debt evolution, which could cause deviations from the budgeted figures.

Offsetting of claims against the State
PPC in the first quarter 2012, in collaboration with the Tax Office for Large Enterprises, has proceeded to an offset of sums due from Payroll Tax, Excise Tax in electric power and other taxes amounting to Euro 53 mil. with an equal amount due from Attica's traffic lights (which fall under the jurisdiction of the Ministry of Infrastructure, Transports and Networks until November 2011 and following that to the jurisdiction of the Attica Region). It is noted that the above mentioned amounts due to PPC exist since 1998 while until today PPC has resorted to the Administrative Courts which has decided in favor of PPC for 11 cases.

Income tax return for the year 2011
In April 2012, PPC has filed the tax return for the year 2011, to the competent revenue service and due to the fact that the year 2011 was a loss making year, an amount of Euro 129.8 mil. which was paid the previous year as an advance payment of income tax, was returned to PPC, on April 27^{th}, 2012.

Advance payment to PPC against sums due by Government Bodies
In April 2012 and based on L. 4075/2012 art. 58, PPC was paid an advance of Euro 50 mil. against overdue bills of electricity consumption by the General Government bodies. The amount of the above mentioned advance must be returned by August 31^{st}, 2012. Following negotiations with the General Accounting Department the above mentioned date is going to be extended and the definition of said extension is expected.

Expansion of the activities of PPC abroad and establishment of commercial subsidiaries
PPC is in the process for establishing the Joint Venture Companies in Bulgaria, Turkey and Georgia according to the decisions adopted by the Board of Directors in April 2012

Provision of guarantee in favor of its subsidiary PPC Renewables to HSBC Bank plc.
In June 2012 the Parent Company's Board of Directors has approved the provision of a guarantee to HSBC Bank plc, in favour of its wholly subsidiary PPC for a financing amounting to Euro 2 mil.

15. SIGNIFICANT EVENTS (CONTINUED)

Hellenic Electricity Distribution Network S.A. becomes operational

PPC. announced that, as of 1.5.2012, the Hellenic Electricity Distribution Network Operator S.A. (HEDNO S.A.) became operational.
HEDNO S.A. is a 100% subsidiary of PPC, following the spin-off of the Distribution segment and was established, according to Law 4001/2011 and in compliance to Directive 2009/72/EC of the European Union. HEDNO is responsible for the development, operation and maintenance of the Hellenic Electricity Distribution Network.

Collaboration between PPC and the University of Western Macedonia

In June 2012 PPC signed a collaboration agreement with the University of Western Macedonia. This agreement is the first one conducted between a university and a company and aims to the promotion of education and research by making use of PPC's expertise and enormous experience in the energy sector.

Annual Ordinary Shareholders' General Meeting

In June 2012 during the Annual Ordinary General Meeting of the Shareholders on June 26th, 2012, following the request by the Hellenic Republic which participates in the share capital of PPC with 51,12% and with the corresponding voting rights, it was decided to postpone the Meeting, pursuant to article 39 par. 3 of Codified Law 2190/1920, as applicable, in order for it to be held on July 12th, 2012, which was accordingly realized.

16. SUBSEQUENT EVENTS

HPP ILARION

In July 2012, PPC SA announced the tapping of the deviation tunnel of the Ilarionas hydro power plant was successfully completed, with the target to set the plant in trial operation shortly.

The total installed capacity of the plant is 165 MW and it is expected to generate, on an annual basis, approximately 330 GWh of net electricity.

VAT

The difference between VAT rates for income (13%) and expense (23%) has created a cumulative credit balance amounting to Euro 87.45 mil. until June 2012. The above mentioned credit balance was gradually crated since January 2012.
In July 2012, PPC has filed a request for VAT's reimbursement amounting to Euro 60 mil. based on the amount of VAT accumulated by the abovementioned difference in rates, by June 30, 2012.

Bond

In August 2012 PPC extended the repayment of a loan amounted € 85 mil, with an initial maturity in 25 August 2012 to 15 September 2012.

(All amounts in thousands of Euro, unless otherwise stated)

17. SEGMENT INFORMATION

Sales and inter segment results are as follows:

	Sales		Results	
	01.01.2012-30.06.2012	**01.01.2011-30.06.2011**	**01.01.2012-30.06.2012**	**01.01.2011-30.06.2011**
Interconnected system				
Mines	419,249	437,594	48,603	11,665
Generation	1,396,763	1,223,620	366,402	221,641
Transmission	-	140,277	-	69,903
Distribution Network	203,841	410,993	135,545	152,471
Supply	2,715,600	2,285,742	(447,084)	(151,356)
	4,735,453	**4,498,226**	**103,466**	**304,324**
Creta Network				
Generation	240,401	189,434	(2,756)	(13,066)
Distribution Network	11,288	25,193	5,066	5,674
Supply	157,342	143,036	1,059	5,876
	409,031	**357,663**	**3,369**	**(1,516)**
Non – Interconnected Islands System				
Generation	232,126	165,707	15,547	(23,118)
Distribution Network	19,970	24,203	12,565	(4,182)
Supply	138,647	122,138	10,867	9,822
	390,743	**312,048**	**38,979**	**(17,478)**
Operator of Island Network	-	325,432	**-**	**-**
Operator of Interconnected Network	-	400,556	**-**	**-**
Financial expenses (Parent Company)	-	-	(123,571)	(105,267)
Eliminations (Parent Company)	(2,648,099)	(3,189,991)	-	-
Total (Parent Company)	**2,887,128**	**2,703,934**	**22,243**	**180,063**
IPTO S.A.	1,180,677	-	40,633	-
HEDNO S.A.	524,815	-	26,044	
Other Companies (Group)	11,378	(7,546)	4,352	5,413
Financial expenses (Group)	-	-	(14,954)	(73)
Eliminations (Group)	(1,666,015)	-	(31,427)	-
Income tax	-	-	(28,559)	(56,599)
Grand total (Group)	**2,937,983**	**2,711,480**	**18,332**	**128,804**

V. Figures and Information

PUBLIC POWER CORPORATION S.A.

Reg. No: 47829/06/B/00/2
Chalkokondyli 30 - 104 32 Athens

FINANCIAL DATA AND INFORMATION FOR THE PERIOD

January 1, 2012 - June 30, 2012

In accordance with the Decision 4/507/28.04.2009 of the Hellenic Capital Market Commission
(All amounts in thousands of Euro, unless otherwise stated)

The purpose of the following data is to provide users with general financial information about the financial condition and the results of operations of Public Power Corporation S.A. and PPC Group. Therefore, we recommend users that, before proceeding to any kind of investing activity or transaction with the Company, to access the company's web site where the financial statements and the auditor's review report, when is required are published.

Company's Web site:	www.dei.gr
Date of approval of financial statements from the Board of Directors:	August 30, 2012
Certified auditor accountant:	Papazoglou Panagiotis
Auditing company:	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Type of auditors' report:	Unqualified Opinion - Emphasis of matters

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
ASSETS	30.06.2012	31.12.2011	30.06.2012	31.12.2011
Tangible assets	13.816.066	13.702.609	11.906.571	11.885.466
Intangible assets, net	89.237	92.703	87.958	92.512
Other non- current assets	63.457	66.736	907.521	865.015
Materials, spare parts and supplies	865.824	847.585	625.584	793.809
Trade receivables	1.359.873	979.816	1.243.927	977.596
Other current assets	583.420	584.425	461.856	495.465
Available for sale financial assets	5.398	6.435	5.398	6.435
Cash and cash equivalents	226.756	364.495	93.033	339.539
TOTAL ASSETS	**17.010.031**	**16.644.804**	**15.331.848**	**15.455.837**
EQUITY AND LIABILITIES				
Share capital	1.067.200	1.067.200	1.067.200	1.067.200
Share premium	106.679	106.679	106.679	106.679
Other equity items	5.245.400	5.274.816	5.138.974	5.126.166
Equity attributable to shareholders of the parent (a)	6.419.279	6.448.695	6.312.853	6.300.045
Minority interests (b)	44.794	0	0	0
Total Equity (c)=(a)+(b)	6.464.073	6.448.695	6.312.853	6.300.045
Interest bearing loans and borrowings	3.415.710	3.565.542	3.092.449	3.142.670
Provisions / other non current liabilities	3.324.993	3.276.451	2.786.185	2.845.572
Short term borrowings	1.740.253	1.662.936	1.538.658	1.559.066
Other current liabilities	2.065.002	1.691.180	1.601.703	1.608.484
Total liabilities (d)	10.545.958	10.196.109	9.018.995	9.155.792
TOTAL EQUITY AND LIABILITIES (c) + (d)	**17.010.031**	**16.644.804**	**15.331.848**	**15.455.837**

STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Total equity at beginning of the period (01.01.2012 and 01.01.2011, respectively)	6.448.695	6.769.528	6.300.045	6.746.334
Total comprehensive income after tax	17.295	118.356	12.855	113.836
Dividends	(2.115)	(183.280)	0	(183.280)
Other	198	2.451	(47)	2.485
Equity at the end of the period (30.06.2012 and 30.06.2011, respectively)	**6.464.073**	**6.707.055**	**6.312.853**	**6.679.375**

ADDITIONAL DATA AND INFORMATION

1. The Group's companies with their respective addresses and participation percentages, as well as their unaudited tax years, that are included in the consolidated financial statements are listed below:

Full consolidation method:

Company	Note	% participation	Country of incorporation	Unaudited tax Years from
PPC S.A.		Parent Company	Greece	2009
PPC RENEWABLE SOURCES S.A.		100%	Greece	2009
HEDNO S.A. (ex PPC RHODES S.A.)		100%	Greece	1999
ITSO S.A. (ex PPC TELECOMMUNICATIONS S.A.)		94,59%	Greece	2007
ARKADIKOS ILIOS 1 S.A.		100%	Greece	2007
ARKADIKOS ILIOS 2 S.A.		100%	Greece	2007
ILIAKO VELOS 1 S.A.		100%	Greece	2007
ILIAKO VELOS 2 S.A.		100%	Greece	2007
SOLARLAB S.A.		100%	Greece	2007
ILIAKA PARKA DITIKIS MAKEDONIAS 1 S.A.		100%	Greece	2007
ILIAKA PARKA DITIKIS MAKEDONIAS 2 S.A.		100%	Greece	2007
HPP OINOUSA S.A.		100%	Greece	2010
PHOIBE ENERGIAKI S.A.	1	100%	Greece	2007
IAPETOS ENERGIAKI S.A.	1	100%	Greece	2007
PPC FINANCE PLC		100%	UK	-
PPC QUANTUM ENERGY LTD		51%	Cyprus	-

Equity method:

Company	Note	% participation	Country of incorporation	Unaudited tax years from
LARCO S.A.		11,45%	Greece	2002
SENCAP S.A.		50%	Greece	2006
WASTE SYCLO S.A.		49%	Greece	-
PPC RENEWABLES ROKAS S.A.		49%	Greece	2010
PPC RENEWABLES – TERNA ENERGIAKI S.A.		49%	Greece	2010
PPC RENEWABLES – MEK ENERGIAKI S.A.		49%	Greece	2010
PPC RENEWABLES NANKO ENERGY – MYHE GITANI S.A.		49%	Greece	2007
PPC RENEWABLES ELTEV AIFOROS S.A.		49%	Greece	2008
GOOD WORKS ENERGIAKI S.A. PHOTOVOLTAIKON ERGON		49%	Greece	2005
PPC RENEWABLES EDF EN GREECE S.A.		49%	Greece	2010
EEN VOIOTIA S.A.	2	46,60%	Greece	2007
AIOLIKO PARKO LOUKO S.A		49%	Greece	2008
AIOLIKO PARKO BABO VIGLIES S.A.		49%	Greece	2008
AIOLIKO PARKO LEFKIVARI S.A.		49%	Greece	2008
AIOLIKO PARKO AGIOS ONOUFRIOS S.A.		49%	Greece	2008
AIOLIKO PARKO KILIZA S.A.		49%	Greece	2008
RENEWABLE ENERGY APPLICATIONS LTD		49%	Cyprus	2010

1. In the second quarter of 2012 the above companies were acquired by the Group. Till the end of March 2012 they were consolidated from the associate company Good Works S.A.
2. It is consolidated by the associate company PPC Renewables EDF en Greece S.A. as it participates by 95% in its share capital.

Further information for the unaudited tax years of the Parent Company as well as Group's companies, is presented in Note 8 of the six month Financial Report

2. The accounting policies adopted in the preparation of the financial statements are presented in Note 3.2 of the six month Financial Report and are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2011, except from them which are presented in Note 3.2 and 5 of the six month Financial Report.
3. No burdens exist on the Group's fixed assets.
4. Adequate provisions have been established for all litigation.
5. Provisions of the Group and the Parent Company as of June 30, 2012 are as follows:

	Group	Company
a) Provision for litigation and arbitration	5.543	1.970
b) Tax provisions	10.677	10.677
c) Other provisions	136.906	93.317

6. Total payrolls of the Group and the Parent Company number 20.534 employees and 11.675 employees as of June 30, 2012 respectively (2011: 21.288 Group and Parent Company). Further information is presented in Note 1 of the six month Financial Report.
7. Sales and purchases of the Group and the Parent Company for the six month period ended June 30, 2012 as well as receivables and payables as of June 30, 2012 of the Group and the Parent Company, according to IAS 24 are as follows:

	Group	Company
a) Sales	83.597	268.976
b) Purchases	459.175	1.510.261
c) Receivables from related parties	380.020	997.422
d) Payables to related parties	270.252	1.214.435
e) Key management personnel compensations	957	720
f) Receivables from key management personnel compensations	-	-
g) Payables to key management personnel compensations	-	-

8. Capital expenditure of the Parent Company and the Group for the six month period ended June 30, 2012 amounted to Euro 409,4 million and of Euro 457,3 million respectively.

STATEMENT OF COMPREHENSIVE INCOME

	GROUP			
	01.01- 30.06.2012	01.01- 30.06.2011	01.04- 30.06.2012	01.04- 30.06.2011
Sales	2.937.983	2.711.480	1.405.019	1.337.005
Gross operating results	259.150	544.594	152.318	299.093
Profit / (Loss) before tax, financing and investing activities	163.983	268.322	90.373	108.698
Profit / (Loss) before tax from continuing operations	46.891	185.403	31.916	63.996
Profit / (Loss) after tax from continuing operations (a)	18.332	128.804	19.742	35.500
Profit / (Loss) after tax from discontinuing operations (b)	0	0	0	0
Profit / (Loss) after tax from (continuing and discontinuing operations) (a)+(b)=(c)	**18.332**	**128.804**	**19.742**	**35.500**
Distributed to:				
- Owners of the Parent	16.649	128.804	19.096	35.500
- Minority interests	646	0	646	0
Other comprehensive income after tax (d)	(1.037)	(10.448)	(1.977)	(2.680)
Total comprehensive income after tax (c)+(d)	17.295	118.356	17.765	32.820
- Owners of the Parent	17.686	118.356	17.119	32.820
- Minority interests	646	0	646	0
Earnings / (Loss) per share, basic and diluted (in Euro)	0,0762	0,5552	0,0823	0,1530
Profit before tax, financing and investing activities and depreciation and amortisation	483.350	603.809	251.475	276.138

	COMPANY			
		(restated)		(restated)
	01.01- 30.06.2012	01.01- 30.06.2011	01.04- 30.06.2012	01.04- 30.06.2011
Sales	2.887.128	2.563.565	1.370.049	1.261.892
Gross operating results	189.371	540.655	122.595	328.150
Profit / (Loss) before tax, financing and investing activities	89.102	186.801	55.293	66.473
Profit / (Loss) before tax from continuing operations	22.243	118.462	40.756	31.276
Profit / (Loss) after tax from continuing operations (a)	13.892	81.767	42.129	15.842
Profit / (Loss) after tax from discontinuing operations (b)	0	42.517	0	17.139
Profit / (Loss) after tax from (continuing and discontinuing operations) (a)+(b)=(c)	**13.892**	**124.284**	**42.129**	**32.981**
Distributed to:				
- Owners of the Parent	13.892	124.284	42.129	32.981
- Minority interests	0	0	0	0
Other comprehensive income after tax (d)	(1.037)	(10.448)	(1.977)	(2.680)
Total comprehensive income after tax (c)+(d)	12.855	113.836	40.152	30.301
- Owners of the Parent	12.855	113.836	40.152	30.301
- Minority interests	0	0	0	0
Earnings / (Loss) per share, basic and diluted (in Euro)	0,0599	0,5357	0,1816	0,1422
Profit before tax, financing and investing activities and depreciation and amortisation	377.157	492.827	199.820	219.685

STATEMENT OF CASH FLOW

	GROUP		COMPANY	
				(restated)
	01.01- 30.06.2012	01.01- 30.06.2011	01.01- 30.06.2012	01.01- 30.06.2011
Cash Flows from Operating Activities				
Profit / (Loss) before tax from continuing operations	46.891	185.403	22.243	118.462
Profit / (Loss) before tax from discontinuing operations	0	0	0	61.601
Adjustments:				
Depreciation and amortisation	357.942	372.914	323.587	340.747
Amortisation of customers' contributions and subsidies	(38.575)	(37.404)	(35.344)	(34.721)
Provision for CO2 emission rights	454	5.963	454	5.963
Fair value (gain) / loss of derivative instruments	668	0	668	0
Share of loss of associates	(488)	(1.349)	0	0
Interest income	(21.612)	(23.624)	(57.379)	(23.509)
Sundry provisions	140.294	54.644	95.306	55.474
Unrealised foreign exchange losses (gains) on interest bearing loans and borrowings	561	(821)	357	(843)
Unbilled revenue	(61.713)	0	(61.713)	0
Retirement of fixed assets and software	17.334	13.274	18.392	9.343
Amortisation of loan origination fees	2.703	2.742	2.254	2.742
Interest expense	126.263	95.777	112.308	79.733
Discontinuing operations	0	0	0	46.256
Working capital adjustments:				
(Increase) / Decrease in:				
Accounts receivable, trade and other	(417.995)	(199.804)	(321.096)	(256.099)
Other current assets	(8.509)	(33.917)	(2.031)	(34.003)
Materials, spare parts and supplies	(14.850)	(72.504)	(19.923)	(72.290)
Increase / (decrease) in:				
Trade and other payables	173.428	112.348	(146.941)	109.751
Other non-current liabilities	71.659	(3.840)	68.021	(3.841)
Accrued / other liabilities excluding interest	149.781	49.420	242.434	36.402
Income tax paid	(6.966)	(72.774)	0	(71.790)
Distribution business unit spin-off	0	0	216.998	0
Discontinuing operations	0	0	0	75.992
Net Cash from Operating Activities (a)	**517.270**	**446.448**	**458.595**	**445.370**
Cash Flows from Investing Activities				
Interest received	21.612	23.624	20.403	23.509
Capital expenditure of fixed assets and software	(479.107)	(462.138)	(416.871)	(405.891)
Proceeds from customers' contributions and subsidies	6.942	644	3.902	647
Investments in subsidiaries and associates	(2.328)	(30)	(2.000)	(30)
Distribution business unit spin-off	0	0	(120.167)	0
Discontinuing operations	0	0	0	(43.291)
Net Cash used in Investing Activities (b)	**(452.881)**	**(437.900)**	**(514.733)**	**(425.056)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	134.993	(52.128)	85.000	(65.000)
Proceeds from interest bearing loans and borrowings	567.500	593.000	540.000	593.000
Principal payments of interest bearing loans and borrowings	(775.569)	(301.421)	(695.986)	(176.718)
Interest paid	(129.017)	(95.938)	(119.347)	(79.894)
Dividends paid	(35)	(25)	(35)	(25)
Discontinuing operations	0	0	0	(140.555)
Net Cash used in Financing Activities (c)	**(202.128)**	**143.488**	**(190.368)**	**130.808**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**(137.739)**	**152.036**	**(246.506)**	**151.122**
Cash and cash equivalents at the beginning of the period	**364.495**	**620.449**	**339.539**	**617.040**
Cash and cash equivalents at the end of the period	**226.756**	**772.485**	**93.033**	**768.162**

9. Other Comprehensive income / (loss) after tax which was recognized directly in equity for the six month period ended June 30, 2012 are as follows:

	Group	Company
Profit / (Loss) from fair value available for sale valuation	(1.037)	(1.037)
Total	(1.037)	(1.037)

10. The progress regarding the terms of electricity supply between PPC S.A. and ALOUMINION S.A., is presented in Note 14.2 of the six month Financial Report.
11. Information regarding the negotiation of the differences and the receivables between PPC and DEPA which arise from the existing contract for the procurement of natural gas are presented in the notes 14.2 and 14.8 of six month Financial Report.
12. In July 2011 the Board of Directors of the Parent Company approved the agreement for the settlement of new debts incurred by LARCO's electricity consumption as well as the new contract for the procurement of lignite. Further information is presented in Note 12 of the Interim Financial Statements.
13. On April 23, 2012 HEDNO began its operation. Further information is presented in Notes 6 and 15 of the six month Financial Report.
14. According to the provisions of L. 4001/2011 IPTO is being assigned with the Hellenic transmission system operation (HETSO). The spin-off of PPC' s transmission activity was completed in the time limits defined by L. 4001/2011 (November 2011). Further information is presented in Note 4 of the six month Financial Report.
15. According to article 99 L. 4001/2011, the societe anonyme "Operator of the Hellenic Transmission System S.A." (HTS) transfer its activities apart from the operation of the Day Ahead Schedule which will be conducted by the independent "Operator of Electricity Market" (HEMO S.A.), to IPTO. HTSO' s above mentioned contribution was realized through spin-off which was typically and fully completed in the second half of 2012. IPTO' s share capital as a result of the above mentioned spin-off was increased by € 2.078. Further information is presented in Note 5 of the six month Financial Report.

Athens, August 30, 2012

CHAIRMAN & CHIEF EXECUTIVE OFFICER	Vice Chairman & Deputy CEO	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
ARTHOUROS ZERVOS	**KONSTANTINOS THEOS**	**GEORGE C. ANGELOPOULOS**	**EFTHIMIOS A. KOUTROULIS**