PUBLIC POWER CORPORATION S.A.

Interim Condensed
Consolidated and Separate
Financial Statements

September 30, 2013

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

The attached interim condensed separate and consolidated financial statements have been approved by the Board of Directors of Public Power Corporation S.A. on November 26th, 2013 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	ACCOUNTING DEPARTMENT DIRECTOR
ARTHOUROS ZERVOS	KONSTANTINOS DOLOGLOU	GEORGE C. ANGELOPOULOS	EFTHIMIOS A. KOUTROULIS

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PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

	GROUP				COMPANY			
		(restated)		(restated)		(restated)		(restated)
	01.01.2013-30.09.2013	**01.01.2012-30.09.2012**	**01.07.2013-30.09.2013**	**01.07.2012-30.09.2012**	**01.01.2013-30.09.2013**	**01.01.2012-30.09.2012**	**01.07.2013-30.09.2013**	**01.07.2012-30.09.2012**
REVENUES:								
Revenue from energy sales	4,348,919	4,347,472	1,492,446	1,544,979	4,336,515	4,330,360	1,489,388	1,534,876
Other	144,954	216,266	50,222	80,776	114,460	130,817	42,315	39,173
	4,493,873	**4,563,738**	**1,542,668**	**1,625,755**	**4,450,975**	**4,461,177**	**1,531,703**	**1,574,049**
EXPENSES:								
Payroll cost	539,612	532,728	178,256	171,824	298,520	294,572	100,348	96,766
Fuel	1,419,424	1,664,880	580,071	615,901	1,419,424	1,664,880	580,071	615,901
Depreciation and amortization	353,360	382,593	118,126	127,120	305,398	334,128	102,744	109,967
Energy purchases	1,260,003	1,389,894	484,048	577,665	1,274,547	1,393,468	490,125	575,362
Transmission system usage	-	16,868	(34,461)	(12,633)	169,459	165,192	21,650	17,484
Distribution system usage	-	-	-	-	316,488	302,730	106,200	104,623
Emission allowances	147,417	940	41,265	492	147,417	940	41,265	492
Provisions	270,557	229,457	81,577	87,008	268,939	185,137	86,869	89,850
Financial expenses	198,474	208,250	67,878	69,725	177,561	185,317	60,599	61,746
Financial income	(34,951)	(31,485)	(11,910)	(9,873)	(41,862)	(66,258)	(19,841)	(8,879)
Other (income)/ expense, net	281,410	4,820	152,940	(113,539)	156,930	(100,089)	114,179	(164,844)
Share of loss/(profit) of associates and joint ventures, net	(1,632)	(996)	(146)	(508)	-	-	-	-
Impairment loss of marketable securities	4,245	-	(482)	-	4,245	-	(482)	-
Foreign currency (gains)/ losses, net	(962)	565	(1,200)	(102)	(962)	565	(1,200)	(102)
PROFIT / (LOSS) BEFORE TAX	**56,916**	**165,224**	**(113,294)**	**112,675**	**(45,129)**	**100,595**	**(150,824)**	**75,683**
Income tax expense	(50,255)	(40,356)	(7,155)	(10,665)	(37,555)	(18,628)	5,339	(9,743)
NET PROFIT / (LOSS)	**6,661**	**124,868**	**(120,449)**	**102,010**	**(82,684)**	**81,967**	**(145,485)**	**65,940**
Attributable to:								
Owners of the parent		**122,711**		**100,499**				
Minority interests		**2,157**		**1,511**				
Earnings per share, basic and diluted	0.03	0.54	(0.52)	0.44				
Weighted average number of shares	232,000,000	232,000,000	232,000,000	232,000,000				

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PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(All amounts in thousands of Euro - except share and per share data)

	GROUP				COMPANY			
	01.01.2013-30.09.2013	**(restated) 01.01.2012-30.09.2012**	**01.07.2013-30.09.2013**	**(restated) 01.07.2012-30.09.2012**	**01.01.2013-30.09.2013**	**(restated) 01.01.2012-30.09.2012**	**01.07.2013-30.09.2013**	**(restated) 01.07.2012-30.09.2012**
Profit/(loss) for the period	**6,661**	**124,868**	**(120,449)**	**102,010**	**(82,684)**	**81,967**	**(145,485)**	**65,940**
Other Comprehensive income / (loss) for the period								
Other Comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods								
Profit/(Loss) from change of fair values of available for sale financial assets during the period	249	872	-	1,909	249	872	-	1,909
Net Other Comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	**249**	**872**	**-**	**1,909**	**249**	**872**	**-**	**1,909**
Items not to be reclassified to profit or loss in subsequent periods								
Actuarial gains/(losses)	(7,939)	(8,487)	(2,646)	(2,829)	(3,446)	(4,004)	(1,148)	(1,335)
Deferred taxes on actuarial gains/ (losses)	-	1,697	-	566	-	801	-	267
Deferred taxes due to the change of the income tax rate of fixed assets' revaluation surplus	(78,044)	-	-	-	(61,387)	-	-	-
Net Other Comprehensive income / (loss) not being reclassified to profit or loss in subsequent periods	**(85,983)**	**(6,790)**	**(2,646)**	**(2,263)**	**(64,833)**	**(3,203)**	**(1,148)**	**(1,068)**
Other Comprehensive income / (loss) for the period after tax	**(85,734)**	**(5,918)**	**(2,646)**	**(354)**	**(64,584)**	**(2,331)**	**(1,148)**	**841**
Total Comprehensive income / (loss) after tax	**(79,073)**	**118,950**	**(123,095)**	**101,656**	**(147,268)**	**79,636**	**(146,633)**	**66,781**
Attributable to:								
Owners of the parent		**116,793**		**100,145**				
Minority interests		**2,157**		**1,511**				

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PUBLIC POWER CORPORATION S.A.
INTERIM CONDENSED BALANCE SHEETS AS OF SEPTEMBER 30, 2013
(All amounts in thousands of Euro - except share and per share data)

	GROUP		COMPANY	
	30/9/2013	**(restated) 31/12/2012**	**30/9/2013**	**(restated) 31/12/2012**
ASSETS				
Non – Current Assets:				
Property, plant and equipment, net	12,890,273	12,903,591	11,122,688	11,143,858
Intangible assets, net	29,140	54,377	28,143	53,445
Available for sale financial assets	4,068	5,021	4,068	5,021
Other non-current assets	44,477	54,178	1,088,627	1,097,864
Total non-current assets	**12,967,958**	**13,017,167**	**12,243,526**	**12,300,188**
Current Assets:				
Materials, spare parts and supplies, net	825,472	855,337	623,712	629,599
Trade and other receivables, net and other current assets	1,712,397	1,765,681	1,648,834	1,703,579
Restricted cash	131,803	141,500	131,803	141,500
Cash and cash equivalents	259,077	279,427	173,275	221,208
Total Current Assets	**2,928,749**	**3,041,945**	**2,577,624**	**2,695,886**
Total Assets	**15,896,707**	**16,059,112**	**14,821,150**	**14,996,074**
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	4,189,868	4,284,610	3,481,223	3,559,308
Reserves	124,075	131,765	222,541	225,738
Retained earnings	1,056,902	1,039,337	1,619,130	1,690,976
Total Equity	**5,597,382**	**5,682,249**	**5,549,431**	**5,702,559**
Non-Current Liabilities:				
Interest bearing loans and borrowings	3,244,040	3,302,887	3,072,503	3,026,223
Provisions	666,829	647,197	395,497	380,561
Other non-current liabilities	2,618,861	2,546,126	2,454,520	2,399,647
Total Non-Current Liabilities	**6,529,730**	**6,496,210**	**5,922,520**	**5,806,431**
Current Liabilities:				
Trade and other payables and other current liabilities	1,911,546	1,949,766	1,813,383	1,790,061
Dividends payable	154	175	154	175
Income tax payable	58,637	128,619	48,378	116,392
Short-term borrowings	100,000	301,529	50,000	241,500
Current portion of interest bearing loans and borrowings	1,699,258	1,500,564	1,437,284	1,338,956
Total Current Liabilities	**3,769,595**	**3,880,653**	**3,349,199**	**3,487,084**
Total Liabilities and Equity	**15,896,707**	**16,059,112**	**14,821,150**	**14,996,074**

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PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEPTEMBER 30, 2013

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

	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Fair value of available for sale financial assets	Tax-free and Other Reserve	Other Reserves Total	Retained Earnings	Total	Minority Interests	Total Equity
Balance, December 31, 2011	**1,067,200**	**106,679**	**107,491**	**4,984,663**	**(947,342)**	**(249)**	**53,369**	**53,120**	**973,961**	**6,345,772**	**-**	**6,345,772**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	122,711	122,711	2,157	124,868
Other comprehensive income/(loss) for the year recognized directly in equity	-	-	-	-	-	872	(6,790)	(5,918)	-	(5,918)	-	(5,918)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**872**	**(6,790)**	**(5,918)**	**122,711**	**116,793**	**2,157**	**118,950**
Transfers from retirements of fixed assets	-	-	-	(17,521)	-	-	-	-	17,521	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-		-
Transaction between parties under common control	-	-	-	(40,181)	-	-	-	-	(12,133)	(52,314)	54,392	2,078
Other	-	-	-	-	-	-	-	-	1,013	1,013	-	1,013
Balance, September 30, 2012	**1,067,200**	**106,679**	**107,491**	**4,926,961**	**(947,342)**	**623**	**46,579**	**47,202**	**1,103,073**	**6,411,264**	**56,549**	**6,467,813**
Balance, December 31, 2012	**1,067,200**	**106,679**	**107,491**	**4,284,610**	**(947,342)**	**(249)**	**24,523**	**24,274**	**1,039,337**	**5,682,249**	**-**	**5,682,249**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	6,661	6,661	-	6,661
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	(78,044)	-	249	(7,939)	(7,690)	-	(85,734)	-	(85,734)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**(78,044)**	**-**	**249**	**(7,939)**	**(7,690)**	**6,661**	**(79,073)**	**-**	**(79,073)**
Transfers from retirements of fixed assets	-	-	-	(16,698)	-	-	-	-	16,698	-	-	-
										-		-
Dividends	-	-	-	-	-	-	-	-	(5,800)	(5,800)		(5,800)
Other	-	-	-	-	-	-	-	-	6	6	-	6
Balance, September 30, 2013	**1,067,200**	**106,679**	**107,491**	**4,189,868**	**(947,342)**	**-**	**16,584**	**16,584**	**1,056,902**	**5,597,382**	**-**	**5,597,382**

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PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

SEPTEMBER 30, 2013

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

	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Fixed Assets Statutory Revaluation Surplus	Other reserves: Fair value of available for sale financial assets	Other reserves: Tax-free and Other Reserve	Other reserves: Other Reserves Total	Retained Earnings	Total Equity
Balance, December 31, 2011	**1,067,200**	**106,679**	**107,491**	**4,211,132**	**(947,342)**	**(249)**	**128,599**	**128,350**	**1,598,842**	**6,272,352**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	81,967	81,967
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	-	-	872	(3,203)	(2,331)	-	(2,331)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**-**	**-**	**872**	**(3,203)**	**(2,331)**	**81,967**	**79,636**
Transfers from retirements of fixed assets	-	-	-	(17,521)	-	-	-	-	17,521	-
Transfers from retirements of HEDNO	-	-	-	(38,603)	-	-		-	38,603	-
Other	-	-	-	-	-	-	-	-	(47)	(47)
Balance, September 30, 2012	**1,067,200**	**106,679**	**107,491**	**4,155,008**	**(947,342)**	**623**	**125,396**	**126,019**	**1,736,886**	**6,351,941**
Balance, December 31, 2012	**1,067,200**	**106,679**	**107,491**	**3,559,308**	**(947,342)**	**(249)**	**118,496**	**118,247**	**1,690,976**	**5,702,559**
Net income /(loss) for the period	-	-	-	-	-	-	-	-	(82,684)	(82,684)
Other comprehensive income/(loss) for the period recognized directly in equity	-	-	-	(61,387)	-	249	(3,446)	(3,197)	-	(64,584)
Total Comprehensive income/(loss) for the period after tax	**-**	**-**	**-**	**(61,387)**	**-**	**249**	**(3,446)**	**(3,197)**	**(82,684)**	**(147,268)**
Transfers from retirements of fixed assets	-	-	-	(16,698)	-	-	-	-	16,698	-
Transfers	-	-	-	-	-	-	-	-	(5,800)	(5,800)
Dividends	-	-	-	-	-	-		-		-
Other	-	-	-	-	-	-	-	-	(60)	(60)
Balance, September 30, 2013	**1,067,200**	**106,679**	**107,491**	**3,481,223**	**(947,342)**	**-**	**115,050**	**115,050**	**1,619,130**	**5,549,431**

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PUBLIC POWER CORPORATION S.A.

INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

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

	GROUP		COMPANY	
	01.01.2013-30.09.2013	**(restated) 01.01.2012-30.09.2012**	**01.01.2013-30.09.2013**	**(restated) 01.01.2012-30.09.2012**
Cash Flows from Operating Activities				
Profit / (loss) before tax	56,916	165,224	(45,129)	100,595
(Loss) / Profit before tax from discontinuing operations	-	-	-	-
Adjustments :				
Depreciation and amortization	516,094	538,325	464,033	485,330
Amortization of customers' contributions and subsidies	(57,102)	(57,566)	(53,003)	(53,036)
Interest expense	181,188	194,289	161,274	172,341
Other adjustments	226,973	130,698	220,118	54,553
Changes in assets	(120,229)	(741,180)	(150,313)	(741,886)
Changes in liabilities	(129,180)	578,253	(61,543)	570,852
Distribution business unit spin-off	-	-	-	216,998
Net Cash from Operating Activities	**674,660**	**808,043**	**535,437**	**805,747**
Cash Flows from Investing Activities				
Capital expenditure/(disposal) of fixed assets and software	(483,455)	(646,985)	(401,900)	(592,897)
Proceeds from customers' contributions and subsidies	2,213	9,187	2,144	5,671
Interest and dividends received	34,951	31,485	33,381	66,258
Investments	(3,258)	(2,489)	(3,044)	(4,000)
Distribution business unit spin-off	-	-	-	(120,167)
Net Cash used in Investing Activities	**(449,549)**	**(608,802)**	**(369,419)**	**(645,135)**
Cash Flows from Financing Activities				
Net change in short term borrowings	(70,029)	104,831	(60,000)	55,000
Proceeds from interest bearing loans and borrowings	285,000	810,000	285,000	782,500
Principal payments of interest bearing loans and borrowings	(276,782)	(1,052,367)	(272,009)	(968,011)
Interest paid	(177,829)	(193,247)	(161,121)	(174,528)
Dividends paid	(5,821)	(35)	(5,821)	(35)
Net cash used in Financing Activities	**(245,461)**	**(330,818)**	**(213,951)**	**(305,074)**
Net increase/ (decrease) in cash and cash equivalents	(20,350)	(131,577)	(47,933)	(144,462)
Cash and cash equivalents at the beginning of the period	279,427	364,495	221,208	339,539
Cash and cash equivalents at the end of the period	**259,077**	**232,918**	**173,275**	**195,077**

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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.
In 2007 the Parent Company proceeded to the spin- off of its RES activity and its contribution to its wholly owned subsidiary PPC Renewables S.A.
On 01.12.2011 the Parent Company proceeded to the spin – off of its General Division of Transmission and the contribution to its wholly owned subsidiary "Independent Power Transmission Operator" (IPTO S.A.).
On 01.05.2012 the spin –off of the General Division of Distribution was completed by its contribution to PPC's wholly owned subsidiary "Hellenic Electricity Distribution Network Operator" (HEDNO S.A.).
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 September 30, 2013, the number of staff employed by the Group was 19,531 (2012: 20,367). At September 30, 2013 106 employees (2012: 112), have been transferred to several State agencies (ministries, organizations, etc.) out of which, 98 were compensated by the Group (2012: 90). The total payroll cost of such employees, at September 30, 2013, amounted to Euro 3,126 (2012: Euro 2,785), and is included in the income statement.
Additionally, PPC's transferred employees in TAYTEKO-TAP/DEI amounted to 434 while at IKA- TAP/DEI PPC'S transferred employees amounted to 37 in the 3Q 2013, for whom payroll at September 30, 2013, amounted to Euro 14,703.
PPC Group generates electricity in its own 63 main power generating stations of the Parent Company as well as in stations of Renewable Sources, Small Hydroelectric stations and Photovoltaic stations which belong to its wholly owned subsidiary PPC Renewables, facilitates the transmission of electricity through its own power lines of 12,146 kilometres (out of which 11,197 belong to its 100% owned subsidiary "IPTO S.A") and distributes electricity to consumers through its own distribution lines for Medium and Low voltage of 232,650 kilometres which are managed by its wholly owned subsidiary "Hellenic Distribution Network Operator (HEDNO)" (Medium and Low voltage).
Lignite consumed by the Parent Company's lignite-fired power stations is extracted mainly from its own lignite mines.
Group PPC has also constructed approximately 1,915.9 kilometres of fibre-optic network along its transmission lines, approximately 161.6 kilometres of urban underground fibre optics network and approximately 17.2 kilometres of underwater fibre optics network.

2. CHANGES IN THE LEGAL FRAMEWORK

GENERAL PROVISIONS FOR THE INTERNAL ELECTRICITY MARKET

- The Article 12 of Law 4138/2013 amends and complements the A.6 of L.3486/2011. The amendment concerns the right given to HRADF to ask from the companies of which it is a shareholder or on the shares of which it carries voting rights as well as from the companies' of which assets have been transferred to HRADF for transfer in view of their privatization, all the information relating to the legal entity and is, depending on the particular characteristics of each company, necessary so that the shortlisted candidates can evaluate the assets and liabilities, the financial position, the profits and losses and the prospects of the company, solely for the purpose of carrying out the legal, financial and technical audit of these companies (due diligence) in the context of privatization. The above information also includes information classified as confidential under contracts binding these companies, where such contracts are governed by Greek law.
  On 28.04.2013 the Law 4152 was enacted, (OG A' 107/09.05.2013), according to which:
  - A new Extraordinary Special Tax (EETA) on structured surfaces electrified at any time during the period from 01.05.2013 until 31.12.2013 was imposed, with characteristics similar to those of Electrified Surfaces Special Tax (EETIDE), reduced by 15%.
  - RES issues ale also Included and especially:
    - issues on network access

2. CHANGES IN THE LEGAL FRAMEWORK (continued)

- the establishment of an annual fee for maintaining the right to hold the electricity generation licence of 1.000 Euro/MW, which is paid in the first quarter of each calendar year to EMO's special account of Article 40 of Law 2773/1999
- amendments of Law 4001/2011 on producers and suppliers payments relating to the revenues of the special account of Article 40 of Law 2773/1999, and more specifically it states that the amounts paid by producers and suppliers as part of the Daily Energy Planning and of Imbalances Settlement will reflect at least the weighted average variable cost of conventional thermal stations and will represent the energy injected by priority in the system. This means that the RES energy buys are paid through the operation of the market either on the weighted average variable cost of the conventional thermal power plants or on the System Margin Price, whichever is the greater. This change started being applied from 14.08.2013, when RAE's Decision 366/2013 was published in official gazette amending the relevant provisions of the Power Exchange Code and specializing the calculation methodology with which the provision of law was implemented.
- settings for P/V stations, which inter alia provide for the suspension of contracts until December 31, 2013 with the System or Network including the Network of Non-interconnected islands (excluding the "Special Development Program of Photovoltaic Systems in buildings and especially in roofs of buildings"), and form new rates for the extraordinary special levy on the revenue of producers of electricity from RES and CHP.

- By the Ministerial Act 15/24.7.2013 (OG A 168/24.07.2013) the restructuring and privatization of PPC was approved, which includes three main steps :
  1. Ownership unbundling of IPTO SA.
  2. Creation of a new integrated electricity company (providing in detail the process of selling).
  3. Privatization of PPC.
    1. The ownership unbundling of IPTO will be realized through capital increase in favor of an investor, with the following schedule:
    Phase I: investor participation through capital increase (acquisition rate up to 49% of IPTO), and takeover of the company management by the investor (estimate up to December 2013).
    Phase II: Contractual obligation of the preferred investor to obtain an additional 51% of the share capital of IPTO by PPC (completion : 2nd quarter of 2014).
    2. Creation of a new integrated electricity company (in terms of assets, human resources and customer base), which will be given about 30% of PPC generation as well as a proportion of the PPC Supply General Directorate activities. Consequently, the generation mix and the customer base of the new company will proportionally reflect the respective sections of PPC. Overall, the new company will receive from PPC approximately 1.400 MW of lignite-fired units, with impartial access to lignite mines necessary for their adequate supply, 500 MW of hydro generation and 500 MW of natural gas generation. The exact potential and the components to be transferred, in order to form the productive base of the new company, will be determined with greater accuracy by the end of June 2013 following consultation with the European Commission and based on a list of PPC assets which will be notified to the European Commission by the end of May 2013. The timetable for the privatization of the new company through PPC, with the assistance of HRADF, will start in order for the above procedure to be completed in the first quarter of 2015. The operations of the new company will begin in the same year.
    3. Plan and timetable for the privatization of PPC, which concerns the disposal of shares representing a 17% share, held by the Greek government, preferably by attracting strategic investors (completion at the end of 2015 or in the first quarter of 2016).

For all the above the Minister of Finance and the Minister of Environment, Energy and Climate Change were jointly authorized to make amendments to this Plan or any part of it, and in particular regarding the definition and the schedule of implementation of the individual phases and stages, provided that substance of the Ministerial Act is not altered.

- RAE announced (Decisions 338/2013 and 339/2013) the specific regulatory measures of limited duration (up to September 30, 2014), which are designed to maintain the fragile equilibrium in this particularly difficult economic environment, supporting on the one hand the technical and economic capacity of the existing infrastructure to ensure uninterrupted electricity supply in the country and on the other hand gradually creating the right conditions in the domestic market so that to enable the development of sustainable and efficient competition. These new conditions will and must allow cost recovery of the infrastructure operation and maintenance with the most effective and efficient manner, for the benefit of the final consumer and the competitiveness of the Greek economy.

2. CHANGES IN THE LEGAL FRAMEWORK (continued)

The regulatory measures adopted by RAE are:

a) Immediate withdrawal of the margin of the variable cost recovery mechanism, i.e. from 10% today to 0%. The mechanism itself will be fully repealed on 1st July 2014.
b) Removal, from 1st January 2014, of the 30% rule on the tender of the plants.
c) Direct reorganization of the capacity assurance transitional mechanism. The existing mechanism remains in force, with the following important differences:
   - The units of PPC S.A of total capacity 1,249 MW (UCAP), which are practically inoperative, are not included in the list of units receiving capacity availability payments (CAP).
   - The total of the remaining available units, of total capacity 10,339 MW (UCAP), are entitled to receive payments from the transitional capacity assurance mechanism as valid now.
   - The natural gas plants (combined cycle and open cycle gas turbine), of total capacity 3,998 MW (UCAP), issue a second CAP for their available capacity and are also entitled to get payment from the transitional capacity assurance mechanism.
   - The suppliers are required to participate in the transitional capacity assurance Mechanism with an amount equal to 56,000 Euro / MW / year, based on the actual consumption of their customers, and taking into account the Network RES dispersed generation, in the measured peak at the System limits.

These measures, as already noted, will be applied until the new mechanisms and measures that already have been proposed and specified by the RAE, under the initiative of the overall reorganization of the domestic electricity market, will replace them. These new mechanisms are referring particularly to the third party access to lignite and hydro production through NOME type auctions.

- In the framework of the domestic energy market reorganization, in view of the target model and particularly of the proposals on energy auctions (NOME), RAE conducted a regular international open tender to select a contractor for the project “cost audit/benchmarking of PPC’s and its subsidiaries cost in the System and the Network (IPTO S.A. and HEDNO S.A.) - Strategy and regulatory measures proposals for achieving the existing margin improvement of that cost - Related roadmap and timetable". The Contractor for the development of the project is the consulting company «ERNST & YOUNG BUSINESS ADVISORY SOLUTIONS SA».
  The main objectives of the project are:
  1. Cost audit of PPC and its subsidiaries IPTO SA and HEDNO SA
  2. Benchmarking against best practices (internal and competitors)
  3. Improvement suggestions and strategy recommendations for next steps

  The above mentioned cost audit is in progress.

- The second tender launched by RAE refers to selecting a contractor for the project "Technical Support to RAE on methodologies and procedures for determining users access tariffs (connection and usage) in transmission and distribution activities. The selected Consultant will perform the following tasks:
  - Overview of international practice and experience
  - Identification of best practices
  - Proposed methodology to be applied in Greece
  - Charges for access to networks : a comparative analysis and recommendations
  - Network Usage Charges (Transmission and Distribution)
  - Connection charges in the Transmission System and the Distribution Network

HELLENIC ELECTRICITY TRANSMISSION SYSTEM (HETS)

- IPTO SA was certified as Independent Transmission System Operator, as defined by Law 4001/2011 (Official Gazette B 899 - 04/15/2013), following RAE’s Decision 962A/2012. In this context the IPTO SA shall:
  a) accomplish the complete separation of the computerized payroll system of the company from that of PPC until 30.04.2013(the separation was completed and IPTO’s payroll application is independent).
  b) change the accounts inspection Firm (Auditor) every two fiscal years, provided that that Firm does not simultaneously provides services to PPC.
  c) notify to RAE, according to p. 6 of Article 113 of Law 4001/2011, any proposed transaction, corporate change, or any event that may require a reassessment of the conditions under which the certification was granted, and in particular in the case of general Managers of the Company appointment, or any change to the Board of Directors, or persons referring directly to it, as well as the Supervisory Board or the Compliance Officer of the Operator.

2. CHANGES IN THE LEGAL FRAMEWORK (continued)

- The transmission system use charges were defined for the year 2013, with entry into force and implementation on 01.02.2013 (RAE Decision 1016/2012). The new charges result into reductions to all customers categories.
- In order to clarify the "liability" limit of the Transmission Operator to third parties in exercising their powers and especially in an emergency situation, as defined in the relevant Codes, it was decided to amend the Power Exchange Code and the Code of HETS so that the System Operator, when exercising its powers in unbridled diligence, will not be liable without prejudice to the case proving that it is responsible for any damage caused to a third party in the emergency situation (RAE Decision 94/2013).
- The Unit Cost of Losses was defined in the context of implementation of the compensation mechanism between Electricity Transmission System Operators for the year 2013, to 68.119 Euro / MWh, versus 65.07 Euro/MWh which was in force for 2012 (RAE Decision 21 / 2013 - OG B' 415/25.02.2013).

HELLENIC ELECTRICITY DISTRIBUTION NETWORK (HEDN)

- The distribution network use charges were defined for the year 2013, with entry into force and implementation on 01.02.2013 (RAE Decision 1017/2012). The new charges result into reductions to all customers categories.
- Following the positive opinion of RAE (Opinion 10/2012) the Ministry of Environment, Energy and Climate Change approved the large scale gradual replacement of the existing metering systems of the end – customer electricity consumption in the HEDN with respective intelligent metering systems, in accordance with Article 59 of N. 4001/2011 (OG B' 297/13.2.2013). The replacement will start no later than 01.07.2014 and until 30.06.2017 40% of the existing systems will be replaced and up to 31.12.2020 at least 80% of the existing ones will be replaced with corresponding intelligent ones.
- The average variable cost of electricity generation from conventional power plants in the non-interconnected islands was defined for the first half of 2013, at 180,53 Euro/MWh. The relevant one for the second half of 2013 was determined at 188,19 Euro/MWh (RAE Decision 468/2013 – OG B' 2852/11.11.2013).
- Following the recommendation of the Non Interconnected Islands Operator, HEDNO S.A, of 13.05.2013 for the electricity generation in the non-interconnected islands and the cost of this, discrete for Crete, Rhodes and the rest of them in 2012, RAE with its decision 356/2013(OG B 1981/14.08.2013) determined the out turn average variable cost of that electricity generation (for the previous year), applying Article 143 of Law 4001/2011, to 191.98 Euro / MWh.
- The new modified Management Measures and Periodical Network Suppliers Settlement Manual was also published (RAE Decision 182/2013), which complies with the settings of the Electricity Supply Code, and in particular to the termination of the supply contracts. The new regulations are aiming at:
  - The acceleration of the switching process in favor of the consumer,
  - The distinction of the shutdown meter process due to a debt from the suspension of representation load meter associated with the termination of the relevant supply contract and
  - The improvement of the information provided by the HEDNO to suppliers for the better functioning of the market and avoiding the unnecessary suffering of consumers.

CODES AND MANUALS

- The Manual of the Grid Control Code was approved by RAE, consisting of seven (7) individual manuals prepared by ADMIE as follows :
  - Dispatching Manual,
  - Market Manual
  - Market Settlement Manual
  - Capacity Assurance Mechanism Manual
  - Meters and Measurements Manual
  - General Provisions Manual
  - Vocabulary Manual

  The Manual of the Power Exchange Code was also approved (OG B' 52/16.01.2013).
- The new Electricity Supply Code was approved (OG B' 832/09.04.2013), the validity and application of which start from the publication in this Gazette. The adaptation of existing contracts to its provisions should be completed within three (3) months from the date of publication.
- The unit charges, the uplift coefficients and other parameters for the calculation of the Non-Compliance Charges due to non legal Offers and Declarations for the calendar year 2013 were defined by RAE (RAE Decision 24/2013 - OG B '415/25.02.2013). For PPC, as an electricity supplier, the tolerance limit (BAL_TOL) was increased from 10% to 11%, in effect from 01.01.2013.

2. CHANGES IN THE LEGAL FRAMEWORK (continued)

- The provisions of the Power Exchange Code and Manual, with respect to the methodology for the allocation of payments to producers due to DAS deficits, were modified (RAE Decision 58/2013 – OG B'1792/25.07.2013). The abovementioned methodology was submitted by the market operator (EMO) and ensures the equal participation of all stakeholders in the DAS. For covering the transactions deficit, for the smooth settlement procedure of DAS, EMO uses the guarantees submitted by the Participant.
- By its Decision 367/2013 (OG B' 1982/14.08.2013) RAE approved the new revised Power Exchange Code Manual. The Manual incorporates the requirements of the provisions of the Ministerial Decision Δ5-ΗΛ/Γ/Φ1/oik.23278 (OG B' 3108/23.11.2012) on the High Performance Cogeneration Units (the "CHP"), as well as the details for determining the heat specific consumption function of the dispatched CHP units, as issued by RAE in its decision of 27.12.2012 (OG B' 502/5.3.2013). Moreover, it includes replacements and additions so as to be in compliance with the requirements of RAE Decision 53/2013 on the amendments to the provisions of the Power Exchange Code, and any amendments to the "methodology of the payments allocation to producers due to deficits of the Day Ahead Schedule" according to RAE Decision 285/2013.
- For the purposes of the Capacity Assurance Mechanism, it was decided (RAE Decision 455/2013 – OG B 2468/02.10.2013) for the System Operator not to use the maximum hourly demand based only on the previous reliability year's figures but on the previous three similar ones, with relevant amendments in the Article 189 of the Grid Control Code of the Greek Electricity Transmission System.
- The Market Operator published on its website a new version (version 2.3) of the Power Exchange Code, which includes changes related to:
  - the transitional DAS Settlement process (art.92)
  - the additional income of the special account for the RES according to L.4152 (art.72)
  - the abolition of the "Rule of 30% " for the thermal units energy offers and
  - the Priority Declarations of the dispatched CHP Units.
- RAE has approved the proposal to amend the Power Exchange Code and the Manual of the Power Exchange Code submitted by the Market Operator (EMO) regarding the "Mechanism for limiting the financial risk by DAS operation".

SUPPLIER OF LAST RESORT (SLR) – UNIVERSAL SERVICE PROVIDER (USP)

- Following RAE's calls for expression of interest, PPC SA was appointed the provider of these services for a period of 5 years, with the following conditions on the available tariffs (OG B' 682/22.03.2013):
  - PPC will publish, annually, the tariffs which will apply per customer category (or the calculation methodology of the charge applied in case of non- published tariffs for the specific customer category in the case of SLR), for the provision of the above services.
  - The implementation of the tariffs or the methodologies requires the consent of RAE on an annual basis in order to ensure that they reflect the prevailing conditions in the wholesale and retail electricity market, throughout the period of 5 years.
  - Increase of all applicable High Voltage Customers charges at 5%, for the supply under the SLR regime.
  - Increase by 12% on both the applied supply tariffs of MV & LV Customers for the supply under the SLR regime, and on valid tariffs for specific LV customers category of PPC (household customers and small businesses with supply power up to 25kVA) who are entitled to universal service.

PUBLIC SERVICE OBLIGATIONS (PSOs)

- To ensure public service obligations supply (PSOs) in the electricity sector, a legislative regulation was published (L.4067/2012 - OG A' 79 / 9.4.2012) according to which, from 1.1.2012 the persons liable for the PSOs are the respective users of each electricity supply, in order for the companies of the electricity sector to continue to provide those services and the users are paying them to electricity suppliers with a distinct charge to the bills they receive. By the effect date of the above mentioned Law the Ministerial Decision of the Ministry for the Environment, Energy and Climate Change ΗΛ/Β/Φ.1.17/2123/2857/2010 and RAE' Decision 1527/2011 are abolished.
- The max annual Customer charge limit per consumption point to cover the PSOs supply charges for the year 2013 was determined to 811,278 Euro (RAE Decision 55/2013, OG B 477/28.02.213).
- The recipients of the household tariff as well as the large families tariff will be exempted from the public services charges on the total daily consumption (L.4123/2013-OG A' 43).
- According to Ministerial Decision (YAPE/Φ1/οικ.28287/12.12.11), 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. The presumptive unit credit for the year 2013 was determined to 140.23Euro/MWh (RAE Decision 73/2013 OG B'515/06.03.2013).

2. CHANGES IN THE LEGAL FRAMEWORK (continued)

- Under the new Electricity Supply Code the vulnerable customers Registry was created, with the criteria, conditions and procedures for inclusion of an electricity customer in this category to be included in a ministerial decree of YPEKA. It's mentioned that two new categories of vulnerable customers were created, first for persons attaining the seventieth (70th) year of age and not cohabiting with another person who has not attained the above age limit and secondly for people who have more than three dependent children. Consumers who are beneficiaries of the Social Household Tariff and have already been integrated in it, are automatically integrated in the Register of the vulnerable customers without having to submit a request.
- According το L. 4203/2013, the non -profit charitable legal entities of public and private law are included in the PSO special rates, because of supporting vulnerable customers and vulnerable social groups.
- RAE, by Opinion 6/2013, requested the amendment of the Social Household Tariff Decision (OG B' 1403/6.9.2013) for the expansion of the income and social conditions of the beneficiaries integration.

PPC TARIFFS

- Following RAE's Opinion 13, the price lists for the competitive charges of the low voltage tariffs of PPC S.A. were defined for the year 2013 (OG B 20/10.01.2013). The PPC expenses to be recovered for the year 2013 and the LV customers were established in the amount of 2.890.000.000 Euro (OG B 5/07.01.2013).The new regulated tariffs of PPC for the year 2013 for the low voltage customers were defined with a weighted average increase of about 8,8%. Meanwhile the tariffs concerning the special categories customers (social household tariff, large families tariffs) were not modified. Especially for the household tariff, and taking into account the deterioration of the economic situation, the broadening and strengthening of the household tariff reduced prices limits was necessary, in order to cover the entire consumption (exempting the nocturnal tariff) (OG B' 94/21.1.2013). The recipients of the household tariff as well as the large families tariff will be exempted from the public services charges for the total daily consumption (L.4123/2013-OG A' 43). Recently RAE opinioned to the Minister of Environment, Energy and Climate Change to reduce the fair, total expenditure to be recovered by PPC SA for the competitive activities of generation and supply for the interconnected System in 2013 by an amount of Euro 769 million or 16.9% of the amounts proposed by the Company. Thus the new PPC expenses to be recovered for the year 2013 from the LV Customers are reestablished in the amount of 2,733 million euros (OG B 1038/26.4.2013). This leads to no readjustment of tariffs. The validity of that decision starts from 01.05.2013.
- Regarding the updated budget submitted in the above context by PPC, RAE considered reasonable to adopt a 5% reduction scenario for the Variable Cost Recovery Mechanism from 1.7.2013 as well as to increase the Capacity Availability Tickets (CATs) in third. It also remained stable in its views with respect to reductions in operating and performance costs of production and supply activities of PPC, as well as in the lignite costs (including the corresponding factors for the Mines).
- It is reminded that it has come in force the paragraph 6 of Article 29 of N.2773/1999 (OG 14/02.02.2012), so that the PPC supply tariffs for the low voltage up to 30.6.2013 to be approved - after RAE's opinion by YPEKA Decision, which may be retroactive.
- Due to the abolition of the free emissions rights of greenhouse gases and the consequent burden of PPC SA relevant cost, the CO_2 emission rights cost charge has been included in the electricity tariffs of High Voltage and Medium Voltage consumptions of February 2013 (including also the charge for the consumptions of January 2013). This charge is still ongoing and it's distinct in the competitive part of the above tariffs.

In order to enhance competitiveness, a wider choice for the customers and rationalization of the businesses energy cost, PPC offers to its customers with facilities in High and Medium Voltage, fifteen (15) new tariffs - seven (7) in High Voltage (HV) and eight (8) in Medium Voltage (MV). The HV tariffs and the special MV tariffs are offered for contract signing until 31.12.2014 and shall have, if the customer wishes and if certain criteria are met, retroactive effect from 1/1/2013. Customers (companies or groups of companies) will be provided with escalating volume discount for all tariffs according to the amount of their annual consumption.

2. CHANGES IN THE LEGAL FRAMEWORK (continued)

ETMEAR – SPECIAL FEE FOR THE REDUCTION OF CO_2 EMISSIONS (ex RES Fee)

- ETMEAR is allocated uniformly over the entire Greek territory to each customer in accordance with the methodology defined by the Minister of YPEKA, after RAE's opinion. The revenues of that revenue are part of the Special Account revenues of the Market Operator (OG A' 229/2012). The calculations for the revenues from ETMEAR are done on a budgeted base (L. 4111/2013)The coefficients of the methodology are specified in the 12th month of each year to be applied to the following calendar year and are revised the sixth month of each calendar year if necessary, taking into account changes in revenues and expenses of the Special Account. For the period 2013-2014 the amount of the charges is set so that the deficit of the Special Account to be depreciated by the end of the biennium.
- In the context of the provisions for ETMEAR, RAE (698/2012,OG B 2325/16.08.2012) has defined the numerical values for the coefficient of the allocation methodology for the period August 2012- June 2013. The average readjustment of ETMEAR results to 9.32 Euro/MWh (RAE Decision 1/2013) for the first semester 2013.
- The maximum annual Customer charge per consumption place was determined in the amount of 1.000.000 Euro, and will be adjusted annually according to the annual change in the consumer price index (L.4123/2013-OG A' 43).
- Following RAE's Decision the weighted average adjustment of ETMEAR for the 2nd half of 2013 was determined to 14,96 Euro / MWh (from 9,32 Euro / MWh) (RAE Decision 323/2013 - OG B' 1784/24.07.2013).

OTHER ISSUES

- A Levy for the development of the Industrial Areas Generating Energy by the Thermal Lignite Power Plants of Florina, Kozani and Arcadia , of 0.5% is imposed in PPC's annual revenues (L. 4062/2012). The allocation of the funds resulting from the imposition of the fee to the specific regions will be proportional to the electricity produced from the thermal lignite Power Plants of the above areas (OG B' 400/22.2.2013).
- The Principles and Rules of the Assets and Liabilities allocation and of the Revenues and Expenditure were approved for the preparation of separate accounts of the activities of the integrated PPC, upon recommendation of the Corporation (RAE Decision 142 -OG B' 625/15.3.2013). However, because PPC should - for 2013 - submit a detailed proposal regarding the keeping of separate accounts per autonomous island system, due to the upcoming signing of contracts between HEDNO SA and PPC SA and the issue of the Non Interconnected Islands Code, there was a need to amend the Decision 142 (OG B 1096/2.5.2013) so that internal flows between generation and supply can be applied in Crete and the rest of the non-interconnected islands, until the conclusion of the contracts between HEDNO SA and PPC SA and in accordance with the provisions of the NII Code (the adoption of which is expected by RAE in the coming months).
- The fines imposed by RAE in electricity market participants performing energy activities for violations of N.4001/2011 are arising from a methodology recently published (OG B' 313/15.02.2013). Also, the maximum regulated defined fine which can be imposed on a Company is equal to 10% of its annual turnover.
- The guarantees table for the year 2013 were approved, per participant category, which are determined by the IPTO (RAE Decision 56/2013). According to that table the minimum guarantee amount for Suppliers equals 90.000 Euro, while the minimum guarantee amount for Traders is equal to 40.000Euro.
- The charge of the return fee (levy) for ERT, which is collected through PPC's electricity bills by Law 1730/1987, was suspended from 11.06.2013 and till the creation of a new public service broadcasting provider (OG B 1483 / 19.06.2013). The new Body was eventually established on 26.07.2013 under the name "New Hellenic Broadcasting, Internet and Television S.A. (NERIT)" (OG A' 169/26.07.2013 – Law 4173/2013). The Minister of Finance approved the opening of an account in the Bank of Greece, where, among others, the amounts of the return fee for the new provider of the public service broadcasting will be credited in line with the return fee of ERT, which was being collected through PPC invoices, pursuant to Law 1730/1987 (OG B' 1954/12.08.2013).
- Law 4203/2013 (OG A΄ 235/1.11.2013) "Settings of RES issues and other provisions" was voted by the Parliament, including key amendments of the Law 4001/2011 , as follows :

2. CHANGES IN THE LEGAL FRAMEWORK (continued)

- ✓ Introduction of the possibility of cutting energy contracts between IPTO and energy-intensive industries , where there is need for adequacy and system security. Simultaneously, it is established the Transitional Fee of Supply Security which will be allocated to all power plants in the Interconnected System and the Network and will be applicable on the revenue of the units depending on the degree of predictability, availability, and flexibility of each generation form.
- ✓ RAE has, temporarily, the ability till the issuance of the Non Interconnected Islands Code, to determine the methodology for the calculation of the compensation to suppliers providing Public Services Obligations.
- ✓ Within 15 days from the publication of this Law in the Gazette, HEDNO SA must submit to RAE the plan of the electricity trading contracts with the producers of conventional units and suppliers in the non -interconnected islands . The amount of the production costs of the conventional units, under such agreements, will be checked by RAE and recognized accountably , in determining the return payable for the provision of PSOs to consumers of the non-interconnected islands pursuant to current legislation .

ELECTRIFIED SURFACES SPECIAL FEE (EETIDE – EETA)

- The owner or beneficiary owner of a property is given the opportunity to cut off the EETIDE amount from the electricity consumption bill at any time and for any reason, after his application to the competent Tax Office (L.4110/2013 - OG 17 / 23.1 .2013). A prerequisite for the implementation of this option is the payment of at least the current and any overdue installments of the year 2012, while in case of inability to pay these amounts the amount of 50 Euro will be paid.
- The repayment of EETIDE amounts is also provided by the competent tax office, when these amounts have resulted from offsetting the recalculated EETIDE fee for 2011 compared to that of 2012 (N.4141/2013). Until now the responsibility of repayment of those amounts was the responsibility of the Supplier.
- A new Special Tax Property (EETA) was introduced for the year 2013 (Law 4152/2013 - OG A 107/09.05.2013) to electrified, at any time during the period from 01.05.2013 until 31.12.2013, property structured surfaces, with characteristics similar to those of EETIDE, being reduced by 15%, which will be collected by PPC and the alternative suppliers in five equal installments on bills issued from June 2013 until February 2014. The procedure for the confirmation, any exemption or disconnection from the consumption account and its payment is the same with that of EETIDE 2012. The procedures and the required documents for potential exemption, certification, collection and return of EETA were published in Circular POL 1101 (OG B 1167/13.05.2013) of the Ministry of Finance. The criteria and the process necessary for the payment of EETA for properties owned or usufruct or part of them belonging to a person in a situation of poverty or at risk of poverty and are their principal residence, are specified in OG B 1170/14.05. 2013.

3. BASIS OF PREPARATION ND 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 nine month period ended September 30, 2013 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, 2012 made publicly available.

The accompanying 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 September 30, 2013 total current liabilities of the Group and the Parent Company exceed the total current assets by the amount of approximately Euro 841 mil. and Euro 772 mil., respectively, thus the Group and the Parent Company may not be able to meet part of their contractual obligations, if the refinancing of their short term loan obligations, is not completed.

The aforementioned, indicate the existence of uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (continued)

However, during the period the Parent Company has concluded a short term refinancing amounting to Euro 1,229 mil,. on April 4th, 2014 by signing the Intermediate Refinancing Agreement. The contract covers for all maturities in 2013 as well as for January and February 2014 of the participating banks. In addition the Parent Company in the context of an MoU with the lending banks which has been signed in June 2013 is in negotiations with the lending banks regarding a medium long term syndicated loan. Following the abovementioned MoU the objective of the negotiations is the conclusion of the basic terms of the medium long term refinancing facility, by December 31, 2013. The above mentioned facility will include the total loan obligations of the Parent Company -regardless of the year that they mature- with the, already participating in the intermediate refinancing facility, banks while the participation of other commercial banks will be pursued.
At the same time IPTO S.A. is in negotiations with lending commercial banks aiming to the medium long term refinancing of its loan obligations amounting to Euro 342.5 mil.

In light of the above, the management of the Parent Company and the Group estimates that the above mentioned refinancings will be concluded successfully and therefore the financial statements of the Parent Company and the Group have been prepared on the basis that PPC and its subsidiaries will continue as a going concern.

Approval of Financial Statements: The Board of Directors approved the accompanying financial statements for the nine month period ended September 30, 2013, on November 26th, 2013.

3.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies applied to the separate and consolidated financial statements for the nine month period are the same as those applied to the annual separate and consolidated financial statements for the year ended December 31, 2012 with the exception of the following interpretations, that are valid as of 1 January 2013 onwards.

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income.**
- **IAS 19 Employee Benefits (Revised)**
- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**
- **IFRS 13 Fair Value Measurement**
- **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine**
- **Annual Improvements to IFRSs – 2009 – 2011 Cycle**

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**
  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, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance.
- **IAS 19 Employee Benefits (Revised)**
  IAS 19 initiates a number of amendments to the accounting treatment for defined benefit plans, including actuarial gains and losses that are now recognized in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognized in profit or loss, instead, there is a requirement to recognize interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. In case of the Group, the effect of this amendment is included in note 9

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (continued)

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**
  These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32.
- **IFRS 13 Fair Value Measurement**
  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. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures.
- **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine**
  This interpretation applies to waste removal (stripping costs) incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity.
- 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.
  - ***IAS 1 Presentation of Financial Statements:*** This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.
  - ***IAS 16 Property, Plant and Equipment:*** This improvement 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:*** This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.
  - ***IAS 34 Interim Financial Reporting:*** The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

In addition to those standards and interpretations that have been disclosed in the financial statements for the year ended 31 December 2012, the following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2013 and have not been early adopted from the Group.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**
  The guidance is effective for annual periods beginning on or after 1 January 2014. 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. Management is in the process of examining the effect of the amendment in the financial statements.

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

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (continued)

- **IFRIC Interpretation 21: Levies**
  The interpretation is effective for annual periods beginning on or after 1 January 2014. The Interpretations Committee was asked to consider how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. This Interpretation is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This interpretation has not yet been endorsed by the EU.
  Management is in the process of examining the effect of the amendment in the financial statements.
- **IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets**
  This amendment is effective for annual periods beginning on or after 1 January 2014. In developing IFRS 13 the IASB decided to amend IAS 36 to require the disclosure of information about the recoverable amount of impaired assets, particularly if that amount is based on fair value less costs of disposal. In particular, instead of requiring an entity to disclose the recoverable amount of an asset (including goodwill) or a cash-generating unit for which a material impairment loss was recognised or reversed during the reporting period, the amendment made to IAS 36 required an entity to disclose the recoverable amount of each cash generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit is significant in comparison with the entity's total carrying amount of goodwill or of intangible assets with indefinite useful lives. This amendment has not yet been endorsed by the EU.
  Management is in the process of examining the effect of the amendment in the financial statements.
- **IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (amendment)**
  This amendment is effective for annual periods beginning on or after 1 January 2014. Under the amendment there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The IASB made a narrow-scope amendment to IAS 39 to permit the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument. This amendment has not yet been endorsed by the EU.
  Management is in the process of examining the effect of the amendment in the financial statements.

4. 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.).

5. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	30.09.2013	(restated) 30.09.2012	30.09.2013	(restated) 30.09.2012
Current income taxes	6,377	61,691	-	39,460
Deferred income tax	39,057	(18,208)	32,734	(17,705)
Provision for additional taxes	4,821	(3,127)	4,821	(3,127)
Total income tax expense	**50,255**	**40,356**	**37,555**	**18,628**

Based on the provisions of L. 4110/2013 the tax rate for legal entities is set to 26% (formerly 20%) for income acquired from 01.01.2013 onwards and therefore companies of the Group that have their residence in Greece are subject to an income tax of 26%. This amendment has increased the tax deferred liability of the Group and the Parent Company by Euro 63,676 and Euro 62,775 respectively, out of which Euro 78,044 and Euro 61,387 respectively, is charged in Equity.
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.

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

5. 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
- HEDNO	Greece	1999
- IPTO 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
- PPC FINANCE PLC	United Kingdom	-
- PPC QUANTUM ENERGY LTD	Cyprus	-
- PHOIBE ENERGIAKH S.A.	Greece	2007

Based on the applicable Income Tax Code (article 82), from the financial year 2011 and onwards, certified auditors issue an "Annual Tax Conformity Report" 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".

6. INVESTMENTS IN SUBSIDIARIES

The Parent Company's subsidiaries are as follows:

	Company	
	30.09.2013	**31.12.2012**
IPTO S.A	916,376	916,376
HEDNO S.A.	56,982	56,982
PPC Renewables S.A.	92,299	92,299
PPC FINANCE PLC	-	-
PPC Quantum Energiaki Ltd	-	-
Total	**1,065,657**	**1,065,657**

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

Name	Ownership Interest		Country and Year of Incorporation and activity	Principal Activities
	30.09.2013	31.12.2012		
PPC Renewables S.A.	100%	100%	Greece - 1998	RES
HEDNO	100%	100%	Greece - 1999	HEDN
IPTO	100%	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
PPC Finance PLC	100%	100%	UK - 2009	General Commercial Company
PPC Quantum Energy Ltd	51%	-	Cyprus	Engineering, construction and operation of a power plant
PHOIBE ENERGIAKI PHOTOVOLTAIKA S.A	100%	49%	Greece -2007*	RES

* The above mentioned company was acquired by the Group the 2[nd] quarter 2012. Until the 1[st] quarter 2012 it was consolidated by the associate company Good Works S.A.

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

7. INVESTMENTS IN ASSOCIATES

The Group and the Parent Company's associates on 30.09.2013 and 31.12.2012 are as follows (equity method):

	Group		Company	
	30.09.2013	**31.12.2012**	**30.09.2013**	**31.12.2012**
Larco S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	2,136	1,961	-	-
PPC Renewables TERNA Energiaki S.A.	1,966	1,738	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	2,430	2,103	-	-
PPC Renewables MEK Energiaki S.A.	1,934	1,540	-	-
PPC Renewables ELTEV AIFOROS S.A.	2,247	2,008	-	-
PPC Renewables EDF EN GREECE S.A.	9,403	10,528	-	-
Good Works S.A.	88-	98	-	-
Aioliko Parko LOYKO S.A.	-	1	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	-	-	-	-
Aioliko Parko KILIZA S.A.	-	1	-	-
Aioliko Parko LEFKIVARI S.A.	8	11	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	4	6	-	-
Renewable Energy Applications LTD	28	27	-	-
WASTE SYCLO S.A.	-	8	49	49
	20,244	**20,030**	**49**	**49**

Data concerning the above mentioned associates as well as the Group's ownership interest in them as at September 30, 2013 and December 31, 2012 are as follows:

Name	Note	Ownership Interest 30.09.13	Ownership Interest 31.12.12	Country and year of Incorporation	Principal Activities	Unaudited years since
Larco S.A.		11.45%	11.45%	Greece – 1989	Metallurgical	2002
PPC Renewables ROKAS S.A.		49.00%	49.00%	Greece - 2000	RES	2010
PPC Renewables TERNA Energiaki S.A.		49.00%	49.00%	Greece – 2000	RES	2010
PPC Renewables NANKO Energy – MYHE Gitani S.A.		49.00%	49.00%	Greece – 2000	RES	2007
PPC Renewables MEK Energiaki S.A.		49.00%	49.00%	Greece - 2001	RES	2010
PPC Renewables ELTEV AIFOROS S.A.		49.00%	49.00%	Greece – 2004	RES	2008
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece – 2007	RES	2010
EEN VOIOTIA S.A.	1	46.60%	46.60%	Greece – 2007	RES	2007
Good Works S.A.	2	49.00%	49.00%	Greece – 2005	RES	2005
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece – 2008	RES	2008
Aioliko Parko MAMBO BIGLIES S.A.		49.00%	49.00%	Greece – 2008	RES	2008
Aioliko Parko KILIZA S.A.		49.00%	49.00%	Greece – 2008	RES	2008
Aioliko Parko LEFKIVARI A.E.		49.00%	49.00%	Greece – 2008	RES	2008
Aioliko Parko AGIOS ONOUFRIOS S.A.		49.00%	49.00%	Greece - 2008	RES	2008
Renewable energy applications LTD		49.00%	49.00%	Cyprus - 2010	RES	2010
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.
2. Good Works S.A. is under liquidation

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

8. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of September 30, 2013 and December 31, 2012 are as follows:

	September 30, 2013		December 31, 2012	
	Receivable	**(Payable)**	**Receivable**	**(Payable)**
Subsidiaries				
- IPTO	-	(635,119)	-	(526,268)
- PPC Renewables S.A.	47,055	(856)	43,485	(856)
- HEDNO S.A.	-	(134,509)	-	(119,706)
- Arkadikos Ilios Ena S.A.	-	-	3	-
- Arkadikos Ilios Dio S.A.	-	-	1	-
	47,055	**(770,484)**	**43,489**	**(646,830)**
Associates				
PPC Renewables ROKAS S.A.	-	-	-	(96)
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)	185,396	-	144,561	-
WASTE SYCLO S.A.	100	-	61	-
	185,511	**-**	**144,622**	**(96)**

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

	30.09.2013		30.09.2012	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
- IPTO S.A.	10,019	(1,255,212)	6,481	(918,335)
- PPC Renewables S.A.	990	-	4,405	(2.070)
- HEDNO S.A.	326,224	(896,954)	161,338	(553,422)
- Arkadikos Ilios Ena S.A.	-	-	-	-
- Arkadikos Ilios Dio S.A.	-	-	-	-
	337,233	**(2,152,166)**	**172,224**	**(1,473,827)**
Associates				
PPC Renewables ROKAS S.A.	-	-	-	(337)
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	-
Larco	58,282	(4,539)	56,958	(7,859)
	58,282	**(4,539)**	**56,963**	**(8,196)**

Guarantee in favor of the subsidiary PPC Renewables SA
As of 30.09.2013, the Parent Company has guaranteed total loans of Euro 8 million through account credit agreements which have not been used yet.
Guarantee in favor of the subsidiary IPTO SA
As of 30.09.2013, the Parent Company has guaranteed loans of Euro 335 million

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 would 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.

8. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

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, was cancelled.

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.

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 for the period of consumptions July 2010 until February 2013 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, part of the consumption bills for October 2012 and part of the consumption bills for November 2012.

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. 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).

The above mentioned contracts were signed on August 1st, 2011.

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 LARCO, PPC is to proceed with discontinuation of the supply of electricity to the respective customer. Furthermore, it was decided upon to file interim measures as against LARCO 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 LARCO 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 LARCO for the provisory seizure of any and all of the movable assets as well as all the real estate property of LARCO, 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 and, following a relevant petition by LARCO, the said hearing was set for the 8.6.2012 on which date after hearing of the case the above mentioned application for an injunction of PPC was rejected by the said Court whilst following that, the hearing for the a.m. application of interim measures was set to be tried for the hearing of 27.6.2012 when the said case was again postponed for the hearing of 20.11.2012. The case was heard on the above mentioned date and the issuance of the decision is expected.

8. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

Following the aforesaid the Board of Directors of PPC by its Decision 200/28.9.2012 decided the following:

a) to approve the termination of the contract between LARCO and PPC for the provision of energy after prior notice of 20 days' time for the payments by LARCO to PPC of any and all sums overdue

b) to approve the termination of the relevant Contract for the Settlement of New Debts dated 1.8.2011 after prior notice to LARCO by PPC, for the amounts due by LARCO to PPC

c) the filing of a supplementary application of interim measures against LARCO before the Athens Court of First Instance for the security of any and all outstanding debts of LARCO to PPC as well as the filing of an application for the granting of an injunction prohibiting the change of status of LARCO and

d) the filing of an action against LARCO for any and all sums due to PPC for which until today no lawsuit has been filed.

PPC has filed an action for interim measures against LARCO before the Athens' Court of First Instance which was discussed along with the main action at the above mentioned hearing of 20.11.2012. Both PPC's actions were denied by the court.

On 29.10.2012 an action was filed by PPC against LARCO before the Multimembered Athens Court Of First Instance for the payment of all outstanding debts of LARCO to PPC amounting to the sum of 72,058,436.10 euros for the sums due to energy supply to LARCO for the period of October 2011 to August 2012. The hearing of the said case has been set for 21.5.2015.

Furthermore on the 9th of November 2012 PPC served to LARCO a Judicial Reminder of debtor's default (dated November 8th, 2012) for the payment of sums due from LARCO to PPC within 20 days' time as of service of the Judicial Reminder, stating that in all other cases, PPC will proceed with discontinuation of the supply of electricity to the respective customer .

Following that, PPC by a letter in October 2012 to the Hellenic Republic Asset Development Fund ("HRADF") in order to notify the total amount of the outstanding debt to PPC by LARCO as well as the structure of the same was made known to the HRADF. Similarly, the immediate payment of any and all sums due was asked by PPC at the same time with the payment of all outstanding obligations towards PPC by LARCO deriving from the Contract for the Settlement of New Debts so that PPC refrains from the action of discontinuation of the supply of energy to LARCO as well as from the filing of all legal remedies against LARCO. After this letter LARCO made the payments of two instalments due to PPC related to the Contract for the Settlement of New Debts which amounted to the sum of Euro 2 mil. After the said payment, in relation also to the provision of lignite quantities (it should be noted that until the 30.09.2013 a total of lignite quantities of a nominal value of Euro 22.8 mil. had been delivered to PPC), LARCO has only partially addressed its obligations under the abovementioned Contract for the Settlement of New Debts, thus resulting to the old debt of LARCO of Euro 76.7 mil. to be reduced to Euro 49.9 mil.

On 18.10.2012 RAE's Decision 822/10.10.2012 was served to PPC (after the filing by LARCO of its RAE- I-153708/22.03.2012 Application – Complaint) in accordance to which, RAE ruled the application of the following interim measures in favour of LARCO with the form of a price for the supply of electricity for LARCO which will be temporarily fixed at 50 Euro/ MWh, plus fees for PSOs, Renewables and for the use of the Transmission System, plus other taxes and charges for a period of three (3) months from the issuance of the same Decision (that is until 09.01.2013).

Following that LARCO has asked for the extension of the above mentioned interim measures, but RAE rejected that claim by its Decision 28/2013. After that PPC's management has sent a letter to LARCO (dated 10.05.2013) with which has asked LARCO to settle its debts to PPC, or else PPC will proceed with the discontinuation of the supply. Despite the exchange of letters that followed however, LARCO did not act towards the settlement of its non settled debts towards PPC .

On the 5th of June 2012 and following the Decision Nr 200/28.9.2013 of PPC BoD, PPC sent to LARCO and IPTO its extrajudicial statement (dated 04-06-2013) by which PPC reserved its right to denounce the contract as between LARCO and PPC and by which PPC also declared that it would stop representing the meters of LARCO within a period of ten (10) days as of the date thereof.

Following that LARCO filed an action as against PPC seeking injunctive relief as well as a judicial order before the Single Membered First Court of Lamia. On the date of this hearing (14-6-2013) the judge ordered the relevant injunctive relief in favor of LARCO until the Hearing date of the main case set before the said Court (i.e. 04.07.2013) . Following that, LARCO requested a postponement of the hearing as well as of the relevant judicial order (writ) of the Court. On the date of the Hearing the trade union of LARCO employees also filed third party intervention proceedings in favor of LARCO. The request for a postponement of the Hearing was however rejected by the said Court and the case was heard. The Court issued a writ for the continuation of the judicial order already existing in favour of LARCO until the issuing of the final Decision by the same Court on the same case. All parties submitted their pleas before the Court on 11-7-2013. The finally adopted Decision 473/2013 by the Court was in favour of PPC and rejected all relevant claims and petitions of LARCO as well as of the intervening third parties, on the grounds that, there exists no legal right to a lawful claim that could lead to the adoption of the relevant measures in favor of the claimants.

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

8. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

The Decision furthermore held that it is not legally possible that PPC is precluded from its right to denounce the existing contract between LARCO and PPC given that such a situation would result to a temporary condemnation of PPC to make a non-declaration of will, which however is not provided for by Law.
The above mentioned Decision has been served to LARCO, IPTO and RAE on 19.09.2013.
LARCO, following the signing of the contract for the settlement of its new debts does not pay the amounts for its current electricity bills, thus resulting to its total debt (the consumptions as far as August 2013 are included) to amount to Euro 128.8 mil. on September 30, 2013 (31.12.2012 Euro 83.5 mil.)
For the abovementioned PPC has established adequate provisions.

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	
	30.09.2013	**30.09.2012**	**30.09.2013**	**31.12.2012**
ELPE, purchases of liquid fuel	117,741	135,307	13,522	6,858
DEPA, purchases of natural gas	234,795	369,602	27,946	(34,402)
	352,536	**504,909**	**41,468**	**(27,544)**

	September 30, 2013		December 31, 2012	
	Receivable	**(Payable)**	**Receivable**	**(Payable)**
EMO S.A.	348,618	(317,007)	363,420	(366,705)

	30.09.2013		30.09.2012	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
EMO S.A.	180,812	(442,581)	(102,545)	(696,709)

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.

It is noted that on February 15, 2013 PPC S.A. has transferred to the Greek State the sum of its EMO's shares. Therefore EMO is not a related party to PPC S.A.

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

8. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

Management compensation

Fees concerning management members (Board of Directors and General Managers) for the nine month period ended September 30, 2013 and 2012 have as follows:

	GROUP		COMPANY	
	30.09.2013	**30.09.2012**	**30.09.2013**	**30.09.2012**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	116	328	43	82
- Non-executive members of the Board of Directors	75	65	-	-
- Compensation / Extra fees	83	-	-	-
-- Contribution to defined contribution plans	45	33	-	-
- Other Benefits	79	115	77	95
	398	**541**	**120**	**177**
Compensation of Deputy Managing Directors and General Managers				
- Regular compensation	466	743	423	710
- Contribution to defined contribution plans	151	125	136	119
- Compensation / Extra fees	-	5	-	-
	617	**873**	**559**	**829**
Total	**1,015**	**1,414**	**679**	**1,006**

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. 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.
Based on L. 4110/2013 the above mentioned compensation to members of the Board of Directors by the year 2013 will be subject to an income tax of 40% instead of the 35% which was in effect until 31.12.2012.

"Law 4024/2011 "Pension adjustments, single public pay scale, labor reserve and other directions of the medium term fiscal strategy 2012-2015"
The provisions of law 4024/2011are applied since November 1st, 2011.

TAYTEKO (former PPC – PIO) Employees transferred to Insurance organizations
In article 13, of the Legislative Act published in OG 256/31.12.2012, employees of TAYTEKO (former PPC PIO) are referred to as "employees transferred to Insurance organizations"(480 people)and is provided for that: " the payroll expense as well as the respective insurance contributions for PPC's transferred employees burden PPC, who will be compensated by the Insurance organizations which will result by the implementation of Chapter 2 of L. 4024/2011 which pertains to the payroll regime of public servants of art. 4 of the same Law. This is effective by 01.01.2013."

9. AMENDMENTS AND RECLASSIFICATIONS

Due to the revision of IAS 19 in relation to the accounting treatment for defined benefit plans, including actuarial gains and losses that are now recognized in other comprehensive income (OCI) and permanently excluded from profit and loss, the Parent Company and the Group proceeded in restating the Profit, Equity and the Liability for post retirement benefits as follows:

Profit (after tax)

	01.01.2012 - 30.09.2012		01.07.2012- 30.09.2012	
	GROUP	**COMPANY**	**GROUP**	**COMPANY**
Profits before the application of the revised IAS 19	118,078	78,764	99,746	64,872
Effect of the revised IAS 19	8,487	4,004	2,830	1,335
Income tax adjustment	(1,697)	(801)	(566)	(267)
Profit after the application of the revised IAS 19	**124,868**	**81,967**	**102,010**	**65,940**

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

9. AMENDMENTS AND RECLASSIFICAATIONS (continued)

Equity	**GROUP**		**COMPANY**	
	31.12.2012	**01.01.2012**	**31.12.2012**	**01.01.2012**
Equity before the application of the revised IAS 19	5,854,459	6,500,390	5,786,789	6,351,740
Effect of the revised IAS 19	(172,210)	(193,272)	(84,230)	(99,235)
Adjustment in deferred tax asset recognized in the income statement	-	38,654	-	19,847
Equity after the application of the revised IAS 19	**5,682,249**	**6,345,772**	**5,702,559**	**6,272,352**

Post Retirement Benefits	**GROUP**		**COMPANY**	
	31.12.2012	**01.01.2012**	**31.12.2012**	**01.01.2012**
Provision before the application of the revised IAS 19	250,611	241,134	160,352	156,195
Effect of the revised IAS 19	172,210	193,272	84,230	99,235
Provision after the application of the revised IAS 19	**422,821**	**434,406**	**244,582**	**255,430**

The effect of the amendment in the earnings per share of the Group for the period 01.01.2012-30.09.2012 amounted to Euro 0.03 while the effect in the statement of cash flows was not material.

10. INTEREST BEARING LOANS AND BORROWINGS

Bonds

Within the nine month period of 2013, the Group proceeded in repaying (without refinancing) debt amounting to Euro 347 mil. (Parent Company Euro 332 mil)

During the same period, the Parent Company refinanced – until April 4, 2014- debt amounting in total to Euro 1,229 mil until 04.04.2014, while at the same time the subsidiary IPTO SA is under negotiations with the lending banks for the conclusion of the refinancing of its loan obligations from commercial banks.

On April and May 2013, Euro 95 mil and Euro 190 mil were drawn respectively from the European Investment Bank, amounts which constitute new capital injections for the Parent Company. It is noted that for both loans the Greek State has provided its guarantee. Total drawdowns from EIB during the period amounted to Euro 285 mil.

On September 2013, the Parent Company proceeded in signing a Bond Loan agreement, of fifteen year duration, for an amount of Euro 739 mil., with a syndication of foreign banks. The Bond Loan Agreement is supported by the German Credit Insurance Organization Euler Hermes.

Credit Rating

During the 2013 the rating house ICAP S.A. has maintained the Parent Company's and IPTOS's credit ratings to D and BB respectively, while in July 2013, the rating house Standard and Poor's (S&P) upgraded the Parent Company's credit rating from CC with a negative outlook to CCC with negative outlook

11. COMMITMENTS, CONTINGENCIES AND LITIGATION

11.1 OWNERSHIP OF PROPERTY

Major matters relating to the ownership of the Group's assets, are as follows:

1. The Parent Company has completed the registration of its property through a fixed assets registry. These assets (almost entirely) are registered at the relevant land registries over the country and the cadastral application is monitored. The update of the existent in the company new integrated information system for fixed assets management is in progress.
2. In a number of cases, expropriated land, as presented in the expropriation statements, differs (in quantitative terms), with what the Parent Company considers as its property.
3. Agricultural land acquired by the Parent Company 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 The Parent Company Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by the Parent Company for the fulfilment of its purposes.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

The property, plant and equipment of the Parent Company are located all over Greece. Currently, the Group does not carry any form of insurance coverage on its property, plant and equipment, except for its information technology equipment, resulting to the fact that if a sizable damage incures to its property, might affect its profitability. Materials, spare parts as well as liabilities against third parties are not insured. The Group is currently evaluating the possibility – in the newly formed legal framework, to conduct a tender for the selection of an insurance company to cover for its assets as well as liabilities against third parties.

11.2 LITIGATION AND CLAIMS

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at September 30, 2013 amounts to, Euro 717 m, as further analysed below:

1. ***Claims 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 358 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 39 m and Euro 41 m, respectively.
3. ***Claims by employees:*** Employees are claiming the amount of Euro 191 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 September 30, 2013, 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 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 recently 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 (20.09.1975) 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 adequate provisions, which as at September 30, 2013 amounted approximately Euro 174 m. and 87 m., respectively (2012: 159 m. for the Group and 78 m. for the Parent Company).

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

"Alouminion of Greece" (ALOUMINION)

A. There is a pending action of ALOUMINION versus PPC where ALOUMINION claims the continuation of the status of the initial Contract of 1960 between the parties. For the said action from ALOUMINION, the hearing, after many postponements, has been set for December 15th, 2011 and which was cancelled by ALOUMINION. There also are actions of PPC against ALOUMINION in the Multimember Court of Athens, regarding to the differences in tariffs for the period 2008-2009, amounting to Euro 4.3 mil. approximately (for the period July 2008- September 2008), Euro 48.9 mil approximately, plus an amount of Euro 414 approximately for interest for the year 2009, of which the date of the hearing was set for April 29, 2010 and then for October 11, 2012 when it was cancelled in view of the provisions of the 04/08/2010 Framework Agreement between the parties (see below).

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

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 Euro 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 otherwise and until this is feasible at the System Margin Price (in addition to other charges provided for by the existing laws).

In addition, as far as the repayment of the remaining debt for the electricity consumption for the period 01.07.08 – 30.06.10, is concerned it is determined after compromise at the amount of Euro 82.6mil.

Since then, ALOUMINION has made monthly payments of the above mentioned predetermined amount (of the 04.08.2010), thus resulting to the initial amount of Euro 82.6 mil. to be reduced to the amount of Euro 21,6 mil. at September 30, 2013, except the part that there are differences between the two companies (such differences being mainly the issue of how to share certain fees).

PPC after having taken into consideration the 798/2011 letter of RAE, by which is asked that the electricity tariffs as provided under the said Agreement are in accordance with the "Basic Principles for Tariffs of electric Energy" (RAE 692/6.6.2011) asked ALOUMINION by its letter dated 7.7.2011 to countersign the final Agreement, also in view of the existing legal and regulatory regime. Nonetheless ALOUMINION did not proceed with signing the configured framework agreement.

Following that, with the arbitration agreement that was approved by PPC's Board of Directors Decision dated 01.11.2011 and was signed between PPC and ALOUMINION, and which was send to RAE on 16.11.2011, it was agreed to recourse to Arbitration at RAE (Article 37 of Law 4001/2011).

In particular the parties have agreed that the arbitration court would update and adapt the tariff terms which are included in the drawn up, to be realized between the parties, of the agreement by 04.08.2010, draft agreement, which was drafted on 05.10.2010.

It is noted that, in PPC's Decision by its Board of Directors which has approved the Arbitration Agreement and which has been notified to ALOUMINION in November 2011, it was stipulated as a unconditional pre- requisite the, until the arbitration's decision, temporary pricing as well as timely payment of the electricity consumptions plus all lawful charges and fees for the total of 8,760 hours annually according to the provisions of the 04.08.2010 framework agreement, independently of the citation of the matter to RAE's arbitration.

The above has not been observed given that ALOUMINION does not pay timely the sums due by the electricity consumption bills.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

C. For that reason PPC's Board of Directors decided 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, with the proviso that 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. Furthermore PPC proceeded with the filing of an application of interim measures for the provisory seizure of any and all of the movable assets as well as all the real estate property of against ALOUMINION, before the competent Court of Athens, the hearing of which has been set for October 1, 2012 (the hearing was postponed for 08.02.2013, following a request by Alouminion, when it was further postponed for 11.06.2013 and further, due to the pending Arbitration Procedure as between the two parties for the date of 4.11.2013. At the hearing of 04.11.2013 the case was postponed anew in order for the Decision of RAE's arbitration to be considered, which was issued on 31.10.2013 and was notified to PPC on 01,11,2013 (see further below I)

D. In 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 / Mwh consumption for all hours, including all competitive charges, threat 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).
On 16-5-2012, RAE served to PPC its Decision 346/2012 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 the anticipated charges for PSOs, RES tax, use of the Transmission System, and other taxes.
2) The above mentioned price is to be applied to the total of operating hours of ALOUMINION 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 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, temporarily fixed, at the abovementioned price, will be finally settled after the final determination of the price for the supply of electricity in the future (as above mentioned).

E. 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 legal actions before the Athens Administrative Court of Appeals, and the European Commission.
Specifically an appeal 1863/2012 and a respite petition AN 1204/2012 were filed before the Athens Administrative Court of Appeals. The Athens Administrative Court of Appeals following a discussion has rejected the relative respite petition by PPC. The hearing of the above mentioned PPC's appeals in relation to RAE Decision Nr 346/2012 as well as Decision 15/2013 has been set on the 26-9-2013. At that hearing the discussion was postponed for January 16, 2014 following a request by RAE and ALOUMINION (which PPC opposed).
Furthermore in July 2012, PPC had filed before the competent Department of the European Commission a complaint according to article 107/EC concerning the provision of illegal state aid to ALOUMINION. The European Commission in a recent notification has informed PPC that it will not examine the case further, since it is of a temporary nature.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

F. Given that, ALOUMINION continued not to pay the amounts due by its current electricity consumptions, PPC following a relevant decision of its Board of Directors, has sent to ALOUMINION a new Judicial Reminder of debtor's default (19.09.2012), by which ALOUMINION was called, reserving its right to denounce the contract and to lift the representation of its meters according to the current Supply Code, to pay all amounts due to PPC. Furthermore ALOUMINION has proceeded, by the 02.10.2012 complaint – petition for interim measures against PPC, in front RAE (RAE 1-1162810/02.10.2012) doubting the conclusion by the 04.08.2010 co-signed Framework Agreement and projecting that the amounts due by ALOUMINION to PPC are "not legal" requesting the reception of interim measures and specifically among others, the non - discontinuation of the supply of electricity by lifting the representation of its meters.

As far as the above-mentioned complaint – petition for interim measures, RAE by its Decision 831A/2012 (29.10.2012) has decided to accept ALOUMINION'S petition for the granting of the interim measures (non - discontinuation of the supply of electricity) for the period of two (2) months by the issuance of the above mentioned decision.

Following that and the lapse of the two month period PPC has sent to ALOUMINION, on 18.01.2013, a new Judicial Reminder reserving its right to denounce the contract and to lift the representation of its meters. On 28.01.2013, ALOUMINION has filed a petition for interim measures to RAE for which RAE's Decision 15/2013 was issued, which partially turned down ALOUMINION's petition as far as the retrospective effect of RAE's Decision 346/2012 was concerned and invited ALOUMINION to comply with the above mentioned Decision and pay the relevant amounts to PPC. PPC therefore has sent another Judicial Reminder to ALOUMINION summoning it to pay the amounts due based on the temporary price of the above mentioned RAE's Decision 346/2012.

G. The amount due by the State aid :

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 favor 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 mil. was granted in favor 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. In light of the fact that ALOUMINION has not paid the above mentioned amount, PPC has proceeded with legal actions against ALOUMINION, requesting the payment in full of the state aid plus interest.

In particular, following PPC's petition, the Athens Court of First Instance has issued a Payment Order N. 1360/04.07.2012 for ALOUMINION to pay to PPC the amount of the state aid of Euro 17,375,849.48, plus interest amounting to Euro 3,041,126.93 plus interest of Euro 1,696.22 on the total amount of the illegal state aid and the compound interest, for each passing day. The payment order was served to ALOUMINION on July 9th, 2012. Consequently ALOUMINION filed (11.07.2012) an appeal concerning the Payment Order with an additional request for the temporary suspension of its execution(article 632, para 3, ΚΠολΔ). This request was granted until the date of the hearing which was set for 31.10.2012, but due to the judges' strike was postponed for January 23, 2013, when both the appeal and the request were discussed.

On the above mentioned cases Decisions 857/2013 and Decision 860/2013 were issued.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

The Court by its first Decision suspends the implementation of the, requested by PPC, payment order for the amount of Euro 20.4 mil. until the issuance of the final decision on the suspension by the national court. The Court by its second decision (860/2013) on the suspension decided to order the suspension according to art. 249ΚΠολΔ of the discussion of the difference of the suspension until the issuance of a Decision on the existence of the claim of the state aid by the General Court of the European Commission, which is pending after the relevant (by 06.10.2011) recourse by ALOUMINION against the above mentioned Decision (by 13.07.2011) of the European Commission. PPC filed a summons before the Singe Membered Court, by which PPC asked the Court to hold a hearing and review its non-definitive Decision nr 860/2013. PPC, also filed a summons before the same Cour,t to hold a hearing and review its aforementioned non-definitive Decision nr 857/2013, regarding the issuing by the same Court, of a writ for the suspension of enforcement. The case trial has been set for the hearing of September 25, 2013. The aforementioned summons have been served to ALOUMINION, as well as the Hellenic Republic (represented by the Minister of Finance and the Minister of Environment Energy and Climate Change), with an invitation to file third party intervention proceedings, before the same Court, in favor of PPC. The State has filed an additional intervention in favor of PPC. The hearing for the above mentioned cases has been scheduled for December 4, 2013.
The Ministry of Environment, Energy and Climate Change has been informed by PPC in relation to these actions, and following that, the Ministry has duly informed the European Commission of the same .

H. Furthermore, PPC has filed a petition to RAE (I 172566/18.06.2013 for the review of RAE's Decisions No 346/12, 831A/2012 and 15/2013 and the reception of interim measures against ALOUMINION by the provision of a letter of guarantee in favor of PPC against sums due by ALOUMINION deriving from not paying in full its due monthly energy bills. RAE by its No 27/2013 extract from the minutes of its plenary session, which was notified to PPC on 12.08.2013 has dismissed the above mentioned petition filed by PPC reasoning that, in relation to the above mentioned revision – retraction petition, examining it, would constitute an interference by RAE to its Permanent Arbitration Court, to which both parties have willingly submitted the difference in question and with the reasoning that " the invoked by the applicant (PPC) but not probable damage, has a time span considering the on - going arbitration procedure.

I. Following the above, on 31.10.2013 the Decision 1/2013 of the Arbitration Court in RAE was issued (by a majority of 2 to 1), which set the sale price of electricity to ALOUMINION S.A. at 40.7 Euro/MWh. According to this Decision, this price includes fixed as well as the variable costs of energy, System Usage fees, ancillary services, PSOs, and the surcharges for the reciprocal charges in favor of RAE and HTSO/EMO and does not include charges for RES duties, ETMEAR, Excise Duty on fuel used for the generation of electricity, performance rights for customs operations or any other taxes or duties that might be imposed.

Since this decision forces PPC to sell at loss and conspicuously below its cost, PPC will challenge the abovementioned decision using all lawful measures so as protect the interests of its shareholders, taking into consideration that selling electricity below cost constitutes a distortion of fair competition as well as a unlawful state aid which is forbidden by both National and European Union Laws.
In this context, PPC's Board of Directors decided to send to IPTO an extrajudicial declaration to end the representation of ALOUMINIONs meters and to denounce its relationship as supplier of electricity, effective November 18, 2013. Apart from IPTO, the extrajudicial declaration was also sent to ALOUMINION and to RAE's attention. Following this, on 13.11.13 IPTO notified PPC that the Supply Code does not explicitly provide for such deadlines and consequently the deadline should be less tight that the ten days set by PPC through its extrajudicial declaration. Therefore, PPC's Board of Directors decided to send a letter to IPTO so as to reaffirm its previous intention to end the representation of its meters in ALOUMINION and also requesting IPTO to implement its decision within a reasonable time frame, which would in no case exceed December 31, 2013
The negative impact to the financial results of the third quarter of 2013 stemming from the aforementioned Decision concerning the supply of electricity to ALOUMINION for the period 01.07.2010 – 30.09.2013, amounts to Euro 109 mil., while the balance due by PPC to ALOUMINION as at September 30, 2013 amounts to Euro 3.8 mil.,while today amounts to Euro 9.8 mil.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

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 a mandatory action of the then trustee of the Bank, the claims of PPC were mandatorily 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.) for the reason that the above mentioned Act of the trustee of the Bank was held invalid.
Moreover, PPC has received from the Bank, six (6) loan agreements for which it was agreed upon to be repaid gradually. On June 10, 1991, although PPC has paid the overdue installments, the Bank has terminated all the above mentioned loan agreements and thus on that date the claim against PPC became overdue for the whole amount of the loans.
For that reason, against PPC's above mentioned lawsuit, the Bank has proposed an offset of its claimresulting by the above mentioned loans, amounting to GRD 4 bil. approximately and furthermore has asked the payment of this amount by PPC by its lawsuit dated 28.12.1995. The Court of First Instance has postponed the hearing of the Bank's lawsuit against PPC until the final outcome of the hearing, which started with PPC's lawsuit against the Bank.
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.
The official expert report was completed at the end of May 2012 and concluded that: a).The amount due by the Bank of Crete to PPC at the date of the filing of the a.m. action by PPC (22 July, 1991) was 1,254,706,688 Greek Drachmae, b). The amount due by PPC to the Bank of Crete on 1st of July 1991 due to the termination by the Bank of the a.m. loan agreements was 2,532,936,698 Greek Drachmae.
Following that, the hearing of the case would take place on October 25, 2012, but it was postponed, due to the strike of both judges and lawyers.

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 5, 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 companies – competitors of PPC – have intervened in favour of the European Commission. Furthermore, on August 4, 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 5, 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 required 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 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 March 5, 2008 –"Public Power Corporation S.A. (PPC S.A.), the Hellenic Republic as intervening party versus The Commission of the European Communities, "Energeiaki Thessalonikis S.A." and "HE&D SA" as intervening parties") was set for April 6, 2011 .
The hearing of the case took place before the General Court on the scheduled date. Similarly, after a relevant summons of the Secretary of the EU General Court, on the scheduled date of hearing on July 13, 2011, the application for the annulment of the Commission's Decision dated August 4, 2009 regarding the above case [C (2009) 6244] was tried after a hearing before the General Court in Luxembourg.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

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 2, 2012) for the repetition of the hearing under its new composition for both the above mentioned cases. The trial took place as programmed.
The General Court of the European Union on 20.9.2012 issued decisions for both cases.
In particular, as far as case **T-169/08** is concerned the Court has ruled the following:

- The difference is concentrated mainly on whether the Commission should determine a real or potential abuse of the dominant position of the applicant or whether it was sufficient to prove that the disputed state measures were distorting competition by creating inequality of opportunities between businesses, favoring PPC.
- State measures, which were in effect prior of the liberalization of the energy market, are preserved and continue to affect the lignite supply market, although PPC is not responsible for other businessmen failing to gain access to lignite reserves.
- PPC's part in the lignite's supply market was limited to the exploitation of reserves for which extraction rights were granted.
- The Commission did not support that PPC exploited its dominant position in the above mentioned market.
- The Commission did not prove that the advantageous access to lignite was capable of creating a situation, in which PPC, simply by exercising its lignite extraction rights would abuse its dominant position in the energy wholesale supply market or could be led to such abusive conduct.
- The Commission by simply noting that PPC still has a dominant position does not define or adequately prove the abuse.
- It is not clear, that PPC is in an advantageous position opposite its competitors, in consequence of a state measure which constitutes an abuse of dominant position.
- It is not clear that, in order to admit the existence of a violation of article 86, para. 1 EC combined with article 82 EC, is adequate, in order to prove that a state measure falsifies competition by creating a situation of inequality of opportunities, between businesses without demanding definition of abuse of dominant position.

As far as case **T-421/09** is concerned the Court has annulled as obsolete the above mentioned Commission's Decision C(2009) 6244 (final) of August 4, 2009 ,following the annulment of the Commission's decision of March 5, 2008, given that, it pertained to the executive part of the violation ascertained in the decision of March 5, 2008.
The Commission appealed for the revision of the relevant decisions before the General Court of the European Union before the European Court of Justice (Cases C-553/12 and C-554/12). The abovementioned appeals have been notified to PPC on December 19, 2012. According to the content of the appeals the main pleas alleged by the Commission before the Court are errors of Judgment of the Decisions of the General Court (being mainly errors in law, lack of reasoning as well as insufficient reasoning and misinterpretation of the elements of the legal basis of the initial Decisions of the Commission). PPC as well as the Greek State have timely (28.02.2013) submitted their relevant memoranda before the court. A hearing of the case is expected to be scheduled.
On March 25, 2013 the companies " MITILINEOS S.A – GROUP OF COMPANIES", "PROTERGIA S.A." and "ALOUMINION S.A." have filed before the European Union Court, an intervention petition in the case C-553/12 P. Int I II III in favor of the European Union and against PPC, according to article 130 of the rules of procedure of the Court of the European Union for the annulment of the above mentioned Decision of the Court of September 20th, 2012. The relevant decision of the Court, regarding the acceptance of the intervention, is expected. It is noted that according to the paper of the Secretary of the Court, dated 27.03.2013, the intervention in question was filed after the expiration of the deadline of article 130 of the above mentioned rules of the Court but before the hearing. In consequence, article 129 para. 4 of the above mentioned rules applies, which provides that the intervention can be taken under consideration if the chairman of the court allows it. In this case the intervening party can submit its comments in the hearing. The Court's judgment for the matter is expected. By its Letter dated May 7 2013 the Court affirmed towards the respondent party (PPC) that the written proceeding as regards Case C-553/12 has been terminated and that any requests for a Court Hearing should be filed within three weeks. PPC by its Letter dated 29 May 2013 to the Court requested an oral hearing before the Court due to the complexity of the relevant case as well as its importance to the Greek electricity market. Following that the Court has defined by its action (dated September 4, 2013) that the case will be heard on October 3, 2013. The cases were discussed on the above mentioned date and the issuance of a decision is expected.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

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.

PPC's relation to its personnel's Social Security Funds

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.

PPC's lawsuit against ETAA (former TSMEDE)

ETAA (former TSMEDE) by its Decision 7/2012 has imposed on PPC the amount of Euro 27.4mil. in application of article 4 of L. 3518/2006, as employer contributions due to the Main pension Branch for the period 01.01.2007 – 30.04.2012 and pertain to the engineers insured before 01.01.1993 to the above mentioned Insurance Fund, that have been employed by PPC for the above mentioned period.
Against the above mentioned 7/2012 decision of the Insurance Fund in question, PPC has filed an appeal with the Athens Administrative Court of First Instance. The date for the discussion of the appeal has not yet been defined by the court.
Since its employees – who are engineers- are insured mandatorily to PPC's Insurance Fund based on L. 4491/1966, thus resulting to PPC paying on their behalf to the above mentioned Insurance Fund the corresponding employer contributions while insurance for the above mentioned engineers in ETAA is optional and is done by choice, with them paying the corresponding insurance contributions provided for engineers that are independently employed, the Parent Company considers that the possibilities of a negative outcome of its appeal are minimal and therefore has not established a provision.

Alleged claims of EMO (LAGIE) against PPC S.A.

- **Implementation of methodology for the payments allocation due to deficits of the Day Ahead Schedule (DAS)**

  It is noted that following the issuance of RAE's Decision 285/2013 (note 2 "Legal Framework"), EMO sent a letter to PPC, according to which an amount of Euro 96,6 million is seemingly allocated to PPC, based on the finalization of the methodology for fair allocation of payments to cover deficits in the Day Ahead Schedule (DAS) created by third party suppliers during 2011 and 2012. In continuation to this letter, EMO allocated the total amount of Euro 96.6 mil. in seven installments and sent to PPC the relating briefing notes for the months of August, September and October 2013 amounting to Euro 13.8 mil., each. PPC considers that EMO's alleged claim violates fundamental principles of law, while simultaneously neither the amount nor the reasons for this claim are substantiated. In addition, the relevant RAE Decision has been contested in court. However, as the above mentioned claim is based on a RAE's Decision, the legal dispute will be lengthy with an uncertain outcome for the parties involved. Since that claim is being disputed for its substance, and since the amount and the reasons for it are not substantiated, it is not possible to estimate the potential liability that may arise for the Parent Company and therefore no provision has been recorded in the financial results of the nine month period ended 30.09.2013.

- **Offsets of Photovoltaic Systems Producers in buildings**

  Moreover, RAE's Decision 285/2013 which does not permit the netting of amounts that PPC owes to LAGIE based on DAS settlement, including energy generated by PVs on rooftops, with the amounts that PPC is contractually obliged to pay directly to the generators in question, based on the feed - in tariff, leads to delays in recovering the latter amounts from LAGIE. The absence of netting results in an additional and unjustified cash outflow, which is estimated at an average of approximately Euro 20 m. per month.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

Based on this Decision, LAGIE has expressed its disagreement with the aforementioned netting and also requests the return of Euro 137 m, which according to LAGIE corresponds to amounts that PPC should have not netted, without though providing any relevant substantiation. In its response, PPC underlines the inconsistency of RAE's Decision, not allowing the netting, with PPC's obligations as provided for in the Joint Ministerial Decision concerning the "Special Program for PVs on rooftops", published in June 2009. In addition, PPC requests LAGIE, as the competent authority, to take the necessary initiatives, for modifying the relevant legal framework in order to disengage PPC from making direct payments to the owners of PVs on rooftops. Until then, PPC will continue netting in full compliance with its contractual obligations and operating with a view to protecting the interests of its shareholders.

- **Corrective settlements of IPTO concerning the Special Account of art. 143 of Law 4001/2011**
  According to L.4152/2013, RES energy purchases are disbursed though the market operation, on the higher amount of either their income from DAS and Imbalances settlements or the value energy they inject to the system multiplied by the weighted average variable cost of the conventional thermal power plants. This amendment started being applied from 14.08.2013, when RAE's Decision 366/2013 was published in OG, amending the relevant articles of the Power Exchange Code and specifying the methodology of calculations, with which the provision of law was implemented. In October 2013, IPTO has sent to PPC S.A. corrective clearing statements for May, June, July and part of August of 2013, totaling an amount of Euro 48.2 m, which derives from the retroactive application of the relevant methodology as of 9.5.2013, the date of the Law's publication. For this amount, PPC has raised an objection to IPTO and has not recorded any relevant provision, considering that retroactive application is not included in the relevant provisions of the Law.

11.3 ENVIRONMENTAL OBLIGATIONS

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

1. HPP Messochora (161.6 MW)

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 HPP 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.
Following the publication of the Law for 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 HPP as well as the completion of the construction project of the tunnel, which are already been completed and are finally delivered by 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. Further developments, namely the final judgment, will be issued by the Plenary of the Council of State after taking into consideration the (11.09.2012) Decision of the European Court of Justice, to which relevant preliminary questions had been addressed referring to the compatibility of the provisions of the Law 3481/2006 with the European legal framework

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

The Parent Company considers that the Hydroelectric Plant of Messochora is independent from the Acheloos River Diversion to Thessaly Scheme and therefore it should not be 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 assigned the updating of the Environmental Impact Assessment for HEP Messochora, whilst waiting 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. Around mid December 2012, there were posted on the website http://wfd.ypeka.gr, the Strategic Environmental Assessment of the Water Management Plans for consulting. Based on the time required for consultancy and decision making, it is estimated that the Water Management Plans will be signed by the competent Authorities in the fourth quarter of 2013. 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 the first half of 2014, with a possible few months delay due to the required procedures for approval. The Parent Company, on 31.12.2012, has, under IAS 36, reviewed the recoverability of the total project, as there were indications that its book value was not recoverable. The impairment test was conducted by calculating the Value in Use by using estimated future cash flows, which were projected in a period of fifty years by the estimated date of operation of the station and using the appropriate discount rate (Weighted Average Capital Cost – WACC).
Based on the above mentioned test the book value of the project exceeds its estimated recoverable amount and thus an impairment loss of Euro 8,000 was recognized, which had a negative impact in the results for 2012.
On September 30 2013 the aggregate amount for HPP Messochora amounted to Euro 286.8 mil. and is expected to require an additional amount Euro 125 million to complete the project, which is estimated in 2015.

2. Under IPPC (Integrated Pollution Prevention and Control) Directive, the Reference Document on Best Available Techniques for Large Combustion Plants (with a thermal capacity greater than 50 MW) was issued on July 2006 and is currently under revision. After the finalization of the revision process additional to the already foreseen investments at PPC's larger thermal power plant stations may be required. In accordance with European Directive 2001/80/EC, a pollutants emissions reduction plan for existing Large Combustion Plants has been approved by the Parent Company's Board of Directors, was submitted to the authorities and has been incorporated in the National Emissions Reduction Plan of the country for the period 2008-2015, according to the provisions of the aforementioned Directive.
   After the issue (August 2008) of the Common Ministerial Decision for the National Emissions Reduction Plan, the environmental permits of SES Ptolemaida, Kardia, Amyntaio, Liptol and Agios Georgios were renewed. The same is expected within 2013 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.
   Following the provisions of Article 32 of Directive 2010/75/EC, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was elaborated and officially submitted by the country to the EU and its approval is expected during 2013.

3. 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.

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.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

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 for 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 Impact Assessment for Klidi Mine, including Waste Management Plan and Ecological Assessment, was submitted to the Ministry of Environment, Energy and Climate Change YPEKA for the issuing of Environmental Permit.

7. 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.

CO_2 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 for PPC's 31 installations and issued the respective permits for the second trading period 2008-2012. In December 2008 the Greek National Emission Reduction Allocation Plan for the period 2008 – 2012 was approved.
According to the final allocation, 42.5 Mt CO_2 allowances have been allocated to PPC for 2012. Additional allowances 0.6 Mt CO_2 for the year 2012 were allocated to PPC's new entrant units (extension to the installed capacity of existing plants). By the end of March 2013, the verification of the annual emissions reports, 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 2012 amount to 47.5 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 4.4 Mt CO_2 for 2012.
In April 2013, PPC delivered 47.5m tonnes CO_2 emission rights to the Greek part of the EU Greenhouse Gas Emission Allowances Trading Registry (EU Registry) to fulfill its compliance obligations for the year 2012.
During March and May 2013, CO_2 emission licenses have been issued for all 31 PPC's installations, for the period 2013-2020.

EMISSION ALLOWANCES (CO_2)

Based on the temporary data the CO_2 emissions of the Parent Company's bound plants for the period 01.01.2013 – 30.09.2013 amount to 30.2 Mt. According to recent projections, the CO_2 emissions for the remaining period 01.10.2013 – 31.12.2013 are estimated to 11.7 Mt. It should be noted that the emissions of 2013 will be considered final by the end of March 2014, when the verification of the annual emissions reports by accredited third party verifiers is completed. According to the current European and National legislation, PPC is required to purchase and deliver emissions allowances for compliance purposes for the 100% of the verified emitted emissions of its plants for the 3rd phase of implementation (from January 1, 2013 to December 31, 2020) of the European Union Emissions Trading System (EU ETS) and there are no free emissions allowances allocated to its plants. According to the above, it is estimated that the total CO_2 emissions allowances needed by the Parent Company's plants to be delivered for compliance purposes for the period from 01.01.2013 to 31.12.2013 will amount to 41.88 Mt .

11.4 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.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

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 m. 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.
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 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.
In October 2012, PPC's Board of Directors approved the modification of the Time-Schedule of the Project , the extension of the guarantee period of the Project for 11 months with the same terms provided for in Supplements Nos 2, 3, 4 to the Contract, the covering of Contractor's expenses with the amount of Euro 5.5 mil. due to the extension of the Time-Schedule of the Project, as well as the assignment to the Contractor of the supply and installation of the necessary equipment for the construction of the natural gas pressure reducing station (from 75 barg to 38 barg). The relevant Supplement No5 of the Contract was signed on 19.11.2012.
In March 2013 the Connection Contract between IPTO and PPC S.A. was signed in order for the unit to be connected to the System.
The initial firing of the Gas-turbine was effected on 09.03.2013 and it was put in operation on 15.03.2013.
The Unit is in commercial operation by 12.08.2013..
On 30.09.2013 the total expenditure for the project amounted to Euro 297 mil.

A new Steam Electric unit 660 MW in Ptolemaida
The International tender was announced on April 20, 2010. The total budget of the Project amounts to Euro 1.32 bil. In September 2010 the Ministry for Environment and Climate Change has issued the relative Generation License as well as the Distribution of Thermal Energy license.
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 also ALSTOM Power Systems GmbH, ALSTOM Hellas S.A, METKA S.A and DAMCO Energy S.A.

In November 2011, the Board of Directors of PPC decided to award the project to the successful bidder company "Terna SA".
On 11.12.2012, PPC's Board of Directors decided, that the Contract of said Project would be signed.
The above mentioned contract was signed in Ptolemaida on March 9, 2013 and according to a relevant term it is subject to the resolutive condition of the approval of PPC' s General Shareholders' Meeting. The final contractual price amounts to Euro 1.39 bil.
On 29.03.2013, the General Meeting of PPC'S S.A. Shareholders approved the realization of the investment for the construction of the Unit as well as the relevant Contract. The realization of the project will be accomplished in two stages.
In the first stage, with a duration of 20 months by the entry into force of the contract, the study for the licensing of the project as well as the licensing itself, will be realized. The contractor will also conduct the study for the licensing as well as the construction of the building for PPC's inspection unit.
In the second stage, with a duration of 50 months by the issuance of the building permit, the project's study will be completed as well as the construction and the commercial operation of the unit.
On 23.09.2013, PPC S.A. announced the signing of a Bond Loan of an amount of Euro 739 mln with a syndicate of foreign banks. The loan with annual all – in – costs of close to 5% has a duration of 15 years and will be supported by the German Credit Insurance Organization Euler Hermes. The parties are currently in the process of completing the preconditions for utilization from the loan.
On 30.09.2013 the total expenditure for the project amounted to Euro 38 mil.

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 land of the main Station was signed.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

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, 2011 the construction of a temporary warehouse begun.
On February 2nd, 2012 the Building Permit (25/2012) regarding earthworks has been issued and on March 26rd, 2012 begun the relevant works at the plot of the main facilities of the station.
On August 3rd, 2012 the building permit (184/2012) 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.
In the context of the implementation of the Contract two supplements were issued until today.
By Supplement No 1 (15.12.2010) certain articles of the contract were modified. By Supplement No 2 (22.06.2012) certain subjects regarding the transfer of equipment, the assignment of the study and 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 1.531.903,00
On February 15th, 2011 the society called "Citizen's initiative for environmental protection and development of Southern Rhodos" filed an application for a stay of execution 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 Building 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 Council of State with its Decision No 4413/12 annulled the Act of Approval of Environmental Conditions for the installation and the operation of the new Thermoelectric Power Plant in South Rhodes and the building permit for the temporary warehouse at site, considering that the Act of Approval of Environmental Conditions was not in accordance with the those defined in Art 6 par 3 of the Directive 92/43/EEC (for the conservation of natural habitats and of wild fauna and flora).
Since March 27th, 2011 the delivery of equipment for the project to warehouses in the port of Elefsina has started.
On 31.07.2012, the Parent Company's Board of Directors approved the payment to the Contractor of the amount of Euro 4.250.000, as a result of Amicable Settlement, for the full settlement of Contractor's claims for the time period until 31.01.2012 due to the delay of Project Permission.
The Ministry of Environment, Energy and Climatic Change, in response to PPC's relative letter on 21.01,2013 , notified PPC S.A. that there have not been changed the needs for which the Generation and Installation Licenses were granted, and therefore asked for the completion of the Environmental Impact Assessment and the Specific Ecological Evaluation. Thereafter, PPC has already proceeded to the award to Consultant of the drawing up of the Specific Ecological Evaluation.
Subsequently. PPC proceeded to the preparation of the following studies:

- Special ecological study
- Land planning study
- Environmental Impact Assessment study
- Aggregate study of evaluation of social impact.

The Environmental Impact Assessment study has already been concluded and it was submitted to the Ministry for the Environment and Climate Change, on 17.05.2013, including all the above mentioned studies.
The Ministry of Environment, Energy and Climatic Change forwarded on 03.07.2013 the Environmental Impact Assessment study to the Regional Council of S. Aegean in order to make it public to the competent Bodies for their relevant opinions. Following the relative opinions of the appropriate Bodies, the Ministerial Decision of the Approval of Environmental Conditions of the Power Station, as well as the ancillary projects (a substation of 150/20KV and a new road to the coastal installations of 1 km) was issued on November 5, 2013.
On 30.09. 2013 the total expenditure for the project amounted to Euro 93 mil.

A new combined cycle unit at Megalopolis
On August 25, 2009 the Board of Directors of Parent Company approved the award of the Project to the successful bidder Consortium METKA S.A. and ETADE S.A. Furthermore, the contractor has accepted that no claims will be raised 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.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

In November 2010, PPC accepted the terms for the connection of the above Unit with the System following a relative correspondence with HTSO.
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 the Parent Company 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 the Parent Company approved the assignment of additional works related to the water supply of the Unit V amounting to Euro 1.82 mil. On 10.10.2012 the relevant Supplement No 2 to the Contract was issued. On 10.05.2013 the connection agreement to the National Natural Gas System was signed.
In present, the civil works, the arrival as well as the installation of electromechanical equipment and the testing of the installed electromechanical equipment, are in progress.
The Connection agreement with IPTO is expected to be signed in December 2013.
The Unit is expected to be put in commercial operation in the period between late 2014 and early 2015
On 30.09.2013 the total expenditure for the project amounted to Euro 456 mil.

HPP ILARION **(157 MW)**
In July 2012, PPC SA announced the successful tapping of the diversion tunnel of the Ilarionas Hydroelectric Project and the start of the Reservoir impoundment. The works in the Substation, as well as the remaining works in the riverbed area downstream of the Dam, are in progress, with the target to set the Plant in commercial operation in the second semester of 2013.
The total installed capacity of the plant is 157 MW and it is expected to generate, on an annual basis, approximately 330 GWh of net electricity.
On September 30, 2013 the total expenditure for the project amounted to Euro 278.3 mil.

11.5 PPC RENEWABLE (PPCR)

Hybrid Project in Ikaria
The contracts IKH-1 (1278008) and IKH-1N (02/094/27-09-10), as applicable, performed by the projects' Contractor: a) construction of the Hybrid Project in Ikaria and b) Municipal road construction. During the first three quarters of 2013 the hybrid project in Ikaria was under construction and is expected to be completed in 2014. The project of 6.85 MW of total power, 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 3.10 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 2.70 MW, combining these two renewable energy sources. Apart from the on - site works, the electromechanical equipment has been constructed for both SHPPs while the erection of the wind generators in the wind park of Stravokountoura, has been completed.

Rights of the exploitation of the geothermal fields
By a Decision of the Deputy Minister for Environment, Energy and Climate Change the rights of exploitation of the geothermal fields of Lesvos (OG 248/15.02.2011), Nisiros (OG 493/31.03.2011), Milos-Kimolos-Polyegos (OG 542/07.04.2011) and Methana (OG 2580/07.11.2011) were transferred to PPCR S.A.
By decisions of the Deputy Minister for Environment, Energy and Climate Change the Public International Bidding Contest (tender date 07.09.2011) 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, was awarded. While the leases have been accepted by the company the notarial deeds have not yet been signed by the Ministry. The deadline for signing the above notarial deeds leases has been extended until 31st of December 2013.
The 6th of August 2012 PPCR announced a Request For Interest for submission of an expression of interest for the selection of a strategic partner for the development of five geothermal power plant stations to the geothermal fields of Lesvos, Nisiros, Methana and Milos-Kimolos-Polyegos, with submission deadline the 31st of October 2012. Two of the biggest worldwide companies (ENEL and ORMAT) have submitted bids which have been accepted.

Applications for W/P clusters of total capacity of 1,047 MW
In September 2013, PPCR applied to RAE for the production license for a number of wind farms with a total installed capacity of 1.047 MW in islands of South Aegean Prefecture, through their interconnection to National Power Grid.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

More specifically, the application submitted includes the following W/P clusters: Amorgos Island - 132MW, Astypalaia Island - 54MW, Ios Island - 48MW, Kimolos Island - 60MW, Milos Island - 267MW, Polyaigos Island - 93MW, Kithnos Island - 81MW, Kos Island - 186MW, Sikinos Island - 63MW, Folegandros Island - 48MW and Tilos Island - 15MW.

Construction of six (6) new Wind Parks in Aegean islands
In September 2013, the Board of Directors of PPC Renewables S.A. decided to approve:

1. The construction of six (6) new wind parks of total installed capacity 13.5 MW, in Aegean islands. The project's total budget equals to Euro 17 mil.
2. An international public tender for the Design, Supply, Transportation, Installation and Commissioning of six (6) new wind parks of total installed capacity 13.5 MW and of Euro 16.2 mil. budget in the following locations: Marmari (Euboea Island) 5.4 MW, Sigri (Lesvos Island) 2.7 MW, Pythagoreio (Samos Island) 1.8 MW, Tigani (Mykonos Island) 1.8 MW, Vigla (Limnos Island) 0.9 MW, Potamia (Chios Island) 0.9 MW.

In October 2013, the Board of Directors of PPC S.A. approved the above mentioned decisions.

11.6 IPTO S.A.

Electrical Interconnection of "NEA MAKRI - POLYPOTAMOS"
The electrical interconnection of Nea Makri with Polypotamos – which has been characterized as project "of an overall significance for the country's economy" in L. 3175/2003- is in the final stage of its implementation. The submarine cables have already been immersed in the maritime area between Evia and Nea Makri.
The construction of the project constitutes the completion of a yearly effort of the State, competent authorities and RES investors, the implementation of which has been assumed by IPTO SA, thus contributing to the efforts of the State for the attraction of new investments. It is noted that the interconnection cost is more than Euro 80 mil. while the RES investments which are directly connected to the project are more than 700 mil.
With the completion of the overhead cable connecting Polypotamos to South Evia and the installation of the subterranean cables up to Nea Makri's High Voltage Center, the project is expected to be completed and be ready for electrification before the end of 2014. It should be noted though, that the is already a significant delay in the installation of the subterranean cables to the Nea Makri's High Voltage Center, due to considerable reactions by the Municipality of Marathonas (former Municipality of N. Makri) and the non-granting of excavation license. Additionally, there are delays in the necessary expropriations relating to the 150 kV transmission lines from the Evoia Estate Authorities.

Construction of High Voltage Center (HVC) in Aliveri and interconnection transmission line of 400 kV
The construction of Aliveri's (GIS) HVC, which will be serving new thermal power units and RES generators in Evia, has been recently concluded. In February 2013 it was electrified for the first time while in April the first circuit of the 400kV line, which connects the new Aliveri HCV with the backbone of the national 400 kV transmission system in the Viotia area, was put under load. The second circuit was electrified and put under load at the end of August. The line which consists of two circuits, both overhead and subterranean parts, with a length of 56 and 13.5 kilometres, respectively, has already received injections of electricity by PPC's new natural gas unit in Aliveri which is currently under trial operation.

Construction of High Voltage Center (HVC) in Megalopolis, Peloponnese
Within a time frame of only two years, IPTO constructed the new High Voltage Center (HVC) in Megalopolis. The 150 kV side of the circuit was electrified in April 2013 while the 400Kv side has also been electrified to date. The new HVC is ready to receive injection of electricity in 150kV by generators in the greater area, including PPC's new natural gas unit (Megalopolis V).

Interconnection of Cyclades
IPTO has proceeded with re-declaring the tender for the interconnection of the Cyclades Islands with the Hellenic Power Transmission System with a total budget of Euro 240 mil. following the conclusion of the public consultation. The unsealing of the offers was held on October 15, 2013 and the process for the finalization of the tender is underway.
The above mentioned project is characterized as one of extreme interest and general importance for the country's economy and aims to the reliability of the interconnected islands' power supply, in the achievement of the maximal possible reduction in Public Services Obligations' cost, due to the operation of oil thermal units as well as the reduction of CO_2 emissions. The islands' interconnection with the mainland system as well as with each other will be realized through submarine cable connections.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

Ten Year Network Development Plan (TYNDP) of the subsidiary IPTO S.A. for the period 2014-2023.
Following RAE's decision 463/2013 on the submitted TYNDP for the period 2014-2013, the Board of Directors of IPTO decided (decision 58/31.10.2013) the amendment of the Ten Year Network Development Plan of the Hellenic Electricity Transmission System and authorized the President and Managing Director to resubmit it to RAE.

11.7 HEDNO S.A.

Lawsuits against PPC – HEDNO
The companies "CANTOR" (former "ENERGA") and "NEW APPLICATION" (former "HELLAS POWER") have filed lawsuits against PPC by which they claim amounts of Euro 469.3 mil. and Euro 309.7 mil., respectively.
By the review of the documents and the assessment of the individual amounts reported in them, it is accrued that the lawsuits in question contain many undetermined amounts which are deemed, legally or otherwise, unfounded. Thus the above mentioned lawsuits have little chance of success. For that, a provision has not been formed.

Operation license for the Distribution Network and Power Systems of the Non Interconnected Islands.
As far as the operation license of the non - interconnected islands is concerned, HEDNO has submitted in due time the relative dossier to RAE with all necessary data and the approval of the license is expected.

11.8 BUSINESS COLLABORATION

PPC's Participation in waste management tenders.
Waste Syclo, is a 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. In 2012 Urbaser expressed its wish to withdraw from the Greek market and its participation in Waste Syclo. Following Urbaser's decision to leave the Greek market, TERNA ENERGY submitted a binding offer to Urbaser in order to buy Urbaser's share in Waste Syclo.
Since February 2013, PPC S.A. and TERNA ENERGY have started the Notification procedures to the Hellenic Competition Committee, for the collaboration by which TERNA ENERGY will acquire 51% of Waste Syclo's shares, therefore substituting Urbaser as a jointly controlling shareholder of Waste Syclo alongside PPC S.A. The Hellenic Competition Commission with its 577/VII/2013 decision approved the collaboration of PPC and TERNA ENERGY in 25.10.2013 .

PPC collaboration with Terna Energy for Attica Waste Tenders
In January / February 2013 PPC in collaboration with TERNA ENERGY, submitted Expressions of Interest in the tenders of the Integrated Waste Management Facilities of Attica Region, through a Public Private Partnership (4 tenders). The JV was successfully preselected in all tenders for Phase B and is currently participating in the Phase B I of the competitive dialogue for North Western Attica. The announcements for Phase B I for the rest of the tenders which will continue with competitive dialogue are still expected.

Kosovo Energy Project
PPC is participating in the project since March 2010. The project, according to the new RfP published in April 5, 2013, includes the development of the mine, and the construction of a new electric power generation plant with estimated installed capacity of 2X320 MW. PPC is examining its participation in the next phase of the tender, based on the upcoming amendments of the tender.

International public tender in FYROM
The tender 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). The government of FYROM relaunched the tender in November 8th 2012, with the deadline for submitting extended to April 15th 2013. No bids were submitted. PPC continues to have interest in the project, expecting a possible relaunch of the tender.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

Business Collaboration with Quantum Corporation Ltd and the former Bank of Cyprus
PPC - QUANTUM ENERGY LTD, a joint company founded by PPC, Quantum Corporation LTD and the former 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 Israel to Europe. (EuroAsia Interconnector Project).

Establishment of a Societe Anonyme jointly with DAMCO ENERGY SA
On the 7th of August 2013 PPC's BoD approved the establishment, jointly with DAMCO ENERGY SA, of a Societe Anonyme, named "PPC Solar Solutions S.A." in which PPC S.A. will participate with 49%. The objective of "PPC Solar Solutions S.A." will be the promotion, through a national franchising network, of integrated solutions for household photovoltaic systems and energy efficiency technologies, the provision of energy services, as well as the provision of services to PPC's customers. The establishment of the above Societe Anonyme is conditional upon the approval of the Competition Commission, and will be finalized after the related decision.

Option for acquisition of DEPA shares
PPC had acquired an 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.
PPC's Extraordinary Shareholders' Meeting, on October 4, 2012, approved the Private Agreement between PPC and HRADF, by virtue of which the parties agree that, PPC waives its right on the option in DEPA, following the compensation payment of Euro 32.9 mil., as resulted by the evaluation of the independent financial advisor Citibank.
The waiver of PPC's right is subject to the completion of the privatization process and to the fulfillment of the compensation payment due to PPC by HRADF.

Expansion of the activities of PPC abroad and establishment of commercial subsidiaries
A joint venture contract was signed between PPC and Alpiq Central Europe Ltd for the establishment of a commercial subsidiary company in Bulgaria, under the name PPC Bulgaria (PPC BG).
PPC S.A. will hold a 85% stake of the share capital of the joint venture company and Alpiq Central Europe Ltd will hold 15%.
Through this partnership, PPC seeks to penetrate neighboring electricity markets, το expand its cross-border activity beyond Greek borders and also το achieve synergies on know-how in regards to trading in multiple electricity markets, by acting together with an established company with presence in many European countries and significant experience in cross-border electricity trading.
In addition the Parent Company's Board of Directors has decided to establish a wholly owned subsidiary in Turkey, based in Constantinople, in order for the Group to establish itself in the fast growing Turkish Market, and the cross – border trade in electricity to and from Turkey.

Collaboration framework with DEPA S.A.
Following the relevant approval of the Extraordinary General Shareholders' Meeting of PPC S.A. held on October 4th, 2012, PPC proceeded, on October 29th, 2012, to the signing with DEPA of a new Contract for the Procurement of Natural Gas and of a Private Agreement by which all differences and mutual claims which derive by the existing between the parties Contract for the Procurement of Natural Gas of June 9th, 1994, are settled.
The new contract of 29.10.2012 between PPC and DEPA pertains to the procurement and transportation of a total quantity of 11,260 mil. Nm^3 of natural gas to the energy generating units of PPC for the period 01.01.2012 until 31.12.2020.
The Minimum Annual Contractual Quantity (take or pay clause) is defined in 80% of each Annual Contractual Quantity, with the right for PPC to reduce it to 75% for two, non - consecutive, years of each selection, with a six month notice of DEPA.
The price for the procurement of natural gas as well as the height of the payment guarantee provided by PPC, will be derived by the mechanisms applied by DEPA for its other energy generating customers.
Among others it is provided for, PPC's right for the readjustment of the contract (exclusively the procurement of natural gas) in two months' time by the application of the new pricing rules of the National System of Natural Gas, the right for any of the parties for the readjustment of the contractual price after five years have passed, and finally a clause of renegotiation of the contract whenever is demanded or by whichever of the parties requests it, mainly due to changes in the conditions of the energy market.

11. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

By a press release on November 13th, 2012, the competition commission announced the acceptance of DEPA's commitments regarding the supply market of natural gas and the market access to the natural gas network. Based on the above DEPA's mentioned commitments, PPC has already proceeded with the readjustment of the Annual Contractual Quantity for the year 2013.
A reduction on the price of natural gas has already been announced by DEPA and is in effect, due to a change in the price in which DEPA is supplied with liquid natural gas by the Algerian company Sonatrach.
For 2013 based on current planning and taking into consideration that, even if PPC does not consume the minimum contractual quantity it will be burdened by a take-or-pay clause only if DEPA pays such clause to its suppliers, such a payment of a take-or-pay clause from PPC to DEPA, is not considered likely.

Claims from DEPA until 31.12.2011
On 29.10.2012 a private agreement was signed between the Parent Company and DEPA. The private agreement provides for the settlement of outstanding amounts for the period 01.12.2007 – 31.12.2011 between PPC and DEPA which arose during the implementation of the Contract for the Procurement of Natural Gas of June 9th, 1994. The above mentioned settlement includes the acceptance and compliance of the parties to the decisions No 42/2011 and 3/2012 of the Arbitration Courts. The above-mentioned settlement of the outstanding amounts until 31.12.2011 had a positive effect in the Group and the Parent Company's financial results for 2012 amounting to Euro 191.7 mil. The cash settlement for the above mentioned outstanding amounts until 31.12.2011 as well as for the year 2012 has been concluded.

12. SIGNIFICANT EVENTS

Special Consumption Tax on Electricity
The Custom House's audit in relation to the special consumption tax on electricity for the period May 2010 to September 2012 has not yet been concluded.

Tax Certificate 2012
The tax audit for the year 2012 was undertaken by the Company's statutory auditors according to the Tax Code (art. 82, L. 2238/94 as in effect) and on 26.09.2013 the auditors issued a tax conformity report with an "unmodified opinion".

Updated study of Booz & Co about the margin improvement of PPC's efficiency
In April 2013 PPC S.A. announced the updated study (based on 2012 data) of Booz & Co, to which the initial study for the improvement of PPC's efficiency was assigned in 2007 when upon the potential scope for improvements for the whole spectrum of operations (Personnel, Generation, Mines, Supply, Distribution, Transmission) was examined.
According to the results of the 2007study, the scope for improvement amounted to Euro 744 mil (2006 prices). If the activities of Distribution and Transmission are excluded (natural monopoly subsidiaries), since these have been spanned off, the updated study's result exhibit a scope of improvement of Euro 557 mil.
Given the finalized 2012 data, PPC requested the same company to undertake the update of the study using the exact same methodology for comparability purposes. The updating of the study resulted to the following:

1. Mines – elimination of lignite's competitiveness deficit by Euro 274 mil.
2. Generation – reduction of the efficiency margin by Euro 139 mil.
3. Administration - reduction of the efficiency margin by Euro 33 mil.
4. Supply– increase of the efficiency margin by Euro 13 mil.
5. Payroll – reduction of the payroll cost by 27% if compared to 2006 and by 43% if compared to 2009

Taking the above into account, the scope for improvement decreased to Euro 124 mil. benchmarked against the per activity best practices (and not benchmarked against the averages of European companies with similar activities). The reduction in the scope for improvement was due to actions within the company as well as external and structural changes. For example, lignite is now competitive to coal, foregone sale revenues due to reduced capacity of power plants have decreased, controllable expenses have also decreased, the generation portfolio has improved and most importantly both the number of employees and payroll related costs decreased.

Advance payment to PPC against sums due by Government Bodies
In June 2013 and based on L. 4075/2012 art. 58, PPC was paid an advance of Euro 43.7 mil. against overdue bills of electricity consumption by the General Government bodies. The amount of the above mentioned advance was returned by September 30, 2013
In October 2013 and based on L. 4075/2012 art. 58, PPC was paid an advance of Euro 64.5 mil. against overdue bills of electricity consumption by the General Government bodies for the period 01.01.2013 - 31.08.2013. The amount of the above mentioned advance is to be returned by December 27, 2013

12. SIGNIFICANT EVENTS (continued)

Annual General Shareholders' Meeting
PPC's Annual General Shareholders' Meeting took place on June 29th, 2013. Based on the after tax profit, PPC's Board of Directors proposed a dividend of 0.025 per share, amounting to Euro 5.8 mil.

Fine imposed by RAE
A fine was imposed to PPC by RAE's Decision no. 307/2013 amounting to Euro 4.4 mil., due to noncompliance of PPC, as mentioned in the said decision, with a previous Decision issued by RAE (895/2012) and in general noncompliance of PPC with the submission of alternative tariffs to its Medium Voltage customers. That Decision (895/2012) provided, amongst other, the obligation of PPC to submit an adequate number of tariffs to its Medium Voltage customers according to their demand profile and load characteristics.
PPC has filed a request for revision against this decision (including the request for the suspension of the aforementioned Decision no. 307/2013 of RAE), as provided for in L. 4001/2011.

Extraordinary events in Generation Units
During the nine month period ended 30.09.2013, the following damages incurred to equipment of Generation Units of the Interconnected System and the Non – Interconnected Islands:

1. On July 8, 2013 during the start – up procedure in Unit 1 of the Kardia Power Plant, following a ten – day break for repairs, and in particular at the synchronization phase, a serious break down in the Unit's main transformer resulted in the termination of operation of the said Unit. The Unit, following the transportation and connection of an appropriate transformer from another Generation Unit of the Company, operated again on August 24, 2013.
2. On July 25, 2013 a fire occurred in the Meliti Power Plant and in particular on the conveyor belts of the Lignite Transportation System, resulting in the destruction of a large part of the electromechanical equipment of the above mentioned system, which led to the interruption of the Unit's supply with fuel and thus to the interruption of its operation. The damage was repaired and the unit was put in operation on September 25, 2013.

Both damages had a negative impact in the estimated amount of lignite production in the nine month period ended 30.09.2013. It is noted that, as far as Meliti Power Plant is considered the above mentioned impact was limited, due to the fact that the Unit's annual maintenance was conducted simultaneously with the repairs.

3. On August 13, 2013 one of the units (8 MW) of the Autonomous Power Plant (APP) in Thira (Santorini) has sustained a serious, non-repairable damage, which caused a fire as well as damages in adjacent units and the auxiliary equipment of the APP, resulting in the island's total disruption of power supply.
   The supply of electricity was restored gradually and was completed on August 16, 2013, with the units of the APP operating again, along with the transportation and installation of portable generating sets from other areas of the country, either owned by PPC or on loan. The necessary actions for the repair of the adjacent generating sets as well as the replacement of the damaged generating set were immediately scheduled. Additionally and in order to enhance the installed capacity it was decided to launch tenders for the supply and installation of a gas turbine by the end of spring 2014, of a capacity of 9-14 MW, of an internal combustion generating set of a capacity of 8-10 MW and eight portable generating sets of a capacity of 10MW. Furthermore an additional generating set of 10MW has already been licensed by RAE and the Parent Company will soon purchase and install it. The total budget for the supply and installation of the above mentioned generating sets is estimated to approximately Euro 34 mil.

13. SUBSEQUENT EVENTS

Share capital increase in PPC Renewables S.A.
In October 2013 the Parent Company's Board of Directors following a previous decision has decided the increase of its subsidiary PPC Renewables' share capital by Euro 13.6 mil. by issuing 13.6 mil. nominal shares of one Euro each and a share premium of Euro 2.20, at a price of Euro 3.20, forming a share premium reserve of Euro 29.9 mil. The above mentioned increase was ratified by a decision of PPC Renewables' Extraordinary Shareholders' General Assembly on November 4, 2013.

13. SUBSEQUENT EVENTS (continued)

Expropriation of the Mavropigi settlement in the Eordaia Municipality

In the nine month period 01.01.2013 -30.09.2013 an amount of Euro 29.5 mil. was expended, which concerns the first gradual deposit of compensation for the compulsory expropriation of the Mavropigi settlement – which is to be relocated- and which extends in 415,00 m^2, in order to exploit the underlying lignite deposit, which was declared in favor of the Greek State and the expense of PPC as the applicant, while in October 2013 an additional amount of Euro 48.5 mil. was paid.

The above mentioned amounts are included in the Parent Company's investments.

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

14. SEGMENT INFORMATION

Sales and inter segment results are as follows:

	Sales		Results	
	01.01.2013-30.09.2013	**01.01.2012-30.09.2012**	**01.01.2013-30.09.2013**	**01.01.2012-30.09.2012**
Interconnected system				
Mines	573,578	665,857	7,953	97,544
Generation	1,456,317	2,169,765	16,580	785,241
Distribution Network	271,503	306,327	174,777	205,172
Supply	4,341,909	4,164,636	(90,788)	(819,800)
	6,643,307	**7,306,585**	**108,522**	**268,157**
Creta Network				
Generation	307,086	368,035	(44,812)	(37,384)
Distribution Network	17,318	16,735	8,433	8,359
Supply	272,118	269,679	36,168	745
	596,522	**654,449**	**(211)**	**(28,280)**
Non – Interconnected Islands System				
Generation	320,263	383,453	(43,720)	5,543
Distribution Network	23,246	23,602	12,876	13,239
Supply	244,969	247,723	54,965	27,253
	588,478	**654,778**	**24,121**	**46,035**
Financial expenses (Parent Company)	-	-	(177,561)	(185,317)
Eliminations (Parent Company)	(3,377,332)	(4,154,635)	-	-
Total (Parent Company)	**4,450,975**	**4,461,177**	**(45,129)**	**100,595**
IPTO S.A.	1,802,907	1,693,856	94,901	73,457
HEDNO S.A.	973,932	853,128	22,187	43,081
Other Companies (Group)	23,200	19,183	9,865	8,420
Financial expenses (Subsidiaries)	-	-	(20,913)	(22,933)
Eliminations (Group)	(2,757,141)	(2,463,606)	(3,995)	(37,396)
Income tax	**-**	-	(50,255)	(40,356)
Grand total (Group)	**4,493,873**	**4,563,738**	**6,661**	**124,868**

V. FIGURES AND INFORMATION

PUBLIC POWER CORPORATION S.A.

Company's number 786301000 of the General Electronic Commercial Registry (former Company's Reg. No: 47829/06/B/00/2)
Chalkokondyli 30 - 104 32 Athens

FINANCIAL DATA AND INFORMATION FOR THE PERIOD
January 1, 2013-September 30, 2013

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.

Web site address: www.dei.gr
Date of approval by the Board of Directors: November 26, 2013

DATA FROM STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
		(restated)		(restated)
ASSETS	30.09.2013	31.12.2012	30.09.2013	31.12.2012
Tangible assets	12.890.273	12.903.591	11.122.688	11.143.858
Intangible assets	29.140	54.377	28.143	53.445
Other non- current assets	44.477	54.178	1.088.627	1.097.864
Materials, spare parts and supplies	825.472	855.337	623.712	629.599
Trade receivables	1.371.103	1.320.910	1.312.268	1.264.686
Other current assets	341.294	444.771	336.566	438.893
Available for sale financial assets	4.068	5.021	4.068	5.021
Restricted cash	131.803	141.500	131.803	141.500
Cash and cash equivalents	259.077	279.427	173.275	221.208
TOTAL ASSETS	**15.896.707**	**16.059.112**	**14.821.150**	**14.996.074**
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	4.423.503	4.508.370	4.375.552	4.528.680
Equity attributable to shareholders of the parent (a)	5.597.382	5.682.249	5.549.431	5.702.559
Minority interests (b)	0	0	0	0
Total Equity (c)=(a)+(b)	5.597.382	5.682.249	5.549.431	5.702.559
Interest bearing loans and borrowings	3.244.040	3.302.887	3.072.503	3.026.223
Provisions / other non current liabilities	3.285.690	3.193.323	2.850.017	2.780.208
Short term borrowings	1.799.258	1.802.093	1.487.284	1.580.456
Other current liabilities	1.970.337	2.078.560	1.861.915	1.906.628
Total liabilities (d)	10.299.325	10.376.863	9.271.719	9.293.515
TOTAL EQUITY AND LIABILITIES (c) + (d)	**15.896.707**	**16.059.112**	**14.821.150**	**14.996.074**

DATA FROM STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
		(restated)		(restated)
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Total equity at beginning of the period (01.01.2013 and 01.01.2012, respectively)	5.682.249	6.448.695	5.702.559	6.300.045
Remeasurment of fixed assets' deffered tax as of 1st January 2012	0	51.695	0	51.695
Effect from the application of the revised IAS 19	0	(193.272)	0	(99.235)
Adjustment in deferred tax asset resulting from the application of the revised IAS 19	0	38.654	0	19.847
Total comprehensive income after tax	(79.073)	118.950	(147.268)	79.636
Dividends	(5.800)	0	(5.800)	0
Other	6	3.091	(60)	(47)
Equity at the end of the period (30.09.2013 and 30.09.2012, respectively)	**5.597.382**	**6.467.813**	**5.549.431**	**6.351.941**

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

GROUP

	01.01-30.09.2013	(restated) 01.01-30.09.2012	01.07-30.09.2013	(restated) 01.07-30.09.2012
Sales	4.493.873	4.563.738	1.542.668	1.625.755
Gross operating results	749.153	459.399	329.105	200.249
Profit / (Loss) before tax, financing and investing activities	222.090	341.558	(59.154)	171.917
Profit / (Loss) before tax	56.916	165.224	(113.294)	112.675
Profit / (Loss) after tax (a)	6.661	124.868	(120.449)	102.010
Distributed to:				
- Owners of the Parent	6.661	122.711	(120.449)	100.499
- Minority interests	0	2.157	0	1.511
Other comprehensive income after tax (b)	(85.734)	(5.918)	(2.646)	(354)
Total comprehensive income after tax (a)+(b)	(79.073)	118.950	(123.095)	101.656
- Owners of the Parent	(79.073)	116.793	(123.095)	100.145
- Minority interests	0	2.157	0	1.511
Earnings / (Loss) per share, basic and diluted (in Euro)	0,0287	0,5289	(0,5192)	0,4332
Profit before tax, financing and investing activities and depreciation and amortisation	681.082	822.317	94.718	333.309

COMPANY

	01.01-30.09.2013	(restated) 01.01-30.09.2012	01.07-30.09.2013	(restated) 01.07-30.09.2012
Sales	4.450.975	4.461.177	1.531.703	1.574.049
Gross operating results	622.432	341.595	274.851	152.224
Profit / (Loss) before tax, financing and investing activities	93.853	220.219	(111.748)	128.448
Profit / (Loss) before tax	(45.129)	100.595	(150.824)	75.683
Profit / (Loss) after tax (a)	(82.684)	81.967	(145.485)	65.940
Distributed to:				
- Owners of the Parent	(82.684)	81.967	(145.485)	65.940
- Minority interests	0	0	0	0
Other comprehensive income after tax (b)	(64.584)	(2.331)	(1.148)	841
Total comprehensive income after tax (a)+(b)	(147.268)	79.636	(146.633)	66.781
- Owners of the Parent	(147.268)	79.636	(146.633)	66.781
- Minority interests	0	0	0	0
Earnings / (Loss) per share, basic and diluted (in Euro)	(0,3564)	0,3533	(0,6271)	0,2842
Profit before tax, financing and investing activities and depreciation and amortisation	504.883	652.513	26.742	272.687

ADDITIONAL DATA AND INFORMATION

All amounts in thousands of Euro, unless otherwise stated

1. The Group's companies which are included in the interim condensed consolidated and separate financial statements, their country, the Group's participating interest (direct and indirect), and the method of consolidation, are presented in Notes 5, 6 and 7 of the nine month Financial Report.
2. The accounting policies adopted in the preparation of the financial statements are presented in Note 3 of the nine month Financial Report and are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2012, except from these which are presented in Note 3.2 of the nine month Financial Report.
3. No burdens exist on the Parent's and 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 September 30, 2013 are as follows :

	Group	Company
a) Provision for litigation and arbitration	12.448	10.558
b) Tax provisions	0	0
c) Other provisions	258.109	258.381

6. Total payrolls of the Group and the Parent Company number 19.531 and 11.100 as of September 30, 2013 (2012: 20.367 and 11.592 respectively). Further information is presented in Note 1 of the nine month Financial Report.
7. Sales and purchases of the Group and the Parent Company for the nine month period ended September 30, 2013 as well as receivables and payables as of September 30, 2013 of the Group and the Parent Company, according to IAS 24 are as follows:

	Group	Company
a) Sales	58.282	395.515
b) Purchases	4.539	2.156.705
c) Receivables from related parties	185.511	232.566
d) Payables to related parties	0	770.484
e) Key management personnel compensations	1.015	679
f) Receivables from key management personnel compensations	0	0
g) Payables to key management personnel compensations	0	0

8. Capital expenditure of the Parent Company and the Group for the nine month period ended September 30, 2013 amounted to Euro 400,5 million and to Euro 482 million respectively.
9. Other Comprehensive income / (loss) after tax which was recognized directly in equity for the nine month period ended September 30, 2013 are as follows:

	Group	Company
Profit / (Loss) from fair value available for sale financial assets	249	249
Actuarial gains/(losses)	(7.939)	(3.446)
Income tax effect due to change in the tax rate	(78.044)	(61.387)
Total	(85.734)	(64.584)

10. As of January 1, 2012 the fixed assets' deferred tax was remeasured, without an effect on the Parent Company and the Group's financial position and income.
11. Due to the amendment of IAS 19, certain adjustments have been made in profit, equity, deferred tax liability and provision for post retirement benefits of prior periods. Further information is presented in Note 9 of the nine month Financial Report.
12. Regarding the terms of electricity supply between PPC S.A. and ALOUMINION S.A. the Decision 1/2013 of the Arbitration Court in RAE was issued which defines the sale price of electricity to ALOUMINION S.A. to 40,7 Euro/MWh. Due to this Decision PPC's and Group' s results have been charged by an amount of Euro 109 million. Further information is presented in Note 11 of the nine month Financial Report.
13. Information regarding the agreement for the settlement of debts incurred by LARCO's electricity consumption as well as the new contract for the procurement of lignite and the relation between PPC and LARCO, is presented in Note 8 of the nine month Financial Report.
14. Information regarding RAE's Decision 285/2013 – « Implementation of the methodology for the allocations of payments due to shortages in the Day Ahead Schedule (DAS) » is presented in Note 11 of the nine month Financial Report.
15. Information regarding the Offsets of Photovoltaic Systems Producers in buildings and the corrective settlements of IPTO concerning the Special Account of art. 143 of Law 4001/2011 is presented in Note 11 of the nine month Financial Report.
16. The Plan for the reorganization and the privatization of PPC was published in the O.G. A' 168/24.07.2013. Further information is presented in Note 2 of the nine month Financial Report.

DATA FROM STATEMENT OF CASH FLOW

	GROUP		COMPANY	
	01.01-30.09.2013	(restated) 01.01-30.09.2012	01.01-30.09.2013	(restated) 01.01-30.09.2012
Cash Flows from Operating Activities				
Profit / (Loss) before tax from continuing operations	56.916	165.224	(45.129)	100.595
Adjustments:				
Depreciation and amortisation	516.094	538.325	464.033	485.330
Amortisation of customers' contributions and subsidies	(57.102)	(57.566)	(53.003)	(53.036)
Provision for CO2 emission rights	25.767	940	25.767	940
Impairment loss of marketable securities	4.245	0	4.245	0
Fair value (gain) / loss of derivative instruments	(1.135)	0	(1.135)	0
Share of loss of joint venture	0	912	0	912
Share of loss / (gain) of associates	(1.632)	(996)	0	0
Interest income	(34.951)	(31.485)	(41.862)	(66.258)
Sundry provisions	270.181	223.653	268.806	184.133
Unrealised foreign exchange losses (gains) on interest bearing loans and borrowings	129	2.419	117	392
Unbilled revenue	(47.331)	(88.662)	(47.331)	(88.662)
Retirement of fixed assets and software	11.700	23.917	11.511	23.096
Amortisation of loan origination fees	5.376	4.211	4.561	3.537
Interest expense	175.812	190.078	156.713	168.804
Working capital adjustments:				
(Increase) / Decrease in:				
Accounts receivable, trade and other	(105.137)	(660.816)	(137.765)	(572.787)
Other current assets	(48.070)	(70.658)	(21.144)	(142.242)
Materials, spare parts and supplies	32.978	(9.706)	8.596	(26.857)
Increase / (decrease) in:				
Trade and other payables	(253.488)	465.189	(207.459)	290.519
Other non-current liabilities	3.538	85.824	4.625	82.038
Accrued / other liabilities excluding interest	140.600	58.618	152.578	198.295
Income tax paid	(19.830)	(31.378)	(11.287)	0
Distribution business unit spin-off	0	0	0	216.998
Net Cash from Operating Activities (a)	**674.660**	**808.043**	**535.437**	**805.747**
Cash Flows from Investing Activities				
Interest received	34.951	31.485	33.381	66.258
Capital expenditure of fixed assets and software	(483.455)	(646.985)	(401.900)	(592.897)
Proceeds from customers' contributions and subsidies	2.213	9.187	2.144	5.671
Investments in subsidiaries and associates	(3.258)	(2.489)	(3.044)	(4.000)
Distribution business unit spin-off	0	0	0	(120.167)
Net Cash used in Investing Activities (b)	**(449.549)**	**(608.802)**	**(369.419)**	**(645.135)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	(70.029)	104.831	(60.000)	55.000
Proceeds from interest bearing loans and borrowings	285.000	810.000	285.000	782.500
Principal payments of interest bearing loans and borrowings	(276.782)	(1.052.367)	(272.009)	(968.011)
Interest paid	(177.829)	(193.247)	(161.121)	(174.528)
Dividends paid	(5.821)	(35)	(5.821)	(35)
Net Cash used in Financing Activities (c)	**(245.461)**	**(330.818)**	**(213.951)**	**(305.074)**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**(20.350)**	**(131.577)**	**(47.933)**	**(144.462)**
Cash and cash equivalents at the beginning of the period	**279.427**	**364.495**	**221.208**	**339.539**
Cash and cash equivalents at the end of the period	**259.077**	**232.918**	**173.275**	**195.077**

Athens, November 26, 2013

CHAIRMAN & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN & DEPUTY CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	ACCOUNTING DEPARTMENT DIRECTOR
ARTHOUROS ZERVOS	KONSTANTINOS DOLOGLOU	GEORGE C. ANGELOPOULOS	EFTHIMIOS A. KOUTROULIS
			License Number 0051612