PUBLIC POWER CORPORATION S.A.

FINANCIAL REPORT
(January 1, 2014– December 31, 2014)

The attached Financial Report of the fiscal year 2014, has been established according to article 4 of Law 3556/2007, has been approved by the Board of Directors of "Public Power Corporation S.A." on March 27th, 2015, and is available for the investors, on the internet, at the web site address www.dei.gr, for at least the next 5 (five) years.

Public Power Corporation S.A.
General Commercial Registry : 786301000
Chalkokondyli 30 - 104 32 Athens

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INDEX TO THE FINANCIAL STATEMENTS

A. STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

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STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS
(According to article 4, par.2 of Law 3556/2007)

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

hereby

declare

that, to the best of our knowledge:

a) the accompanying Financial Statements of the Parent Company and the Group, for the year ended December 31, 2014, which were prepared according to the International Accounting Standards – currently in effect- as adopted by the European Union, are truthfully depicting assets, liabilities, equity and the statement of income of Public Power Corporation S.A., as well as the companies included in the consolidation, according to the provisions of article 4 of Law 3556/2007 and,

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

Athens March 27, 2015

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

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B. EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS

EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS OF PUBLIC POWER CORPORATION S.A. (PPC S.A.) AND GROUP PPC FOR THE FISCAL YEAR 2014

Dear Shareholders,

Following the end of the Public Power Corporation's thirteenth fiscal year as a Societe Anonyme, we have the honor to submit for approval, according to the Company's statutes, the financial statements for the year ended 31.12.2014, as well as, our comments on the respective statements. Furthermore, we submit for approval the unbundled financial statements for the year 2014 (Appendix I of the annual financial statements) according to the provisions of L. 4001/2011 art. 141 and the approved by the Regulatory Authority of Energy, methodology of accounting unbundling.

The Group's subsidiaries which are consolidated in the Group's financial statements are the following: "IPTO S.A.", "PPC Renewables S.A.", "Hellenic Distribution Network Operator SA or HEDNO SA" , "Arkadikos Ilios 1 S.A.", "Arkadikos Ilios 2 S.A.", "Iliako Velos Ena S.A.", "Iliako Velos Dio S.A.", "Solarlab S.A.", "Iliaka Parka Ditikis Makedonias 1 S.A.", "Iliaka Parka Ditikis Makedonias 2 S.A.", "PPC FINANCE PLC", "PPC Quantum Energy Ltd", "PPC Bulgaria JSCo", "PPC Elektrik Tedarik ve Ticaret Anonim Şirketi", and, "Phoibe Energiaki Photovoltaika S.A.".

Based on L. 2190/1920 article 134, PPC S.A. prepared the financial statements for the year ended 31.12.2014 (thirteenth fiscal year), in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union.

Amendments in the current legal framework during 2014

All detailed amendments in the current legal framework are presented in Note 2 to the Financial Statements.

2014 Financial Data

EBITDA in 2014 increased by € 140.5 m. (or by 15.9%) compared to 2013, with the respective margin settling at 17.4% compared to 14.8% in 2013.

According to the International Financial Reporting Standards (IFRS), the Group and the Parent Company selected since the listing in the Stock Exchange to value their fixed assets on their fair values. Said appraisal is performed periodically, every three to five years. Results of the previous appraisal were recorded in the 2009 annual financial statements. Consequently, in 2014, an independent firm was assigned for the appraisal of the Group's property, plant and equipment at December 31, 2014 fair values.
The results of the appraisal have been recorded in the financial statements of December 31, 2014, with a total net increase of the fixed assets value of the Group and the Parent Company's of € 848 m and € 818.6 m respectively. In addition, due to reduced fair values of certain fixed assets, the pre-tax profits of 2014 were charged (according to IFRS) with an amount of € 60.6 m for the Group and € 29.3 m for the Parent Company.

2014 results include the one-off positive impact of € 23.2 m, which was recorded in 1Q2014, from the retroactive application of the discount in the price of natural gas for the second half of 2013. On the other hand, the positive impact, which was recorded in 1Q2014 results, from the recovery of a total amount of € 21.3 m (€ 17.4 m plus interest of € 3.9 m) as state aid to ALUMINIUM S.A. for the period January 2007 until March 2008, was reversed in the third quarter, following the annulment of the relevant Decision of the European Commission from the General Court of the European Union. PPC has filed a recourse to said decision in front of the European General Court.
In addition, 2014 results have been negatively impacted from a provision of € 48.3 m for the cover of the deficit of the market operator (LAGIE), created in the Day-Ahead Schedule (DAS) market during 2011 and 2012 by alternative suppliers that exited the market.
Respectively, 2013 results include a one-off negative impact of € 105.5 m due to the implementation of the Decision of the Permanent Arbitration at RAE, regarding the supply of electricity to ALUMINIUM S.A. for the period 1.7.2010 to 30.9.2013.

Excluding the abovementioned one-off items, 2014 EBITDA amounts to € 1,047.2 m compared to € 987.1 m in 2013, increased by € 60.1 m, and the corresponding margin settles at 17.9% compared to 16.5% respectively.

It is noted that total controllable expenses (payroll and expenses for third party contractors and materials' consumption) posted a significant reduction by € 70.7 m, thus contributing to the improvement of the operating profitability. If capitalized payroll is included in this comparison, then the overall saving in controllable expenses reaches € 90.1 m.

Revenues

- Turnover declined by € 107.2 m. (1.8%) to € 5,863.6 m in 2014 from € 5,970.8 m in 2013. Turnover includes an amount of € 72.1 m. reflecting network users' participation for their connection to the network versus € 90.2 m in 2013.

- PPC's revenues from electricity sales, declined by € 111.2 m (1.9%) to € 5,654.6 m. in 2014 compared to € 5,765.8 m in 2013.

In detail:

- Total electricity demand decreased by 5.1% (3,043 GWh) in 2014, to 57,032 GWh versus 60,075 GWh in 2013. Excluding exports and pumping, electricity demand decreased by 0.6% (326 GWh). The slightly lower demand, combined with the reduction of PPC's retail market share to 97.9% from 98.3%, resulted to the decrease of PPC's domestic electricity sales volume by 384 GWh (0.8%) to 49,434 GWh, mainly due to reduced volume sales to Low Voltage customers (a net reduction of 434 GWh taking into account that sales to beneficiaries of the Social Residential tariff increased by 413 GWh). Sales to High Voltage customers increased by 173 GWh.
  In 4Q2014, the rate of decrease of total electricity demand was limited to 1.5%, whereas excluding pumping and exports, domestic demand slightly increases by 0.4% and the volume of PPC's domestic electricity sales increases by 0.2% (29 GWh) due to the reduction of PPC's retail market share by 0.6 percentage points (from 98.2% to 97.6%) as a result of lower sales to Low Voltage customers by 105 GWh. In addition, sales to High Voltage customers increased by 95 GWh and sales to beneficiaries of the Social Residential Tariff increased by 71 GWh.

- PPC's electricity generation and imports covered 66.9% of total demand, while the corresponding percentage in 2013 was 66%. Lignite-fired generation decreased by 2.2%, whereas gas-fired generation remained practically at the 2013 level, settling at 3,940 GWh. Regarding hydro generation, there is a considerable decrease of 30.7% to 3,906 GWh vs 5,640 GWh in 2013, mainly due to exceptional hydrological conditions that prevailed especially in 1H2013.
  In 4Q2014, PPC's electricity generation and imports covered 62.8% of total demand vs 68.6% in 4Q2013, a reduction which is largely attributed to the decrease of lignite-fired generation by 12.2% (756 GWh) and natural gas-fired generation by 49.2% (774 GWh). However said reduction was more than offset by increased imports by PPC (276 GWh) and from third parties (1,372 GWh), as well as by higher hydro generation (35.1% or 268 GWh) due to improved hydrological conditions.
  The significant increase of imports is mainly attributed to the increase of the average System Marginal Price (SMP) to € 59.2/MWh in 4Q2014 vs € 53/MWh in 4Q2013.

Operating expenses

Operating expenses before depreciation, decreased by € 247.7 m. (4.9%) from € 5,089.2 m. in 2013 to € 4,841.5 m. in 2014.
It is noted that 2013 operating expenses include a negative impact of € 88.8 m from the Arbitration Decision regarding the supply of electricity to ALUMINIUM S.A. for the period 1.1.2010-31.12.2012 (the negative impact from the balance of € 16.7 m out of the already mentioned amount of €105.5 m, is included in 2013 revenues from electricity sales as it refers to the period 1.1.2013-30.9.2013).

More specifically:

Energy mix expenditure

- Expenditure for liquid fuel, natural gas, third party coal, CO_2 and energy purchases decreased by approximately € 151.3 m., or by 5% compared to 2013.
  In detail:
  - The decrease in liquid fuel expense by € 24.7 m. (3.1%), from € 792.6 m. in 2013 to € 767.9 m. in 2014, is attributed to the reduction of heavy fuel oil and diesel prices, expressed in Euros, by 6.3% and 6% respectively, as electricity generation from liquid fuel marked an increase of 145 GWh, the largest part of which (126 GWh) in 3Q2014.
  - Natural gas expense decreased by € 56.1 m. (14%), from € 401.9 m in 2013 to € 345.8 m in 2014, mainly due to the decrease of natural gas prices by 11%, as gas-fired generation remained practically at the 2013 level (3,940GWh in 2014 vs 3,943 GWh in 2013).
    Especially in the fourth quarter of 2014, natural gas expense was cut to approximately half the relevant cost in the fourth quarter of 2013 (reduction of € 85.6 m or 54.1%) due to reduced gas-fired generation by 49.2% (774 GWh) and lower gas prices.
  - Third party coal expense increased by € 24.2 m. to € 74.4 m.
  - Energy purchases expense from the System and the Network decreased by 9% or € 132.7 m., from € 1,474.4 m. in 2013 to € 1,341.7 m. More specifically, and regarding the Interconnected System, energy purchases expense amounted to € 1,201.1 m. compared to € 1,300.1 m. in 2013, a reduction of 7.6% or € 99 m.

– The reduction of energy purchases expense is mainly attributed to the significant drop in the Variable Cost Recovery Mechanism expense and the expense for the Special consumption tax on natural gas for IPPs.
  On the other hand, the reduction in the energy purchases expense was contained by the increase of the average System Marginal Price by 38.8%, from € 41.5/MWh in 2013 to € 57.6/MWh in 2014, as well as by the increased net expense by € 45.7 m for the Capacity Assurance Mechanism, resulting from the doubling of the Capacity Assurance Certificates (CACs) for modern natural gas-fired units combined with the abolition of CACs for certain PPC older generation units as of 1.8.2013.
  Additionally, the impact from the modified methodology for calculating the price paid through the Pool, by electricity suppliers to RES generators in the Interconnected System remained at the 2013 level (c. € 33 m.), mainly due to the increase of the SMP.
– Expenditure for electricity imports, excluding expense for interconnection rights, reached € 127.6 m. increased by € 8.6 m (7.2%), as a result of the increase in the volume of imports by 688 GWh (2,841 GWh in 2014 vs 2,153 GWh in 2013), which was counterbalanced by the decrease of the imports price by 12.6%.
– Expenditure for CO_2 emission rights amounted to € 216.9 m. in 2014, increased by € 29.4 m. compared to 2013, due to increased average price for CO_2 emissions. On the other hand, CO_2 emissions in volume terms marked a small reduction of 4.9% in 2014 compared to 2013 settling at 39.2 mln tonnes mainly due to lower lignite-fired generation.

<u>Payroll cost</u>

- The total reduction between the two periods in payroll cost, including capitalized payroll and payroll of seasonal personnel, amounted to € 45 m. (4.3%) from € 1,050 m in 2013 to € 1,005 m in 2014.
  Specifically, total payroll of permanent employees declined by € 35.8 m to € 946.2 m in 2014 versus € 982 m in 2013, as a result of the decrease in the number of permanent employees on payroll during 2014 by 521 to 18,572 on 31.12.2014, as well as the carry over effect of the decline by 905 employees during 2013, the majority of which took place in the second half of 2013.

<u>Provisions</u>

- Total provisions for bad debt, litigation and slow moving materials amounted to € 431.1 m in 2014 compared to € 358.3 m in 2013, an increase of € 72.8 m (20.3%).
  Excluding the negative impact of € 48.3 m for the cover of the deficit of LAGIE created by third party suppliers that exited the market, bad debt provisions increased by € 21.4 m to € 374.4 m from € 353 m in 2013. It is noted that an amount of € 76.6 m for Low and Medium Voltage customers' advances for electricity consumption, which corresponds to customers included in bad debt provisioning until 31.12.2014, has been subtracted from the 2014 figure.
  Especially in the fourth quarter of 2014, provisions for bad debt amounted to € 119.2 m, that is an increase of € 27.3 m compared to 4Q2013 (€ 91.9 m).
  It is noted that electricity bills' collection and consequently bad debt provisions evolution are being negatively affected by increased or additional charges imposed on electricity bills in favour of third parties, (i.e. the Renewables levy, namely ETMEAR). This tends to cause delay or difficulty of collecting electricity bills thus creating additional working capital needs for the Parent Company, bearing also in mind that ETMEAR, amongst others, is paid regardless of whether it has been collected from its customers.
  Finally, provisions for litigation and slow moving materials amounted to € 8.4 m in 2014 compared to € 5.3 m in 2013.

<u>In conclusion,</u>
In 2014, 47.8% of total revenues were expensed for fuel, CO_2 and energy purchases compared to 49.8% in 2013. It is noted that, energy purchases expense in 2014 accounted for 25.1% of total revenues compared to 26.7% in 2013. Regarding the evolution of provisions, excluding the one-off provision for the LAGIE deficit, these represent 6.5% of total revenues compared to 6.0% last year. The relevant percentage for payroll remained practically stable at 15.6%.

<u>Other Financial information</u>

- Depreciation expense in 2014 amounted to € 606 m. compared to € 626.4 m. in 2013, a reduction of € 20.4 m.
- Net financial expenses amounted to € 213.8 m. compared to € 219.4 m in 2013.
- Pre-tax profits in 2014 amounted to € 137.6 m. compared to € 34.9 m. in 2013.
- Net profits amounted to € 91.3 m. compared to losses of € 225.3 m. in 2013.

<u>Capex and net debt</u>

- Capital expenditure in 2014 reached € 628 m. compared to € 718.1 m. in 2013, reduced by € 90.1 m., while, as a percentage of total revenues it declined to 10.7% from 12%. Excluding network users' participation for their connection to the network (€ 72.1 m. and € 90.2 m. in 2014 and 2013 respectively), which fund a significant part of network projects, capital expenditure amounted to 9.6% and 10.7% of total revenues in 2014 and 2013 respectively.

- Specifically, the main components of 2014 capital expenditure, were as follows (in brackets the respective figures for 2013):

- Mining projects:	€ 102 m.	(€ 185 m.)
- Conventional Generation projects:	€ 162 m.	(€ 154 m.)
- RES projects:	€ 8 m.	(€ 26 m.)
- Transmission projects:	€ 87 m.	(€ 85 m.)
- Network projects:	€ 257 m.	(€ 255 m.)

- Net debt amounted to € 4,991.9 m., an increase of € 467.6 m. compared to 31.12.2013 (€ 4,524.3 m.). This development is due to increased working capital needs including a net outflow of about € 190 m. for the rendering of the last part of the Special Property Tax and the extraordinary payment of € 48.3 m. against the LAGIE deficit.

<u>Capital Expenditure Program of Business Units</u>

Total capital expenditure for the Parent Company amounted to € 531.4 m. and was allocated as follows: € 104.5 m to Mines, € 161.9 m to Generation, € 256.9 m to Distribution's Network, € 3.5 m. to the Supply and € 4.3 m. to activities of the Administrative Divisions. Capital expenditure for the Parent Company for the year 2014 have decreased by € 74 m., compared to 2013, representing a decrease by 12.23%.

Total Capital expenditure of the Group for 2014 amounted to € 630.9 m. and includes Capital expenditure for PPC RENEWABLES S.A. amounting to € 7.9 m., IPTO S.A. amounting to € 86.5 m and HEDNO S.A. amounting to € 5.1 m. Capital expenditure of the Group for the year 2014 decreased by € 90.7m., compared to 2013, representing a decrease by 12.56%.

<u>Mines Business Unit</u>
Capital expenditure for 2014 amounted to Euro 104.5 mil.

An amount of Euro 6.7 mil. has been expended in Megalopolis, out of which Euro 1.4 mil. relates to belt conveyor's extensions, Euro 1.1 mil. to major equipment improvements, Euro 1.6 mil. to electromechanical equipment, and Euro 1.0 mil. land expropriation of Choremi. Smaller sums were spent for the purchasing of auxiliary equipment and small construction works.

An amount of Euro 97.8 mil. has been expended in the Lignite Center of Western Macedonia, out of which Euro 6.7 mil. relates to conveyor belts' extension, Euro 5.1 mil. to upgrades and construction, Euro 38.3 mil. to land expropriations (Euro 14.4 mil. for Kleidi, Euro 7.8 mil. for Mavropigi , Euro 2.6 mil. for Kardia, Euro 10.9 mil. for archaeological excavations costs in Amyntaio and Euro 2.6 mil. for archaeological excavations costs for other mines), Euro 8.4 mil. to relating to other investment contract works, Euro 4.5 mil. for the new distribution point in South Field and Euro 15.8 mil. on initial expenses.
Also Euro 3 mil. relate to infrastructure construction by IPTO and HEDNO and Euro 10.0 mil. for the purchase of auxiliary equipment.

The remaining expenses relate to smaller projects.

Total excavations in PPC Mines amounted to 272,2 mil. cubic meters and lignite production to 48,0 mil. tones.
It is also noted:

- The near completion of the excavation and the continuation of structural and electromechanical works for the operation of the new conveyors' belt distribution point took place in the South Field Mine of the West Macedonia Lignite Center. Three excavators and two spreaders have already been connected with it.
- Intensive excavation works carried out in the area of the new unit of Ptolemaida Power Plant (Unit V).
- The continuation of archaeological excavation taking place in a region of Amynteo mine caused significant delays in the operation of excavators for overburden materials.

Generation Business Unit
Generation Division (GD)

Exploitation

- During 2014 total net production of GD's Power Stations amounted to 35.08 TWh and decreased by 5.7% in comparison with 2013 (37.19 TWh). This reduction is related to the levels of demand, mainly in the Interconnected System (IS), to the increase of RES production as well as to the operation of the Market in general.
- Major changes, in comparison with 2013, are related mainly with Hydroelectric Power Stations' reduced production by 1.73 TWh (30.7%) and secondarily with lignite Power Stations' reduced production by 0.52 TWh (2.2%).
- Availability of thermal Units in the IS during 2014 (73.4%) was lower than that of 2013 (81.2%) while lignite Units' Availability was reduced from 76.9% in 2013 to 71.8% in 2014. Availability's reduction is related mainly to lignite feed problems (both quantitative and qualitative) as well as to a failures' increase in natural gas Units.
- During 2014 one major failure happened in GD's Power Statins in the IS when, on November 11, 2014, fire broke out in Ptolemaida Steam Electric Station (SES) Unit 4's premises and expanded to the common space of Units 4 and 3 Control Rooms having as a result the non-availability of the above said Units. The Parent Company's management initiated immediately the procedures needed in order to investigate the reasons and evaluate the consequences of the incident. Following the above said assesment PPC S.A.'s Board of Directors decided:
    1. Concerning Ptolemaida SES Unit 4, to approve the procedures for its definite decommissioning due to the fact that the restoration of Unit's operation is impossible within the time frame defined for its programmed decommissioning (up to 31.12.2015).
    2. Concerning Ptolemaida SES Unit 3, taking into account that the Unit is as well used in the district heating of Eordea Municipality, to further investigate, by related Company Departments, the possibility of the Unit's operation beyond 31.12.2015 to the extent that coverage of all licensing requirements related with Unit's mode of operation can be ensured in order for its possible repair to be further decided.

- In order to cover the increased summer demand for electricity in 2014, a leased capacity of up to 20 MW for Rhodes and up to 21 MW for the other Non-Interconnected Islands (NII), excluding Thira (Santorini) island, was added. In Thira, capacity additions amounted up to 10 MW.

Investments

Total Investments during 2014 amounted to Euro 161.9 million.

In the context of PPC S.A.'s Strategic Priorities Plan, GD has undertaken the implementation of Investment Projects in order to replace obsolete Units with new ones, which are environmentally friendly, of modern technology and higher performance. Concerning the projects' progression during 2014 it is noticed that:

- **Thermal Units**
    - Combined Cycle Unit No V of Aliveri Station, of 417 MW net capacity and of a total cost on December 31, 2014 Euro 299 mil.
      The commercial operation of the Unit started in August 12, 2013 and the Unit was registered, at the Generation Unit's Register kept by IPTO, in February 5, 2014.
    - Megalopoli Natural Gas Combined Cycle Unit No V ,of 811 MW net capacity at reference conditions, of a total cost on December 31, 2014, of Euro 489 mil.
      All required works for putting the Unit into operation have been completed. Unit tests, using natural gas supplied by DESFA since 05.01.2015, are in progress.
      The Unit is expected to enter commercial operation within the first half of 2015.
    - Steam Electric Unit V, of Ptolemaida Station, installed capacity 660 MW (+ 140 MWth for District Heating), of pulverized lignite fuel.

      The Project's Contract, between PPC and TERNA S.A. with a final contractual price of 1,388,634,137.82 €, was signed in March 9, 2013. PPC's General Meeting of Shareholders approved the realization of the investment in March 29, 2013 for the construction of the Unit as well as the relevant contract.
      The realization of the Project will be accomplished in two stages as follows:
        - In the first stage, lasting 20 months from 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, lasting 50 months from the issuance of the Building Permit, the Project's study, as well as the construction and the commercial operation of the Unit will be realized.

Studies' drawing up, by the Contractor, for the Project's licensing as well as their submission to PPC S.A. to review them, has been completed. The Project's licensing studies folders inspection, by pertinent Bodies, is in progress. Bodies' opinion is a prerequisite for the submission, to the authority for urban planning of the Municipality of Eordea, of both the request for the approval of the building permit as well as the Building License itself.

- **Hydros**

  - Messochora HydroElectric Project (HEP 160+1.6 MW):
    By L. 3481/2006 the environmental terms and limitations related to the construction and operation of the Works of Upper Acheloos River Flow partial Diversion to Thessaly, in which Messochora HEP is included, were approved. The observance of these terms and limitations was a prerequisite for the materialization of the above said Works as well as an obligation for their construction and operation carrier.
    After the issuance of the Council of State's Suspension Committee's Decision 141/2010 all works related with the completion and operation of Messochora Project, conducted according to Law 3481/2006, were suspended.
    Furthermore, the issuance of the Council of State's Decision 26/2014 resulted in the inability to continue, complete and operate Messochora HEP.
    PPC considers that Messochora HEP is independent from the Acheloos River Diversion to Thessaly Scheme and therefore it should not be affected from the above mentioned issues.
    In the context of examining the possibility of disengaging this Project from the Acheloos River Diversion to Thessaly Scheme, in order to be considered as an autonomous one and be environmentally licensed independently of other Projects related to the Diversion Scheme, and after the approval and publication of Management Plans for Rivers Outflow Basins of the Western Sterea Hellas and Thessaly Water Districts, PPC submitted an updated Environmental Impact Assessment (EIA) to the Directory of Environmental Permits (DEP) of the Ministry of Environment, Energy and Climate Change (now Ministry of Reconstruction of Production, Environment and Energy) in order to advance the procedures regarding the EIA Common Ministerial Decision.
    It is estimated that this procedure will be completed in the first half of 2015 and, after the publication of EIA Common Ministerial Decision, PPC will proceed with the construction of the remaining works as well as with the procedure of the remaining areas' expropriation.
    It is estimated that the Project will be operational in 2017.

  - Ilarionas HEP (157MW):
    On 13.07.2012 Ilarionas HEP's Diversion Tunnel was tapped and the filling of the HEP's basin begun. The Units' operation tests have been completed and the procedure for registering the Units in Independent Power Transmission Operator's (IPTO) Units Registry is in progress and estimated to be completed within the second quarter of 2015.
    The Station is expected to be set in commercial operation in the first quarter of 2015.

- **Non-Interconnected Islands (Crete, Rhodes, Other)**
  - New South Rhodes Station, 115.4 MW, consisting of seven similar G/S with four – stroke Diesel engines, and 182.8 mil € initial budgeted price.
    Following an international tender, the Project was awarded to the lowest bidder, TERNA S.A. On July 2009, the relevant Contract was signed and the realization of the Project started.
    After the appeal of an Environmental Association to the Council of State, the Project's AEPO (Decision of Environmental Terms Approval) was canceled, and the works were suspended.
    A new AEPO was issued on November 5, 2013.
    On 30.08.2013, Decisions concerning the use of costal public land necessary for the erection of Station's on-shore installations were published in the Government's Gazette. The Secretary General of the Aegean's Regional Administration signed, on 08.01.2014, the "Land Purchase Contracts" for the coastal public property, necessary for the erection of the on-shore Station's installations.
    On 03.01.2014, the folder for the reissuance of the Installation License for said Project was submitted to the Ministry for the Environment and Climate Change (now Ministry of Reconstruction of Production, Environment and Energy). On 19.03.2014, the Installation License of the Project was issued.
    After the issuance of the relative AEPO, PPC proceeded promptly to the recommencement of the licensing procedures of the new Thermoelectric Station and thus in June 2014 they were approved:
    - The Building Permit for the plot of the main facilities, and
    - The Technical Environmental Study for the deposition of the excavated soil at the areas of the nearby Military Exercising Field.

    Civil Works, which started in September 2014 at the area of the main facilities of the Power Station, are in progress.
    PPC and the Contractor continue the preventive maintenance of engines, generators and transformers, which are temporarily stored in Elefsis port, and they are scheduling the transportation of said equipment at the Project's site within the second trimester of 2015.
    It is estimated that the integration procedure for this new capacity will begin before the summer of 2016.

- Other Non-Interconnected Islands (NII)

After the fire that broke out in Thira Autonomous Power Station (APS) PPC, in order to ensure the island's energy adequacy, proceeded in purchasing and installing 2 (two) Gas Turbines (GT) of 13.8 and 10.7 MW capacity respectively as well as of 8 (eight) Generating Sets (GS) of 10.16 total capacity. The above Units are already in operation excluding the GT of 10.7 MW capacity the test operation of which started within March 2015.

A Tender for the procurement and installation of two (2) GS, 8 MW each, for adding capacity in Samos and Kalimnos ASPs as well as a Tender for the procurement and installation of five (5) GS, 1 MW each, for the Local Power Stations of Kithnos (2 GS), Serifos (2 GS) and Astipalea (1GS) two (2) GS of 1.3 MW each, for the Local Power Station of Ikaria and two (2) GS of 1.3 MW each in Sifnos and Skiros, respectively, are in progress.

In order to reliably cover the demand during the summer of 2015 a Tender for the procurement of two (2) GT of 11-15 MW for Mikonos ASP and 11-20 MW for Paros ASP has been published.

The procedures for obtaining the necessary environmental permits for the new Lesvos APS, in order for the land expropriation to follow, are in progress.

Environmental Management / Health and Security

With regard to the improvement of GD's Power Generation Units environmental behavior, during 2014:

- A total of 19 Steam and Hydro Electric Stations have maintained their certificates of Environmental Management Systems (EMS) following the successful completion of relative surveillance audits, by Independent Certification Bodies.

- In accordance to the provisions of Article 32 of Directive 2010/75/EU, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was prepared and officially submitted by the Greek Authorities to the EU in the end of 2012. The TNERP was approved by the EU on November 26, 2013. In December 2013, PPC submitted to the competent authority an application for several changes to the TNERP, along with its declaration to use the limited life-time derogation (Article 33) for certain Power Plants. After the approval by the competent authority, the revised TNERP was resubmitted on March 18, 2014 by the Greek Authorities and was approved by the EU on July 07, 2014. According to the above Agios Dimitrios, Meliti and Megalopolis A' and B' SES are included in the TNERP, while Amyntaion and Kardia SES will follow the limited life-time derogation.

- Within the context of lignite Power Stations environmental adaptation according to the provisions of the above mentioned Directive 2010/75/EE as well as the compliance with the targets set in TNERP we note the following:
  - The implementation of the Contract DMKTH 11 13 5251, where DMKTH stands for Thermal Projects Engineering – Construction Department, which was signed in 24.06.2014, for the Project: "Upgrading Boiler of Unit V of Agios Dimitrios SES to Reduce NO_x Emissions by Primary Measures" is in progress.
  - Offers evaluation for the Tender DMKTH – 11 14 502, published in 07.08.2014, for the Project "Upgrading Boilers of Units I and II of Agios Dimitrios SES To Reduce NO_x Emissions by Primary Measures" is in progress.
  - Tender TPECD – 11 14 5203, for the Project "Upgrading Boilers of Units III and IV of Agios Dimitrios SES тo Reduce NO_x Emissions by Primary Measures" was published in 26.01.2015.
  - Tender TPECD – 11 15 5251, for the Project "Agios Dimitrios SES Unit V Procurement and Installation of Desulfurization Plant" was published in 26.02.2015.

With regard to Health and Safety, during 2014:

- Komotini, Atherinolakkos, Meliti, Megalopolis B', Chania and Agios Dimitrios SES have maintained their Occupational Health and Safety Management Systems according to ELOT – 1801 Standard, after the successful completion of relative surveillance audits by Independent Certification Bodies. During 2014, four (4) more SES (Aminteo, Kardia, Aliveri, and Soroni Rodos) were certified according to ELOT – 1801 Standard, while the Management System for the Health and Safety at Work of Megalopolis A' SES was certified within 2015.

Supply Business Unit

Investments for the Supply Division amounted to EUR 3.4 million.
More in particular the amount concerns:

- *The new IT software system Billing - Customer Care (SAP-IBM)*

Continuation of the implementation of the IT software (SAP) for Low Voltage customers. Initiation of end users' training all over Greece.
Completion and put into operation for MV and HV customers.
Migration of MV customers on 31.01.14 and put into operation on 03.02.14.
Gradual integration of HV customers as of 03.10.14.

- *Stores' Renovation according to the uniform visual identity*

The company Stores are being renovated, in accordance with the company's visual identity aiming at a uniform image, in accordance with the company's modern perception for a customer oriented, pleasant and modern environment.

- *Additional security measures are being implemented by installing*:
  - Security doors
  - Bulletproof panes in the cashiers' sections
  - Security systems, such as CCTV systems and alarm systems,
  - Time delayed safes

The actions of the Supply Division in 2014 are focused on the following:

- Power systems

Following the signing of the Transactions Contract between HEDNO SA and PPC SA in its capacity as load representative in the Non Interconnected Islands (NII) and following the issuance of the NII Code, the necessary procedures were initiated for the operation of 32 autonomous electricity markets and the implementation of the relevant financial transactions between PPC Generation-HEDNO-PPC Supply.

Aiming to shape the Company's position regarding the legal framework for electricity markets, the Supply Division has given its opinion in more than 20 public consultations.
The Power Systems Branch started elaborating and verifying load curves of MV & HV customers for pricing by SAP.
Moreover, within the context of the new SAP ERP, it implements energy costing of the wholesale market for the Supply Division and the intra-company transactions with Generation and Mines.

- Signing of new power supply contracts with HV customers-ALUMINIUM-LARCO

The Extraordinary General Meeting of PPC SA Shareholders held on 28.2.2014 decided, among others, to reduce the approved HV tariffs of the Company for the year 2014, with the possibility of extension for one more year. Pursuant to said decision new power supply contracts were signed with all of HV customers, except for ALUMINIUM of GREECE SA and LARCO SA.
With regard to LARCO, the General Meeting of its Shareholders held on 30.12.2014 decided to proceed with the signing of a new power supply contract with PPC, which nevertheless has not been signed yet.
ALUMINIUM has notified to PPC that it does not accept pricing based on the Resolution of PPC SA General Meeting dated 28.2.2014 and that it will not proceed to the signing of a power supply contract.

- Pricing policy

On July 2014 the charges of some tariffs concerning small and medium sized enterprises as well as country houses and secondary residencies were readapted. With regard to small and medium companies there were reductions in the tariffs of 1.4 million customers (offices, small shops, bakeries, workshops, small craft industries, garages, etc.)
In order to support small and medium enterprises, PPC SA extended its tariff reduction policy to consumptions of Low Voltage as well, as of 1.1.2015, by broadening at the same time consumption thresholds.
The reduction is implemented to the entire competitive part of Medium and Low Voltage tariffs of the customers falling within the reduction policy.
Moreover, following an open tendering procedure a contract was signed for the Development of a uniform model for the drawing up of the pricing strategy and the individual pricing policies of the Supply Division.

- Country wide Customer support CALL CENTER 11 770

PPC customers may have access to all PPC services through phone instead of visiting PPC stores. The provision of phone services was initially introduced as a small scale pilot project while as of September 2014 it is implemented at a national level with very satisfactory results.

- Centralization of accounting services/back office

To improve service provision to customers and save funds and personnel, the Supply Division proceeded to the centralization of back office tasks at Branch level. All tasks which were carried out at a decentralized level were centralized thus resulting to a more rational management of the back office tasks, as well as to the more direct customer service provision. In 2014 the implementation of the back offices' centralization program at the level of the Attica Sales Branch and the Macedonia Sales Branch was completed while it was gradually extended to the remaining branches. The final objective is to group together and operate the above services at the level of a central back office.

- Alternative payment networks

In order to improve the provision of services and reduce the time required for customer service, contracts with third parties were concluded for the assignment of bill collection to more than 6500 locations all over Greece, which can be found on Google Maps. Said alternative locations are ATMs of approved Banks, The Hellenic Post Office, WIND shops VODAFONE shops, ACS offices, Payzone, chains of big supermarkets, OPAP agencies, Automatic Bill Payment (via bank payment order) and Easypay. Links were also created with websites of banks aiming on the automatic and safe bill settlement. Today, more than 60% of the customers settle their bills outside PPC Stores.

- Actions for reducing overdue receivables

PPC, within the context of rationalizing its financial figures and in restoring liquidity, proceeded with a series of actions aiming at reducing overdue receivables, as follows:

  - Meetings and consultations with the General Accounting Office of Greece and the Finance Ministry aiming at finding a way to reduce receivables from Public Sector entities.
  - Proposal for establishing a regulation with regard to the collection of receivables (Euro 60 million) from the Municipal Enterprises for Water and Sewage.
  - Phone notifications to be sent to customers before the expiry of their second bill.
  - Legal action for debt recovery against customers owing large sums.
  - Implementation of a pilot project for initiating pre-legal and legal proceedings in collaboration with specialized law firms against 10.000 big debtors.
  - Implementation of a discount policies for customers timely paying their bills.
  - Messages and letters to be sent to customers in order to inform them on the amounts due.
  - Settlement policy.
    Implementation of the electricity disconnection based on specific criteria, for customers that systematically do not pay their bills.

- ERESD management

Due to the collection of the Extraordinary Real Estate Special Duty through electricity bills, in an effort to alleviate its impact on Customer service and on the image of the Company, additional personnel was employed in Customer Service within Supply stores. The last payment of ERESD of the year 2013 was effected in August 2014.

- Power services

  - Brand development by means of creating a logo, by determining the properties and special characteristics of the product offered and evaluating the benefits for PPC and the customers.
  - Designing & production of communication material.
  - Study of production techniques as well as of all relevant legal and regulatory issues.
  - Development of an application at www.dei.gr for estimating domestic power consumption and the benefit that may result through interventions for energy upgrading by means of interactive tools.
  - Compilation of proposals with regard to the business form and orientation of the company
  - Qualitative market research and results analysis the target groups that the Company may wish to address
  - Implementation of the company's logo selection procedure.

Support Operations General Division

During 2014 investments of the Support Operations Division were of small scale and primarily concerning construction works, purchasing of land for Distribution substations, as well as equipment purchasing. However, the following points are worth mentioning:

- The commissioning of the new integrated SAP ISU system of the Supply Division (Medium and High Voltage clients).
- Investments in building projects, purchasing of land for Distribution substations, equipment purchasing and support in upgrading of PPC Stores corporate identity continued for the year 2014.
- The purchasing of Fuel Oil, for power generation in the interconnecting islands and the initiation of transportation by the time chartered ships “CARPATHOS” and “NAXOS” was carried out with satisfying economic results.
- The purchasing, installation and commissioning of a new gas-turbine, 13MW, before the summer of 2014 in Santorini.
- The purchasing and installation of 8 generation sets 1,25MW each (4 generation sets in Santorini and 4 in other islands).

The challenges for 2015 include:

- The implementation of the new SAP-IS/U customer system (for Low Voltage clients).
- The development of integrated safety policies of the Company.
- The commissioning of the digitally signed e-bill and contract.
- The continuation of construction/upgrade program for the owned buildings and improvement of the housing situation through release of rent buildings
- The examination of the investment and development potential of the company's real estate
- The modernization of the Tests, Research & Standards Center in order to improve the quality and reliability of its services and to become attractive to customers besides PPC.
- The implementation for a policy for purchasing of Fuel Oil and its transportation in order to decrease total cost for the Parent Company.
- The purchasing of 3 generation sets (10-12MW each) for the islands of Lesvos and Santorini.
- The sign of a 3 year contract for the conveyor belts of the Parent Company's mines.

HEDNO S.A.

Development & Operation of Networks

In 2014, the length of distribution lines increased by 900 km in the medium voltage grids, by 1,200 km in the low-voltage grids, while an additional 2,000 Low/Medium transformers were installed and 3,250 commutations were made . Therefore, Medium Voltage network extends to 110,600 km and Low Voltage network extends to 124,500 km while Substations stand at 161,900.

Active users of the Distribution network totaled 7,414,000 of which 11,400 in the medium voltage.

Total investment in 2014 for the Distribution activity reached €256 million.

In the context of the Project for the telemetering and demand management of 64,000 big customers' Low Voltage electricity supply points, the telemetering of a 50,000 electricity supply points of a total cost of €24 million, has been implemented by the end of 2014.

The completion of the above Project will offer significant benefits to Low Voltage customers, that thereby will obtain a better management of their electricity consumption and subsequently a potential reduction of their energy costs. In the same time, telemetering will provide important tools to HEDNO for improving quality and costs of services provided, as well as better managing the electricity distribution network..

Turnaround Times of New Connections

in 2014, the average time for the design and construction of basic power supplies was 13 days, while for supplies requiring network construction it was 26 days and 35 days for commutation requests.

Environmental Issues

2,600km of twisted cables have been installed at the Low Voltage network under the generalized use in place of stripline, with positive effects on the environment

Significant events for the year 2014

Significant events for the year 2014 are presented in detail in Note 41 of the Financial Statements.

MAJOR RISKS - UNCERTAINTIES

The Group's and the Parent Company's activities are subject to various risks. Any of the following risks could have a material adverse effect on the Group's and the Parent Company's business, financial condition or results of operations. The risks described below are not the only risks that the Group and the Parent Company face. Additional risks and uncertainties not currently known to the Group and the Parent Company or that are currently deemed to be of minor Importance may also materially adversely affect the Group's and the Parent Company's financial condition, business, results of operations and cash flows.

Interest rate risk and foreign currency risk

Our debt obligations consist of bank loans, bonds and overdrafts. It is our policy to hedge on a case by case basis through derivatives, solely for risk reduction purposes, against the fluctuation of floating interest rates and/or foreign currency exchange rates affecting our debt portfolio. Our existing derivative transactions include interest rate swaps (conversion of floating rate liabilities to fixed rate liabilities) and forward currency contracts.

Furthermore, the fluctuation of the Euro against U.S. dollar exchange rate may adversely impact the prices of our liquid fuel purchases (diesel and heavy fuel oil). As oil prices are expressed in U.S. dollars, we are exposed to foreign currency risk in the event of an appreciation of the U.S. dollar against the euro. In order to cover the foreign currency risk arising from liquid fuel purchases, we are undertaking, on a case by case basis and according to the prevailing market liquidity circumstances, hedging transactions for this risk. Any hedging transactions that we may have in place may not provide full or adequate protection against these risks

Commodity price risk and risk from Electricity Market

The Parent Company is exposed to the risk of an increase in prices of oil, natural gas, electricity purchased from the System and the Network, CO2 emission rights as well as electricity prices of direct PPC imports. The Parent Company has established a policy of oil hedging transactions, based on which the implementation of specific hedging transactions is decided per case and according to the prevailing circumstances. Any hedging transactions that we may have in place, may not provide full or adequate protection against this risk. The Parent Company has not entered into any transaction maturing in the 2^{nd} Half of 2014 hedging commodity price risk arising from an increase in oil prices.The Parent Company has not established a hedging policy against the risk arising from the volatility of natural gas prices.

Currently, and taking into consideration that a large proportion of the Parent Company's supplier of natural gas (DEPA) imports are from GAZPOM from a pipeline that passes through Ukraine, there is a potential risk that problems may arise for the continuation of natural gas' supply to power generating units using natural gas as a fuel, as well as increases in electricity production costs or / and increases in the SMT. These additional costs might not be fully recoverable through electricity bills, adversely affecting the Group's and the Parent Company's operational results and liquidity.

In terms of the risk arising from increased electricity purchase prices, it is hedged less and less by the vertical integration of the Parent Company (internal hedge), since PPC's Generation share in the wholesale market in 2014 amounted to 75%, while at the same period, PPC's Supply share in the retail market amounted to 98%.

Additionally, the prices of the main materials (metals, etc.), except from fuel, used by the Group for its operation and development are defined by the international merchandise markets resulting to the Group's exposure to the risk of fluctuation of the relevant prices as well as the foreign currency risk.

CO2 Emissions Rights

Our generation business is subject to EU Directives 2003/87/EC and 2009/29/EC, which established a European Emissions Trading System ("EU ETS"). The operation of our thermal power plants requires us to acquire CO2 emission rights under the EU ETS (the "EU Allowances" or "EUAs") to cover our carbon emissions. Since 2013, we are no longer allocated CO2 emissions rights for free, and as we emit approximately 40-42 Mt of CO2 on an annual basis, increased CO2 emission right prices will affect our operating costs.. As we must acquire sufficient CO2 emission rights on an ongoing basis, there can be no assurance on the price level that such CO2 emission rights will be obtained in any future year. For the period from 2013 to 2020, we expect to acquire such rights on both the European and international markets, either through exchange market purchases or bilateral contracts. Although we attempt to manage the risk arising from increases in the price of CO2 emission rights by monitoring the markets and the developments in Europe, there is no assurance that such risk will be successfully managed.

Our exposure to the risk of increases in CO2 emission right prices is linked to our ability to fully incorporate these increases in our electricity tariffs. Therefore, any increase in CO2 emission rights prices could materially, directly or indirectly, affect our financial condition and results of operations.

It should be noted that, a decision on a European Union level is implemented in order to support the CO2 emission right prices, through the withdrawal of a certain CO2 rights quantity in the beginning of the 2013 – 2020 period and its reinstatement at the end of the period (backloading). In addition, discussions are in progress for controlling CO2 emission rights supply by establishing a market stability reserve mechanism. The above mentioned factors affect emission rights prices, as well as the cost of acquiring them.

Credit Risk
Our business, results of operations, financial condition and prospects depend highly on the social and macroeconomic conditions in Greece, as practically almost of our assets and economic activities are in Greece. Despite the fact that, electricity sales are dispersed over a large number of customers with a wide and diversified range of operations, our business activities, results of operations and cash flows are highly dependent on our customers' ability to repay their liabilities. The current economic environment and the recent intense recession had a material adverse impact on the liquidity of the Group mainly resulting from:

- Difficulties in payment and increases in delayed payments, by Low and Medium voltage customers as well as High voltage (Industrial) customers, especially those with large outstanding balances.

- A sizeable number of enterprises, especially small and medium sized, which cease their operations due to the economic conjecture and leave behind unpaid bills.

We may also face difficulties or delays in our ability to collect payments from our customers as a result of additional new measures that burden electricity bills with new or increased charges in favor of third parties, as the Renewables levy (ETMEAR)..

This might extend the delay of collecting our electricity bills and create additional needs of working capital for the Parent Company, bearing also in mind that ETMEAR, amongst others, is paid regardless of whether it has been collected from the customer.

Additionally, our collection enforcement mechanisms may be affected by legislation or other administrative acts, (for example by restricting disconnections for non-payment for certain categories of customers or for certain time periods), which can adversely affect our results of operations, business, financial condition and cash flows.

Liquidity Risk
Current macroeconomic and financial environment in Greece, which remains volatile, may have a considerable adverse effect on the Group's and the Parent Company's business activity, results of operation, financial position and prospects. Currently, the economic situation in Greece has directly affected the capital levels, liquidity and profitability of the Greek financial system, which highly affect our liquidity and access to credit as well as the liquidity of the Greek economy as a whole and our customers' ability to access credit. In addition, the Group's access to foreign markets is limited. Liquidity risk is connected with the need to ensure adequate cash flow for the financing of our operations including working capital needs, capital expenditure, as well as the servicing of our debt.
Our working capital needs may increase due to a number of factors, including:

- Increased delays in the payment or even non-payment of electricity bills.

- Our obligation to pay Renewables levy (ETMEAR), the Special Consumption Tax on electricity as well as the VAT when due, irrespective of whether we have collected the relevant amounts from our customers, and any difference in timing between receipt and payment or any difference in the calculation of such levies;

- The expansion of credit limits for vulnerable consumers who are also entitled to special lower tariffs through more favorable settlements – compared to other customers- of overdue electricity bills.

- The burden associated with the collection of taxes and levies that are not related to the sale of electricity such as special property and municipal taxes that are currently collected through electricity bills;

- Regulatory measures on the operation of the wholesale market which burden the cost of purchasing electricity for Suppliers

- The debt incurred by the Suppliers, whose operations have been suspended.

- Potential increase of commercial losses (non-technical losses) i.e. increase of incidents of electricity thefts.

The above factors may have a material adverse impact on our liquidity as well as our ability to finance new or ongoing projects. It should also be noted that our borrowing costs for, and access to, liquidity (for both the refinancing of the existing debt or / and new liquidity) have been negatively impacted by the current status of the Greek economy.

Risk from exposure to the Banking Sector

The Group may be exposed to risks arising from financial institutions. It should be noted that the significant diversification of the Group's funding sources during 2014, after the successful issuance of PPC's Corporate Bonds and the conclusion of an international syndicated loan covered by the Credit Insurance Organization Euler Hermes, reduced its dependence on the Greek Banking Sector for its funding needs to 40% versus 55% at 31/12/2013.

Risk of exposure in competition

The Parent Company faces competition mainly in the wholesale market where share loss is due to IPPs' power plants and the increased penetration of Renewables units in the System and the Network, as well as to increased electricity imports from the neighboring countries. Adverse changes in the competitive environment through the continuation of existing and/or creation of new regulatory mechanisms in the wholesale market which strengthen the Group's competitors may have a negative impact on our results of operations and cash flows.

For instance, the introduction by RAE into public consultation of a new transitory Capacity Asurance Mechanism, as well as of a proposed new Variable Cost Recovery Mechanism, whilw final outcome and decisions are pending, may have a considerable impact on our operation, cash flows and financial results.

Furthermore, RAE has proposed as an interim, transitional, measure to further wholesale market liberalization, the creation of a regulated forward electricity market that will provide access to third parties to the lignite-fired and hydropower electricity generation of PPC, through the introduction of NOME type of auctions.

The Parent Company may face increasing competition in the retail market, following the liberalization of tariffs for Low Voltage customers and third party suppliers becoming active in the market, together with the adverse effects from the implementation of the NOME model and a new vertically integrated electricity company (as currently provided by L4273/2014) becoming active in the retail market.

Unless there are reforms in the regulatory framework to ensure the correction of existing non-market regulatory mechanisms in the wholesale market, setting conditions of healthy competition and balanced development of suppliers in the market and promotion of competitive tariffs without cross-subsidization, a further increase in the competition in the supply sector could have a material adverse effect on our business, prospects, financial condition and results of operations.

Tariff risk for the competitive activities

Following the liberalization of High and Medium Voltage tariffs , Low Voltage tariffs are fully liberalized from 01.07.2013 for end customers, excluding vulnerable ones.

However a number of factors affect the Parent Company's ability and freedom to increase the competitive component of tariffs, in order to be cost effective, such as the ability of customers to cope with new increased tariffs, initiatives of the Greek Government, decisions of the Regulator e.t.c, especially in view of the current socioeconomic condition in Greece.

Furthermore, the Parent Company may face difficulties incorporating a potentially increased commodity cost, as well as costs related to electricity and CO_2 emission rights to electricity bills, through increased tariffs.

With respect to our HV customers:

There are several tariff disputes, amongst others between ALUMINIUM and PPC since the termination of the initial (dating back to 1960) electricity supply contract of the said customer. The dispute about electricity price to ALUMINIUM was submitted before the Arbitration Court at RAE, which issued its decision on October 31, 2013, setting the sale price of the energy component of the electricity at € 36.6/MWh for the time period as of 1-7-2010 to 31-12-2013 and obliging PPC, to provide electricity to ALUMINIUM for that period below cost. PPC has filed an appeal for the annulment of the Arbitration Decision, nevertheless, the final outcome cannot be predicted, and an unfavourable outcome may negatively affect our relationship with ALUMINIUM and other industrial customers. Despite the discount approved on HV tariffs from the Extraordinary General Meeting of PPC's Shareholders of February 28, 2014, ALUMINIUM only pays part of the current electricity bills amounts

Furthermore, LARCO, the Parent Company's largest outstanding debtor, is liable for sums due and payable to PPC related to the consumption of electricity and currently pays only a small part of its electricity consumption bills. Similarly, other industrial customers do not fully pay their electricity consumption bills alleging either lack of liquidity due to the adverse economic environment or non – acceptance of the competitive charges of the relevant tariffs. There is no assurance that LARCO or such other industrial customers will discharge their debts for the amounts billed in relation to their electricity consumption.

Following Decision 141/01.08.2013 of PPC's Board of Directors, seven (7) new tariffs for High Voltage customers were, amongst others, approved and effected for electricity consumption from 01.11.2013, whereas an additional tariff for HV customers was approved on January 2014.

Furthermore, at the Extraordinary General Meeting of PPC's Shareholders of February 28, 2014 i) the actions of PPC's management regarding the relations of PPC with ALUMINIUM, and ii) an extraordinary decrease of High Voltage customers' tariffs were approved. In the context of PPC;s intention to sign supply contracts with ALUMINIUM, as well as with all other High Voltage customers, several meetings were held with HV customers, to provide details and clarifications on the above mentioned decision, as well as to discuss overdue debt restructuring (if any) with these customers, bearing in mind that together with the signing of the new electricity supply contracts, overdue amounts are settled as well.

As a result, PPC signed new electricity supply contracts with all its HV customers, restructuring in the same time any overdue debt, with the exception of ALUMINIUM and LARCO. More specifically, LARCO's General Shareholder Meeting on 30.12.2014 has decided to proceed in signing a new electricity supply contract with PPC, but till today the case is still pending. On the other hand, ALUMINIUM notified PPC that the tariffs decided by the 28.02.2014 General Shareholders Meeting are not acceptable and that it is not going to proceed in signing a new electricity supply contract with PPC. Such event will have an adverse impact on PPC's financial results, while there may be additional legal disputes. Such disputes may constrain our commercial policies and future actions for such clients.

Any such events as described above may have a material adverse ceffect on the Parent Company's business, results of operations and financial condition.

Risk from regulated rates of return on Network activities

The regulated rates of return on Network investments combined with the approved by the Regulator asset base on which depreciation and returns are calculated, may have a negative impact on the Groups' profitability and value, if they do not provide for a reasonable return on the invested capital and an adequate additional incentive for future strategic investments. As a result, any changes in regulated charges that may affect the Group's revenues from electricity transmission and distribution could have a material adverse effect on the Group's business, results of operations and financial condition, as well as to hamper the Group's ability to raise equity or loans for funding investment plans of Transmission and Distribution.

Regulatory Risk

Potential modifications to the regulatory and legislative framework governing the electricity market, such as the implementation of EU legislation and the Memorandum of Economic and Financial Policy, as well as decisions by RAE concerning the regulation and functioning of the Greek electricity market in general, and any restructuring or other changes to our business driven by the regulatory framework, may have a materially adverse effect on our business, financial condition and results of operations.

Our business as well as our capital investment activity program are subject to decisions of numerous national and international European Union institutions, regulatory and administrative authorities. Such authorities may issue decisions that restrict or significantly affect our operations without taking into account and weigh all the relevant factors and interdependences which affect our business and our operations and adversely impact our business, results of operations and financial condition.

In addition, given the increased human, technical and financial resources needed to respond to decisions by the Regulator or other national or international institutions, we cannot give any assurances that we will be at all times in a position to fully and timely satisfy the regulatory, environmental, financial, and any other requirements imposed by the above mentioned authorities.

Additionally, RAE put under public consultation certain measures that would provide access to third parties to the lignite-fired and hydropower electricity generation of PPC, through auctions resembling the "NOME" model implemented in France, a model which was designed to provide access to third parties (mainly suppliers and industrials) to low-cost electricity generation (i.e. EDF's nuclear power plants), at a regulated price.

The implementation of the "NOME" model in Greece that was proposed by RAE in order to set the framework for a regulated forward electricity market shall include auctions and bilateral forward contracts between PPC and third parties. The main characteristics of the NOME model implementation in Greece are still pending, including the quantity of electricity to be auctioned, prices (fixed vs opening vs price range), time periods etc. This proposal by RAE is envisaged as a transitional measure, until the creation of a new vertically integrated electricity company as provided by L. 4273/2014. We currently cannot foresee how auction products based on the NOME model may be implemented in Greece and if they will fully reflect the Parent Company's costs and therefore we can provide no assurance that the implementation of such measures will not have a material adverse effect on our business, prospects, financial condition and results of operations.

Risk from providing Public Service Obligations (PSOs)

The PSOs for which we are entitled to compensation relate to (i) the supply of electricity to the Non-Interconnected Islands at the same tariffs as those in the Interconnected System, (ii) the supply of electricity at special rates to families with more than three children, (iii) the supply of electricity to the beneficiaries of the Social Residential Tariff ("SRT") which are currently provided to persons of low income, families with three or more children, long-term unemployed, people with special needs and people on life support and (iv) the supply of electricity at special rates to public welfare entities. PSO compensation is based on the relevant costs incurred by us and other electricity suppliers providing PSOs and is calculated according to a methodology published by RAE.

According to the methodology for PSOs calculation that was defined by a Ministerial Decision for the period 2007 – 2011 regarding the recovery of the additional cost for the electricity generation in the Non Interconnected Islands compared with the respective cost for the Interconnected System, the Group is not fully compensated for providing PSOs. According to the abovementioned methodology, the calculation of PSOs for each year, for the period 2007 – 2011, was based on the cost of electricity generation in the Non Interconnected Islands and in the Interconnected System for the year 2006, on the total electricity generation and liquid fuel quantities consumed each year in the Non Interconnected Islands, as well as on the international fuel prices and on the fluctuation of the consumer price index per year. More specifically, for the estimation of the annual compensation of 2011 for providing PSOs that affected 2012 tariffs, the increase of the Special Consumption Tax on liquid fuels used in power generation in the non-Interconnected Islands was taken into account. However, factors affecting cost, such as the premium over the commodity price, as well as the cost of transportation of fuels to the islands are not taken into account.

With RAE's Decision 14/2014 (for implementation in 2012), the PSO compensation calculation methodology was determined for the non – Interconnected Islands. According to the Decision, the PSO compensation for suppliers of electricity active in the non-Interconnected Islands will cover any excess cost in which they are subject compared to their cots on the Interconnected System, in order to ensure uniform tariff rate by customer category.

In addition, with RAE's Decision 356/2014, the annual PSO compensation for the years 2012 and 2013 was determined, namely PSO compensation for the non-Interconnected Islands, for families with three or more children, as well as the compensation for the SRT.

Finally, with RAE's Decision 357/2014, the Last Resort Supplier compensation that PPC will receive for providing the service, was determined for the period 25.01.2012 to 30.04.2013 according to L. 4001/2011Art.56 par 4.

Despite the fact that with RAE's decision, the PSO compensation for 2012 and 2013 was determined, in order to be integrated to electricity bills a legislative act is required. Such legislative act has not been effected till now, resulting in the partial recovery of the determined PSO compensation. In Addition, PPC raised objections on the proper application, from RAE's part, of the calculation methodology used to determine PSO calculation for 2012 and 2013 resulting, according to PPC's estimation, to a reduced PSO compensation by €52 mil.

Potential changes in our compensation rights for the existing PSOs that we provide, or changes in the methodology for the estimation of such PSO compensation, which does not allow for full recovery of our costs, or a potential introduction of new PSOs for which we may not be entitled to compensation may have an adverse effect on our costs, financial position and results of operations.

Other regulatory risks – uncertainties

Given the fact that the wholesale energy market model and certain Decisions issued by RAE are transitional, the framework of the energy market remains volatile, with constantly new regulatory decisions and related developments, which may have an adverse impact on PPC's business and financial condition.

For example, the introduction of certain regulatory measures in the Greek wholesale electricity market in the past, has benefited certain new power producers at the expense of existing market participants. These include measures such as the Variable Cost Recovery Mechanism, the Capacity Assurance Mechanism and the introduction of measures to promote renewable penetration mainly through the provision of fixed feed-in tariffs for Renewables, as well as the new methodology for calculating the price paid by suppliers to RES generators in the wholesale market.

Although some of these measures are transitional – like the VCRM and the CAM, there can be no assurance that replacement regulatory measures (which may create new distortions or market effects that are unfavourable to us) will not be introduced. To the extent that such measures remain, or similar new measures are implemented, our results of operations and profitability may be negatively affected. For instance, there is no additional 10% margin on the VCRM, no thermal units bidding below the level of the minimum variable cost and the VCRM is totally abolished from July 1st, 2014. However, on February 2015,RAE put into public consultation (which is still in progress) a new proposal for a revised VCRM

In addition, with RAE's Decisions 338/2013 and 339/2013, some of PPC's electricity generating units of a total capacity of 1.249 MW are not included in the register of units receiving capacity availability payments (CAP), whereas natural gas generating units received an additional Capacity Availability Certificate, in the expense of lignite fired and hydro generating units, The above mentioned Mechanism was abolished by 31.12.2014. On January 2015, RAE submitted to public Consultation a new transitory Capacity Assurance Mechanism for the period January 2015 – October 2015, solely compensating the generating units flexibility, while decisions are pending concerning the Capacity Assurance Mechanism regime after 01.01.2015. It should be noted, that based on RAE's transitory proposal, only natural gas generating units, as well as, only 582 MW of hydro generating units are compensated through this mechanism, resulting in an advantage of natural gas generating units over lignite fired and hydro generating units and consequently risking PPC's position over its gas generating competitors in the future

Furthermore, the deficit of HEMO for Renewables which is due to the fact that the total income of the relevant Renewables account with HEMO does not cover the regulated fixed feed-in tariff paid to Renewables producers creates uncertainty and related cash flow issues in the market. The primary sources of income for this account are the amounts that Suppliers pay for Renewables generated electricity, the special Renewables levy paid by Customers (ETMEAR), which as already mentioned limits their ability for the timely payment of their electricity bills and various other smaller amounts according to the relevant legislation. According to L. 4111/2013, the deficit should have been reduced to zero by the end of 2014 and as such, various measures have already been taken, while further measures have been taken under the provisions of L. 4254/2014 to reduce the deficit. However, by the end of 2014, a deficit still remains (although decreasing over time) and to deal with it, additional measures may be adopted, affecting electricity bills and PPC's cash flows due to increase payment delays.

From the measures already implemented to reduce the RES account deficit, the price that Suppliers pay to purchase electricity generated from Renewables from the Pool is the higher of: (i) the SMP, or (ii) the average variable cost of conventional thermal power plants, which had an adverse impact on the Parent Company's results of operations and cash flows. There is also no assurance that the Greek State will no further increase the cost of purchasing Renewables energy by Suppliers in the future, which could have a material adverse effect on our results of operations and financial condition.

HEMO, is also operating at a considerable deficit, in part caused by the due and unpaid obligations of two major alternative energy suppliers who exited the market in 2012. Following RAE's Decision 285/2013, the deficit created by the exit of the aforementioned electricity suppliers is allocated to wholesale conventional generators, proportionally to their market share. Our obligation, which we contest, to cover such deficit allocated to PPC, as generator (approximately € 97 million), if the decision by the State Council is against PPC's appeal, may result in an adverse material effect on the Group's and Parent Company's results and cash flows. The Suspension Committee of the State Council has already ordered PPC, through its interim decision to pay half of the above mentioned amount. This or any similar decisions by RAE in the future, addressing electricity market deficits resulting from failure of third parties or from inefficient market supervision, through allocation of these obligations to other parties, for example by prohibiting setting off amounts the Group and the Parent Company owe to HEMO with amounts owed to the Group and the Parent Company by HEMO may have a material adverse effect on their financial condition, cash flows and cash

Risk from the potential implementation of measures relating to the electricity and natural gas market harmonization to the European legislation and practices.

Negotiation between the Hellenic Republic and the European Union, the European Central Bank and the International Monetary Fund for reviewing the terms for Greece's financing program provides for decisions and relevant actions for the electricity market, the unsuccessful analytical planning and/or implementation of which may create significant risks for the Group and the Parent Company. Any potential modification or/and additions of the electricity market legislation and regulatory framework, in order to implement the European Union legislation as well as for the implementation of (new) agreements between the Hellenic Republic, the European Union and the "Institutions", or any additional fiscal and other measures or modification to existing ones, may have a significant impact on the Group's and the Parent Company's activities, contractual commitments and financial results.

Risks related to L. 4237/2014 and L. 4273/2014.

The above mentioned laws relate to :

A) The Sale of IPTO S.A. (ADMHE) according to L.4237/2014 in connection to Ministerial Act 15/24.07.2013.

B) The creation and subsequent sale of a new vertically intergraded electricity company, according to L/4273/2014.

As in any case of disposal transactions of businesses or assets there are risks, amongst others, associated with timing, investors landscape as well as valuation considerations.

Furthermore the sale of assets will result in the creation or strengthening of a company competitive toward PPC, in both the Generation and Supply markets, leading to a considerable market share loss and could significantly weaken the vertically intergraded PPC.

Risk from the absence of Fixed Asset insurance

We do not currently maintain insurance against the usual risks associated with our power plants, transmission and distribution assets, property and equipment. Only major information technology equipment is insured. Moreover, materials and spare parts as well as liabilities against third parties are not insured. This has been primarily due to the high costs associated with obtaining insurance against these risks comparing to the cost for remediating the damage should any of these risks occur, and our dispersed network of power plants. Additionally, we do not insure third party liabilities with respect to distribution networks. During construction, major assets (except for networks) are insured by EPC contractors. Cash in offices and agencies or in transfer is insured against theft and transports of liquid fuels are also insured.

Any severe damage to our key power plants, transmission and distribution assets or mining equipment could have a significant adverse impact on our business, financial condition or results of operations. Additionally, business interruptions due to labor disputes, strikes, earthquakes, fires, and adverse weather conditions, among other factors, could potentially, depending on their severity and duration, result in a loss of revenues or increased costs for us.

Credit Rating Risk

Our ability to access the capital markets and other forms of financing (or refinancing), and the costs associated with such activities, depend in part on our credit rating witch is closely related to that of the Greek State.

Following the financial crisis, international rating agencies apply stricter criteria in the area of liquidity adequacy, and, as a result, even if a company has ensured, among other things, a reliable coverage plan for its capital needs, it faces the risk of a rating downgrade in the event that it does not fulfil the new stricter criteria.

In the event that our credit or debt ratings are lowered by the rating agencies, we may not be able to raise additional indebtedness on terms similar to our existing indebtedness or at all, and our ability to access credit and bond markets and other forms of financing (or refinancing) could be limited.

Hydrologic Conditions

The evolution of hydrologic conditions is a completely unpredictable factor and has a very significant impact on the Group's profitability, taking into account, of course, that the Company has an accumulated experience and expertise that allows managing in the best possible way the water resources in its reservoirs.

Lignite mining risks and availability of lignite reserves

Lignite mining is subject to inherent risks and is dependent upon a number of conditions beyond our control that can affect our costs and production schedules at particular mines.

While the Parent Company estimates that lignite reserves are adequate to cover long term levels of supply required for power generation by lignite-fired thermal power plants, such estimates may lack complete precision and depend to some extent on statistical and geological inferences. Furthermore exploitable reserves are not considered as such unless they can be economically and legally extracted.

Increased production costs, increased stripping ratios and changes in the regulatory regime governing our mining operations may result in revision of reserve data from time to time and may render exploitable reserves uneconomical to exploit or unexploitable.

In addition the lack of qualified skilled personnel in mining operations to operate and support its equipment may adversely affect lignite production through our own resources.

EPC related risks and other problems and delays in constructing or connecting generation facilities
We face risks relating to the construction of our electricity generation facilities, including risks relating to the availability of equipment from reliable suppliers, availability of building materials and key components, availability of key personnel, delays in construction timetables and completion of the projects within budget and to required specifications. We may also encounter various setbacks such as adverse weather conditions, difficulties in connecting to electricity transmission grids, construction defects, delivery failures by suppliers, unexpected delays in obtaining zoning and other permit and authorizations or legal actions brought by third parties.

Additionally, adverse macroeconomic developments, as well as financial or operating problems of main suppliers and contractors may have a negative impact on our ability to purchase liquid fuels, spare parts and materials, have engineering, procurement and construction ("EPC") contracts completed in a timely manner and may increase our operating and maintenance costs and planning times.

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

Litigations Risk
The Group is involved in several legal proceedings arising from our operations, and any adverse outcome against PPC may have a negative impact on our business, financial condition and reputation.

In addition, as a majority state owned utility, we are subject to laws, rules and regulations designed to protect the public interest, such as of public procurement or environmental protection. Violation of legislation, rules or regulations, entail, among others, criminal sanctions for the corporate directors and executive officers as well as employees of the companies and utilities that are subject to those rules.

Simultaneously, we are one of the largest industrial groups in Greece, with complex activities and operations across the country. In the ordinary course of our business, from time to time, competitors, suppliers, customers, owners of property adjacent to our properties, media outlets, activists, and ordinary citizens, raise complaints (even to public prosecutors) about our operations and activities, to the extent they feel that our activities and operations cause or are likely to cause economic damage to their views and/or interests, businesses or properties and, in the context of advancing those complaints, they often file criminal complaints against us with the public prosecutor on a variety of grounds and allegations or make public allegations in the press, which the public prosecutor is obligated to investigate further before they decide further actions, including the closing of the case for lack of any conclusive evidence. These practices have intensified during the recent economic crisis, as public prosecutors and the general public have generally become more sensitive to similar allegations, especially against companies in which the Hellenic Republic is a major shareholder and are viewed as operating in the public interest.

As a result, we, and our officers and directors, are presently and from time to time, and could be in the future, subject to various criminal or other investigations at various stages of procedural advancement on a variety of grounds arising in connection with our activities in the ordinary course of business. These investigations and legal proceedings may be disruptive to our daily operations to the extent the officers and directors involved need to spend time and resources in connection therewith. They may also adversely affect our reputation. To date, none of the proceedings initiated against us, our officers or directors has resulted in any criminal convictions.

Risk from tax and other regulations
The taxation regime for corporations in Greece is frequently revised and we may be subject in the future to increased taxation rates. The imposition of any new taxes, or changing interpretations or application of tax regulations by the tax authorities as well as the harmonization of Greek and EU tax law and regulation may result in additional amounts being payable by us, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, PPC pays a special levy for the development of areas where electricity is generated from lignite, equal to 0.5% of its annual turnover. Additionally, since 2012, we have been subject to a special levy for lignite generated electricity equal to €2.00 / MWh and a special tax on natural gas. We do not currently pay any royalty, concession fee or other fee for the lignite we extract or for our hydropower plants. The application of any new royalty regime may require the abolishment of the current regime and we cannot guarantee that any form of royalties, concession fees or other fees on our lignite or hydropower production will not be introduced by the Greek Government in the future.

Additionally, due to the current recession in Greece, even if we pass the effect of any new taxes, levies, etc. onto our customers, such taxes, levies, etc. may impact collection rates for our electricity bills or result in a loss of market share due to competition. Conversely, if we do not increase our tariffs to match an increase in taxation, an adverse impact on our financial results will follow.

PPC is subject to certain laws and regulations generally applicable to companies of the broader public sector

As long as the Hellenic Republic, as the major shareholder of PPC, holds 51% of its share capital, the Company shall, in some sectors, continue to be considered as a public sector company in Greece. Therefore, its operations shall continue to be subject to certain laws and regulations generally applicable to public sector companies in Greece, affecting thus specific procedures, including but not limited to personnel salaries, maximum level of salaries, recruitments of employees, as well as the procurement policies etc.

The said laws and regulations, particularly within the framework of the current financial conjecture and the relevant decisions of the Central Administration, which are not expected to be applicable to the Parent Company's current and future competitors, may limit the Parent Company's operational flexibility and may also have significant negative impact on its financial results, cash flow and on business risk management.

It should be noted that the Group did not have for several years (till today) the possibility to recruit its experienced personnel in the range of its business activities while, today's average personnel age is approximately 48 years. The Group's inability to recruit specialized personnel negatively affects the ability of the new PPC Group to elaborate and implement its strategy in the new competitive and financial environment, as well as to adequately staff basic supportive operations at the level of new subsidiaries. Finally, there is a risk of losing managers and experts to competition mainly because of restrictions on remuneration policies. The viability and development of PPC Group in the new business environment notably depend on the ability to attract and maintain skilled and specialized personnel and executives. According to L. 3833/2010 and L. 4057/2012 , concerning the recruiting of permanent staff an approval of the Interministerial Committee is necessary (AIC 33/2006), as well as an allocative act of the Minister of the Interiors and Administrative reorganization according to the 1:5 ratio (a recruitment for every five employees leaving).By the above mentioned and introduced by law hiring procedure, the Parent Company's recruitment needs are significantly hindered and any potential denial or delay of the aforementioned approval creates critical lack of personnel and managers and may have a negative impact on the implementation of the Groups' activity. .

Organization and Risk Management

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

The Parent Company has established but hasn't staffed the Risk Management Department yet, as a result of the lack of experienced staff due to constraints in hiring, Till today its line management, on a case by case basis, is engaged in identifying and primarily assessing risks in order to submit recommendations to the Executive Committee and Board of Directors regarding the design and approval of specific risk management procedures and policies. We can provide no assurance that such procedures and policies provide full protection against risks faced by the Company.

The Group may face strikes

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

Health, Safety and Environmental Laws and Regulations

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

The cost for complying with such legislation and regulations may require major investments and/or significant expenses for actions regarding the environmental compliance, upgrade and rehabilitation. Changes in the environmental legislation may increase the compliance cost and eventually, may have an impact on the Group's profitability as well as its cash flow program.

Furthermore, due to the nature of our operations, we are involved in a number of environmental proceedings that arise in the ordinary course of business. These proceedings may not involve financial penalties and therefore cannot be quantified. Future related costs as a result of enforcement actions and/or third party claims for environmental damage and/or insurance cost for environmental liability could have a material adverse effect on our business, results of operations and financial position.

We are also required to obtain environmental and safety permits for our operations from various governmental authorities. Certain permits require periodic renewal or review of their environmental terms as well as continuous monitoring and reporting of compliance with such terms. We cannot give any assurance that we will be able to renew such permits or that material changes to our permits requiring significant expenditures on our end will not be imposed.

Environmental and health and safety laws are complex, change frequently and tend to become more stringent over time. As a result, we may not at all times be in full compliance with all such applicable laws and regulations.

Additionally, as an owner and operator of generation and distribution facilities, we may incur in the future costs and expenses in connection with the decommissioning of such facilities, which the Group and the Parent Company estimate to be to a large extent recoverable from the sale of decommissioned equipment, materials and scrap.

Information Technology (IT) security

A large portion of our operations is based on information systems; therefore we are exposed to the risk of non availability, data integrity corruption and unauthorized access to these systems. In order to minimize these risks, we take measures for the enhancement of our IT security.

We believe that we currently have adequate security policies in place to cover risks associated with the operation and maintenance of our IT infrastructure and perform regular audits of our systems. However, there can be no assurances that we will be able to prevent technology failures or IT security breaches in a timely manner or continue to have adequate insurance coverage to compensate for related losses (including litigation claims, liability and data loss), which could disrupt our operations or harm our reputation and materially adversely affect our business.

Extraordinary events

Unexpected events, including natural disasters, fires, war, terrorist activities, strikes, etc., may lead to a breakdown or the interruption of the operation of our mines, the generation function and electricity transmission and distribution. Additionally, adverse macroeconomic developments, as well as financial and operating problems of basic suppliers, service providers and contractors may have a negative impact on our ability to purchase liquid fuels, spare parts and materials and may increase our business and operating costs.

Our operations are susceptible to industrial accidents, and employees or third parties may suffer bodily injury or death as a result of such accidents. In particular, while we believe that our equipment has been well designed and manufactured and is subject to rigorous quality control tests, quality assurance tests, and is in compliance with applicable health and safety standards and regulation, the design and manufacturing process is ultimately controlled by our equipment suppliers or manufacturers or EPC contractors rather than us, and there can be no assurance that accidents will not result during the installation or operation of this equipment. Furthermore, the consequences of these events may create significant and long-lasting environmental or health hazards and pollution and may be harmful or a nuisance to neighboring residents. We may be required to pay damages or fines, clean up environmental damage or dismantle power plants in order to comply with environmental or health and safety regulations.

We may also face civil liabilities or fines in the ordinary course of our business as a result of damages to third parties caused by the natural and man-made disasters mentioned above. These liabilities may result in us being required to make indemnification payments in accordance with applicable laws.

Licensing Risk

The procedures for obtaining and renewing authorizations and permits for our activities can be protracted and complex. Obtaining these authorizations is not routine and the conditions attached to obtaining them are subject to change and may not be predictable. As a result, we may incur significant expenses in order to comply with the requirements associated with obtaining or renewing these authorizations. Failure to obtain or renew the necessary licenses and permits might result in interruptions to some of our operations, including also our ability to obtain funding for our activities.

Any failure to obtain, maintain, renew or extend all the administrative authorizations and licenses necessary for the operation of our business and execution of our strategy, could have a material adverse effect on our business, strategic and financial planning, results of operations, financial condition and cash flows.

Risk from impairment of Assets

In relation to the value of their participation in the share capital of subsidiaries and associates and the value of their tangible assets, the Group and the Parent Company are exposed in the following risks:

• The risk from a significant change or / and the non-recoverability of the value of the Parent's Company, participation in the share capital of subsidiaries and associates

• The risk from a significant change in the fair value of the tangible assets in the context of their periodic reassessment.

Provision of guarantee to Subsidiaries
The Parent Company has a policy of reviewing on a case by case basis and only after the Decision of its Board of Directors to provide guarantees or intercompany loans only to subsidiaries or associates.

BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of December 31, 2014 are as follows:

	December 31, 2014	
	Receivable	**(Payable)**
Subsidiaries		
- IPTO	306,804	(1,058,258)
- PPC Renewables S.A.	5,583	(837)
- HEDNO (former PPC Rhodes S.A.)	21,875	(138,890)
- PPC Finance PLc	-	(4)
- PPC Elektrik	-	-
	334,262	**1,197,989**
Associates		
PPC Renewables ROKAS S.A.	-	-
PPC Renewables TERNA Energiaki S.A.	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	-	-
PPC Renewables MEK Energiaki S.A.	-	-
EEN VOIOTIA S.A.	-	-
- Larco (energy, lignite and ash)	229,321	-
Waste Syclo S.A.	-	-
	229,321	**-**

PPC's transactions with its subsidiaries and its associates as of December 31, 2014 are as follows:

	December 31, 2014	
	Invoiced to	**Invoiced from**
Subsidiaries		
- IPTO S.A.	582,582	(2,085,867)
- PPC Renewables S.A.	3,506	-
- HEDNO	1,405,449	(2,083,953)
- PPC Finance PLc	-	(33,818)
- PPC Elektrik	144	(122)
	1,991,681	**(4,203,760)**
Associates		
PPC Renewables ROKAS S.A.	-	-
PPC Renewables TERNA Energiaki S.A.	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	-	-
PPC Renewables MEK Energiaki S.A.	-	-
PPC Renewables ELTEV AEIFOROS S.A.	-	-
EEN VOIOTIA S.A.	-	-
Larco S.A.	64,792	(8,961)
	64,792	**(8,961)**

Guarantee in favor of the subsidiary PPC Renewables S.A.
As of 31.12.2014, the Parent Company has guaranteed total loans of Euro 8 mil., through account credit agreements. As of 31.12.2014 PPC Renewables S.A. has used Euro 573, concerning letters of guarantee.

Guarantee in favor of the subsidiary IPTO SA
At December 31, 2014 the Parent Company had provided guarantees for bilateral loans amounting to Euro 325 mil.
In addition, in March 2014, PPC's Board of Directors has decided to provide an additional guarantee of Euro 12.1 mil. on an existing loan agreement between IPTO and a commercial bank, which until then was not covered by a guarantee.
The Parent Company receives commission for rendering this service.
In April 2014, PPC's Board of Directors decided to provide a guarantee under conditions in favor of IPTO S.A. for the issuance of a medium term syndicated loan amounting to Euro 337.1 mil. which will refinance the total of the above mentioned bilateral loans.

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 Additionally, purchases and balances with EMO, the Electricity Market Operator, are presented.

	Purchases		**Balance**	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
ELPE, purchases of liquid fuel	132,342	145,738	4,416	10,222
DEPA, purchases of natural gas	345,727	393,089	29,987	75,519
	478,069	**538,827**	**34,403**	**85,741**

	December 31, 2014		**December 31, 2013**	
	Receivable	**(Payable)**	**Receivable**	**(Payable)**
EMO S.A.	166,038	(65,349)	478,585	(478,615)

	31.12.2014		**31.12.2013**	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
EMO S.A.	2,187,443	(2,863,920)	255,459	(599,602)

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

Management compensations

Compensations concerning management members (Board of Directors and General Managers) for the year ended December 31, 2014 and 2013 are as follows:

	GROUP		**COMPANY**	
	2014	**2013**	**2014**	**2013**
<u>Compensation of members of the Board of Directors</u>				
- Executive members of the Board of Directors	222	154	57	57
- Non-executive members of the Board of Directors	72	93	-	-
- Compensation / Extra fees	61	111	-	-
- Social security contributions	49	62	-	-
- Other Benefits	125	99	87	97
	529	**519**	**144**	**154**
<u>Compensation of Deputy Managing Directors and General Managers</u>				
- Regular compensation	684	698	627	641
- Social security contributions	218	232	199	211
- Compensation / Extra fees	-	-	-	-
	902	**930**	**826**	**852**
	1,431	**1,449**	**970**	**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 and related contributions to social security funds. Also, it does not include the electricity benefit based on the PPC personnel invoice to the Board of Directors members, the Deputy Managing Directors and the General Managers.
Since 01.01.2014 following the provisions of L. 4172/2013, the above mentioned compensation is considered as salary and is taxed accordingly

Statement of Corporate Governance

1. INTRODUCTION

STATEMENT OF CORPORATE GOVERNANCE

1. Code of Corporate Governance applying to the Company

The Corporate Governance is a system of principles, based on which the optimum organization, administration and operation of the société anonyme, as well as the transparency in its relations with the shareholders and in general the safeguarding of the corporate interest are pursued.

The observance of the principles of corporate governance constitutes an essential commitment and priority of PPC S.A. in view of its important role in the Greek Economy, as well as of the provision of services of general interest.

It is to be noted that the Company is governed by specific laws and regulations applicable to the corporations of the wider public sector, as long as the Hellenic Republic, as the main shareholder, holds 51% of its share capital. Consequently, its operations shall continue to be subject to the laws and regulations applicable to the companies of the Greek public sector and affect specific procedures, as those concerning, indicatively but not limited to, the personnel remuneration policy. The said laws and regulations, to which the current competitors of the Company are not expected to be subject, are likely to limit its operational flexibility and the implementation of the relevant "best practices" of corporate governance.
The Hellenic Republic holds directly or indirectly through the Hellenic Republic Asset Development Fund (TAIPED) 51.12% of PPC S.A. common shares. TAIPED holds 17% of the Company's share capital, which is included in the aforementioned percentage held by the Hellenic Republic, since the TAIPED is 100% owned by the Hellenic Republic. In accordance with the Act of Legislative Content dated 7.9.2012, which was ratified by article 2 of Law 4092/2012, the obligatory participation of the Hellenic Republic by at least 51% in the share capital was abolished and the Articles of Incorporation were adapted accordingly.

PPC shall draw up the current statement of Corporate Governance pursuant to the provisions of Article 43a par. 3 item d' of Codified Law 2190/1920, as applicable and where appropriate, in accordance with the International Accounting Standards which have been established under the Regulation (EC)1606/2002.
PPC has drawn up and implements its own Code of Corporate Governance. Said Code was updated in March 2015 and is posted on the Company's website (www.dei.gr).

The main axes of the Code of Corporate Governance implemented by PPC are the following:

Administration
Composition of the Governing Bodies, jurisdiction and functioning.
Committees of the Board of Directors and jurisdiction thereof.

Shareholders
Jurisdiction and operation of the General Meeting of Shareholders, shareholders' rights, briefing of the shareholders', as well as reference to the information data required pursuant to article 10 par. 1 of Directive 2004/25/EC of the European Parliament, as incorporated in Law 3461/2006.

Internal audit and risk management
Main characteristics of the Company's internal audit and risk management of the company. Regarding the procedure of drawing up of financial statements'.

2. Corporate Governance Practices implemented by PPC in addition to Law (article 43a par. 3 item d. sub item bb. of CL 2190/1920, as applicable)[1]

1) The prohibition applied to the members of the Board of Directors concerning the conduct of competitive acts applied for a period of two years following termination for any reason whatsoever of the term of office of the Board member or his retirement from the Board of Directors (article 13 par.2 of Articles of Incorporation, Code of Corporate Governance "Prohibition of competition – Participation in the Board of Directors of subsidiary companies").
2) The Board of Directors consists of different categories of members: eight (8) members, including the Chief Executive Officer, elected by the General Meeting of shareholders of the company, two (2) members representing the Company's employees are elected by direct and universal ballot one (1) member designated by the Economic and Social Committee (article 9 of Articles of Incorporation, Code of Corporate Governance "Composition of the Board of Directors"). This particular composition of the Board of Directors and this approach of designating the Members of the Board constitute the reason for not establishing the Committee of Candidatures' Designation of the Board of Directors based on the applicable (as of October 2013) Greek Code of Corporate Governance for Listed Companies.

[1] "as modified by Article 2 par. 2 of L. 3873/2010 (Official Gazette volume A issue 150/ 6.9.2010"

3) In case both positions of Chairman and CEO coincide to the same person, the Board of Directors shall also elect a Vice Chairman (article 14 of Articles of Incorporation, Code of Corporate Governance “Chairman and Vice Chairman of the Board of Directors”).
4) Apart from the Board of Directors and the CEO, the Governing Bodies of the Company include the Management Board (article 8 of Articles of Incorporation, article 3 of Rules of Operation, Code of Corporate Governance “Governing Bodies”).
5) There are Deputy CEOs reporting to the CEO (article 15a of Articles of Incorporation, Code of Corporate Governance “Deputy Chief Executive Officers”).
6) A Remunerations Committee has been established, consisting of three (3) non-executive members of the Board of Directors, at least two (2) of them independent (article 17 of Articles of Incorporation, Code of Corporate Governance “Remuneration and Compensation of Members”).
7) A Management Contract is signed between PPC and the CEO (article 16 of Articles of Incorporation, Code of Corporate Governance “Management Contract and follow-up of its implementation).
8) Persons of recognized standing or with specialized experience or expertise in specific areas may be employed as Special Consultants, in order to support the CEO or the Deputy CEOs or the General Managers in carrying out their duties. The number of special consultants shall not exceed ten (10). The employment/assignment contracts with the Special Consultants are signed by the Chief Executive Officer, that decides upon the nature of their relationship with the Company as well as upon the terms of such contracts, indicatively the duration of the contract, remuneration/fees and other benefits (article 21 Code of Operation).
9) By virtue of the Resolution of the Board of Directors no 38/23.02.2009, a Corporate Governance and Monitoring Committee of the subsidiary company of PPC S.A. under the trade name “PPC Renewables S.A.” was established. The said Committee, by virtue of the Resolution of the Board of Directors no 97/14.04.2010, consists of the Chairman of PPC Renewables S.A., the CEO of PPC Renewables S.A., the Deputy CEO of PPC S.A. who supervises the Corporate Functions Divisions of PPC SA, the General Manager of Finance of PPC S.A. and the General Counsel of PPC S.A.
10) Based on the Company’s Rules of Operation as applicable which were approved by the Resolution of the BoD no 183/26.11.2013, the Members of the Board of Directors as well as any third person to whom any competencies of the Board have been assigned by the latter, shall not be allowed to pursue own interests that are contrary to those of the Company. Members of the Board as well as any third person to whom any competencies of the Board have been assigned, are required to disclose promptly and adequately to the rest of the Board Members their own interests, that may arise from any transactions of the Company which fall within the scope of their duties, as well as any conflict of own interests with those of the Company or of any associated company, which may arise during the performance of their duties. In the event that such conflict of interests is reported or occurs in accordance with the aforementioned, such Member of the Board shall have no voting right during the relevant meeting of the Board. Any vote cast by such Member of the Board shall not be counted toward a quorum and majority.

3.Description of internal audit and risk management systems in relation to the procedure of financial statements’ drawing up

3.1 Safeguards at corporate level

The Internal Audit of the Company is performed by the Internal Audit Department (IAD). The IAD is supervised by the Audit Committee which consists of two (2) at least non-executive members and one (1) independent non-executive member, that have been appointed by the General Meeting of the Shareholders.
The members of the Audit Committee, in accordance with the Operation Rules of the Company, assume the obligations provided for by law concerning corporate governance, including:

- The follow up of the financial information procedure,
- The follow up of the effective operation of the internal audit and risk management system, as well as the follow up of the proper operation of the IAD.
- The follow up of the process of compulsory audit of separate and consolidated financial statements,
- The review and follow up of issues relating to the existence and preservation of the objectivity and independence of chartered auditors-accountants concerning, in particular, other services rendered by them to the Company and its subsidiaries.
- The follow up of the execution of the Company’s budget (BoD decision 128/18.7.2013).
- Recommendation of the Board proposal to the General Meeting, for the appointment of Chartered Auditors-Accountants

The annual audit plan of the IAD is drawn up based on the determination, updating and assessment of the corporate risks of the Group and taking into consideration the strategic goals of the Company and all developments concerning the Company and its environment. The audit plan is submitted to the BoD for its approval the BoD, through the Audit Committee.
PPC’s BoD considers the main risks and uncertainties that PPC may face and a detailed reference to them is included in the Annual Financial Report of the BoD.

3.2 Safeguards for information systems

The Company has developed a Framework of Information Systems Security within which the policies concerning Information Systems Security are defined regarding information classification, security in matters of personnel, physical and environmental security, management of communications and information systems operations, access control, development and maintenance of information systems, business continuity management, compliance with the obligations deriving from the regulatory-legislative framework.
Moreover, the roles and competencies concerning the information systems security are defined.

3.3 Safeguards for the procedure of drawing up financial statements and reports

The basic areas where safeguards concerning the drawing up of the Company's financial statements and financial reports are implemented, are the following:

- Allocation of Competencies

The executives being involved have clearly defined roles and areas of responsibility, thus reinforcing the effectiveness of the Internal Audit System.

- Procedures for accounting monitoring and drawing up of financial statements
  - ✓ Integrated policy principles for the operation of the Accounting Services of the Group.
  - ✓ Procedures in relation to the issuing of financial statements and their consolidation at Group level.
  - ✓ Regular follow up of the International Financial Reporting Standards, as these are adopted by the European Union, and the respective adaptation of the accounting principles and policies of the Group, as required.
  - ✓ A special approval by the top executives of the Company is required for the posting of accounting entries, which concern special, non-recurring accounting events.
  - ✓ Controls are being carried out by the Information Department on the information subsystems' data, before being integrated into General Accounting.
  - ✓ Regular communication of the executives of the Finance Division with the Top Management and the Audit Committee for the ratification and recording of important events that influence financial statements.
  - ✓ Regular communication of the Chartered Auditors with the Top Management and the Audit Committee with regard to the progress and the results of the Company's compulsory audit.

- Procedures for property safekeeping

Safeguards are in place for the management of fixed assets, reserves, cash and cheques and clients'information systems. Indicatively we mention the existence of detailed procedures and audit mechanisms for carrying out the annual materials' inventory.

- Transaction approval limits

The operation of all departments, at all management levels, as well as the Company Bodies' is governed by the Financial and Administrative Jurisdictions System by which the jurisdictions in matters of approvals by the Governing Bodies and the executives of the Company are defined.

4. Information required in accordance with article 10 par. 1 items c), d), f), g) and h) of Directive 2004/25/EC of the European Parliament and of the Council, dated April 21st, 2004 concerning Takeover Bids - EXPLANATORY REPORT OF BOARD OF DIRECTORS (Article 4, paragraph 7 & 8 of L. 3556)

4.1 Share Capital Structure

The Company's share capital amounts to Euro 1,067,200,000 divided into 232,000,000 ordinary registered shares corresponding to 232,000,000 voting rights with a nominal value of Euro 4.60 each.

4.2 Restrictions in transferring Company shares

Article 8 of PPC's Articles of Incorporation which provided that the percentage of the Hellenic Republic in the PPC's share capital could not be less than 51% of the shares with voting rights of the Company following any increase of the share capital, was abolished pursuant to the Act of Legislative Content dated 7.9.2012 (which has been already ratified by article 2 of L 4092/2012).

4.3 Significant direct or indirect participations within the meaning of articles 9 to 11 of L. 3556/2007

As of December 31, 2014, the Hellenic Republic, HRADF and Silchester International Investors LLP have a significant participation (over 5%).

11/4/2014	Hellenic Republic [1]	**34,12%**
11/4/2014	Hellenic Republic Asset Development Fund (HRADF)	**17,00%**
13/9/2011	«Silchester International Investors LLP» acting as investment manager for its client - Silchester International Investors International Value Equity Trust.	**5.01%**
8/12/2011	"Silchester International Investors LLP" acting as investment manager for the following clients: - Silchester International Investors International Value Equity Trust, - Silchester International Investors International Value Equity Taxable Trust, - Silchester International Investors International Value Equity Group Trust, - Silchester International Investors Tobacco Free International Value Equity Trust, - The Calleva Trust.	**13.80%**

(1) The Hellenic Republic controls, directly and indirectly through HRADF , 51.1% of the ordinary shares of PPC S.A. In September 2012 the HRADF was appointed as proxy holder of the Hellenic Republic, entitled to exercise at its sole discretion, in the most appropriate way and without any guidance by the shareholder "Hellenic Republic", the voting rights of 39,440,000 ordinary shares with voting rights corresponding to 17% of the existing share capital of the Company (the "HRADF Shares") without any transfer of the Hellenic Republic voting rights on PPC S.A. to HRADF . The duration of such proxy was thirty six (36) months as of the date of signing of the relevant agreement, unless the objective of the proxy was achieved earlier. On April 8, 2014, the Greek ministerial committee for restructurings and privatizations decided the transfer, without consideration, of the HRADF Shares, by the Hellenic Republic to the HRADF , pursuant to the provisions of Law 3986/2011. The transfer was announced on April 11, 2014 following execution of an over-the-counter transaction effected on April 9, 2014.Following the transfer, the abovementioned proxy agreement is no longer in effect.

4.4 Shares with special control rights

There are no shares granting special control rights, stricto sensu.

4.5 Voting rights restrictions

There are no restrictions on voting rights.

4.6 Agreements between Company's shareholders

The Company has no knowledge of agreements existing between its shareholders.

4.7 Regulations on appointing and replacing members of the Board of Directors

According to article 9 of the Company's Articles of Incorporation, the Company's Board of Directors is composed of eleven (11) members, divided into executive and non-executive members, among which:

- Eight (8) members, including the Chief Executive Officer, are elected by the General Meeting of the shareholders of the company. The Board of Directors shall elect from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Company's Articles of Incorporation.
- Two (2) members representing the Company's employees are elected by direct and universal ballot after having notified the most Representative Trade Union (ASOP) of the Company.
- One (1) member, who is involved in bodies related to the Company's activities, is designated by the Economic and Social Committee (ESC) and is appointed by decision of the Minister of the Environment, Energy and Climate Change.

In the event that for any reason whatsoever any representative of the employees or the representative of ESC is not elected or in the event any vacancy in the office of the aforesaid representatives is not promptly filled within the time limit of two (2) months as of the notification of the agencies, this shall not impede the constitution and functioning of the Board of Directors.

According to article 9 par. 4a of the Company's Articles of Incorporation, in case that for any reason whatsoever there shall be a vacancy in the office of a Board Member elected in accordance with the procedure set forth in paragraph 2 a) of the present article, the remaining members of the Board shall elect another member for the remaining term of the member in the office of whom a vacancy has occurred, and such election is posted on the websites of the company and of the General Electronic Commercial Registry (GECR or GEMI) and is announced by the Board of Directors at the next meeting of the General Meeting.

4.8 Duties of the Board of Directors with regard to the issuance of new or the purchase of own shares

According to article 6 par.2a of the Company's Articles of Incorporation, the Company may, by resolution of the Board of Directors, increase the share capital through the issuance of new shares. The amount of the increase cannot exceed the amount of the original share capital or of the share capital which shall have been paid up on the date of the decision by the General Meeting on the renewal of the relevant power of the Board of Directors.

The provisions of article 16 and 16a of Codified Law 2190/1920, as amended and currently in force, provide for the Company's ability to purchase own shares, with the Board of Directors responsibility, under the requirements specifically indicated by the above article.

There is no provision in the Company's Articles of Incorporation, concerning specifically the Board of Directors' competence for the purchase of own shares.

4.9 Significant agreements that become effective, are amended or are terminated in the event of change in control

A significant part of loan agreements provide that in case the Greek State's participation in the share capital of the Company falls below 34% or 51%, or in case the State ceases to control the Company, it may lead to Mandatory Prepayment of these loans or constitute an Event of Default.

In addition, the change in PPC's share capital, which will lead to change in control over the Company is a reason for an "Accelerated Put/Call Event" according to the Shareholders Agreement between PPC S.A. and TERNA ENERGY relating to WASTE SYCLO S.A., and will initiate the procedure of the "Accelerated Put/Call Notice", within a specific deadline. The Non Defaulting Party may require to purchase all the shares of the Defaulting Party according to the foreseen procedure in the Shareholders Agreement.

With regard to the shareholders agreement with ALPIQ, based on which the subsidiary company under the trade name PPC Bulgaria was established in Bulgaria, in the event of any change in the shareholder structure of one out of the two shareholders which leads in a change of control over the company, the other shareholder may exercise his right to sell his shares to the first shareholder, within 30 working days, pursuant to the procedure provided for in the shareholders agreement

4.10 Agreements with members of the Board of Directors or Company Personnel.

There are no share distribution plans for the members of the Board of Directors and/ or employees of the Company.

PPC has signed contracts for the provision of independent services with the Chairman and Chief Executive Officer Mr. A. Zervos, with the Vice Chairman and Deputy CEO Mr. K. Dologlou and with the Deputy CEO Mrs Our. Ekaterinari.

5. Information on the functioning of the General Meeting of the shareholders and its main powers, as well as description of the shareholders' rights and of their exercise

5.1 Shareholders' General Meeting jurisdiction

1. The Shareholders' General Meeting is the supreme authority of the Company and shall have the right to make decisions on all matters concerning the Company, unless otherwise stipulated in the Articles of Incorporation, and more particularly to decide regarding:

a) The amendment of the Articles of Incorporation. Such amendments are also deemed to include the increase or reduction of the share capital, subject to the provisions of article 6 of the Articles of Incorporation and article 34 par. 2 of Codified Law 2190/1920, as applicable. The decisions concerning amendments to the Articles of Incorporation shall be valid, provided that the relevant amendment is not prohibited by an express provision of the Articles of Incorporation or by law,
b) The election of Board Members, pursuant to article 9 of the Articles of Incorporation, of the Chief Executive Officer and of the regular auditors,
c) The approval of the balance sheet of the Company,
d) The distribution of the annual profits,
e) The issue of loan through bonds convertible into shares, subject to the provisions of article 6 of the Articles of Incorporation. The issue of bonded loans not convertible into shares shall be permitted also by virtue of a resolution of the Board of Directors,
f) The merger, division (demerger), transformation, revival, extension of term or dissolution of the Company and
g) The appointment of liquidators.

2. Any holder of fully-paid up voting shares shall participate in the General Meeting of shareholders of the Company only to the extent of the number of shares which he holds.

5.2 Convocation of the General Meeting

1. The Shareholders' General Meeting of the Company shall be convened by the Board of Directors and shall meet at the seat of the Company and/or at any other place outside such seat, in accordance with the provisions of article 25 of Codified Law 2190/1920, at least once a year, always within the first six months following the end of the financial year. The Board of Directors may convene an Extraordinary Shareholders' General Meeting, whenever this is required by special provisions or whenever the Board considers it appropriate.

2. Within ten (10) days from the submittal by the auditors of a request to the Chairman of the Board of Directors, the Board of Directors shall be bound to convene the Shareholders' General Meeting having for items on the agenda those listed in the submitted request.

5.3 Invitation to the General Meeting

1. The Invitation to the General Meeting, with the exception of repeat General Meetings and of meetings regarded as such, shall clearly state at least the venue, date and time of the meeting, the items on the agenda, the shareholders entitled to participate, as well as precise instructions about the way the shareholders shall be able to participate in the meeting and exercise their rights in person or by proxy, or potentially through remote attendance (from a distance), shall be available in a prominent place at the registered office of the Company and shall be published through posting on the website of the Company and of G.E.M.I. and in any case, as provided for by the law each time.

2. The General Meeting shall be convened at least twenty (20) days prior to the date set for the meeting, inclusive of days legally excluded (holidays). The posting on the website of the G.E.M.I. shall be made at least ten (10) full days prior to such date and the posting on the website of the Company twenty (20) days prior to the date that the Company announced to the G.E.M.I, without any delay such posting on the website. In the event of repeat General Meetings, the time limits set forth herein are reduced by one half.

3. The day of publication of the notice of invitation to attend a General Meeting and the day on which such meeting shall be held are not counted.

4. Besides the information of par.1 herein, the invitation shall also:

a) include at least the following information:
   aa) shareholders rights of par. 2, 3, 6 and 7 of article 28 of the Articles of Incorporation, stating the time period within which each right may be exercised, by the respective deadlines specified in the above paragraphs of article 28 of the Articles of Incorporation or alternatively the closing date by which such rights may be exercised, on condition that the detailed information is posted, with an explicit reference in the invitation, on the Company's website www.dei.gr, and
   bb) the procedure for the exercise of the voting rights by proxy and more in particular the printed forms used by the Company to this end, as well as the means and methods provided for in article 22 of the Articles of Incorporation, in order that the Company receives electronic notifications of any appointment and revocation of proxy holders.
b) the record date as provided for in article 22 par. 2 of the Articles of Incorporation in accordance with article 28a par. 4 of Codified Law 2190/1920, as applicable, pointing out that only those persons having the shareholding capacity on such date shall have the participation and voting right at the General Meeting.
c) the location where the full text of documents and draft resolutions provided for in cases c) and d) of par. 5 of article 22 of the Articles of Incorporation are made available, as well as their reception mode.
d) the Company's website address where the information of par. 5 of article 22 of the Articles of Incorporation are posted.

5. The company publishes in the media of par. 1 herein a summary of the invitation containing at least the precise address of the venue, the time and the hour of the meeting, the shareholders entitled to participate, as well as an explicit reference to the address of the company's website where the full text of the invitation and the information provided for in par. 3 of article 27 of Codified Law 2190/1920 are posted.
In case of enforcement of par. 2 article 39 of Codified Law 2190/1920 the publication in the media in accordance with the above par. 1 herein shall contain at least a clear indication that any revised agenda shall be posted on the company's website and in the media of the following section. Besides the publication in the media of par. 1 herein including the company's website, the full text of the invitation shall also be published within the prescribed deadline of par. 2, in such a way as to ensure rapid and non discriminatory access to it, in the media that the Board of Directors considers reasonably reliable for the effective diffusion of information to the investors, in particular at print and electronic media with national and Europe-wide circulation.

5.4 Participation in the General Meeting

1. Any shareholder shall be entitled to attend and vote at the General Meeting.

2. Any person appearing as a shareholder in the registry of the body where the securities of the Company are being kept, shall be entitled to participate in the General Meeting without being required to block his shares.
The shareholding capacity shall be evidenced by providing a relative written certificate from the above body or alternatively a confirmation through direct online connection of the Company with the records of the latter. The shareholdings capacity shall be valid on the commencement of the fifth (5^{th}) day prior to the date of the General Meeting (Record Date) and the relative written or electronic certificate with regard to the shareholding capacity shall be serviced to the Company at the latest the third (3^{rd}) day prior to the date of the General Meeting. Shareholders may attend the repeat General Meeting in accordance with the same formal requirements set out above. The shareholding capacity shall be valid on the commencement of the fourth (4^{th}) day prior to the holding of the repeat General Meeting (Record Date of repeat General Meetings), while the relative written or electronic certificate with regard to the shareholding capacity shall be serviced to the Company at the latest the third (3^{rd}) day prior to the General Meeting. Only those holding the shareholding capacity on the above Record Date shall be considered vis-à-vis the Company to be entitled to participate and vote at the General Meeting. In case of non -compliance with the provisions of Article 28a of Codified Law 2190/1920, as applicable, said shareholders may attend the General Meeting only upon authorization of the General Meeting.
Shareholders shall participate and vote at the General Meeting either in person or by proxy. Each shareholder may appoint up to three (3) proxy holders. A proxy holder holding proxies by several shareholders may cast votes differently for each shareholder. The appointment and revocation of proxy holders shall be made in writing or by mail and shall be notified to the Company in accordance with the same procedure as above the least three (3) days prior to the date set for such General Meeting. Legal entities participating in the General Meeting may appoint up to three (3) natural persons as proxies.

3. Ten (10) days prior to the ordinary General Meeting, every shareholder may obtain from the Company the annual financial statements thereof, together with the relevant reports of the Board of Directors and of the auditors.

4. Twenty-four (24) hours prior to each General Meeting, a list of shareholders with voting right at the said meeting shall be posted in a prominent place at the registered office of the Company. The said list shall indicate any proxies of the shareholders, in compliance with article 28a of Codified Law 2190/1920, as applicable, and paragraph 2 herein, the number of shares and votes of each shareholder, as well as the addresses of the shareholders and of their proxies.

5. As of the date of publication of the invitation to the General Meeting and until the date of the General Meeting, at least the following information shall be posted on the Company's website:
a) the notice of invitation to the General Meeting,
b) the total number of shares and voting rights on the date of such invitation,
c) the documents to be submitted at the General Meeting,
d) a draft resolution for each item on the agenda or in case no resolution has been submitted for approval, a comment by the Board of Directors on each item on the agenda and any draft resolutions submitted by the shareholders, right after being received by the Company,
e) the printed forms to be used for the exercise of voting rights by proxy.

5.5 Ordinary Quorum and Majority

1. A quorum of the General Meeting shall be deemed to be achieved for the proper discussion of the issues on the agenda, when shareholders representing at least one fifth (1/5) of the paid-up share capital are present or represented thereat.

2. If the quorum referred to in the preceding paragraph is not obtained, the General Meeting shall be held again within twenty (20) days from the date of the postponed meeting, following invitation being notified at least ten (10) days prior to the meeting date. At such repeat meeting a quorum shall be deemed to be obtained in order to duly discuss the items set out in the original agenda, independently of the proportion of the paid-up share capital represented thereat.
A new notice of invitation is not required, in the event that the original notice of invitation states the venue and date of the repeat meetings provided for by the law, in case a quorum has not been reached, on condition that at least ten (10) full days intervene between the postponed meeting and the repeat one.

3. The resolutions of the General Meeting shall be made by absolute majority of the votes represented thereat.

5.6 Extraordinary Quorum and Majority

1. Especially, for resolutions involving :

a) change in the nationality of the Company,
b) modification of the object of the Company,
c) issuance of bonded loans convertible into shares, as stipulated by article 19 par. 1(e) of the Articles of Incorporation,
d) increase of the shareholders' obligations,
e) increase of the share capital subject to the provisions of article 6 of the Articles of Incorporation, or unless it is imposed by law or is effected by capitalization of reserves,
f) decrease of the share capital, with the exception of the case of par. 6 article 16 of Codified Law 2190/1920, as applicable, or with the exception of those cases which are regulated in a different manner, according to a special law or to the Articles of Incorporation,
g) change in the manner of profits' distribution,
h) restriction or abolition of the pre-emption right of the old shareholders in all cases of increase of the share capital not effected by transfers in kind or by the issuance of convertible bonds,
i) merger, division (demerger), transformation, revival, extension of term or dissolution of the Company,
j) granting or renewing of powers to the Board of Directors for the increase of the share capital or the issuance of bonded loan in accordance with the provisions of article 6 par. 2(b) of the Articles of Incorporation, and
k) any amendment to the section herein and in any other case provided for by the law,

a quorum shall be deemed to be obtained for the proper transaction of the business set out in the agenda, when shareholders representing two thirds (2/3) of the paid-up share capital are present or represented at the relevant meeting.

2. If the said quorum is not obtained, a second General Meeting shall be held in accordance with the provisions of paragraph 2, article 23 of the Articles of Incorporation, a quorum of which shall be obtained for the proper transaction of the business set out in the original agenda when at least one half (1/2) of the paid-up share capital is represented thereat. If such quorum is still not obtained, the General Meeting shall be held upon notice of invitation and convened as stipulated above, a quorum of which shall be obtained when shareholders representing at least one fifth (1/5) of the paid-up capital are present or represented at said meeting.
In the event that quorum has not been not obtained, a new notice of invitation is not required on condition that the venue and time of the repeat meetings, as provided for by law, are set in the initial invitation, and that at least ten (10) full days intervene between each postponed meeting and each repeat one.

3. The resolutions stipulated in par. 1 herein shall be made by a two-thirds (2/3) majority of the votes represented at the General Meeting.

5.7 Chairmanship of the General Meeting

1. The Chairman of the Board of Directors shall preside, provisionally, as chairman at the General Meetings. If unable to perform his/her duties, he/she shall be replaced by his/her substitute. Secretarial duties at the meetings shall be performed, provisionally, by a person appointed by the Chairman.

2. Following approval of the final list of shareholders with voting rights, the General Meeting shall proceed to the election of its Chairman and of one (1) Secretary, who shall also act as scrutineer.

5.8 Agenda - Minutes of the Meetings

1. The discussions and the resolutions of the General Meeting shall be limited to the items on the agenda published in accordance with article 21 of the Articles of Incorporation.

2. A summary of all the items discussed and resolved at the General Meeting shall be entered in a minute book signed by the Chairman and the Secretary. Following request, if any, by any shareholder, the Chairman shall record an exact summary of the said shareholder's opinion in the minutes. In the same minute book shall also be recorded a list of shareholders who attended the General Meeting in person or by proxy, drawn up in accordance with par. 2 of article 27 of Codified Law 2190/1920, as applicable. The results of the voting shall be posted on the Company's website under the responsibility of the Board of Directors within five (5) days at the latest from the date of the General Meeting, indicating for each resolution at least the number of shares for which valid votes were cast, the proportion of the share capital represented by such votes, the total number of valid votes as well as the number of votes cast in favour and against each resolution and the number of abstentions.

3. Copies of and excerpts from the minutes of the General Meeting shall be certified by the Chairman of the Board of Directors or his/her substitute.

4. If only one shareholder is present at a meeting of the General Meeting, then a representative of the Supervising Ministry – Section of Supervision of Sociétés Anonymes or a notary public authorized to do business in the district where the seat of the Company is located, shall attend the said General Meeting and countersign the minutes thereof.

5.9 Discharge from Liability of the Members of the Board of Directors and of the Auditors
1. Following the approval of the annual financial statements, the General Meeting shall decide by a special vote taken by roll call, regarding the discharge of the members of the Board of Directors and of the auditors from any liability for damages. The said discharge shall be null and void in those instances provided by article 22a of Codified Law 2190/1920, as applicable.

2. Shareholders shall be entitled to participate in the voting for the discharge of the members of the Board of Directors only with the shares they own or as proxy holders of other shareholders, provided that they have obtained a relative authorization with clear and specific voting instructions. The same also applies for the employees of the Company.

5.10 Minority Rights
1. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be bound to convene an extraordinary General Meeting, setting the date of such a meeting, which shall not be later than forty five (45) days from the date of service of such request to the Chairman of the Board of Directors. The agenda items shall be stated in detail in the said request. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the service of the said request, the meeting shall be convened by the requesting shareholders at the expense of the Company, upon decision of the Single-Member Court of First Instance at the Company's registered seat, issued following the procedure of interim measures. The place and date of the meeting, as well as the items on the agenda, shall be defined by the said decision.

2. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall be obliged to insert additional items in the agenda of a General Meeting already convened, if the relative request has been submitted to the Board of Directors at least fifteen (15) days prior to the General Meeting. The request for the insertion of additional items in the agenda shall be accompanied by the reasoning or a draft resolution to be approved by the General Meeting. The revised agenda shall be published or notified under the responsibility of the Board of Directors, pursuant to article 26 of Codified Law 2190/1920, as applicable, according to the same procedure as above, thirteen (13) days prior to the date of the General Meeting; at the same time it shall be made available to the shareholders on the Company's website along with the reasoning or the draft decision submitted by the shareholders in accordance with the provisions of par. 5 of article 22 of the Articles of Incorporation.

3. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders in accordance with the provisions of par. 5 article 22 of the Articles of Incorporation, at least six (6) days prior to the General Meeting any draft resolutions on items included in the initial or the revised agenda, provided that such request is submitted to the Board of Directors at least seven (7) days prior to the date of the General Meeting.

4. The Board of Directors shall have no obligation to proceed to the insertion of items in the agenda nor to publish or notify such items along with the reasoning and the draft resolutions submitted by the shareholders in accordance with the above par. 2 and 3 respectively, if their content is obviously contrary to Law and morality.

5. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Chairman of the General Meeting shall be obliged to postpone, only once, the decision making by the ordinary or extraordinary General Meeting for all or for specific items, setting at the same time, as date for the continuation of the meeting, the one specified in the request of the shareholders, which may not be later than thirty (30) days from the date of postponement.
The General Meeting, which follows the postponed one, is deemed to be in continuation of the previous one and no repetition of the formalities for the publication of the shareholders' invitation is required. New shareholders may also attend this meeting, by complying with the provisions of article 22 of the Articles of Incorporation.

6. a) At the request of shareholders representing one twentieth (1/20) of the paid-up share capital submitted to the Company, the Board of Directors shall be bound to announce to the General Meeting of shareholders, provided it is an ordinary General Meeting, the amounts paid by the Company for any reason whatsoever, within the last two (2) years, to members of the Board of Directors, to the General Managers, to the Managers or other employees of the Company, as well as any other benefit paid to the said persons or any contract of the Company concluded with the above mentioned persons for any reason whatsoever.
b) At the request of any of the shareholders, submitted to the Company within at least five (5) full days prior to the General Meeting, the Board of Directors shall be obliged to provide the requested information with respect to the Company affairs, to the extent that such information is useful for the actual evaluation of the agenda items. The Board of Directors may give a common reply to all shareholders' requests having the same content. There shall be no obligation to provide information, on condition that such information is already posted on the Company's website, especially in question and answer form.
In both cases a) and b) above, the Board of Directors may refuse to provide the requested information, if sufficient material grounds exist, recording the reasons for such refusal in the minutes.

7. At the request of shareholders representing one fifth (1/5) of the paid-up share capital submitted to the Company within the time limit referred to in the preceding paragraph, the Board of Directors shall be obliged to provide during the General Meeting to the said shareholders information on the progress of the affairs and on the financial condition of the Company. The Board of Directors may refuse to provide the requested information, if sufficient material grounds exist, recording the reasons for such refusal in the minutes.

8. In the cases referred to in paragraphs 6 a) and 7 herein, any issue in dispute over the validity of the reasons for such refusal by the Board of Directors shall be resolved by the Single-Member Court of First Instance at the Company's registered seat, following the procedure of interim measures.

9. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, a resolution concerning any item on the agenda of the General Meeting shall be made by roll call.

10. In all cases referred to in paragraphs 1 up to 7 herein, the shareholders submitting such a request shall be obliged to provide evidence of their shareholding capacity, in accordance with article 22 of the Articles of Incorporation, as well as of the number of their shares granting them the above rights, whether by providing a relative certificate by the body where the respective securities are being kept or by confirmation of their shareholding capacity through direct online connection between the above-mentioned body and the Company.

11. Shareholders of the Company representing one twentieth (1/20) of the paid-up share capital shall have the right to request by the Single-Member Court of First Instance of the Company's registered seat the performance of an audit of the Company. Such audit shall be ordered, in the event it is assumed that certain acts reported against the Company violate the provisions of the law, of the Articles of Incorporation, or of the resolutions of the General Meeting. In all cases, the petitions requesting an audit shall be filed within three (3) years from the date of approval of the annual financial statements of the financial year within which such reported acts took place.

12. Shareholders of the Company representing one fifth (1/5) of the paid-up share capital shall have the right to request of the court referred to in the preceding paragraph the performance of an audit of the Company, provided that it is assumed from the general progress of the Company's affairs, that the management thereof is not carried out in accordance with the principles of honesty and prudence. The last period of paragraph 3 article 40 of Codified Law 2190/1920 shall not be applicable.

13. Shareholders who make a request in accordance with paragraphs 11 and 12 herein, must provide evidence to the Court that they are in possession of the shares, as stipulated in article 22 of the Articles of Incorporation, granting them the right to request the audit of the Company.

6. Composition and operation of the Governing Bodies

6.1. Governing Bodies

The Governing Bodies of the Company (Article 8 of PPC Articles of Incorporation) shall be:

a) the Board of Directors,
b) the Chief Executive Officer and
c) the Management Board.

1. The Board of Directors (BoD) shall consist of eleven (11) members divided into executive and non executive members (independent or not) and elected for a three-year term. In order to ensure continuity in the administration of the affairs and the representation of the Company, the term of office of each member may be extended ipso jure until the first Ordinary General Meeting to be held after the expiration of term of each member.

2. The Board of Directors shall consist of:

a) Eight (8) members, including the Chief Executive Officer, elected by the General Meeting of the shareholders of the Company,. The Board of Directors shall elect from among the said members its Chairman and Vice Chairman, pursuant to article 14 of the Articles of Incorporation.

b) Two (2) members representing the employees of the Company. These members shall be elected by direct, general ballot and by means of the proportional representation system within a time period of two (2) months from the relevant notification to the most representative trade union (ASOP). The election of the representatives of the employees to the Board of Directors shall be conducted by an election committee appointed by the most representative trade union of the Company, in which (committee) at least one representative from the remaining trade unions of the Company shall participate. The procedure of the said election, the appointment of the local election committees, the time and the details of the polling, as well as the counting of the votes and the announcement of the results thereof, shall be the job of said committee, which shall be presided over by a judicial functionary pursuant to the provision of article 11 of Law 1264/1982 concerning "Democratization of the Trade-union Movement – The Rights of the Unions" (Official Gazette, volume A, issue no. 79). The same procedure shall also apply to the appointment of the substitute members in replacement of the members of the Board elected in accordance with the procedure set forth in the paragraph herein. In case the substitute member resigns or leaves his office vacant, for any reason whatsoever, his position shall be occupied by the substitute member who follows next in order.

c) One (1) member designated by the Economic and Social Committee (ESC) and coming from agencies relating to the activities of the Company. The member designated by the ESC shall be proposed as a member within a time period of two (2) months as of its notification to the said Committee by the Minister of Environment, Energy and Climate Change and shall be appointed by virtue of Decision of the said Minister. The same procedure shall also apply to the substitution of the said member, in the event of resignation or vacancy in the office of said member for any reason whatsoever as well as to the revocation of said member.

3. In the event that for any reason whatsoever any representative of the employees or the representative of ESC is not elected or in the event any vacancy in the office of the aforesaid representatives is not promptly filled within the time limit of two (2) months as of the notification of the agencies, this shall not impede the constitution and functioning of the Board of Directors.

4 a) In case that for any reason whatsoever there shall be a vacancy in the office of a Board Member elected in accordance with the procedure set forth in paragraph 2a herein, the remaining members of the Board shall elect another member for the remaining term of the member in the office of whom a vacancy has occurred, and such election shall be posted on the websites of the company and the General Electronic Commercial Registry (G.E.M.I.) and shall be announced by the Board of Directors at the next meeting of the General Meeting.

b) In the event of a vacancy in the office of the Chief Executive Officer for any reason whatsoever the Chairman of the Board of Directors shall temporarily act as Chief Executive Officer or if the posts of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors, appointed pursuant to article 14 par. 1 of the Articles of Incorporation, shall act as Chief Executive Officer. In such instances, the Board of Directors shall call a meeting of the General Meeting of shareholders within the shortest possible time for the election of the new Chief Executive Officer.

c) In the event of a vacancy in the office of the Chairman of the Board of Directors for any reason whatsoever the Chief Executive Officer of the Company shall temporarily act as Chairman or if the posts of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors, appointed pursuant to article 14 par. 1 of the Articles of Incorporation, shall act as Chairman. In the event of a vacancy in the office of both the Chairman and the Chief Executive Officer, and should no Vice Chairman of the Board of Directors have been elected, the Chairman shall be substituted by the senior member of the Board of Directors.

d) In the event that the Chief Executive Officer or the Chairman are absent or temporarily unable to perform their functions, the Vice Chairman and, if there is no Vice Chairman, a person designated by the Board of Directors among its members who have been elected by the General Meeting in accordance with Article 9 par. 2 a) of the Articles of Incorporation, shall substitute for them.

5. Failure to post on the websites of the company and of the G.E.M.I. and to announce the election or the substitution of a Board Member by the General Meeting shall not invalidate the resolutions of the Board of Directors taken with the participation of the said member.

6.2 Jurisdiction of the Board of Directors

1. The Board of Directors is the supreme governing body of the Company which shall formulate primarily its development strategy and policy, as well as supervise and exercise control over the management of its property. The Board of Directors shall approve, upon recommendation of the Chief Executive Officer: a) the Strategic Plan, which determines the strategic goals for the attainment of the purpose of the Company, b) the Business Plan of the Company of a duration between three (3) and five (5) years, which specifies the goals of the Strategic Plan for each year of its duration, c) the methods for the implementation of the Strategic Plan and the Business Plan for each year of their duration. The Board of Directors shall also follow up the implementation of both the Strategic and the Business Plan.

2. The Board of Directors shall represent the Company and shall be vested with unlimited authority to decide on any act and to exercise full power concerning the management of the Company, the management of its property and in general the fulfillment of its object, with the exception of those issues which either by law or by the Articles of Incorporation, expressly fall within the jurisdiction of the General Meeting.

3. The Board of Directors shall, upon recommendation of the Chief Executive Officer, approve the annual budget of the Company, prepare, approve and submit to the General Meeting for approval the annual financial statements of the Company and prepare and submit to the General Meeting the annual report.

4. The Board of Directors shall, upon the recommendation of the Chief Executive Officer decide on: a) the necessity of creating positions of Deputy Chief Executive Officers, as well as on their number and competences thereof, b) the basic organization of the Company divided into General Divisions, which constitute the highest administrative level of its organizational structure, c) the creation of positions of General Managers and their competences.

5. The Board of Directors may, upon recommendation of the Chief Executive Officer delegate part of its competences, except for those which, pursuant to Codified Law 2190/1920 and to the Articles of Incorporation, require collective action or fall within the exclusive jurisdiction of the Chief Executive Officer in accordance with Article 15 of the articles of Incorporation, as well as the administration, management or supervision of the affairs or the representation of the Company, to the Chairman, to the Chief Executive Officer, to the Deputy Chief Executive Officers, to one or more of its members, to the Management Board, to the General Managers, to the Managers or the employees of the Company.
The aforesaid persons to whom the competences of the paragraph herein are delegated and who have not the capacity of Board Member carry the same responsibility towards the Company as the members of the Board of Directors, pursuant to par. 6, article 22a of Codified Law 2190/1920, as applicable and to article 12 of the Articles of Incorporation.

6.3 Convocation and Functioning of the Board of Directors

1. The Board of Directors shall meet at the seat of the Company and/or outside its seat at the facilities of PPC at Kozani, Megalopolis and Aliveri, upon the call of the Chairman or his substitute on such day and hour as determined by him, whenever required following the needs of the Company.

2. The Board of Directors may lawfully meet by way of teleconference upon invitation to the members of the Board of Directors, which includes all necessary information with respect to their participation in the meeting.

3. Upon application by two (2) members, the Chairman or his substitute shall be obliged to convoke the Board of Directors, setting the date of the meeting, which shall not be later than seven (7) days from the submission of the relevant application, in which (application) the Chairman or his substitute shall be obliged to include any proposed item on the agenda of the first meeting held following submission of the relevant application.

4. The agenda of the meetings shall be determined by the Chairman and its items shall be included in the notice sent to the members of the Board at least two (2) working days prior to the date of the meeting, otherwise the decision taking is permitted only if all members of the Board of Directors are present or represented at the meeting and none of them objects to the decision taking.

5. A quorum of the Board shall be deemed to be present and the meeting shall be deemed valid if, pursuant to paragraph 6 herein, one more than half the number of members are present or represented. In no case, however, shall the number of members physically present be less than three (3). In determining the number required to form a quorum, fractions, if any, shall be ignored.

6. The Board of Directors shall take its decisions by absolute majority of the members present or represented. In case of equality in votes, the Chairman's vote shall prevail.

7. Each Board Member may, following written authorization, validly represent only one member thereof. The representation to the Board of Directors may not be assigned to a person who is not a member of the Board of Directors.

8. Minutes of the proceedings and decisions of the Board of Directors shall be kept in accordance with the Law (Article 20, par. 6 of Codified Law 2190/1920, as applicable). The minutes are signed by the Chairman and the members of the Board present at the relevant meeting and are certified at the next meeting of the Board of Directors.

9. The copies of and the excerpts from the minutes of the Board of Directors shall be signed by the Chairman or, in the event he is absent or unable to perform his duties, by his substitute without any other validation being necessary.

10. The Legal Counsel may attend the meetings of the Board of Directors without having the right to vote, except as otherwise decided by the Board of Directors.

11. The drawing up and the signing of the minutes by all the members of the Board of Directors or their representatives is equal to a resolution of the Board of Directors, even if no meeting has proceeded.

6.4 Liability of the Board Members

1. The Board Members shall be liable to the Company for any fault committed by them during the performance of their duties, as specifically provided for under articles 22a and 22b of Codified Law 2190/1920, as applicable.

2. The Board Members shall be bound to keep absolute secrecy with regard to all confidential information in respect of the affairs of the Company coming to their knowledge in their capacity as Board Members.

3. The appointment and the dismissal for any reason whatsoever of the Board Members and of the persons empowered to represent the Company jointly or severally shall be subject to publicity, as stipulated by articles 7a and 7b of Codified Law 2190/1920, as applicable, and in any case, as provided for by the law each time.

6.5 Prohibition of competition - Participation in the Board of Directors of subsidiary companies
1. The members of the Board of Directors, the Deputy Chief Executive Officers, the General Managers, the Managers, as well as the employees of the Company shall not be permitted to perform on occasion or by profession without the authorization of the General Meeting of shareholders of the Company, either on their own behalf or on behalf of third parties, acts falling within the object of the Company or be members of Boards of Directors, executives, employees or representatives of companies pursuing aims similar to those of the Company. The subsidiary companies of the Company or the companies in the capital of which the Company participates shall not be subject to the abovementioned prohibition.

2. The prohibition referred to above shall be valid for a period of two years following expiry for any reason whatsoever of the term of office of the Board Member or following his/her retirement from the Board or following retirement from the Company of an officer or employee, who had participated in the Management Board of the Company or in the Board of Directors.

6.6 Chairman and Vice Chairman of the Board of Directors
1. The Board of Directors shall elect its Chairman, whose position may coincide with that of the Chief Executive Officer. In the event that the aforesaid positions shall coincide to the same person, the Board shall elect a Vice Chairman too.

2. The Chairman shall represent the Company and follow up the implementation of the decisions of the Board of Directors. He/She shall convene the Board, preside at the meetings thereof, determine the items on the agenda, conduct the meetings and put said items under vote. The Chairman shall also submit, at regular intervals, the reports regarding the conduct of business and the activities of the Company stipulated by the standing provisions and the Articles of Incorporation.

6.7 Chief Executive Officer
1. The Chief Executive Officer of the Company shall be elected by the General Meeting of shareholders for a three-year term of office.

2. The Chief Executive Officer shall be the highest-ranking executive officer of the Company, he/she shall be at the head of all the services thereof, conduct their activities, decide on the further organization of the Company within the scope of the Articles of Incorporation and the relevant resolutions of the Board of Directors, make the necessary decisions within the framework of the provisions governing the operation of the Company, of the approved plans and budgets, of the Strategic Plan (S.P.), of the Business Plan (B.P.), and of the terms of the Management Contract he/she has entered into with the Company pursuant to Article 16 of the Articles of Incorporation. The Chief Executive Officer shall represent the Company within the limits of his duties on the basis of the Articles of Incorporation or of the resolutions of the Board of Directors and may authorize or empower other persons, members of the Board or low-ranking or high-ranking executives of the Company to represent him/her.

3. The Chief Executive Officer shall have the following duties under the Articles of Incorporation, as well as all other duties, which shall be delegated to him/her upon resolution of the Board of Directors. He/She shall:
a) Submit to the Board of Directors of the Company the proposals and recommendations required for the attainment of the Company's objects, as specified in the Strategic Plan and the Business Plan.
b) Make decisions on the conclusion of contracts of a value to be determined on each occasion by decision of the Board of Directors.

6.8 Deputy Chief Executive Officers
1. The Deputy Chief Executive Officers shall report to the Chief Executive Officer and shall be at the head of wider business activities structured into General Divisions. They may be members of the Board of Directors among those elected by the General Meeting of the shareholders of the Company.

2. The number and duties of the Deputy Chief Executive Officers shall be determined by the Board of Directors upon recommendation of the Chief Executive Officer.

3. The Deputy Chief Executive Officers shall be selected through public proclamation, unless otherwise decided by the Board of Directors in special cases. The Deputy Chief Executive Officers shall be appointed by decision of the Chairman of the Board of Directors, upon the recommendation of the Chief Executive Officer. In the event that the positions of the Chairman and of the Chief Executive Officer coincide to the same person, the decision for their appointment shall be made by the Board of Directors. The Deputy Chief Executive Officers, in case they are also members of the Board of Directors elected by the Shareholders' General Meeting, shall be appointed by decision of the Board of Directors and upon recommendation by the Chief Executive Officer. Their term of office shall be for three years; their remuneration and other benefits shall be decided by the Chief Executive Officer, who shall sign the relevant contract subject to article 17 of the Articles of Incorporation. The contract shall refer among others to their evaluation as provided for by the Rules of Operation of the Company.

6.9 Management Contract and follow-up of its implementation

1. A Management Contract shall be entered into by and between the Company, represented by the Chairman and, in the event that the positions of Chairman of the Board and Chief Executive Officer coincide, by a specially authorized member of the Board of Directors designated by decision of the Board of Directors and the Chief Executive Officer. By virtue of the said Contract, the goals which the Chief Executive Officer undertakes to achieve during his/her term of office shall be specified within the framework of the Strategic Plan and the Business Plan.

2. The Management Contract shall in particular include:

a) The terms and rules for the achievement of the goals of the Business Plan and the procedure of follow-up of its implementation.

b) The terms and conditions of its amendment, particularly in case of revision of the Business Plan.

c) Special occasions of material or moral reward to the Chief Executive Officer at the end of the financial year and/or at the expiry of his/her term of office. This reward is given in such cases where the annual or overall goals of the Business Plan have been achieved to a degree higher than the one provided for in the Management Contract thanks to his/her special skills, initiatives and diligence.

d) The grounds for its termination.

e) Critical financial figures' indices, which might include indicatively indices of product manufacturing cost or of services furnishing, of productivity, of HR degree of development, of quality of manufactured products or of services rendered.

f) The total amount allocated annually for personnel expenditures in relation to the other key financial figures of the Company.

3. The Management Contract shall be terminated by the Board of Directors on the grounds stipulated therein, in the event that there is a substantial deviation from the financial figures or from the deadlines set for the achievement of its goals that cannot be sufficiently justified or for any other important reason. The Chief Executive Officer shall have no voting right in the meeting for the adoption by the Board of Directors of the decision authorizing termination of the Management Contract. Upon termination of the Management Contract, the Chief Executive Officer shall be ipso jure removed from office and relieved from his/her capacity as member of the Board of Directors. As regards his/her substitution up until the election of a new Chief Executive Officer by the General Meeting, the provisions of article 9, par. 4b. of the Articles of Incorporation shall be applicable.

6.10 Remuneration and Compensation of Members

Any remuneration or compensation paid for any reason whatsoever to members of the Board of Directors shall be deemed to be borne by the Company, only if the relevant amount pertaining to each Board Member is approved by special resolution of the Ordinary Shareholders' General Meeting and is proportional to the time that the members of the Board of Directors devote to either the meetings of the Board of Directors or any meetings of Committees except for the Board of Directors and in general to the performance of their assigned duties, in accordance with the provisions of Codified Law 2190/1920 and Law 3016/2002 regarding corporate governance, as applicable. All remunerations and compensations of the non-executive Board Members shall be stated in a separate category in the Appendix of the annual financial statements and the annual report of the Company (remuneration report), which shall be also posted on the Company website.

The study and submission for approval of proposals to the Board of Directors regarding the determination of any kind of remunerations and compensations: a) of the Board Members and b) of the top executives of the Company, in this case in cooperation with the Chief Executive Officer, are effected by the Remuneration Committee of the Company (R.C.) which consists of three (3) non-executive Board Members, among which two (2) at least are independent.

6.11 General Managers

1. The General Managers shall be high-ranking executives of the Company at the head of independent sectors of the Company's business activities. They shall report to the Chief Executive Officer or/and to the Deputy Executive Officers. In case of absence of the General Manager, for any reason whatsoever, the temporary execution of his/her duties may be assigned by the Chief Executive Officer to another General Manager.

2. The number and duties of the General Managers, as well as of the Divisions shall be determined by the Board of Directors upon recommendation of the Chief Executive Officer. The General Managers, who may or may not be employees of the Company, shall be selected through open competition, unless otherwise decided by the Board of Directors in special cases. The General Managers shall be appointed for a five-year term of office by the Chief Executive Officer upon the recommendation of the competent Deputy Chief Executive Officer.

3. The General Managers shall conclude a special contract with the Chief Executive Officer, by which among others their remuneration, any benefits and matters related to their evaluation shall be determined. More specifically, their evaluation is regulated by the Rules of Operation of the Company.

6.12 Management Board

1. A Management Board (MB) shall be formed within the Company.

2. The MB shall be composed of the Chief Executive Officer who acts as its Chairman, the Deputy Chief Executive Officers, if any, and the General Managers.
The Legal Counsel of the Company may attend its meetings at the discretion of the Chief Executive Officer.

3. The Management Board shall operate in conformity with the decisions of the Board of Directors, ensuring the necessary collective handling of administrative and operational issues of the Company, as well as the consistency in its operation. Within this framework, the MB shall be responsible for important matters concerning inter alia the productivity, the performance of the Company units, the organization and operation of activities of the Company, as well as for the budget and the Strategic and the Business Planning.
Moreover, the MB shall decide on the conclusion of contracts concerning supplies, assignment of projects, furnishing of services and generally any kind of financial contract up to an amount fixed as per case by the Board of Directors. It shall also make decisions and settle any matter pertaining to the execution of said contracts.

4. The MB shall operate in accordance with its Rule of Operation, as approved by the Board of Directors upon recommendation by the Chief Executive Officer.

6.13 Management Board Committees

In compliance with the legislation in force as well as in line with the best practices of corporate governance, an Audit Committee as well as a Remunerations Committee have been set up. Each Committee is composed of members of the Board of Directors of the Company.

The **Audit Committee** consists of at least two (2) non-executive members and one independent non-executive member of the Board of Directors, who shall have proven knowledge of accountancy and auditing. The members of the Audit Committee are appointed by the General Meeting of the Shareholders and, without altering or restricting their obligations as members of the Board of Directors, they undertake the obligations provided for by the law on corporate governance, including:

– the follow up of the financial information procedure,
– the follow up of the efficient operation of the internal audit system and of the risk management system, as well as the follow up of the proper operation of the Internal Audit Department,
– the follow up of the process of compulsory audit of separate and consolidated financial statements,
– the review and follow up of issues related to the objectivity and independence of chartered auditors-accountants, particularly with regard to other services they provide to the Company and its subsidiaries.
- the follow-up of the execution of the Company's budget.

The proposal of the Board of Directors to the General Meeting for the appointment of chartered auditors-accountants is submitted following recommendation of the Audit Committee. The chartered auditors-accountants are obliged to report to the Audit Committee any issue regarding the process and results of the compulsory audit, as well as to submit a separate report on the weaknesses of the internal audit system, and in particular the weaknesses in the procedures concerning financial information and the drawing up of financial statements.

The Audit Committee consists of Mr. P. Alexakis (Independent - Non Executive Member of the BoD), Mr. N. Vernicos (Independent - Non Executive Member of the BoD) and Mr. S.Papasotiriou . (Independent - Non Executive Member of the BoD) who replaced on 30.10.2014 the resigned Board of Directors member Mr. K. Zontanos.

In 2014 The Audit Committee, within the framework of its competencies related to the monitoring of the IAD smooth operation, met 6 times with executives of the said Department. The aim of these meetings was to brief the Audit Committee about the findings and the results of the audits performed by the IAD, as well as issues regarding the operation of the IAD. In addition, the Audit Committee met 5 times to discuss issues concerning the Finance Division.

Mr. Alexakis participated in 11 meetings, Mr. Vernicos in 10 meetings, Mr. Zontanos in 8 meetings and Mr. Papasotiriou in 2 meetings.

The **Remunerations Committee** of the Company consists of three (3) non-executive members of the Board of Directors, out of which two (2) at least are independent. They are responsible for the study and submission of proposals to the Board of Directors on the determination of any remunerations and emoluments whatsoever: a. of the members of the Board of Directors and b. of the managers of the Company, in this case with the collaboration of the Chief Executive Officer.

The Remunerations Committee consists of Mr. P. Alexakis (Independent - Non Executive Member of the BoD), Mr. N. Vernicos (Independent - Non Executive Member of the BoD) and Mr. S..Papasotiriou (Independent - Non Executive Member of the BoD) who replaced on 30.10.2014 the resigned Board of Directors member Mr. K. Zontanos.
The Company is subject to specific laws and regulations which apply to the wider public sector companies. As long as the Hellenic Republic, as the main shareholder, holds 51% of its share capital. PPC shall continue to be considered as a Public Sector Company in certain areas. Consequently, its business shall continue to be subject to the laws and provisions which are applicable to the Greek Public Sector companies and shall affect specific procedures.
By virtue of L.3833/10, L.3845/10 and 4092/12, the remunerations of the collective governing bodies and of the members of the Board of Directors were reduced by 50% per meeting. In parallel, the remunerations of the executives may in no case exceed the ceiling set forth by the said laws.
As a result, the remunerations of the Board members are clearly defined and the Remunerations Committee practically has not the power to perform its duties. That means that the establishment of the above remunerations directly by the Law renders to a great extend inactive the duties of the said committee.
The Remunerations Committee did not convene in 2014.

6.14 Board of Directors' Composition (Members)

PPC S.A. BOARD OF DIRECTORS (31/12/2014)

ZERVOS Arthouros	Chairman of the BoD & C.E.O. - Executive Member	As of 20/12/2012	Until 20/12/2015
DOLOGLOU Konstantinos	Vice Chairman of the BoD - Executive Member	As of 29/6/2013	Until 29/6/2016
Members			
ALEXAKIS Panagiotis	Independent - Non Executive Member	As of 17/12/2012	Until 17/12/2015
EKATERINARI Ourania	Executive Member	As of 29/6/2013	Until 29/6/2016
FOTOPOULOS Nikolaos	Non Executive Member/ Representative of Employees	As of 27/5/2013	Until 27/5/2016
KARALEFTHERIS Pantelis	Non Executive Member/ Representative of Employees	As of 27/5/2013	Until 27/5/2016
PAPASOTIRIOU Stavros	Independent - Non Executive Member	As of 30/10/2014	Until 29/6/2016
TAVRIS Filippos	Independent - Non Executive Member / Representative of the Greek Economic and Social Committee	As of 29/6/2013	Until 29/6/2016
THOMOGLOU Pavlos	Independent - Non Executive Member	As of 17/12/2012	Until 17/12/2015
VASSILOGEORGIS Charilaos	Independent - Non Executive Member	As of 29/6/2013	Until 29/6/2016
VERNIKOS Nikolaos	Independent - Non Executive Member	As of 29/6/2013	Until 29/6/2016

The Board of Directors of PPC S.A., during its meeting dated October 30th, 2014, elected Mr. Stavros Papasotiriou (Independent – Non Executive Member) in replacement of the resigned member Mr. K. Zontanos and for the rest of his term of office, that is until 29.06.2016.
The total number of the Board of Directors meetings in 2014 was 29 out of which the meeting 22/16.09.2014 was canceled. The participation frequency of each member at the BoD meetings is as follows:

S/N	MEMBERS	BoD Meetings
1	ZERVOS ARTHOUROS	29
2	DOLOGLOU KONSTANTINOS	29
3	EKATERINARI OURANIA	28
4	ALEXAKIS PANAGIOTIS	28
5	VASSILOGEORGIS CHARILAOS	25
6	VERNIKOS NIKOLAOS	26
7	ZONTANOS KONSTANTINOS	20
8	THOMOGLOU PAVLOS	26
9	KARALEFTHERIS PANTELIS	28
10	PAPASOTIRIOU STAVROS	7
11	TAVRIS FILIPPOS	27
12	FOTOPOULOS NIKOLAOS	26

CVs of the Board Members

Arthouros Zervos, Chairman & CEO

Mr Arthouros Zervos is a Professor at the National Technical University of Athens and presently Chairman and Chief Executive Officer of (P.P.C.) Public Power Corporation – Greece as well as Chairman of Public Power Corporation Renewables in Greece.

He was born on 28/07/1952 in Corfu Greece. In 1974 he received his Bachelor of Science in Engineering, and in 1975 his Master of Science in Engineering, both from the Department of Aerospace and Mechanical Sciences of Princeton University, U.S.A. He continued his studies at the Universite P.et M.Curie in Paris, where he received his Diplome d'Etudes Approfondies (D.E.A) de Mecanique Experimentale des Fluides- Aerodynamique in 1978 and his Diplome de Docteur – Ingenieur in 1981.

Professor Arthouros Zervos is Chairman of Renewable Energy Policy Network for the 21st Century (REN21) and President of Hellenic Electricity Association (H.EL.AS). He has been President of the European Wind Energy Association (EWEA) from 2001 to 2013, President of the European Renewable Energy Council (EREC) from 2000 to 2012 and President of the Global Wind Energy Council (GWEC) from 2005 to 2010.

He has more than 30 years of high – level expertise in policy, science, research and technology across the European renewable energy sector. He has led the key European renewable energy bodies . He has acted as policy advisor to Governments, EU bodies and policy fora.

As Faculty Member at the National Technical University of Athens since 1982, he has been teaching courses on wind energy, renewable energy sources and aerodynamics and he has been leading and implementing 76 R&D, demonstration, dissemination and training projects funded by the European Commission and Greek public authorities. He is responsible for the Wind Energy Specialization of the European Renewable Energy Master, organized by EUREC – Agency in collaboration with eight European Universities since 2003.

During the period 1990-1995 he worked as a scientific officer in the Renewable Energy Unit of DG Research of the European Commission in Brussels.

He is the author of more than 180 publication in international magazines and conference proceedings and author , co-author,editor, contributor, coordinator of 50 publications. He was the lead author of the White Paper on Renewable Sources of Energy of the EC in 1997. He is member of the Advisory Board of the International Journal of Sustainable Energy, member of the Editorial Board of the Wind Energy Journal, as well as member of the Editorial Board of the IET Renewable Power Energy Journal.

He has been the Chairman of 18 international conferences, participated and presented at more than 220 international conferences, in 170 of them as invited speaker. He has been Chairman of the scientific / programme committee of ten international conferences, member of 25 scientific committees and of 60 Organising/Steering Committees.

He is fluent in four languages: Greek (native language), English, French and Italian.

Konstantinos Dologlou, Vice Chairman, Deputy CEO supervising the Mines, Generation and Supply Divisions

Mr Konstantinos Dologlou was born in 1957.
He is an economist and a senior accountant and tax expert. He holds a BSc in Business Administration and a BSc in Statistics from the University of
Piraeus.

He has a long working experience and professional expertise in the financial management, business administration and strategic planning of large
corporations. He has worked as a manager in various governmental agencies, private enterprises and social security organizations.

In the past, he served as a senior manager at the Public Power Corporation (PPC) (Administration Advisor), as a General Manager of PPC's Personnel
Insurance Organization, servicing 60,000 individuals, throughout Greece, on insurance, care and health, Deputy Director General of the Ministry of
Defense with the responsibility for national defense policy and strategic planning, CFO of the Konstantinos G. Karamanlis Foundation and Head of the
Ikaria Province.

He possesses an extensive experience in the financial management of European Community Support Framework and National Strategic Reference Framework programs, in human resources' management and in tax, labor and social insurance legislation.

He is a member of the Board of Directors at the Institute for Democracy and was an elected member of the Board of Directors
at the Economic Chamber of Greece, Vice President of the Athletic Centre of Halandri and Municipal Counselor of the city of Halandri.
He has served as a Deputy Officer at the Army's Recruiting Agency.

He is married and has two children.

Ourania Ekaterinari, Deputy CEO supervising the Finance Division and Human Resources Division.

Mrs Ourania Ekaterinari is Deputy CEO of Public Power Corporation SA since January 2010. She is also executive member of the Board of Directors since December 2011.

From February 2012 until February 2013, Mrs Ekaterinari was member of the Supervisory Board of ADMIE SA (Independent Power Transmission Operator or IPTO). She has also served as Deputy Chairman at the Energy Committee of the Technical Chamber of Greece (TEE). She is member of the Energy Committee of the American-Hellenic Chamber of Commerce.

Before working for PPC, she held senior positions in Athens and London in corporate & investment banking for more than ten years, at international and Greek financial institutions such as BNP Paribas, Deutsche Bank, and EFG Eurobank.

Prior to her banking career, in the 90s, she also worked in the oil & gas industry at Texaco in London in project development in the Caspian Region. At the beginning of her career, she worked as an electrical engineer in Greece and in Denmark.

Mrs Ekaterinari is the first Greek woman to be announced member of the “Rising Talents Network” of the International “Women’s Forum for the Economy and the Society” (October 2010). She is also member of the European Network of “Women in Leadership”.

She is a graduate from Aristotle University of Thessaloniki with a degree in Electrical Engineering and holds an MBA from City University Business School in London.

Panagiotis Alexakis, member

Mr Panagiotis Alexakis is a professor of Managerial Economics and Finance at the Department of Economics of the Athens University.

Mr Panagiotis Alexakis, has studied Economics in Greece, (B.A., 1975) and in Great Britain, (M.SC., 1977 in Economics and Finance and Ph.D. in International Money and Finance, 1981).

He has been a scholar of the “Alexander S. Onassis Public Benefit Foundation”. He has also taught at the Department of Business Administration of the University of the Aegean and at the Hellenic Open University. His scientific work is recognized worldwide.

He has worked as financial consultant and has held managerial posts in various companies. Indicatively: He was responsible for the organization and functioning of the organized derivative exchange market, May 1998-June 2004 (Athens Derivatives Exchange and Athens Derivatives Clearing House S.A.). He was appointed Chairman

and CEO of the Athens Stock Exchange S.A. (August 2000-June 2004) as well as Chairman (2000-2003) and CEO (2000-2004) of the Hellenic Exchanges S.A.

He was member of the Board of Directors of the Hellenic Capital Market Commission (August 2000-September 2004), member of the Scientific Council of the Hellenic Banks Association (1994-2004), Member of the Corporate Advisory Committee of the Cyprus Stock Exchange (Sept. 2004-Sept. 2007). He was Advisor to the Board and member of the Board of Directors of the Investment Bank of Greece (Sept. 2004-Jan. 2006) and Executive Vice Chairman and member of the BoD of NIREUS AQUACULTURE S.A. (2006-2009). Since 2010 he is member of the Board of Directors of TA.NE.O. S.A.

Since 2006 he is member of the Scientific Council of the Entrepreneurship Club of Athens.

Filippos N. Tavris, member Representative of the Greek Economic and Social Committee

He was born in Athens in 1950.

He worked in the private sector and graduated in parallel from the Higher School for Industrial Studies (renamed to University of Piraeus). He worked in the General Bank, in most of the banking areas (Deposits, Grants, Currency, Accounting, Commercial Information-Analysis of Balance sheets), serving as Head in many of these and finally he reached the highest organizational level of Manager.
He participated in a series of seminars on banking techniques, as well as in seminars on Communication and Trainees' Formation, while for a long period of time he was training recently-hired employees.

In parallel, he was occupied with trade-unionism; from 1981 to date he was elected:
- In the Board of Directors of SYGTE (Association of Employees of the General Bank of Greece) as Vice Chairman
- In the General Council of OTOE (Greek Federation of Bank Employee Unions)
- In the Board of Directors of EKA (Athens Labour Centre) from 1995 until 2004 as Deputy Secretary and Deputy Chairman.
- In the Board of Directors and the Executive Committee of GSEE (Greek General Confederation of Labour) from 2004 until 2010 as Deputy Organizational Secretary and Social Policy Secretary.

He participated as representative of employees in the following committees and boards:
- In the TDE (Financial Balance Fund) - Social Security Institute (IKA),
- In the PEEP & TSE (Association of Special Educators) of Attica - OEEK (Professional Education & Training Organisation),
- In LAEK (Account for Employment and Professional Training) - OAED (Greek Manpower Employment Organisation), as member of the Management Committee.
- In the OKE (Economic and Social Committee).

He participated in the following Boards of Directors:
- TAAPTPGA-E (Sickness Fund for Personnel of the Credit Bank , General Bank, American-Express Bank) as elective member from 1990 till 1993, in the position of Vice Chairman.
- TAPGTE (Mutual Benefit Fund of personnel of the General Bank of Greece), as elected member of the Board, from 1984 till 2012, serving as Vice Chairman, Secretary General and Chairman (2008-2011).
- P-PSYGTE (Supplying and Credit Cooperative of employees of the General Bank of Greece), as elected Chairman (1992-1993).
- EIN (National Youth Institute), as Vice Chairman (April 2004-January 2007) and as Chairman (January 2007-May 2009).
- KEK-EIN (Vocational Training Centre-NYI), as Chairman of the Board of Directors (Representative-Operator), (May 2004-May 2009).

He is married and has one son.

Charilaos Vassilogeorgis, member

Mr Charilaos Vassilogeorgis was born in Thessaloniki in 1963. He is a graduate of the Law School of Aristotle University of Thessaloniki with Postgraduate Studies in Public Law and Tax Law at the same University. He was admitted to the Thessaloniki Bar Association in 1990 and works as attorney-at-law specializing mainly in Civil, Banking, Commercial, Corporate and Bankruptcy Law. He has extensive experience in dispute resolution before the Courts and out of Court, as well as in the conclusion of any kind of trade agreements.

He is a senior partner and founder of VASSILOGEORGIS & PARTNERS Law Firm which employs twelve attorneys at law and represents before Court and out of Court many known Greek and foreign companies. He is also member of the Board of Directors of companies listed in the Athens Stock Exchange, as well as of unlisted companies and is active in their business planning. From 1999 to 2011 he held various positions of responsibility in the Legal Department of EFG EUROBANK ERGASIAS. In 1999 till 2000 he held the position of special associate on issues of companies' development in the Ministry of Development. In 2009 he was admitted at the Athens Bar Association.

Nicolas Vernicos, member

Mr Nicolas A. Vernicos (NAV), is a 4th generation Shipowner from the island of Sifnos who is President of the International Chamber of Commerce (ICC-Hellas), Member of the Board of Directors of the Hellenic Chamber of Shipping, Member of the Board of Directors of Piraeus Chamber of Commerce and Industry, President of its Shipping Activities Department, member of the advisory Board to the Minister of Merchant Marine for coastal passenger services to the Greek islands and Hon. Consul of Mexico for Piraeus and the islands. At the same time he is president of the NICOLAS E. VERNICOS Tugs & Salvage, group of maritime companies, founded in Constantinople in the 19th century, Vice President of VERNICOS YACHTS S.A., Vice President of EUROCORP INVESTMENT SERVICES S.A. Financial Services and member of the Board of Directors of Public Power Corporation (PPC).

He served as chairman and/or member of the Board of Directors among others, in the following companies: Olympic Airways and subsidiaries; Hellenic Shipyards of Skaramanga; Hellenic Duty Free Shops; National Bank of Greece (France); Attica Group, MINION, etc. He has also served as Prefectural Advisor of Attica and Piraeus for several years. He was Lloyd’s Underwriting Member (1977-2000).

He has represented Greece in OCDE and UNCTAD Conferences.

In addition to his business activities, Mr. Vernicos is active in the sectors of culture and environment. He has served as Member of the Board of Directors of the Hellenic Society for the Protection of the Environment and the Cultural Heritage, the European Cultural Centre of Delphi, the Association for the Creation of a New Building for the Greek National Opera and “Maria Callas” Academy and Vice President of the Comité pour le Rapprochement de l’ Économie et de la Culture (CEREC), and founder of the Kastella Centre of Contemporary Art.

Mr Nicolas A. Vernicos was born in 1945, he holds an M.Sc. in Economics from the Athens University of Economics (ASOEE) . He is married and has 3 children and a grandchild.

Stavros G. Papasotiriou, member

Mr Stavros Papasotiriou was born in 1968.

Studied Economics in the Aristotle University of Thessaloniki and holds MA in Business Management from the Greek Management Association (GMA) of Macedonia, MA University of Macedonia, department of Balkan, Slavic and Oriental Studies, direction of Social- Cultural and Political structures in Southeastern Europe.
Speaks English.

2006- today: Working in KPA2 in the Manpower Employment Organization (OAED), Florina.
1997-2006: Worked as an Assistant Manager and Bank Executive (Eurobank, Piraeus Bank)/
1994-1997: Coordinator of integrated Community programs and scholarof economist projects.

Currently consultant for the Municipality of Florina and Member of the financial committee.
Member of the management board of the public Corporation for the social protection, solidarity and culture in the Municipality of Florina.

Elected member in the general meetings of the Workers’ federation for the Manpower Employment Organization of Greece (MEOG).
Elected representative of the Workers’ Federation for the MEOG in the Senior Management of Public Servants.
Elected member in the management board for the Solidarity Fund of the MEOG personnel.

Member of the Fifth Regional Department of Western Macedonia for the Chamber of Economics in Greece.
2004-2010: Elected member in the Representatives’ meeting for the Chamber of Economics in Greece.
2004-2006: Member of the management board of the “Aristotle” Florina’s Educational Association.

Married, father of two.

Pavlos Thomoglou, member

Mr Pavlos Thomoglou was born in Athens. He is married and has three children.

He is the owner of a Textile Dyeing and Finishing Plant and he is also active in New Technologies Applications for security systems. He graduated from Lycee Leonin and holds a bachelor's degree in Economics and Business Administration and a master's degree in Dyeing and Textile Technologies; he has written several articles and essays on Human Resource Management and Communication, Human Relationships, etc. He speaks English and German. Since 1978 he has been an elective member of the Athens Chamber of Commerce & Industry. In 2011, he won the elections and was appointed Vice President of the Athens Chamber of Commerce & Industry. He is also member of the Textile Industry Association of Greece, as well as member of the Industry Association of Central Greece.

He has also been Chairman of the Board of Industry Association of Viotia, member of the Board of Interinvest AEEX, member of the Board of Interproject S.A. (Investment Consultancy), as well as member of the Board of the Bank of Central Greece. From 1989 to 1993 he served as Vice President of the Industrial Department of Athens Chamber of Commerce & Industry. From 1994 to 2002 he served as Elective Regular Representative in Central Association of Greek Chambers. He also served as President of several Exporting Departments of Athens Chamber of Commerce & Industry and from 2002 to 2006 he served as President of the Industrial Department of Athens Chamber of Commerce & Industry.

Pantelis Karaleftheris, Representative of the Employees

Mr. Pantelis Karaleftheris was born in 1962 in Ardassa of Ptolemaida.
He is qualified electrical foreman and works for PPC SA Mines.
From 1984 to 1987 he worked as electrical technician at the project construction companies PPC ASPATE – ALSTHOM and BIOKAT.

In 1987 he was hired at the Main Field Mine of PPC as electrician of fixed equipment maintenance and failure restoration.

He has served as President of the Coordination Body of Students of the Democritos and the Professional and Technical School of Thessaloniki (KETE).

He is very interested in folklore and has made many research trips in Asia Minor, Pontus and the Black Sea.

He has been a founding member of the 1st administration of Pontian Greek Youth and member of the Board of Directors of the International Confederation of Pontian Greeks.

Since 1994 he is senior member of PPC trade union and has participated in many European and Word Conferences on carbon, energy and the Environment.

For six years he has served as General Secretary of the SPARTAKOS trade union, while he was Deputy Secretary of GENOP/PPC for six years (2008-2013).
Later he was elected representative of the employees on the Board of Directors of PPC S.A.

He has graduated the Academy of KANEP of the GGCL and trains trainers in lifelong learning.

He is married and has two children.

Nikos Fotopoulos, Representative of the Employees

Mr. Nikos Fotopoulos was born in Agnata at the Prefecture of Ilia in 1962.

He is Electrical Technician (Technical School of PPC).

From the age of 16 he has been involved in politics and community affairs.
For 10 years he served as Secretary of the Energy Domain Committee of the Socialist Party (PASOK).

In 1998 he was elected at the Board of Directors of the Association of PPC's Technicians and served as Press Officer.

Since 2007 until July 2013, he was president of the General Federation of Employees at PPC-Electricity Sector (GENOP/DEI) and member of the Executive Committee of EMCF.

From 2010 he is member of the Administration of the Greek General Confederation of Labour (GSEE) and as of April 2013 he is member of the Executive Committee.

6.15 Outside Professional Engagements of the Members of the Board of Directors

NAME	PROFESSION	Participation as member in the BoD of other non profit Organizations (in any capacity e.g. Independent member, Executive member, Independent Non Executive member etc.)
ZERVOS ARTHOUROS	Professor at the National Technical University of Athens	BoD Chairman / PPC Renewables
		President of EWEA (European Wind Energy Association)
		PPC SOLAR SOLUTIONS / BoD Chairman
		PPC – QUANTUM ENERGY / BoD Chairman
		HELLENIC ELECTRICITY ASSOCIATION / BoD Chairman
		RENEWABLE ENERGY POLICY NETWORK for the 21st CENTURY (REN21) / Chairman
		EURELECTRIC / Member
DOLOGLOU KONSTANTINOS	Economist	“CONSTANTINOS KARAMANLIS” INSTITUTE FOR DEMOCRACY, Non Executive Member
EKATERINARI OURANIA	Electrical Engineer	Geotechnologiki A.T.E. Vice Chairman of the BoD
ALEXAKIS PANAGIOTIS	Professor at the University of Athens	TA.NE.O S.A. Independent Non Executive Member
		AGROTIKI ASFALISTIKI SA Independent Non Executive Member
		Property Development and Management Company of the Athens University Independent Non Executive Member
		DECA INVESTMENTS A.I.F.M Independent Non Executive Member
VASSILOGEORGIS CHARILAOS	Lawyer	P.C.D.C. S.A. Independent Non Executive Member of the BoD
		VIOTROS SA Independent Non Executive Member of the BoD
VERNICOS NIKOLAOS	Economist – Shipowner	National Greek Committee of the International Chamber of Commerce (ICC – Hellas) (NGO) Chairman
		Hellenic Chamber of Shipping Member of the BoD
		Piraeus Chamber of Commerce & Industry Member of the BoD
		N.E. Vernicos Tugs & Salvage President
		VERNICOS YACHTS S.A. Vice President
		CONSORTIUM TRAVEL S.A. Vice President
		EUROCORP INVESTMENT SERVICES S.A. Vice President
		NATIONAL MUSEUM OF CONTEMPORARY ART Member of the BoD
ZONTANOS KONSTANTINOS	Engineer	President of OTEACADEMY
THOMOGLOU PAVLOS	Economist – Businessman	Vice President of the Athens Chamber of Commerce & Industry
		RED-LINE SA Member of the BoD
KARALEFTHERIS PANTELIS	PPC S.A. employee	-
PAPASOTIRIOU STAVROS	Economist	-
TAVRIS FILIPPOS	Bank Employee	-
FOTOPOULOS NIKOLAOS	PPC S.A. employee	-

6.16 Contracts with Members of the Board of Directors

There is no provision for granting of shares, call options on the Company stocks or other similar titles for the members of the Board.

Nevertheless, there are other contractual provisions as regards the executive members of the Board of Directors, such as:

- ✓ Compensation for service termination in case that the Company decides to terminate the contract
- ✓ Personal use of company-provided vehicle including driver, maintenance, insurance and fuels.
- ✓ Expense benefit during the performance of their duties (travel expenses, mobile phone, restaurant bills, etc.) provided that these expenses are accompanied by the necessary receipts and are approved by the Company based on its policy.

In the past according to the policy of the Company, the remunerations of the executive members and the members of the Board were fixed as follows: a) firm part (basic fees-salary) and b) variable performance-related part (variable part of the remuneration). An annual bonus was provided for in the past, valid only for a short period.

By virtue of L.3833/10 and 3845/10 and 4092/12, the remunerations of the executive members of the Board of Directors are not allowed to exceed the ceiling established by the said Laws. As a result, they are clearly defined and do not include variable performance related elements.

6.17 Information on the Deputy CEOs and the General Managers

On December 31, 2014, the Deputy CEOs and the General Managers of PPC S.A. were as follows:

Kostantinos Dologlou,
Vice Chairman of the BoD, Deputy CEO supervising the Mines, Generation and Supply Divisions.

Ourania Ekaterinari,
Deputy CEO supervising the Finance Division and Human Resources Division.

Konstantinos Theos,
Deputy CEO supervising the Support Operations Division, the Strategy Department and the Energy Trading Department.

Angelopoulos Georgios
General Manager of Finance Division, Economist.

Aravantinos Nikolaos,
General Manager of Support Operations Division, Mechanical-Electrical Engineer.

Damaskos Georgios,
General Manager of Human Resources Division - Electrical Engineer - Economist.

Karalazos Lazaros,
General Manager of Supply Division, Electrical Engineer.

Kopanakis Ioannis,
General Manager of Generation Division, Electrical Engineer

Nikolakakos Panagiotis,
General Manager of Mines Division, Mining Metallurgical Engineer – Economist.

Mr. *Michael Broustis,* who was General Manager, Responsible for Corporate Relations with Network Subsidiaries, Economist, was appointed General Manager of Support Functions in its 100% subsidiary Hellenic Electricity Distribution Network Operator S.A. (HEDNO S.A.).

Athens, March 27, 2015

For the Board of Directors
The Chairman and CEO

Arthouros Zervos

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C. AUDITOR’S REPORT

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
Chimarras 8B,
151 25, Maroussi,
Athens, Greece

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THIS REPORT IS A FREE TRANSLATION OF THE GREEK ORIGINAL

INDEPENDENT CERTIFIED AUDITOR's ACCOUNTANT' REPORT
To the Shareholders of Public Power Corporation S.A.

Report on the separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of Public Power Corporation S.A., which comprise of the separate and consolidated statements of financial position as at 31st December 2014, the separate and consolidated statements of comprehensive income, statements of changes in equity and cash flow for the year then ended, along with a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with the International Financial Reporting Standards, as adopted by the European Union, and for such internal controls, as management determines is necessary, to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and also to plan and perform the audit in order to obtain reasonable assurance whether the separate and consolidated financial statements are free from material misstatement.

An audit involves the execution of procedures to obtain audit evidence, about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of Public Power Corporation S.A. and its subsidiaries as at 31st December 2014, and their financial performance and their cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matters

We draw your attention to the following issues:

1) In Note 38 of the financial statements, where among other matters, the claim of the Electricity Market Operator SA (LAGIE) against the Company amounting to €96.6m is described, as a result of the allocation of deficit of the energy market to producers and the accounting treatment of the Company for this issue. As it is also discussed in the note, since the above mentioned claim of LAGIE is disputed in substance, as the reasons which this claim is based on are not substantiated, it is not possible to estimate the final outcome of the legal case.

2) In Note 38 of the financial statements, where among other matters, the adjusting settlements amounting to €48.2m that were issued in October 2013 from the Independent Power Transmission Operator SA (IPTO) are discussed, which derived from the retrospective application of RAE's decision 366/2013 for the months from May to part of August 2013. For the above charge, the Company has raised an objection to IPTO and has not recorded any relevant provision, considering that the relevant clause of RAE's decisions cannot be applied retrospectively.

Our opinion is not qualified with respect to these matters.

Report on Other Legal and Regulatory Requirements

The Board of Directors' Report includes a statement of Corporate Governance, which provides the information required by paragraph 3d of article 43a of Codified Law 2190/1920.

We confirm that the information given in the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

We have also audited the Company's unbundled balance sheets as at 31st December 2014 and the unbundled statements of income before tax for the period from 1st January 2014 to 31st December 2014. Management is
and statements of income before tax ("the unbundled financial statements") in accordance with Law 4001/2011 and the unbundling methodology approved by the Regulatory Authority for Energy which is further discussed in detail in Appendix I in the accompanying notes.

The audit of the unbundled financial statements mainly includes the determination of whether the Company has properly applied the unbundling allocation rules and whether it has complied with its obligation for the avoidance of discriminations and cross-subsidizations among activities.

In our opinion, the unbundled financial statements presented in Appendix I in the accompanying notes have been prepared in accordance with Law 4001/2011 and the unbundling methodology approved by the Regulatory Authority for Energy.

Athens, 27 March 2015

The Certified Auditor Accountant
Vassilios Kaminaris
S.O.E.L. No. 20411

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
Chimarras 8B,
151 25, Maroussi,
Athens, Greece
COMPANY S.O.E.L. R.N. 107

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PUBLIC POWER CORPORATION S.A.

Consolidated and Separate Financial Statements

December 31, 2014

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

The attached separate and consolidated financial statements have been approved by the Board of Directors of Public Power Corporation S.A. on March 27th, 2015 and they are available on the web site of Public Power Corporation S.A. at www.dei.gr.

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

D1. FINANCIAL STATEMENTS

PUBLIC POWER CORPORATION S.A.
CONSOLIDATED AND SEPARATE STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014
(All amounts in thousands of Euro - except per share data)

		GROUP		COMPANY	
	NOTE	**2014**	**2013 reclassified***	**2014**	**2013 reclassified**
REVENUES:					
Revenue from energy sales	4	5,654,609	5,765,807	5,644,395	5,751,036
Other sales	4	209,048	205,019	152,355	167,616
		5,863,657	**5,970,826**	**5,796,750**	**5,918,652**
EXPENSES:					
Payroll cost	5,37	914,210	939,861	589,467	612,270
Lignite	37	82,664	46,698	82,664	46,698
Liquid Fuel		767,947	792,615	767,947	792,615
Natural Gas		345,778	401,937	345,778	401,937
Depreciation and Amortization	7,37	606,047	622,722	539,924	556,790
Energy purchases	6	1,514,687	1,639,871	1,543,593	1,662,843
Materials and consumables	37	160,465	173,411	123,308	136,713
Transmission system usage		-	-	205,559	209,391
Distribution system usage		-	-	393,662	433,356
Utilities and maintenance	37	283,682	317,432	231,530	266,304
Third party fees	37	48,040	50,138	32,815	28,375
CO2 emission rights	8	216,946	187,517	216,946	187,517
Provision for risks		2,954	(2,763)	29,171	2,215
Provision for slow – moving materials	18	5,492	8,027	5,745	6,885
Allowance for doubtful balances	19	422,690	353,032	433,044	364,985
Financial expenses	10	277,994	266,794	251,434	238,844
Financial income	11,37	(64,191)	(47,398)	(89,952)	(76,085)
Other (income) expenses, net	13	75,956	185,099	12,210	131,372
Devaluation of fixed assets		60,577	-	29,332	-
Loss / (Gain) of associates and joint ventures	16	(551)	(1,561)	-	-
Impairment loss /(gain) of marketable securities	21	2,526	3,393	2,526	3,393
Foreign currency (gain)/loss, net		2,120	(888)	2,137	(888)
		5,726,033	**5,935,937**	**5,748,840**	**6,005,530**
PROFIT / (LOSS) BEFORE TAX		**137,624**	**34,889**	**47,910**	**(86,878)**
Income tax expense	12	(46,304)	(260,177)	(13,682)	(237,447)
NET PROFIT / (LOSS)		**91,320**	**(225,288)**	**34,228**	**(324,325)**
Attributable to:					
Owners of the Parent		91,322	-		
Non-controlling interests		(2)	-		
Earnings per share, basic and diluted		0.39	(0.97)		
Weighted average number of shares		232,000,000	232,000,000		

*Certain amounts have been reclassified and differ from the published annual financial statements of December 31, 2013 and reflect amendments which are presented in note 37 of the annual financial report
The accompanying notes are an integral part of these financial statements.

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014
(All amounts in thousands of Euro)

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
Profit/(loss) for the year	**91,320**	**(225,288)**	**34,228**	**(324,325)**
Other Comprehensive income / (loss) for the year *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 year	-	249	-	249
Net Other Comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	**-**	**249**	**-**	**249**
Items not to be reclassified to profit or loss in subsequent periods				
Revaluation from appraisal of fixed assets (Note 13)	908,587	-	847,954	-
Deffered taxes of revaluation of fixed assets	(236,231)	-	(220,468)	-
Actuarial gains/(losses)	(32,590)	29,823	(16,316)	11,814
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	**639,766**	**(48,221)**	**611,170**	**(49,573)**
Other Comprehensive income / (loss) for the year after tax	**639,766**	**(47,972)**	**611,170**	**(49,324)**
Total Comprehensive income / (loss) after tax	**731,086**	**(273,260)**	**645,398**	**(373,649)**

Attributable to:		
Owners of the Parent	**731,088**	**(273,260)**
Non controlling interests	**(2)**	**-**

The accompanying notes are an integral part of these financial statements

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED AND SEPARATE BALANCE SHEET AS OF DECEMBER 31, 2014

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

		GROUP		COMPANY	
ASSETS	**Note**	**31/12/2014**	**31/12/2013 (reclassified)***	**31/12/2014**	**31/12/2013 (reclassified)***
Non – Current Assets:					
Tangible assets	13	13,689,537	12,931,720	11,902,455	11,150,928
Intangible assets, net	14	69,946	22,174	65,765	21,618
Investments in subsidiaries	15	-	-	1,130,064	1,109,257
Investments in associates	16	21,665	21,627	1,142	49
Available for sale financial assets	21	2,394	4,920	2,394	4,920
Other non- current assets	37	131,488	15,831	131,030	15,400
Total non-current assets		**13,915,030**	**12,996,272**	**13,232,850**	**12,302,172**
Current Assets:					
Materials, spare parts and supplies, net	18	737,763	785,325	559,078	588,186
Trade receivables, net	19	1,772,670	1,305,579	1,638,789	1,248,364
Other receivables, net	20	294,088	250,024	267,728	243,686
Income tax receivable		21,445	24,289	-	-
Other current assets		53,134	29,256	46,997	37,951
Cash and cash equivalents	22	434,511	260,278	248,318	185,513
Restricted Cash	22	144,720	161,693	144,720	161,693
Total Current Assets		**3,458,331**	**2,816,444**	**2,905,630**	**2,465,393**
Total Assets		**17,373,361**	**15,812,716**	**16,138,480**	**14,767,565**
EQUITY AND LIABILITIES					
EQUITY:					
Share capital	23	1,067,200	1,067,200	1,067,200	1,067,200
Share premium		106,679	106,679	106,679	106,679
Legal reserve	24	109,203	107,491	109,203	107,491
Fixed assets' statutory revaluation surplus included in share capital		(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus	13	4,833,594	4,186,763	4,082,686	3,478,917
Other Reserves	25	(83,272)	33,019	8,965	108,983
Retained earnings		1,048,597	849,763	1,541,057	1,401,121
Total Equity attributable to owners of the Parent		**6,134,659**	**5,403,573**	**5,968,448**	**5,323,049**
Non-Controlling interests		**90**	**-**	**-**	0
Total Equity		**6,134,749**	**5,403,573**	**5,968,448**	**5,323,049**
Non-Current Liabilities:					
Interest bearing loans and borrowings	27,37	4,851,491	3,008,893	4,763,477	2,863,820
Post retirement benefits	29	420,150	390,656	245,365	230,870
Provisions	30	230,394	225,567	173,504	141,542
Deferred tax liabilities	12	794,739	519,455	723,268	490,919
Deferred customers' contributions and subsidies	31	1,664,014	1,728,810	1,534,494	1,595,088
Other non-current liabilities	32	552,396	540,355	538,495	534,169
Total Non-Current Liabilities		**8,513,184**	**6,413,736**	**7,978,603**	**5,856,408**
Current Liabilities:					
Trade and other payables	32	1,672,772	1,698,259	1,601,802	1,690,098
Short – term borrowings	34	97,016	97,285	50,000	50,000
Current portion of interest bearing loans and borrowings	27,37	581,528	1,838,183	262,493	1,582,476
Dividends payable	26	147	154	147	154
Income tax payable		74,932	46,977	71,908	39,294
Accrued and other current liabilities	35	295,468	308,736	201,514	220,273
Derivative liability	28	3,565	5,813	3,565	5,813
Total Current Liabilities		**2,725,428**	**3,995,407**	**2,191,429**	**3,588,108**
Total Liabilities and Equity		**17,373,361**	**15,812,716**	**16,138,480**	**14,767,565**

*Certain amounts have been reclassified and differ from the published annual financial statements of December 31, 2013 and reflect amendments which are presented in note 37 of the annual financial report.

The accompanying notes are an integral part of these financial statements.

PUBLIC POWER CORPORATION S.A
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
(All amounts in thousands of Euro)

						Other reserves						
	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 Equity**	**Non Controlling Interest**	**Total Equity**
Balance, January 1, 2013	**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 year	-	-	-	-	-	-	-	-	(225,288)	(225,288)	-	(225,288)
Other comprehensive income/(loss) for the year recognized directly in equity	-	-	-	(78,044)	-	249	29,823	30,072	-	(47,972)	-	(47,972)
Total Comprehensive income/(loss) for the year after tax	**-**	**-**	**-**	**(78,044)**	**-**	**249**	**29,823**	**30,072**	**(225,288)**	**(273,260)**	**-**	**(273,260)**
Transfers from retirements of fixed assets	-	-	-	(19,803)	-	-	-	-	19,803	-	-	-
Transfers from non taxable reserves	-	-	-	-	-	-	(21,327)	(21,327)	21,327	21,327	-	-
Dividends	-	-	-	-	-	-	-	-	(5,800)	(5,800)	-	(5,800)
Other	-	-	-	-	-	-	-	-	384	384	-	384
Balance, December 31, 2013	**1,067,200**	**106,679**	**107,491**	**4,186,763**	**(947,342)**	**-**	**33,019**	**33,019**	**849,763**	**5,424,900**	**-**	**5,403,573**
Balance, January 1, 2014	**1,067,200**	**106,679**	**107,491**	**4,186,763**	**(947,342)**	**-**	**33,019**	**33,019**	**849,763**	**5,403,573**	**-**	**5,403,573**
Net income /(loss) for the year	-	-	-	-	-	-	-	-	91,322	91,322	(2)	91,320
Other comprehensive income/(loss) for the year recognized directly in equity	-	-	-	672,356	-	-	(32,590)	(32,590)	-	639,766	-	639,766
Total Comprehensive income/(loss) for the year after tax	**-**	**-**	**-**	**672,356**	**-**	**-**	**(32,590)**	**(32,590)**	**91,322**	**731,088**	**(2)**	**731,086**
Transfers from retirements of fixed assets	-	-	-	(25,525)	-	-	-	-	25,525	-	-	-
Transfers to non taxable reserves	-	-	-	-	-	-	(83,701)	(83,701)	83,701	-	-	-
Incorporation of Subsidiary	-	-	-	-	-	-	-	-	-	-	92	92
Legal Reserve	-	-	1,712	-	-	-	-	-	(1,712)	-	-	-
Other	-	-	-	-	-	-	-	-	(2)	(2)	-	(2)
Balance, December 31, 2014	**1,067,200**	**106,679**	**109,203**	**4,833,594**	**(947,342)**	**-**	**(83,272)**	**(83,272)**	**1,048,597**	**6,134,659**	**90**	**6,134,749**

The accompanying notes are an integral part of these financial statements.

PUBLIC POWER CORPORATION S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

(All amounts in thousands of Euro)

						Other reserves				
	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 Equity**
Balance, January 1, 2013	**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 year	-	-	-	-	-	-	-	-	(324,325)	(324,325)
Other comprehensive income/(loss) for the year recognized directly in equity	-	-	-	(61,387)	-	249	11,814	12,603	-	(49,324)
Total Comprehensive income/(loss) for the year after tax	**-**	**-**	**-**	**(61,387)**	**-**	**249**	**11,814**	**12,603**	**(324,325)**	**(373,649)**
Transfers from retirements of fixed assets	**-**	**-**	**-**	(19,004)	**-**	**-**	**-**	-	19,004	-
Transfers from non taxable reserves	**-**	**-**	**-**	-	**-**	**-**	(21,327)	(21,327)	21,327	-
Dividends	-	-	-	-	-	-	-	-	(5,800)	(5,800)
Other	-	-	-	-	-	-	-	-	(61)	(61)
Balance, December 31, 2013	**1,067,200**	**106,679**	**107,491**	**3,478,917**	**(947,342)**	**-**	**108,983**	**108,983**	**1,401,121**	**5,323,049**
Balance, January 1, 2014	**1,067,200**	**106,679**	**107,491**	**3,478,917**	**(947,342)**	**-**	**108,983**	**108,983**	**1,401,121**	**5,323,049**
Net income /(loss) for the year	-	-	-	-	-	-	-	-	34,228	34,228
Other comprehensive income/(loss) for the year recognized directly in equity	-	-	-	627,486	-	-	(16,316)	(16,316)	-	611,170
Total Comprehensive income/(loss) for the year after tax	**-**	**-**	**-**	**627,486**	**-**	**-**	**(16,316)**	**(16,316)**	**34,228**	**645,398**
Transfers from retirements of fixed assets	-	-	-	(23,717)	-	-	-	-	23,717	-
Transfers to non taxable reserves	-	-	-		-	-	(83,702)	(83,702)	83,702	-
Legal Reserve	-	-	1,712	-	-	-	-	-	(1,712)	-
Other	-	-	-	-	-	-	-	-	1	1
Balance, December 31, 2014	**1,067,200**	**106,679**	**109,203**	**4,082,686**	**(947,342)**	**-**	**8,965**	**8,965**	**1,541,057**	**5,968,448**

The accompanying notes are an integral part of these financial statements.

PUBLIC POWER CORPORATION S.A.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

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

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
Cash flows from operating activities				
(Loss) / Profit before tax	137,624	34,889	47,910	(86,878)
Adjustments:				
Depreciation and amortization	682,564	698,829	611,151	627,488
Devaluation of fixed assets	60,577	3,658	29,332	3,658
Amortisation of customers' contributions and subsidies	(76,517)	(76,107)	(71,227)	(70,698)
Provision for CO2 emission rights of 1H	-	32,073	-	32,073
Impairment loss of marketable securities	2,526	3,393	2,526	3,393
Fair value (gain)/loss of derivative instruments	(2,248)	(1,365)	(2,248)	(1,365)
Share of loss (profit) of associates	(551)	(1,561)	-	-
Interest income	(64,191)	(47,398)	(89,952)	(76,085)
Sundry provisions	427,758	364,574	468,929	379,330
Unrealised foreign exchange (gains)/ losses on interest bearing loans and borrowings	(102)	298	(102)	298
Unbilled revenue	(225,969)	(114,245)	(225,969)	(114,245)
Retirements of fixed assets and software	15,711	21,120	14,855	20,531
Amortization of loan origination fees	10,320	7,406	9,859	6,397
Interest expense	240,975	236,070	216,070	210,124
Operating profit before working capital changes	**1,208,477**	**1,161,634**	**1,011,134**	**934,021**
(Increase)/decrease in :				
Accounts receivable, trade and other	(729,326)	(189,047)	(621,542)	(213,216)
Other current assets	(115,244)	(13,511)	(124,674)	7,269
Materials, spare parts and supplies	42,071	61,458	23,363	34,528
Increase/(decrease) in :				
Trade and other payables	(25,487)	11,443	(88,296)	49,541
Other non – current liabilities	12,040	7,250	4,327	5,405
Accrued/ other liabilities excluding interest	55,970	49,892	11,993	87,333
Income tax paid	(13,284)	(25,543)	-	(11,287)
Net Cash from Operating Activities	**435,217**	**1,063,576**	**216,305**	**893,594**
Cash Flows from Investing Activities				
Interest received	64,191	47,398	79,389	53,403
Capital expenditure of fixed assets and software	(670,396)	(721,615)	(570,826)	(605,422)
Proceeds from customers' contributions and subsidies	11,721	4,150	10,633	4,152
Investments in subsidiaries and associates	(38)	(3,299)	(21,900)	(46,644)
Net Cash used in Investing Activities	**(594,522)**	**(673,366)**	**(502,704)**	**(594,511)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	(269)	(72,744)	-	(60,000)
Proceeds from interest bearing loans and borrowings	1,234,363	285,000	1,199,363	285,000
Principal payments of interest bearing loans and borrowings	(612,799)	(363,254)	(583,692)	(326,259)
Loans issuane fees'	(33,878)	-	(33,878)	-
Interest paid	(253,872)	(252,540)	(232,582)	(227,698)
Dividends paid	(7)	(5,821)	(7)	(5,821)
Net Cash used in Financing Activities	**333,538**	**(409,359)**	**349,204**	**(334,778)**
Net increase/(decrease) in cash and cash equivalents	174,233	(19,149)	62,805	(35,695)
Cash and cash equivalents at beginning of the year	260,278	279,427	185,513	221,208
Cash and cash equivalents at the end of the year	**434,511**	**260,278**	**248,318**	**185,513**

The accompanying notes are an integral part of these financial statements.

D.2 NOTES TO THE FINANCIAL STATEMENTS

(All amounts in thousands of Euro)

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 December 31, 2014, the number of staff employed by the Group was 18,572 (2013: 19,093).
At December 31, 2014, 105 employees of the Group (2013: 104), have been transferred to several State agencies (ministries, organizations, etc.) out of which, 101 were compensated by PPC (2013: 94). The total payroll cost of such employees, at December 31, 2014 amounted to Euro 3,792 (2013: Euro 3,922) and is included in the income statement.
Additionally, PPC's transferred employees in TAYTEKO-KAP/DEI amounted to 271 in the 2014, for whom payroll at December 31, 2014, amounted to Euro 15,648.

PPC Group generates electricity in its own 62 power generating stations of the Parent Company and from the additional stations which belong to its wholly owned subsidiary PPC Renewables, facilitates the transmission of electricity through its own power lines of approximately 12,273 kilometres (out of which 11,328 kilometres is owned by its wholly owned subsidiary Independent Power Transmission Operator (IPTO S.A.) and distributes electricity to consumers through its own distribution lines for Medium and Low voltage of 235,100 kilometres which are managed by its wholly owned subsidiary "Hellenic Distribution Network Operator (HEDNO S.A.)" (Medium and Low voltage).
Lignite consumed by the Parent Company's lignite-fired power stations is extracted, mainly, from its own lignite mines.

PPC Group has also constructed approximately 2,000 kilometres of fibre optics network along its transmission lines, approximately 161.6 kilometres of urban underground fibre optics network and approximately 17 kilometres of underwater fibre optics network.

2. LEGAL FRAMEWORK

Changes in Legal Framework of the Electricity Market in 2014

GENERAL PROVISIONS FOR THE INTERNAL ELECTRICITY MARKET
On May 7, 2014 RAE, has submitted into public consultation its proposal for the creation of a regulated forward energy market for the access of Suppliers to energy from lignite and hydro generation. According to RAE's specific proposal, forward products will be available through a regulated process of auctions, and will correspond to energy, accounting to 25-30% of the total annual lignite and hydro generation of PPC. Owners of supply license, except of PPC, will be eligible to participate in the auctions exclusively in order to serve the domestic load. After the completion of the first public consultation, RAE completed and published the second and final consultation, the main points of which are as follows: the differentiation of the products' price resulting from the auction, depending on the customer group to be served as well as on the bid offered by electricity suppliers, the possibility through regulatory procedures of reselling or repurchasing for amounts of energy of those products, the possibility of reselling the excess of the product to PPC in a price increased by 20%, ex post verification of each supplier's rights.

2. LEGAL FRAMEWORK (CONTINUED)

To test compliance of the proposed NOME auctions design by the criteria of the European Competition Commission, RAE directly assigned to the Athens School of Economics a study for preparing the theoretical background and the arguments supporting the economic theory behind the final proposal concerning those auctions, in order to be compatible with certain criteria set by the European Competition Commission (RAE Decision 648/2014). In order for the above to be implemented an approval by the European Competition Commission is necessary, followed by a legislative amendment.

- Laws 4237/2014 and 4273/2014
  The above mentioned laws provide for the following :
  1. Sale of IPTO S.A according to L. 4273/2014, which particularized the action of the Greek Cabinet 15 15/24.07.2013
  2. Creation and sale of the new vertically integrated Electric Company according to L. 4273/2014

  Following the Government's policy statements in February 2015, the particularization of the Above mentioned Laws is expected.

- Law 4254 was entered into force which, among other, rectifies significant changes to the RES regulatory framework, with the most important of them to be as follows :
  - Redefinition of the compensation amount for the electricity sold by the operating RES and CHP stations, depending on the connection quarter, the installed capacity, the implementation of the investment by using public or non-public aid and on the technical criteria (i.e CHP stations).
  - Removal of the existing provisions for readjustment of sales prices based on values of the consumer price index rate values.
  - EMO / HEDNO will adjust, on a case by case basis, the compensation prices for the energy produced by the entry into force of this Act and will establish a relevant table within four months, which will be notified to RAE and the Ministry of Environment.
  - Finally, it is noted that the generation licence and the connection term offer suspension for the new P/V stations, which had been imposed by the Minister of Environment and Climate Change in August 2012, are withdrawn.
- The specific regulatory measures of limited duration are still in force (Decisions 338/2013 and 339/2013), being the following :
  a) The immediate abolishment of the margin of the variable cost recovery mechanism (VCRM), i.e. from 10% today to 0%, while the mechanism itself was fully repealed on 1st July 2014. Although market participants and mainly independent power producers expressed their fear for stability problems in the System resulting from the abolition of the mechanism, RAE decided against extending its effect. At the same time RAE decided that IPTO will monitor on a daily basis, the market, in order to enable it to solve potential problems, either by the activation of the variable cost recovery mechanism even for one day or by other appropriate measures. It has also asked IPTO and EMO to express their views on the critical question of the System's stability problem.
  b) The abolition, from 1st January 2014, of the 30% rule on the bidding by the plants.
  c) The immediate restructuring of the capacity assurance transitional mechanism, while the existing mechanism remains in effect, through important differentiations and amendments of the Grid Control Code, until the 31st of December 2014 (RAE Decision 474/2014).

  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.

  In June 2014, RAE sent a study-analysis on the evolution of VCRM and its restructuring options on both IPTO and EMO for their views, asking IPTO to carry out a special study on the effects of the abolition of VCRM on the operation of the market, while it invited all generators to update, through regular daily reports, malfunctions occurring in real time by the abolition of the VCRM. Having assessed the results of the market for a considerable period (seven months) and having at its disposal the technical study of IPTO and all the reports submitted by the generators on the market failures following the abolition of VCRM, RAE announced, on 25.2.2015, a public consultation on the following options for the change of VCRM, including:

2. LEGAL FRAMEWORK (CONTINUED)

- In relation to the specification by RAE of the new measures, as mentioned above, a joint study by RAE, LAGIE and IPTO was prepared entitled : "Roadmap for the adaptation of the domestic electricity market to the requirements of the target model". In the context of the work group, international consultant ECCO International Inc prepared the above study which contains three phases for the complete redesign of the domestic wholesale market and the proposals for the detailed roadmap. The results of the joint study were recently submitted to a public consultation by RAE. The general outlines of the solution proposed by the study are indicatively, the following:
  - the creation of a forward products market,
  - the possibility for bilateral contracts between producers and suppliers besides the daily market,
  - keeping the central scheduling and allocation in real time of the units by the System Operator,
  - the change of rules for the daily market,
  - the change of the Day Ahead Scheduling resolving methodology, and
  - the creation of an intraday market.

- RAE, with its Decision 111/2014, specified that PPC's Units: Ptolemais 1, Megalopoli 1 and 2, Lavrio-Keratea I, Aliveri 3 and 4 and LIPTOL 1 and 2 as the units corresponding to the new units Lavrio-Keratea V and Aliveri V and proceeded to the decommissioning of Megalopoli units 1 and 2 and LIPTOL units 1 and 2, following a proposal by PPC, to which IPTO agreed to, according to the provisions of L. 4001 and the Grid Control Code. As far as the units Aliveri 3 and 4 and Lavrio-Keratea are concerned, RAE decided to proceed with the completion of the survey to determine whether they would be appointed as cold emergency reserve units .
  With a later Decision (343/2014) RAE announced that units Aliveri 3 and 4 and Lavrio-Keratea 1 shall enter in cold emergency reserve status by the end of 2015, according to the provisions of the Grid Control Code because of the necessity to secure the supply of the System. IPTO will manage each unit in cold emergency reserve through contracts to be concluded with PPC S.A.

- RAE submitted in public consultation an initial plan for the reorganization of the Capacity Assurance Mechanism. RAE's proposal includes the establishment of a mechanism based on the estimated needs of the System (as those will be reflected in a detailed and specialized of the System's adequacy capacity study prepared by IPTO) compensating the producers covering those needs (in the extent that they achieve to do so) and assessing each producer depending on the capability of providing the required availability.
  The Mechanism in Greece should meet two basic requirements :
  - To provide the means for the assurance of a long term availability of sufficient electricity generation capacity and the long term commitment of the suppliers to the market, by imposing capacity obligations on consumption and any market participant that creates further needs for the capacity availability assurance.
  - To provide the means to address the weaknesses and failures of the market, due mainly to the existing structure and the degree of concentration in the wholesale as well as in the retail market, and in particular, in the absence of other mechanisms, which would address those failures and would optimize the market operation.

  Taking into account the first consultation's results, RAE published and completed the second consultation on the proposal for the methodology of the new mechanism application and the final Decision for reorganizing the Capacity Assurance Mechanism, is expected

- By the Presidential Decree 24 (OG A 20/27.01.2015) the Ministry Ministry of Reconstruction of Production, Environment and Energy is established, which includes the Services of the former Ministry of Environment, Energy and Climate Change along with jurisdiction, institutions, positions and personnel as well as with supervised bodies (among others PPC S.A.).

- The bill "Provisions for immediate actions to address the humanitarian crisis, the organization of the Government and Governmental Institutions and other provisions" was voting in the Parliament (OG A'29/19.03.2015). Specifically the provisions relating to the electricity sector are as follows:

  - The supply of electricity up to 300kWh per month, for the year 2015, as far as the main residence of households dwelling under extreme poverty circumstances, is concerned.
  - In the case of a supply termination until January 31, 2015 the reconnection of electricity is free of charge whilst the overdue payments are settled (the terms and conditions regulating the overdue payments are agreed according to a contract between the Ministry of Labor and Social Solidarity and the electricity suppliers).
  - The cash value of the above mentioned benefits is not to be included in any income prerequisites that are set in order to receive any other benefit of a social or welfare origin

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

2. LEGAL FRAMEWORK (CONTINUED)

HELLENIC ELECTRICITY TRANSMISSION SYSTEM (HETS)

- The Ten-Year Development Program of the Hellenic Electricity Transmission System for the period 2014-2023 was approved (RAE's Decisions 560/2013/OG B' 3297/24.12.2013 and 77A/2014/OG B΄556/05.03.2014, respectively).

- The Annual Report for 2013 by the Compliance Officer of IPTO, relating to the new measures taken by IPTO SA on the implementation of the Compliance Program, was published .
  The conditions prevailing on the time the report was published show the particular circumstances of the impending change in the ownership of the company provided for by L.4237/2014, being the transfer of ownership through sale agreements to a private investor (66%)and to the State (34%). Once the transfer of ownership is completed, the company will no longer be a subsidiary of a vertically integrated company and therefore will not be subjected, according to Directive 2009/72/EC, to the Independent Transmission Operator (ITO) model. The Supervisory Board and the Compliance Officer are not provided for by the Directive and may be repealed by the new law regulating the Operator status under the new ownership.
  This report is structured in four axes :
  - The independence of the company in relation to the shareholder, as well as the trade relations with PPC group, for which special arrangements are provided for.
  - The compliance measures taken by the company, the Compliance Program and its proposed reforms.
  - The main functions of the company, emphasizing the points that require special attention in terms of compliance.
  - The conclusions and recommendations for significant improvements

- The amounts of guarantees for 2014 were approved, according to art. 179 of the Grid Control Code and the Market Manual (RAE's Decision 44/2014).

- RAE has approved the calculation basis for the cost of losses proposed by the Transmission Operator and defined the Unit Losses Cost in the context of the ITC implementation, for the year 2014, to 65€/MWh (OG B' 501/2014). Respectively the calculation basis for the cost of losses and the unit cost of losses was approved to 64 €/MWh, as suggested by the System Operator in the implementation of the ITC mechanism, for the year 2015 (OG B 3690 / 31.12.2014). The numeric figures of the tolerance thresholds and the coefficient charge change in discrepancies are determined in the same Gazette, for the calendar year 2015.

- The transmission system use charges were defined for the year 2014 (RAE's Decision 195/2014). The new charges, which are in effect from June 1st 2014, result into the following changes per customer category :
  - A reduction of 4.9% for the High Voltage (large industries) unit transmission charges compared to current rates
  - A decrease of 29% for the Medium Voltage (medium- sized industries , large and medium-sized commercial and small business) unit transmission charges, compared to current rates
  - An increase of 0.5% and 0.8% (for both System and Network usage fees) for the Low Voltage (households) charges, compared to current rates

  Furthermore the rate of return on the Regulated Asset Base (nominal, pre-tax) was increased to 8,5% versus the older 8%.

- The calculation methodology for the required revenue of the Operator of the Hellenic electricity transmission system as well as the relevant articles' amendments of the grid control Code were defined by RAE's Decisions 339/2014 and 340/2014, where, among others, the definition of the regulatory period, the parameters defining the required revenue, the establishment of the regulatory asset base and the motivation mechanisms for the calculation of the regulated charges are described.

- The rules and procedures of conducting auctions to assign the electricity transmission rights in the long-term and short-term basis through the interconnecting line of the Greek System with the Italian one were approved (for imports and exports/RAE Decision 653/06.11.2014).

- Through the OG B 3120/20.11.2014 the simplified procedure for the import and export of the electricity transmitted through the interconnection with third countries or EFTA countries (European Free Trade Association) was adopted, as well as the procedure for the electricity import/export from interconnections to other Member States of the EU, the customs authorities to be responsible for the import and export of electricity, the monitoring of the simplified procedures and the control for the implementation of the existing rules as well as the ex-post ones.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

2. LEGAL FRAMEWORK (CONTINUED)

HELLENIC ELECTRICITY DISTRIBUTION NETWORK (HEDN)

- The operation code of the electricity systems' management for the Non- Interconnected Islands (NII Code) was adopted by RAE's Decision (OG B' 304/11.02.2014). It's application was anticipated to occur gradually through a 5 year transitional phase, which was considered necessary for the gradual development and installation of the necessary infrastructure and the appropriate and adequate staffing of the NII Operator.

- Following a public consultation RAE has published the calculation methodology of the compensation for PSOs in the Non- Interconnected islands (RAE Decision 14/2014, OG B' 270/07.02.2014) (2013: Euro 811,278).

- The fair return on the value of the regulated asset base was also defined, based on the nominal pre-tax interest rate in applying the methodology of calculation of the compensation for covering the PSO provision cost in the NII, as well as, on the Contracts between HEDNO and PPC as a supplier and generator of conventional units in the NII.
  The fair rate of return for the generation activity in NII for the years 2012 and 2013, was established to be the nominal pre-tax rate of 8%. For the year 2014 (and till the readjustment of the fair rate of return for the monopolistic activities of transmission and distribution systems) the nominal pre-tax rate of 8 % will be applied as the fair rate of return for the same methodology implementation, for the Contracts and for the participation of the producers in the NII.

- By RAE's Decision 82/2014 the terms and restrictions of the Exclusivity Ownership License for HEDN, granted to PPC according to Art. 122 of L.4001/2011, were defined while by RAE's Decision 83/2014 HEDNO was awarded HEDN's Management License according to art.126 of L. 4001/2011.

- The budgeted weighted variable cost of the conventional units electricity generation in the non-interconnected islands was defined for the first half of 2014, at 170.04 €/MWh (RAE's Decision 138/2014), while the prior year average variable cost of the energy generated from conventional units in the non-interconnected islands for 2013 was defined at 177,34 €/MWh (RAE Decision 313/2014).

- Following RAE's Decision 665/2013 and HEDNO's S.A. Final Proposal for the improvement and the redesign of the "Guaranteed Services" Program, RAE approved HEDNO's S.A. "Guaranteed Services to Consummers" Program for the first period from 01.04.2014-31.12.2015 effected from 01.04.2014 (Decision 165/2014).

- The distribution network use charges were defined for the year 2014 (RAE's Decision 196/2014). The new charges, which apply from June 1st 2014, result into the following changes per customers categories :
  - For customers connected to the medium voltage (medium-sized industries, large and medium-sized commercial and small business), the use of network charges are decreased by 1.8% for energy and are increased by 3.4% for capacity.
  - For household customers at low voltage, the total increase (cumulatively for the System and the Network) is between 0.5% and 0.8%.

  Furthermore the rate of return on the Regulated Asset Base (nominal, pre-tax) was increased to 8,5% versus the older 8%.

- RAE announced that the charge for the Suppliers operating in a specific NII system for the RES / CHP energy absorbed from the network by their customers will be calculated by the average variable cost of generation of the conventional units of that specific system, as defined by Article 190 of the NII Code (RAE Decision 553/2014). That cost shall be calculated during the full implementation of the Code, as well as, in the interim period of application, and shall equal the weighted average variable cost of conventional units generation operated, on each NII system, in each settlement month. The mandatory approval of RAE occurs during the annual final NII market settlement when the settlement in the approved generation cost takes place as well.
  RAE's Decision 1186/2010 "Amendment of the Methodology for calculating the average variable cost of PPC's generation in the NII, pursuant to the provisions of article 40 par. 3 of L.2773 / 1999, is no longer valid (OG B' 1372 / 02.09.2010).

2. LEGAL FRAMEWORK (CONTINUED)

- By the European Commission Decision 2014/536/EU
  - a two years extension was granted for the non- interconnected islands, until the 17th of February 2016 or until the full installation of the infrastructure required for the creation of the NII registers, which are a necessary condition for the NII market opening. The above mentioned extension ceases to be valid on February 17th 2019, taking into account that the NII Operator is required to have completed all infrastructure and taken care to fully implement all provisions of the NII Code within five years after the Code being effected.
  - An extension until January 1st 2021 was granted for the licenses concerning renovation, upgrading and extension of the existing contracted capacity in isolated microgrids, which can be administered directly to PPC SA.
  - The extensions provided in that Decision shall cease to be valid for the small isolated grids by the time they are connected to the interconnected system.

- IPTO and the Market Operator (LAGIE) announced that the Power Exchanges Information Management System will, from 14.01.2015, apply the new numeric values of the Losses of Load coefficients in the internal consumptions load declarations for the medium and low voltage, i.e. the value 1,0256 for the medium voltage and the value 1,0841 for the low voltage (RAE Decision 752/2014).

CODES AND MANUALS

- LAGIE announced to the participants that, under Article 25 of the Power Exchange Code, from January 1st 2014, and especially for the first tier of the stepwise function of the thermal units energy injection priced bid, the submission of an energy price lower than the administratively defined minimum energy offer price will not be allowed for energy quantity not exceeding 30% of the total amount of energy available to an allocation period (paragraphs 1 and 2 of Article 25 of the Power Exchange Code are not in effect anymore).

- The calculation of the hours of the increased probability of Loss of Load concerning the Capacity Adequacy obligation was defined by RAE Decision 459/2014. According to the Decision, those hours should preferably be sufficient in number and should be spread over several days of the year and several months in order for small and random events to be smoothed and systemic factors affecting the system backup to be taken into account. The “Hours of increased probability of Loss of Load” are defined as the hours for the calculation of the Capacity Adequacy Obligation of Load Representatives in the dispatch periods during a reliable year. The dispatch periods for which the available reserve is less than zero are considered as “Hours of increased probability of Loss of Load”. The numeric figures of the parameters required for the calculation of those hours were defined in the RAE Decision 555/2014, for the reliability year October 2014 – September 2015.

- An amending and interpretative provision was introduced in Article 159 of the Grid Control Code with respect to the Units compensation in extremely exceptional cases of emergency operation after instructed by the IPTO (RAE Decision 713/12.04.2014)

- Several provisions of the Grid Control and Power Exchange Codes were also amended in relation to a) the Special Account for the RES and the CHP Units in the interconnected and non- interconnected systems and b) to the accounting operations in order for them to be consistent with the future provisions of the non-interconnected islands Code (RAE Decision 625/2014).

- Following IPTO’s proposal, the unit charges, the uplift coefficients and other parameters were determined for calculating the non- compliance charges due to irregular offers and declarations for the calendar year 2015 (RAE Decision 1/2015). Specifically, for 2015, the numeric value for the tolerance BAL _TOL is amended, while the remaining numerical values of the coefficients/ parameters used in the calculation of the non-compliance Charges remain unchanged.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

2. LEGAL FRAMEWORK (CONTINUED)

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 onwards, the people subject to PSOs are the respective users of each electricity supply, in order for the electricity suppliers to be able to provide electricity continuously and without impediments.
  PSOs' charge is paid to the above mentioned suppliers with a distinct charge to the bills they issue. By the effect date of the above mentioned Law the Ministerial Decision of the Ministry for the Environment, Energy and Climate Change 1.17/2123/2857/2010 and RAE's Decision 1527/2011 are abolished. In article 36 para. 2 of the same Law the complete compensation for the PSOs provision cost by the Suppliers, was established since it is defined that "From the revenues of the special account a full compensation is paid to the Supply Licenses' holders that provide PSOs".

- The quarterly electricity day consumption not exceeding 10.000KWh for the beneficiaries of the Solidarity Services tariff is exempted from of the PSOs charges.(L.4296/2014 – OG A 214/2.10.2014). Furthermore, LAGIE (in IPTO's place) is set responsible for the issuance and control of the guarantees of origin for the electricity supplying the System, directly or through the network.

- The maximum of the annual customer charge per consumption point, for covering the PSOs charges for the year 2014, was defined to Euro 803.977 (Decision 84/2014).

- Based on the methodology that defined the compensation for covering the PSOs to the non-interconnected islands (NII), on which the final compensations for the PSOs rendered in the NII, which are approved each year by RAE, were defined in order for the relevant settlements to take place :

  - the annual compensation amounts for 2012 and 2013, per NII system, owed to the sole supplier PPC SA are Euro 783,974,664.64 and Euro 771,201,755.56 respectively,
  - the annual compensation amounts for the large families tariffs for 2012 and 2013 are Euro 11,480,000 and Euro 10,900,000 respectively and
  - the annual compensations for the social household tariffs for 2012 και 2013 are Euro 15,092,803 and Euro 33,633,251 respectively (RAE Decision 356/2014 – OG B 1873/10.7.2014).

  For these amounts to be reflected in the electricity bills, a legislative act is required.

- The provision of a return equal to Euro 33,164 to PPC SA was approved for its services as Provider of Universal Service for the period 25.01.2012 – 30.04.2013 and will be included in the PSO charges. No other additional return for that service will be available to PPC due to further periodical or final settlements for the specific period.

- Increased rates on the supply tariffs of PPC, as the Last Resort Supplier, are kept the same also for the second year of that service supply, and have been decided under RAE Decision 114/2013 as follows (RAE Decision 674/2014) :
  - 5% for the high voltage customers on the wholesale market cost
  - 12% for the medium voltage customers on the valid PPC's MV tariffs
  - 12% for the low voltage customers on the valid PPC's LV tariffs

As far as other matters are concerned the terms of provision of the services according to the legislation in effect (RAE Decsion 673/2014) remain the same.

PPC TARIFFS

- On RAE's opinion, a new special tariff in the context of Social Household Tariff was established, which will cover the vulnerable customers taking part on common meals organized by Municipalities, Church and Prefectures (integrated in social and welfare facilities) on November 1st 2013, and who have been disconnected from the power grid, due to arrears to their supplier. The tariff will concern the free provision of electricity, as for its competitive part. There will be a charge only for the regulated charges, third parties (municipalities, NERIT) charges and taxes. Any arrears will remain valid and will not be written off. The inclusion in the new special tariff will be valid for a four month period. The free consumption limit for the four months will be the amount of 800 kWh (RAE Opinion 1/2014).

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

2. LEGAL FRAMEWORK (CONTINUED)

- A new class of beneficiaries, consisting of persons being unemployed for a time period less than the one covered by SHT, was established to meet the need to provide cheaper electricity. The beneficiaries of this class are directly controlled by the Employment Agency for the quarterly period of continuous unemployment, but retrospectively for whether their income meets the criteria, so that there will be a direct response to their real needs. After one year of inclusion, that class will be merged with the already existing SHT class for the unemployed. Moreover, the institutional framework is established to cover vulnerable consumers that are disconnected from the distribution network due to debts, in order to be reconnected in the status of a reduced tariff for covering their basic energy needs (OG B 1657/23.6.2014 - Modification of 16027 Ministerial Decision for the Implementation of the Social Household Tariff, which sets it in effect).

- In order to be harmonized with European rules, PPC SA proceeded with new cost reflective tariffs in certain categories, applied from July 25, 2014. The adjustments are based on the reduction of cross-subsidies and lead to a more proportional pricing of the consumption based on cost.
  In summary, the changes in PPC electricity tariffs concern :
  - For the professional invoice C21, for the vast majority of professionals, including public spaces, the weighted average reduction is 3.4% in the total bill.
  - For the professional invoice C22, the weighted average reduction is 1% in the total bill.
  - For the professional invoice C23, the weighted average reduction is 2.2% in the total bill.
  - The annulment of the household billing scale for consumption up to 800 KWh for a four month period and its integration to the next scale, which in turn leads to a weighted average increase of 11.1% in the total bill.
  - The tariffs of all other household customers consuming more than 800 KWh/ per a four month period remain unchanged, as well as the night tariff which is used internationally and widely, to promote the rational use of energy.
  - The total number of vulnerable consumers and those integrated into the SHT are not affected.

- Following RAE's Opinion 4/2014, the Ministerial Decision 1.21/441/23609 was published in relation to the readjustment of the consumption levels and the relevant discounts to Entities under the special "Solidarity Services Tariff". In case the beneficiaries are invoiced monthly, the levels of that Decision are proportionally applied, i.e they are sub quadrupled. It's noted here that the total of the day consumptions of the PSO beneficiaries and that part of the quarterly consumption up to 10.000KWh of the SST are exempted from the PSOs charge (OG A 214/02.10.2014).

ETMEAR – SPECIAL FEE FOR THE REDUCTION OF CO2 EMISSIONS (ex RES Fee)

- According to RAE's Decision 175/2014 the new weighted readjustment of ETMEAR was defined at 19,73€/MWh, valid from 1st April 2014 onwards, so as to achieve the -by Law 4111/2013 - mandatory target of achieving a zero deficit at the end of 2014. Similarly the allocation coefficients of the Special Fee revenues, the final amounts of the allocated required revenue by the Special Fee and the charges of the Special Fee per Customer category were also defined. For the accurate determination of the amount of the readjustment it was taken into account, inter alia, the following: a) the voting of L.4254/2014, where additional provisions are introduced for the improvement of the Special Account, through which an additional saving is achieved, and b) the calculation of the required revenue from ETMEAR for the period April - December 2014 at 781.57 million €, according to the last Monthly Bulletin of the Special Account of RES & CHP of LAGIE SA.

- By voting L.4254 and until the completion of the pending procedure for assessing its impact on the sustainability of the special account, RAE considered appropriate to maintain the same level of ETMEAR unit charges for all categories of customers, according to its decision 175/2014 (RAE Decision 355/2014). Simultaneously it continues to monitor the progress of the procedures integration for the implementation of Law 4254/2014 and the assessment of the effects of the implementation, taking into account the data and the Monthly Bulletin Monitoring of the Special Account of LAGIE SA, by monthly calculating and publicizing the inputs and outputs progress in relation to the balance of the Special Account. Based on these data, within the second half of 2014 RAE would have taken a new decision on the level of ETMEAR unit charges, if necessary and at levels that will be finalized in the same Decision of the Authority, in case the measures for the final settlement of the above obligation of balancing the special Account have not sufficiently worked. As part of this monitoring a new Decision was published by RAE, where the ETMEAR allocation coefficients are readjusted and increased as well as the corresponding charges per customer group, with effect from 1.1.2015, since of theactual inflow amounts for the account fell short by Euro 1.048,35 million from the budgeted ones based to the analytical assessment of consumption for 2015 (RAE Decision 772/2014).

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

2. LEGAL FRAMEWORK (CONTINUED)

- According to the ministerial Decision 4123/5.3.2014 of the Minister of Environment and Climate Change the calculation methodology of ETMEAR was modified so that the ETMEAR charge for medium voltage customers with a total consumption of more than 13 GWh per supply, will correspond to the High Voltage ones.

- Furthermore the maximum annual Customer charge per consumption of ETMEAR was determined in the amount of Euro 991for 2014 (RAE's Decision 85/2014).

- According to the Joint ministerial Decision 23840, an amount equal to 1% of the pre VAT selling price of the electricity from RES, excluding the photovoltaic plants, is withheld by the Market Operator and, in the case of the non- interconnected islands, by HEDNO and is attributed through the Suppliers to the household consumers of the municipalities having an active connection, in which the above stations operate. The assumptions and the methodology of the credit return are also described and applied for the unused amounts of the previous years up to 31.12.2014. At the same time the Joint Ministerial Decision 28287/12.12.2011 is abolished.

- A constrain is applied on the part of the auctioning revenues from the greenhouse emissions allowances paid as an aid to beneficiaries who are entitled to a compensation for indirect emission costs. Specifically, the annual upper limit on the part of income over the total revenues from the greenhouse emission allowances auctioning will be available through LAGIE as an aid for the period 2013-2015, to the firms eligible for aid and will be set at 20% (Joint Ministerial Decision 21230/ OG B΄3299/9-12-2014).

OTHER ISSUES

- RAE's Decisions were published regarding a) the approval of the Annual Load Balancing Planning of the natural gas transmission System (ESMFA) for the Year 2014 and the approval of the capacity part of National natural gas System bound by DESFA SA for the load balancing for the Year 2014 (Decision 637/2013), b) the approval of amendments of the Annual Load Balancing Planning for the Year 2013 and the approval of the capacity part of ESFA bound by DESFA SA for the load balancing for the Year 2013 (Decision 636/2013).

- The annual compensatory fees for RAE were readjusted for 2014 according to the rate change of the Consumer Price Index for the year 2013, applicable to those participating in the electricity market. For the licensed Generators, the amount is set at 8,26 €/MW, while for the licensed Suppliers is set at 0,07 € / MW (RAE Decision 101/2014).

- RAE submitted to the Ministry of the Environment, Energy and Climate Change its final proposal for the modification of L. 4001/2011 aiming at the implementation of the necessary provisions concerning the a) activity of operating the charging infrastructure for electric vehicles and b) the activity of charging the electric vehicles.

- By Law 4278/2014 it was decided that debts to PPC by the entities of the General Government of Attica, resulting from electricity consumption for street lighting and other public areas as well as the operation of traffic lights, for the period up to 31.12.2013 have to be paid off. Law 4281/2014 provided that the repayment of the debts refers to all prefectures in the country and not just the Attica prefecture for the period up to 31.03.2014 instead of 31.12.2013. Following Laws 4278/2014 and 4281/2014, the Joint Ministerial Decision 45883 was published according to which, the total amount of debt of the General Government Entities to PPC SA amounts to Euro 12 million. The above mentioned amount refers to the period up to 31.03.2014 concerning electricity consumption for street lighting and other public areas, as well as the operation of traffic lights, deducting any fines or surcharges due to late payment or other charges and is analyzed per institution and year.

- LAGIE announced the sign of the contract, by which, it shall act as Auctioneer for the auction of all GHG allowances of the Hellenic State according to the Regulation EU 1031/2010, starting on October 12th 2014.

- The principles and rules of the assets and liabilities allocation for the preparation of the unbundled financial statements of "PPC" for the year 2014 and onwards were approved (RAE Decision 266/2014).

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

2. LEGAL FRAMEWORK (CONTINUED)

- In December 2011, the EU adopted Regulation 1227/2011 on the integrity and transparency of the wholesale energy market (Regulation on Wholesale Energy Markets Integrity and Transparency - REMIT). The REMIT Regulation applies to wholesale energy products trading and sets the framework for identifying and avoiding abusive practices affecting wholesale energy markets and establishes rules for the requirement of publishing details of trading energy products in the wholesale market. In this context LAGIE started the registration process with ACER for being included in the list of "Registered Mechanisms Reference» (Registered Reporting Mechanisms-RRM). Upon completion of the registration as RRM, LAGIE will be able to take on, on behalf of participants, the obligation of sending to ACER, the relevant reports of transactions in the Greek wholesale energy market, The link to the platform CEREMP (Central European Registry of Energy Market Participants) was also activated in order for the participants in the wholesale energy markets to register, in accordance with the provisions of the Regulation.

- Ministerial Decision 24461 was enacted referring to the type and content of the net metering agreement for the installation of self- generation PV systems. Those PV systems will be installed from generators to meet their own electricity needs, with the application of net-metering in order to reduce their energy costs.

- The procedure and the supporting documents were defined for the expenses' payment concerning the Electricity Suppliers subsidy on the revenues' impact due to the special pricing charge of the domestic consumers when implementing airborne particles emission reduction measures to tackle air pollution (OG B 3115 /20.11.2014).

- RAE together with the Regulatory Authority for Electricity and Gas in Belgium (CREG), the Operator of the Belgian natural gas system (FLUXYS) and the Operator of the Greek natural gas system (DESFA), have agreed to jointly promote cooperation of Greece and Belgium in the energy sector, especially in the gas field. The purpose of the agreements signed is the exchange of best practices, experience and expertise regarding the regulation of energy markets, including the development of gas hubs. Under these agreements, RAE has signed a Memorandum of Understanding with the CREG, in order to work together on important issues that the national energy regulatory authorities are facing, in the course of implementing Community legislation and national regulatory frameworks. By signing the MoU, RAE and CREG target towards the effective and efficient energy market opening and the creation of the appropriate investment conditions for the benefit of the consumers and the economy, taking into account the long-term national and Community energy objectives.

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

3.1. BASIS OF PREPARATION

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Approval of financial statements
The Board of Directors of the Parent Company approved the accompanying financial statements for the year ended December 31, 2014 on March 27th , 2015. These financial statements are subject to approval by the Parent Company's General Assembly of shareholders.

Basis of preparation of financial statements
The 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 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.

3.1. BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries, drawn up to December 31 each year. Subsidiaries (companies in which the Group directly or indirectly through other subsidiaries has an interest of more than one half of the voting rights or otherwise has power to exercise control over their operations) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Losses within a subsidiary are apportioned to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary is accounted for as an equity transaction. All significant inter-company balances and transactions have been fully eliminated as well as unrealized inter – group gains and losses. Where necessary, the accounting policies of subsidiaries have been revised to ensure consistency with the policies adopted by the Group. It is noted that certain of the abovementioned requirements have not a retrospective effect. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests, prior to January 1, 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of net assets acquired were recognized as goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a biding obligation to cover these.

In case that the Group loses control of a subsidiary then the following are :

Derecognized :

- The assets (including the surplus value) and liabilities of the subsidiary
- The book value of the non- controlled participation
- The accumulated exchange differences, which have been recorded in Equity

Recognized:

- The fair value of the price obtained
- The fair value of the remaining participation
- Any surplus or deficit in the income statement
- The Parent Company’s share in the elements previously recognized in the comprehensive income statement, in the income statement or the retained earnings where that is judged necessary.

3.2. CHANGES IN ACCOUNTING POLICIES

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group as of 1 January 2014:

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**
- **IFRS 11 Joint Arrangements**
- **IFRS 12 Disclosures of Interests in Other Entities**
- **IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting**
- **IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets**
- **IFRIC Interpretation 21: Levies**

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
  As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment has no impact on the Group’s financial position or performance.

3.2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
  These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendment has no impact on the Group's financial position or performance.

- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**
  IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The amendment has no impact on the Group's financial position or performance.

- **IFRS 11 Joint Arrangements**
  IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The amendment has no impact on the Group's financial position or performance.

- **IFRS 12 Disclosures of Interests in Other Entities**
  IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The amendment has no impact on the Group's financial position or performance.

- **IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting**
  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. The amendment has no impact on the Group's financial position or performance.

- **IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets**
  These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. The amendment has no impact on the Group's financial position or performance.

- **IFRIC Interpretation 21: Levies**
  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. The interpretation has no significant impact on the Group's financial position or performance.

3.3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates. The principle judgments and estimates referring to events the development of which could significantly affect the items of the financial statements during the forthcoming twelve months period are as follows:

Post-retirement benefits
The Parent Company's employees and pensioners of the Group are entitled to supply of electricity at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout their working period. The above mentioned obligations are calculated on the basis of financial and actuarial assumptions. Further details, according to the basic assumptions and estimates, are included in Note 29.

Fair value and useful lives of property, plant and equipment
The Group carries its property, plant and equipment at revalued amounts (estimated fair values) as determined by an independent firm of appraisers. Revaluation is performed periodically (every three to five years). The determination of the fair values of property, plant and equipment requires from management to make assumptions, estimates and judgements with respect to the ownership, the value in use and the existence of any economic, functional and physical obsolescence of property, plant and equipment. On December 31, 2014, the Group has conducted a revaluation of its property, plant and equipment. The previous revaluation has been conducted on December 31, 2009. The appraised useful lives in total, as estimated are included in note 3.4.

Impairment of property, plant and equipment
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. The determination of whether such indications exists, require assumptions and judgments with respect to external and internal factors that may affect the recoverability of its assets, as well as assumption on the determination of its cash generating units.

Cost of dismantling of property, plant and equipment
Based on the provisions of IAS 16 "Property, plant and equipment" the cost of an item of property, plant and equipment includes, among others, the initial estimate of the costs required for the dismantling and removal of such an item. These costs are quantified and recognized in the financial statements in accordance with the provisions of IAS 37 "Provisions, contingent liabilities and contingent assets".
The management estimates that the cost of dismantling may, especially in the cases of lignite fired power plants as well as gas fired stations, be funded by the proceeds of the materials that will result from such a dismantling and, on that basis has not made any provision for such costs for all categories of the above mentioned power plants.

Provisions for risks
The Group is establishing provisions concerning claims by third parties against companies of the Group and which might lead to an outflow of resources for their settlement. Provisions are established based on claim and the possible outcome of the trial.

Provisions for trade receivables
Provision for doubtful debts is established for individual high voltage customers on specific balances, when there are indications that the debts will not be collected. For medium and low voltage customers, the Company establishes a general provision for the total of their outstanding balances of more than 3 and 6 months respectively, per customer. This policy is reviewed periodically in order to be readjusted according to the prevailing circumstances. Additional details are included in Note 19 and 20.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Provisions for income taxes

Current income tax liabilities for current and prior years are calculated at the amounts expected to be paid to the taxation authorities, using the tax rates that have been enacted by the balance sheet date. Provision for income taxes includes taxes reported in the respective income tax returns and potential additional tax assessments that may be imposed by the tax authorities upon settlement of the unaudited tax years on the basis of the findings of prior tax audits. The final settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements. From the year 2011 onwards, the Parent Company and several of its subsidiaries are audited for tax purposes by the Certified Auditors Accountants in accordance with the provisions of Article 82 para. 5 L. 2238/1994. The audit for the year 2014 is ongoing and the relative tax conformity report will be issued after the publication of the financial statements for the year 2014. If, at the completion of the tax audit, additional tax liabilities result, we estimate that these will have no material effect on the financial statements.Deferred taxes are recognized on carried forward tax losses to the extent that it is probable that future taxable profits will occur to offset carried forward tax losses. Deferred tax receivables that are recognized require Management to make assessments as to the time and level of realization of future taxable profits.

Accounting treatment of spin –off to a subsidiary

The management proceeds to significant judgments regarding the proper presentation of the spin –off and contribution of a segment by the Parent Company to a 100% subsidiary in exchange for shares, as the accounting treatment for similar transactions between companies under common control is not explicitly provided for in IFRS.

Provision for unbilled revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from all types of electricity sales is accounted for on an accrual basis. Especially for the low voltage customers at each balance sheet date, unbilled revenue is recorded to account for electricity delivered and consumed by these customers but not yet billed. Unbilled revenue is estimated using certain assumption with respect to quantities of electricity consumed, network losses and average electricity sale prices. Actual amounts finally billed may differ from those provided for.

3.4. PRINCIPAL ACCOUNTING POLICIES

Foreign currency translation

The functional and reporting currency of all the Group entities is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities that are denominated in other currencies are adjusted to reflect the current exchange rates at the balance sheet date. Gains or losses resulting from foreign currency adjustments are reflected in foreign currency gains (losses), net, in the accompanying statements of income. The non- monetary elements in foreign currency which are valuated in acquisition cost are converted with the exchange rate of the date of acquisition. The non-monetary elements which are measured at fair value in foreign currency are converted using the exchange rate at the date of definition of fair value. The profit or loss from the conversion of non-monetary elements is handled the same way that profit or loss by the conversion of fair value of these elements are handled.

Intangible assets

Intangible assets include software and CO_2 emission rights allowances

Software

Software programs are depicted at their acquisition cost minus accumulated depreciation and impairments. For all assets retired or sold, their acquisition cost and related depreciation are removed from the accounts. Any gain or loss is included in the statement of income. Software costs are amortized on a straight-line basis over a period of five years.

CO_2 Emissions Rights

The Parent Company acquires CO2 emission rights in order to meet its liability stemming from the actual CO2 emissions of its generation units. This liability is measured at fair values to the extent that Parent Company has the obligation to cover its emissions through purchases (after the offset of any free CO2 emission rights held). Emission rights purchased and held are recognized as intangible assets, at cost less any accumulated impairment losses.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Tangible Assets

Tangible assets are initially recognised at their acquisition cost which includes all direct attributable expenses for their acquisition or construction. Subsequent to their initial recognition, tangible assets (with the exception of mines and lakes which are valued at cost minus accumulated depreciation and eliminations) are valued at their fair values minus accumulated depreciation and eliminations. Estimations of fair values are performed periodically by independent appraisers (every three to five years) in order to ensure that fair value does not differ significantly from the net value of the asset. The last assets' evaluation was completed December 31st 2014 (additional information is included in Note 14). Any valuation increase is credited to the revaluation surplus net of deferred taxes. At the date of revaluation, accumulated depreciation is offset against pre depreciation accounting values and net amounts are restated according to restated amounts. Any decrease is first offset against an earlier valuation increase in respect of the same fixed asset and thereafter charged to the income statement. Upon disposal of revalued tangible asset, the relevant portion of the revaluation surplus is released from the revaluation surplus directly to retained earnings. Repairs and maintenance are charged to expenses as incurred. Subsequent future expenditures are capitalized when they increase the asset's useful life, improve its productivity or decrease its operational cost. For all assets retired or sold, their acquisition cost and related depreciation are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the statement of income.

Borrowing costs

From January 1st, 2009, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that needs a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the relevant assets. The new accounting policy is implemented on fixed assets recognized from January 1, 2009 herein (new constructions). All the remaining borrowing costs are recognized as expenses in the period in which they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the average estimated remaining useful economic life of the assets. The useful lives (in years) applied for the calculation of depreciation, have as follows:

Buildings and Civil Works	
Buildings of general use	50
Industrial buildings	40-50
Dams	50
Machinery and Equipment	
Thermal power plants	35-40
Gas Turbines	35
Mines	20-40
Hydro power plants	50
Autonomous diesel power plants	25
Transmission	
Lines	35
Substations	35
Distribution	
Substations	35
Low and medium voltage distribution network	35
Transportation assets	15
Furniture, fixtures and equipment	5-25

Mining activities

The Parent Company owns and operates open-pit lignite mines. Land acquisition (mainly through expropriation) and initial (pre-operational) development costs relating to mines are capitalized and amortized (upon commencement of the mines' commercial operation) over the shorter of the life of the mine and 20 years. Exploration, evaluation and ongoing development costs are charged to the cost of lignite production as incurred. A provision for land restoration is established for the Group's estimated present obligation for restoration and is calculated based on the surface disturbed to date and the average cost of restoration per metric unit. It is accounted for at the present value of the related obligation to restore land back to a beneficial use and is included both in fixed assets (mines) and in provisions.

3.4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Investments in subsidiaries

In the separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses. The spin off and contribution of an activity from the Parent Company to a wholly owned subsidiary in exchange for shares, is accounted for as a transaction between companies under common control. In cases of such transactions the shares received are recognised as an addition to the cost of investment in the subsidiary with a value equivalent to the carrying value of the net assets contributed at the transaction date.

Investments in associates

These are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture of the Group. The Group's investments in associates are accounted for under the equity method of accounting. Investments in associates are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less possible provisions for any impairment in value. In case that the Group's share in an associate's losses is equal, or exceeds its participation in the associate, the Group does not recognise the losses exceeding its participation. The income statement reflects separately the Group's share of the results of its associates, while amounts that are registered by the associates directly to their equity are recognized directly to the Group's equity. Non – realizable profit or loss resulting from the transactions of the Group with said associates are eliminated to the extent of the interest in the associates. The associates' accounting principles are adjusted, when necessary, in order to comply with those adopted by the Group. In the separate financial statements such investments are accounted for at cost less any accumulated impairment losses.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value , the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. The fair value of sale (after the deduction of sales costs) is determined, in each case, according to the implementation of a revaluation model. Impairment losses of continuing operations are recognized to the income statement, except if the particular asset is valued in fair values and then the impairment loss is recognised as a decrease of the already recognised surplus value. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognized. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at revalued amounts in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, to be divided equally to future time spans on a systematic basis over its remaining useful life.

Fair value measurement

The Group measures financial instruments, such as, derivatives, and its available for sale investments at each balance sheet date and non-financial assets such as investment properties, periodically (every 3-5 years) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3.4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group defines policies and procedures applied for both recurring measurements and assets held for distribution on discontinued operations.

Assets of substantial value, as tangible assets as well as substantial value liabilities are evaluated by the Group and the Parent Company with the assistance of external valuators. External valuators involvement need, is annually decided by the Group, the selection criteria being market knowledge and expertise, reputation, independence and observance of professional standards.

On each reporting date, the Group, according to its accounting policies, assesses if there is any change on the carrying values of assets and liabilities being subject to periodic reassessment and revaluation. For the above mentioned assessment, the management verifies considerable inputs applied to the last asset or liability evaluation, confirming data used for the evaluation against contracts and other relevant documents. For disclosing fair values, the Group’s assets and liabilities are categorized according to their nature, characteristics, potential risks stemming from specific asset or liability categories, as well as fair value hierarchy described above.

Investments and other financial assets

Financial assets in the scope of IAS 39 are classified based on their nature and their characteristics in financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets at fair value through profit and loss

This category includes financial assets classified as held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognized in income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Held - to - maturity investments

Financial assets with fixed payments and fixed maturity are classified as held - to - maturity, when the Group has the intention and the ability to hold them to maturity. Held – to – maturity investments which are held for an infinite or non – defined maturity cannot be classified into this category.

Held – to – maturity investments are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the investments are derecognized or eliminated as well as through the amortization process.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are not classified in any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognized as a separate component of equity. On disposal, impairment or de-recognition of the investment, the cumulative gain or loss is transferred to the income statement. The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models. When the fair value cannot be determined reliably, the investments are measured at their acquisition cost.
If an available-for-sale asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to the income statement. Impairment losses that have been recognized previously in the income statement and relate to investments in shares are not reversed through the profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

Impairment of financial assets
The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost
If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred)
The cash flows are discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in profit or loss. The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Inventories
Inventories include consumables, materials, lignite and liquid fuel.

Materials and consumables
Materials and consumables are stated at the lower of cost or net realizable value, the cost being determined using the weighted average method, which takes under consideration the net realizable value of the end product in which they are incorporated. These materials are recorded in inventory when purchased and then are expensed or capitalized to plant, as appropriate, when installed.

Lignite (self-produced and purchased)
The cost of lignite inventories which have been excavated / purchased but not yet consumed at the date of the financial statements is depicted at the balance sheet. Lignite inventories are stated at the lower of production cost / purchase cost and net realizable value, which takes under consideration the net realizable value of the end product in which they are incorporated with the cost being determined using the weighted average production / purchase cost method. Production / purchase cost mainly consists of expenses incurred in order for lignite inventories to be brought to its present location. Consumption of lignite is separately reflected in operating expenses in the accompanying statement of income.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Liquid fuel

Liquid fuel is stated at the lower of cost and net realisable value which takes under consideration the net realisable value of the end product in which it is incorporated. The cost of liquid fuel reflects purchase price plus any taxes (other than VAT), levies and other costs necessary to bring it to its present location and condition and is determined using the weighted average method for the period. Liquid fuel costs are expensed as consumed and are separately reflected in the accompanying statements of income.

Cash and cash equivalents

The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents.

Share capital

Share capital represents the par value of shares fully issued and outstanding. Any proceeds in excess of par value are recorded in share premium. Expenses related directly to new shares issuance are recognized directly to Equity net of proceeds.

De-recognition of financial assets and liabilities

Financial Receivables

A financial receivable (or, where applicable a part of a financial receivable or part of a group of similar financial receivables) is derecognized where: (1) the rights to receive cash flows from the asset have expired, (2) The Group retain the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement and (3) The Parent Company/ Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Where the Group / Parent Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group’s continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the balance sheet only when the Group has a legally enforceable right to set off the recognized amounts and intends to either settle such asset and liability on a net basis or realize the asset and settle the liability simultaneously.

Interest bearing loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs.

Provisions for risks and expenses, contingent liabilities and contingent claims

Provisions are recognised when the Group has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

3.4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Post- retirement benefits
The Parent Company employees and pensioners of the Group are entitled to supply of energy at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout the working period. Retirement obligations are calculated on the basis of financial and actuarial assumptions. Net costs for the period are included in the payroll cost in the statements of income and consist of the present value of the benefits earned in the year, decreased by the benefits offered to the pensioners. The retirement benefit obligations are not funded. Unrecognized actuarial gains or losses of the projected benefit obligation at the beginning of each period are recognized in the comprehensive statement of income.

Subsidies for fixed assets
The Group obtains subsidies from the Hellenic Republic and from the European Union (through the investment budget of the Hellenic Republic) in order to fund specific projects executed through a specific time period. Subsidies are recorded upon collection and are reflected as deferred income in the accompanying balance sheet. Amortization is accounted for in accordance with the remaining useful life of the related assets, and is included in depreciation and amortization in the accompanying statements of income.

Customers and producers contributions in the construction of fixed assets and Contributions of fixed assets from customers and producers
Customers and producers, who are connected with the transmission and distribution network, are required to participate in the initial network connection cost (metering devices, lines, substations, etc.) or other type of infrastructure, through the deposit of institutionally defined amounts or through fixed assets contribution (few cases). Until December 31, 2008, due to the lack of detailed accounting guidance under current IFRS, the Group has elected to record upon collection of contribution from customers and producers., for the construction of assets needed for their connection with the network, and were reflected in the Balance Sheet as deferred income. Their amortization was accounted for in accordance with the remaining useful life of the related financed assets and was included in the depreciation and amortisation of the income statement (the Group / Parent Company implemented the accounting policy used for contributions). From January 1st, 2009, the Group / Parent Company implementing earlier the Interpretation 18 “Transfers of Assets from Customers” recognize the cash and the assets received from customers and producers needed for their connection with the network, in fair values in the Income Statement. For cash received until December 31st, 2008, the Group / Parent Company used the previous adopted accounting policy.

Derivative financial instruments and hedging
The Parent Company uses derivative financial instruments to hedge its risks associated with interest rate, of foreign currency and liquid fuel prices fluctuations consumed by the Parent Company. Such derivative financial instruments are measured at fair value at the balance sheet date. The fair value of such derivatives is determined by reference to market values for similar instruments and it is confirmed with the respective financial institutions with which the Parent Company has concluded the relative contacts. The effective part of hedges that qualify for hedge accounting is recognized directly to equity if it is related to cash flow hedges while the ineffective part is charged to the separate income statement. If the hedge is related to effective fair value hedges, the gain or loss from remeasuring the derivative hedging instrument at fair value is recognized in profit or loss and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss. Under cash flow hedge accounting, when the hedged firm commitment results in the recognition of non-financial asset or a non-financial liability, then, at the time the asset or liability is recognized the associated gains or losses that had previously been recognized in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognized in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the year.
Certain derivatives, although characterized as effective hedges based on Group policies, do not meet the criteria for hedge accounting in accordance with the provisions of IAS 39 and, therefore, gains or losses are recognized in the statement of income.

3.4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Income taxes (current and deferred)

Current Income Taxes:
Current income tax expense consists of income taxes for the current year based on the Parent Company's profits and on the other companies of the Group as adjusted in its tax returns and, provisions for additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted or substantively enacted tax rates.

Deferred Income Taxes
Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax base and the book value of assets and liabilities. Deferred income tax liabilities are recognized for all taxable temporary differences. Except where the deferred income tax liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is possible that taxable profit will be available against the deductible temporary differences and the carried forward of unused tax credits and unused tax losses can be utilized. Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; the deferred tax assets are reviewed at each balance sheet date and reduced at the time where it is not considered as possible that enough taxable profits will be presented against which, a part or the total of assets can be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of income.

Defined contribution plans
The Parent Company and the Group recognize as an expense the contribution for the employees' services payable to IKA –ETAM /TAP DEH, ETEA, TAYTEKO (defined contribution plans) and as a liability the amount that has not been paid yet.

Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from all types of electricity sales is accounted for on an accrual basis. At each balance sheet date, unbilled revenue is recorded to account for electricity delivered and consumed by customers but not yet billed. Deductions from reduced consumption of electricity as defined by specific return policies of the Group are accounted when they can reliably be estimated (based on historical data, if available or on prior year's data. Revenue from rendering of services is recognized based on the stage of completion of the service rendered and to the extent that the related receivable will be collected. Revenue from interest is recognized within the period incurred and revenue from dividends is recognized when the Group's right on such dividends is approved by the respective bodies of the companies' that declare them.

Electricity
Electricity costs are expensed as purchased and separately reflected in the accompanying statement of income.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right or use the asset.
Group as a lessee
Leases, which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight line basis over the lease term.
Group as a lessor
Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as revenue in the statement of income on a straight line basis over the lease term.

3.4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Earnings/ (Losses) per share
The basic and diluted earnings per share, are computed by dividing net income by the weighted average number of shares outstanding during the relevant year. The weighted average number of shares is derived by adding the existing shares, that the share capital is divided, with the rights that the Parent Company owns and potentially could exercise.

Subsequent events
Post period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes.

Non-current Assets Held for Sale and Discontinued Operations :
The Group classifies a non-current asset (or disposal group) as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In sale transactions, all exchanges of non – current assets for other non – current assets are included, if the transaction has commercial value.
The basic preconditions to classify a non-current asset (or a disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets / groups and its sale must be highly probable.
Immediately, before the original classification of the non - current asset or disposal group as held for sale , the current asset or disposal group is evaluated based on the appropriate per case IFRS.
Non - current assets (or disposal group) classified as held for sale will be measured at the lower of its carrying amount and fair value less costs to sell and any possible resulting impairment losses will be recognized in the income statement. Any subsequent increase in fair value will be recognized, but not in excess of the cumulative impairment loss which was previously recognized.
While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale it should not be depreciated or amortized.

Operating Segment
According to L. 4001/2011, the Group is obliged to prepare and integrate in its financial statements, accounting unbundled financial statements for each sector. These include the Parent Company's activities in the Sectors of Mines, Generation, Distribution, Supply. In 2011, the Transmission activity was transferred to IPTO which is a PPC's subsidiary, according to the model of the Independent Transmission Operator and all organizational units as well as activities of HTSO that pertained to management, operation, development and maintenance of the Transmission System apart from the Daily Ahead Schedule. In 2012 the Distribution Activity was transferred to HEDNO. By the contribution of the General Division of Distribution as well as the Department of Islands' Region, to its subsidiary HEDNO, PPC has maintained the ownership of the fixed assets as well as the assets of the Distribution Network and the Non- Interconnected Islands' Network. As a result, information disclosures by operational sector as well as the principles of segment as presented in IFRS 8 "Operating Segment" are stated in the Appendix 1.

3.5. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The new standards, amendments / improvements of standards or Interpretations listed below, were issued but have not been adopted in the accounting period, beginning in January 1, 2014:

- **IAS 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortization**
  The amendment is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.5. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

- **IAS 19 Employee benefits (Amended): Employee Contributions**
  The amendment is effective for annual periods beginning on or after 1 February 2015. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements

- **IFRS 9 Financial Instruments – Classification and measurement**
  The standard is applied for annual periods beginning on or after 1 January 2018 with early adoption permitted. The final phase of IFRS 9 reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The standard has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this standard on the Group's financial statements

- **IFRS 11 Joint arrangements (Amendment): Accounting for Acquisitions of Interests in Joint Operations**
  The amendment is effective for annual periods beginning on or after 1 January 2016. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions. The amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements

- **IFRS 14 Regulatory Deferral Accounts**
  The standard is effective for annual periods beginning on or after 1 January 2016. The aim of this interim standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities, whereby governments regulate the supply and pricing of particular types of activity. This can include utilities such as gas, electricity and water. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This standard has not yet been endorsed by the EU.

- **IFRS 15 Revenue from Contracts with Customers**
  The standard is effective for annual periods beginning on or after 1 January 2017. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard has not been yet endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- **IAS 27 Separate Financial Statements (amended)**
  The amendment is effective from 1 January 2016. This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and will help some jurisdictions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors. This amendment has not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

3.5. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be effective from annual periods commencing on or after 1 January 2016. The amendments have not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

- The **IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 February 2015. The Group is in the process of assessing the impact of this amendment on the Group's financial statements

  - ***IFRS 2 Share-based Payment:*** This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').
  - ***IFRS 3 Business combinations:*** This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.
  - ***IFRS 8 Operating Segments:*** This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
  - ***IFRS 13 Fair Value Measurement:*** This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.
  - ***IAS 16 Property Plant & Equipment:*** The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
  - ***IAS 24 Related Party Disclosures:*** The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
  - ***IAS 38 Intangible Assets:*** The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

  The **IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 February 2015. The Group is in the process of assessing the impact of this amendment on the Group's financial statements

  - ***IFRS 3 Business Combinations:*** This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
  - ***IFRS 13 Fair Value Measurement:*** This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
  - ***IAS 40 Investment Properties:*** This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

3.5. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

- The **IASB has issued the Annual Improvements to IFRSs 2012 – 2014 Cycle,** which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016. These annual improvements have not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the Group's financial statements

- ***IFRS 5 Non-current Assets Held for Sale and Discontinued Operations***: The amendment clarifies that changing from one of the disposal methods to the other (through sale or through distribution to the owners) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- ***IFRS 7 Financial Instruments***: ***Disclosures***: The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. Also, the amendment clarifies that the IFRS 7 disclosures relating to the offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.
- ***IAS 19 Employee Benefits***: The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- ***IAS 34 Interim Financial Reporting:*** The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

- **IFRS 10, and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendments)**
The amendments address three issues arising in practice in the application of the investment entities consolidation exception. The amendments are effective for annual periods beginning on or after 1 January 2016. The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Also, the amendments clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. Finally, the amendments to *IAS 28 Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments have not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements

- **IAS 1: Disclosure Initiative (Amendment)**
The amendments to IAS 1 *Presentation of Financial Statements* further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. The narrow-focus amendments to IAS clarify, rather than significantly change, existing IAS 1 requirements. The amendments relate to materiality, order of the notes, subtotals and disaggregation, accounting policies and presentation of items of other comprehensive income (OCI) arising from equity accounted Investments. These amendments have not yet been endorsed by the EU. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements

The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

4. REVENUES

	Group		Company	
	2014	**2013**	**2014**	**2013**
Energy sales:				
- High voltage	344,594	416,825	344,683	416,825
- Medium voltage	1,048,003	1,082,598	1,049,943	1,082,598
- Low voltage	4,249,769	4,250,550	4,249,769	4,251,613
- Renewable Energy Sources	12,243	15,834	-	-
	5,654,609	**5,765,807**	**5,644,395**	**5,751,036**
Fees charged to EMO				
- Transmission system fees	5,988	3,188	-	-
- Administrative fees	314	711	-	-
	6,302	**3,899**	**-**	**-**
- Interconnection rights	26,945	22,303	-	-
- Received customers' contributions	72,130	90,212	68,442	84,830
- Public Service Obligations	16,925	12,706	16,925	12,706
- Distribution Network Revenue	18,818	10,339	-	-
-Other	67,928	65,560	66,988	70,080
	202,746	**201,120**	**152,355**	**167,616**
Total	**5,863,657**	**5,970,826**	**5,796,750**	**5,918,652**

5. PAYROLL COST

	Group		Company	
	2014	**2013 (reclassified)**	**2014**	**2013 (reclassified)**
Payroll cost	765,909	797,570	460,910	478,001
Employer0s' social contributions	242,291	254,321	148,485	156,425
Provision for reduced tariffs (note 29)	(3,099)	(2,340)	(1,822)	(1,898)
Payroll cost included in fixed assets	(90,891)	(109,690)	(18,106)	(20,258)
Total	**914,210**	**939,861**	**589,467**	**612,270**

6. ENERGY PURCHASES

	Group		Company	
	2014	**2013**	**2014**	**2013**
DAS and arrangements of differences	868,189	626,775	869,189	626,775
Energy imports from abroad	127,551	118,959	127,818	118,959
Other domestic energy purchases	140,621	174,295	153,359	186,829
Net charge to secure sufficient capacity	175,735	130,017	175,735	130,017
Purchase rights	13,954	6,135	23,487	11,979
Net charge for coverage of the generation variable cost recovery	18,814	336,406	18,814	336,406
Special taxes	54,437	142,543	54,437	142,543
Arrangement of losses	44,070	30,650	44,070	30,649
Average variable cost thermal units	33,380	33,211	33,380	33,211
Net charge of ancillary services	23,617	23,594	23,617	23,594
Other purchases	13,319	17,286	19,687	21,881
TOTAL	**1,514,687**	**1,639,871**	**1,543,593**	**1,662,843**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

7. DEPRECIATION AND AMORTIZATION

	Group		Company	
	2014	**(2013 (reclassified))**	**2014**	**2013 (reclassified)**
Depreciation/ amortization:				
- Fixed assets (note 13)	661,850	695,344	591,128	624,752
- Software (note 14)	3,827	3,485	3,108	2,736
- Transfer to subsidies and customers' contributions (note 31)	(76,517)	(76,107)	(71,227)	(70,698)
TOTAL	**606,047**	**622,722**	**539,924**	**556,790**

8. EMISSION ALLOWANCES (CO_2)

According to the current European and National legislation, during the 3rd implementation phase of the EU ETS (period 2013-2020), PPC is not entitled to free allocation of emission allowances, with the exception of allowances allocated for emissions corresponding to the generation of thermal power for district heating.
In accordance with its verified 2013 CO_2 emissions, the emission allowances that PPC surrendered to the Greek part of the EU Greenhouse Gas Emission Allowances Trading Registry (EU Registry) to fulfil its compliance obligations for the year 2013 amount to 41.3 Mt. During 2013, PPC has been allocated with about 0.77 Mt allowances for district heating emissions.
Based on provisional ex-post data, the CO_2 emissions of the Parent Company's bound plants for the period 01.01.2014 – 31.12.2014 amount to 39.23 Mt. It should be noted that the emissions of 2014 will be considered final by the end of March 2015, when the verification of the annual emissions reports by accredited third party verifiers is completed. Consequently, the total CO_2 emissions that PPC will have to surrender for compliance purposes for the period 01.01.2014 – 31.12.2014 are estimated at 39.23 Mt.

The CO_2 emission rights' deficit consumptions are as follows :

	2014	**2013**
Cover of emissions from purchased EUAS	217,637	177,028
Cover of emissions from purchased CERS	-	2,209
Cover of prior year deficit	(702)	3,653
Provision for cover of current year deficit	-	561
Managing expenses	11	4,066
Total	**216,946**	**187,517**

9. FINANCIAL EXPENSES

	Group		Company	
	2014	**2013**	**2014**	**2013**
Interest Expenses	240,975	236,070	216,070	210,124
Bank charges	1,094	839	501	1,050
Amortization of loans' issuance costs	10,320	7,283	9,859	6,397
Changes in derivatives' fair value (note 28)	-	240	-	240
Commissions on letter of guarantee	24,113	20,107	23,512	19,321
Finance cost on mine's restorations provision (Note. 30)	1,492	1,323	1,492	1,323
Other	-	932	-	389
Total	**277,994**	**266,794**	**251,434**	**238,844**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

10. FINANCIAL INCOME

	Group		Company	
	2014	**2013**	**2014**	**2013**
Interest on outstanding energy receivables	52,504	36,112	52,504	36,112
Commission on subsidiary loans' guarantee	-	-	10,563	22,682
Interest on bank and time deposits (note 22)	7,580	6,448	4,124	4,464
Dividends from Subsidiaries	-	-	19,007	8,481
Dividends from investments "available-for-sale" (note 21)	-	879	-	879
Change in derivatives' fair value (note 28)	2,248	1,365	2,248	1,365
Other	1,859	2,594	1,506	2,102
Total	**64,191**	**47,398**	**89,952**	**76,085**

11. OTHER (INCOME) EXPENSE, NET

	Group		Company	
OTHER EXPENSE	**2014**	**2013 (reclassified)**	**2014**	**2013 (reclassified)**
Transportation and travel expenses	20,148	17,120	8,574	7,175
Taxes and duties	56,775	60,010	49,661	49,586
Loss on disposals of fixed assets	10,343	10,148	10,259	9,585
Impairment of construction in progress	-	3,658	-	3,658
Other receivables extraordinary write -offs	-	93,277	-	93,277
Consumables	11,964	5,928	5,737	3,685
Other	19,530	25,752	10,906	27,803
	118,760	**215,893**	**85,137**	**194,769**
OTHER REVENUE				
Penalties to suppliers/ contractors	(4,030)	(4,476)	(2,584)	(2,118)
Subsidies on expenses	(4,549)	(251)	(4,549)	(251)
Income from rentals	(2,570)	(417)	(13,171)	(12,500)
Income from settlement with DEPA	(23,344)	-	(23,344)	-
Other	(8,311)	(25,650)	(29,279)	(48,528)
	(42,804)	**(30,794)**	**(72,927)**	**(63,397)**
Grand Total	**75,956**	**185,099**	**12,210**	**131,372**

12. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	2014	**2013**	**2014**	**2013**
Current income taxes	5,266	13,418	-	-
Deferred income tax	39,053	229,157	11,881	220,283
Additional taxes	5,003	17,602	1,801	17,164
Total income tax expense	**46,304**	**260,177**	**13,682**	**237,447**

The Group's companies that have their residence in Greece are subject to the provisions of L. 4172/2013 and a tax rate of 26%. Tax returns for the companies residing in Greece 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. The Group establishes a provision, if deemed necessary, by case and by company, in case of additional taxes being imposed by the tax authorities.
Based on the applicable Income Tax Code, from the financial year 2011, 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 the tax law. Audit matters which are not covered by the above mentioned decision are dealt in accordance to the ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information". The Group's companies that are subject to the above mentioned provisions are : PPC S.A., IPTO S.A., HEDNO S.A., and PPC Renewables S.A.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

12. INCOME TAXES (CURRENT AND DEFERRED) (continued)

The tax audit for the Parent Company for the year 2013 was completed by its auditors that issued a tax conformity report with an "unmodified opinion".
In addition by January 2014, the Centre for Auditing Big Companies is executing a tax audit for the years 2009, 2010 and 2011, which is underway.
Finally, in the year 2014 the tax audit for HEDNO S.A was concluded for the years 2002 up to 2011 (which pertained exclusively to the preexistent of HEDNO, company PPC Rhodes S.A.) as well as the audit for PPC Renewables S.A. for the years 2010 and 2011, by the competent tax authorities.

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	2012
- HEDNO S.A.	Greece	2012
- 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	2009
- PPC QUANTUM ENERGY LTD	Cyprus	-
- PPC BULGARIA JSCo	Bulgaria	2014
- PPC Elektrik Tedarik ve Ticaret A.S.	Turkey	2014
- PHOIBE ENERGIAKH S.A.	Greece	2007

For the unaudited tax years the Group establishes a provision on the basis of the findings of prior tax audits.
An analysis and numerical reconciliation between tax expense and the product of accounting profit multiplied by the nominal applicable tax rate is set out below:

	Group		Company	
	2014	**2013**	**2014**	**2013**
Profit before tax	**137,624**	**34,889**	**47,881**	**(86,878)**
Nominal tax rate	26%	26%	26%	26%
Income tax calculated at nominal tax rate	35,782	9,071	12,449	(22,588)
Provision for additional taxes	1,985	17,602	1,801	17,164
Non deductible expenses	7,885	9,277	3,716	5,801
Non taxable income	-	-	(4,942)	(2,205)
Non taxable expense	652	882	650	882
Allowances for which no deferred taxes have been recognized	-	8,743	-	8,743
Impact from tax rate change	-	(13,660)	-	1,388
Investment in IPTO	-	228,262	-	228,262
Income tax expense	**46,304**	**260,177**	**13,682**	**237,447**
	33.6%	**745.7%**	**28.6%**	**(273.3%)**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

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

The movement of the deferred income tax account is as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
At January 1 2014	**(519,455)**	**(212,254)**	**(490,919)**	**(209,249)**
Profit and loss account (debit)/credit	(39,053)	(229,157)	(11,881)	(220,283)
(Debit) /Credit directly in other total income	(236,231)	(78,044)	(220,468)	(61,387)
At December 31 2014	**(794,739)**	**(519,455)**	**(723,268)**	**(490,919)**

Deferred income tax receivables and liabilities are disclosed in the accompanying balance sheets as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
Deferred income tax				
- Asset	628,069	499,601	551,293	413,430
- Liability	(1,422,808)	(1,019,056)	(1,274,561)	(904,349)
Total	**(794,739)**	**(519,455)**	**(723,268)**	**(490,919)**

	Group		Company	
	2014	**2013**	**2014**	**2013**
Deferred tax receivables				
- Materials and spare parts	39,343	37,928	31,289	29,796
- Trade receivable	363,324	277,167	331,668	242,737
- Risks and accruals	39,191	39,459	15,952	9,200
- Subsidies and customers' contributions	106,886	69,995	101,312	67,299
- Provision for CO_2	666	666	666	666
- Fixed assets	70,559	45,959	70,122	45,522
- Tax liabilities	13,279	9,043	3,573	-
- Other	(5,179)	19,384	(3,289)	18,210
Deferred tax receivables	**628,069**	**499,601**	**551,293**	**413,430**
Deferred tax liabilities				
- Long-term debt fees and expenses	(27,699)	(5,199)	(27,733)	(5,113)
- Depreciation and revaluation of assets	(1,166,790)	(786,184)	(1,010,649)	(663,703)
- Derivatives	95	680	95	680
- Foreign exchange (gains)	(152)	(91)	(152)	(91)
- Subsidiaries and associates	-	-	(7,860)	(7.860)
- Investment in IPTO S.A.	(228,262)	(228,262)	(228,262)	(228,262)
Deferred tax liability	**(1,422,808)**	**(1,019,056)**	**(1,274,561)**	**(904,349)**
Deferred Tax Liability net	**(794,739)**	**(519,455)**	**(723,268)**	**(490,919)**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

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

Deferred income tax charged in the statement of income is attributable to the following items:

	Group		Company	
	2014	2013	2014	2013
- Materials and spare parts	1,415	10,485	1,493	8,253
- Trade receivables	86,157	136,579	88,931	131,039
- Risks and accruals	(268)	5,415	6,752	2,052
- Subsidies	36,891	42,949	34,13	40,495
- Fixed assets	24,600	4,265	24,600	3,828
- Derivatives	(585)	(116)	(585)	(116)
- Long-term debt fees and expenses	(22,500)	(1,831)	(22,620)	(1,965)
- Investment in IPTO S.A.	-	(228,262)	-	(228,262)
- Subsidiaries and associates	-	-	-	(1.814)
- Depreciation	(144,375)	(219,124)	(126,478)	(185,393)
- Foreign exchange (gains)	(61)	(60)	(61)	(60)
- Provision for CO_2	-	(3,022)	-	(3,022)
- Tax losses	4,236	9,043	3,573	-
- Other	(24,563)	14,522	(21,499)	14,682
Deferred tax charge	**(39,053)**	**(229,157)**	**(11,881)**	**(220,283)**

Deferred tax liability on IPTO's investment value

As at 31.12.2013, the Parent Company recognized a deferred tax liability on the difference between the accounting and tax basis of the value of its investment in the subsidiary IPTO S.A. More precisely, the value of the investment in PPC's tax books amounts to Euro 38,444, while the respective value in the accounting books amounts to Euro 916,376. By applying on the difference of Euro 877,932 the current income tax rate of 26%, a differed tax liability of Euro 228,262 is derived.

Part of this surplus value arising in the tax books, of an amount of Euro 589.615, originates from the reserve of Law 2941/2001 relating to the spanned off Transmission segment which was transferred to IPTO S.A. in its capacity as a sole successor. In accordance to paragraph 3, case (6), of article 98 of Law 4001/2011, all tax or accounting treatment which were performed by PPC and relating to the segment and which relate to future benefits or liabilities, are transferred to IPTO S.A.

Consequently, upon the disposal of IPTO S.A. and the payment by the Parent Company of the respective income tax derived from the difference between the sale consideration and the tax book value, the reserve of Law 2941/2001 (Euro 589,615) is considered as taxed, and thus IPTO S.A. in its capacity as a sole successor of PPC S.A., is eligible to transfer this reserve to retained earnings and thus making it available for distribution without payment of any additional income taxes.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

13. TANGIBLE ASSETS

GROUP

Net book value		Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transportation Assets	Fixtures and Furniture	Construction in progress	Total
	December 31, 2012	**883,629**	**361,605**	**9,562**	**1,655,995**	**7,957,540**	**64,939**	**101,803**	**1,868,518**	**12,903,591**
- Additions		-	3,530	-	-	-	-	-	698,528	702,058
- Depreciation expense		-	(59,297)	(449)	(84,635)	(527,060)	(7,912)	(15,991)	-	(695,344)
- Disposals		(8)	-	-	(455)	(19,013)	(93)	(503)	(155)	(20,227)
- Transfers from CIP		206	28,438	-	73,791	745,791	654	6,321	(858,207)	(3,006)
- Transfers		(22,710)	29,362	-	1,551	(4,670)	(1,529)	1,375	(3,807)	(428)
- Other movements		-	-	-	-	(133)	-	16	45,193	45,076
	December 31, 2013	**861,117**	**363,638**	**9,113**	**1,646,247**	**8,152,455**	**56,059**	**93,021**	**1,750,070**	**12,931,720**
- Additions		122	2,953	-	174	200,996	1,127	11,997	413,585	630,954
- Depreciation expense		-	(42,730)	(683)	(88,367)	(524,893)	(7,244)	(14,820)	-	(678,737)
- Disposals		(408)	-	-	(240)	(10,107)	(35)	(350)	(517)	(11,657)
- Transfers from CIP		2,972	72,619	15,580	269,655	216,848	1,156	6,550	(593,362)	(7,982)
- Transfers		-	-	-	(5,417)	5,417	-	-	-	-
- Other movements		-	(13,117)	-	-	-	245	(245)	(9,653)	(22,770)
- Revaluation / Devaluation surplus		(270,937)	-	-	252,438	887,032	5,442	(25,965)	-	848,010
	December 31, 2014	**592,866**	**383,363**	**24,010**	**2,074,490**	**8,927,748**	**56,750**	**70,188**	**1,560,123**	**13,689,538**
At December 31, 2012										
Gross carrying amount		883,629	738,631	22,603	1,962,696	9,663,990	92,832	219,776	1,868,518	**15,452,675**
Accumulated depreciation		-	(377,026)	(13,041)	(306,701)	(1,706,450)	(27,893)	(117,973)	-	**(2,549,084)**
Net carrying amount		**883,629**	**361,605**	**9,562**	**1,655,995**	**7,957,540**	**64,939**	**101,803**	**1,868,518**	**12,903,591**
At December 31, 2013										
Gross carrying amount		861,117	799,961	22,603	2,037,583	10,385,965	91,864	226,985	1,750,070	**16,176,148**
Accumulated depreciation		-	(436,323)	(13,490)	(391,336)	(2,233,510)	(35,805)	(133,964)	-	**(3,244,428)**
Net carrying amount		**861,117**	**363,638**	**9,113**	**1,646,247**	**8,152,455**	**56,059**	**93,021**	**1,750,070**	**12,931,720**
At December 31, 2014										
Gross carrying amount		592,866	852,753	38,174	2,096,048	9,032,325	57,111	122,231	1,560,123	**14,351,632**
Accumulated depreciation		-	(469,390)	(14,164)	(21,558)	(104,578)	(361)	(52,043)	-	**(662,094)**
Net carrying amount		**592,866**	**383,363**	**24,010**	**2,074,490**	**8,927,748**	**56,750**	**70,188**	**1,560,123**	**13,689,538**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

13. TANGIBLE ASSETS (CONTINUED)

PARENT COMPANY

Net book value	Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transportation Assets	Fixtures and Furniture	Construction in progress	Total
December 31, 2012	**661,875**	**361,605**	**9,560**	**1,556,289**	**6,869,365**	**30,466**	**80,411**	**1,574,287**	**11,143,858**
- Additions	-	3,530	-	-	-	-	-	601,894	605,424
- Depreciation expense	-	(59,297)	(449)	(79,696)	(470,214)	(3,842)	(11,254)	-	(624,752)
- Disposals	(8)	-	-	(455)	(19,013)	(55)	(336)	-	(19,867)
- Transfers from CIP	5	28,438	-	61,414	667,471	493	3,512	(763,889)	(2,556)
- Transfers	(22,710)	29,362	-	1,551	(4,666)	(1,529)	1,329	(3,765)	(428)
- Other movements	-	-	-	-	(133)	-	(12)	49,394	49,249
December 31, 2013	**639,162**	**363,638**	**9,111**	**1,539,103**	**7,042,810**	**25,533**	**73,650**	**1,457,921**	**11,150,928**
- Additions	-	2,953	-	153	200,996	1,111	10,860	315,279	531,352
- Depreciation expense	-	(42,730)	(683)	(83,110)	(467,193)	(3,418)	(10,909)	-	(608,043)
- Disposals	(408)	-	-	(234)	(10,107)	(23)	(271)	-	(11,043)
- Transfers from CIP	2,972	72,619	15,580	268,684	211,511	263	5,569	(581,980)	(4,782)
- Transfers	-	-	-	(5,417)	5,417	-	-	-	-
- Other movements	-	(13,117)	-	-	-	-	-	38,538	25,421
- Revaluation /Devaluation surplus	(245,213)	-	-	235,198	855,734	2,442	(29,539)	-	818,622
December 31, 2014	**396,513**	**383,363**	**24,008**	**1,954,377**	**7,839,168**	**25,908**	**49,360**	**1,229,758**	**11,902,455**
At January 1, 2012									
Gross carrying amount	661,875	738,631	22,594	1,841,239	8,386,940	43,807	156,236	1,574,287	**13,425,609**
Accumulated depreciation	-	(377,026)	(13,034)	(284,950)	(1,517,575)	(13,341)	(75,825)	-	**(2,281,751)**
Net carrying amount	**661,875**	**361,605**	**9,560**	**1,556,289**	**6,869,365**	**30,466**	**80,411**	**1,574,287**	**11,143,858**
At December 31, 2013									
Gross carrying amount	639,162	799,961	22,594	1,903,749	9,030,599	42,716	160,729	1,457,921	**14,057,431**
Accumulated depreciation	-	(436,323)	(13,483)	(364,646)	(1,987,789)	(17,183)	(87,079)	-	**(2,906,503)**
Net carrying amount	**639,162**	**363,638**	**9,111**	**1,539,103**	**7,042,810**	**25,533**	**73,650**	**1,457,921**	**11,150,928**
At December 31, 2014									
Gross carrying amount	396,513	852,753	38,174	1,974,889	7,943,292	25,908	100,315	1,229,758	**12,561,604**
Accumulated depreciation	-	(469,390)	(14,166)	(20,152)	(104,124)	-	(50,955)	-	**(659,149)**
Net carrying amount	**396,513**	**383,363**	**24,008**	**1,954,377**	**7,839,168**	**25,908**	**49,360**	**1,229,758**	**11,902,455**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

13. TANGIBLE ASSETS (CONTINUED)

Revaluation of Fixed Assets:
Within 2014, the Group proceeded with the revaluation of its operating fixed assets as of December 31, 2014. The revaluation was carried out by an independent firm of appraisers, according to IAS 16. The results of the above appraisal which excluded lakes, land for the extraction of lignite and construction in progress, were recorded in the Company’s books on December 31, 2014. The previous revaluation took place on December 31, 2009.

The method and the significant assumptions used by the independent appraiser for the valuation are as follows:

(a) All properties appraised were considered to be the ownership of PPC Group, while properties that, the Group notified to the independent appraiser or during the appraiser’s site inspection, were identified as having restraints have not been included in the assets measured at fair value

(b) The title deeds, building permits and other similar permits, required by the Greek law, are available by PPC Group.

(c) The majority of real estate properties appraised is held for use by the Mines, the Generation, the Transmission (IPTO S.A) and the Distribution divisions of PPC Group, or for administrative purposes, and are expected to be used as such for their remaining useful lives.

(d) The Fair Value of land, buildings and equipment was determined by the use of the Market Approach (market-based evidence), undertaken by professionally qualified appraisers. The fair value for special purpose buildings, machinery and civil works was determined by the use of the cost approach, and more particularly the depreciated replacement cost method where adjustments were made to reflect the physical, functional and economic obsolescence.

(e) The economic obsolescence was determined by the appraiser using the income approach, through a Discounted Cash Flow analysis. The discount rate used on Group level amounted to 8.2%. Furthermore, it is noted that the Discounted Cash Flow has taken under consideration PPC’s subsidiary IPTO S.A Ten Year Network Development Plan 2014-2023, as approved by RAE. The economic obsolescence was allocated proportionally to all tangible assets, which were revaluated based on the cost approach, as required by the International Valuation Standards.

The revalued amounts, from appraisers’ work, compared to Net Book Value of the fixed assets, resulted to net surplus for the Group amounted to approximately Euro 672.4 mil., (Parent Company 627 mil.), which was credited directly in Revaluation Surplus in Comprehensive Income (Euro 848 mil. and Euro 818 mil. net of Deferred Taxes for the Group and the Parent Company, respectively). Additionally, an amount of Euro 44.8 mil. which was not offset by previous years’ Revaluation Surplus was charged in the Statement of Income for the year ended at December 31, 2014 (Parent Company : 21.7 mil.).

Surplus revaluation reserve
The following tables present the total fixed assets revaluation effect in the income and comprehensive income statements, as well as the surplus revaluation reserve’s movement.

Surplus revaluation reserve

	Group	**Company**
Revaluation from appraisal	2,192,859	1,876,105
Devaluation from appraisal	(1,284,272)	(1,028,151)
Total revaluation of fixed assets directly in the statement of other comprehensive income	908,587	847,954
Devaluation from appraisal charged in the statement of income	(60,577)	(29,332)
Total effect of 2014 revaluation	**848,010**	**818,622**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

13. TANGIBLE ASSETS (CONTINUED)

	Group	Company
Revaluation from appraisal	2,192,859	1,876,105
Deferred tax (expense) on revaluation	(570,141)	(487,787)
Devaluation from appraisal	(1,284,272)	(1,028,151)
Deferred tax (income) on devaluation	333,910	267,319
Total revaluation of fixed assets recognized directly in the statement of other comprehensive income net of deferred tax	672,356	627,486
Devaluation from appraisal charged in statement of income	(60,577)	(29,332)
Deferred tax (income) on devaluation	15,750	7,626
Total revaluation amount of fixed assets charged in in statement of income, net of deferred tax	(44,827)	(21,706)
Total effect of 2014 revaluation, net of deferred taxes	**627,529**	**605,780**

	Group	Company
Revaluation surplus reserve of fixed assets		
Balance 31.12.2013	**4,186,763**	**3,478,917**
Decrease due to devaluation from appraisal	(950,360)	(760,832)
Increase due to revaluation from appraisal	1,622,716	1,388,318
Movements not related to 2014 appraisal (retirements of fixed assets)	(25,524)	(23,717)
Balance 31.12.2014	**4,833,594**	**4,082,686**

Encumbrances on intangible assets: Intangible assets are held free from encumbrances and any claims against the Group's fixed assets are deemed as not substantial.

14. INTANGIBLE ASSETS, NET

Group

	31.12.2014			31.12.2013		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	**5,577**	**16,597**	**22,174**	**5,707**	**48,670**	**54,377**
- Additions	1,227	260,032		3,006	151,378	154,384
- Consumptions (note 8)	-	(217,637)	(217,637)		-	(183,451)
- Depreciation (note 7)	(3,827)	-		(3,485)	-	(3,485)
- Disposals	(5)	-		(79)	-	(79)
- Transfers	7,982	-		428	-	428
December 31	**10,954**	**58,992**	**69,946**	**5,577**	**16,597**	**22,174**

Company

	31.12.2014			31.12.2013		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	**5,021**	**16,597**	**21,618**	**4,775**	**48,670**	**53,445**
- Additions	81	260,032	260,113	2,556	151,378	153,934
- Consumptions (note 8)	-	(217,637)	(217,637)		(183,451)	(183,451)
- Depreciation (note 7)	(3,108)	-	(3,108)	(2,736)	-	(2,736)
- Disposals	(3)	-	(3)	(2)	-	(2)
-Transfers	4,782	-	4,782	428	-	428
December 31	**6,773**	**58,992**	**65,765**	**5,021**	**16,597**	**21,618**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

14. INTANGIBLE ASSETS, NET (CONTINUED)

The net carrying amount of software is further analyzed as follows:

	Group	Company
At December 31, 2012		
Gross carrying amount	48,751	41,659
Accumulated amortization	(43,044)	(36,884)
Net carrying amount	**5,707**	**4,775**
At December 31, 2013		
Gross carrying amount	52,106	44,641
Accumulated amortization	(46,529)	(39,620)
Net carrying amount	**5,577**	**5,021**
At December 31, 2014		
Gross carrying amount	61,310	52,917
Accumulated amortization	(50,356)	(46,144)
Net carrying amount	**10,954**	**6,773**

15. INVESTMENTS IN SUBSIDIARIES

The direct subsidiaries of the Parent Company and the value of the investment are as follows:

	Company	
	31.12.2014	**31.12.2013**
IPTO S.A	916,376	916,376
HEDNO S.A.	56,982	56,982
PPC Renewables S.A.	155,438	135,899
PPC FINANCE PLC	59	-
PPC BULGARIA JSCo	522	-
PPC ELEKTRİK TEDARİK VE TİCARET A.S	687	-
PPC QUANTUM ENERGY LTD	-	-
	1,130,064	**1,109,257**

Payments for share capital increases

PPC Finance Plc
In May 2014 the payment for the increase of PPC Finance Plc's share capital of a total amount of Euro 65.6, was completed by its shareholders. In particular, PPC S.A. paid the amount of Euro 59 (90%) while PPC Renewables paid the amount of Euro 6.6 (10%).

PPC ELEKTRİK TEDARİK VE TİCARET ANONİM ŞİRKETİ
In the current year the Parent Company has proceeded to two payments of a total amount of Euro 687 for the increase of the share capital of its wholly owned subsidiary PPC ELEKTRIK TEDARIK VE TİCARET ANONİM ŞİRKETİ.

PPC BULGARIA JSCo
In June 2014 the Parent Company has proceeded to the payment of Euro 522 for the increase of the share capital of PPC BULGARIA JSCo, its subsidiary by 85%.

PPC Renewables S.A.
In the current year the Parent Company has proceeded to four payments of a total amount of Euro 19.5 mil. for the increase of its wholly owned subsidiary PPC Renewables' share capital.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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
	31.12.2014	31.12.2013		
PPC Renewables S.A.	100%	100%	Greece - 1998	RES
HEDNO S.A.	100%	100%	Greece - 1999	HEDN
IPTO S.A.	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	Financing Services
PPC Quantum Energy Ltd	51%	51%	Cyprus, 2011	Engineering, construction and operation of a power plant
PPC BULGARIA JSCo	85%	-	Bulgaria - 2014	Supply of power
PPC Elektrik Tedarik ve Ticaret A.S.	100%	-	Turkey - 2014	Supply of power
PHOIBE ENERGIAKI S.A	100%	100%	Greece -2007	RES

16. INVESTMENTS IN ASSOCIATES

The following table presents condensed information of PPC's share in associates' assets, liabilities and shareholders' equity as at December 31,2014:

	Group		Company	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
Larco S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	2,326	2,225	-	-
PPC Renewables TERNA Energiaki S.A.	2,297	1,988	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	1,639	2,264	-	-
PPC Renewables MEK Energiaki S.A.	1,241	1,936	-	-
PPC Renewables ELTEV AIFOROS S.A.	2,292	2,166	-	-
PPC Renewables EDF EN GREECE S.A.	10,683	10,925	-	-
Good Works Real Estate and Development S.A.	-	86	-	-
Aioliko Parko LOYKO S.A.	28	-	-	-
Aioliko Parko MBAMBO VIGLIES S.A.	31	-	-	-
Aioliko Parko KILIZA S.A.	30	-	-	-
Aioliko Parko LEFKIVARI S.A.	35	8	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	36	2	-	-
Renewable Energy Applications LTD	27	27	-	-
WASTE SYCLO S.A.	26	-	162	49
PPC Solar Solutions A.E.	974	-	980	-
	21,665	**21,627**	**1,142**	**49**

In May and June 2014, the Parent Company has proceeded to the payment of Euro 480 and Euro 500, respectively for the increase of PPC Solar Solutions' share capital.
In January 2014, the Parent Company has proceeded to the payment of Euro 113, for the increase of WASTE SYCLO's share capital.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

16. INVESTMENTS IN ASSOCIATES (CONTINUED)

The full list of the Group's and the Parent Company's associates are as follows:

Name	Note	Ownership Interest 31.12.2014	Ownership Interest 31.12.13	Country and year of Incorporation	Principal Activities
Larco S.A.		11.45%	11.45%	Greece – 1989	Metallurgical
PPC Renewables ROKAS S.A.		49.00%	49.00%	Greece - 2000	RES
PPC Renewables TERNA Energiaki S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables NANKO Energy – MYHE Gitani S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables MEK Energiaki S.A.		49.00%	49.00%	Greece - 2001	RES
PPC Renewables ELTEV AIFOROS S.A.		49.00%	49.00%	Greece – 2004	RES
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece – 2007	RES
EEN VOIOTIA S.A.	1	46.60%	46.60%	Greece – 2007	RES
Good Works Real Estate and Development S.A.		49.00%	49.00%	Greece – 2005	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko BAMBO VIGLIES S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko KILIZA S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko LEFKIVARI A.E.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko AGIOS ONOUFRIOS S.A.		49.00%	49.00%	Greece - 2008	RES
Renewable energy applications LTD		49.00%	49.00%	Cyprus - 2010	RES
Waste Syclo S.A.		49.00%	49.00%	Greece - 2011	Waste Management
PPC Solar Solutions S.A.		49.00%	-	Greece - 2014	RES

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

The following table presents condensed financial information of the PPC share in its associates' assets, liabilities and shareholders' equity as at December 31, 2014 and 2013:

	December 31, 2014		
	Assets	**Liabilities**	**Equity**
PPC Renewables ROKAS S.A.	2,854	742	2,112
PPC Renewables TERNA Energiaki S.A.	7,228	4,440	2,788
PPC Renewables NANKO Energy – MYHE Gitani S.A.	3,530	1,089	2,441
PPC Renewables MEK Energiaki S.A.	2,350	1,007	1,343
PPC Renewables ELTEV S.A.- SMIXIOTIKO	4,670	2,451	2,219
PPC Renewables EDF EN GREECE S.A.	22,455	18,778	3,677
Good Works S.A.	-	-	-
Renewable Energy Applications LTD	29	2	27
Aioliko Parko LOYKO S.A.	29	11	18
Aioliko Parko MBAMBO VIGLIES S.A.	36	25	11
Aioliko Parko KILIZA S.A.	37	19	18
Aioliko Parko LEFKIVARI A.E.	41	2	39
Aioliko Parko AGIOS ONOUFRIOS S.A.	37	15	22
Waste Syclo S.A.	-	-	-
	43,296	**28,581**	**14,715**

	December 31, 2013		
	Assets	**Liabilities**	**Equity**
PPC Renewables ROKAS S.A.	2,634	833	1,801
PPC Renewables TERNA Energiaki S.A.	7,887	5,403	2,484
PPC Renewables NANKO Energy – MYHE Gitani S.A.	3,956	1,756	2,200
PPC Renewables MEK Energiaki S.A.	3,816	1,206	2,610
PPC Renewables ELTEV AIFOROS S.A.	4,952	2,763	2,189
PPC Renewables EDF EN GREECE S.A.	23,392	18,868	4,524
Good Works S.A.	62	2	60
Renewable Energy Applications LTD	29	2	27
Aioliko Parko LOYKO S.A.	36	7	29
Aioliko Parko MBAMBO VIGLIES S.A.	36	7	29
Aioliko Parko KILIZA S.A.	34	5	29
Aioliko Parko LEFKIVARI A.E.	50	6	44
Aioliko Parko AGIOS ONOUFRIOS S.A.	33	4	29
Waste Syclo S.A.	-	-	-
	46,917	**30,862**	**16,055**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

16. INVESTMENTS IN ASSOCIATES (CONTINUED)

PPC's share of its associates' revenue and results for the year ended December 31, 2014 and 2013 is as follows:

	December 31, 2014		December 31, 2013	
	Sales	**Profit/(Loss)**	**Sales**	**Profit/(Loss)**
PPC Renewables ROKAS S.A.	515	301	735	414
PPC Renewables TERNA Energiaki S.A.	1,087	416	1,217	369
PPC Renewables NANKO Energy – MYHE Gitani S.A.	703	396	740	407
PPC Renewables MEK Energiaki S.A.	1,124	666	1,134	565
PPC Renewables ELTEV SMIXIOTIKO S.A.	459	92	601	237
PPC Renewables EDF EN GREECE S.A.	2,263	(613)	2,971	(214)
Good Works S.A.	-	-	-	-
Renewable Energy Applications LTD	-	-	-	-
Aioliko Parko LOYKO S.A.	-	(8)	-	(4)
Aioliko Parko MBAMBO VIGLIES S.A.	-	(11)	-	(4)
Aioliko Parko LEFKIVARI A.E.	-	(12)	-	(3)
Aioliko Parko AGIOS ONOUFRIOS S.A.	-	(9)	-	(4)
Aioliko Parko KILIZA S.A.	-	(8)	-	(2)
Waste Syclo S.A.	-	-	-	-
	6,151	**1,210**	**7,398**	**1,761**

17. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of December 31, 2014 and 2013 are as follows:

	December 31, 2014		December 31, 2013	
	Receivable	**(Payable)**	**Receivable**	**(Payable)**
Subsidiaries				
- IPTO	306,804	(1,058,258)	324,125	(943,182)
- PPC Renewables S.A.	5,583	(837)	10,872	(827)
- HEDNO (former PPC Rhodes S.A.)	21,875	(138,890)	304,042	(454,588)
- PPC Finance PLc	-	(4)	-	-
- PPC Elektrik	-	-	-	-
	334,262	**1,197,989**	**639,039**	**(1,398,597)**
Associates				
PPC Renewables ROKAS S.A.	-	-	-	
PPC Renewables TERNA Energiaki S.A.	-	-	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	-	-	-	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
EEN VOIOTIA S.A.	-	-	-	-
- Larco (energy, lignite and ash)	229,321	-	197,854	-
Waste Syclo S.A.	-	-	150	-
	229,321	**-**	**198,004**	**-**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

17. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

PPC's transactions with its subsidiaries and its associates as of December 31, 2014 and 2013 are as follows:

	2014		2013	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
Subsidiaries				
- IPTO S.A.	582,582	(2,085,867)	714,116	(2,309,645)
- PPC Renewables S.A.	3,506	-	4,472	-
- HEDNO	1,405,449	(2,083,953)	655,831	(1,419,211)
- PPC Finance PLc	-	(33,818)	-	-
- PPC Elektrik	144	(122)	-	-
	1,991,681	**(4,203,760)**	**1,374,419**	**(3,728,856)**
Associates				
PPC Renewables ROKAS S.A.	-	-	-	-
PPC Renewables TERNA Energiaki S.A.	-	-	-	-
PPC Renewables NANKO Energy – MYHE Gitani S.A.	-	-	-	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
PPC Renewables ELTEV AEIFOROS S.A.	-	-	-	-
EEN VOIOTIA S.A.	-	-	-	-
Larco S.A.	64,792	(8,961)	73,208	(6,794)
	64,792	**(8,961)**	**73,208**	**(6,794)**

Guarantee in favor of the subsidiary PPC Renewables S.A.
As of 31.12.2014, the Parent Company has guaranteed total loans of Euro 8 mil., through account credit agreements. As of 31.12.2014 PPC Renewables S.A. has used Euro 573, concerning letters of guarantee.

Guarantee in favor of the subsidiary IPTO SA
At December 31, 2014 the Parent Company had provided guarantees for bilateral loans amounting to Euro 325 mil.
In addition, in March 2014, PPC's Board of Directors has decided to provide an additional guarantee of Euro 12.1 mil. on an existing loan agreement between IPTO and a commercial bank, which until then was not covered by a guarantee.
The Parent Company receives commission for rendering this service.
In April 2014, PPC's Board of Directors decided to provide a guarantee under conditions in favor of IPTO S.A. for the issuance of a medium term syndicated loan amounting to Euro 337.1 mil. which will refinance the total of the above mentioned bilateral loans.

Transactions and balances with other government owned entities
The following table presents purchases and balances with government state 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. Additionally, purchases and balances with EMO, the Electricity Market Operator, are presented.

	Purchases		Balance	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
ELPE, purchases of liquid fuel	132,342	145,738	4,416	10,222
DEPA, purchases of natural gas	345,727	393,089	29,987	75,519
	478,069	**538,827**	**34,403**	**85,741**

	December 31, 2014		December 31, 2013	
	Receivable	**(Payable)**	**Receivable**	**(Payable)**
EMO S.A.	166,038	(65,349)	478,585	(478,615)

	31.12.2014		31.12.2013	
	Invoiced to	**Invoiced from**	**Invoiced to**	**Invoiced from**
EMO S.A.	2,187,443	(2,863,920)	255,459	(599,602)

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

17. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

Management compensations

Compensations concerning management members (Board of Directors and General Managers) for the year ended December 31, 2014 and 2013 are as follows:

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	222	154	57	57
- Non-executive members of the Board of Directors	72	93	-	-
- Compensation / Extra fees	61	111	-	-
- Social security contributions	49	62	-	-
- Other Benefits	125	99	87	97
	529	**519**	**144**	**154**
Compensation of Deputy Managing Directors and General Managers				
- Regular compensation	684	698	627	641
- Social security contributions	218	232	199	211
- Compensation / Extra fees	-	-	-	-
	902	**930**	**826**	**852**
	1,431	**1,449**	**970**	**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 and related contributions to social security funds. Also, it does not include the electricity benefit based on the PPC personnel invoice to the Board of Directors members, the Deputy Managing Directors and the General Managers.
Since 01.01.2014 following the provisions of L. 4172/2013, the above mentioned compensation is considered as salary and is taxed accordingly.

18. MATERIALS, SPARE PARTS AND SUPPLIES, NET

	Group		Company	
	2014	**2013**	**2014**	**2013**
Lignite	49,283	55,697	49,283	55,697
Liquid fuel	211,944	217,488	211,944	217,488
Materials and consumables	676,322	692,526	466,970	465,772
Purchased materials in transit	9,492	23,401	8,943	21,546
	947,041	**989,112**	**737,140**	**760,503**
Provision for materials' write down to recoverable amount	(209,278)	(203,787)	(178,062)	(172,317)
Total	**737,763**	**785,325**	**559,078**	**588,186**

During 2014, the Group and the Parent Company established an additional provision for materials' write down to recoverable amount expected to be realized from their use of Euro 5,491 and Euro 5,745, (2013: Euro 8,027 and Euro 6,885) respectively. Materials, spare parts and supplies of the Parent Company and the Group are held free of encumbrances.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

19. TRADE RECEIVABLES, NET

	Group		Company	
	2014	**2013**	**2014**	**2013**
High voltage	390,531	323,295	390,531	323,295
Medium and low voltage	1,965,775	1,487,104	1,965,775	1,489,227
Customers' contributions	10,027	10,084	10,027	10,084
Other energy suppliers	146,768	149,229	-	-
Subsidiaries' receivables	108,729	41,697	-	-
	2,621,830	**2,011,407**	**2,366,333**	**1,822,606**
Unbilled revenue	826,393	600,423	826,393	600,423
	3,448,223	**2,611,830**	**3,192,726**	**2,423,029**
Allowance for doubtful balances	(1,675,553)	(1,306,251)	(1,553,937)	(1,174,665)
Total	**1,772,670**	**1,305,579**	**1,638,789**	**1,248,364**

High voltage customer balances relate to (a) receivables from sales of energy to 75 companies, including large industrial companies, which are invoiced at the end of each calendar month, based on individual agreements and actual metering and (b) exports to customers abroad.
Medium voltage customers are mainly industrial and commercial companies. Billing is made on a monthly basis based on actual meter readings. Low voltage customers are mainly residential and small commercial companies.
The majority of low voltage customers are billed every four months based on actual meter readings, while interim bills are issued every two months based mainly on the energy consumed during the corresponding period in the prior year.
There are different types of tariffs for both medium and low voltage customers with different tariff structures based on different types of energy use (commercial, residential, etc). Revenues from the supply of electricity to medium and low voltage customers provided during the period from the last meter reading or billing through each reporting date are accounted for as unbilled revenue.

The provision for doubtful receivables is established, on specific customer balances. For medium and low voltage customers, the Parent Company was establishing a provision for the total of their outstanding balances of more than 3 and 6 months respectively, per customer.

19. TRADE RECEIVABLES, NET (CONTINUED)

The movement of the provision for doubtful receivables is as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
As at January 1	**1,306,251**	**956,122**	**1,174,665**	**812,509**
- Provision charge	398,671	364,984	397,970	364,984
- Reversal of unused provision	(23,920)	(12,027)	(13,249)	-
- Utilisation	(5,449)	(2,828)	(5,449)	(2,828)
As at December 31	**1,675,553**	**1,306,251**	**1,553,937**	**1,174,665**

At December 31, 2014 και 2013, the ageing analysis of the invoiced trade accounts receivable, impaired by the established provisions of the Parent Company, are as follows:

			Past due and not impaired (days)			
	Total	**Non Past due and not impaired**	**< 45**	**45 – 180**	**180 – 365**	**> 365**
2014	812,396	144,628	204,658	354,493	54,653	53,964
2013	647,941	110,460	196,660	295,532	8,758	36,531

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

20. OTHER RECEIVABLES, NET

	Group		Company	
	2014	**2013**	**2014**	**2013**
Value Added Tax	107,828	80,430	103,359	80,430
Assessed taxes and penalties	59,289	56,720	39,009	56,720
Social security funds				-
- in dispute	18,059	18,059	18,059	18,059
- current	3,195	3,195	3,195	3,195
State participation in employees' social security contributions	1,546	1,546	1,546	1,546
Pensioners' advances, in dispute	5,262	5,262	5,262	5,262
Loans to employees	11,469	12,092	7,728	8,318
Receivables from contractors	5,189	20,747	5,082	5,272
Receivables from subsidiaries	-	-	4,754	10,045
Receivable by DEPA	42,330	42,330	42,330	42,330
Receivable by EMO/LAGIE	100,689	-	100,689	-
Fiber optic rentals	18,952	18,824	14,904	12,644
Other	4,689	27,290	4,038	33,768
	378,497	**286,495**	**349,955**	**277,589**
Allowance for doubtful balances	(84,409)	(36,471)	(82,227)	(33,903)
Total	**294,088**	**250,024**	**267,728**	**243,686**

Assessed taxes and penalties:
The amount represents additional income taxes and penalties assessed to and paid by the Parent Company as a result of a preliminary tax audit performed in previous years by the tax authorities for the fiscal years from 1992 through to 1997. The amounts were paid in order for the company to be able to file a case against the tax courts. These amounts have as follows:

- For the fiscal year 1992, an amount of Euro 8,048 was paid (during 2006) (income tax of Euro 1,064, additional taxes of Euro 2,724 and penalties of Euro 4,260).
- For the fiscal years from 1995 through to 1997, an amount of Euro 30,728 was paid (Euro 18,173 paid in 2005 and Euro 12,555 paid in periods prior to December 31, 2004).
- For the fiscal years from 1994 through to 1995, an amount of Euro 1,480 was paid. Within 2007, this amount was settled against other tax liabilities.

Against the above receivables, the Parent Company has established a provision of Euro 42,676 (note 30).

Social Security Funds in Dispute
The amount relates to social security contributions and deductions (during years 1983-1993) for employees who have worked with other employers before joining PPC. As PPC undertook the obligation to cover the whole amount of their pensions and other related benefits, part of their contributions to other social security funds [mainly IKA (SSI i.e. Social Security Institute), the major Greek social security fund] has been claimed by PPC. The claim was not accepted by IKA and the case was brought by PPC before the courts. Following an adverse court decision, PPC together with PPC – PIO (currently TAYTEKO based on L. 3655/2008) appealed against said decision before the second degree courts. The second degree court rejected PPC's appeal, whereas PPC – PIO's appeal against IKA is still pending. For the abovementioned amount, an equal provision has been established at the attached financial statements.

Advances to Pensioners in Dispute
The amount of Euro 5,262 represents an advance payment made in 1993 to pensioners. A respective provision has been established of this amount.

State Participation in Employees' Social Security Contributions: The amount represents the claim of PPC from the State for the latter's contribution to the social security contributions of employees who started working after January 1, 1993. For the above mentioned amount, an equal provision has been established.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

20. OTHER RECEIVABLES, NET (CONTINUED)

The movement in the allowance for other receivables is as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
As at January 1	**36,471**	**36,395**	**33,903**	**33,903**
- Provision charge	47,938	76	48,324	-
- Reversal of unused provision	-	-	-	-
-Utilisation	-	-	-	-
As at December 31	**84,409**	**36,471**	**82,227**	**33,903**

21. INVESTMENTS AVAILABLE FOR SALE

	Group		Company	
	2014	**2013**	**2014**	**2013**
National Bank of Greece	1,512	3,959	1,512	3,959
Heracles Cement S.A.	641	720	641	720
Evetam	241	241	241	241
Total	**2,394**	**4,920**	**2,394**	**4,920**

The change in the fair value of investments equity securities available for sale (shares) totalled Euro 2,526/loss (2013: Euro 101/loss).

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	**2013**	**2014**	**2013**
Cash in hand	1,526	1,081	1,512	972
Cash at banks	97,914	80,997	56,806	75,541
Time deposits	335,071	178,200	190,000	109,000
Total	**434,511**	**260,278**	**248,318**	**185,513**

Interest earned on cash at banks and time deposits is accounted for on an accrual basis and amounted to Euro 7,580 (2013: Euro 6,448), for the Group and to Euro 4,124 (2013: Euro 4,464) for the Parent Company and are included in financial income in the accompanying statements of income (note 10).

All cash and cash equivalents are denominated in Euro.
Additionally on December 31, 2014 the Parent Company kept in a pledged deposit account an amount of Euro 144,720 (2013: 161,693).

23. SHARE CAPITAL

Under Law 2773/1999 and P.D. 333/2000 PPC was transformed, into a société anonyme. By the Legislative Act of 07.09.2012, which was ratified by art. 2 of L. 4092/2012, the obligatory participation of the Greek State with at least 51% of the company's share capital was abolished . The Extraordinary General Shareholders' Meeting, which was convened on November 30, 2012 decided to abolish the article of incorporation which provided for the participation of the Greek State by at least 51% to the company's share capital. This amendment of the Articles of Incorporation on one hand harmonizes the articles with the legislation in effect, and on the other hand renders possible the reduction of the current participation percentage of the Greek State to the company's share capital. At December 31, 2014 and 2013, PPC's share capital (fully authorised and issued) amounted to Euro 1,067,200 divided into 232,000,000 common shares of Euro four and sixty cents (Euro 4.60) per value each.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

24. LEGAL RESERVE

Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their financial statements to a legal reserve, until such reserve equals one-third of the paid-in share capital. This reserve cannot be distributed through the life of the corporation. In 2014 the Parent Company has formed a legal reserve of Euro 1,712 (2013: nil)

25. OTHER RESERVES

	Group		Company	
RESERVES	**2014**	**2013**	**2014**	**2013**
- Tax free	7,362	91,063	7,362	91,063
- Specially taxed reserves	95,597	95,597	95,597	95,597
- Actuarial losses (note 29)	(186,231)	(153,641)	(93,994)	(77,677)
Total	**(83,272)**	**33,019**	**8,965**	**108,983**

Pursuant to the provisions of par. 12 art.72 of L. 4172/2013, the Extraordinary General Shareholders' Meeting which was convened on December 22nd , 2014 has approved the payment of a 19% tax for the taxation of an untaxed reserve of Euro 104.8 mil. Following the payment of the above mentioned tax the remaining amount of Euro 84.9 is free to be either distributed or capitalized, without any further tax burden for either he Company or the shareholders and without a time limit related to the above actions. The above mentioned tax payment of Euro 19.9 has not burdened the current year's results since it was recorded to the 2013 results. For the years 2014 and 2013 the Parent Company has not formed any tax free reserves.

26. DIVIDENDS

Under Greek corporate law, companies are required each year to declare and pay from statutory profits dividends of at least 35% of after-tax profit, after allowing for the legal reserve. However, with the consent of at least the 70% of the Company's shareholders, a company may not declare any dividend.
Furthermore, Greek corporate law requires certain conditions to be met before dividends can be distributed. Specifically, no dividends can be distributed (a) as long as a company's net equity, as reflected in the statutory financial statements, is, or after such distribution, will be less than the outstanding capital plus non-distributable reserves, and (b) as long as the unamortized balance of "Pre-operating Expenses", as reflected in the statutory financial statements, exceeds the aggregate of distributable reserves plus retained earnings.
At December 31st, 2014, the unpaid balance of dividends was Euro 147.
Based on L. 4172/2013, the distributable earnings approved by the General Shareholders' Meetings since 01.01.2014 are subject to a withholding tax of 10%.
The Parent Company's BoD at its meeting dated 27.03.2015, has decided to propose to the General Shareholders' Meeting the distribution of a dividend of Euro 11,600 mil. (Euro 0.05 per share) for the year 2014. The proposed dividend will be exclusively covered by the taxed reserves of art. 72 of L. 4172/2013 without any further tax burden for either the Parent Company or its shareholders.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

27. INTEREST BEARING LOANS AND BORROWINGS

	GROUP		COMPANY	
	2014	2013 (reclassified)	2014	2013 (reclassified)
Bank Loans	2,388,538	2,087,963	2,271,406	1,976,654
Bonds Payable	3,087,959	2,765,983	2,797,856	2,475,871
Unamortized portion of loan issuance fees	(43,478)	(6,870)	(43,292)	(6,229)
Total	**5,433,019**	**4,847,076**	**5,025,970**	**4,446,296**
Less current portion:				
- Bank Loans	133,305	119,338	104,196	90,233
- Bonds Payable	456,991	1,720,675	166,879	1,493,621
Unamortized portion of loan issuance fees	(8,768)	(1,830)	(8,582)	(1,378)
Total	**581,528**	**1,838,183**	**262,493**	**1,582,476**
Total long term portion of loans and borrowings	**4,851,491**	**3,008,893**	**4,763,477**	**2,863,820**

In the category "Bonds Payable" in the above table , the amount of Euro 114,353 is included which concerns the partial financing of the construction of the new lignite –powered unit “PTOLEMAIDA V” and which is registered in the category "Project Financing" Floating Rate of the following table.

The total interest expense on total debt apart from the capitalized ones for the construction period of Euro 7 mil. approximately, for the period ended December 31, 2014 is included in financial expenses in the accompanying statements of income (Note 9). A further analysis of the long term borrowings of the Group and the Company is presented in the table below (not including loan issuance fees):

	2014 (GROUP)	2013 (GROUP)	2014 (COMPANY)	2013 (COMPANY)
Bank loans and bonds				
- Fixed rate	700,000	50,000	700,010	50,000
- Floating rate	2,273,607	2,716,055	1,983,493	2,425,871
European Investment Bank				
- Fixed rate	1,692,323	1,587,444	1,638,573	1,558,277
- Floating rate	696,214	500,447	632,833	418,377
Project Financing				
- Fixed rate	-	-	-	-
- Floating rate	114,353	-	114.353	-
Total	**5,476,497**	**4,853,946**	**5,069,262**	**4,452,525**

The long-term borrowings represent unsecured obligations of the Group and the Company (excluding services of collateral in the form of pledged deposits provided by the Group and the Company, totaling Euro 144.7 mil.) on December 31, 2014. Certain loans and bonds include certain non-financial terms, the most important of which being that the Company should not cease to be a corporation controlled at least 51% by the Greek State. It is noted that in the loan agreements which have been concluded after the implementation of the Medium Term Financial Strategy Framework in July 2011, this percentage has been adjusted in 34%, following the transfer of 17% by the Greek State to HRADF, which is owned by the Greek State by 100%.

Certain loan agreements, with an outstanding balance of Euro 2,037 mil on December 31, 2014, (Euro 1,890 mil. for the Parent Company) include financial covenants, the non- compliance of which may lead to an event of default.

In April 2014, the Parent Company concluded the refinancing of its whole loan portfolio with the Greek lending commercial banks by signing a five-year Syndicated Bond Loan of an amount of Euro 2,227.75 mil.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

27. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

In May 2014, the Parent Company, through its subsidiary PPC Finance Plc, priced an offer of Euro 700 mil. Senior Notes. The offer consisted of a combination of Euro 200 mil. Senior Notes due in 2017 and Euro 500 mil. Senior Notes due in 2019, at a fixed coupon of 4.75% and 5.50% per annum, respectively.

Within 2014, the Parent Company proceeded to debt repayment of loans amounting to Euro 613.1 mil., which includes Euro 452 mil. from the proceeds of the Senior Notes of its subsidiary PPC FINANCE, which were used for an equal partial prepayment of the Syndicated Bond Loan with the Greek Banks, achieving a cost reduction of 50 bps (0.50%) on the outstanding amount of said Bond loan, which on December 31,2014 amounted to Euro 1,776 mil.

In addition, the subsidiary IPTO S.A. is under negotiations with all of its lending commercial banks, in order to refinance its loan obligations through the issuance of a medium term syndicated bond loan of Euro 337.1 mil.

Moreover:

- In March 2014, PPC disbursed the proceeds of the first loan contract of Euro 235 mil. (of a fifteen year term) which was signed, as part of the financing line of Euro 415 mil., which was approved by the European Investment Bank (a contract guaranteed 100% by the Greek State), for investments and upgrades in the Hellenic Electric Distribution Network of the mainland and islands for the period 2013-2015. In September 2014, the second loan contract of Euro 180 mil. (of a fifteen year term) was signed, from which, in December 2014, PPC disbursed Euro 150 mil. (a contract guaranteed 100% by the Greek State).

- In December 2014, the Parent Company signed an initial loan contract of Euro 80 mil. (of a fifteen year term) with the European Investment Bank, as part of the financing line of Euro 190 mil., for investments in new electricity generation projects on non-interconnected islands for the period 2014-2019, including the new power plant in South Rhodes.

- For the provision of a guarantee by the Greek State in favor of PPC to all loans with the European Investment Bank, the Parent Company pays a guarantee commission to the Greek State.

- In December 2014, the Parent Company signed an extension for two years of a bond loan of Euro 107.7 mil. with a Greek commercial bank (initial maturity in December 2014).

- Within the twelve month period of 2014, the Parent Company disbursed Euro 114.4 mil. from the Euro 739 mil. bond loan for the partial financing of the construction costs of the new lignite –powered unit "PTOLEMAIDA V", contracted with a syndication of foreign banks and supported by the German Credit Export Agency "Euler Hermes".

- In September 2014, the subsidiary company IPTO SA signed two loan agreements with the European Investment Bank for financing a project named «Transmission I» of Euro 70 mil.. and a project named "Cyclades Interconnection Phase I " of Euro 65 mil., respectively. The aforementioned amounts are subsets of the total, approved by EIB, financing lines of Euro 140 mil. and Euro 130 mil., respectively, with a term of 20 years for both loan contracts. In December 2014, IPTO SA disbursed Euro 35 mil. from the first contract of the project «Transmission I».

The annual principal payments of the long-term borrowings required to be made subsequent to December 31, 2014 (based on the exchange rates as at December 31, 2014) are as follows:

	2014 (Group)	2013 (Group)	2014 (Company)	2013 (Company)
Within one year	590,296	1,840,013	271,075	1,583,854
In the second year	432,143	874,384	405,119	845,205
In the third to fifth years	2,895,431	885,367	2,869,441	769,286
After five years	1,558,627	1,254,182	1,523,627	1,254,180
Total	**5,476,497**	**4,853,946**	**5,069,262**	**4,452,525**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

27. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

In the above debt redemption program, an amount of Euro 107,742 is included which concerns specific purpose financing for using it as collateral for existing financing lines, and for which the Parent Company keeps an equal amount in a pledged deposit account (Note 22).

Credit rating
In April 2014, the rating house Standard and Poor's (S&P) upgraded the Parent Company's credit rating by three notches from CCC to B with stable outlook. Moreover in May 2014, the rating house ICAP S.A. upgraded the Parent Company's credit rating by two notches from D to B and in October 2014 upgraded IPTO's credit rating from C to B.

28. FINANCIAL INSTRUMENTS

	Group		Company	
	2014	2013	2014	2013
Derivatives financial instruments				
Liabilities	3,565	5,813	3,565	5,813
Assets	-	-	-	-

Derivative financial instruments represent interest swap agreements as well as currency forward contracts. Changes in the fair values of these derivatives are included in financial (expense) income, in the accompanying statement of income. On December 31, 2014, PPC had an interest rate swap agreement in effect (from floating to fixed rate) for a loan agreement of nominal value of Euro 50 mil. In addition, the Parent Company has a forward currency contract outstanding, stemming from the purchase of an initial amount of JPY 4.1 bil. and of an outstanding amount on 31.12.2014 of JPY 0.7 bil., which relates to an existing loan obligation gradually payable within the period January 2015 - January 2016. The net movement in the fair values of derivative financial instruments amounted to Euro 2,248 (note 10).

29. POST RETIREMENT BENEFITS

PPC's employees and pensioners of the Group are entitled to the supply of electricity at reduced tariffs. Such reduced tariffs to pensioners are considered to be retirement obligations and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout the working period. The relevant retirement obligations are calculated on the basis of financial and actuarial assumptions.
Net costs for the period are included in the payroll cost in the accompanying statements of income and consist of the present value of the benefits earned in the year, interest cost on the benefit obligation, prior service cost. The actuarial gains or losses are now recognized in other comprehensive income (OCI) based on the revised IAS 19. Retirement benefit obligations are not funded. Results of the actuarial study for the years December 31, 2014 and 2013, are as follows:

	Group		Company	
	2014	2013	2014	2013
Change in benefit obligation				
Liability at beginning of year	390,643	422,807	230,870	244,582
Current Service cost	4,513	4,453	2,856	2,509
Interest cost	14,063	16,067	8,311	9,294
Actuarial (gains)/losses	32,591	(29,823)	16,316	(11,814)
Benefits utilised	(21,675)	(22,860)	(12,988)	(13,701)
Liability, end of the year	**420,135**	**390,644**	**245,365**	**230,870**
Components of net service cost				
Current Service cost	4,513	4,453	2,856	2,509
Interest cost	14,063	16,067	8,311	9,294
	18,576	**20,520**	**11,167**	**11,803**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

29. POST RETIREMENT BENEFITS (CONTINUED)

Statement of Comprehensive income				
Cumulative amount, beginning of year	153,641	183,464	77,677	89,491
Actuarial (gains)/losses	32,590	(29,823)	16,316	(11,814)
Cumulative amount , end of year	**186,231**	**153,641**	**93,994**	**77,677**

Assumption values, Actuarial Study

Valuation date	Discount rate	Tariff increases	Profit margin	Expectancy of future services
31/12/2014	2.00%	2015: 0.2% 2016: 1.9% 2017: 2.5% 2018: 1.2% 2019+: 0%	2015: 15% 2016+: 16%	13.09
31/12/2013	3.60%	2014: 3.0% 2015-18: 2.2% 2019+: 0%	2014: 7.5% 2015+: 13.4%	11.96

Sensitivity disclosures

	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	390,008	(7.17%)
Decrease in discount rate by 0.5%	454,022	8.07%
Increase in tariff increase rate by 1% for all years	486,757	15,86%
Increase in tariff increase rate by 1% for 2015 - 2018	436,222	3.83%

Further to the abovementioned benefits, the subsidiary company PPC Renewable S.A., has established a provision for personnel compensation in case of service termination amounting to Euro 15 (2013: 12) concerning the personnel which is directly employed from PPC Renewables.

30. PROVISIONS

	Group		Company	
	2014	**2013**	**2014**	**2013**
Litigation with employees / third parties (note 38)	160,901	159,147	107,918	78,747
Disputes with the tax authorities (note 20)	42,676	42,676	42,676	42,676
Mines' land restoration	20,510	17,719	20,510	17,719
PPC-PIO fixed assets	2,400	2,400	2,400	2,400
Other	3,907	3,625	-	-
Total	**230,394**	**225,567**	**173,504**	**141,542**

During the year ended December 31, 2014, the Group reversed the provision for litigation with employees and third parties by Euro 5,869 (2013: reduction of provision of Euro 2,763). In addition the Parent Company established an additional provision for litigation with employees and third parties of Euro 26,728(2013: Euro 2,215).
The movement of the provisions for mines' restoration has as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
Balance at beginning of the year	**17,719**	**14,371**	**17,719**	**14,371**
- Change in future outflows (fixed assets)	2,953	3,530	2,953	3,530
- Reversal of unused provision	(1,654)	(1,505)	(1,654)	(1,505)
- Finance cost (note 9)	1,492	1,323	1,492	1,323
Balance at the end of the year	**20,510**	**17,719**	**20,510**	**17,719**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

31. DEFERRED CUSTOMERS' CONTRIBUTIONS AND SUBSIDIES

GROUP	**Subsidies**	**Customer Contributions**	**Total**
Net book value December 31, 2012	**418,397**	**1,382,350**	**1,800,767**
- Subsidies and contributions received	4,150	-	4,150
- Transfer to revenues (note 7)	(18,593)	(57,514)	(76,107)
December 31, 2013	**403,953**	**1,324,836**	**1,728,810**
- Subsidies and contributions received	11,741	-	11,741
- Transfer to revenues (note 7)	(18,833)	(57,684)	(76,517)
December 31, 2014	**396,861**	**1,267,152**	**1,664,014**

PARENT COMPANY	**Subsidies**	**Customer Contributions**	**Total**
Net book value December 31, 2012	**294,950**	**1,366,684**	**1,661,634**
- Subsidies and contributions received	4,152	-	4,152
- Transfer to revenues (note 7)	(13,785)	(56,913)	(70,698)
December 31, 2013	**285,317**	**1,309,772**	**1,595,088**
- Subsidies and contributions received	10,633	-	10,633
- Transfer to revenues (note 7)	(14,144)	(57,083)	(71,227)
December 31, 2014	**281,806**	**1,252,688**	**1,534,494**

32. OTHER NON – CURRENT LIABILITIES

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
Customers' advances	544,611	534,131	538,457	534,131
Received guarantees	7,747	6,186	-	-
Other	38	38	38	38
Total	**552,396**	**540,355**	**538,495**	**534,169**

The amount of customers' advances relates to advances made from customers upon initial connection to the transmission and/or distribution networks and is considered as coverage against unbilled consumption outstanding as of any time. Such advances are refundable (non-interest bearing) upon termination of connection by the customer. As the refund of such amounts, which are payable on demand, is not expected to be realised within a short period of time the amounts are classified as non-current liabilities and they are not discounted.

33. TRADE AND OTHER PAYABLES

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
Trade:				
Suppliers and contractors	667,702	668,625	346,028	322,890
Municipalities' duties	144,871	156,614	144,871	156,614
Social security funds, other	49,279	53,710	35,001	37,919
Greek TV	29,393	2,188	29,393	2,188
EMO	569,504	345,563	-	30
Taxes withheld	30,085	48,105	14,573	15,614
Excise Tax	13,612	12,577	13,612	12,577
Credit customers' balances	61,447	58,296	61,447	58,296
IPTO S.A.	-	-	747,517	632,483
HEDNO S.A	-	-	128,298	149,895
Special levy on real estate properties	-	189,815	-	189,815
Bank of Crete	12,053	12,053	12,053	12,053
Lignite Levy	58,577	63,938	58,577	63,938
Other	36,249	86,775	10,432	35,786
Total	**1,672,772**	**1,698,259**	**1,601,802**	**1,690,098**

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

34. SHORT-TERM BORROWINGS

In October 2014, PPC's Board of Directors approved a new funding in the form of an overdraft facility, amounting to Euro 50 mil., from which no disbursement has been made until 31.12.2014.

	Group		Parent	
	2014	**2013**	**2014**	**2013**
Binding overdraft facilities				
- Credit lines available	147,015	97,285	100,000	50,000
- Unused portion	50,000	-	50,000	-
- Used portion	97,016	97,285	50,000	50,000

35. ACCRUED AND OTHER CURRENT LIABILITIES

	Group		Company	
	2014	**2013**	**2014**	**2013**
Accrued interest on interest bearing loans and borrowings	29,287	22,176	25,671	18,170
Natural gas and liquid fuel purchases	24,139	81,129	24,139	81,129
Energy purchases	7,197	2,485	4,080	2,485
Personnel day off and overtime	81,789	85,050	51,621	54,823
RAE fees	3,581	11,238	3,581	11,238
Unbilled revenue from RES	-	5,656	-	-
Deferred interconnection rights	27,965	30,514	-	-
Deferred non- compliance charges	24,430	11,970	-	-
Purchase of Emission Allowances	75,489	32,734	75,489	32,734
Discounts on Medium voltage customers	6,032	7,500	6,032	7,500
Other	15,559	18,284	10,901	12,194
Total	**295,468**	**308,736**	**201,514**	**220,273**

36. FAIR VALUE AND FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

The following tables compare the carrying amount of the Group's and the Company's financial instruments that are carried at amortized cost to their fair value:

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

36. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

	Carrying amount		Fair value	
Group	**31.12.2014**	**31.12.2013**	**31.12.2014**	**31.12.2013**
Non – financial assets (note13)				
Fixed Assets	13,689,537	12,931,720	13,689,537	12,931,720
Financial Assets				
Trade receivables	1,772,670	1,305,579	1,772,670	1,305,579
Restricted cash	144,720	161,693	144,720	161,693
Cash and cash equivalents	434,511	260,278	434,511	260,278
Financial Liabilities				
Long-term borrowings	5,433,019	4,847,076	5,314,018	4,847,076
Trade payables	1,672,772	1,698,259	1,672,772	1,698,259
Short term borrowings	97,016	97,285	97,016	97,285

	Carrying amount		Fair value	
Parent Company	**31.12.2014**	**31.12.2013**	**31.12.2014**	**31.12.2013**
Non – financial assets (note13)				
Fixed Assets	11,902,455	11,150,928	11,902,455	11,150,928
Financial Assets				
Trade receivables	1,638,789	1,248,364	1,638,789	1,248,364
Restricted cash	144,720	161,693	144,720	161,693
Cash and cash equivalents	248,318	185,513	248,318	185,513
Financial Liabilities				
Long-term borrowings	5,025,970	4,446,296	4,906,969	4,446,296
Trade payables	1,601,802	1,690,098	1,601,802	1,690,098
Short term borrowings	50,000	50,000	50,000	50,000

The fair value investments available for sale, of restricted cash, of cash and cash equivalents financial derivative instruments equals their carrying amount.
The fair value of trade receivables and trade accounts payable approximate their carrying amounts. The fair value of the remaining financial assets and financial liabilities are based on future cash flows discounted using either direct or indirect observable inputs and are within the Level 2 of the fair value hierarchy.
Fair value of tangible assets is included in level 3 of fai value hierarchy.
As at December 31, 2014, the Group and the Parent Company held the following financial instruments measured at fair value:

	Fair value		Fair value Hierarchy
Group and Parent Company	**31.12.2014**	**31.12.2013**	
Financial Assets			
Investments available for sale	2,394	4,920	Level 1
Financial derivative instruments	3,565	5,813	Level 2

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

37. AMENDMENTS AND RECLASSIFICATIONS

As of December 31, 2014 the Group and the Parent Company have proceeded to the reclassification of comparative items of the statement of income, as follows:

	Group			Company		
	31.12.13 published	**Reclassification effect**	**31.12.13 reclassified**	**31.12.13 published**	**Reclassification effect**	**31.12.13 reclassified**
Payroll Cost	720,919	218,942	939,861	393,328	218,942	612,270
Lignite	776,902	(730,204)	46,698	776,902	(730,204)	46,698
Depreciation and Amortization	479,008	143,714	622,722	413,076	143,714	556,790
Materials and consumables	91,128	82,283	173,411	54,430	82,283	136,713
Utilities and Maintenace	72,354	245,078	317,432	21,226	245,078	266,304
Third party fees	49,070	1,068	50,138	27,307	1,068	28,375
Other(income) / expenses, net	145,980	39,119	185,099	92,253	39,119	131,372

The above reclassifications were done for informative reasons and pertain to lignite's cost.

In addition, the Group and the Parent Company, as of December 31, 2014 have proceeded to the reclassification of certain amounts of the comparative period in the statement of financial position, as follows:

	Group			Company		
	31.12.2013 Published	**Reclassification effect**	**31.12.2013 reclassified**	**31.12.2013 Published**	**Reclassification effect**	**31.12.2013 reclassified**
Other long term receivables	22,701	(6,870)	15,831	21,629	(6,229)	15,400
Long term loans	3,013,933	(5,040)	3,008,893	2,868,671	(4,851)	2,863,820
Current portion of long term borrowings	1,840,013	(1,830)	1,838,183	1,583,854	(1,378)	1,582,476

All the above reclassifications had no impact on the Group's or Parent Company's equity or statement of income.

38. COMMITMENTS, CONTINGENCIES AND LITIGATION

38.1. 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's 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.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

The property, plant and equipment of the Group 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 is incurred to its property, it 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.

38.2. Litigation and Claims

The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at December 31, 2014 amounts to Euro 1,615 mil. as further detailed below:

1. **Cla*ims with contractors, suppliers and other claims:*** A number of contractors and suppliers have raised claims against the Company.
   These claims are either pending before courts or under arbitration and mediation proceedings. The total amount involved is Euro 558 mil. 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 37 mil. and Euro 11 mil., respectively.

3. ***Claims by employees:*** Employees are claiming the amount of Euro 196 mil., 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 December 31, 2014, 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 87,704,000 and particularly seeking to:
   - ***(a)*** obtain the ownership of a building sold by PPC in 1999 for an amount of Euro 13,294,203. For this particular claim, a series of decisions have been issued (1767/2014 Supreme Court and most important 13/2010 Supreme Court), the latest being Decision Nr. 4909/13 of the Multi-Member Court of Appeal of Athens (MMCAA), which reversed Decision Nr. 2579/05 of the Multi-Member Court of First Instance of Athens (MMCFIA), which had declared void the transfer of the building, thereby questioning the ownership of PPC over it,
   - ***(b)***obtain the ownership of the ground floor of the above mentioned building, owned by PPC and collect the rents amounting to Euro 2,318,076 (concerns rents until 30.04.2008) earned by PPC over a specified period of time by renting out the particular property. The outcome of the case has been resolved with Decision Nr. 1760/2014 of the Multi-Member Court of First Instance of Athens (MMCFIA) in favour of PPC.
   - ***(c)*** obtain the ownership of another building, of an estimated value of Euro 8,000,000. For the above mentioned case, there have been issued Decision Nr. 13/2010 of the PSSC and Decision Nr. 4841/13 of the MMCAA, (the later reversed Decision Nr. 7420/07 of the MMCFIA, which had declared void the transfer of the building, thereby questioning the ownership of PPC over it and an appeal is filed in the Supreme Court which was heard on 04.02.2015 and a decision is pending).

   The above mentioned (a), (b) and (c) were based on Decision 13/2010 of the PSSC.

   - ***(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 59,392,823. For the above mentioned case Decisions 2666/09 MMCFIA and 668/12 MMCAA were issued, in favour of PPC, while on an appeal was filed against Decision 668/12, which was heard on 24.11.2014 and for which a decision is pending.
   - ***(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 55.000. For the above-mentioned matter Decision 495/2008 of the Athens Multi Member Court, Decision 1459/2009 of the Athens Appeals’ Court were issued, and a positive outcome by the Supreme Court is expected.
   - ***(f)*** Finally, two more lawsuits have been filed against PPC, before the MMCFIA with a total claim of Euro 3,961,923. The first lawsuit by OAP – DEI, TAYTEKO etc. (compensation regarding medical offices rentals due to non-concession of the Geraniou street property of Euro 1,643,848) was scheduled to be discussed on 06.11.2014 and was postponed for 06.04.2017 and the second lawsuit by OAP – DEI, TAYTEKO etc. was heard on 13.11.2014 (compensation for illegally collected rentals in the Filellinon street property for the period 01.10.2005- 30.04.2008 for Euro 2,318,076)

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

The aforementioned cases (b) – (e) are strongly expected to be resolved in favour 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 reversed Decision 2567/2007 of the Court of Appeals, that had originally accepted PIOs' action against PPC.

Under a decision by the Supreme Court, 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" 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 Appeals, which in turn issued Decision 4909/13 MMCAA and Decision 4841/13 MMCAA (an appeal has been filed as abovementioned in the Supreme Court was heard on 04.02.2015 and a decision is pending), in favour of PPC. The aforementioned Decision 13/2010 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.

5. **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. plus 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 but it was postponed for February 23, 2017. 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.

6. **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 pertaining 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 the 05.09.2012 appeal to the Athens Administrative Court of First Instance. The date for the discussion of the appeal has been postponed by the court for discussion on 03.11.2014. The discussion of the appeal took place and the issuance of a decision is expected.

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.

7. **Lawsuits against HEDNO**

The companies "KENTOR" (former "ENERGA") and "NEW APPLICATION" (former "HELLAS POWER") have filed lawsuits before the MMCFA against HEDNO, which were to be discussed on 12.02.15 and 19.02.15 respectively, by which they claim amounts of Euro 520.8 mil. and Euro 361.3 mil., respectively. On 02.03.2015 both companies resigned expressly and unreservedly by the above mentioned lawsuits, by an out of court declaration.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

8. **Annulment requests against the request for proposal (RFP) by PPC S.A. for the sale of 66 % IPTO's shares**
   Two annulment requests have been filed (one of them includes an application of interim measures) against PPC's RfP for the sale of 66% of IPTO's (PPC's subsidiary) shares. The first request has been filed by five trade unions and the second has been filed by the PanHellenic Federation of Retirees' (POS DEI). The above mentioned requests will be discussed in front of the Supreme Court's Plenary Session on December 5, 2014 and a decision is pending. The Parent Company, having already filed a judicial memo, considers that the annulment requests will not thrive. It is noted that apart from the above mentioned annulment requests, a relevant lawsuit is pending in the civil courts with a court date of 11/05/2016 (the interim measures hearing has taken place on October 14, 2014 for which a rejection decision (247/2014) was issued) for the annulment of PPC's BoD decision concerning the RfP

9. ***Lawsuits of IPTO against PPC.***
   IPTO has filed against PPC, two lawsuits for a total amount of Euro 540 mil. for amounts due – according to IPTO- by the Parent Company's participation in the wholesale electricity market. In particular:

   - By its first lawsuit IPTO is asking for an amount of Euro 242.7 (with interest) for amounts due which the Parent Company collects from supply bills and conveys to IPTO, that in turn conveys them to EMO (LAGIE). The interest for the above mentioned sums amounts to Euro 22.5 mil.
   - By its second lawsuit, IPTO is asking for the payment of Euro 232.6mil. (with interest) for amounts due which the Parent Company collects from supply bills and conveys to IPTO. The interest for the above mentioned sums amount to Euro 40.6 mil.

   The lawsuits are scheduled to be heard on May 18, 2017 in the Multimember Court of First Instance in Athens. The Parent Company considers that there is a chance of paying interest on certain sums due and has established a provision of Euro 30.3 mil. It is noted that PPC will file lawsuits against IPTO as well.

For the above amounts the Group and the Parent Company have established adequate provisions, which as at December 31, 2014 amounted approximately to Euro 161 mil. and 108 mil., respectively (2013: 159 mil. for the Group and 79 mil. for the Parent Company), which are considered adequate for the expected losses which will derive by the final judgement.

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.

Litigations Risk

The Group is involved in several legal proceedings arising from its operations, and any adverse outcome against PPC may have a negative impact on the Group's business, financial condition and reputation.

In addition, as a majority state owned utility, the Group is subject to laws, rules and regulations designed to protect the public interest, such as of public procurement or environmental protection. Violation of legislation, rules or regulations, entail, among others, criminal sanctions for the corporate directors and executive officers as well as employees of the companies and utilities that are subject to those rules.

Simultaneously, the Group is one of the largest industrial groups in Greece, with complex activities and operations across the country. In the ordinary course of its business, from time to time, competitors, suppliers, customers, owners of property adjacent to its properties, media outlets, activists, and ordinary citizens, raise complaints (even to public prosecutors) about the Group'soperations and activities, to the extent they feel that its activities and operations cause or are likely to cause economic damage to their views and/or interests, businesses or properties and, in the context of advancing those complaints, they often file criminal complaints against the Group with the public prosecutor on a variety of grounds and allegations or make public allegations in the press, which the public prosecutor is obligated to investigate further before they decide further actions, including the closing of the case for lack of any conclusive evidence. These practices have intensified during the recent economic crisis, as public prosecutors and the general public have generally become more sensitive to similar allegations, especially against companies in which the Hellenic Republic is a major shareholder and are viewed as operating in the public interest.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

As a result, the Group, and its officers and directors, are presently and from time to time, and could be in the future, subject to various criminal or other investigations at various stages of procedural advancement on a variety of grounds arising in connection with its activities in the ordinary course of business. These investigations and legal proceedings may be disruptive to the Group's daily operations to the extent that officers and directors involved need to spend time and resources in connection therewith. They may also adversely affect the Group's reputation. To date, none of the proceedings initiated against the Group, its officers or directors has resulted in any criminal convictions.

"Alouminion of Greece" (ALOUMINION)

1. On 31.10.2013 with a majority of two to one (2/1) Decision No. D1/1/2013, the Permanent Arbitration Court of RAE decided the price for the supply of electricity to ALOUMINION S.A. at Euro 40,7/MWh for the period 01.07.2010 until 31.12.2013. At the abovementioned price both the fixed and variable energy costs are included, as well as System Use Charges, Ancillary Services Charges, Public Service Obligation, and state fees on behalf of RAE and HTSO/EMO, although Renewable Energy/Gaseous Pollutants special fees/ETMEAR Special Electricity Tax, DETE and other taxes imposed are not included. The burden on the financial results of the third quarter of 2013 imposed by the above mentioned Decision, as far as the supply of electricity to ALOUMINION is concerned, for the period 01.07.2010 until 30.9.2013 amounted to Euro 105.5 mil.
   As the abovementioned Decision compels PPC to sell at a loss, PPC filed an action for invalidity against it, which is scheduled to be heard on 04.12.2014, and was postponed for 01.10.2015 and, in addition, submitted a complaint for state aid before the European Commission (December 2013).
   The Commission by a letter in June 2014, has notified PPC that it does not intend to further examine the complaint, given that, according to the Commission, the complaint in question pertains to amounts which were defined following an arbitration by an arbitrary court to which the parties resorted to mutually and therefore it cannot constitute a "vehicle" of state aid, since it is not a state entity. PPC has challenged the 22/8/2014 Commission's decision in front of the General Court of the European Union (case T-639/2014).

2. The amount due by the State aid :
   On 27.07.2011 PPC received notification of Decision No. E (2011) 4916/13.07.2011 of the European Commission, following an investigation on the existence of state aid (C2/2010) in favor of ALOUMINION of Greece and its successor ALOUMINION, addressed to the Hellenic Republic, according to which, the Commission decided that state aid amounting to Euro 17.4 mil. was granted in favor of ALOUMINION of Greece. According to this Decision, the Hellenic Republic should have ensured the recovery of the state aid's amount 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, available to ALOUMINION of Greece from PPC for the period from January 2007 up to March 2008. The above mentioned aid, according to the Commission's Decision, should have been be refunded to PPC SA plus statutory interest, in accordance with the law on state aid. Subsequently, the Athens Court of First Instance has issued a Payment Order N. 13601/04.07.2012 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 compounded interest, for each passing day.

   Subsequently, ALOUMINION filed an appeal concerning the Payment Order with an additional request for the temporary suspension of its execution (article 632, para 3, of the Code of Civil Procedure). The Hellenic Republic was invited to file third party intervention proceedings, before the same Court, in favor of PPC as per the above referred hearings. The Court issued the Decisions No. 723/2014 and 724/2014 which recalled the Decisions of the same Court, respectively and validated the payment order No. 13601/2012.

   ALOUMINION, on 24.3.2014 filed an appeal against decisions 860/2013 and 724/2014 of the Court of First Instance, the date of hearing set for 16.10.2014 on the Court of Appeals, asking, among others, for the suspension of the execution of the payment order until the hearing of its appeal. The request for the suspension of the payment order was rejected. The discussion of the appeal was postponed for October 15, 2015.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Subsequently, in April 2014, the amount of Euro 21,276,766.43 was received, including both the amount of the recovered state aid as well as the respective interest amount for the time period up to 04.04.2014. PPC informed the Ministry of Finance as well as the competent Ministries of Foreign Affairs and Environment – Energy and Climate Change for the recovery of the state aid.
On October 8, 2014, the European General Court's decision for case T-542/2011 was issued, which concerned the recourse by ALOUMINION (by 06.10.2011) on the General Court of the EU against the above mentioned Decision (by 13.07.2011) of the European Commission concerning the state aid case, in which PPC had exercised a third party intervention in favor of the European Commission. The Court ruled in favor of ALOUMINION, and has proceeded to cancel the above mentioned Decision (2012/339/EU) of the committee, on July 13, 2011, regarding the state aid SA 26117-C2/210 (former 62/2009). PPC has filed a recourse to that decision on 18.12.2014 in front of the European General Court (case C-590/2014).

3. On 26.02.2014 PPC was served an appeal dated 19.02.2014 by ALOUMINION regarding the electricity supply bills of ALOUMINION of December 2013 and January 2014, for the amounts of the abovementioned bills regarding the Special Consumption Tax (dispute relating to the partial annulment of these bills) before the Athens Administrative Court of Appeals.

4. ALOUMINION does not accept tariffs for the High Voltage Customers, which were decided on PPC's 28.02.2014 General Shareholders' Meeting and proceeds with a partial payment of the amounts due to PPC for the consumptions of its industrial installations, calculating, by its statement, the supply tariff of the energy consumed for the year 2014, on the base of the abovementioned 1/31.10.2013 Arbitration Decision.
   In addition, ALOUMINION, in months of negotiations has denied all proposed tariffs by PPC, since 2013, including the tariff decided by PPC's General Shareholders Agreement on 28.02.2014. PPC through its General Shareholders' Meeting on 22.12.2014 has decided –as far as High Voltage Customers are concerned- the following : " the management should have been committed to take measures against the companies not signing supply contracts for 2014". Following that, PPC proceeded on 02.01.2015 to an order for the deactivation of ALOUMINION's load meters and invited IPTO to proceed to all necessary actions.
   Following that ALOUMINION has filed the RAE I-191545/09.01.2015 complaint –application of interim measures- application of special regulatory measures against PPC, which was notified to IPTO. PPC asked that the complaint been dropped, the immediate payment of all amounts due by ALOUMINION been ordered and the infliction of administrative penalties to ALOUMINION,
   RAE, by its letter to PPC and IPTO–notified to ALOUMINON- has proceeded to a recommendation to all parties to not execute the above mentioned order of deactivation. Then RAE invited all the parties in discussions and clarifications in front of the Plenary Session of RAE as well as before the Competition Committee on 02.02.2015. A decision by RAE is expected.
   On 20.03.2015 a document of the Competition Committee (CC) was notified to PPC, by which the CC asks the submission of PPC's views on a memo by ALOUMINION, with which the latter asked CC, in February 2015, to apply interim measures (among others the suspension of PPC's complaint regarding its supply relationship dated 07.11.2013, as well as its January 2015 declaration of discontinuation of representation of ALOUMINION's meters.

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, PPC's deposits 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 had outstanding loan balances, received under 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 of 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 claim resulting 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.

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 favor (Court of Appeals decision 2005).
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.
Following that, the hearing of the case would take place on October 25, 2012, but it was postponed for September 26, 2013, due to the strike of both judges and lawyers. The case was heard on the abovementioned date and decision 3680/2014 of the Court of Appeals was issued, which only partially accepts PPC's lawsuit while essentially accepting the results of the ordered by the Court above mentioned official expert report, as following :

a) The amount owed by the Bank of Crete to PPC at the time of the filing of the lawsuit by PPC on 22.07.1991 amounted to GRD 1,268,027,987 and
b) The amount owed by PPC to the Bank of Crete on 01.07.1991 due to the loan amounts becoming overdue by the Bank and after the suggested by the Bank set off of its counterclaim against the above-mentioned PPC's claim, amounted to GRD 2,532,936,698.

PPC intends to appeal against the above mentioned decision. It is noted that until the final judgment on the appeal, the discussion of the aforementioned (28 December 1995) lawsuit of the Bank of Crete against PPC is pending.
In case that the Supreme Court accepts PPC's annulment, then it will judge the case anew and the decision which it will issue will be irrevocable. In case of a positive outcome for PPC, for which there are increased probabilities, then the case of the Bank against PPC might be rejected.

Complaint against the European Commission's Decision regarding lignite extraction rights
On May 13th, 2008, PPC 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 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 obliged to assure that the third parties that would be awarded the relevant extraction rights would not sell to PPC the extracted lignite from the specific mines with the exception of those cases where there would be no other valid and binding offers.
PPC submitted an application for annulment of the said decisions of the Commission before the CFI of the European Communities. Furthermore, the Hellenic Republic has intervened before the CFI in the said proceedings, in favour of PPC. The hearing of the cases took place before the General Court on February 2, 2012. 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:

- State measures, which were in effect prior to the liberalization of the energy market, are preserved and continue to affect the lignite supply market, although PPC is not responsible for other companies 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.

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

- It is not clear, that PPC is in an advantageous position opposite to 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. Therefore it decided that granting to PPC the specific rights is not against European Union's law [art.106 para.1(special or exclusive rights to public companies) combined with art. 102 (abuse of dominant position) of the Treaty for the operation of the European Union)].

As far as case T-421/09 is concerned the Court has annulled as obsolete the above mentioned Commission's Decision 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.

On March 25, 2013 the companies "MYTILINEOS S.A – GROUP OF COMPANIES", "PROTERGIA S.A." and "ALOUMINION S.A." filed before the European Union Court, an intervention petition in favor of the European Union and against PPC, for the annulment of the above mentioned Decision of the Court of September 20th, 2012. The hearing of the case took place on October 3, 2013.

On July 17, 2014, the Court of the European Union has issued a decision on the annulment requests for the Commission, by accepting them. In particular the Court of the European Union, by citing cases, has accepted that for the application of the directives in question of the union law it is required (but also enough) the adoption of a measure, by which a member state exclusively grants rights to a public company, creates an inequality of opportunities between companies and thus it is able to drive the company to an abuse of dominant position. The European Union's Court has not accepted the Commission's request to judge the case in its substance following the injunction of the decision in the first degree but referred the case again to the General Court of the European Union, in order for it to deliver a decision on the remaining annulment reasons, which, although PPC had invoked in front of the Court, the General Court had not examined. PPC has submitted a Memo with its observations to the Court within the legal deadline.

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, 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 allocating the total amount of Euro 96.6 mil. in seven installments starting by August 2013 sent to PPC the relating briefing notes 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.

  In particular, PPC has already filed an application for annulment of RAE's Decision 285/2013, before the Council of State, as well as, an action for suspension of such Decision, until a final judgment is issued by the Council of State. The hearing for the application for the annulment took place on March 18, 2014, and the decision is pending. In the meantime, the Council of State has issued an interim Decision (n. 62/2014), which suspended the payment of 50% of the amount of Euro 96.6 mil., which is attributable to PPC.

  In spite of the assessment that there are reasonable chances for a favorable outcome, following the intermediate decision of the Supreme Court, PPC has recognized in its books a provision of 50% of the amount of Euro 96.6 mil. due to the uncertainty of the recoverability of this amount.

  In parallel EMO has filed a lawsuit in the Multimember Court of First Instance for an amount of Euro 55 mil. which is the equivalent of 4 equal installments out of a total amount of Euro 96.6 mil. The hearing of this lawsuit has been scheduled for December 9, 2015. Consequently and under the prerequisite that the State Council will not have issued a final decision, by that date, there is the prospect of postponing the above mentioned lawsuit since the validity of RAE's Decision 285/2013, depends on the State Council's decision, which constitutes the legal basis of the dispute in the court. Consequently PPC has not established a provision beyond the one mentioned previously.

  Additionally, the company "ELPEDISON" by a lawsuit request EMO to be ordered to pay to "ELPEDISON" an amount of EURO 89.4 (with interest), by its participation to DAS. The lawsuit is founded to RAE's Decision 285/2013, according to its second part, which forbids the practice of offsetting claims by participating in DAS with claims from other causes. Specifically, it claims that EMO's negligence to demand from PPC to stop the practice of offsetting out of the DAS market leaded to EMO's inability to pay ELPEDISON timely which is why it claims the above mentioned amounts by EMO.

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

EMO has asked PPC to participate in the trial as a procedural guarantor asking with an incidental request that PPC is reprobated to pay the above mentioned sums in case of defeat. The lawsuit is scheduled to be heard in the Multimember Court of Piraeus on May 27, 2015. PPC considers that there is the possibility of postponement of the hearing of the EMO's trial since a decision by the State Council is expected, considering the validity of RAE's Decision 285/2013, which is the legal base for the trial in the Court of First Instance. Consequently, PPC has not established a provision.

- **Application for interim measures of EMO against IPTO.**
  EMO has applied for interim measures against IPTO, by which asks that interim measures as well as a Garnishment of all assets, movable or immovable up to the amount of Euro 300 mil. or that IPTO is obligated to guarantee in favor of EMO up to the amount of Euro 300 mil. to ensure its claims against IPTO, which pertain to capital and interest kai derive from invoices, which either remain due or have been paid belatedly. For the above mentioned claims, EMO has already filed three lawsuits against IPTO by which asks that IPTO is obligated to pay to EMO an amount of Euro 500 mil. approximately, as analyzed in the relative lawsuits. The hearing of the interim measures had initially been set on February 16, 2015 and following a postponement, on March 16, 2015 when it was postponed anew for April 24, 2015.

- **Offsets of Photovoltaic Systems Producers in buildings**
  Moreover, the above mentioned Decision 285/2013 of RAE 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.
  Non implementation of an offset does not impact results but will have a negative effect on our cash flows, due to the increased working capital needs, since PPC is obliged to await payments in cash from LAGIE through the relevant special RES account. The issue in question concerns amounts which range from Euro 11 mil. to Euro 31 mil. per month and the total amount to be recovered could reach approximately Euro 120 mil. based on an estimated eight-month waiting period. LAGIE has already filed both a claim and an application for interim measures before the Court of First Instance of Athens against PPC. On the application for interim measures Decision 6022/2014 of the Multimember First Instance Court of Athens was issued, ordering a temporary injunction on offsetting of liabilities of DAS with liabilities of other causes at a rate of 50% of these liabilities. The hearing is scheduled for January 12, 2017, nonetheless it is estimated that the matter will be settled legislatively.

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 of 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 retrospective application of the relevant methodology. For this amount, PPC considers that retrospective application is not included in the relevant provisions of the Law and thus has not recorded any relevant provision. For the above, PPC S.A. has filed a lawsuit at the Multimember Athens Court, which is scheduled to be discussed on 22.09.2016.

38.3. 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:

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 were under construction and were related to projects of the Acheloos River Diversion Scheme to Thessaly as well as energy projects were 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 greatimportance and their settlement will allow the completion of the Project and the operation of the Messochora Power Plant.

Following 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 Law 3481/2006 with the European legal framework. The Council of State by its recent Decision 26/2014 has decided to annul the 567/14.09.2006 letter by EYDE/OSYE, by which and according to the Court's Decision 3053/2009, it has been allowed, under the provisions of L. 3481/2006, and the approved environmental terms, the continuation of the diversion scheme in total. The above mentioned decision by the Council of State resulted to the inability to continue, complete and operate HEP Messochora.

The Parent Company (PPC S.A.), considering 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 and examining 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, proceeded to the review and the updating of the Environmental Impact Assessment (EIA) for HPP Messochora. After the completion of the approval process and the publication, by the relevant OG (9.2014), of the Decisions for the approval of Management Plans for River basins of the Western Sterea Hellas Water District and the Thessaly Water District the EIA is completed and submitted to the Directory of Environmental Permits (DEP) of the Ministry of Environment, Energy and Climate Change, in order to proceed with the procedures for the Decision of the relevant Ministers regarding the Environmental Terms for the Project, which is estimated to be completed in the first half of 2015.

After the publication of the Environmental Terms Decision, the construction of the remaining works and the procedure for expropriation of the remaining land will proceed, in order to make it possible to start the operation of the Project, which is estimated in the first quarter of 2017.

On December 31, 2014 the aggregate amount for HPP Messochora amounted to Euro 280 mil., approximately and is expected to require an additional amount Euro 122 million to complete and operate the project, which is estimated to operate in 2017.

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.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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. Following the provisions of Article 32 of Directive 2010/75/EU, a Transitional National Emissions Reduction Plan (TNERP) for the period 2016-2020 was elaborated and officially submitted by the country to the EU at the end of 2012. The TNERP was approved by the EU on November 26, 2013. On December 2013, PPC submitted to the competent authority an application for several changes to the TNERP, along with its declaration to use the limited life-time derogation (Article 33) for certain Power Plants. After the approval of the competent authority the revised TNERP was resubmitted on March 18, 2014 by the country and was approved by the EU on July 07, 2014. Finally, according to the above, SES Agios Dimitrios, Meliti and Megalopolis A' and B' are included in the NERP, while SES Amyntaion and Kardia will use the limited life-time derogation.

The extent of land contamination has to be assessed for many of PPC's installations, following to the provisions of art. 22 of Directive 2010/75/EU. 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.

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 Ministerial Decision 34394/1059/09.07.2014 according to which the environmental permit is awarded for the construction of the new conveyor belt for the transportation of ash from the Ag. Dimitrios thermal plant to the Ptolemaida Mines as well as the modification of the operation of depositing of the Mavropigi mine, was issued.
7. The Environmental Permit for Klidi Mine is expected to be issued.
8. Furthermore the Parent Company's Mine Environmental Department has carried out all required procedures, for the renewal of Environmental Permit for Amyntaio and Megalopolis Mines.

CO_2 Emissions
During March and May 2013, CO_2 emission licenses have been issued for all 31 PPC installations, for the 3rd implementation phase of the European Union Emissions Trading System (EU ETS phase III, from 1 January 2013 to 31 December 2020).
By the end of March 2014, the verification of the annual emissions reports for 2013 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 2013 amount to 41.3 Mt CO_2.

38.4. Investments
Combined cycle natural gas fired power plant of a 416,95 MW in Aliveri
The initial firing of the Gas-turbine was effected on 09.03.2013 and it was put in operation on 15.03.2013.
On 12.08.2013 the Unit was put contractually in Commercial Operation, which was completed on 04.11.2013.
In February 2014, the Unit was registered in both the Units' Register and IPTO's Allocated Units' Register .
The work of the Committee for the Temporary and Final Acceptance of the Project is in progress.
On 31.12.2014 the total expenditure for the project amounted to Euro 299 mil.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 of 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 up to Euro 739 mil. with a syndicate of foreign banks, in order to finance part of the construction of the above mentioned unit. 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. In December 2013 the final insurance coverage was issued by Euler Ermes while all the prerequisites for the drawdown of the loan were satisfied
There has been completed the drawing up by the Contractor of the studies for the Project licensing and their submission to the Corporation for review. There is being in progress the review of the submitted requests by the pertinent Bodies for their necessary opinions, which opinions are prerequisites for the submission to the authority for urban planning of the municipality of Eordaia of the request for the approval of building permit.
On 31.12.2014 the total expenditure for the project amounted to Euro 116 mil.

A new diesel engine Power Plant 115,4 MW in South Rhodos 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.). In 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 for the main Station was signed.
In September 2011, the Installation License was issued and was modified on January 20, 2012.
On January 25th, 2011 the Building Permit (6/2011) was issued and on February 16th, 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 was started.
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.
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:

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

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 4.3 mil.., 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 the 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. the needs for which the Generation and Installation Licenses were granted that have not been changed, 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 a 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 30.08.2013, there were published in the Government's Gazette, the land use decisions for the coastal public property, necessary for the erection of the on-shore installations.

The Secretary General of the Regional Administration of Aegean has signed, on 08.01.2014, the "Land Purchase Contracts" for the coastal public property, necessary for the erection of the on-shore installations.

On 03.01.2014, there was submitted to the Ministry for the Environment and Climate Change the Envelope for the reissuance of the Installation License for said Project.

On 19.03.2014, the Installation License of the Project was issued.

As we have been informed in April 2014, following the issuance of the above new Environmental conditions, the society called "Citizen's initiative for environmental project and development of Southern Rhodos" had appealed, in January 2014, to the Council of the State, submitting:

- Application for the annulment of the new Environmental conditions with which the Environmental Impact Assessment study was approved
- Application for the annulment of the new Installation License
- Application for the Suspension of the Works and for the issuance of Preliminary Injunction.

For the first two applications, there was appointed by the Council of the State trial date on 26.11.2014, which was postponed for 10.06.2015.

The Council of the State investigated the application for the suspension of the works and with its Decision No. 150/2014, rejected the Application for Suspension.

After the issuance of the new Environmental conditions, PPC proceeded promptly to the recommencement of the licensing procedures of the new Power Plant and thus in June 2014 there were approved:

- The Building Permit for the plot of the main facilities, and
- The Technical Environmental Study for the deposition of the excavated soil at the areas of the nearby Military Exercising Field.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Civil Works are in progress, which having in September 2014 at the area of main facilities of the Power Station in accordance with the Environmental Impact Assessment study and the new time schedule.
PPC and the Contractor continue the preventive maintenance of engines, generators and transformers, which are temporarily stored in Elefsis port, and they are scheduling the transportation of said equipment at Project site within the second quarter of 2015.
On 31.12.2014 the total expenditure for the project amounted to Euro 103 mil.

A new combined cycle unit at Megalopolis 811 MW
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.
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 10.05.2012 the connection agreement to the National Natural Gas System was signed.
In December 2014 the Connection Contract between IPTO and PPC S.A. was signed in order for the Unit to be connected to the System.
All required works for putting the Unit into operation have been completed. There are being in progress the Unit tests with use of natural gas which has been supplied by DESFA on 05.01.2015.
The Unit is expected to enter commercial operation within the first six months of 2015.
On 31.12.2014 the total expenditure for the project amounted to Euro 494 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, have been completed, the Units tests have been finished and the procedure of registering in the Independent Power Transmission Operator's Units Registry, which is to be completed within the second quarter of 2015.
The Plant is expected to be set in commercial operation in the second quarter of 2015.
The total installed capacity of the plant is 157 MW and it is expected to generate, on an annual basis, approximately 330 GWh of "clean" electricity.
On 31.12.2014 the total expenditure for the project amounted to Euro 299 mil.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

38.5. PPC Renewable (PPCR)

Construction of nine (9) new Wind Parks from PPC Renewables S.A.
Until today the construction and interconnection of the Wind Parks, in Paros, Lesvos, Rhodes, Samos, Crete and Limnos, of total installed power 22.5 MW has been completed.
In March 2014, the construction of eight wind turbines, out of a total of eleven, in the wind park of Rethimnon (Koprino) was completed, since by its Temporary Order, followed by its Decision 401/2014, the Suspension Committee of the Council of State, ordered the cessation of construction and operation of three non-installed wind turbines until the issuance of a decision on the relevant suspension request, which has already been discussed in the Council of State's Section E' pending a decision.
In December 2014 the interconnection of the wind park to HEDNO's network was initiated, following the issuance of a partial operation license by Crete's Decentralized Administration. (19.11.2014).
In Sifnos the preparation of studies as well as the licensing for constructing the pier by the proper authorities is expected, in order to initiate the selection of a contractor through an RfP and the construction of the project. Additionally, the arrangement of various legal and licensing pending matters is expected, in order for the contractor to commence operations.

Hybrid Project in Ikaria
The project of 6.85 MW of total power, combines two renewable energy sources, Wind and Hydroelectric. The hybrid project in Ikaria is expected to be completed and commence operation in 2015.

Megalopolis Photovoltaic (PV) Plant
In April 2014, the Council of State has decided to reject an application regarding the cancellation of licenses related to the 39 MW PV Plant of ARKADIKOS ILIOS ENA S.A in the municipal of Megalopolis Arcadia.
In May 2014, by decision of the Decentralized Administration of Peloponnese, Western Greece and Ionian, the Installation Permits of "ARKADIKOS ILIOS ENA S.A." 39 MW and "ARKADIKOS ILIOS DIO S.A." 11MW have been revived up to 1 November 2014. Additionally the two companies have timely submitted applications to further extend the installation licenses for two years and the decision of the Peloponnese Decentralized Administration is expected. .

Ptolemaida Photovoltaic (PV) Plant
The companies Iliako Parko Makedonias Ena and Iliako Parko Makedonias Dio have requested in September 2014 the extension of two P/V plants of 15MW each, for two years and the decision of the proper Decentralized Administration is expected. In February 2015 the Decentralized Administration for Epirus and West Macedonia has extended the isntalation license of the P/V plant Iliako Velos Ena, of 200 MW, until 28.12.2016

Exploitation Rights of the geothermal fields
By decisions of the Deputy Minister for Environment, Energy and Climate Changeconcerning the outcome of the Public International Bidding Contest (tender date 07.09.2011) for the lease of rights of exploitation of geothermal fieldshas been awarded with these rights 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. The BoD has approved the acceptance of leases, however, the notarial deeds have not been signed by the Ministry yet. The deadline for signing the above notarial deeds leases has been extended until April 30, 2015.

Ilarionas SHPP
The construction of the SHPP Ilarionas of 4.2 MW total capacity has been completed and commenced operation in September 2014.

Production Licenses of two new Wind Parks in Rodopi
In October 2014, the Regulatory Authority of Energy has issued the production licenses for two new PPC Renewables' wind parks of 106 MW total capacity and Euro 127.2 mil. in Rodopi region.

Construction of six new Wind Parks in the Aegean islands
In October 2013, PPC Renewables approved the construction of six (6) new wind parks of total installed capacity 13.5 MW, in the Aegean islands with a total budget of Euro 16.2 mil.
PPC Renewables issued a public international tender for the above mentioned project with a deadline of July 23, 2014. No bids were submitted and the tender was reissued with a deadline for the submission of offers of October 6, 2014. Still no bids were submitted. The tender will be issued again as soon as the relative documents are submitted to public consultation.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Repowering of SHPP Louros
In March 2014, PPC Renewables issued a public tender concerning the assignment of the project of the modernization and renovation of SHHP LOUROS, of 8.84 MW nominal capacity, with a budget of Euro 6.4 mil. and a submission deadline of June 24, 2014.
During the evaluation of the bids, new data arose as far as the amendment of technical requirements are concerned, thus leading to the annulment of the tender and its reissuance in 2015.

Construction of one (1) new Wind Park in Crete
In June 2014, PPC Renewables approved the construction of one (1) new wind park of total installed capacity 7.5 MW and a budget of Euro 9.0 mil., plus an option of Euro 3.96 mil. in Iera Moni Toplou region, in Sitia, Crete and the conduct of an international public tender for the project. The tender was issued while the new submission deadline was set for the 29th September 2014. No offers have been submitted. The tender will be issued again as soon as the relative documents are submitted to public consultation.

Business Plan 2014 -2018
On February 20, 2014, PPC's Board of Directors approved the five-year Business Plan 2014 -2018 of PPC Renewables. By completing the implementation of its Business Plan, PPCR is expected to have more than double its Installed Capacity Portfolio and to increase significantly its market share. As provided for in Business Plan 2014 – 2018, total investments shall equal to Euro 400 mil, approximately and installed capacity to 331 MW by the end of 2018.

New Law 4254/2014
In April 2014, Law 4254/2014 was entered into force which, among other, rectifies significant changes to the RES regulatory framework, with the most important being the following:

- Redefinition of the compensation amount for the electricity sold by the operating RES and CHP stations, as well as by the RES and CHP stations which either turn into operational status or their interconnection is activated after the Law has entered into force. The new Feed-in Tariff (FIT) framework is differentiated according to the RES type, the installed capacity, the connection quarter and the system. Additionally, the FIT is increased in case the investment is established without using state aid. Moreover, no provision for readjustment of sales prices based on values of the consumer price index rate exists. Furthermore, HEMO / HEDNO will adjust, where necessary, the compensation prices of the energy produced by the entry into force of this Act and will establish a relevant table within four months, which will be notified to RAE and the Ministry for Environment and Climate Change
- Producers of RES are required to issue a credit invoice concerning a discount on the total amount of injected energy for the year of 2013. The percentage of the discount provided ranges from 20% to 37.5% for P/V stations, depending on the installed capacity and the connection quarter, while for the other RES types and CHP stands at 10%. The credit invoice issued by the PPC Renewables SA amounted to Euro 2.94 mil.
- The extraordinary solidarity levy on producers of electricity from RES and CHP, which had been imposed by Law 4093/2012 is repealed. As far as 2014 is concerned, the imposed tax charged to the results of PPC Renewables amounted to Euro 0.47 mil.
- Finally, it is noted that the generation licenses and the connection terms offers suspension for the new P/V stations, which had been imposed by the Minister of Environment in August 2012, is withdrawn.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

38.6. IPTO S.A.

New investments by IPTO in the Energy Transmission System

- **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. Submarine cables have already been immersed in the maritime area between Evia and Nea Makri.
  The construction of the project completes the efforts of the Greek State, governmental bodies as well as RES investors, which spanned several years, and whose realization has been undertaken by IPTO S.A., thus contributing to the effort for the attraction of investments.
  The interconnection cost is more than Euro 80 mil. while RES investments, which are directly connected to the project amount to more than Euro 700 mil.
  With the completion of the Polypotamos to South Evia overhead cable connection 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 in the second quarter 2015. It should be noted though, that there is already a significant delay in the installation of the subterranean cables by the limits of the former American Base to Nea Makri's High Voltage Center, due to considerable reactions by the Municipality of Marathonas (former Municipality of N. Makri). The excavation license that was granted by the Marathonas municipality in the beginning of March 2014, was twice revoked by the above mentioned Municipality until today but aided by the General Secretary for the Decentralized Administration of the Aegean Region both revocations have been annulled and the works for the subterranean cables, have been completed and tests as well as their electrification is expected around late March or early April 2015.
  Additionally, there are delays in the necessary expropriations relating to the 150 kV transmission lines from the Evia Estate Authorities. Despite the above, it is expected that the transmission lines will be ready to be electrified by late April 2015.

- **High Voltage Center (HVC) in Aliveri and interconnection transmission line of 400 kV in Evia**
  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 2013 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 2013. The line which consists of two circuits, with overhead and subterranean parts, with a length of 56 and 13.5 kilometers, respectively, has already received injections of electricity by PPC's new natural gas unit in Aliveri which by February 7, 2014 is an allocated unit and is in proper operation.

- **High Voltage Center (HVC) in Megalopolis and interconnection transmission line of 400 kV and 150 kV**
  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 in August 2013. The new HVC is ready to receive injection of electricity by generators in the greater area, including PPC's new natural gas unit (Megalopolis V), when the said unit is completed. The construction of the 150 kV interconnecting transmission lines of the HVC as well as both 400 kV transmission lines connecting the HVC with the new natural gas unit of Megalopolis V, has been concluded.
  As far as the construction of the 400 kV interconnection lines of the Megalopolis HVC to the Patra area and from there through submarine and overhead transmission lines to the 400 kV Mainland System, the approval of Environmental Terms was granted at May 23, 2014. It must be noted that there is a recourse by the Ministry of Environment in the State Council against the annulment of the obligatory land expropriations in the Antirio area. At the same time construction works are underway aiming to shorten the period of time needed for completing the project.

- **Interconnection of Cyclades to the Mainland Transmission System**
  Following the conclusion of the public consultation, 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. Tender procedures have been concluded and contracts have been signed by September 10, 2014 with the four (4) contractors.
  The above mentioned project is described 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. The submarine cables of the interconnection are under construction, the first ones being those of the Lavrio – Syros interconnection and the Syros – Mykonos interconnection. The construction of the civil engineer works has started on the High Voltage Station in Syros. The completion of the whole project is scheduled for July 2016.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

- **Interconnection of Crete to the Mainland Transmission System**
  IPTO has proceeded to preliminary actions for the implementation of the project, aiming to achieve the interconnection within the current decade. In the abovementioned context in the first quarter of 2014 a preliminary study of the seabed has been conducted for the immersion of submarine cables. At the same time several locations that have been deemed appropriate for the construction of terminal stations are considered in Crete. It is noted that Crete's interconnection to the mainland's interconnected transmission system is incorporated in the "EuroAsia Interconnector" which in turn is incorporated to the "Projects of Common Interest" of the European Commission, which is sponsored by PPC's subsidiary "PPC-QUANTUM ENERGY".

Ten Year Network Development Plan (TYNDP) of the subsidiary IPTO S.A. for the period 2014-2023.
By its Decision 560/2013 which was published in OG B 3297/24.12.2013, RAE has approved the Ten Year Network Development Plan (TYNDP) of the subsidiary IPTO S.A. for the period 2014-2023, after having imposed some amendments concerning the schedule for the Cyclades Interconnection (3rd phase). The approved TYNDP 2014-2023 was published in OG B 556/05.03.2014 based on RAE's Decision 77A/2014/18.02.2014.
From February 17, 2014 until March 17, 2014, IPTO has put into public consultation the preliminary draft of the TYNPD 2015-2024. Following that and after taking under consideration the outcome of the above mentioned public consultation, IPTO submitted the Ten Year Network Development Plan (TYNDP) for the period 2015-2024 to RAE following Decision 34/20.05.2014 of IPTO's BoD. In the context of the approval process on June 16, 2014 RAE has submitted the TYNPD 2015-2024 to a new public consultation, with a deadline of July 18, 2014, pending the final decision.

Approval of the Aggregate Annual Cost and Use Charges for the Hellenic Transmission System for 2014
RAE with its Decision 195/29.04.2014 has defined the Aggregate Annual Cost for 2014 to Euro 256,8mil. as well as the required HETS revenue for 2014 to Euro 205,5 mil
Following that, RAE by its Decision 572/2014 has approved the allowed revenue for the regulated period 2015-2017 to Euro 254,7mil., 250,2 mil. and 261 mil. per year, respectively, as well as the required revenue for the year 2015 amounting to Euro 215,1mil. A decision by RAE is pending as far as the definition of the unit charges for the Use of the System for 2015.

Use of Congestion Income, from the country's international interconnections access rights, for the year 2014 - 2015.
With its 170/2014 decision, RAE approved the use of Euro 30 mil. from the Reserves Account (Interconnections Transfer Capacity Allocation according to article 178 of the Greek Grid Control Code For Electricity) that IPTO keeps for the reduction of the Transmission Use of System Annual Cost for the year 2014. Additionally, RAE with its Decision 571/2014 has approved the use of an amount of Euro 25 mil. from the same account for the reduction of the Annual Transmission use charges for the year 2015.

38.7. Business Collaboration
PPC's Participation in waste management tenders.
Waste Syclo, is a joint company by PPC S.A. and Terna Energy, with Terna Energy owning 51% and PPC 49% of the share capital, responsible for the study, construction of projects, provision 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.
Waste Syclo submitted in May 6th 2014, an Expression of Interest in Phase A' of the tender published by the municipality of Corfu for the construction of an integrated solid waste management facility of Corfu, and has been preselected to continue to Phase B' when it will be tendered.

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 preselected in three tenders and participated in Phase B I of the competitive dialogue for the North Western Attica tender in January 2014. The Attica Prefecture announced on December 29, 2014, the cancellation of the above mentioned tenders, intending to revise the whole Waste Management Plan for Attica.

Kosovo Energy Project
The project, according to the new RfP published in April 29, 2014, includes the construction and operation of a new electric power generation plant with estimated installed capacity of 2X320 MW. PPC after examining the cost level of the investment, as well as the basic amendment of the tender which was the removal of mining operations, decided not to place a binding offer. The American company ContourGlobal was the only company that submitted an offer.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

International public tender in FYROM
The tender which was published on January 30, 2014 involved the design, financing, construction, operation and maintenance of the new hydro power plant Cebren (333 MW), as well as operation of the existing hydro power plant Tikves (92 MW). PPC submitted a binding offer on June 30, 2014. On September 18, 2014 FYROM's Conceding Authority sent its official decision by which it announced that the procedure for awarding the Project, was terminated.

Business Collaboration with Quantum Corporation Ltd and the former Bank of Cyprus
PPC - QUANTUM ENERGY LTD, is a company founded by PPC, Quantum Corporation LTD and the former Bank of Cyprus, with share capital participation 51%, 40% and 9% respectively. This company has been appointed as the contractor for the "EuroAsia Interconnector" Project, according to the regulatory provisions of the European Regulation 347/2013. On November 11, 2014, following IPTO's letter of intent for the acquisition of 51% of PPC's participation in PPC QUANTUM ENERGY LTD, PPC's Board of Directors decided to initially accept, pending the fulfilment of certain commitments posed by IPTO S.A., by the abovementioned letter of intent. The abovementioned commitments have been fulfilled and the completion of the procedure is expected by IPTO.

Establishment of a Societe Anonyme jointly with DAMCO ENERGY SA
Following the 7th of August 2013 PPC BoD's decision "PPC Solar Solutions S.A." was established on February 28, 2014, jointly with DAMCO ENERGY S.A. in which PPC S.A. participates with 49%.
The establishment of the above Societe Anonyme was approved by the Competition Commission by its Decision 587/2014. 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. A nationwide store network through franchising is expected to contribute to the company's development.

Expansion of PPC's activities abroad and establishment of commercial subsidiaries
A joint venture contract was signed between PPC (holding 85% of its share capital) and Alpiq Central Europe Ltd (holding 15%) for the establishment of a commercial subsidiary company in Bulgaria, under the name PPC Bulgaria (PPC BG) and based in Sofia. The new company is established and soon will receive its energy supply license by the Bulgarian Authorities.
Through this partnership, PPC seeks to enter to neighboring electricity markets, to expand its cross-border activity beyond Greek borders and also to achieve synergies on know-how in regard to trading in multiple electricity markets, by acting together with an established company with a presence in many European countries and having significant experience in cross-border electricity trading.

In addition, the establishment and licensing by the Turkish Regulatory Authority of a wholly owned subsidiary based in Constantinople was concluded, under the name "PPC ELEKTRIK TEDARIK VE TICARET ANONIM SIRKETI", Through this subsidiary, the Group is aiming to establish itself in the fast growing Turkish Market. The company has already been active in cross – border trade in electricity to and from Turkey, since autumn 2014.

Collaboration framework with DEPA S.A.
PPC covers its needs for natural gas by the new contract signed on October 29th, 2012 with DEPA which pertains to the procurement and transportation through the Hellenic Natural Gas System (HNGT).
Following DEPA's commitments, which were accepted by the Competition Commission by its decision on November 13, 2012, PPC has already proceeded with the readjustment of the Annual Contractual Quantity for the years 2013 and 2014 while according to the contractual provisions, PPC has already exercised its right to reduce it to 75% for the year 2014.
For the year 2013 - and until today – DEPA has proceeded to a unilateral determination of the provisions on the contract between DEPA - PPC, of the implementation of the new DESFA tariffs, as far as the usage cost of borders' entry points is concerned as well as invoicing purchases of natural gas. The abovementioned charges have not been accepted by PPC and the relevant amounts of the invoices issued by DEPA, have not yet been paid. Both parties are in contact in order to settle the abovementioned matter.
As far as the 2013 settlement is concerned, the certification of the relevant calculation formulae by an independent verifier, in accordance with the long term contracts between DEPA and its suppliers.
Moreover, following the publication of the revised Operational Code for the National Gas System and according to the contractual provisions and DEPA's commitments to the Competition Commission, the latter has send to PPC, on February 5, 2014 a draft of the contract for the supply of natural gas without the inclusion of transportation through the national natural gas system. The draft in question is under negotiation by the two parties.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

38. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Following the agreement between DEPA and Gazprom for the reduction on the supply price of natural gas, there was an official notification of the Parent Company by DEPA in April 2014 for the revision of the contractual supply price with a retrospective effect from 01.07.2013. The reduction of the border price of natural gas the Parent Company is supplied with, amounts to 10% in relation to the previous price. Consequently and due to the above mentioned agreement Euro 23.4 mil., for the second half of 2013 and Euro 6.6 mil. for the first two months of 2014, were refunded to the Parent Company. The positive effects appear in the Income Statement in Other (income)/expense and as a deduction to fuel cost in the first quarter of 2014.

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 been concluded as far as exemptions for certain customer classes are concerned. The audit regarding energy self-consumption is still underway.

PPC is subject to certain laws and regulations generally applicable to companies of the broader public sector

As long as the Hellenic Republic, as the major shareholder of PPC, holds 51% of its share capital, the Company shall, in some sectors, continue to be considered as a public sector company in Greece. Therefore, its operations shall continue to be subject to certain laws and regulations generally applicable to public sector companies in Greece, affecting thus specific procedures, including but not limited to personnel salaries, maximum level of salaries, recruitments of employees, as well as the procurement policies etc.

The said laws and regulations, particularly within the framework of the current financial conjecture and the relevant decisions of the Central Administration, which are not expected to be applicable to the Parent Company's current and future competitors, may limit the Parent Company's operational flexibility and may also have significant negative impact on its financial results, cash flow and on business risk management.

It should be noted that the Group did not have for several years (till today) the possibility to recruit its experienced personnel in the range of its business activities while, today's average personnel age is approximately 48 years. The Group's inability to recruit specialized personnel negatively affects the ability of the new PPC Group to elaborate and implement its strategy in the new competitive and financial environment, as well as to adequately staff basic supportive operations at the level of new subsidiaries. Finally, there is a risk of losing managers and experts to competition mainly because of restrictions on remuneration policies. The viability and development of PPC Group in the new business environment notably depend on the ability to attract and maintain skilled and specialized personnel and executives. According to L. 3833/2010 and L. 4057/2012 , concerning the recruiting of permanent staff an approval of the Interministerial Committee is necessary (AIC 33/2006), as well as an allocative act of the Minister of the Interiors and Administrative reorganization according to the 1:5 ratio (a recruitment for every five employees leaving).By the above mentioned and introduced by law hiring procedure, the Parent Company's recruitment needs are significantly hindered and any potential denial or delay of the aforementioned approval creates critical lack of personnel and managers and may have a negative impact on the implementation of the Groups' activity.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

39. FINANCIAL RISK MANAGEMENT

Fair value

Carrying amounts reflected in the accompanying balance sheets for cash and cash equivalents, short-term receivables, and current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. Fair values of marketable securities are based on their quoted market prices at the balance sheet date. Carrying amounts of the long-term borrowing approximate their fair value because, these loans are in local currency and carry a floating interest rate.
For all swap agreements, the fair values are confirmed to the Group by the financial institutions through which the Group has entered into these contracts (see Note 36).

Credit Risk

The Group's business, results of operations, financial condition and prospects depend highly on the social and macroeconomic conditions in Greece, as practically almost of our assets and economic activities are in Greece. Despite the fact that, electricity sales are dispersed over a large number of customers with a wide and diversified range of operations, our business activities, results of operations and cash flows are highly dependent on our customers' ability to repay their liabilities. The current economic environment and the recent intense recession had a material adverse impact on the liquidity of the Group mainly resulting from:

- Difficulties in payment and increases in delayed payments, by Low and Medium voltage customers as well as High voltage (Industrial) customers, especially those with large outstanding balances.

- A sizeable number of enterprises, especially small and medium sized, which cease their operations due to the economic conjecture and leave behind unpaid bills.

The Group may also face difficulties or delays in its ability to collect payments from its customers as a result of additional new measures that burden electricity bills with new or increased charges in favor of third parties, as the Renewables levy (ETMEAR).

This might extend the delay of collecting electricity bills and create additional needs of working capital for the Parent Company, bearing also in mind that ETMEAR, amongst others, is paid regardless of whether it has been collected from the customer.

Additionally, the Parent Company's collection enforcement mechanisms may be affected by legislation or other administrative acts, (for example by restricting disconnections for non-payment for certain categories of customers or for certain time periods), which can adversely affect the Group's results of operations, business, financial condition and cash flows.

Interest rate risk and foreign currency risk

The Group's debt obligations consist of bank loans, bonds and overdrafts. It is the Group's policy to hedge on a case by case basis through derivatives, solely for risk reduction purposes, against the fluctuation of floating interest rates and/or foreign currency exchange rates affecting its debt portfolio. The Group's existing derivative transactions include interest rate swaps (conversion of floating rate liabilities to fixed rate liabilities) and forward currency contracts.

Furthermore, the fluctuation of the Euro against U.S. dollar exchange rate may adversely impact the prices of the Group's liquid fuel purchases (diesel and heavy fuel oil). As oil prices are expressed in U.S. dollars, the Group is exposed to foreign currency risk in the event of an appreciation of the U.S. dollar against the euro. In order to cover the foreign currency risk arising from liquid fuel purchases, the Group is undertaking, on a case by case basis and according to the prevailing market liquidity circumstances, hedging transactions for this risk. Any hedging transactions that the Group may have in place may not provide full or adequate protection against these risks.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk

Current macroeconomic and financial environment in Greece, which remains volatile, may have a considerable adverse effect on the Group's and the Parent Company's business activity, results of operation, financial position and prospects. Currently, the economic situation in Greece has directly affected the capital levels, liquidity and profitability of the Greek financial system, which highly affect the Group's liquidity and access to credit as well as the liquidity of the Greek economy as a whole and the Group's customers' ability to access credit. In addition, the Group's access to foreign markets is limited. Liquidity risk is connected with the Group's need to ensure adequate cash flow for the financing of its operations including working capital needs, capital expenditure, as well as the servicing of its debt.

The Group's working capital needs may increase due to a number of factors, including:

- Increased delays in the payment or even non-payment of electricity bills.

- The obligation to pay Renewables levy (ETMEAR), the Special Consumption Tax on electricity as well as the VAT when due, irrespective of whether relevant amounts from the Group's customers have been collected, and any difference in timing between receipt and payment or any difference in the calculation of such levies;

- The expansion of credit limits for vulnerable consumers who are also entitled to special lower tariffs through more favorable settlements – compared to other customers- of overdue electricity bills.

- The burden associated with the collection of taxes and levies that are not related to the sale of electricity such as special property and municipal taxes that are currently collected through electricity bills;

- Regulatory measures on the operation of the wholesale market which burden the cost of purchasing electricity for Suppliers

- The debt incurred by the Suppliers, whose operations have been suspended.

- Potential increase of commercial losses (non-technical losses) i.e. increase of incidents of electricity thefts.

The above factors may have a material adverse impact on the Group's liquidity as well as its ability to finance new or ongoing projects. It should also be noted that the Group's borrowing costs for, and access to, liquidity (for both the refinancing of the existing debt or / and new liquidity) have been negatively impacted by the current status of the Greek economy.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

(In million Euro)	On demand	3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 December 2013 (Group)						
Overdraft facilities	-	97.1	0.2	-	-	**97.3**
Short term borrowings	-	20.0	1,199.0	-	-	**1,219.0**
Long term borrowings	-	147.1	473.9	1,759.8	1,254.2	**3,635.0**
	-	264.2	1,673.1	1,759.8	1,254.2	**4,951.3**
Year ended 31 December 2014 (Group)						
Overdraft facilities	-	97.0	-	-	-	**97.0**
Short term borrowings	-	-	-	-	-	**-**
Long term borrowings	75.2	17.2	497.9	3,327.6	1,558.6	**5,476.5**
	75.2	114.2	497.9	3,327.6	1,558.6	**5,573.5**
Year ended 31 December 2013 (Company)						
Overdraft facilities	-	50.0	-	-	-	**50.0**
Short term borrowings	-	20.0	1,199.0	-	-	**1,219.0**
Long term borrowings	-	17.2	347.7	1,614.5	1,254.1	**3,233.5**
	-	87.2	1,546.7	1,614.5	1,254.1	**4,502.5**
Year ended 31 December 2014 (Company)						
Overdraft facilities	-	50.0	-	-	-	**50.0**
Short term borrowings	-	-	-	-	-	**-**
Long term borrowings	-	17.2	253.9	3,274.6	1,523.6	**5,069.3**
	-	67.2	253.9	3,274.6	1,523.6	**5,119.3**

The following table depicts the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group' s profit before tax (through the impact on floating rate borrowings). (in € million)

	Increase / Decrease in basis points (%)	Effect on profit before tax (Group)	Effect on profit before tax (Parent)
2014			
Euro	*+50*	*(15.66)*	*(13.65)*
Euro	*-50*	*16.16*	*14.15*
2013			
Euro	*+50*	*(16.57)*	*(14.47)*
Euro	*-50*	*16.57*	*14.47*

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk
The sensitivity analysis on natural gas, liquid fuel and system marginal price are as follow:

	Liquid Fuel (tones)	**Natural Gas (in m^3)**	**System Marginal Price (MWH)**
Change in price unit	+ 1 € (+ one Euro)	+ 0.01 € (+ one Cent of Euro)	+ 1 € (+ one Euro)
Impact	1.1 Euro million	8.3 Euro million	13.2 Euro million

The change in the $/€ rate by 5 cents of the dollar is estimated to affect the profit before tax 2014 by Euro 33 mil.

Availability of lignite reserves
Management believes that exploitable lignite reserves are adequate to cover the current and anticipated levels of supply for energy generation by lignite-fired thermal power stations for many years.

Progression of net debt ratio

The Group's net debt/equity ratio is as follows:

	2014	**2013**
Long term loans	5,476,497	4,853,946
Short term borrowings	97,016	97,285
Minus: cash and pledged deposits	(579,231)	(421,971)
Net debt	(4,994,282)	4,529,260
Shareholders' equity	6,134,749	5,403,573
Net debt/equity ratio	81.4%	83.8%

In long term loans, as presented above, the unamortized portion of loan issuance fees of Euro 43.5 mil., approximately, is included (note 27).

40. OPERATING LEASE ARRANGEMENTS

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
Minimum lease payments under operating leases recognised as expense	**24,992**	**29,920**	**19,660**	**23,763**

At the balance sheet date, the Group's outstanding commitments for future minimum lease payments under non-cancellable operating leases are approximately the current year's lease expenses, which are expected not to significantly altered during the next years.

Operating lease payments represent mainly rentals payable by the Group for certain of its office properties, machinery, vehicles and furniture and equipment. Lease fees for office properties are generally fixed for an average term of twelve years. Lease fees for machinery and vehicles are generally fixed for an average of 1 and 3 year, respectively.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

41. SIGNIFICANT EVENTS

Extraordinary General Meeting of PPC's Shareholders

PPC's Board of Directors decided to convene an Extraordinary General Meeting of PPC's Shareholders on the 31.01.2014, according to the invitation posted on 07.1.2014.
The items on the agenda that were discussed by The Extraordinary General Meeting of the Shareholders were as follows :

1st Item : Pricing of "ALUMINIUM OF GREECE S.A." as of 1.1.2014 – Submission for approval of actions taken by the Board of Directors"
2nd Item : Approval of the capacity of a Member of the Board of Directors.
3rd Item : Approval of the appointment, pursuant to article 37 of L. 3693/2008, of a Member of the Audit Committee.

With regard to the 1st Item, the Hellenic State submitted, by virtue of article 39, par. 3 of Codified Law 2190/1920, the following request for postponement of the relative discussion : "Given that the Hellenic State has to ensure a) as PPC shareholder, the long-term interests of the company, b) as responsible for shaping the energy and industrial policy, the sustainability and the competitiveness of the market, and therefore, based on these priorities and roles, requested the postponement of decision taking on the 1st item on the Agenda of the Extraordinary General Meeting of the Shareholders, so as to allow sufficient time for consultation with all interested parties for the settlement of technical issues with regard to electricity pricing".
Therefore the discussion on the 1st item was postponed for Friday, February 28th, 2014.

Repetition of the Extraordinary General Meeting of PPC's Shareholders

On February 28, 2014 the postponed Extraordinary General Shareholders Meeting was repeated, where the representative of the Majority Shareholder, namely the Hellenic Republic, proposed and the General Shareholders Meeting approved an extraordinary tariff discount of 10% to PPC;s approved tariffs for High Voltage customers with the duration of one year plus one by 01.01.2014. Especially for companies with an annual consumption larger than 1,000 GWh, there will be a further volume reduction of 10% in addition to the above mentioned discount.
Additionally, as a motive for increasing consumption during the zone of minimum consumption (nights and weekends) a further 25% discount on the A4 tariff for all High Voltage will be granted to customer except to those of an annual consumption more than 1,000 GWh and for their time of operation in the above mentioned zone.
Finally, the Shareholders General Meeting approved the up to now actions of the Company's Management regarding the ALUMINION case.
On March 27, 2014, The Parent Company's BoD by its Decision has defined the implementation of the above mentioned decision of the General Shareholders' Meeting, concerning the tariffs for High Voltage customers while on April 23, 2014, they were invited, through letters to sign supply contracts, providing at the same time information about their implementation.
In this context meetings are conducted with High Voltage customers for a) the provision of clarifications and explanations on the Shareholders' General Meeting's decision and b) for the settlement of overdue amounts, should they exist.
In particular, out of twenty four (24) High Voltage clients – which represent in consumption more than 99% for the total of High Voltage customers – fifteen (15) supply contracts have already being signed and seven (7) more are underway.

12th Annual General Shareholders' Meeting

PPC's 12th Annual General Shareholders' Meeting took place on June 20th, 2014, according to the invitation published according to the law and the Parent Company's statutes on May 29, 2014 and was posted on its website. The General Assembly has approved the non-distribution of dividend for the year 2013.

Refund of advance paid concerning income tax.

The Parent Company has submitted a request to the Athens Tax Office for the Societes Anonymes, in order to receive a refund concerning the income tax advance payment for the fiscal year 2013, since there was a tax loss in the fiscal year 2014. The abovementioned Tax Office, following an audit, has approved the refund of Euro 40.7 mil.

Return of payment of ascertained tax

By its Decision 5677/2013 the Athens Administrative Court has accepted PPC's Appeal against the Greek State and has annulled the Audit report of the competent Tax Authority which had ascertained additional tax to the Parent Company due to the rejection of an amount related to the reduced energy tariffs for its personnel. The amount to be returned to PPC amounts to Euro 17.9 mil. and the procedure will be completed through offsets with tax obligations of the Parent Company.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

41. SIGNIFICANT EVENTS (CONTINUED)

Extraordinary event in the Ptolemaida Thermal Plant

On November 9, 2014, a fire has occurred in the premises of the Unit 4 of the Ptolemaida Thermal Plant, which expanded in the common area of the Control rooms for Units 3 and 4, resulting in the unavailability of the above mentioned units. The Parent Company has already implemented the necessary procedures in order to both investigate the causes and evaluate the consequences of the event.

Folowing the relevant investigation, in order to evaluate the consequences of the event, the Parent Company's BoD has decided:

1. As far as Unit 4 of the Ptolemaida Thermal Plant is concerned, the approval of theprocedures for the fina decommissioning due to incapacity of operation in the time frame as dictated by its decommissioning planning (until 31.12.2015).
2. As far as Unit 3 of the Ptolemaida Thermal Plant is concerned, and due to its role in the provision of district heating for the Eordea Municipality, it was decided that the appropriate departments further investigate the possibility of operation after December 31, 2015, to the extend that the licensing requirements for its operation can be secured, in order to decide in favor –or not- of its repair.

Extraordinary General Meeting of PPC's Shareholders

PPC S.A announced that the Extraordinary General Meeting of the Shareholders of the Company was held on December 22, 2014, in accordance with the Invitation that has been posted on November 27, 2014.

ITEM ONE: " Approval for the payment of the relating tax, at the rate of 19%, on the non-taxable reserves amounting to €104,885,971.08, pursuant to the provisions of L. 4172/2013".

ITEM TWO: " Issues concerning the implementation of the Extraordinary General Meeting resolution dated 28.2.2014 with regard to High Voltage Customers' tariffs".

ITEM THREE: "Announcement in view of the approval of the election of a new Member of the Board of Directors and of its capacity, in substitution for a Member that resigned".

ITEM FOUR: "Approval of the appointment, pursuant to article 37 of L. 3693/2008, of a Member of the Audit Committee".

42. SUBSEQUENT EVENTS

High Voltage Tariffs

In January 2015, PPC S.A. has announced that, in application of the Extraordinary General Shareholders Meeting of December 22, 2014 and in view of securing the public interest the Parent Company has reached an agreement with LARCO, for the signing of a contract for the supply of electricity, from 01.01.2014 onwards according to PPC's General Shareholders' Meeting of February 28, 2014,, as well as methods of settling past differences between the two companies. Specifically, PPC's BoD by its decision dated 30.12.2014 has decided to accept LARCO's proposal for the direct referral to arbitration, according to the provisions of Civil Procedure, of the dispute between the two companies relating to the energy supply tariff for the sums due by LARCO until December 31, 2013 and the signing of a supply contract with the above mentioned company according to the tariff in accordance with the decision of PPC's Extraordinary Shareholders' Meeting of 28.02.2014, for the year 2014 as well as the year 2015and until the next convention of PPC's General Meeting. In the above mentioned supply contract it is provided for that in two months' time the two parties will agree on the settlement of LARCO's debts for the period 01.01.2014 – 31.112.2014.

Larco's General Shareholders' Meeting, by its 30.12.2014 decision, has decided to sing the supply contract with PPC and to refer to arbitration, according to the provisions of Civil Procedure, of the dispute between the two companies relating to the energy supply tariff for the sums due by LARCO until December 31, 2013. Until today no relative supply contract has been signed between the two companies.

Interest bearing loans, bonds and borrowings

During the period 01/01/2015 – 27/03/2015, the Group proceeded to debt repayments amounting to Euro 17.2 million (Parent Company Euro 17.2 million).

In January 2015, the Parent Company disbursed the total credit limit of an overdraft facility, amounting Euro 50 mil.

Credit rating

In February 2015, the rating house Standard and Poor's (S&P) confirmed the Parent Company's credit rating to B with negative outlook. Moreover on the same month, the rating house, following a respective downgrade of the Hellenic State, downgraded PPC to B- from B, by placing it in negative credit watch.

(All amounts in thousands of Euro, unless otherwise stated - except for share and per share data)

42. SUBSEQUENT EVENTS (CONTINUED)

VAT refund audit

On December 3, 2014 the Parent Company submitted a request to the Athens Tax Office for the Societes Anonymes, in order to receive a refund concerning VAT amounts of Euro 40 mil. for the period ended 30.09.2014. By a decision of the Secretary General for Public Revenues published in the Official Gazette 372 / B of 18.03.2015, the Audit Center for Large Businesses was ordered to conduct a tax audit in order for the applicant VAT amount to be refunded.

Extraordinary General Meeting of PPC's Shareholders

PPC's Board of Directors decided to convene an Extraordinary General Meeting of PPC's Shareholders on the 03.04.2015, according to the invitation posted on 12.03.2015.

The items on the agenda that were discussed by The Extraordinary General Meeting of the Shareholders are as follows :

1st Item : Appointment of Chief Executive Office
2nd Item : Appointment of the Board of Directors.
3rd Item : Announcements and other subjects.

APPENDIX I

UNBUNDLED FINANCIAL STATEMENTS

Under the provisions of L.4001/2011
and the approved methodology of
the Regulatory Authority for Energy**.**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
SYSTEM INTEGRATION UNBUNDLED BALANCE SHEETS
DECEMBER 2014

(expressed in million euro)

	ADMINISTRATION		MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		ELIMINATIONS		TOTAL PPC	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
ASSETS														
NON-CURRENT ASSETS														
Tangible Assets	83,3		1.623,6	1.539,1	6.382,2	5.045,4	3.778,1	4.460,2	35,3	32,1	83,3		11.902,5	11.076,9
Intangible Assets	5,2		0,2	0,5	60,2	18,6	0,0		0,2	0,2	5,2		65,8	19,3
Investments in subsidiaries	20,8	1.109,3	155,7		631,8		321,8		0,0		20,8		1.130,1	1.109,3
Investments in associates	1,1		0,0		0,0		0,0		0,0		1,1		1,1	
Available for sale financial assets	2,4		0,0	0,7	0,0	2,9	0,0	1,6	0,0	(0,4)	2,4		2,4	4,8
Other non-current assets	6,8		0,0	1,6	82,2	5,2	0,0		42,0	8,6	6,8		131,0	15,4
Derivative Assets	0,0		0,0		0,0		0,0		0,0		0,0			
Administration non-current assets	(119,6)		19,1	11,6	44,9	38,1	55,2	32,7	0,4	0,3	(119,6)			82,7
TOTAL NON-CURRENT ASSETS	**0,0**	**1.109,3**	**1.798,6**	**1.553,5**	**7.201,3**	**5.110,2**	**4.155,0**	**4.494,5**	**77,9**	**40,9**	**0,0**	**0,0**	**13.232,8**	**12.308,4**
CURRENT ASSETS														
Materials, spare parts and supplies, net	9,9		82,1	93,6	466,7	487,0	0,0		0,0		10,3		559,1	580,7
Trade receivables, net	29,7		0,2		452,3	(0,2)	58,3	(8,7)	1.806,1	1.252,2	(678,1)		1.638,8	1.243,4
Other receivables, net	104,0		136,5	17,1	(252,9)	650,5	(8,8)	4,2	162,8	198,9	230,1	(769,4)	267,7	101,5
Other current assets	16,2		2,8	3,0	(11,0)	2,3	15,3	9,3	34,0	(72,8)	5,9	(13,3)	47,0	(71,5)
Cash and cash equivalents	(0,0)		23,3	22,8	37,7	94,1	115,6	50,9	60,0	176,5	11,7		248,3	344,2
Restricted Cash	0,0		28,1		64,2		69,1		(16,7)		0,0		144,7	
Administration current assets	(159,7)		3,8	11,9	35,2	106,0	9,0	4,4	111,7	144,9	(159,7)			267,2
TOTAL CURRENT ASSETS	**(0,0)**	**0,0**	**276,8**	**148,5**	**792,2**	**1.339,7**	**258,5**	**60,1**	**2.157,9**	**1.699,7**	**(579,9)**	**(782,6)**	**2.905,6**	**2.465,4**
TOTAL ASSETS	**(0,0)**	**1.109,3**	**2.075,4**	**1.702,0**	**7.993,6**	**6.450,0**	**4.413,5**	**4.554,6**	**2.235,8**	**1.740,6**	**(579,9)**	**(782,6)**	**16.138,5**	**14.773,8**
EQUITY AND LIABILITIES														
EQUITY														
Share Capital	(0,0)	1.067,2	144,9		587,9		299,4		35,0		(0,0)		1.067,2	1.067,2
Paid-in surplus	(0,0)	106,7	15,0		60,8		30,9		(0,0)		(0,0)		106,7	106,7
Legal reserve	(0,0)	107,5	15,1		61,2		31,2		(0,0)		1,7		109,2	107,5
Fixed assets' statutory revaluation surplus included in share capital	0,0	(947,3)	(127,7)		(543,0)		(276,6)		(0,0)		(0,0)		(947,3)	(947,3)
Revaluation surplus law 2941	65,2	3.478,9	711,3		2.572,5		730,5		3,2		65,2		4.082,7	3.478,9
Other Reserves in Equity	(85,9)	109,0	9,4		55,0		31,6		(1,1)		(85,9)		9,0	109,0
Retained earnings	85,3	1.401,1	46,9		1.767,7		693,7		(1.123,4)		156,2		1.541,1	1.401,1
Administration equity	(64,6)		16,8		28,8		18,5		0,6		(64,6)			
TOTAL EQUITY	**(0,0)**	**5.323,0**	**831,5**	**0,0**	**4.590,7**	**0,0**	**1.559,2**	**0,0**	**(1.085,7)**	**0,0**	**72,6**	**0,0**	**5.968,4**	**5.323,0**
CAPITAL FUNDING TO BUSINESS UNITS	**(0,0)**	**(9.026,9)**		**1.361,3**		**5.524,1**		**2.813,8**		**(672,2)**	**0,0**	**0,0**		**0,0**
NON-CURRENT LIABILITIES														
Interest bearing loans and borrowings	(0,0)	2.868,7	608,9		1.559,1		1.190,5		1.477,1		(72,2)		4.763,5	2.868,7
Post retirement benefits	1,9	171,8	99,5		121,9		-		22,0		1,9		245,4	171,8
Provisions	12,1	132,9	72,7		43,2		-		45,4		12,1		173,5	132,9
Deferred tax liability	12,9		183,3	71,1	818,2	293,4	56,8	158,7	(347,9)	(41,6)	12,9		723,3	481,5
Deferred customers' contributions and subsidies	0,0		1,4	1,6	202,8	215,9	1.330,2	1.377,6	0,0		0,0		1.534,5	1.595,1
Other non-current liabilities	9,5		0,3		163,5	0,1	5,9		537,9	534,1	(169,1)		538,5	534,1
Administration non-current liabilities	(36,5)		6,0	4,9	(31,6)	24,8	56,4	40,0	5,6	7,5	(36,5)			77,2
TOTAL NON-CURRENT LIABILITIES	**(0,0)**	**3.173,4**	**972,2**	**77,6**	**2.877,3**	**534,2**	**2.639,8**	**1.576,3**	**1.740,2**	**499,9**	**(250,8)**	**0,0**	**7.978,6**	**5.861,3**
CURRENT LIABILITIES														
Trade and other payables	155,6		156,9	189,6	160,8	159,8	100,7	142,2	1.410,0	1.818,8	(226,6)	(769,6)	1.601,8	1.540,9
Short – term borrowings	(0,0)	50,0	7,0		28,5		14,5		(0,0)		(0,0)		50,0	50,0
Current portion of interest bearing loans and borrowings	(0,0)	1.583,9	41,0		91,8		71,2		58,5		(0,0)		262,5	1.583,9
Dividends payable	0,1	0,2	(0,0)		(0,0)		(0,0)		(0,0)		0,1		0,1	0,2
Income taxes payable	(37,3)		28,6	5,7	35,9	23,5	1,8	12,7	42,9	(3,3)	(37,3)		71,9	38,5
Accrued and other current liabilities	14,0		19,6	63,7	166,9	203,1	15,9	7,4	4,8	4,2	(5,6)	(13,0)	201,5	265,4
Derivatives Liability	3,6	5,8	(0,0)		(0,0)		(0,0)		(0,0)		3,6		3,6	5,8
Administration current liabilities	(135,9)		18,5	4,1	41,7	5,3	10,5	2,3	65,2	93,2	(135,9)			104,9
TOTAL CURRENT LIABILITIES	**(0,0)**	**1.639,8**	**271,7**	**263,1**	**525,5**	**391,6**	**214,6**	**164,6**	**1.581,3**	**1.912,9**	**(401,7)**	**(782,6)**	**2.191,4**	**3.589,5**
TOTAL LIABILITIES AND EQUITY	**(0,0)**	**1.109,3**	**2.075,4**	**1.702,0**	**7.993,6**	**6.450,0**	**4.413,5**	**4.554,6**	**2.235,8**	**1.740,6**	**(579,9)**	**(782,6)**	**16.138,5**	**14.773,8**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
INTERCONNECTED SYSTEM UNBUNDLED BALANCE SHEET
DECEMBER 2014

(expressed in million euro)

	MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
ASSETS										
NON-CURRENT ASSETS										
Tangible Assets	1.623,6	1.539,1	5.187,6	4.153,9	3.163,2	3.753,8	30,7	30,1	10.005,1	9.476,9
Intangible Assets	0,2	0,5	62,3	17,0	0,0		0,2	0,2	62,7	17,8
Investments in subsidiaries	155,7		511,8		271,0		0,0		938,4	
Investments in associates										
Available for sale financial assets		0,7		2,4		1,3		(0,4)	0,0	4,0
Other non-current assets	0,0	1,6	82,2	4,4	0,0		42,0	8,6	124,2	14,6
Derivative Assets										
Administration non-current assets	19,1	11,6	34,2	31,4	43,4	28,2	0,4	0,3	97,1	71,4
TOTAL NON-CURRENT ASSETS	**1.798,6**	**1.553,5**	**5.878,1**	**4.209,1**	**3.477,6**	**3.783,3**	**73,2**	**38,8**	**11.227,5**	**9.584,8**
CURRENT ASSETS										
Materials, spare parts and supplies, net	82,1	93,6	304,1	277,4	0,0		(0,0)		386,2	371,1
Trade receivables, net	0,2		449,7	(0,2)	50,3	(7,9)	1.776,7	1.133,5	2.276,9	1.125,5
Other receivables, net	136,5	17,1	(100,6)	677,0	(14,9)	3,3	31,1	164,0	52,1	861,4
Other current assets	2,8	3,0	(11,1)	1,8	0,4	(2,3)	32,0	(68,7)	24,0	(66,2)
Cash and cash equivalents	23,3	22,8	2,6	77,1	58,0	42,6	26,2	158,6	110,1	301,1
Restricted Cash	28,1		52,0		58,2		(14,6)		123,7	
Administration current assets	3,8	11,9	17,4	86,5	5,5	2,9	98,0	127,7	124,8	229,0
TOTAL CURRENT ASSETS	**276,8**	**148,5**	**714,1**	**1.119,7**	**157,5**	**38,5**	**1.949,3**	**1.515,1**	**3.097,8**	**2.821,8**
TOTAL ASSETS	**2.075,4**	**1.702,0**	**6.592,2**	**5.328,8**	**3.635,1**	**3.821,8**	**2.022,6**	**1.553,9**	**14.325,3**	**12.406,6**
EQUITY AND LIABILITIES										
EQUITY										
Share Capital	144,9		476,2		252,2		30,6		903,8	
Paid-in surplus	15,0		49,2		26,1		(0,0)		90,3	
Legal reserve	15,1		49,6		26,3		(0,0)		90,9	
Fixed assets' statutory revaluation surplus included in share capital	(127,7)		(439,9)		(232,9)		(0,0)		(800,5)	
Revaluation surplus law 2941	711,3		2.111,2		611,7		2,3		3.436,5	
Other Reserves in Equity	9,4		44,4		26,6		(1,0)		79,5	
Retained earnings	46,9		1.399,1		597,8		(916,4)		1.127,4	
Administration equity	16,8		24,5		15,7		0,5		57,5	
TOTAL EQUITY	**831,5**	**0,0**	**3.714,4**	**0,0**	**1.323,4**	**0,0**	**(884,0)**	**0,0**	**4.985,4**	**0,0**
CAPITAL FUNDING TO BUSINESS UNITS		**1.361,3**		**4.540,1**		**2.356,4**		**(717,6)**	**(0,0)**	**7.540,2**
NON-CURRENT LIABILITIES										
Interest bearing loans and borrowings	608,9		1.294,6		923,8		1.293,0		4.120,3	
Post retirement benefits	99,5		93,0		(0,0)		19,5		212,0	
Provisions	72,7		32,9		(0,0)		41,0		146,6	
Deferred tax liability	183,3	71,1	663,4	240,5	56,7	132,9	(301,5)	(43,2)	602,0	401,2
Deferred customers' contributions and subsidies	1,4	1,6	202,5	214,1	1.126,1	1.153,4	0,0		1.330,0	1.369,0
Other non-current liabilities	0,3		166,0	0,1	5,2		470,9	464,3	642,4	464,4
Administration non-current liabilities	6,0	4,9	(45,6)	21,6	34,3	33,6	5,4	4,8	0,2	64,9
TOTAL NON-CURRENT LIABILITIES	**972,2**	**77,6**	**2.406,9**	**476,2**	**2.146,1**	**1.319,9**	**1.528,2**	**425,9**	**7.053,5**	**2.299,6**
CURRENT LIABILITIES										
Trade and other payables	156,9	189,6	157,5	114,2	84,2	127,4	1.271,5	1.753,2	1.670,1	2.184,4
Short – term borrowings	7,0		23,1		12,2		(0,0)		42,3	
Current portion of interest bearing loans and borrowings	41,0		74,6		53,9		51,2		220,8	
Dividends payable									(0,0)	
Income taxes payable	28,6	5,7	28,1	19,2	1,3	10,6	53,8	(3,5)	111,9	32,1
Accrued and other current liabilities	19,6	63,7	147,7	174,9	6,9	5,5	(9,9)	2,0	164,2	246,0
Derivatives Liability										
Administration current liabilities	18,5	4,1	39,8	4,3	7,1	2,1	11,7	93,9	77,1	104,3
TOTAL CURRENT LIABILITIES	**271,7**	**263,1**	**470,8**	**312,5**	**165,6**	**145,6**	**1.378,3**	**1.845,6**	**2.286,4**	**2.566,9**
TOTAL LIABILITIES AND EQUITY	**2.075,4**	**1.702,0**	**6.592,2**	**5.328,8**	**3.635,1**	**3.821,8**	**2.022,6**	**1.553,9**	**14.325,3**	**12.406,6**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
CRETE UNBUNDLED BALANCE SHEET
DECEMBER 2014

(expressed in million euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
ASSETS								
NON-CURRENT ASSETS								
Tangible Assets	551,4	348,2	265,7	334,0	1,9	1,0	819,0	683,2
Intangible Assets	1,2	0,8			0,0		1,2	0,8
Investments in subsidiaries	46,2		20,9				67,1	
Investments in associates								
Available for sale financial assets		0,2		0,1				0,3
Other non-current assets		0,3						0,3
Derivative Assets								
Administration non-current assets	3,0	2,6	4,3	1,8	0,0		7,3	4,4
TOTAL NON-CURRENT ASSETS	**601,8**	**352,1**	**290,8**	**335,9**	**2,0**	**1,0**	**894,6**	**689,0**
CURRENT ASSETS								
Materials, spare parts and supplies, net	82,7	78,2	0,0		(0,0)		82,7	78,2
Trade receivables, net	1,4		3,5	(0,4)	60,0	65,0	64,9	64,7
Other receivables, net	(74,7)	(17,2)	5,5	0,2	76,4	17,5	7,2	0,6
Other current assets	1,1		1,9	1,7	1,0	(2,1)	4,1	(0,4)
Cash and cash equivalents	15,7	6,4	35,2	4,0	23,6	9,3	74,5	19,7
Restricted Cash	4,7		4,5		(1,0)		8,1	
Administration current assets	5,6	6,8	1,3	0,3	12,1	9,1	19,0	16,3
TOTAL CURRENT ASSETS	**36,5**	**74,3**	**51,9**	**6,0**	**172,1**	**98,8**	**260,5**	**179,0**
TOTAL ASSETS	**638,4**	**426,4**	**342,7**	**341,8**	**174,1**	**99,8**	**1.155,1**	**868,0**
EQUITY AND LIABILITIES								
EQUITY								
Share Capital	43,0		19,4		2,2		64,6	
Paid-in surplus	4,4		2,0				6,5	
Legal reserve	4,5		2,0				6,5	
Fixed assets' statutory revaluation surplus included in share capital	(39,7)		(17,9)				(57,7)	
Revaluation surplus law 2941	224,1		31,4		0,1		255,6	
Other Reserves in Equity	4,0		2,1		(0,1)		6,0	
Retained earnings	143,7		42,8		(76,1)		110,4	
Administration equity	2,4		0,3		0,0		2,7	
TOTAL EQUITY	**386,4**	**0,0**	**82,1**	**0,0**	**(73,9)**	**0,0**	**394,6**	**0,0**
CAPITAL FUNDING TO BUSINESS UNITS		**371,7**		**222,5**		**28,7**		**622,9**
NON-CURRENT LIABILITIES								
Interest bearing loans and borrowings	168,6		145,3		141,3		455,2	
Post retirement benefits	11,0				1,4		12,4	(0,0)
Provisions	3,5				2,4		6,0	(0,0)
Deferred tax liability	71,2	20,0	0,4	12,6	(25,8)	1,1	45,8	33,6
Deferred customers' contributions and subsidies	0,2	1,0	88,0	95,5	(0,0)		88,1	96,5
Other non-current liabilities	(0,2)		0,4		31,9	33,7	32,1	33,7
Administration non-current liabilities	(4,6)	1,2	6,3	2,7	0,0	1,4	1,8	5,2
TOTAL NON-CURRENT LIABILITIES	**249,8**	**22,2**	**240,4**	**110,7**	**151,2**	**36,2**	**641,3**	**169,1**
CURRENT LIABILITIES								
Trade and other payables	(13,7)	16,5	6,3	6,5	65,0	34,0	57,6	57,0
Short – term borrowings	2,1		0,9				3,0	
Current portion of interest bearing loans and borrowings	6,9		8,5		2,8		18,2	
Dividends payable								
Income taxes payable	2,8	1,6	0,2	1,0	(5,4)	0,1	(2,4)	2,7
Accrued and other current liabilities	5,2	14,0	2,9	1,0	7,3	1,2	15,5	16,3
Derivatives Liability								
Administration current liabilities	(1,2)	0,3	1,4	0,1	27,1	(0,4)	27,3	
TOTAL CURRENT LIABILITIES	**2,2**	**32,4**	**20,2**	**8,6**	**96,8**	**34,9**	**119,2**	**76,0**
TOTAL LIABILITIES AND EQUITY	**638,4**	**426,4**	**342,7**	**341,8**	**174,1**	**99,8**	**1.155,1**	**868,0**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
OTHER NON INTERCONNECTED ISLANDS UNBUNDLED BALANCE SHEET (INCL. RHODES)
DECEMBER 2014

(expressed in million euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
ASSETS								
NON-CURRENT ASSETS								
Tangible Assets	643,2	543,3	349,2	372,5	2,7	1,0	995,0	916,8
Intangible Assets	(3,3)	0,8			0,0		(3,3)	0,8
Investments in subsidiaries	73,8		29,9				103,7	
Investments in associates								
Available for sale financial assets		0,3		0,1				0,5
Other non-current assets		0,5						0,5
Derivative Assets								
Administration non-current assets	7,7	4,1	7,5	2,7	0,0		15,3	6,8
TOTAL NON-CURRENT ASSETS	**721,4**	**549,0**	**386,6**	**375,3**	**2,7**	**1,1**	**1.110,7**	**925,4**
CURRENT ASSETS								
Materials, spare parts and supplies, net	79,7	131,4	0,0		0,0		79,8	131,4
Trade receivables, net	1,2		4,5	(0,4)	(30,6)	53,7	(24,9)	53,3
Other receivables, net	(77,6)	(9,3)	0,6	0,7	55,3	17,4	(21,7)	8,9
Other current assets	(1,0)	0,4	13,0	9,9	1,0	(2,0)	13,0	8,3
Cash and cash equivalents	19,6	10,6	22,4	4,2	10,3	8,6	52,2	23,4
Restricted Cash	7,5		6,4		(1,1)		12,9	
Administration current assets	12,2	12,6	2,1	1,2	1,6	8,1	15,9	21,9
TOTAL CURRENT ASSETS	**41,6**	**145,8**	**49,1**	**15,6**	**36,5**	**85,8**	**127,3**	**247,2**
TOTAL ASSETS	**763,0**	**694,7**	**435,7**	**390,9**	**39,2**	**86,9**	**1.237,9**	**1.172,5**
EQUITY AND LIABILITIES								
EQUITY								
Share Capital	68,7		27,9		2,2		98,8	
Paid-in surplus	7,1		2,9				10,0	
Legal reserve	7,1		2,9				10,1	
Fixed assets' statutory revaluation surplus included in share capital	(63,4)		(25,7)				(89,2)	
Revaluation surplus law 2941	237,2		87,4		0,9		325,4	
Other Reserves in Equity	6,5		2,9		(0,1)		9,4	
Retained earnings	224,9		53,1		(130,8)		147,1	
Administration equity	1,9		2,5		0,0		4,4	
TOTAL EQUITY	**489,9**	**0,0**	**153,8**	**0,0**	**(127,8)**	**0,0**	**515,9**	**0,0**
CAPITAL FUNDING TO BUSINESS UNITS		**612,3**		**234,9**		**16,7**		**863,9**
NON-CURRENT LIABILITIES								
Interest bearing loans and borrowings	95,9		121,4		42,9		260,1	
Post retirement benefits	17,9				1,1		19,0	
Provisions	6,8				2,0		8,8	
Deferred tax liability	83,6	32,9	(0,3)	13,2	(20,6)	0,5	62,7	46,6
Deferred customers' contributions and subsidies	0,1	0,8	116,2	128,7	0,0		116,3	129,5
Other non-current liabilities	(2,3)		0,3		35,2	36,0	33,2	36,0
Administration non-current liabilities	18,6	2,0	15,7	3,7	0,2	1,3	34,5	7,1
TOTAL NON-CURRENT LIABILITIES	**220,6**	**35,8**	**253,3**	**145,6**	**60,7**	**37,8**	**534,6**	**219,2**
CURRENT LIABILITIES								
Trade and other payables	16,9	29,1	10,2	8,3	73,5	31,6	100,6	69,1
Short – term borrowings	3,3		1,3				4,7	
Current portion of interest bearing loans and borrowings	10,3		8,8		4,4		23,5	
Dividends payable							(0,0)	
Income taxes payable	4,9	2,6	0,3	1,1	(5,5)		(0,3)	3,7
Accrued and other current liabilities	14,0	14,2	6,0	0,9	7,4	1,0	27,4	16,1
Derivatives Liability								
Administration current liabilities	3,1	0,7	2,0	0,1	26,4	(0,3)	31,5	0,6
TOTAL CURRENT LIABILITIES	**52,5**	**46,7**	**28,7**	**10,4**	**106,2**	**32,3**	**187,4**	**89,5**
TOTAL LIABILITIES AND EQUITY	**763,0**	**694,7**	**435,7**	**390,9**	**39,2**	**86,9**	**1.237,9**	**1.172,5**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
SYSTEM INTEGRATION UNBUNDLED INCOME STATEMENT
DECEMBER 2014

	MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		ELIMINATIONS		TOTAL PPC	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUES												
Revenues from 3rd Parties												
Energy sales to customers							5.044,8	5.698,9			5.044,8	5.698,9
PSO's revenues							597,8				597,8	
Energy exports							1,8	52,1			1,8	52,1
Energy sales to wholesale market			2.879,8	1.919,6					(2.879,8)	(1.919,6)		
Capacity assurance mechanism			378,6	370,5					(378,6)	(370,5)		
Other Services to wholesale market			20,3	7,0					(20,3)	(7,0)		
Network rentals					303,9	308,3			(303,9)	(308,3)		
Customer's contribution					68,4	84,8					68,4	84,8
PSO's revenues of other suppliers							16,8	12,7			16,8	12,7
Other Sales	1,6	1,0	8,1	11,7	9,0	12,5	972,6	648,5	(924,2)	(613,5)	67,1	60,1
Allocated Administration Revenues	7,8	5,0	5,0	3,0			1,3	1,9	(14,1)			9,9
Interdepartmental Revenues												
Lignite yard & ash revenue	22,7	15,6							(22,7)	(15,6)		
Public Service Obligations				498,8			619,3	140,8	(619,3)	(639,6)		
Energy				128,1			96,2	86,1	(96,2)	(214,3)		
Lignite	731,1	740,5							(731,1)	(740,5)		
REVENUES	**763,2**	**762,1**	**3.291,7**	**2.938,8**	**381,4**	**405,6**	**7.350,5**	**6.641,1**	**(5.990,0)**	**(4.828,9)**	**5.796,8**	**5.918,7**
Expenses (3rd Parties)												
Payroll Cost	217,4	229,3	261,8	272,2			41,4	41,9	68,9		589,5	543,4
Own production lignite			735,8	740,5					(735,8)	(740,5)		
Third party lignite - Hard coal			74,4	50,2					8,2	(3,5)	82,7	46,7
Natural Gas			345,8	401,9							345,8	401,9
Liquid fuel			767,9	792,6							767,9	792,6
Materials & Consumables	68,0	80,1	53,9	55,3			1,0	1,0	0,4		123,3	136,4
Depreciations	125,1	141,7	249,4	251,3	158,9	157,5	1,1	1,2	5,5		539,9	551,7
Energy Purchases from third party			4,4	8,6			1.138,9	412,9	(1.143,3)	(421,5)		
Energy imports							151,6	134,7	(151,6)	(134,7)		
Energy Purchases to wholesale market							4.417,5	3.966,3	(2.873,9)	(2.303,5)	1.543,6	1.662,8
Transmission Network Fees							205,6	209,4			205,6	209,4
Distribution Network Fees							697,6	741,6	(303,9)	(308,3)	393,7	433,3
Utilities & Maintenance	150,4	187,6	41,0	41,1			26,3	26,7	13,9		231,5	255,4
Third party fees	1,3	1,2	11,4	10,3			12,7	9,7	7,4	(4,6)	32,8	16,6
Taxes and duties	30,3	30,6	49,2	50,5			4,7	4,0	(84,2)	(46,5)	0,0	38,6
CO2 emissions rights			216,9	187,5							216,9	187,5
Provisions	1,4	0,8	53,2	7,8			415,0	365,5	(1,7)		468,0	374,0
Financial expenses	36,9	33,0	83,2	130,8	64,2	70,8	67,1				251,4	234,6
Financial income	(6,0)	(5,7)	(12,4)	(20,9)	(9,4)	(11,3)	(62,2)	(36,5)			(90,0)	(74,4)
Other (income)/ expense, net	6,0	1,7	(20,3)	8,2	3,6	5,8	(19,0)	80,1	41,9		12,2	95,8
Devaluation of fixed assets	0,0		7,4		21,4		0,5				29,3	
Impairment loss of marketable securities	0,4	0,5	0,8	1,9	0,6	1,0	0,7				2,5	3,3
Foreign currency gains/ (losses), net	0,5	(0,1)	(0,2)	(0,5)	0,9	(0,3)	0,9				2,1	(0,9)
Allocated Administration Expenses	65,0	44,9	25,3	41,4		1,5	9,9	8,9	(100,2)			96,7
Interdepartmental Expenses												
Lignite yard & ash expenses			22,7	15,6					(22,7)	(15,6)		
Change in stock	3,9	(3,5)							(3,9)	3,5		
Public Service Obligations							619,3	639,6	(619,3)	(639,6)		
Energy	64,3	66,5	31,9	19,6				128,1	(96,2)	(214,3)		
PROFIT (LOSS) BEFORE TAX	**(1,8)**	**(46,5)**	**288,2**	**(127,0)**	**141,1**	**180,6**	**(380,0)**	**(94,0)**	**0,5**	**0,0**	**47,9**	**(86,9)**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
INTERCONNECTED SYSTEM UNBUNDLED INCOME STATEMENT
DECEMBER 2014

	MINES		GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUES										
Revenues from 3rd Parties										
Energy sales to customers							4.468,2	5.052,6	4.468,2	5.052,6
PSO's revenues							518,6		518,6	
Energy exports							1,8	52,1	1,8	52,1
Energy sales to wholesale market			1.894,2	1.693,6					1.894,2	1.693,6
Capacity assurance mechanism			378,6	370,5					378,6	370,5
Other Services to wholesale market			20,3	7,0					20,3	7,0
Network rentals					264,9	272,0			264,9	272,0
Customer's contribution					57,8	74,2			57,8	74,2
PSO's revenues of other suppliers							16,8	12,7	16,8	12,7
Other Sales	1,6	1,0	7,6	11,4	6,9	10,6	955,8	573,7	971,9	596,7
Allocated Administration Revenues	7,8	5,0	3,6	2,1			1,1	1,7	12,4	8,9
Interdepartmental Revenues										
Lignite yard & ash revenue	22,7	15,6							22,7	15,6
Public Service Obligations										
Energy							94,5	84,0	94,5	84,0
Lignite	731,1	740,5							731,1	740,5
REVENUES	**763,2**	**762,1**	**2.304,2**	**2.084,6**	**329,5**	**356,8**	**6.056,9**	**5.776,9**	**9.453,8**	**8.980,4**
Expenses (3rd Parties)										
Payroll Cost	217,4	229,3	195,4	207,7			36,6	37,2	449,4	474,1
Own production lignite			735,8	740,5					735,8	740,5
Third party lignite - Hard coal			74,4	50,2					74,4	50,2
Natural Gas			345,8	401,9					345,8	401,9
Liquid fuel			55,5	58,5					55,5	58,5
Materials & Consumables	68,0	80,1	36,0	29,8			0,9	0,9	104,9	110,9
Depreciations	125,1	141,7	200,7	205,0	133,9	134,2	1,0	1,0	460,6	482,0
Energy Purchases from third party				0,5						0,5
Energy imports							151,6	134,7	151,6	134,7
Energy Purchases to wholesale market							4.417,5	3.966,3	4.417,5	3.966,3
Transmission Network Fees							205,6	209,4	205,6	209,4
Distribution Network Fees							622,5	672,1	622,5	672,1
Utilities & Maintenance	150,4	187,6	32,3	34,4			23,6	23,4	206,4	245,4
Third party fees	1,3	1,2	7,7	7,0			11,4	8,6	20,3	16,9
Taxes and duties	30,3	30,6	48,5	49,7			4,5	3,6	83,3	83,9
CO2 emissions rights			198,2	172,8					198,2	172,8
Provisions	1,4	0,8	50,0	5,9			383,2	338,2	434,6	344,9
Financial expenses	36,9	33,0	67,6	106,4	48,6	59,3	58,9		212,1	198,7
Financial income	(6,0)	(5,7)	(10,1)	(17,0)	(7,1)	(9,5)	(55,2)	(32,2)	(78,3)	(64,4)
Other (income)/ expense, net	6,0	1,7	(18,5)	1,0	2,3	4,8	(16,7)	81,5	(26,9)	89,1
Devaluation of fixed assets			6,8		17,8		0,5		25,2	
Impairment loss of marketable securities	0,4	0,5	0,7	1,5	0,5	0,8	0,6		2,1	2,8
Foreign currency gains/ (losses), net	0,5	(0,1)	1,0	(0,4)	0,7	(0,2)	0,8		3,0	(0,7)
Allocated Administration Expenses	65,0	44,9	19,5	31,1		1,3	8,3	7,6	92,8	84,9
Interdepartmental Expenses										
Lignite yard & ash expenses			22,7	15,6					22,7	15,6
Change in stock	3,9	(3,5)							3,9	(3,5)
Public Service Obligations							540,1	535,9	540,1	535,9
Energy	64,3	66,5	30,2	17,4					94,5	83,9
PROFIT (LOSS) BEFORE TAX	**(1,8)**	**(46,5)**	**203,9**	**(35,0)**	**132,7**	**166,1**	**(338,6)**	**(211,4)**	**(3,8)**	**(126,8)**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
CRETE UNBUNDLED INCOME STATEMENT
DECEMBER 2014

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
REVENUES								
Revenues from 3rd Parties								
Energy sales to customers					302,4	337,3	302,4	337,3
PSO's revenues					41,2		41,2	
Energy exports								
Energy sales to wholesale market	491,3	113,4					491,3	113,4
Capacity assurance mechanism								
Other Services to wholesale market								
Network rentals			19,3	18,8			19,3	18,8
Customer's contribution			4,5	5,4			4,5	5,4
PSO's revenues of other suppliers								
Other Sales	0,2	0,2	0,6	1,2	8,4	38,9	9,2	40,3
Allocated Administration Revenues	0,4	0,2			0,1	0,1	0,5	0,3
Interdepartmental Revenues								
Lignite yard & ash revenue								
Public Service Obligations		244,2			308,3	73,5	308,3	317,7
Energy		62,7			1,2	1,6	1,2	64,3
Lignite								
REVENUES	**491,9**	**420,7**	**24,4**	**25,4**	**661,7**	**451,4**	**1.178,0**	**897,5**
Expenses (3rd Parties)								
Payroll Cost	24,7	23,8			2,7	2,7	27,4	26,5
Own production lignite								
Third party lignite - Hard coal								
Natural Gas								
Liquid fuel	385,8	387,5					385,8	387,5
Materials & Consumables	4,2	8,8			0,1		4,2	8,8
Depreciations	19,1	19,0	8,6	11,9	0,1	0,1	27,8	30,9
Energy Purchases from third party					589,2	208,3	589,2	208,3
Energy imports								
Energy Purchases to wholesale market								
Transmission Network Fees								
Distribution Network Fees					41,5	35,3	41,5	35,3
Utilities & Maintenance	2,9	1,3			1,3	1,5	4,2	2,8
Third party fees	0,4	0,1			0,6	0,7	1,0	0,8
Taxes and duties	0,3	0,3			0,1	0,2	0,5	0,5
CO2 emissions rights	10,2	7,9					10,2	7,9
Provisions	1,1	1,0			16,0	9,9	17,1	11,0
Financial expenses	6,3	9,3	7,6	5,6	3,4		17,2	14,9
Financial income	(0,9)	(1,5)	(1,1)	(0,9)	(3,3)	(2,1)	(5,3)	(4,5)
Other (income)/ expense, net	(1,2)	1,0	0,4	0,1	(1,2)	(0,8)	(1,9)	0,3
Devaluation of fixed assets	0,1		2,7				2,7	
Impairment loss of marketable securities	0,1	0,1	0,1	0,1	0,0		0,2	0,2
Foreign currency gains/ (losses), net	(2,2)		0,1				(2,1)	(0,1)
Allocated Administration Expenses	3,0	3,5			1,0	0,7	3,9	4,2
Interdepartmental Expenses								
Lignite yard & ash expenses								
Change in stock								
Public Service Obligations					41,2	54,1	41,2	54,1
Energy	1,2	1,6				62,7	1,2	64,3
PROFIT (LOSS) BEFORE TAX	**36,8**	**(43,0)**	**6,1**	**8,6**	**(31,0)**	**78,0**	**11,9**	**43,7**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.
OTHER NON INTERCONNECTED ISLANDS
UNBUNDLED INCOME STATEMENT (INCL. RHODES)
DECEMBER 2014

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
REVENUES								
Revenues from 3rd Parties								
Energy sales to customers					274,1	309,0	274,1	309,0
PSO's revenues					38,0		38,0	
Energy exports								
Energy sales to wholesale market	494,2	112,7					494,2	112,7
Capacity assurance mechanism								
Other Services to wholesale market								
Network rentals			19,7	17,4			19,7	17,4
Customer's contribution			6,2	5,3			6,2	5,3
PSO's revenues of other suppliers								
Other Sales	0,3	0,1	1,5	0,7	8,3	35,9	10,2	36,7
Allocated Administration Revenues	1,1	0,7			0,1	0,1	1,1	0,8
Interdepartmental Revenues								
Lignite yard & ash revenue								
Public Service Obligations		254,6			310,9	67,4	310,9	322,0
Energy		65,4			0,5	0,6	0,5	66,0
Lignite								
REVENUES	**495,6**	**433,4**	**27,4**	**23,4**	**631,9**	**412,8**	**1.155,0**	**869,8**
Expenses (3rd Parties)								
Payroll Cost	41,6	40,7			2,1	2,0	43,7	42,7
Own production lignite								
Third party lignite - Hard coal								
Natural Gas								
Liquid fuel	326,6	346,6					326,6	346,6
Materials & Consumables	13,8	16,6			0,1		13,8	16,7
Depreciations	29,5	27,2	16,4	11,4	0,1	0,1	46,0	38,8
Energy Purchases from third party	4,4	8,0			549,7	204,6	554,1	212,7
Energy imports								
Energy Purchases to wholesale market								
Transmission Network Fees								
Distribution Network Fees					33,6	34,2	33,6	34,2
Utilities & Maintenance	5,7	5,4			1,4	1,8	7,1	7,2
Third party fees	3,3	3,2			0,7	0,4	4,0	3,6
Taxes and duties	0,4	0,5			0,1	0,2	0,5	0,7
CO2 emissions rights	8,6	6,9					8,6	6,9
Provisions	2,1	0,8			15,9	17,3	17,9	18,2
Financial expenses	9,3	15,2	7,9	5,9	4,9		22,1	21,1
Financial income	(1,4)	(2,4)	(1,2)	(0,9)	(3,8)	(2,2)	(6,3)	(5,6)
Other (income)/ expense, net	(0,6)	6,2	0,9	0,9	(1,1)	(0,7)	(0,8)	6,4
Devaluation of fixed assets	0,5		0,9				1,4	
Impairment loss of marketable securities	0,1	0,2	0,1	0,1			0,2	0,3
Foreign currency gains/ (losses), net	1,0	(0,1)	0,1		0,1		1,2	(0,1)
Allocated Administration Expenses	2,8	6,8			0,7	0,6	3,5	7,4
Interdepartmental Expenses								
Lignite yard & ash expenses								
Change in stock								
Public Service Obligations					38,0	49,6	38,0	49,6
Energy	0,5	0,6				65,4	0,5	66,0
PROFIT (LOSS) BEFORE TAX	**47,5**	**(49,0)**	**2,2**	**5,9**	**(10,5)**	**39,4**	**39,3**	**(3,4)**

PUBLIC POWER CORPORATION S.A.
SUBSIDIARIES BALANCE SHEETS
AS OF DECEMBER 31, 2014
(All amounts in millions of Euro)

	COMPANY		IPTO		HEDNO		SUBSIDIARIES- AFFILIATES		ELIMINATIONS		GROUP	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
ASSETS												
Non – Current Assets:												
Tangible assets	11.902,5	11.150,9	1.537,4	1.553,7	43,1	74,2	181,7	156,7	24,9	(3,8)	13.689,5	12.931,7
Intangible assets, net	65,8	21,6	0,3	0,1	3,8	0,8	0,5	0,0	(0,4)	(0,4)	69,9	22,2
Investments in subsidiaries	1.130,1	1.109,3	-	-	-	-	-	-	(1.130,1)	(1.109,3)	(0,0)	-
Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-
Investments in associates	1,1	0,0	-	-	-	-	20,5	21,6	(0,0)	(0,0)	21,7	21,6
Available for sale financial assets	2,4	4,9	-	-	-	-	-	-	-	-	2,4	4,9
Other non- current assets	131,0	15,4	(0,0)	0,6	0,0	-	700,6	0,4	(700,2)	(0,6)	131,5	15,8
Total non-current assets	**13.232,8**	**12.302,2**	**1.537,7**	**1.554,5**	**46,9**	**75,0**	**903,3**	**178,7**	**(1.805,7)**	**(1.114,1)**	**13.915,0**	**12.996,3**
Current Assets:												
Materials, spare parts and supplies, net	559,1	588,2	38,2	45,2	180,2	151,1	0,7	0,8	(40,4)	-	737,8	785,3
Trade receivables, net	1.638,8	1.248,4	843,3	637,9	140,5	16,4	14,4	15,1	(864,3)	(612,1)	1.772,7	1.305,6
Other receivables, net	267,7	243,7	58,6	119,1	14,3	152,0	9,7	1,7	(56,2)	(266,5)	294,1	250,0
Income tax receivable	-	-	-	-	-	-	-	-	21,4	24,3	21,4	24,3
Other current assets	47,0	38,0	30,7	31,7	11,4	1,1	0,2	10,5	(36,1)	(51,9)	53,1	29,3
Cash and cash equivalents	248,3	185,5	118,3	48,8	28,8	13,2	39,1	12,8	-	-	434,5	260,3
Restricted Cash	144,7	161,7	-	-	-	-	-	-	-	-	144,7	161,7
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	**2.905,6**	**2.465,4**	**1.089,1**	**882,7**	**375,1**	**333,7**	**64,0**	**40,9**	**(975,6)**	**(906,2)**	**3.458,3**	**2.816,4**
Total Assets	**16.138,5**	**14.767,6**	**2.626,8**	**2.437,2**	**422,0**	**408,7**	**967,3**	**219,6**	**(2.781,3)**	**(2.020,3)**	**17.373,4**	**15.812,7**
EQUITY AND LIABILITIES												
EQUITY:												
Share capital	1.067,2	1.067,2	38,4	38,4	37,6	37,6	96,6	75,7	(172,6)	(151,7)	1.067,2	1.067,2
Share premium	106,7	106,7	-	-	-	-	55,3	55,5	(55,3)	(55,5)	106,7	106,7
Legal reserve	109,2	107,5	12,8	12,8	0,2	0,2	1,8	1,4	(14,8)	(14,4)	109,2	107,5
Fixed assets' statutory revaluation surplus included in share capital	(947,3)	(947,3)	653,5	-	-	-	-	-	(653,5)	-	(947,3)	(947,3)
Revaluation surplus	4.082,7	3.478,9	-	631,4	46,6	45,1	26,5	6,9	677,8	24,3	4.833,6	4.186,8
Other Reserves	9,0	109,0	174,7	-	-	-	-	-	(266,9)	(76,0)	(83,3)	33,0
Retained earnings	1.541,1	1.401,1	148,6	275,2	(55,6)	(44,8)	35,0	29,3	(620,4)	(811,1)	1.048,6	849,8
Total Equity attributable to owners of the Parent	**5.968,4**	**5.323,0**	**1.028,0**	**957,9**	**28,7**	**38,1**	**215,3**	**168,8**	**(1.105,8)**	**(1.084,3)**	**6.134,7**	**5.403,6**
NON-CONTROLLING INTEREST	-	0,0	-	0,0	-	0,0	-	0,0	0,1	(0,0)	0,1	0,0
Total Equity	**5.968,4**	**5.323,0**	**1.028,0**	**957,9**	**28,7**	**38,1**	**215,3**	**168,8**	**(1.105,7)**	**(1.084,3)**	**6.134,7**	**5.403,6**
Non-Current Liabilities:												
Interest bearing loans and borrowings	4.763,5	2.863,8	88,0	145,2	-	-	700,0	0,1	(700,0)	(0,2)	4.851,5	3.008,9
Post retirement benefits	245,4	230,9	27,3	-	147,5	-	-	-	0,0	159,8	420,2	390,7
Provisions	173,5	141,5	16,0	63,3	37,0	176,8	3,9	3,6	-	(159,8)	230,4	225,6
Deferred tax liabilities	723,3	490,9	103,0	69,1	(37,3)	(39,6)	9,0	2,4	(3,2)	(3,3)	794,7	519,5
Deferred customers' contributions and subsidies	1.534,5	1.595,1	124,8	128,7	-	-	4,7	5,0	(0,0)	-	1.664,0	1.728,8
Other non-current liabilities	538,5	534,2	7,7	6,2	6,1	-	0,0	-	-	-	552,4	540,4
Total Non-Current Liabilities	**7.978,6**	**5.856,4**	**366,8**	**412,5**	**153,3**	**137,2**	**717,7**	**11,1**	**(703,2)**	**(3,5)**	**8.513,2**	**6.413,7**
Current Liabilities:												
Trade and other payables	1.601,8	1.690,1	751,5	652,5	190,6	197,3	27,8	38,1	(898,9)	(879,7)	1.672,8	1.698,3
Short – term borrowings	50,0	50,0	47,0	47,0	-	-	0,0	0,3	-	-	97,0	97,3
Current portion of interest bearing loans and borrowings	262,5	1.582,5	319,0	256,2	-	-	0,0	-	-	(0,5)	581,5	1.838,2
Dividends payable	0,1	0,2	-	-	-	-	-	-	-	-	0,1	0,2
Income tax payable	71,9	39,3	-	-	2,9	6,5	0,2	1,2	-	-	74,9	47,0
Accrued and other current liabilities	201,5	220,3	114,5	111,0	46,5	29,6	6,5	0,2	(73,5)	(52,3)	295,5	308,7
Derivative liability	3,6	5,8	-	-	-	-	-	-	-	-	3,6	5,8
Total Current Liabilities	**2.191,4**	**3.588,1**	**1.232,0**	**1.066,7**	**240,0**	**233,4**	**34,4**	**39,7**	**(972,4)**	**(932,5)**	**2.725,4**	**3.995,4**
Total Liabilities and Equity	**16.138,5**	**14.767,6**	**2.626,8**	**2.437,2**	**422,0**	**408,7**	**967,3**	**219,6**	**(2.781,3)**	**(2.020,3)**	**17.373,4**	**15.812,7**

PUBLIC POWER CORPORATION S.A.
SUBSIDIARIES INCOME STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(All amounts in millions of Euro - except per share data)

	COMPANY		IPTO		HEDNO		SUBSIDIARIES- AFFILIATES		ELIMINATIONS		GROUP	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
REVENUES												
Revenue from energy sales	5.644,4	5.751,0	1.976,5	2.401,4	1.156,4	-	25,2	28,4	(3.147,8)	(2.377,6)	5.654,6	5.803,2
Revenue from system usage	-	-	242,3	-	716,4	1.525,1	-	-	(958,7)	(1.525,1)	-	-
PSO's revenues	-		23,6	-	-	-	-	-	(23,6)	-	-	
Other sales	152,4	167,6	20,6	0,4	83,4	-	33,8	-	(81,1)	(0,4)	209,0	167,6
	5.796,8	**5.918,7**	**2.263,1**	**2.401,9**	**1.956,1**	**1.525,1**	**59,0**	**28,4**	**(4.211,3)**	**(3.903,1)**	**5.863,7**	**5.970,8**
EXPENSES:												
Payroll cost	589,5	612,3	63,4	64,0	270,0	272,9	3,0	2,9	(11,6)	(12,2)	914,2	939,9
Lignite	82,7	46,7	-	-	-	-	-	-	-	-	82,7	46,7
Liquid Fuel	767,9	792,6	-	-	-	-	-	-	-	-	767,9	792,6
Natural Gas	345,8	401,9	-	-	-	-	-	-	-	-	345,8	401,9
Depreciation and Amortization	539,9	556,8	53,2	51,5	6,1	6,6	6,8	6,8	-	1,1	606,0	622,7
Energy purchases	1.543,6	1.662,8	1.976,5	2.139,6	1.156,3	425,1	0,2	-	(3.162,0)	(2.587,7)	1.514,7	1.639,9
PSO's fees	-	-	23,6	-	-	-	-	-	(23,6)	-	-	-
Materials and consumables	123,3	136,7	2,6	2,6	34,5	43,1	-	-	-	(9,0)	160,5	173,4
Transmission system usage	205,6	209,4	-	-	-	-	-	-	(205,6)	(209,4)	-	-
Distribution system usage	393,7	433,4	-	-	304,0	-	-	-	(697,6)	(433,4)	-	-
Utilities and maintenance	231,5	266,3	5,3	4,8	144,1	708,5	3,8	4,6	(101,1)	(666,8)	283,7	317,4
Third party fees	32,8	28,4	5,0	4,1	28,4	32,9	0,8	0,8	(18,9)	(16,1)	48,0	50,1
Taxes & duties	49,7	49,6	-	3,1	-	4,2	1,3	3,9	-	(0,7)	56,2	60,0
CO2 emission rights	216,9	187,5	-	-	-	-	-	-	-	-	216,9	187,5
Provision for Land restoration	-	-	-	-	-	-	-	-	-	-	-	-
Provision for risks	29,2	2,2	(21,7)	31,0	(4,5)	(23,1)	0,0	-	(0,0)	(12,9)	3,0	(2,8)
Provision for slow – moving materials	5,7	6,9	2,3	1,7	(2,6)	(0,7)	0,0	0,1	-	-	5,5	8,0
Allowance for doubtful balances	433,0	365,0	(10,0)	(12,0)	(0,3)	0,1	-	-	-	-	422,7	353,0
Profit from evaluation of CO2 liabilities of prior year	-	-	-	-	-	-	-	-	-	-	-	-
Financial expenses	251,4	238,8	36,7	50,0	0,1	0,1	34,1	0,5	(44,3)	(22,7)	278,0	266,8
Financial income	(90,0)	(76,1)	(2,3)	(1,8)	(0,9)	(0,4)	(0,6)	(0,3)	29,6	31,2	(64,2)	(47,4)
Other (income) expenses, net	(37,5)	81,8	2,8	(11,6)	16,2	13,0	0,2	0,7	38,0	41,1	19,7	125,1
Devaluation of fixed assets	29,3	-	29,5	-	-	-	1,7	-	-	-	60,6	-
Loss / (Gain) of associates and joint ventures, net	-	-	-	-	-	-	(0,6)	(1,6)	-	-	(0,6)	(1,6)
Impairment loss of marketable securities	2,5	3,4	-	-	-	-	-	-	-	-	2,5	3,4
Foreign currency (gain)/loss, net	2,1	(0,9)	-	-	-	-	0,0	-	(0,0)	-	2,1	(0,9)
PROFIT / (LOSS) BEFORE TAX	**47,9**	**(86,8)**	**96,1**	**74,7**	**4,6**	**42,6**	**8,2**	**10,0**	**(14,0)**	**(5,6)**	**137,6**	**34,9**

NOTES TO THE UNBUNDLED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

According to the provisions of European Directive 2009/72/EC, as well as the provisions of Law 4001/2011, which integrates the aforementioned European Directive into the national legislation, unbundling is the separation of financial statements (balance sheet and income statement) of an integrated electric utility into different financial statements for each one of its activities.
The unbundled financial statements will reflect each activity's financial position, assets and liabilities, as if such activities prepared financial statements had they been separate (independent) legal entities.

PPC, as a vertically organized integrated electric utility, keeps in its internal accounting, separate accounts for its activities and prepares separate balance sheets and statements of income for each one of its activities (balance sheet and statement of income before tax – hereinafter referred to as "unbundled financial statements"), as if these activities were carried out by different entities, in order to avoid discriminations, cross subsidization and distortion of competition.

Further to the above, PPC should keep separate accounts for its activities carried out in the non-interconnected islands.

The accounting principles applied for the preparation of the unbundled financial statements are those applied for the preparation of the Company's separate and consolidated financial statements.

The unbundling methodology applied by the Company for the preparation of the accompanied unbundled financial statements was approved by the 266/2014 Decision of the Regulatory Authority for Energy. Additionaly, in the Non – Interconnected System the transactions of energy between PPC's Generation and Supply and HEDNO, are carried out according to RAE's Decision 641/2013.

2. ACCOUNTING UNBUNDLING METHODOLOGY

The methodology applied for the preparation of the unbundled financial statements consists of the following phases:

- Determination of activities into which the integrated electric utility should be unbundled
- Preparation of unbundled trial balances
- Preparation of unbundled balance sheets
- Preparation of the unbundled statements of income
- Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system

Determination of activities into which the integrated electric utility should be unbundled
The activities for unbundled financial statements are prepared, on a first level, are Mines, Generation, Distribution Network, Supply, and Corporate.
On a second level, these activities are presented as follows:
- Interconnected System
  - Mines
  - Generation
  - Distribution network
  - Supply
- System of Crete
  - Generation
  - Distribution network
  - Supply
- System of other Non Interconnected Islands
  - Generation
  - Distribution network
  - Supply
- Corporate

Mines
Mines include the lignite extraction activity carried out in the Lignite Centers of West Macedonia and Megalopolis.

Generation
Generation includes the electricity generation activities in the Interconnected System, the System of Crete and the System of Non Interconnected Islands.

Distribution
Distribution Network includes the rental of assets to HEDNO SA in the Interconnected System, the System of Crete and the System of Non Interconnected Islands.

Supply
Supply reflects the Company's activity which monitors relationships with final customers in the Interconnected System, the System of Crete and the System of Non Interconnected Islands.

Corporate
The Corporate is the adninistrative departments of the Parent Company, which provide support to PPC's activities.
The Balance Sheet and Statement of Income of the Corporate is further allocated based on certain allocation rules, which are described in detail in the following pages.

Related parties are reflected as a separate activity in the group unbundled financial statements .

Preparation of unbundled trial balances
In the Company's accounting system, each the cost centre and the profit centre represents an organizational entity, in which the assets and liabilities are recorded. In order for these trial balances to be generated, the following tasks are performed, which are applied per account and cost / profit centre for the minimum account degree in General Accounting:

- Cost / profit centers are recorded in order to identify the boundaries of activities and then all cost / profit centers to be assigned to activities with which they are related to.

- The sum totals of the cost / profit centers and accounts are reconciled with the comprehensive trial balance of the Company.

- The trial balance accounts are codified and grouped into sections of the balance sheet and of the income statement based on Company's consolidated Financial Statements.

Preparation of unbundled balance sheets
At the and of each financial year, balance sheets are prepared for each of the four activities (Mines, Generation, Distribution Network, Supply) in the Interconnected System, in the Crete System and in the Non – Interconnected Islands System.

The balance sheet for each activity is prepared under the principle of independent accounting.

The accounts of each balance sheet are as follows:
- Direct, which include the direct charges and credits of the accounts of the relevant profit centers of the corresponding level of activity,
- Indirect of the administration departments, which derive from the administration departments of each activity and include its allocated balance sheet accounts.
- Indirect of the Corporate, which include the allocated balance sheet accounts, which are presented in a separate line on each activity's balance sheet.

Additionaly, the Balance Sheets of PPC's subsidiaries are depicted separately.

Preparation of the unbundled statements of income
For each accounting period income statements are prepared for each of the four activities (Mines, Generation, Distribution Network, Supply) in the Interconnected System, in the Crete System and in the Non – Interconnected Islands System. Additionaly, the Income Statemetns of PPC's subsidiaries are depicted separately.

Income statement accounts of financial nature are allocated to activities based on the loans of each activity.

Then, income statement account balances that have remained in Corporate are allocated in the activities.
For the allocation of revenues and expenses to Activities the criterion is based on direct expenses of every Activity, with the exception of expenses that relate to the system of customers' monitoring and billing that are assigned only to Supply. Upon completion of the above allocations, the Statements of income for each Activity are prepared.

The Corporate expenses and revenues allocated to the activities are presented separately in a line item in each activity.

Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system
Within the framework of an integrated utility products and services are exchanged among its activities, which would be recorded if these activities would operate as independent entities.

In order for these products and services to be quantified and recorded, an internal pricing system is applied if necessary (where there is no external determination of internal exchanges). The most important services and products internally exchanged in PPC among its Activities, that are presented in the Unbundled Financial Statements are the following:

	Activity which	
Product/ Service	**Renders**	**Receives**
Interconnected system		
Lignite	Mines	Generation
Other Services	Mines	Generation
Self-consumption energy	Supply	Mines, Generation
System of Crete		
Self-consumption Energy	Supply	Generation
Return of receivable Public Service Obligations	Interconnected Supply	Supply of Crete
System of other non-interconnected islands		
Self-consumption Energy	Supply	Generation
Return of receivable Public Service Obligations	Interconnected Supply	Supply of non-interconnected islands

Each activity's revenues from product sales or services to another activity are quantified, through the internal pricing system. Also, the activity that receives the product/ service records the related cost.

The internal revenues – expenses for each activity are defined as follows:

<u>In the interconnected system:</u>

The internal energy sales for self-consumption are calculated based on each Activity's metered consumption of energy with the average marginal price including the Return of receivable Public Service Obligations, Transmission System Tariffs and IPTO uplift charge.

The Mines internal revenue is calculated in accordance of the agreement for the lignite supply between Mines and Generation. The lignite supply contract determines the internal lignite market, i.e the lignite sales of the activity of the Lignite General Division to the activity of the Generation General Division. The contract covers the consumption of the lignite stations on a continuous basis, as well as with the necessary stock for the specific period. The calculation of the relative amounts takes place on the monthly basis, taking into account the monthly consumption and the calorific value of the lignite delivered.

<u>In the Non-Interconnected system:</u>

The internal energy sales are calculated based on each activity's metered consumption of energy priced by the average revenue of PPC's tariffs for the sale of electricity to Medium Voltage for Industrial Use customers.

The Public Service Obligations (PSOs) that are invoiced by Supply to its customers, third party PSOs as well as self consumption PSOs are allocated as an internal revenue of Crete and the Non Interconected Islands' Supply. Additionaly Supply receives as revenue electricity sales (self consumptions) to Generation (internal expense).

(All amounts in millions of Euro)

ANALYSIS OF REVENUES – EXPENSES FROM GENERATION AND SUPPLY

	GENERATION		SUPPLY	
	2014	2013	2014	2013
	in million €	in million €	in million €	in million €
INCOME				
Energy sales			**5.642,56**	**5.698,91**
Competative charges			3.663,71	
Revenue from low voltage sales			2.852,03	
Revenue from medium violtage sales			811,69	
Transmission system usage			202,38	
Revenue from low voltage sales			163,65	
Revenue from medium violtage sales			38,73	
Distribution system usage			684,17	
Revenue from low voltage sales			622,15	
Revenue from medium violtage sales			62,02	
Revenue from other charges			18,68	
Revenue from low voltage sales			14,11	
Revenue from medium violtage sales			4,57	
Revenue from High voltage sales *			331,12	
Uunbilled revenue and other revenue *			144,70	
Revenue from PSO			597,79	
Revenue from low voltage sales			457,09	
Revenue from medium violtage sales			128,98	
Revenue from high voltage sales			11,72	
Wholesale energy sales	**3.278,63**	**2.297,14**		
Sales of energy to IPTO - EMO	*1.809,78*	*1.438,46*		
*Sales of energy to HEDNO***	*985,54*	*226,08*		
Revenue from Special Consumption Tax	*47,73*	*48,38*		
Revenue from covering the generation variable cost recovery	*36,70*	*206,72*		
Revenue from securing sufficient capacity	*378,62*	*370,48*		
Ancillary services	*20,26*	*7,03*		
Other sales			**972,52**	**648,46**
Revenue from reconnection fees			*2,58*	*3,91*
Other income from consummers			*2,93*	*3,07*
Revenue from the special fee for the reduction of CO2 emissions			*940,13*	*613,54*
CommissionCommission from Municipal Levy and tax			*26,88*	*27,94*
EXPENSES			**5.707,95**	**4.513,90**
Purchases of energy- Interconnected System			**4.417,48**	**3.966,32**
Purchases of energy by IPTO - EMO			*2.678,97*	*2.064,35*
Special Consumption Tax			*56,75*	*144,46*
Special fee for the reduction of CO2 emissions			*942,66*	*613,54*
Securing sufficient capacity			*554,35*	*500,49*
Coverage of the generation variable cost recovery			*55,51*	*543,12*
Charge according to the thermal units' variable cost			*33,38*	*33,21*
Ancillary services			*43,87*	*30,62*
Settlement of losses - clearances			*44,07*	*30,65*
Other expenses			*7,91*	*5,87*
Energy imports			**151,57**	**134,68**
Energy purchases from no interconnected islands			**985,54**	**226,08**
Energy purchases from RES			**153,36**	**186,83**

* *For the revenue resulting from High Voltage, unbilled and other income there is no breakdonwn in competative - monopoly charges to customers*

*** The year 2013 internal revenues of €626,9 mil are not included.*

E. ADDITIONAL 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 YEAR
January 1, 2014 -December 31, 2014

(Published in accordance to the article 135 of the corporate law 2190, for companies who prepare the annual consolidated and stand alone financial statements in accordance with IAS/IFRS)
(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.

DATA FROM STATEMENT OF FINANCIAL POSITION

Appropriate Authority:	Ministry of Reconstruction of Production, Enviroment and Energy
Web site address:	www.dei.gr
Date of approval by the Board of Directors:	March 27, 2015
Certified auditor accountant:	Kaminaris Vassilios
Audit company:	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Type of auditors' report:	Unqualified Opinion - emphasis of matters

Board of Directors:

Chairman & Chief Executive Officer:	Zervos Arthouros
Vice Chairman & Deputy Chief Executive Officer:	Dologlou Konstantinos
Deputy Chief Executive Officer:	Ekaterinari Ourania
Independent - non executive members:	Alexakis Panagiotis
	Vassilogeorgis Charilaos
	Vernikos Nikolaos
	Papasotiriou Stavros
	Thomoglou Pavlos
	Tavris Filippos
Non executive members:	Karaleftheris Pantelis
	Fotopoulos Nikolaos

DATA FROM STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
ASSETS	**31.12.2014**	**31.12.2013**	**31.12.2014**	**31.12.2013**
Tangible assets	13.689.537	12.931.720	11.902.455	11.150.928
Intangible assets, net	69.946	22.174	65.765	21.618
Other non- current assets	153.153	37.458	1.262.236	1.124.706
Materials, spare parts and supplies	737.763	785.325	559.078	588.186
Trade receivables	1.772.670	1.305.579	1.638.789	1.248.364
Other current assets	368.667	303.569	314.725	281.637
Available for sale financial assets	2.394	4.920	2.394	4.920
Restricted cash	144.720	161.693	144.720	161.693
Cash and cash equivalents	434.511	260.278	248.318	185.513
TOTAL ASSETS	**17.373.361**	**15.812.716**	**16.138.480**	**14.767.565**
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	4.960.780	4.229.694	4.794.569	4.149.170
Equity attributable to shareholders of the parent (a)	6.134.659	5.403.573	5.968.448	5.323.049
Minority interests (b)	90	0	0	0
Total Equity (c)=(a)+(b)	6.134.749	5.403.573	5.968.448	5.323.049
Interest bearing loans and borrowings	4.851.491	3.008.893	4.763.477	2.863.820
Provisions / other non current liabilities	3.661.693	3.404.843	3.215.126	2.992.588
Short term borrowings	678.544	1.935.468	312.493	1.632.476
Other current liabilities	2.046.884	2.059.939	1.878.936	1.955.632
Total liabilities (d)	11.238.612	10.409.143	10.170.032	9.444.516
TOTAL EQUITY AND LIABILITIES (c) + (d)	**17.373.361**	**15.812.716**	**16.138.480**	**14.767.565**

DATA FROM STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
Total equity at beginning of the year (01.01.2014 and 01.01.2013, respectively)	5.403.573	5.682.249	5.323.049	5.702.559
Total comprehensive income after tax	731.086	(273.260)	645.398	(373.649)
Dividends	0	(5.800)	0	(5.800)
Incorporation of subsidiary	92	0	0	0
Other	(2)	384	1	(61)
Equity at the end of the year (31.12.2014 and 31.12.2013, respectively)	**6.134.749**	**5.403.573**	**5.968.448**	**5.323.049**

ADDITIONAL DATA AND INFORMATION

All amounts in thousands of Euro, unless otherwise stated

1. The Group's companies which are included in the consolidated and separate financial statements, their country, the Group's participating interest (direct and indirect), the method of consolidation, and their unaudited tax years are presented in Notes 12, 15 and 16 of the Financial Report.
2. The accounting policies adopted in the preparation of the financial statements are presented in Note 3 of the Financial Report and are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2013, except from these which are presented in Note 3.2 of the 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 December 31, 2014 are as follows:

	Group	Company
a) Provision for litigation and arbitration	2.954	29.171
b) Tax provisions	(1.399)	(1.399)
c) Other provisions	428.182	438.789

6. Total payrolls of the Group and the Parent Company number 18.572 and 10.554 as of December 31, 2014 (2013: 19.093 and 10.826 respectively). Further information is presented in Note 1 of the Financial Report.
7. Sales and purchases of the Group and the Parent Company for the year ended December 31, 2014 as well as receivables and payables as of December 31, 2014 of the Group and the Parent Company, according to IAS 24 are as follows:

	Group	Company
a) Sales	64.792	2.056.473
b) Purchases	8.961	4.212.732
c) Receivables from related parties	229.321	563.583
d) Payables to related parties	0	1.197.989
e) Key management personnel compensations	1.431	970
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 year ended December 31, 2014 amounted to Euro 528,4 million and to Euro 628 million respectively.
9. Other Comprehensive income / (loss) after tax which was recognized directly in equity for the year ended December 31, 2014 are as follows :

	Group	Company
Impairment of fixed assets	908.587	847.954
Deferred taxes of impairment of fixed assets	(236.231)	(220.468)
Actuarial gains/(losses)	(32.590)	(16.316)
Total	639.766	611.170

10. Information regarding ALOUMINION S.A. is presented in Note 38 of the Financial Report.

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	01.01- 31.12.2014	**01.01- 31.12.2013**	**01.01- 31.12.2014**	**01.01- 31.12.2013**
Sales	5.863.657	5.970.826	5.796.750	5.918.652
Gross operating results	960.865	1.090.664	754.124	916.677
Profit / (Loss) before tax, financing and investing activities	355.522	255.229	214.055	78.386
Profit / (Loss) before tax from continuing operations	137.624	34.889	47.910	(86.878)
Profit / (Loss) after tax from continuing operations (a)	91.320	(225.288)	34.228	(324.325)
Profit / (Loss) after tax from discontinuing operations (b)	0	0	0	0
Profit / (Loss) after tax from (continuing and discontinuing operations)(a)+(b)=(c)	**91.320**	**(225.288)**	**34.228**	**(324.325)**
Distributed to:				
- *Owners of the Parent*	91.322	(225.288)	34.228	(324.325)
- *Minority interests*	(2)	0	0	0
Other comprehensive income after tax (d)	639.766	(47.972)	611.170	(49.324)
Total comprehensive income after tax (c)+(d)	731.086	(273.260)	645.398	(373.649)
- *Owners of the Parent*	731.088	(273.260)	645.398	(373.649)
- *Minority interests*	(2)	0	0	0
Earnings / (Loss) per share, basic and diluted (in Euro)	0,3936	(0,9711)	0,1475	(1,3980)
Proposed dividend per share (in Euro)	0,0500	0,0000	0,0500	0,0000
Profit before tax, financing and investing activities and depreciation and amortisation	1.022.146	881.609	783.311	638.834

DATA FROM STATEMENT OF CASH FLOW

	GROUP		COMPANY	
	01.01- 31.12.2014	**01.01- 31.12.2013**	**01.01- 31.12.2014**	**01.01- 31.12.2013**
Cash Flows from Operating Activities				
Profit / (Loss) before tax from continuing operations	137.624	34.889	47.910	(86.878)
Adjustments:				
Depreciation and amortisation	682.564	698.829	611.151	627.488
Devaluation of fixed assets	60.577	3.658	29.332	3.658
Amortisation of customers' contributions and subsidies	(76.517)	(76.107)	(71.227)	(70.698)
Provision for CO_2 emission rights	0	32.073	0	32.073
Impairment loss of marketable securities	2.526	3.393	2.526	3.393
Fair value (gain) / loss of derivative instruments	(2.248)	(1.365)	(2.248)	(1.365)
Share of loss / (gain) of associates	(551)	(1.561)	0	0
Interest income	(64.191)	(47.398)	(89.952)	(76.085)
Sundry provisions	427.758	364.574	468.929	379.330
Unrealised foreign exchange losses / (gains) on interest bearing loans and borrowings	(102)	298	(102)	298
Unbilled revenue	(225.969)	(114.245)	(225.969)	(114.245)
Retirement of fixed assets and software	15.711	21.120	14.855	20.531
Amortisation of loan origination fees	10.320	7.406	9.859	6.397
Interest expense	240.975	236.070	216.070	210.124
Working capital adjustments:				
(Increase) / Decrease in:				
Accounts receivable, trade and other	(729.326)	(189.047)	(621.542)	(213.216)
Other current assets	(115.244)	(13.511)	(124.674)	7.269
Materials, spare parts and supplies	42.071	61.458	23.363	34.528
Increase / (decrease) in:				
Trade and other payables	(25.487)	11.443	(88.296)	49.541
Other non-current liabilities	12.040	7.250	4.327	5.405
Accrued / other liabilities excluding interest	55.970	49.892	11.993	87.333
Income tax paid	(13.284)	(25.543)	0	(11.287)
Net Cash from Operating Activities (a)	**435.217**	**1.063.576**	**216.305**	**893.594**
Cash Flows from Investing Activities				
Interest received	64.191	47.398	79.389	53.403
Capital expenditure of fixed assets and software	(670.396)	(721.615)	(570.826)	(605.422)
Proceeds from customers' contributions and subsidies	11.721	4.150	10.633	4.152
Investments in subsidiaries and associates	(38)	(3.299)	(21.900)	(46.644)
Net Cash used in Investing Activities (b)	**(594.522)**	**(673.366)**	**(502.704)**	**(594.511)**
Cash Flows from Financing Activities				
Net change in short-term borrowings	(269)	(72.744)	0	(60.000)
Proceeds from interest bearing loans and borrowings	1.234.363	285.000	1.199.363	285.000
Principal payments of interest bearing loans and borrowings	(612.799)	(363.254)	(583.692)	(326.259)
Loans issuance fees	(33.878)	0	(33.878)	0
Interest paid	(253.872)	(252.540)	(232.582)	(227.698)
Dividends paid	(7)	(5.821)	(7)	(5.821)
Net Cash used in Financing Activities (c)	**333.538**	**(409.359)**	**349.204**	**(334.778)**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**174.233**	**(19.149)**	**62.805**	**(35.695)**
Cash and cash equivalents at the beginning of the year	**260.278**	**279.427**	**185.513**	**221.208**
Cash and cash equivalents at the end of the year	**434.511**	**260.278**	**248.318**	**185.513**

11. 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 38 of the Financial Report.
12. 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 38 of the Financial Report.
13. Within 2014, the Group proceeded with the revaluation of its operating fixed assets as of December 31, 2014. Further information is presented in Note 13 of the Financial Report.
14. A reclassification of comparative items of the statement of income and the balance sheet has been made, with no impact on the equity or the results of the Group and the Parent Company. This reclassification is presented in Note 37 of the Financial Report.

Athens, March 27, 2015

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

F. **DISCLOSURES UNDER ARTICLE 10 L.3401/2005**

Stock News 2014	
Table of Announcements 2014 The Company's announcements that were publicized for the briefing of the investor community, during 2014, according to the Law 3401/2005 –article 10, are available on the company's website (www.dei.gr), in the electronic address www.dei.gr/Investor Relations/Announcements.	
1.	Announcement pursuant to Law 3556/2007 (Jan-02-2014)
2.	Announcement pursuant to Law 3556/2007 (Jan-07-2014)
3.	Invitation to an EGM (Jan-09-2014)
4.	Clarifications on the Agenda of EGM (Jan-14-2014)
5.	Operation of the new Hydroelectric Power Plant of Ilarion Unit 1 (Jan-24-2014)
6.	Additional clarifications on the 1st item of the Agenda of the EGM (Jan-28-2014)
7.	Resolutions of the Extraordinary General Meeting of Shareholders of PPC S.A. (Feb-03-2014)
8.	Clarifications of the EGM dated on 28.02.2014 (Feb-06-2014)
9.	Court Decision for illegal state aid to ALUMINIUM S.A. (Feb-18-2014)
10.	Resolutions of the Extraordinary General Meeting of Shareholders of PPC S.A. (Feb-28-2014)
11.	Revision - Resolutions of the Extraordinary General Meeting of Shareholders of PPC S.A. (Mar-10-2014)
12.	Signing of financing contract with EIB (Mar-18-2014)
13.	Release Date of FY2013 Financial Results (Mar-19-2014)
14.	FY 2013 Financial Results Presentation (Mar-27-2014)
15.	Financial Calendar for the Year 2014 (Mar-27-2014)
16.	Presentation to Analysts (Mar-27-2014)
17.	Signing of a 5-year syndicated loan contract of €2.2 bln. (Apr-04-2014)
18.	S&P credit rating upgrade to B (Apr-07-2014)

19.	Invitation for an expression of interest (Apr-10-2014)
20.	Announcement release of regulated information pursuant to Law 3556/2007 (Apr-11-2014)
21.	Launch of €500,000,000 Senior Notes (Apr-24-2014)
22.	Trading Update (Apr-24-2014)
23.	Pricing of €700,000,000 Senior Notes (Apr-30-2014)
24.	Modification of Financial Calendar for the year 2014 (May-02-2014)
25.	Establishment of a wholly owned subsidiary in Turkey (May-05-2014)
26.	Comment on press articles regarding IPTO (May-07-2014)
27.	Recovery of state aid from ALUMINIUM S.A. (May-08-2014)
28.	Expression of interest for the acquisition of the 66% of the share capital of IPTO (May-09-2014)
29.	Release date of 1Q2014 Financial Results (May-22-2014)
30.	1Q 2014 Financial Results (May-29-2014)
31.	Presentation to Analysts (May-29-2014)
32.	Invitation to AGM (May-29-2014)
33.	1Q 2014 Financial Statements (May-29-2014)
34.	Booz study for lignite excavation cost (Jun-3-2014)
35.	Clarifications on the Items of AGM Agenda (Jun-4-2014)
36.	Answer to the Capital Market Commission (Jun-18-2014)
37.	Resolutions of the AGM (Jun-23-2014)
38.	Phase B’ of ownership unbundling of IPTO (Jun-25-2014)

39.	Comments on a press article (Jun-27-2014)
40.	Establishment of a subsidiary in Bulgaria (Jul-08-2014)
41.	Answer to the Capital Market Commission (Jul-21-2014)
42.	Rationalization of Electricity Tariffs (Jul-21-2014)
43.	Comments on press articles (Jul-23-2014)
44.	Subsidiary Licensing in Turkey (Jul-25-2014)
45.	Date of 1H2014 Financial Results (Aug-20-2014)
46.	1H 2014 Financial Results (Aug-28-2014)
47.	Presentation to the Analysts - 1H 2014 (Aug-28-2014)
48.	1H 2014 Financial Statements (Aug-28-2014)
49.	Cyclades Electrical Interconnection (Sep-10-2014)
50.	Resignation of a BoD Member (Sep-10-2014)
51.	Formation in a body of BoD of HEDNO S.A. (Sep-12-2014)
52.	Signing of Financing Contracts with EIB (Sep-18-2014)
53.	EU General Court Decision for AoG (Oct-09-2014)
54.	Licensing of two Wind Parks in Rodopi (Oct-21-2014)
55.	Election of new member of the Board of PPC S.A. (Oct-31-2014)
56.	Member of Board appointed as member of the Audit Committee of PPC S.A. (Oct-31-2014)
57.	Date of 9M2014 Financial Results (Nov-19-2014)
58.	Framework agreement between ADMIE – HEDNO (Nov-21-2014)
59.	9M 2014 Financial Results

	(Nov-27-2014)
60.	9M 2014 Financial Statements (Nov-27-2014)
61.	Presentation to Analysts (Nov-27-2014)
62.	Invitation to an EGM (Dec-1-2014)
63.	Clarifications on the Agenda of EGM (Dec-05-2014)
64.	Signing loan agreement with EIB in the non-interconnected islands (Dec-11-2014)
65.	Resolutions of the EGM of Shareholders of PPC S.A. (Dec-23-2014)
66.	Appointment of General Manager of Support Functions in HEDNO (Dec-29-2014)