PUBLIC POWER CORPORATION S.A.

FINANCIAL REPORT
(January 1, 2009 – December 31, 2009)

The attached Financial Report of the fiscal year 2009, 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 30th, 2010, and is available for the investors, on the internet, at the web site address www.dei.gr, for at least the next 5 (five years).

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

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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. Evaggelos Petropoulos, Vice Chairman BoD,
3. Apostolos Baratsis, Member of the Board of Directors and Deputy CEO,

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, 2009, 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 30, 2010

Chairman and C.E.O.	Vice Chairman BoD	Member of the Board and Deputy CEO
Arthouros Zervos	Evaggelos Petropoulos	Apostolos Baratsis

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B. EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS

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PUBLIC POWER CORPORATION S.A.
FINANCIAL STATEMENTS 31.12.2009

EXECUTIVE SUMMARY OF THE BOARD OF DIRECTORS OF PUBLIC POWER CORPORATION S.A. (PPC S.A.) AND GROUP PPC FOR THE FISCAL YEAR 2009

Dear Shareholders,

Following the end of the Public Power Corporation's eighth 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 31.12.2009, as well as, our comments on the previously mentioned statements. Furthermore we submit for approval the unbundled financial statements for the year 2009 (Appendix I of the annual financial statements) according to the provisions of L. 2773/1999 and L. 3426/2005 and the approved by the Energy Regulatory Authority, methodology of accounting unbundling.

The Group's subsidiaries which are consolidated in the Group's financial statements are the following: "PPC Telecommunications S.A.", "PPC Renewables S.A.", "PPC Rhodes S.A" "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." and "Iliaka Parka Ditikis Makedonias 2 S.A.". In June 2006, the Annual Shareholders' General Assemblies for PPC Rhodes S.A. decided to dissolve the aforementioned company and to initiate the appropriate procedures on July 1, 2006, according to national commerce law. The liquidation procedure for PPC Rhodes S.A. is still in progress.

Based on L. 2190/1920 article 134, PPC S.A. prepared the financial statements for the year ended 31.12.2009 (eighth fiscal year), in accordance to International Financial Reporting Standards (IFRS),as endorsed by the European Union.

According to L. 2773/1999 for the liberalization of the Greek energy market, Public Power Corporation, was transformed into a societe anonyme, effected on January 1, 2001. Its share capital at December 31, 2009 amounted to Euro 1,067.2 million divided in 232 million common shares of a nominal value of Euro 4.60, each.

Until the enactment of L. 2773/99 for the liberalization of the energy market (as amended by L. 3175/2003, L. 3426/2005 and L. 3587/2007) known as the "liberalization law", PPC was functioning as a wholly state owned utility whose objective was to develop the country's energy resources and to provide low cost electricity to support the development of the Greek economy.

In 1999, the Hellenic Republic enacted the Liberalization Law, which incorporated the provisions of Directive 96/92/EC of the European Parliament and of the Council of the European Union into Greek legislation and which liberalized the Greek electricity market. The Liberalization Law provided for, among other provisions, the transformation of PPC into a société anonyme from January 1, 2001 (by virtue of Presidential Decree 333/2000).

Amendments in the current legal framework during 2009

Public Service Obligations
Public Service Obligations (PSOs), as well as the holders of licenses, who shall be liable to provide such public service obligations, are defined by decision of the Minister of Development issued on June 13, 2007, to be (a) supply of energy to consumers of non – interconnected micro isolated islands, at the same rates, per category, as those of the interconnected system and (b) supply of energy at a special rate to consumers with extended families (more than three children), as defined in the legislation being in force.
On 24/12/2009 following RAE's relevant opinion, the corresponding return for 2009 was defined to Euro 416.5 million and was later approved with a relevant Ministerial Decision.

Provisions of Law 3734/2009
With the provisions of Law 3734/2009, Greek legislation is harmonized with the Directive 2004/8/EC of the European Parliament concerning the promotion of energy cogeneration based on the demand for useful heat in the internal energy market and the modification of Directive 92/42/EEC and is supplemented by the legal framework for the promotion of two or more useful forms of energy. The same law provides for modifications of the existing regulatory framework, especially of the provisions of L 2773/1999, L. 3175/2003 and L 3468/2006.

The main provisions of Law 3743/2009 regarding PPC are:

- Settlement of issues related to expropriations and compensations, as well as the relocation of residents who live near the Hydroelectric Project of Mesochora.
- A license for energy generation is granted to PPC for the renewal and replacement of older units with new ones using state-of-the-art technology, with no capacity limitation.
- The pending applications that PPC has submitted according to Law 3175/2003 and Law 3587/2007 are herein after under the provisions of this Law.

- The validity of the Temporary Integrated Generation License that was granted according to Law 2941/2001 to PPC units, referred to Law 2773/1999 and included in the Integrated Generation License of PPC, is extended until December 31, 2013.
- A Temporary Generation License is granted until December 31, 2013, according to paragraph 5 of article 8 of Law 2941/2001 to PPCs' units that have been granted generation licenses from January 24, 2002 until the date that this law takes effect.
- The abovementioned regulations have effect at all PPC units that have been transferred to its subsidiary company PPC Renewables S.A..

In relation to more general issues for RES promotion, the following are provided for:

- Settlement of partial issues related (1) to power generation from RES (2) to photovoltaic units and (3) to the connection of power units using RES.
- A legislative authorization is given for the establishment of the special program ''Photovoltaic units on roofs'', aiming at providing incentive and creating a framework for a simple administrative procedure, which shall allow for the most efficient exploitation of environmentally friendly technologies.

It is further noted that supplements and modifications of no major importance of the regulatory framework are included in L 3769/2009 and L 3784/2009.

Fuel clause - Tarrifs

In December 2007, by decision of the Minister of Development concerning PPC S.A. tariffs' increase and the modification of the Supply Code, a mechanism for handling changes of the international fuel prices, the ''fuel clause'', was established. The purpose of this mechanism was to minimize the risks caused to PPC due to the high volatility of imported fuel prices in the sense that they have an important effect in the operational cost of the company which cannot be recovered by the regulated tariffs. In December 2008, the Minister of Development asked RAE to submit its opinion concerning the application of the fuel clause after 1.1.2010. Finally, by a Ministerial Decision the implementation of the fuel clause was postponed until 1.1.2010. The application of the fuel clause for the first quarter of 2010 had no impact on PPC's tariffs. Also, in November 2009 PPC submitted to RAE a proposal regarding the revision of the regulated tariffs.

Charges of use of Distribution, Transmission Grid-Photovoltaic units

During 2009, Ministerial Decisions were issued so that matters relating to market operation can be settled through which a detailed and discrete listing of charges in the invoice of the final consumer can become feasible (which is implemented since September 2009), as required by the current institutional framework:
Furthermore, the Special Programme "Photovoltaic units on roofs", which is implemented since July 1st, 2009, provides to the customers the possibility to exploit the green energy by installing photovoltaic units up to 10kWp (especially on lofts and building roofs for electric power generation, under favourable incentives and simple procedures).

EU Directives - Regulations

The third legislative package of measures for the internal energy market that became effective as of September 3rd, 2009, includes among others:
The Directive 2009/72/EC of the European Parliament and of the Council "Relating issues for the single regulations of the internal energy market and the abolishment of Directive 2003/54/EC". The most important regulations are the following:

- Effective unbundling of supply and generation activities from the TSO. Apart from the legal, operational and accounting unbundling, obligations concerning ownership unbundling are even imposed, with an alternative possibility to:
  a) appoint an Independent System Operator and unbundle the owner of the System from the vertically integrated company at least in relation to its legal form, organisation and decision making (ISO Model) or
  b) maintain the Operator and owner of the System as part of the vertically integrated company by providing for specific rules to ensure independency and effective unbundling (ITO model).

  Strong regulatory control is provided for in order to ensure the various alternative solutions.

- The unbundling of the Distribution System Operators.

- Further alignment of the responsibilities of the National Regulatory Authorities of Energy in order to empower their independency from any intervention.

- More transparency on the energy market functions.

- Protection and consumer information in the liberalised energy market.

- The establishment of a single European market of final consumer.

<u>2009 Financial Data</u>

- EBT in 2009 amounted to € 993.1 m, compared to losses of €395.9 m in 2008, while net income amounted to € 693.3 m, versus losses of € 305.9 m in 2008.

- Turnover reached € 6,030.4 m versus € 5,801.9 m in 2008, an increase of € 228.5 m (+3.9%). From the implementation of IFRIC 18, effective 1.1.2009, PPC recognized in the 2009 turnover, additional revenues of € 168.9 m representing 2009 customer contributions for connections to the network. With the exclusion of this amount, the increase in turnover is limited to € 59.6 m (+1.0 %), versus 2008.

- In 2009, 28.2% of the Company's revenues were absorbed by expenses for oil, natural gas, energy purchases and CO2 emission rights, marking a sharp drop compared to the corresponding 2008 figure, which stood at 53.2%.

  The main factors that led to this complete turnaround compared to 2008 related to:

  > The significant drop in international fuel prices, as well as in prices of energy purchased by PPC,
  > The increase by 8 percentage points, to 60.4% in 2009, of the contribution of domestic "fuels" (lignite, hydro, RES) in the energy mix, versus 52.2% in 2008, and, to a lesser extent to,
  > The reduction in demand especially in low tariff customer segments.

  In absolute terms, the significant drop in fuel prices and lower electricity demand compared to 2008, resulted in a reduced expenditure for oil, natural gas and energy purchases by €1,351.6 m, a reduction of 46.2 %.

  It is worthwhile noting that, hydro generation in 2009 increased by 2,052 GWH (+65.1%), compared to the corresponding level of 2008, a year of poor hydro conditions, while, electricity generation from lignite power stations increased by 672 GWH (+2.2%).

- In 2009, the Group assigned an independent firm for the appraisal of its property, plant and equipment at December 31, 2009 fair values. The results of the appraisal have been recorded in the financial statements of December 31, 2009. Negative valuation that impacted 2009 financial results amounted to €138.7 m, while the depreciation of the new appraised values will commence from January 1, 2010.

- EBITDA amounted to € 1,677.5 m compared to € 343.6 m in 2008, an increase of € 1,333.9 m (+388.2%). EBITDA margin reached 27.8%, compared to 5.9% in 2008. Without the negative valuation impact resulting from the appraisal of the Group's property, plant and equipment, EBITDA and EBITDA margin would amount to € 1,816.2m and 30%, respectively.

- Operational cash flow increased by € 1,531 m, compared to the corresponding figure in 2008.

Based on the net income, PPC's Board of Directors will propose to the Shareholders General Assembly, a dividend payment of € 1 per share.

Dividend Policy

In the year 2009 there was no dividend payment, due to the fact that the year 2008 was a loss making year.

Debt Evolution

Net debt of the Group (total debt minus cash & cash equivalents minus marketable securities) amounted to Euro 4,056.3million at 31.12.2009 compared to Euro 4,544.3 million at 31.12.2008.Consequently, net debt/equity ratio reached 0.63, as at 31.12.2009.

Euro Medium Term Note (EMTN) program: In 2008, the Parent Company's Board of Directors has approved the establishment of a Euro Medium Term Note Program (EMTN), with initial amount Euro 2 billion. For the abovementioned reason, in July 2009, a Special Purpose Vehicle was formed under the name "PPC FINANCE PLC" by PPC (with 90% participation) and PPC Renewables (with 10% participation).

Capital Expenditure Programme of Business Units

Total capital expenditures for the Group amounted to Euro 1,103.6 m and are distributed in Euro 151.3 m to Mines Sector, Euro 266.6 m to Production sector, Euro 130.4 m to Transmission Sector, Euro 523.9 m to Distribution Sector, Euro 3.5 m to

the Supply Sector and Euro 12.6 m to activities of the in Headquarters Departments. Capital expenditures of the year 2009 are increased by Euro 83 m, compared to those of 2008, presenting an increase of 8.1%.

The investments of PPC RENEWABLES S.A. for the year 2009 were in total € 15.3 m.

Mines Business Unit

Total Capital expenditure amounted to Euro 151.3 million analysed as follows.

- €16 m have been expended in Megalopolis Lignite Center, € 8 m are referring to belt conveyor's elongation, € 3 m flood control works, €2 m refitting and improvements works and the remaining amount of Euro 71 m relates to other investments needed for the extension of already operating mines.
  Additionally €135.3 m have been expended in Western Macedonia Lignite Center, out of which €17 m relate to new Ypsilantis mine, €15 m. new Komanos mine and €7 m new distribution point in South Field, €10 m land expropriations, €11 mancillary equipment and the remaining amount of Euro 75.3 relates to other investments needed for the extension of already operating mines.
- Due to the unusual high level of rainfalls during January and February of 2009 in West Macedonia and Peloponnesus the programmed excavations on both Lignite Centers have declined. Nevertheless the lignite production In West Macedonia reached the programmed quantities and the mines succeeded to supply the requirements of the Power Plants. In Megalopolis, small quantities of the stocked lignite were used to supply the Power Plant's requirements.
- Due to the delay in expropriation procedures in Amyntaio area, there was a decline of total excavations in Amyntaio field.
- The installation of the new waste material spreader in Kardia Mine was completed and has already been commissioned in operation contributing to the mine higher performance. The new spreader has been connected to the new conveyor distribution system as well as the 80% of the excavation machinery.
- By the end of June, the construction of a new lignite conveyor belt line connecting South Field Mine with Kardia Power Plant was completed. The operation of this conveyor belt is expected to reduce the transportation cost and enhance the quality of the lignite for Kardia Power Plant.
- In Main Field, Mavropigi's mine development, is proceeding in alignment to the respective schedules.
- The construction/modification project related to conveyor belts' distribution system in Horemi mine of Megalopoli's Lignite Center, has been completed up to approximately 75 %; with significant improvement in machinery's performance.
- In the early October, the conveyor belts connection between upper excavator and lignite yard in Horemi Field of Megalopolis Lignite Center was completed and it was set in operation. The operation of this interconnection is expected to reduce the transportation cost and to enhance the quality of the transported lignite.
- New Environmental Assesment Study for the Ptolemais Mines has been submitted to the competent authorities which is based in newer geological data derived from recent research program and according to which the final limits as well as the planed development of the existing and operating mines are revised. The reasons that led to the revision of the design of Ptolemaida mines are:
  i. the expansion of the mines to the areas of Mavropigi and Pontokomi that contain large lignite quantities, according to data from recent research, and
  ii. the scheduled intergration of a new Lignite Power Plant in the region.
- The construction of the the Aminteo Power Station Lignite yard extension was completed in December. The yard capacity has increased by 150.000 tonnes.
- Landslides occured in the Amynteon Mine internal Dump and in the east slopes of Horemi mine in Lignite Center of Megalopolis. In both cases all appropriate actions have been taken and the developments are monitored..
- **Complaint against the European Commission's Decision regarding lignite extraction rights** On May 13th, 2008, PPC filed before the Court of First Instance of the European Communities (CFI), an application for annulment of the Commission's decision of March 5th 2008 regarding the granting by the Hellenic Republic of lignite extraction rights to PPC. The Greek State has intervened before the aforementioned Court in favour of PPC, while two undertaking– competitors of PPC – have intervened in favour of the European Commission. On February 19, the Hellenic Republic submitted its observations before the CFI. Consequently, on February 25 2009, a Commissioner's Letter was addressed to the Hellenic Republic as well as PPC, by which it was made known that the set of measures to be adopted by the Republic must include, the concession through public tender procedures, as soon as possible, to enterprises with the exclusion of PPC, of the relevant lignite rights of the mines of Drama, Elassona, Vevi and Vegora, as well as the disposition of the related extracted amounts to third parties, excluding PPC (save for those cases where no valid offers have been submitted), and the abolishment of article 3 para 3 of Greek Law 134/75 by which the relevant lignite extraction rights had been granted to PPC.. It is noted that the said provision was abolished by the new provision of Article 36, par 3 of Greek Law 3734/2009. Finally, both the Hellenic Republic and PPC were requested by the said Letter of the Commission to submit their observations within the period of three (3) weeks. The abovementioned objections were submitted by the Hellenic Republic and PPC to the Commission in time. On August 4th, 2009, the European Commission issued a second decision (which was notified to PPC on August 7), in which the measures for the compliance with the decision of March 5th, 2008 are defined as obligatory for the Hellenic Republic. The Commission's Decision defines 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 is also obliged to assure that the

third parties that will be awarded the relevant extraction rights, will not sell to PPC the extracted lignite from the specific mines with the exception of those cases where there are no other valid and binding offers. With regard to the above mentioned mines, the Decision of August 4 2009, defines that the tender procedures should be launched within six (6) months from the notification of the decision and the extraction rights should be awarded to the successful bidders within twelve (12)months from the date of notification of the decision. PPC has timely (on 19/10/09) and lawfully submitted an application for annulment of the said decision of the Commission before the CFI of the European Communities. Furthermore, the Hellenic Republic has timely intervened before the CFI in the said proceedings in favour of PPC.

Generation Business Unit (GBU)

Total Capital expenditure for the Generation Sector amounted to Euro 266.6 m.

Exploitation:

- During 2009 total net generation of GBU's Power Stations was reduced by 4.4%. This reduction is due to market operation in combination with the reduction in demand. During 2009 total lignite Stations' net production increased by 2.2%, due to their availability increase, while this of hydroelectric Stations increased by 66.7%, in comparison with 2008, due to increased water inflows and stock. At the same year total net generation of oil and natural gas Stations was decreased by 22.3 and 28.3% respectively.
- During 2009 GBU's cost of Energy Balance was significantly reduced, compared to that of 2008, due to reduced third parties' fuel expenditure (mainly for oil and natural gas). This fuel expenditure reduction is due not only to reduced prices, of 2009 compared to 2008, for oil and natural gas, but also to reduced quantities consumed for electricity production. The reduction in fuel quantities concerns mainly the natural gas whose consumption reduction, apart from lower demand and market operation, can be attributed to:
- Increased lignite and hydro production.
- Substitution, in the non – interconnected island, of diesel production with heavy fuel oil production.
- The increased lignite generation is directly connected with the increase of lignite Stations availability during 2009. Thermal Stations' availability was increased by 3.2% while this of lignite Stations by 6.8% as compared with 2008. It should be noticed that both lignite and thermal interconnected system Stations' availabilities were the highest of the last four years. The increased interconnected system thermal Stations' availability is mainly due to:
- Decreased non-availability due to failures (attributed to more systematic/effective maintenance),
- Decreased non-availability due to other reasons (mainly attributed to better lignite quality handling).
- During the summer period the South System reserve was reinforced by hiring Generating Sets (G/S), of total net capacity of 60 MW, for Megalopolis B' Station.
- In order to cover the increased summer demand of 2009 hired capacity of 10 MW was added in the island of Rhodes as well as 35 MW to other non – interconnected islands.

Investments

Applying PPC S.A.'s Strategic Plan, GBU has undertaken the implementation of Investment Projects in order to replace obsolete Units with new ones, environmentally friendly, with state of the art technology and higher performance. As it concerns Projects' progression it is noticed that:

- After successfully facing problems works started, on September 2009, for building a new Combined Cycle natural gas Unit, 417 MW installed capacity, in Aliveri Power Station.
- According to PPC's Board of Directors decision the Project of building a new Combined Cycle natural gas Unit, 811 MW net capacity, in Megalopolis Station was awarded to the successful bidder, the consortium METKA S.A. and ETADE S.A. The common ministerial decision approving the environmental terms is still pending.
- PPC's Board of Directors approved pulverized lignite technology as that of the new lignite Unit Ptolemaida V, installed capacity 550 - 660 MW. PPC will promptly proceed with announcing of the inquiry of the Project and its awarding as soon as the submitted Environmental Study of the Mines (in which the forced expropriation of Pontokomi and Mavropigi settlements is provided) will be approved and the local societies positive opinion given.
- As it concerns the hard coal Units subject it is noticed that after the exception of hard coal from the energy mix of the country PPC's strategic planning, and consequently that of Generation, is to be updated.

As it concerns the Hydroelectric Projects it is noticed, between others, that:

- For Messohora Hydroelectric Project, installed capacity of 160MW+1,6MW (SHPP), the legislation (L. 3734) that regulated the completion of expropriations and the relocation of the involved population was voted on January 2009, for the start of the remaining works. Recently, during the discussion taken place at the Supreme Court, it was decided (Decision 141/2010) that all activities with regard to the aberrance of Acheloos river, including the HPP and the SHPP of Messohora, should be stopped, till the final decision is taken by the Supreme Court. PPC considers the HPP of Messohora as an independent project from the aberrance of Aheloos river to Thessaly.
- Works on the Ilarionas Hydroelectric Project of 153MW installed capacity continued, while it is expected that the civil engineering works should start in 2010 for the 4,2MW SHPP of Ilarionas.
- The availability of Smokovo SHPP (7+3=10MW capacity) is at full force. The running tests of Unit I (3MW) have been completed while the final tests of Unit II (7MW) will take place during this year's irrigation period, when the local authorities will permit the water supply of downstream irrigation systems, through the SHPP.

GBU in order to cover the energy needs of the non interconnected islands has designed and implements a wide program of adding new capacity. It is noticed that:

- On January 14, 2009 took place the Financial Offers unsealing for the new Rhodes' Power Station and on July 30, 2009 the relevant Contract was signed between PPC and the successful bidder company TERNA S.A.
- After the relevant public consultation approva, the volumes of the Inquiry of Diesel Units, of a total installed capacity 95 - 105 MW, at Atherinolakkos Crete, were approved on December 12, 2009. The announcement of the Inquiry is expected (it was made on February, 2010).
- Concerning the new Station at Korakia, Crete (two new natural gas Combined Cycle Units, capacity 260 MW each) it is noticed that the procedure of selecting the type of natural gas to be used (compressed – CNG or liquefied – LNG) is in progress. At the same time due to disagreements between PPC and local land owners for purchasing the land needed PPC intends to follow the provided procedures in order to expropriate the above mentioned land.
- A total of 78.3 MW was installed and put into operation in the non – interconnected islands. Namely: 22 MW at Lesvos, 11 MW at Milos, 5,8 MW at Mikonos, 14,5 MW at Chios, 16,5 MW at Samos, 8,3 MW at Siros and 212 KW at Anafi.
- On October 1, 2009 Ministry Of Development (now Ministry of Environment, Energy and Climate Change) issued the Generation License for the new Power Station at Lesvos, 120 MW installed capacity.

Environmental Management
Acting towards the improvement of the environmental behavior of its Power Generation Units, GBU during 2009:
- Completed the repair and upgrade works of Unit's III Cooling Tower of Megalopolis A' lignite Power Station and put into semi-commercial operation the Flue Gas Desulphurization System (FGD) of the same Unit (the FGD System is already about to begin its commercial operation).
- Systematically optimized the lignite mix in the Units of the Northern System.
- Implemented a series of upgrade Projects in the existing Units and their pollution control equipment

Furthermore, during 2009:
- GBU continued the systematic monitoring, recording and reporting system for CO_2 emissions of all thermal Units which are under ETS, the systematic monitoring of air pollutants emissions, as well as the air quality monitoring Networks. In 2009, the chemical labs of Northern and Southern Greece, seated in Megalopolis B' and Kardia Power Stations respectively, have received Accredited Certification for monitoring and recording CO_2 emissions related analyses.
- GBU awarded and implemented the Project "Transportation and disposal abroad of waste asbestos cement from upgrade works in Unit's III Cooling Tower of Megalopolis A' Station". The final disposal site of the waste was the licensed installations of "ASD Asbestdeponie GmbH Thuringen" company in Germany.
- There was a systematic boost in adapting the already operating Environmental Management Systems (EMS) of Power Plants to "ISO 14001:2004" Standard, aiming at their certification. It should be noticed that nine (9) EMS of Power Stations, in all, have already been certified, four (4) of which within the year 2009.

Transmission Business Unit

Capital expenditure amounted to Euro 130.4 m.

In 2009, new investments on the Transmission System have been made, totaling €43 m, in accordance with the requirements of the Five Years Transmission Development Study (2008-2012).
- The expansions of EHV Substation in Amynteo, Aharnes and Larimna have been constructed
- A number of upgradings have been done in EHV Substation Thessaloniki and Larimna, after replacing gates 400 kV
- The construction of EHV Substation Lagadas and Nea Santa was continued
- The expansions or reinforcements on a number of substations 150/20 kV have been completed
- The construction of important Transmission overhead lines (Amfipoli – Stagira, Kardia – Florina etc) as well as of cable lines 150 kV (Halkidona – Agios Stefanos and HV Substation Thessaloniki – Moudania) have also been completed
- A large number of capacitors banks 20 kV has been installed in substations 150/20kV for compensating the reactive loads of the System, as well as of the required, relevant to above, control systems
- In the same period, a Contract of total amount of €9.3 m was signed for the construction of the 400 kV overhead line Amynteo – Lagadas, of the Cable line Heraklion I – System, of total amount of €2.5 m and finally, of the Cable line Finicas – Nea Elvetia, of total amount of €2 m

The environmental licensing of crucial Transmission Projects, such as:
1) Transmission Line 400 kV Aliveri – System,
2) cable line 150 kV Polipotamos N. Makri,
3) overhead line 400 kV Lagadas – Filippi, is now completed,
4) the connection of Cyclades with the Interconnected Transmission System.

It should be noted that the tender documents have been already concluded and put under public consultation.

- A systematic examination and maintenance of Transmission infrastructure (EHV Substation, Substations and Transmission Lines) have been made.
- All the necessary modifications of the Transmission Lines, for serving the Public Utility, have been constructed.
- For the purpose of minimizing work accidents, the personnel of the Transmission BU has undergone a Systematic training on Health and Safety issues.

Distribution Business Unit

Capital expenditure amounted to Euro 523.9 m.

Development & Exploitation of Distribution Network
1,900 km of new MV Network have been added as well as 2,200 km of new LV Network and 3,200 new transformers were installed, while there were 7,700 network removals.

Including the above expansions, the MV Network came to 104,500 km, the LV Network to 117,700 km and the Substations arise to 149,000. Distribution Network Users came to 7,554,289 of which 9,772 are connected to MV.

With the actions mentioned above, Distribution has managed to reciprocate to the need for new connections and at the same time reinforce the credibility and improve the operation of the Distribution Network.
For the realization of big projects Euro 24 million were invested. The most significant ones are:
a) The completion and operation of underground HV lines in Thessalonica, between P. Melas Distribution Center and Evosmos HV Substation.
b) The installation of a third transformer 150/20 kV, 50 MVA in Vrillisia and Elliniko Distribution Centers and in Agios Stefanos and Rouf HV Substations as well, and the addition of the corresponding MV switches.

Improvement of Service Time
A radical decrease in the service time (study – construction) of new connections was accomplished during the last year. In particular, the average service time of simple connections was reduced to 16 days, from 20 days in 2008.
Also, the average service time of connections that require network expansion, decreased to 36 days from 59 days in 2008.
Finally, the average service time of network removals was reduced to 45 days from 69 days in 2008.

Customers' Information System for Programmed Electricity Outage
Apart from the traditional method, in 21/05/2009 PPC introduced an additional modern system of Customers' Information for Programmed Electricity Outage. A new computer application was developed in the new and improved PPC website (www.dei.com.gr), which gives information concerning Electricity Outages that may be programmed for the next few days in a certain district.
All programmed Electricity Outages are recorded in the application at least 48 hours before their realization, so that citizens can better organize their everyday activities and minimize any inconvenience that might be caused by the electricity outage.

Customers' Metering Reception System (IVR)
Since 15/07/2009, a pilot of the Customers' Metering Reception System has been operational in the regions of Magnesia and Lesvos.
Through the new system, each customer has the opportunity to take his meter's indication on his own and announce it to PPC via the telephone, internet or sms, in order to issue final bills instead of "estimated" ones.
In this way, there is a close cooperation between PPC and its customers for the metering of consumed energy, significantly reinforcing the trust between PPC and its customers.

Environmental Issues
3,800 km of twisted conductor cables were installed, in view of the generalized use of twisted cables instead of conductors. This will have a positive impact to the environment.

Special emphasis was given to the development of underground networks, for environmental as well as operational reasons. This led to the doubling of underground networks that were constructed during the last year, in comparison to the past.
This was promoted through the plan of the aesthetic step – up of networks, in collaboration and co-financing with Municipal Services (50% of the cost is financed by Distribution and 50% by Municipal Services). It mainly concerns the replacement of overhead by underground networks and the conversion of Aerial Distribution Substations to Indoor or Compact Type, in heavy city centers and touristic or folkloristic areas.

Supply Business Unit

Capital expenditure amounted to Euro 3.5 m.

SUPPLY DIVISION'S activities are focused on:

1. *Tarrifs*

- *Structuring of controllable tariffs*
  Upon completion of a study on total production and supply cost of energy aiming to rationalize PPC's tariffs structure, the competitive energy part for all customers' categories has been defined and submitted to Regulatory Authority for Energy (RAE) on 3/11/09.
- *Discrete Record of transmission & distribution & PSO's charges.*
  After the issue of system, network and psos unit charges by the ministerial authorities during the 1st semester of 2009, a full charge analysis is presented on customers' bills by September 1st.
- *Record of fuel mix on electricity bills*
  In accordance with Greek legislation and corresponding European directives, by January 1st customers' bills report information on the fuel mix used during the last 12 months period.

2. *Supply Division's update:*

- *Network restructuring*
  Restructuring of sales network continued based on CBA analysis for upgrading customer service. Hereafter:
  - Full customer support by phone.
  - Bill payment through the post office network with no surcharge.
  - Additional bill payment options via e-banking, phone banking, direct debit (currently the number of banks allowing bill payment with no surcharge has been increased to 10), to several premises at license as well as to supermarkets.In addition the Company proceeded to all the appropriate procedures for the incorporation of some telephone companies for payments through their networks.
  - Information about alternative services offered (via fliers sent or in-shop).
- *(One Stop Shop)*
  As part of a pilot program network, customers can be served on both supply and network requests from one stop shop in 41 supply branches today, in order to expand to all supply branches.
- *(call center)*
- The existing call center has been upgraded so as to receive and accommodate all customers' requests across the country. *Disconnection of electricity due to undue payments*
  Customers are notified through the next invoice in the event of undue payments about disconnection of electricity.
- *Extension of payment due date*
  The payment due date has been pushed to one month after the invoice date issue for all customers (until 2008 the corresponding time periods were 20 days for invoices issued bimonthly and 7 days for invoices issued monthly).
- *Information provided*
  - Info Corners available in PPC shops providing leaflets on customer services.
  - Energy saving infomercials.
  - Company's website (www.dei.gr) has been redesigned, incorporating customer – oriented features (on line information for housing, industry, business etc.) and accommodating disabled people needs.
- *Visual corporate supply identity*
  The One stop shop plan implementation promotes and enhances visual corporate supply identity. The plan has been launched initially in Tripolis, Kozani, Thessaloniki, Lesvos and Kos (under development Athens, Ag.Dimitrios & Glyfada shops) and shall be implemented throughout Greece.
- *Meter Reading*
  - Dysfunctions in meter reading have been traced
  - New performances indices have been set
  - Contracts with third-party meter reading contractors have been revised
  - Meter reading upload by customers has been activated

3. *New Businesses & Services:*

- Institutional framework development for energy services supports Supply Division's scope to provide services to its customers by incorporating a new business object in the existing organizational structure.
- Participation in Voluntary GreenBuilding European Programme for endorsement of two ppc-owned non-residential buildings.
- Collaboration with Kozani Prefecture in order to implement energy efficiency programmes for municipal buildings.
- A plan for installation and activation of photovoltaic systems up to 10Kw in residential buildings and middle-sized businesses has been promoted. Through bilateral contracts between PPC SA and photovoltaic system owners, the value of produced energy supplied in the LV network will be recorded on the customers' invoices.
- Advantages of demand side management in LV through smart metering devices have been presented to the Regulatory Authority of Energy.
- New Trading Division under consideration through:
  - collaboration with foreign partnerships
  - establishment of quarters in Sofia, Bulgaria
  - cooperation with other countries

4. *Investment Plan:*

- *New Software System for Billing & Customer Care*
  A new software system (SAP) for improving the quality of customers service has been acquired by Supply Business Unit (SAP) . In 2009 Phase B of the project was completed and started Phase C.
- *New Cash Register System*
  Supply of 270 new cash registers has been completed. By the end of 2010, all systems will have been installed in PPC network (currently available in Chalkida and Heraklion shops).
- *New ETRM Software System*
  - A new Energy Trading and Risk Management System of estimated cost of 4-5 million € to support the business processes associated with energy trading, management of the movement, delivery of energy commodities and associated risk management activities.
  - In December 2009, the process for the composition of ETRM operations manuals has been initiated in collaboration with academic experts (AUTH University). A request for proposal is due in early 2010.

Significant events for the year 2009

Combined cycle natural gas fired power plant of a 416,95 MW in Aliveri
After an international tender, the Project "Study, supply, transportation, installation and putting in operation of a 416,95 MWnet combined cycle natural gas fired Unit V at Aliveri" was awarded to the successful bidder company (Metka S.A.). The contract with the company was signed on October 2007, the contractual price is Euro 219 million and the contractual deadline for completion was 27 months after the contract is signed. Construction of the plant is delayed due to antiquities found on the construction site and difficulties about the progress of the permissions. In September 2009, the construction begun, with a revised time schedule which anticipate the completion of the project within 25 months.

Option for acquisition of DEPA shares
PPC's Board of Directors, on October 2, 2007 decided to move with exercising its option for acquisition of DEPA (the natural gas company) shares, which has been done through a contract, decision that has been announced, on January 7, 2008, to the Ministry of Economy. In September 2009 PPC S.A. reached an agreement with National Bank of Greece and BNP Paribas for the provision of advisory services in relation to the exercise of its option and the acquisition of a stake in the share capital of DEPA and DESFA.

Commission of study, procurement of equipment and construction of a "closed type" substation in Soroni, Rhodes
In June 2008, the Parent Company concluded a tender regarding the project "Design, Procurement of equipment, construction and comission of a "closed type" substation in Soroni, Rhodes" and awarded it to ABB, who offered the lowest price of Euro 12.3 million. The project is scheduled to complete in two phases. According to the timetable the building phase of the substation was to be completed by April 2010, so the units generation would have been energized for the summer of 2010. But, due to the delay of issuance of the building permit, wich originally was expected to be issued in March 2009, the building phase of the substation is estimated to be completed in the first half of 2013.

International tender for the construction of the new lignite station in Florina
In July 2008, an international tender regarding the "Study, procurement, transportation, installation and putting in operation of the Steam-Electric Unit II in Meliti Power Station, with a power of 420-450 MW, using pulverized lignite as fuel and with the capability to provide thermal energy of 70 MWth for district heating" was announced. The budgeted cost for the new thermal unit was 675 million Euro. The new Unit will be fully equipped with modern and up-to-date antipollutive systems and with a provision of space for future installation of CO_2 emissions' capture system. The above mentioned Project had been defined to be completed within 52 months, commencing with the signing of the contract. Due to the fact that no offer was submitted, the basic technical and commercial parameters of the Project are in reconsideration, so that a new Inquiry shall be announced.
The decision concerning the announcement of a new Inquiry is correlated to the final assignment of exploitation of Public mine of Vevi, so that it will be possible a more efficient exploitation of total lignite deposit via common exploitation, as it is also provided by the mining legislation.

Business Collaboration with URBASER
PPC and the Spanish company Urbaser agreed in April 2009 on an "MoU", providing for the development of projects in relation with Waste-to-Energy, the Waste Management sector in general, as well as urban and industrial Waste Water Treatment.

PPC RENEWABLE
In February 2009, Public Power Corporation Renewables S.A. (PPCR) announced, the construction of nine (9) wind parks (W/P) with a total capacity of 35.1 MW. The nine wind parks are located, in Crete (2 W/P), in Samos (2 W/P), in Paros, in Lesvos, in Rhodes, in Sifnos and in Limnos, with a total capital expenditure of € 60 m. Contractor of the nine wind parks is ENERCON GmbH. Our estimation for the construction and the delivery of the wind parks from ENERCON to PPCR will be completed in April 2010 for the projects in Rhodes, Paros and Lesvos and in February 2011 for the projects in Sifnos, Crete, Limnos and Samos.

Memorandum of Understanding with MEDGAS
In May 2009, the Board of Directors of the Parent Company approved the signing of a MoU with MEDGAS S.A. in order to evaluate a proposal for supply of compressed natural gas (CNG) to the Power Plants of Crete. This proposal was submitted by MEDGAS S.A. to PPC, in order to supply on a long term basis CNG to all Power Plants in Crete – existing and future ones – as an alternative solution to the supply with liquefied natural gas (LNG). The shareholders of MEDGAS S.A. are: (a) EGAS, the company of natural gas of the Egypt Ministry of Oil, by 30%, (b) Kopelouzos Group, by 60% and (c) ARABIA GAZ, a private company of natural gas in Egypt, by 10%. PPCs' Generation Strategy in Crete provides for the use of natural gas in all of its Power Plants, considering two alternative scenarios: (a) The construction by DESFA of an LNG Terminal in Korakia as well as of all necessary pipelines, to be used for unloading, storage, regasification of LNG and transportation to PPCs' Power Plants; DESFA S.A. has, already taken actions towards studying and developing the infrastructure required, or (b) the supply of compressed natural gas (CNG) from MEDGAS by means of CNG Carriers, to multiple delivery points over the island, in order to be used by PPCs' Power Plants.

Construction of a new Steam Electric unit in Ptolemaida

In May 2009, in the frame of modification of previous Decision, the Board of Directors of PPC decided that the new Steam Electric unit in Ptolemaida shall be of pulverized lignite technology, instead of fluidized bed, and installed capacity of 550-660 MW, instead of 450 MW, with the capability to provide thermal energy of 140MWth, instead of 120 MWth, for district heating. It is soon expected the start of the procedure for the announcement of the relevant Inquiry.
The total budget of the Project amounts to € 1.320 million and the Project is expected to be completed in 70 months from the signing of the contract.
The submission of the envelope for the new request to Regulatory Authority of Energy about the determination of general and special terms and conditions of the new Unit is expected, as well as the completion of the envelope for the Study of Environmental Impacts in order to be submitted to the relevant authorities for approval.

International tender for the construction of a diesel engine Power Plant 115,4 MW in South Rodos burning of heavy fuel oil with low sulphur content
After an international tender, the Project "construction of a diesel engine Power Plant 115,4 MW in South Rodos burning heavy fuel oil with low sulphur content" was assigned to the successful bidder company (TERNA S.A.). On July 30, 2009, the relevant Contract was signed. The Contract price is Euro 182.8 million. The construction will start after the conclusion of the permission issuance procedure, which is anticipated, according to the contract, to be concluded within 12 months from the signing of the contract and which is still in progress.

Alouminion of Greece"
The PPC's Board of Directors, at its meeting held on June 24th, 2008, has approved the filing of a recourse (automatic right for appeal) against the Ministerial Decision referring to the amendment of the electricity generation licences related to the electricity generation plants of "ALOYMINION". On July 30th, 2008, the Minister of Development decided to modify the electricity generation licences pertaining to "ALOYMINION". In October and November 2008, the Parent Company has terminated its contract with "ALOYMINION" dated 13.06.2008, for providing power under 150 KV according to Invoice A, a contract concluded and being in effect since March 7th, 2008. "ALOYMINION" has sought interim measures challenging PPC's contract termination as well as before the Council Of State for the annulment of the Ministerial Decision. The hearing of the relevant application (for interim measures) was set for the 23rd of January 2009, however ALOYMINIONwithdrew from the said application. Further to the above mentioned actions, there are also pending actions before the Athens Multimembered Court of First Instance of the one hand of ALOYMINION, as against PPC, as well as, on the other hand, of PPC as against ALOYMINION, . claims the continuation of the status of the initial Contract between the parties whereas PPC claims, among others, the amounts regarding to the differences in tariffs. On July 7th, 2009, PPCs' Board of Directors approved PPC to enter into an arbitration agreement by virtue, with ALOYMINION, for the dispute between the parties concerning the prerequisites and the application of December 2007 Ministerial Decision regarding the high voltage customers´ tariffs. In July 2009 the arbitration agreement was signed . After hearing of the said case on February 23, 2010, the Arbitration Court Decision was issued. The said Decision accepted:

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

PPC has filed, an action before the competent Multimembered Athens Courts against "ALOYMINION" for all sums related to the consumption of electric energy due and payable to PPC by "ALOYMINION" for the period from October 2008 until end of September 2009 for an amount of Euros 49.8 million plus an amount of Euros 414 (for interest due to PPC by the "ALOYMINION" for a related period of four months within the year 2009). Date of the hearing has been set to be the 29.4.2010.

CLAIMS AGAINST LARKO S.A.
LARKO S.A. is liable to PPC for sums due and payable to PPC related to the consumption of electric energy since December 2008. For all sums due to PCC for the period from November 1 2008 until April 30 2009, an action has been filed by PPC before the competent Multimembered Court of Athens (for a sum of Euros 24.2 million) whereas, for the sums due to PPC for the remaining period (for the total sum of Euros 18.8 million) an action has been filed against the said Company, the hearing of the case having been set for March 10 2011.

Tender for the supply and installation of a new combined cycle unit at Megalopolis
On August 25, 2009 the Board of Directors of PPC approved the award of the project "Supply and installation of a new combined cycle unit at Megalopolis" to the successful bidder, the Consortium METKA S.A. and ETADE S.A. The final amount of the project is €500 million. Furthermore, the contractor has accepted that he will not raise any claims related to eventual delay up to 13 months, due to unavailability of Transmission Network of 400 kV or/and Natural Gas. This time interval of 13 months starts, for the delay of supply of natural gas in the Unit, 26 months from the date of signing of the Contract and for the delay of connection with the network 400 KV, 24 months 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 contact price amounts to € 499.5 million. The permission procedure is in progress.

Approval of business collaboration with "Halyvourgiki"

In April 2008, the PPC's Board of Directors approved a business collaboration memorandum with Halyvourgiki referring to the exploration of collaboration on the following areas:
- The construction and operation of two combined cycle natural gas fired units, with a power of 880 MW, in an area inside Halyvourgiki's infrastructure with both units embodying the best available environmentally friendly technology.
- The transformation of two existing power units with a total power of 100 MVA, in order to compensate for summer's peak demand.

In 2008, PPC's Board of Directors approved the appropriate actions for the inception of a separate societe anonyme, which will handle the aforementioned project with Halyvourgiki S.A holding 51% of its share capital and PPC 49%, as well as the payment of Euro 4,900 in order for PPC to participate to the new company's share capital.

In 2009, PPC and Halyvourgiki signed the Shareholders' Agreement and agreed on the draft of the Articles of Association. Halyvourgiki S.A. will own 51% of the share capital of the joint venture and PPC will own 49%. Also PPC and HALYVOURGIKI S.A. filed an application to the Independent Committee of Competition, for the formation of the aforementioned company. On May 29th, 2009, the Independent Committee of Competition approved the formation of the company. A contract with the Technical Advisor of the project has already been signed, as well as the contract with the Financial Advisor. In September 2009 HALYVOURGIKI S.A. filed an application to the Independent Committee of Competition for the amendment of the generation license owned by HALYVOURGIKI to be transferred to the NewCo which will be jointly formed based on the Shareholders Agreement.

Revision of PPC's outlook by rating houses:
In March 2009 Standard and Poor's (S&P) lowered PPC's credit rating to BBB- from BBB and the outlook remained stable. Moody's announced that following the maturity of Euro 500 million Bond in March 2009, and since there is no PPC additional rated debt outstanding, PPC's rating is withdrawn. In December 2009 S&P put PPC in negative credit watch.

Oil hedging transactions
In June 2009, the Board of Directors of the Parent Company approved the policy of oil hedging transactions against the increasing volatility of oil prices, for the types of oil that the Company consumes. In line with the above the Company hedged more than 70% of the estimated oil consumption for the second half of 2009.

Prospectus for 2010

According to Budget of the Parent Company, which was approved on February 4th, 2010 by the Board of Directors, pre-tax profits are expected to reach €626 million compared to €531 million in the Budget for 2009. This profitability is based, among other, on assumptions for Brent oil at $80/bbl and a €/$ exchange rate of 1.45 compared to $55/bbl and €/$1.25 in the 2009 Budget.
Furthermore, according to PPCs' budget, domestic electricity demand is expectedto increase by 0.7%, whereas PPC sales in the domestic market are estimated to decrease by 1.8%. PPC's share in the retail supply market in 2010 is estimated at 97%.
It is noted that the Company is subject to various risks, which, among other, relate to €/$ exchange rate, oil, natural gas and electricity prices as well as the price of CO2 emission rights that could cause actual results to differ materially from budgeted ones.

Provision of Law 3833/2010 "Additional measures to strengthen fiscal targets of Stability and Growth Programme"
The main provisions of L 3833/2010 that will be applied retroactively from 01/01/2010 are the following:
1. 7% reduction in nominal wages (excluding family allowances ,child benefit, post graduate allowances and allowances that relate to dangerous conditions in labour).
2. 30% reduction in the 13th salary and 30% reduction in the 14th salary.
3. 50% reduction in the remuneration of Board of Directors members of public entities and enterprises.
4. Introduction of caps on wages effective from 01.03.10.
5. With a common ministerial decision of the Minister of Finance and the competent Minister, the excess of the caps on wages will be allowed up to the double of the caped amount, according to special qualifications, only for the President or the CEO.
6. For the year 2010 all wages are freezed, with the exception of increases regarding family allowances or salary evolution.
7. For 2010 and onwards the financing of the former PPC-PIO pension fund, as it was originally defined in articles 34 of L.2773/1999 and 26ω L.2843/2000, cannot exceed the amount included in the 2010 State Budget reduced by 10% .

PPC's management is in the process of evaluating the impact of the above provisions to PPC's financial results.

Abolition of the excise tax exemption for diesel used by PPC
According to L3833/15.03.2010 the exemption that PPC had, according to L2960/2001 from the excise tax for diesel, used from PPC only for electricity generation, was abolished, resulting in a readjustment of the excise tax to 382 €/Klit. It should be noted that, the excise tax for diesel for the period January 1, 2002 until February 8 2010 was 120 €/Klit and for the period February 09 2010 until March 03 2010 was 170 €/Klit.
The management estimates that the increase of the excise tax for diesel from 120 € to 382 €/Klit will impact PPCs' profitability for 2010 with an amount of € 100 m.

Introduction of an excise tax of electricity
According to L. 3833/15.03.2010, which modified specific parts of L. 2960/01 (National Customs Law) an excise tax of electricity is imposed. This tax is imposed on electricity generated in the Country, or is imported from other EU member States, as well as to electricity that is imported from other Countries to the EU.
The calculation base for this tax, of the abovementioned Custom Law is the MWh.
The applicable rates are: 2.5 €/MWh for Industrial Consumption and 5 €/MWh for Household Consumption. This excise tax of electricity will be collected by PPC from the customers (through the electricity bills) and will be paid from PPC to the Greek State. The excise tax will not have any impact on PPC's financial results.
The Law enforcement begins on May 2 2010.

MAJOR RISKS - UNCERTAINTIES

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

Interest rate risk and foreign currency risk: The Group's principal financial liabilities, comprise bank loans, bonds and overdrafts. The Group has entered into derivative transactions, currently interest rate swaps and forward currency contracts, in order to manage the interest rate and currency risks arising from the Group's sources of finance. It is the Group's policy to hedge, solely for protection purposes, through derivatives the existing interest rate risk arising from the specific debt portfolio. The main risks arising from managing the Group's financial instruments is focused in results and cash flows, mainly as a consequence of the fluctuation of interest rates and to a minimum extent on foreign currency fluctuation, considering that 99% of the existing debt is in Euro.
On the contrary, the fluctuation of foreign currency exchange rate constitutes a risk concerning its liabilities arising from fuel supplies, since no hedging actions are undertaken.

Credit risk: For its commercial receivables the Group is not exposed to substantial credit risks, since there is a large customer range, with a wide spectrum of economic activity, in spite the general financial circumstances it may have a negative effect in revenues due to the difficulty of payments from mostly industrial clients and for this reason, the Group is establishing a provision for bad debts, which is periodically revised.
The Group has no significant concentrations of credit risk with respect to derivative instruments, due to the fact that the Group monitors the credit ratings of counter parties and the level of contracts it enters into with any counter party.
Finally, the Group is in the process of establishing a policy for the protection for credit risk arising from its cash deposits.

Liquidity risk: Liquidity risk is connected with the need for adequate financing for the operation and development of the Group. The Group manages its liquidity risk by on-going monitoring of its cash flows. The Group budgets and monitors its cash flows and appropriately acts by ensuring sufficient credit lines, for available cash deposits, while aiming at the same time to the extension of the average maturity of its debt and credit lines with the banks.

Money Market Conditions: The general financial circumstances may lead to a delay of the economic recovery , with a consequence of a demand decrease of electricity, and an increase of doubtful accounts.

Merchandise price risk: Prices for primary material that the Group uses, except fuel, for its operation and development are defined by the international merchandise markets resulting to the Group's exposure to the fluctuation risk of the relevant prices**.**

Risk of not having Fixed Asset insurance: PPC does not insure the fixed assets in use (with an exception of the information technology equipment), with a consequence that if a potential significant damage occurs would possibly have a significant adverse impact on PPC's profitability, given the fact that PPC has self-insurance. Also, the material and spare parts, as well as, the liabilities against third parties are not insured.

Credit Rating Risk: After the recent international financial crisis, Rating Agencies apply highly strict criteria in the area of liquidity adequancy, having as a result even if a company has ensured, among other, a reliable coverage plan for its capital needs, to face the danger of a rating downgrade if Rating Agencies, at their own descretion assume that companies do not fulfill such strict criteria.
Furthermore,Standard and Poor's (S&P), in its report dated 19.02.10 lowered PPCs' credit rating from BBB- to BB+ and upgrade the Outlook from negative to Stable. The aforementioned downgrade does not relate to PPC's stand alone rating which was any way BB+ before the downgrade, but to the reassesement by S&P of the priority that the Hellenic Republic would give in an extraordinary event that PPC would need support. Also, S&P considers as PPCs' weaknesses: the following

- the uncertainty as to PPC's ability to pass through to regulated tariffs, singificant increases in fuel prices,
- the low regulated tariffs, which are not cost-reflective and which are likely to prove difficult to increase in the current domestic environment,
- a large proportion of carbon-intensive lignite generation capacity.

Finally, the stable outtlook reflects S&P s' expectations that PPC:

- will maintain FFO coverage of debt of more than 20% and adequate liquidity,
- would be able to pass on to customers to a significant degree any substantial increase in fuel prices,

- would not significantly increase its capital expenditure from current levels of about € 1bn per annum without having previously secured the necessary offsetting revenues.

A decline in PPC's debt ratios below the levels indicated above as a result of lower earnings and/or higher debt would put pressure on the rating..

Hydrologic Conditions: The evolution of the hydrologic conditions has a significant impact in the Company's profitability.

Availability of lignite reserves: The Parent Company believes that 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.

Regulative risk: Since power retail tariffs remain regulated, there is risk that tariff increases might not reflect adverse changes in power wholesale of the Parent Company. The existing fuel clause partially covers this risk from the adverse volatility of the wholesale.

Market risk: The Group is exposed to the risk of increase in prices of oil, natural gas, electricity purchased from the System, the Network, CO_2 emission rights as well electricity prices of direct PPC imports. The Group does not currently hedge against volatility in the abovementioned prices, with the exception of oil prices for the second half of 2009 and for 2010, as well as the forward purchase of CO2 rights and the participation in Carbon Funds. In case of an increasing volatility of the abovementioned prices, higher than the prices that are included in the budget approved by the Board of Directors, this will have a negative effect in generation cost and in the financial results of the financial year under reference.

CO_2 Emission allowances: In December 2008 was approved the Greek National Allocation Plan for the period 2008 – 2012. PPC buys on a neat basis CO_2 emission rights in order to cover the deficit between the allocated rights and the actual CO_2 emissions. This deficit, according to the prevailing conditions, (Electricity demand, new units, hydrologic conditions etc), is estimated to fluctuate between 20 to 28 million tones of CO_2 emissions during the five year period. From the abovementioned deficit, 23 million tones have been fully secured against price fluctuation risk as follows:
(a) part of them has already been contracted mainly through Carbon Funds for deliveries of CERs up to the year 2012,
(b) the rest has already been covered by purchases of EUAs mainly through Exchanges within the year 2009.
Based on March 2010 information, the impact in generation cost due to CO_2 emission right deficit is estimated to €52 million per year on the average, for the period 2008-2012. In case the deficit exceeds the abovementioned estimations due to unforeseen conditions, it will lead to a negative impact to generation cost and as a consequence, to the Company's financial results.
In addition, any change in the environmental legislation will affect the Group's financial results.

Regulatory Risk: Pontential changes and/or supplementation in the regulatory framework of the electricity may have a material adverse effect on the Company's financial results.
The letter of formal notice from the European Union Comission for non compliance with Directive 2003/54/EC, as well as the provisions of the new EU Directive 2009/72, it is possible, in combination with other factors, to lead to PPCs' organisational structural changes.
PPC's role as last resort has a negative impact on the Company's profitability, especially in combination with "competition" as described above.

Risk of exposure in competition: The expansion of the competition, due to the liberalization of Electricity Market, that the Group is facing in the sectors of energy generation and supply, will have a negative impact in the Groups' profitability.

Risk from Future Social Security Liabilities: PPC may have significant social security liabilities in the future. Despite the fact that, under current legislation the Company believes that there will be no future obligation to cover any deficit between income and expenses to former PPC-PIO, there can be no assurance that in the future there will be no change in the existing regime.
Litigations Risk: The Group is a defendant in several legal proceedings, whereas any outcome against PPC will have a significant impact on the financial results.

Risk from alterations in tax and other regulations: Any potential alteration in tax and other regulations refering to the period when PPC was not a Societe Anonyme, might have a negative impact on the financial results.

Risk from regulated rate of return on Network activities: The regulated rate of return on the Network investements may have a negative impact in the Groups' profitability, if it does not provide a reasonable return in the invested capital.

Risk from providing Public Service Obligations (PSOs): According to the implemented calculation methodology for the PSO, the Group might not be fully compensated for providing Public Service Obligations. Particularly, this risk in the present time is mostly related with the recovery of the electricity generation cost in the islands.

PPC is subject to certain laws and regulations generally applicable to public sector companies
So long as the Hellenic Republic holds at least 51% of our share capital, we will, in some respects, continue to be classified as a public sector company in Greece. As a public sector company, we will be subject to certain laws and regulations generally applicable to public sector companies in Greece affecting some aspects of our business, including but not limited to the hiring, dismissal and compnsation of emplyees and our procurement policies. These laws and regulations, particularly in the present financial conjecture and the relevant decisions of the Central Management, which do not apply to our current competitors and are not likely to apply to future competitors, may have a material adverse impact on our results of operations and may also limit our operational flexibility.

BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates for 2009 are as follows:

	December 31, 2009	
	Receivable	**Payable**
Subsidiaries		
- PPC Telecommunications S.A.	160	-
- PPC Renewables S.A.	19,905	(5,427)
- PPC Rhodes S.A.	29	-
- Arkadikos Ilios Ena S.A.	3	-
- Arkadikos Ilios Dio S.A.	1	-
	20,098	(5,427)
Associates		
PPC Renewables ROKAS S.A.	-	(254)
PPC Renewables TERNA Energiaki S.A.	-	-
PPC Renewables DIEKAT Energy S.A.	-	-
PPC Renewables MEK Energiaki S.A.	-	-
EEN VOIOTIA S.A.	-	-
- Larco (energy and ash)	63,031	-
- Sencap	137	-
	63,168	(254)
Other		
- HTSO	655,751	(694,253)
	655,751	**(694,253)**

PPC's transactions with its subsidiaries and its associates for 2009 are as follows:

	2009	
	Invoiced to	**Invoiced from**
Subsidiaries		
- PPC Telecommunications S.A.	37	-
- PPC Renewables S.A.	18,411	(9,842)
- PPC Rhodes S.A.	10	-
- Arkadikos Ilios Ena S.A.	-	-
- Arkadikos Ilios Dio S.A.	-	-
	18,458	(9,842)
Associates		
PPC Renewables ROKAS S.A.	-	(1,750)
PPC Renewables TERNA Energiaki S.A.	-	-
PPC Renewables DIEKAT Energy S.A.	1	-
PPC Renewables MEK Energiaki S.A.	1	-
PPC Renewables ELTEV AEIFOROS S.A.	150	-
EEN VOIOTIA S.A.	2,550	-
Larco (energy and ash)	44,047	(3,270)
Sencap S.A.	-	-
	46,749	**(5,020)**
HTSO	**25,538**	**(344,303)**

Procurement of lignite from LARKO S.A.: On August 24, 2007 the Parent Company signed a contract for the procurement of lignite from LARKO S.A. for a total amount of 1.2 million tones (with a right to increase up to 15%) for a period of four years and a total amount of Euro 25.8 million. Given the fact that at the time of signing the contract LARKO S.A. had outstanding payables of an equal amount to PPC from the supply of electricity, payments for the procurement of lignite will be settled against the abovementioned receivable from LARKO S.A. PPC had made a provision for the abovementioned receivables, which was reversed in 2007, due to the fact that the collection of the amount was secured not only by the abovementioned contract, but also by a guarantee bond that LARCO S.A. raised in favor of PPC, covering the total duration of the contract and the total contractual amount. The value of PPC's lignite procurement based on this contract, for the year 2009, amounted Euro 3.9 m (2008: Euro 9.4 m). In December 2008, LARCO S.A. interrupted the supply of lignite stating that bad weather did not allow the Mine to operate. LARCO S.A. stated its intention to continue the deliveries of lignite as soon as the damages were restored and not later than the end of March 2009. But the deliveries did not start due to the fact that the mine is closed until the environmental permits are approved. The environmental permits were granted and LARCO restarted the deliveries of lignite since end of June 2009..

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,

	Purchases		Balance	
	31.12.09	**31.12.08**	**31.12.09**	**31.12.08**
ELPE, purchases of liquid fuel	78,954	418,269	8,674	12,836
DEPA, purchases of natural gas	467,436	849,942	40,772	60,595
	546,390	**1,268,211**	**49,446**	**73,431**

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

Management compensation

Fees concerning management members (Board of Directors and General Managers) for the year ended December 31, 2009 and 2008 have as follows:

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	742	866	447	500
- Non-executive members of the Board of Directors	344	368	186	230
- Compensation / Extra fees	292	344	-	-
- Contribution to defined contribution plans	-	7	-	-
- Other Benefits	7	6	7	6
	1,186	**1,591**	**631**	**736**
Compensation of Vice Managing Directors and General Managers				
- Regular compensation	1,725	1,608	1,725	1,608
- Contribution to defined contribution plans	212	180	212	180
- Compensation / Extra fees	217	261	217	261
	2,154	**2,049**	**2,154**	**2,049**
Total	**3,340**	**3,640**	**2,785**	**2,785**

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

EXPLANATORY REPORT OF BOARD OF DIRECTORS
(Article 4, paragraph 7&8 of L. 3556)

a) Share Capital Structure

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

b) Restrictions in transferring Company shares

The Greek State's percentage, in PPC's share capital, cannot be less than 51%, according to article 43 para.3 of L. 2773/1999.

c) Significant direct or indirect participations to articles 9 to 11 of L. 3356/2007

Basic participant is the Greek State holding 51,12%.

Significant participation (over 5%) at December 31, 2009 had only the Greek State:

On 21/11/2007	1. "Capital Research and Management Company" 1.1 "EuroPacific Growth Fund"	5.4196% 5.0201%
On 18/09/2008	2. "EuroPacific Growth Fund" decreased percentage from 5.0201% to	4.8256%
On 11/02/2009	3. "Capital Research and Management Company" decreased percentage from 5.0376% to	4.5635%
On 8/01/2010	4. "Silchester International Investors Limited" for its 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.*	5,0145%

d) Shares with special control rights

There are no shares granting special control rights, stricto sensu. It is hereby noted, the procedure of election of the members of the Board of Directors, (article 10 of the Company's statutes), through two General Shareholders' Assemblies. Only the majority shareholder – the Greek State – participates in one, while the minority shareholders participate in the other.

e) Voting rights restrictions

- According to article 8 par.2 of the Company's Articles of Incorporation in force, in case that the participation of another shareholder (other than the Greek State) or of its affiliate companies exceeds, in total, five (5) percent of the Company's voting shares, the shareholder concerned or its affiliated companies shall not be entitled to participate in and vote at the General Assembly with regard to the amount in excess of the said five percent.

- According to article 8 par.3 of the Company's Articles of Association in force, Banks and other agencies abroad, which, pursuant to the Law of the country of their establishment, issue share warrants, provided they have issued such warrants in favour of an individual beneficiary exceeding five (5) percent of the Company's voting shares, shall not be entitled to participate in the General Assembly nor vote on behalf of the beneficiary concerned in regard to the amount in excess of the said percentage. It is noted that the above clauses can only be amended by Law and not by a General Assembly resolution.

- According to article 10 par.2 of the Company's Articles of Incorporation in force, the minority shareholders are not entitled to participate in the General Assembly of the majority shareholder (the Greek State), by which six (6) members of the Board of Directors, the CEO included, are elected.

- According to article 20 of the Company's Articles of Incorporation in force, whenever an election of a minority representative to the Board of Directors is required (it is provided in article 10 par.2c that two minority representatives participate in the Board of Directors) a Special Assembly is convened, which only the minority shareholders and not the Greek State-majority shareholder- are entitled to attend.

f) Agreements between Company shareholders

The Company has no knowledge of agreements existing between its shareholders

g) Regulations on appointing and replacing members of the Board of Directors and on amending the Articles of Incorporation.

According to article 10 of the Company's Articles of Incorporation in force, the Company's Board of Directors is composed of eleven (11) members, among which :

- Six (6) members, including the CEO, are elected by the General Assembly of the majority shareholder (the Greek State) in which the minority shareholders are not entitled to participate

- Two (2) members representing the Company's employees, are elected by the members of the Most Representative Trade Union of the Company.
- Two (2) members are elected by a Special Assembly of the minority shareholders, in which the Greek State is not entitled to participate.
- One (1) member is designated by the Economic and Social Committee and comes from agencies performing activities similar to those of the Company.

In the event that the minority shareholders have not appointed their representatives in the Board of Directors or in the event they have not filled in the office of the said members, this shall not impede the Board of Directors´ constitution and functioning.

According to article 10 par.5a of the Company's Articles of Incorporation in force, in case that, for whichever reason, there is a vacancy in the office of a member of the Board of Directors elected by the General Assembly of the majority shareholder, the remaining Board members shall elect another member for the balance of the term of the vacant member and such election is certified at the next meeting of the General Assembly.
According to article 10 par.5b of the Company's Articles of Incorporation in force, in case that, for whichever reason, there is a vacancy in the office of a member of the Board of Directors other that those elected by the General Assembly of the majority shareholder, they shall be substituted by means of the same procedure applied for their election or appointment.

h) Duties of the Board of Directors with regard to the issuance of new or the purchase of own shares.
According to article 7 par.2 of the Company's Articles of Incorporation in force, the Company may, by resolution of the Board of Directors, issue provisional share warrants, which shall be exchanged for the final ones upon their issue. Article 16 of Codified Law 2190/1920, as amended and currently in force, provides 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 in force, concerning specifically the Board of Directors' competence for the purchase of own shares.

i) Significant agreements that become effective, are amended or terminated in the event of change of control.
Many loan agreements provide that, in case of an alteration in ownership, if the participation of the Greek State in the Company's share capital is reduced to less than 51%, the fact is termed as 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 dissolution of the shareholders' agreement between PPC and Contour Global, relating to SENCAP. Change in control over the Company is considered any case leading to the loss by a person or a legal entity of the ownership of the majority of shares in a company or loss of the possibility of appointing management or exercise material influence during important decision making by the controlled company.

j) Agreements with members of the Board of Directors or Company Personnel.
There are no share distribution programmes to members of the Board of Directors and/ or employees of the Company.

PPC has signed contracts with the Chairman and Chief Executive Officer mr A. Zervos and with the Deputy CEO mr E. Mparatsis.

Athens, March 30, 2010

For the Board of Directors
The President and CEO

Arthouros Zervos

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C. AUDITOR'S REPORT

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ERNST & YOUNG

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THIS REPORT IS A FREE TRANSLATION OF THE GREEK ORIGINAL

Independent Certified Auditor's Accountant's Report

To the Shareholders of
Public Power Corporation S.A.

Introduction

We have audited the accompanying financial statements of Public Power Corporation S.A. ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("the Group") which comprise the separate and consolidated statements of financial position as at December 31, 2009, and the related separate and consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 the separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing 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 the Company and the Group as at December 31, 2009, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We confirm that the information given in the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements and complete in the context of the requirements of articles 43a, 107 and 37 of Codified Law 2190/1920.

We have also audited the Company's unbundled balance sheets as at December 31, 2009 and the unbundled statements of income before tax for the period from January 1, 2009 to December 31, 2009. Management is responsible for the preparation for these balance sheets and statements of income before tax ("the unbundled financial statements") in accordance with Law 2773/1999, Law 3426/2005 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, except for the effect of such adjustments, if any, as might have been determined to be necessary on the consolidated financial statements, had we been able to satisfy ourselves as to the application of the equity method on one of the Group's associates, the unbundled financial statements presented in Appendix I in the accompanying notes have been prepared in accordance with Law 2773/1999, Law 3426/2005 and the unbundling methodology approved by the Regulatory Authority for Energy .

Athens, March 30, 2010

The Certified Auditor Accountant

VASSILIOS KAMINARIS
S.O.E.L. No 20411

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
11th KM NATIONAL ROAD ATHENS-LAMIA
14451 METAMORFOSI
S.O.E.L. R.N. 107

D1. FINANCIAL STATEMENTS

The attached separate and consolidated financial statements have been approved by the Board of Directors of Public Power Corporation S.A. March 30, 2010 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	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
ARTHOUROS ZERVOS	EVAGGELOS PETROPOYLOS	GEORGE C. ANGELOPOULOS	EFTHIMIOS A. KOUTROULIS

PUBLIC POWER CORPORATION S.A.
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2009

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

		Group		Company	
	Note	**2009**	**2008**	**2009**	**2008**
REVENUES:					
Revenue from energy sales	4	5,507,446	5,437,611	5,494,185	5,437,611
Other sales	4	522,935	364,256	522,935	364,043
		6,030,381	**5,801,867**	**6,017,120**	**5,801,654**
EXPENSES:					
Payroll cost	5	1,124,457	1,076,158	1,117,810	1,071,950
Lignite		799,856	752,052	799,856	752,052
Liquid Fuel		564,443	1,074,564	564,443	1,074,564
Natural Gas		467,436	850,435	467,436	850,435
Depreciation and Amortization	8	449,711	430,465	444,572	425,426
Energy purchases	6	545,292	1,003,716	555,134	1,018,781
Materials and consumables		119,079	102,481	119,079	102,373
Transmission system usage	7	291,096	310,957	291,096	310,957
Utilities and maintenance		99,150	104,977	96,872	102,971
Third party fees		47,734	45,361	46,290	42,443
Emission allowances	14, 36	51,098	109,777	51,098	109,777
Provision for risks		32,569	24,306	32,246	24,306
Provision for slow – moving materials	19	8,126	7,371	8,096	7,345
Allowance for doubtful balances		84,837	27,393	84,837	27,393
Financial expenses	9	165,946	217,819	165,802	217,755
Financial income	10	(21,104)	(31,124)	(22,038)	(106,131)
Other (income) expenses, net	11	70,636	52,588	68,292	50,516
Devaluation of fixed assets		138,663	-	138,188	-
Loss of impairment on associate		-	-	-	30,800
Loss / (Gain) of associates and joint ventures, net	16, 17	(765)	23,814	-	-
Foreign currency gains, net		(978)	14,649	(978)	14,649
		5,037,282	**6,197,759**	**5,028,131**	**6,128,362**
(LOSS)/ PROFIT BEFORE TAX		**993,099**	**(395,892)**	**988,989**	**(326,708)**
Income tax expense	12	(299,780)	90,013	(298,253)	93,747
PROFIT / (LOSS) FOR THE YEAR NET		**693,319**	**(305,879)**	**690,736**	**(232,961)**
(Loss)/Profit Earnings per share, basic and diluted		2.99	(1.32)		
Weighted average number of shares		232,000,000	232,000,000		

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

PUBLIC POWER CORPORATION S.A.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2009

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

	Group		Company	
	2009	**2008**	**2009**	**2008**
Profit for the period / (Loss)	**693,319**	**(305,879)**	**690,736**	**(232,961)**
Other Comprehensive income / (loss) for the period				
Profit / (Loss) from investments available for sale valuation	7,538	(50,542)	7,538	(50,542)
Income tax effect	-	-	-	-
	7,538	(50,542)	7,538	(50,542)
Revaluation of property, plant and equipment	974,603	-	961,813	-
Income tax effect	(195,039)	-	(192,363)	-
Effect from deferred tax of revaluation surplus due to the tax rate changes	-	81,148	-	80,321
	779,564	81,148	769,450	80,321
Other Comprehensive income / (loss) for the period, after tax	**787,102**	**30,606**	**776,988**	**29,779**
Total Comprehensive income / (loss) after tax	**1,480,421**	**(275,273)**	**1,467,724**	**(203,182)**

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

PUBLIC POWER CORPORATION S.A.

BALANCE SHEETS

DECEMBER 31, 2009

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

	Note	Group		Company	
ASSETS		31/12/2009	31/12/2008	31/12/2009	31/12/2008
Non – Current Assets:					
Tangible Assets	13	13,142,337	11,854,392	13,054,387	11,789,209
Intangible assets, net	14	78,813	5,870	78,692	5,801
Investments in subsidiaries	15	-	-	75,761	75,761
Investments in joint ventures	16	-	140	2,764	2,570
Investments in associates	17	14,915	12,118	-	-
Available for sale financial assets	22	34,312	23,256	34,312	23,256
Other non- current assets		18,304	8,809	18,302	7,909
Total non-current assets		13,288,681	11,904,585	13,264,218	11,904,506
Current Assets:					
Materials, spare parts and supplies, net	19	807,706	762,537	806,909	761,792
Trade receivables, net	20	1,006,412	865,179	1,003,576	865,179
Other receivables, net	21	177,031	254,796	199,152	271,646
Income tax receivable		-	35,072	-	26,372
Other current assets		24,292	28,604	23,286	28,355
Cash and cash equivalents	23	480,042	103,450	471,782	100,391
Total Current Assets		2,495,483	2,049,638	2,504,705	2,053,735
Total Assets		15,784,164	13,954,223	15,768,923	13,958,241
EQUITY AND LIABILITIES					
EQUITY:					
Share capital	24	1,067,200	1,067,200	1,067,200	1,067,200
Share premium		106,679	106,679	106,679	106,679
Legal reserve	25	80,165	45,628	80,165	45,628
Fixed assets' statutory revaluation surplus included in share capital		(947,342)	(947,342)	(947,342)	(947,342)
Revaluation surplus		5,026,614	4,256,570	4,990,473	4,230,543
Other Reserves	26	218,624	211,532	218,624	211,532
Retained earnings		909,374	241,099	933,426	267,707
Total Equity		6,461,314	4,981,366	6,449,225	4,981,947
Non-Current Liabilities:					
Interest bearing loans and borrowings	28	2,857,751	2,821,696	2,857,751	2,821,696
Post retirement benefits	30	238,184	234,513	238,159	234,513
Provisions	31	264,210	231,747	262,877	231,747
Deferred tax liabilities	12	488,811	151,571	490,749	155,648
Deferred customers' contributions and subsidies	32	1,988,997	1,980,003	1,981,058	1,973,855
Other non-current liabilities	33	520,374	501,574	520,314	501,574
Total Non-Current Liabilities		6,358,327	5,921,104	6,350,908	5,919,033
Current Liabilities:					
Trade and other payables	34	924,306	929,653	922,498	936,712
Short – term borrowings	35	213,500	358,500	213,500	357,500
Current portion of interest bearing loans and borrowings	28	1,499,420	1,490,781	1,499,417	1,490,765
Dividends payable	27	91	238	91	238
Payable Income Tax		148,503	-	155,141	-
Accrued and other current liabilities	36	178,615	272,332	178,055	271,797
Derivative liabilities	29	88	249	88	249
Total Current Liabilities		2,964,523	3,051,753	2,968,790	3,057,261
Total Liabilities and Equity		15,784,164	13,954,223	15,768,923	13,958,241

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

PUBLIC POWER CORPORATION S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
DECEMBER 31, 2009

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

					Other Reserves					
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of 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, December 31, 2007	**1,067,200**	**106,679**	**45,628**	**4,175,422**	**(947,342)**	**53,641**	**208,433**	**262,074**	**570,240**	**5,279,901**
Net loss for the year	-	-	-	-	-	-	-	-	(305,879)	(305,879)
Other income / (loss) after taxes for the year recognized directly in equity	-	-	-	81,148	-	(50,542)	-	(50,542)	-	30,606
Total income and expense recognized for the period after tax	**-**	**-**	**-**	**81,148**	**-**	**(50,542)**	**-**	**(50,542)**	**(305,879)**	**(275,273)**
Dividends (note 27)	-	-	-	-	-	-	-	-	(23,200)	(23,200)
Other Movements	-	-	-	-	-	-	-	-	(62)	(62)
Balance, December 31, 2008	**1,067,200**	**106,679**	**45,628**	**4,256,570**	**(947,342)**	**3,099**	**208,433**	**211,532**	**241,099**	**4,981,366**
Net profit for the year	-	-	-	-	-	-	-	-	693,319	693,319
Other income / (loss) after taxes for the year recognized directly in equity	-	-	-	779,564	-	7,538	-	7,538	-	787,102
Total income and expense recognized for the period after tax	**-**	**-**	**-**	**779,564**	**-**	**7,538**	**-**	**7,538**	**693,319**	**1,480,421**
Transfers	-	-	34,537	(9,520)	-	-	-	-	(25,017)	-
Other Movements	-	-	-	-	-	-	(446)	(446)	(27)	(473)
Balance, December 31, 2009	**1,067,200**	**106,679**	**80,165**	**5,026,614**	**(947,342)**	**10,637**	**207,987**	**218,624**	**909,374**	**6,461,314**

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

PUBLIC POWER CORPORATION S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
DECEMBER 31, 2009

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

						Other Reserves				
	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Reversal of 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, December 31, 2007	**1,067,200**	**106,679**	**45,628**	**4,150,222**	**(947,342)**	**53,641**	**208,433**	**262,074**	**523,827**	**5,208,288**
Net loss for the year	-	-	-	-	-	-	-	-	(232,961)	(232,961)
Other income / (loss) after taxes for the year recognized directly in equity	-	-	-	80,321	-	(50,542)	-	(50,542)	-	29,779
Total income and expense recognized for the period after tax	**-**	**-**	**-**	**80,321**	**-**	**(50,542)**	**-**	**(50,542)**	**(232,961)**	**(203,182)**
Dividends (note 27)	-	-	-	-	-	-	-	-	(23,200)	(23,200)
Other Movements	-	-	-	-	-	-	-	-	41	41
Balance, December 31, 2008	**1,067,200**	**106,679**	**45,628**	**4,230,543**	**(947,342)**	**3,099**	**208,433**	**211,532**	**267,707**	**4,981,947**
Net profit for the year	-	-	-	-	-	-	-	-	690,736	690,736
Other income / (loss) after taxes for the year recognized directly in equity	-	-	-	769,450	-	7,538	-	7,538	-	776,988
Total income and expense recognized for the period after tax	**-**	**-**	**-**	**769,450**	**-**	**7,538**	**-**	**7,538**	**690,736**	**1,467,724**
Transfers	-	-	34,537	(9,520)	-	-	-	-	(25,017)	-
Other Movements	-	-	-		-		(446)	(446)		(446)
Balance, December 31, 2009	**1,067,200**	**106,679**	**80,165**	**4,990,473**	**(947,342)**	**10,637**	**207,987**	**218,624**	**933,426**	**6,449,225**

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

PUBLIC POWER CORPORATION S.A.
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2009

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

	Group		Company	
	2009	2008	2009	2008
Cash flows from operating activities				
Profit / (Loss) before tax from continuing operations	993,099	(395,892)	988,989	(326,708)
Adjustments:				
Depreciation and amortization	614,397	581,868	608,785	576,415
Devaluation of fixed assets	138,663	-	138,188	-
Amortization of customers' contributions and subsidies	(73,061)	(67,549)	(72,561)	(67,135)
Provision for CO_2	41,913	108,073	41,913	108,073
Fair value gain of derivative instruments	(161)	5,226	(161)	5,226
Impairment loss on associate	-	-	-	30,800
Share of loss / (profit) of associates	(765)	23,814	-	-
Interest income	(18,343)	(23,198)	(19,276)	(98,206)
Sundry provisions	126,230	53,014	127,451	52,988
Impairment loss on emission rights purchased	8,145	-	8,145	-
Unrealized foreign exchange losses on interest bearing loans and borrowings	641	5,002	641	5,002
Unbilled revenue	4,710	(18,959)	4,710	(18,959)
Retirements of fixed assets and software	27,075	14,095	32,668	13,994
Amortization of loan origination fees	3,078	1,721	3,078	2,032
Interest expense	154,938	202,481	154,876	202,432
Operating profit before working capital changes	**2,020,559**	**489,696**	**2,017,446**	**485,954**
(Increase)/decrease in :				
Accounts receivable, trade and other	(151,045)	(193,498)	(153,480)	(208,673)
Other current assets	4,312	(6,436)	5,069	(6,417)
Materials, spare parts and supplies	(53,295)	(61,172)	(53,215)	(61,164)
Increase/(decrease) in :				
Trade and other payables	31,598	26,196	12,040	32,978
Other non – current liabilities	18,800	35,896	18,740	35,896
Accrued/ other liabilities excluding interest	(12,115)	(8,929)	(12,140)	(8,753)
Income tax paid	-	(27,540)	-	-
Net Cash from Operating Activities	**1,858,814**	**254,213**	**1,834,462**	**269,821**
Cash Flows from Investing Activities				
Interest received	18,343	23,198	19,276	98,206
Capital expenditure of fixed assets and software	(1,277,232)	(1,034,306)	(1,260,341)	(1,022,036)
Proceeds from customers' contributions and subsidies	82,055	211,639	79,764	211,640
Investments in subsidiaries and associates and investments available for sales	(6,267)	(1,146)	(3,711)	62,173
Net Cash used in Investing Activities	**(1,183,101)**	**(800,615)**	**(1,165,012)**	**(650,017)**
Cash Flows from Financing Activities				
Net change in short term borrowings	(145,000)	161,600	(144,000)	160,600
Proceeds from interest bearing loans and borrowings	1,315,000	1,182,016	1,315,000	1,182,000
Principal payments of interest bearing bonds and borrowings	(1,269,652)	(671,082)	(1,269,652)	(671,082)
Interest paid and issuance fees paid	(199,322)	(189,224)	(199,260)	(189,222)
Dividends paid	(147)	(23,193)	(147)	(23,193)
Net Cash used in Financing Activities	**(299,121)**	**460,117**	**(298,059)**	**459,103**
Net increase/(decrease) in cash and cash equivalents	376,592	(86,285)	371,391	78,907
Cash and cash equivalents at beginning of year	103,450	189,735	100,391	21,484
Cash and cash equivalents at the end of the year	**480,042**	**103,450**	**471,782**	**100,391**

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

D.2 NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

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

The accompanying financial statements include the separate financial statements of PPC and the consolidated financial statements of PPC and its subsidiaries ("the Group"). In addition, based on L. 2773/1999 and L. 3426/2005, the unbundled financial statements are presented at appendix I, of the separate and consolidated financial statements.

PPC headquarters are located at 30, Chalkokondili Street, Athens, 104 32 Greece.

At December 31, 2009, the number of staff employed by the Group was approximately 22,582 (2008: 23,611), excluding employees engaged in Hellenic Electricity Transmission System Operator S,A, ("HTSO").

At December 31, 2009, 199 employees (2008: 239), have been transferred to several State agencies (ministries, organizations, etc.) out of which, 156 were compensated by PPC (2008: 193). The total payroll cost of such employees, at December 31, 2009, amounted to Euro 9,602 (2008: Euro 9,221), and is included in the income statement.

As a vertically integrated electric utility, PPC generates electricity in its own 63 power generating stations (39 additional stations belong to PPC Renewables) facilitates the transmission of electricity through its own power lines of 12,100 kilometres (high voltage)and distributes electricity to consumers through its own distribution lines of 222,000 kilometres (medium and low voltage).

Lignite for PPC's lignite-fired power stations is extracted mainly from its own lignite mines.

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

2. LEGAL FRAMEWORK

Until the enactment of Law 2773/1999 (as amended by Law 3175/2003, 3426/2005 and 3587/2007), referred to as "the Liberalization Law", PPC was a public utility operating as a monopoly, whose objective was to develop the country's energy resources and to provide low cost electricity in order to support the development of the Greek economy.

In 1999, the Hellenic Republic enacted the Liberalization Law, which incorporated the provisions of Directive 96/92/EC and at a later date the provisions of Directive 2003/54/EC into Greek legislation and which constitutes the liberalization framework of the Greek electricity market.

Provision of Law 2773/1999
The Liberalization Law provided for, among other provisions, the conversion of PPC into a société anonyme from January 1, 2001 (by virtue of Presidential Decree 333/2000).

2. LEGAL FRAMEWORK (continued)

Provisions for the establishment of Hellenic Electricity Transmission System Operator S.A. ("HTSO")
The Liberalization Law provided for the establishment of the System Operator, a société anonyme operating under the rules of private economy and subject to the provisions of Law 2190/1920. Presidential Decree 328/2000 (through which the HTSO was officially established on December 12, 2000), announced its Articles of Incorporation, which, among others, specifies the following:

1. HTSO was established to provide access to the interconnected transmission system to all producers, suppliers and directly-connected customers, to manage the scheduling and dispatch, to settle imbalances and maintain the stability and security of the interconnected transmission system.
2. The share capital of the HTSO is set at Euro 293.5. The Greek State must always own at least 51% of HTSO's share capital.
3. Matters corresponding to terms and conditions of the employment of PPC personnel by the HTSO by way of seconded staff are regulated by a contract between PPC and the HTSO. HTSO compensates PPC for the respective costs.
4. PPC has the exclusive ownership rights of the transmission system and shall be compensated by HTSO.

In February 2001, PPC and HTSO entered into an agreement as described under item (3) above.
By December 31, 2009, 130 PPC employees (2008: 129), had been transferred to the HTSO (these employees remain on PPC's payroll). Under the terms of such agreement, PPC is reimbursed for all payroll and other benefits as well as employer's contributions, plus a percentage (at present 6%) reflecting any other type of indirect cost relating to the administrative support services of such employees.

In May 2001, PPC and HTSO entered into another agreement as described under item (4) above, which was approved by the Regulatory authority for energy ("RAE") and the Ministry of Development. As specified in the agreement, in the Liberalisation Law and in the Grid Code, the calculation of the compensation fee incorporates PPC's budgeted, direct and indirect transmission costs, depreciation of assets, and a return on PPC's invested capital in the transmission system.

Provisions of Law 3175/2003
The main provisions of Law 3175/2003 were the following:

- HTSO, through a tender process has taken permission to conclude generation capacity contracts in order to secure the availability of sufficient capacity and adequate reserve margins on a long–term basis. The volume of the generation capacity contracts shall be determined by the outcome of a feasibility study regarding the demand for sufficient capacity and the existence of adequate and secure reserve margins. Initially, the maximum volume of generation capacity contracts that HTSO was permitted to conclude, was designated for up to a total of 900 MW and was related to capacity commissioned up to July 01, 2007. An additional capacity of up to 400MW could be commissioned, by taking into account the findings of the above mentioned feasibility study.
- PPC shall not be allowed to participate, during the same period, to any tenders for the initial 900 MW, although it is liable to participate for up to 50% of additional tenders, for the additional capacity of the 400 MW.
- PPC shall freely and on equal terms participate in any further future tenders, above the 1,300 MW, for power units commissioned after July 01, 2007.
- A generation licence is granted to PPC for the renewal and replacement of older units' capacity. After their replacement, these units shall remain in "cold reserve", their management is conducted in compliance with the Grid Code and is undertaken by the HTSO on the basis of contracts concluded between HTSO and PPC, exclusively for the provision by HTSO of ancillary services and reserve power.

Provisions of Law 3426/2005
The main provisions of Law 3426/2005 are the following:

- The tender procedure, which HTSO was permitted to conclude for the 900 MW plus 400 MW generation capacity, refers to capacity commissioned up to December 31, 2010, instead of July 01, 2007.
- Competition in power generation and supply will be introduced through the granting of generation and supply licenses to interested entities, with the exception (if granted by the European Commission) of micro-isolated non-interconnected islands, as defined in Directive 54/03 EC (where generation and supply licenses are granted exclusively to PPC) and with the exception of generation from renewable energy sources, hybrid plants and auto producers.
- The provisions for unbundling were amended in order to include PPC's activities in Generation, Transmission, Distribution, Supply to Eligible Customers, Supply to non Eligible Customers and Operation of the non – interconnected islands.

2. LEGAL FRAMEWORK (continued)

- The operational unbundling of PPC's activities in Transmission, Distribution and Operation for the non-interconnected islands.
- Ownership of the national grid ("transmission system" and "distribution network") remains and will continue to remain exclusively to PPC. PPC reserves the right to use the system, for other, non-electricity related purposes (such as telecommunications) and subject to obtaining any necessary licenses and approvals. For fiber optics no such approvals are required.
- PPC, as owner of the distribution network, accepts the applications for connection to the network and is entitled to operate, develop and maintain the network, as well as to maintain its operational and technical integrity according to the planning and the directions of the Distribution System Operator and the Operator of the non-interconnected islands.
- All non-residential consumers are considered eligible customers and are allowed to conclude supply contracts with power suppliers on the basis of private agreements, with the exception of the non-interconnected micro isolated islands' consumers.
- As of July 1, 2007, all consumers are considered eligible customers. PPC shall be supplying the non-interconnected micro isolated islands' consumers who are considered as non-eligible customers.

The Distribution System Operator (DSO)
Until July 1, 2007, the Distribution System Operator would be converted into a Combined Transmission and Distribution System Operator and would be renamed into Hellenic Transmission and Distribution Systems Operator (HTDSO). Until then, PPC would act as distribution system operator through the establishment of appropriate internal structures. HTDSO would inherit all HTSO's responsibilities and would undertake the responsibilities of the DSO as provided for by the law such as:

- Ensuring the operation, development and maintenance of a technically robust and economically efficient Network.
- Ensuring the reliability, efficiency and security of the Network.
- Ensuring access to the Network of the generation and supply licences holders, as well as of the Eligible customers, in accordance with the terms and conditions stipulated in the Distribution System Operation Code.
- Ensuring the supply, installation, maintenance, good performance and replacement of metering equipment installed in the Network.

Provisions for the Non-interconnected Islands Operator
PPC had been appointed as the Operator for the non-interconnected islands. The activities of PPC as operator of the non-interconnected islands are required to be functionally unbundled from the rest of its activities. The Operator has, among others, the responsibility for the distribution system operation, as well as for the planning and operation of the power units, according to the provisions of the Code for the Operation of the non-interconnected islands. PPC keeps separate accounts for the activities of generation, distribution and supply of those islands.

Public Service Obligations
Public Service Obligations (PSOs), as well as the holders of licenses, who shall be liable to provide such public service obligations, are defined by decision of the Minister of Development issued on June 13, 2007, to be (a) supply of energy to consumers of non – interconnected micro isolated islands, at the same rates, per category, as those of the interconnected system and (b) supply of energy at a special rate to consumers with extended families (more than three children), as defined in the legislation being in force.
By decision of the Minister of Development, following a relevant opinion by RAE, the methodology for the calculation of the compensation due for the provision of public service obligations to the license holders who provide them was defined.
The amount of the abovementioned compensation for providing public service obligations shall be approved each year, by a Decision of the Minister of Development, after a relevant opinion by RAE and shall be paid under the condition that, electricity companies shall keep separate accounts depicting at least (a) the compensation granted to them for providing public service obligations and (b) charges imposed to their customers in relation to such services.
On December 2008, PPC notified to RAE the evaluation for the Public Service Obligations compensation for 2008. After the relevant opinion from RAE, the Ministry of Development approved the relevant return for covering the expenses related to Public Services Obligations for the year 2008 which amounts to Euro 500 million, and was included in the 2008 invoices of electricity and therefore in PPCs' revenues for the year 2008.

2. LEGAL FRAMEWORK (continued)

The corresponding compensation for the Public Service Obligations for 2009, was included in the 2009 tarrifs of all the electricity suppliers and accordingly, in PPCs' revenues for the year 2009, after the relevant opinion of RAE and the approval from the Minister of Development, the amount was defined to Euro 416.5 m.

Provisions of Law 3587/2007

The main provision of Law 3587/2007 is an additional licence for electricity generation of 800 MW (in addition to the licences granted according to Law 3175/2003) that was granted to PPC for the replacement of old units with new ones. According to law 3175/2003 (as amended by Law 3426/2005) a generation license was granted to PPC for the renewal and replacement of older units, of total power up to 1600 MW. Those older units, after their replacement shall remain in cold reserve and their operation shall be conducted in compliance with the Grid Code and shall be undertaken by the Hellenic Transmission System Operator (HTSO), on the basis of contracts concluded between HTSO and PPC, exclusively for the provision by HTSO of ancillary services and reserve power. Furthermore, a generation license of up to 800 MW was granted in addition to the aforementioned capacity, for the replacement, until 2017, of older units by new ones using state-of-the-art technology. The law provides that the old units shall be dismantled when the new ones are commissioned.

Within 2007, the Minister of Development with a letter sent to PPC's Chairman of the Board and Chief Executive Officer accepted PPC's proposal to put in cold reserve or/and replace units of 800 MW installed capacity (Law 3175/2003), in excess of the above mentioned, in the context of its business plan, under the provision that those will replace old polluting and poorly performing units.

Provisions of Law 3468/2006
The main provisions of Law 3468/2006 concerning "Electricity generation from Renewable Energy Sources (RES) and High Efficiency Co-generation of Heat and Power (HE-CHP)" are:

- The incorporation of Directive 2001/77/EC into the national legislation and the adaptation of the national legislation to the relative obligations that result from the Kyoto Protocol that has already been ratified by Law 3017/2002 and the National Allocation Plan for the Distribution of CO_2 gas emissions.
- The simplification and acceleration of the licensing procedure for RES and HE-CHP projects.
- The improvement of the legislative framework for licensing, operation and pricing of electricity from RES and HE-CHP plants (prices will no longer be defined as percentages on PPC's invoices, credit for the capacity in the interconnected system shall be abolished, etc.).

Provisions of Law 3734/2009
With the provisions of Law 3734/2009, Greek legislation is harmonized with the Directive 2004/8/EC of the European Parliament concerning the promotion of energy cogeneration based on the demand for useful heat in the internal energy market and the modification of Directive 92/42/EEC and is supplemented by the legal framework for the promotion of two or more useful forms of energy. The same law provides for modifications of the existing regulatory framework, especially of the provisions of L 2773/1999, L. 3175/2003 and L 3468/2006.

The main provisions of Law 3734/2009 regarding PPC are:

- Settlement of issues related to expropriations and compensations, as well as the relocation of residents who live near the Hydroelectric Project of Mesochora***.***
- A license for energy generation is granted to PPC for the renewal and replacement of older units with new ones using state-of-the-art technology, with no capacity limitation.
- The pending applications that PPC has submitted according to Law 3175/2003 and Law 3587/2007 are herein after under the provisions of this Law.
- The validity of the Temporary Integrated Generation License that was granted according to Law 2941/2001 to PPC units, referred to Law 2773/1999 and included in the Integrated Generation License of PPC, is extended until December 31, 2013.
- A Temporary Generation License is granted until December 31, 2013, according to paragraph 5 of article 8 of Law 2941/2001 to PPCs' units that have been granted generation licenses from January 24, 2002 until the date that this law takes effect.
- The abovementioned regulations have effect at all PPC units that have been transferred to its subsidiary company PPC Renewables S.A..

In relation to more general issues for RES promotion, the following are provided for:

- Settlement of partial issues related (1) to power generation from RES (2) to photovoltaic units and (3) to the connection of power units using RES.

2. LEGAL FRAMEWORK (continued)

- A legislative authorization is given for the establishment of the special program ''Photovoltaic units on roofs'', aiming at providing incentive and creating a framework for a simple administrative procedure, which shall allow for the most efficient exploitation of environmentally friendly technologies.

It is further noted that supplements and modifications of no major importance of the regulatory framework are included in L 3769/2009 and L 3784/2009.

Fuel clause - Tarrifs
In December 2007, by decision of the Minister of Development concerning PPC S.A. tariffs' increase and the modification of the Supply Code, a mechanism for handling changes of the international fuel prices, the ''fuel clause'', was established. The purpose of this mechanism was to minimize the risks caused to PPC due to the high volatility of imported fuel prices in the sense that they have an important effect in the operational cost of the company which cannot be recovered by the regulated tariffs. In December 2008, the Minister of Development asked RAE to submit its opinion concerning the application of the fuel clause after 1.1.2010.
Finally, by a Ministerial Decision the implementation of the fuel clause was postponed until 1.1.2010. The application of the fuel clause for the first quarter of 2010 had no impact on PPC's tariffs. Also, in November 2009 PPC submitted to RAE a proposal regarding the revision of the regulated tariffs.

Charges of use of Distribution, Transmission Grid-Photovoltaic units
During 2009, Ministerial Decisions were issued so that matters relating to market operation can be settled through which a detailed and discrete listing of charges in the invoice of the final consumer can become feasible (which is implemented since September 2009), as required by the current institutional framework:
Furthermore, the Special Programme "Photovoltaic units on roofs", which is implemented since July 1st, 2009, provides to the customers the possibility to exploit the green energy by installing photovoltaic units up to 10kWp (especially on lofts and building roofs for electric power generation, under favourable incentives and simple procedures).

EU Directives - Regulations
The third legislative package of measures for the internal energy market that became effective as of September 3rd, 2009, includes among others:
The Directive 2009/72/EC of the European Parliament and of the Council "Relating issues for the single regulations of the internal energy market and the abolishment of Directive 2003/54/EC". The most important regulations are the following:

- Effective unbundling of supply and generation activities from the TSO. Apart from the legal, operational and accounting unbundling, obligations concerning ownership unbundling are even imposed, with an alternative possibility to:
  - appoint an Independent System Operator and unbundle the owner of the System from the vertically integrated company at least in relation to its legal form, organisation and decision making (ISO Model) or
  - maintain the Operator and owner of the System as part of the vertically integrated company by providing for specific rules to ensure independency and effective unbundling (ITO model).

Strong regulatory control is provided for in order to ensure the various alternative solutions.

- The unbundling of the Distribution System Operators.

- Further alignment of the responsibilities of the National Regulatory Authorities of Energy in order to empower their independency from any intervention.

- More transparency on the energy market functions.

- Protection and consumer information in the liberalised energy market.

- The establishment of a single European market of final consumer.

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 approved the accompanying financial statements for the year ended December 31, 2009 on March 30, 2010. These financial statements are subject to approval by PPC's General Assembly of shareholders.

Basis of preparation of financial statements

The accompanying financial statements (thereon "financial statements") have been prepared under the historical cost convention except for tangible assets, financial assets held – for – sale and derivative financial assets that have been measured at fair value, assuming that PPC and its subsidiaries will continue as a going concern. The financial statements are presented in thousands of Euro and all values are rounded to the nearest thousand, except when otherwise indicated. With the exception of IFRIC 18, "Transfers of Assets from Customers" there are no Standards or Interpretations that have been in effect earlier than their mandatory date of effect.

Basis of consolidation

The consolidated financial statements comprise the financial statements of PPC 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. 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.

Reclassifications
Certain reclassifications have been made to prior year balances to conform to current year classifications. Such reclassifications did not have any effect on PPC's prior period results. The aforementioned reclassifications are related with amounts transferred within the statement of income. Specifically, they are related with the reduction of other sales and distribution network fees amounted Euro 21,616 and Euro 25,534, respectively, with an increase, at the same time, in the energy purchase amounted Euro 3,918.

3.2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as follows:
The Group adopted the following new and amended IFRS and IFRIC interpretations from January 1, 2009:

- IFRIC 13 Customer Loyalty Programs effective from July 1, 2008.
- IFRIC 15 Agreements for the Construction of Real Estate effective from January 1, 2009.
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation effective from October 1, 2008.
- IFRIC 18 Transfers of Assets from Customers effective from July 1, 2009 (implemented by PPC from January 1, 2009).
- IFRIC 9 Remeasurement of Embedded Derivatives (Amended) and IAS 39 Financial Instruments: Recognition and Measurement (Amended) effective for periods ending on or after June 30, 2009
- IFRS 1 First-time Adoption of International Financial Reporting Standards (Amended) and IAS 27 Consolidated and Separate Financial Statements (Amended) effective from January 1, 2009
- IFRS 2 Share-based Payment: Vesting Conditions and Cancellations (Amended) effective from January 1, 2009
- IFRS 7 Financial Instruments: Disclosures (Amended) effective from January 1, 2009
- IFRS 8 Operating Segments effective from January 1, 2009
- IAS 1 Presentation of Financial Statements (Revised) effective from January 1, 2009

- IAS 23 Borrowing Costs (Revised) effective from January 1, 2009

3.2. CHANGES IN ACCOUNTING POLICIES (continued)

- IAS 32 Financial Instruments: Presentation (Amended) and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation (Amended) effective from January 1, 2009
- Improvements to IFRSs (May 2008)

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

- **IFRIC 13, "Customer Loyalty Programmes":** This Interpretation requires customer loyalty award credits to be accounted for as a discrete component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. This interpretation has no impact on PPC's financial statements as no such schemes currently exist.
- **IFRIC 15, "Agreements for the Construction of Real Estate":** This Interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognized. IFRIC 15 does not have any impact on the financial statements because PPC does not conduct construction real estate activity.
- **IFRIC 16, "Hedges of a Net Investment in a foreign operation":** This Interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risk that qualifies for hedge accounting in the hedge of a net investment, where within the Group the hedging instruments can be held in the hedge of a net investment and how the entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. This Interpretation does not have any impact on the PPC's financial statements.
- **IFRIC 18, "Transfers of Assets from Customers":** This interpretation provides guidance on how to account for items of property, plant and equipment received from customers or cash that is received and used to acquire or construct specific assets. It is only applicable to such assets that are used to connect the customer to a network or to provide ongoing access to a supply of goods or services or both. The interpretation states that in cases of received cash or items of property, plant and equipment and the entity's obligation is limited only to the connection with the network, then these amounts should be recognized to their fair values in the statement of income, given the fact that the service for which the entity received the assets or the cash is concluded at the same time. The interpretation has obligatory future (progressive) implementation for the assets or the cash received from July 1st, 2009 and hereafter and was adopted by the EU on November 30, 2009 with effective date from January 1st, 2010 at the latest.

  The provisions of this interpretation have an impact on PPC's programs that involve the contribution received from the customers and the producers, for the construction cost of assets that are required to be constructed in order the customers and the producers to be connected with the network (especially cash and in limited cases the assets).

  Until December 31, 2008, due to the lack of detailed accounting guidance under IAS, PPC 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 (PPC implemented the accounting policy used for subsidies).

  PPC implemented the abovementioned interpretation earlier, for the items of property plant and equipment and cash received from January 1st, 2009. Therefore, PPC, from January 1st, 2009, 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, PPC used the previous adopted accounting policy.

  From the earlier implementation of the abovementioned interpretation, PPC recognized in the Income Statement of 2009 additional income amounting to Euro 169 m. The Income Statement of 2008 was not affected since the implementation of the interpretation requires progressive (from 2009) and not retroactive adoption. Furthermore, the interpretation could be implemented only from the last quarter of 2009, since it was adopted from the EU from November 30, 2009, it was not possible to adopt it during the interim financial statements of 2009.

3.2. CHANGES IN ACCOUNTING POLICIES (continued)

The new implemented interpretation is presented in note 3.4 "Customers and producers contributions in the construction of fixed assets and Contributions of fixed assets from customers and producers".

- **IAS 39 "Financial Instruments: Recognition and Measurement" and IFRIC 9 "Reassessment of embedded derivatives" (Amended)**: The amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from the host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be based on circumstances that existed on the later of the date the entity first came party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured the entire hybrid instrument can remain classified at fair value through profit and loss. This amendment had no impact on PPC's financial statements.
- **IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements" (Amended):** The amendments to IFRS 1 allow an entity to determine the 'cost' of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognised in the income statement in the separate financial statement. The amendment to IAS 27 will have to be applied prospectively. The new requirements do not affect the separate financial statements as PPC is not a First-Time adopter and do not have any impact on the consolidated financial statements.

- **IFRS 2, "Share-based Payments" (Amended):** The amendment clarifies two issues. The definition of 'vesting condition', introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment did not have an impact on PPC's financial statements.

- **IFRS 7 "Financial Instruments: Disclosures" (Amended)**: The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by the source of inputs, using a three-level hierarchy, by class, for all financial instruments recognized at fair value. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between the levels in the fair value hierarchy. The amendment also clarifies the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value and liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 38.

- **IFRS 8, "Operating Segments":** The Standard replaces IAS 14 'Segment reporting'. IFRS 8 adopts a management approach to segment reporting. The information reported is that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. The implementation of this IFRS, has no impact in PPC's financial statements, due to the fact that disclosure requirements are regulated and exogenously defined by L. 2773/1999 and L. 3426/2005 (Operating Segment requirements) and are the same that the Management was, already, internally using for the evaluation of its activities.

- **IAS 1, "Presentation of Financial Statements" (Revised):** The revised standard requires that the statement of changes in equity includes only transactions with shareholders; introduces a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income" (either in one single statement or in two linked statements); and requires the inclusion of a third column on the statement of financial position to present the effect of restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. PPC has made the necessary changes to the presentation of its current financial statements and elected to present comprehensive income in a separate statement.

- **IAS 32 "Financial Instruments: Presentation" and IAS 1 "Puttable Financial Instruments" (Amended):** The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if certain criteria are met. This amendment did not have any impact on the financial statements.

3.2. CHANGES IN ACCOUNTING POLICIES (continued)

- **IAS 23, "Borrowing Costs" (Revised):** The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements of the Standard, PPC adopted this as a prospective change. No changes have been made for borrowing costs incurred prior to January 1, 2009 that have been expensed. From the progressive implementation of this modification within 2009, an amount of Euro 485 for Borrowing Costs is capitalised. The new implemented IAS is presented in note 3.4 "Borrowing Costs".

In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning January 1, 2009.

- **IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations":** The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale, under IFRS 5, even when the entity will retain a non-controlling interest in the subsidiary after the sale.

- **IFRS 7, "Financial Instruments: Disclosures":** This amendment removes the reference to 'total interest income' as a component of finance costs.

- **IAS 1, "Presentation of Financial Statements":** This amendment clarifies that assets and liabilities classified as held for trading in accordance with IAS 39 "Financial Instruments": Recognition and Measurement are not automatically classified as current in the statement of financial position.

- **IAS 8**, **"Accounting Policies, Changes in Accounting Estimates and Errors":** This amendment clarifies that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.

- **IAS 10, "Events after the Reporting Period":** This amendment clarifies that dividends declared after the end of the reporting period are not obligations.

- **IAS 16, "Property, Plant and Equipment":** This amendment clarifies that items of property, plant & equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. IAS 7 "Statement of cash flows" is also revised, to require cash payments to manufacture or acquire such items to be classified as cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also shown as cash flows from operating activities.

- **IAS 18, "Revenue":** This amendment replaces the term 'direct costs' with 'transaction costs' as defined in IAS 39.

- **IAS 19, "Employee Benefits":** This amendment revises the definitions of 'past service costs', 'return on plan assets' and 'short-term' and 'other long term' employee benefits to focus on the point in time at which the liability is due to be settled.

- **IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance":** Loans granted with no or low interest rates will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates, thereby being consistent with IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant. To be applied prospectively – to government loans received on or after January 1, 2009.

- **IAS 23, "Borrowing Costs":** The amendment revises the definition of borrowing costs to consolidate the types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method as described in IAS 39.

- **IAS 27 "Consolidated and Separate Financial Statements":** When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

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

3.2. CHANGES IN ACCOUNTING POLICIES (continued)

- **IAS 28, "Investment in Associates":** The interpretation clarifies that:
  - If an associate is accounted for at fair value in accordance with IAS 39 only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies; and
  - An investment in an associate is a single asset for the purpose of conducting the impairment test – including any reversal of impairment. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance and any impairment is reversed if the recoverable amount of the associate increases.

- **IAS 29, "Financial Reporting in Hyperinflationary Economies":** This amendment revises the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list.

- **IAS 31, "Interest in Joint ventures":** This amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expenses will apply.

- **IAS 34, "Interim Financial Reporting":** This amendment clarifies that earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.

- **IAS 36, "Impairment of assets":** This amendment clarifies that when discounted cash flows are used to estimate 'fair value less costs to sell', the same disclosure is required as when discounted cash flows are used to estimate 'value in use'.

- **IAS 38, "Intangible Assets":**
  - Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the services.
  - Deletes references to there being rarely, if ever, persuasive evidence to support an amortisation method for finite life intangible assets that results in a lower amount of accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method.
  - A prepayment may only be recognised in the event that payment has been made in advance to obtaining right of access to goods or receipt of services.

- **IAS 39, "Financial instruments recognition and measurement":**
  - Clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance company changing its accounting policy in accordance with paragraph 45 of IFRS 4 "Insurance Contracts", this is a change in circumstance, not a reclassification.
  - Requires use of the revised effective interest rate (rather than the original effective interest rate) when remeasuring a debt instrument on the cessation of fair value hedge accounting.

- **IAS 40, "Investment property":**
  - Revises the scope (and the scope of IAS 16) such that property that is being constructed or developed for future use as an investment property is classified as investment property. If an entity is unable to determine the fair value of an investment property under construction, but expects to be able to determine its fair value on completion, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete.
  - Clarifies that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability.

- **IAS 41, "Agriculture":**
  - Replaces the term 'point-of-sale costs' with 'costs to sell'.
  - Removes the reference to the use of a pre-tax discount rate to determine fair value, thereby allowing use of either a pre-tax or post-tax discount rate depending on the valuation methodology used.

- Removes the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Rather, cash flows that are expected to be generated in the 'most relevant market' are taken into account.

3.3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS 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
PPC's employees and pensioners 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 their working period. The above mentioned obligations are calculated on the basis of financial and actuarial assumptions.

Fair value and useful lives of property, plant and equipment
PPC carries its property, plant and equipment at revalued amounts (estimated fair values) as determined by an independent firm of appraisers. Revaluations are 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. Furthermore, the management has to make certain estimates with respect to the useful lives of depreciable assets.

Impairment of property, plant and equipment
PPC 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 judgements 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 recognised 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 be resulted from such a dismantling and, on that basis has not made any provision for such costs.

Provisions for risks
PPC assesses at each reporting date whether there is an indication that an asset may be impaired. The determination of whether such indications exists, requires management to make estimates, assumptions and judgements 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.

Provisions for income taxes
Current income tax liabilities for the current and prior years are measured 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 open 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. Deferred taxes are recognized on carried forward tax losses to the extent that it is probable that future taxable profits will be reported to offset carried forward tax losses. Deferred tax assets that are recognized require management to make assessments as to the time and level of realization of future taxable profits.

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. At each balance sheet date, unbilled revenue is recorded to account for electricity delivered and consumed by 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. Gains or losses resulting from foreign currency adjustments are reflected in foreign currency gains (losses), net, in the accompanying statements of income.

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. And 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
PPC acquires CO_2 emission rights in order to meet its obligation resulting from the shortage of allocated emission allowances as compared to actual emissions made. PPC is implementing the net liability method, according to which a liability for emissions is recognized when the emissions are in excess from the allocated allowances and the acquired CO_2 allowances (taking into account the maximum allowed proportion between EUAs and CERs). This liability is accounted in fair values to the extend that PPC has the obligation to cover the CO_2 emission deficit through purchase (after the set of any acquired CO_2 emission rights). Emission rights purchased and additionally acquired are recognized as an intangible asset, at cost less any accumulated impairment losses.

Tangible Assets
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 (three to five years) in order to ensure that fair value does not differ significantly from the net value of the asset. Any valuation increase is credited to the revaluation surplus net of deferred taxes. At the date of revaluation, accumulated depreciation are 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, is 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:

3.4 PRINCIPAL ACCOUNTING POLICIES (continued)

Buildings and Civil Works	
Hydro power plants	35-50
Buildings of general use	50
Industrial buildings	35
Machinery and Equipment	
Thermal power plants	40
Mines	20-40
Hydro power plants	40
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	5-20

Mining activities
PPC owns and operates open-pit lignite mines. Land acquisition (mainly through expropriation) and initial (pre-production) 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.

Investments in subsidiaries
In the separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

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. The 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. 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.

Investments in joint ventures
The Group has interests in joint venture which are jointly controlled entities with other companies with which the Group has a contract. In the consolidated financial statements, investments in joint ventures are accounted for under the equity method. The investments in joint ventures are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment value. The consolidated statement of income reflects the Group's share of the results of its joint ventures while amounts that are registered by the joint ventures directly to their equity are recognized directly to the Group's equity.
Non – realizable profit or loss incurring from the transactions of the Group with those joint ventures are eliminated to the extent of the interest in the joint ventures. The joint ventures' accounting principles are adjusted, when necessary, in order to comply with those adapted by the Group. In the separate financial statements such investments are accounted for at cost less any impairment losses.

3.4 PRINCIPAL ACCOUNTING POLICIES (continued)

Impairment of assets
PPC assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, 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 in use, 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. 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. 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, on a systematic basis over its remaining useful life.

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. PPC determines the classification of its financial assets after initial recognition and, where allowed and appropriate, 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 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 Company 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.

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 derecognition 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;

3.4 PRINCIPAL ACCOUNTING POLICIES (continued)

reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

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) 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.

Available-for-sale financial assets
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.

Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit. 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.

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. These materials are recorded in inventory when purchased and then are expensed or capitalized to plant, as appropriate, when installed. A provision is established for write down to recoverable amount expected to be realized from their use.

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, 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.

Liquid fuel
Liquid fuel is stated at the lower of cost and net realisable value. 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.

3.4 PRINCIPAL ACCOUNTING POLICIES (continued)

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.

Derecognition of financial assets and liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where: (1) the rights to receive cash flows from the asset have expired, (2) PPC retains 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) PPC 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 PPC 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 PPC'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 PPC 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 PPC's continuing involvement is the amount of the transferred asset that PPC 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 PPC'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 derecognition 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 PPC has a legally enforceable right to set off the recognized amounts and intends to either to settle such asset and liability on a net basis or to 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
PPC's employees and pensioners 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 gains or losses that exceed 10% of the projected benefit obligation at the beginning of each period are recognized over the average remaining service period of active employees and included as a component of net pension cost for a year.

Subsidies for fixed assets
PPC 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 sheets. 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 transmition 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. Until December 31, 2008, due to the lack of detailed accounting guidance under current IFRS, PPC 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 (PPC implemented the accounting policy used for contributions).

From January 1st, 2009, PPC 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, PPC used the previous adopted accounting policy.

Derivative financial instruments and hedging
PPC uses derivative financial instruments to hedge its risks associated with interest rate and foreign currency fluctuations. 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. 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 consolidated 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 statements 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 bases 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
PPC recognizes as an expense the contribution for the employees' services payable to PPC Personnel Insurance Organization 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 Company 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.

Natural gas
Natural gas fuel is expensed as purchased and consumed. Consumption of natural gas is separately reflected in the accompanying statements of income.

Electricity
Electricity costs are expensed as purchased and separately reflected in the accompanying statements 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 ot 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 per share
Earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the relevant year. There were no dilutive securities outstanding during the periods presented.

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.

Segment information
According to L. 2773/1999 and L. 3426/2005, the Company is obliged to prepare and integrate in its financial statements, accounting unbundled financial statements for each sector. These include PPC's activities in the Sectors of Generation, Transmission, Distribution, Supply to Eligible Customers, Supply to non – eligible customers and Management of the Non-Interconnected Islands. As a result, information disclosures by segment 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 following new standards, amendments to standards and interpretations have been issued but are not yet effective for the financial year beginning January 1, 2009:

- **IFRIC 17, "Distributions of Non-cash Assets to Owners"**: This interpretation is effective for annual periods beginning on or after July 1, 2009 with early application permitted. The interpretation provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability. PPC does not expect IFRIC 17 to have an impact on the financial statements as the Group has not made any non-cash distributions to shareholders in the past.
- **IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments":** The interpretation is effective for annual periods beginning on or after July 1, 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. This interpretation has not yet been endorsed by the EU. PPC does not expect that the amendment will have impact on the financial position or performance of the Group.
- **IFRIC 14, "Prepayments of a Minimum Funding Requirement (Amended)":** The amendment is effective for annual periods beginning on or after January 1, 2011. The purpose of this amendment was to permit entities to recognise as an asset some voluntary prepayments for minimum funding contributions. This earlier application permitted and must be applied retrospectively. This amendment has not yet been endorsed by the EU. PPC does not expect that the amendment will have impact on the financial position or performance of the Group.
- **IFRS 3, "Business Combinations" (Revised) and IAS 27, "Consolidated and Separate Financial Statements" (Amended):** The revision and amendment is effective for annual periods beginning on or after July 1, 2009. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. All the changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) will be applied prospectively and will affect future acquisitions and transactions with minority interests.
- **IAS 39 "Financial Instruments: Recognition and Measurement" – Eligible Hedged Items:** The amendment is effective for annual periods beginning on or after July 1, 2009. The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. PPC does not expect that the amendment will have an impact on the financial statements of the Group, as it has not entered into any such hedges.

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

- **IFRS 9 "Financial Instruments" – Phase 1 financial assets, classification and measurement**: The new standard is effective for annual periods beginning on or after January 1, 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not yet been endorsed by the EU. PPC is in the process of assessing the impact of the new standard on the financial position or performance of the Group.
- **IFRS 2 "Group Cash-settled Share-based Payment Transactions" (Amended):** The amendment is effective for annual periods beginning on or after January 1, 2010. This amendment clarifies the accounting for group cash-settled share-based payment transactions and how such transactions should be arranged in the entity's financial statements of the subsidiary. This interpretation has not yet been endorsed by the EU. PPC does not expect that this amendment will have an impact on the financial position or performance of the Group.
- **IAS 32 "Classification on Rights Issues" (Amended)**: The amendment is effective for annual periods beginning on or after February 1, 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively. PPC does not expect that this amendment will have an impact on the financial position or performance.
- **IAS 24 "Related Party Disclosures" (Revised):** The revision is effective for annual periods beginning on or after January 1, 2011.This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. This interpretation has not yet been endorsed by the EU. PPC does not expect that this amendment will have an impact on the financial position or performance of the Group.
- **IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for first time adopters" (Amended):** The amendment is effective for annual periods beginning on or after 1 July 2010. This interpretation has not yet been endorsed by the EU and it will not have any impact on the financial position or performance of PPC as it is not a First-time adopter.
- **IFRS 1 "Additional Exemptions for First-time Adopters" (Amended):** This interpretation has not yet been endorsed by the EU. PPC does not expect that this amendment will have an impact on the financial position or performance of the Group.

In April 2009, the IASB issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning July 1, 2009. This annual improvements project has not yet been endorsed by the EU.

- **IFRS 2 "Share-based Payment",** effective for annual periods beginning on or after July 1, 2009. Clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of IFRS 2 even though they are out of scope of IFRS 3 (revised). If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.
- **IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations",** effective for annual periods beginning on or after January 1, 2010. Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.
- **IFRS 8 "Operating Segment Information",** effective for annual periods beginning on or after January 1, 2010. Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.
- **IAS 1 "Presentation of Financial Statements",** effective for annual periods beginning on or after January 1, 2010. The terms of a liability that could result, at any time, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.
- **IAS 7 "Statement of Cash Flows",** effective for annual periods beginning on or after January 1, 2009. Explicitly states that only expenditure that results in recognizing an asset can be classified as a cash flow from investing activities. This amendment will impact the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2009 upon cash settlement.
- **IAS 17 "Leases",** effective for annual periods beginning on or after January 1, 2010. The amendment removes the specific guidance on classifying land as a lease so that only the general guidance remains.
- **IAS 18 "Revenue".** The Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity:

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

1. Has primary responsibility for providing the goods or service
2. Has inventory risk
3. Has discretion in establishing prices
4. Bears the credit risk

- **IAS 36 "Impairment of Assets",** effective for annual periods beginning on or after January 1, 2010. The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.
- **IAS 38 "Intangible Assets",** effective for annual periods beginning on or after July 1, 2009. Clarifies that the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are only examples and are not restrictive on the methods that can be used. If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.
- **IAS 39 "Financial Instruments: Recognition and Measurement",** effective for annual periods beginning on or after January 1, 2010. The amendment clarifies that:
  - A prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.
  - The scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree at a future date, applies only to binding forward contracts, and not derivative contracts where further actions by either party are still to be taken (Applicable to all unexpired contracts for annual periods beginning on or after January 1, 2010)
  - Gains and losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognized financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss (Applicable to all unexpired contracts for annual periods beginning on or after January 1, 2010)
- **IFRIC 9 "Reassessment of Embedded Derivatives",** effective for annual periods beginning on or after July 1, 2009. The Board amended the scope paragraph of IFRIC 9 to clarify that it does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a combination between entities or businesses under common control or the formation of a joint venture. If an entity applies IFRS 3 (revised) for an earlier period, the amendment of IAS 38 shall also be applied for that earlier period.
- **IFRIC 16 "Hedges of a Net Investment in a Foreign Operation",** effective for annual periods beginning on or after July 1, 2009. The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied.

4. REVENUES

	Group		Company	
	2009	**2008**	**2009**	**2008**
Energy sales:				
- High voltage	384,409	449,138	384,409	449,138
- Medium voltage	1,059,259	1,042,480	1,059,259	1,042,480
- Low voltage	4,050,517	3,945,993	4,050,517	3,945,993
- Renewable Energy Sources	13,261	-	-	-
	5,507,446	**5,437,611**	**5,494,185**	**5,437,611**
Fees charged to HTSO (note 18)				
- Transmission system fees	268,965	291,180	268,965	291,180
- Administrative fees	14,123	13,201	14,123	13,201
	283,088	304,381	283,088	304,381
- Received customers' contributions	168,938	-	168,938	-
- Other	70,909	59,875	70,909	59,662
	522,935	**364,256**	**522,935**	**364,043**
Total	**6,030,381**	**5,801,867**	**6,017,120**	**5,801,654**

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

5. PAYROLL COST

	Group		Company	
	2009	**2008**	**2009**	**2008**
Payroll cost	1,320,613	1,251,451	1,314,019	1,248,220
Employer's social contributions	378,788	364,787	378,735	363,810
Provision for reduced tariffs	3,645	(6,523)	3,645	(6,523)
Payroll cost included in				
- fixed assets	(210,982)	(190,247)	(210,982)	(190,247)
- lignite production	(367,607)	(343,310)	(367,607)	(343,310)
Total	**1,124,457**	**1,076,158**	**1,117,810**	**1,071,950**

6. ENERGY PURCHASES

	Group		Company	
	2009	**2008**	**2009**	**2008**
Arrangements of differences	257,610	618,430	257,610	618,430
Imports	160,863	258,650	160,863	258,650
Other imports	55,714	32,397	65,556	47,459
Net charge to secure sufficient capacity	21,596	18,944	21,596	18,944
Net additional charge for RES	18,510	27,716	18,510	27,716
Purchase rights	11,773	23,478	11,773	23,478
Other purchase	19,226	24,101	19,226	24,104
TOTAL	**545,292**	**1,003,716**	**555,134**	**1,018,781**

7. DISTRIBUTION NETWORK FEES

	Group		Company	
	2009	**2008**	**2009**	**2008**
Distribution network fees	267,216	287,840	267,216	287,840
Recovery of administrative costs from HTSO	19,151	20,662	19,151	20,662
Arrangement of losses	4,451	1,357	4,451	1,357
Other charges	278	1,098	278	1,098
TOTAL	**291,096**	**310,957**	**291,096**	**310,957**

8. DEPRECIATION AND AMORTIZATION

	Group		Company	
	2009	**2008**	**2009**	**2008**
Depreciation/ amortization:				
- Fixed assets (note 13)	610,954	575,896	605,363	570,483
- Software (note 14)	3,470	5,972	3,422	5,932
- Transfer to subsidies and customers contributions (note 32)	(73,061)	(67,549)	(72,561)	(67,135)
Depreciation included in lignite excavation cost	91,652	(83,854)	91,652	(83,854)
Total	**449,711**	**430,465**	**444,572**	**425,426**

9. FINANCIAL EXPENSES

	Group		Company	
	2009	**2008**	**2009**	**2008**
Interest expense	154,876	202,481	154,876	202,432
Bank charges	835	1,063	835	1,063
Amortization of loans' issuance costs	3,078	2,032	3,078	2,032
Commissions on letters of guarantee	4,504	4,067	4,504	4,067
Unrealized gain on interest rate swaps (note 29)	-	5,226	-	5,226
Finance cost on mine restoration provision (note 31)	1,227	1,345	1,227	1,345
Other	1,426	1,605	1,282	1,590
Total	**165,946**	**217,819**	**165,802**	**217,755**

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

10. FINANCIAL INCOME

	Group		Company	
	2009	2008	2009	2008
Unrealized gain on interest rate swaps (note 29)	161	-	161	-
Interest on outstanding energy receivables	12,674	16,900	12,674	16,900
Interest on bank and time deposits (note 23)	5,550	3,435	5,485	1,451
Dividends from Subsidiaries (note 15)	-	-	1,000	76,992
Dividends from investments "held-for-sale" (note 22)	118	2,863	118	2,863
Other	2,601	7,926	2,600	7,925
Total	**21,104**	**31,124**	**22,038**	**106,131**

11. OTHER (INCOME) EXPENSE, NET

	Group		Company	
OTHER EXPENSE	2009	2008	2009	2008
Transportation and travel expenses	33,273	34,328	33,023	34,106
Taxes and duties	26,469	20,834	25,689	20,057
Loss on retirements of fixed assets	5,551	2,956	5,551	2,956
Loss on write down of Construction in Progress	14,664	6,400	14,664	6,400
Other	16,523	15,092	15,209	14,019
Total	**96,480**	**79,610**	**94,136**	**77,538**

	Group		Company	
OTHER REVENUE	2009	2008	2009	2008
Penalties to suppliers/ contractors	(5,323)	(7,356)	(5,323)	(7,356)
Subsidies on expenses	(361)	(2,892)	(361)	(2,892)
Income from rentals	(1,220)	(1,341)	(1,220)	(1,341)
Other	(18,940)	(15,433)	(18,940)	(15,433)
Total	**(25,844)**	**(27,022)**	**(25,844)**	**(27,022)**
Grand Total	**70,636**	**52,588**	**68,292**	**50,516**

12. INCOME TAXES (CURRENT AND DEFERRED)

	Group		Company	
	2009	2008	2009	2008
Current income taxes	115,877	538	114,064	-
Deferred income taxes	142,201	(90,551)	142,737	(93,747)
Provision for additional taxes	41,702	-	41,452	-
Total income tax expense	**299,780**	**(90,013)**	**298,253**	**(93,747)**

The Group companies are all tax resident in Greece and are subject to income taxes at 25%. The income tax in 2014 will be reduced to 20%, reducing 1% each year beginning in 2010.

Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate.

In 2009 the tax audit of the Parent Company was completed for the years 2006 and 2007, which resulted to accounting differences of Euro 18 million approximately from Income Tax. From VAT, withholding taxes and any other tax obligations, the Company was surcharged with the amount of Euro 1 million approximately, which was paid after the settling off the tax liabilities of the Greek State. Temporary results of the tax audit for the income tax were issued until the final resolution of the tax issue referring to the energy bill paid by PPC personnel.

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

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

In November 2009 the tax audit for the Parent Company begun, for the year 2008, and was completed in March 2010. The audit resulted to accounting differences of approximately € 21m from the Income Tax. From VAT and other taxes the company is surcharged with the amount of € 1m which will be set of with tax liabilities of the Greek State to PPC. Temporary results of the tax audit for the Income tax were issued until the final resolution of the tax issue referring to the energy bill paid by PPC personnel and pensioners. For all the other taxes final results were issued. For these amounts the relevant provisions are established.
Tax unaudited years:

Company	Country	Unaudited years
- PPC Parent Company	Greece	2009
- PPC Renewables S.A.	Greece	2007-2009
- PPC Rhodes S.A.	Greece	1999-2009
- PPC Telecommunications S.A.	Greece	2007-2009
- Arkadikos Ilios Ena S.A.	Greece	2007-2009
- Arkadikos Ilios Dio S.A.	Greece	2007-2009
- Hliako Velos Ena S.A.	Greece	2007-2009
- Hliako Velos Dio S.A.	Greece	2007-2009
- SOLARLAB S.A.	Greece	2007-2009
- Iliaka Parka Ditikis Makedonias Ena S.A.	Greece	2007-2009
- Iliaka Parka Ditikis Makedonias Dio S.A.	Greece	2007-2009
- PPC FINANCE PLC	United Kingdom	-

For the unaudited tax periods 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	
	2009	**2008**	**2009**	**2008**
Profit before tax	**993,099**	**(395,892)**	**988,989**	**(326,708)**
Nominal tax rate	25%	25%	25%	25%
Income tax calculated at nominal tax rate	248,275	(98,973)	**247,247**	**(81,677)**
Provision for additional taxes	41,702	-	41,452	-
Non deductible expenses	2,748	8,339	2,499	5,742
Non taxable income	(367)	(11,744)	(367)	(30,992)
Subsidiaries and associates	-	-	-	-
Additional taxes	7,422		7,422	
Loss of previous years for which deferred tax was accounted for	-	(815)	-	(815)
Impact from tax rate change	-	2,930	-	3,745
Subsidiary/ associate losses on which no deferred tax was accounted for	-	10,250	-	10,250
Income tax expense	**299,780**	**(90,013)**	**298,253**	**(93,747)**
	30.2%	**22.7%**	**30.2%**	**28.7%**

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

	Group		Company	
	2009	**2008**	**2009**	**2008**
At January 1	**(151,571)**	**(323,270)**	**(155,648)**	**(329,716)**
Profit and loss account (charge)	(142,201)	90,551	(142,737)	93,747
Debit directly in other total income	(195,039)	81,148	(192,364)	80,321
At December 31	**(488,811)**	**(151,571)**	**(490,749)**	**(155,648)**

(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 assets and liabilities are disclosed in the accompanying balance sheets as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
Deferred income tax				
- Asset	159,234	290,352	158,810	289,993
- Liability	(648,045)	(441,923)	(649,560)	(445,641)
Total	**(488,811)**	**(151,571)**	**(490,749)**	**(155,648)**

Deferred income tax assets and liabilities are attributable to the following items:

	Group		Company	
	2009	**2008**	**2009**	**2008**
Deferred tax assets				
- Materials and spare parts	11,990	10,370	11,990	10,370
- Accounts receivable	(24,417)	8,984	(24,417)	8,984
- Risks and accruals	23,172	20,681	23,172	20,681
- Post retirement benefits	50,013	46,903	50,013	46,903
- Subsidies and customers' contributions	62,258	69,940	62,014	69,724
- Provision for CO_2	7,331	18,483	7,331	18,483
- Fixed assets	28,871	28,808	28,871	28,808
- Tax losses	-	86,040	-	86,040
- Other	15	143	(164)	-
Gross deferred tax asset	**159,234**	**290,352**	**158,810**	**289,993**
Deferred tax liabilities				
- Long-term debt fees and expenses	(2,300)	(276)	(2,300)	(276)
- Depreciation and revaluation of assets	(645,597)	(441,486)	(641,065)	(439,160)
- Derivatives	21	62	21	62
- Foreign exchange gains	(169)	(223)	(172)	(223)
-Subsidiaries and associates	-	-	(6,044)	(6,044)
Gross deferred tax liability	**(648,045)**	**(441,923)**	**(649,560)**	**(445,641)**
Deferred Tax Liability net	**(488,811)**	**(151,571)**	**(490,749)**	**(155,648)**

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

	Group		Company	
	2009	**2008**	**2009**	**2008**
- Materials and spare parts	1,619	(757)	1,619	(757)
- Accounts receivable	(33,401)	(2,332)	(33,401)	(2,332)
- Risks and accruals	2,492	(3,079)	2,492	(3,079)
- Post retirement benefits	3,111	(13,356)	3,111	(13,356)
- Subsidies	(7,682)	5,373	(7,711)	5,366
- Fixed assets	63	(2,854)	63	(2,854)
- Derivatives	(41)	1,306	(41)	1,306
- Long-term debt fees and expenses	(2,023)	508	(2,023)	508
- Subsidiaries and associates	-	5,622	-	7,700
- Depreciation	(9,073)	(6,001)	(9,543)	(6,399)
- Foreign exchange (gains)	53	1,609	53	1,609
- Provision for CO_2	(11,152)	18,483	(11,152)	18,483
- Loss from tax	(86,040)	86,040	(86,040)	86,040
- Other	(128)	(11)	(164)	1,512
Deferred tax charge	**(142,201)**	**90,551**	**(142,737)**	**93,747**

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

13. TANGIBLE ASSETS

GROUP	Land	Mines	Lakes	Buildings and Technical Works	Machinery	Transport. Assets	Furniture and Equipment	Construction in Progress	Total
Net book value									
December 31, 2007	**672,140**	**300,517**	**11,822**	**1,691,924**	**7,453,088**	**53,188**	**139,069**	**1,111,129**	**11,432,877**
- Additions	285	42,224	-	49	250	-	88	977,692	**1,020,588**
- Depreciation expense	-	(11,758)	(452)	(81,891)	(454,335)	(7,473)	(19,987)	-	**(575,896)**
- Disposals	(102)	-	-	(4)	(14,275)	(13)	(902)	(811)	**(16,107)**
- Transfers from CIP	2,493	8,694	-	95,644	797,921	13,235	16,527	(935,540)	**(1,026)**
- Transfers	-	-	-	(1,184)	459	14	(14)	725	**-**
- Other movements / write off	-	-	-	-	833	-	(2)	(6,875)	**(6,044)**
December 31, 2008	**674,816**	**339,677**	**11,370**	**1,704,538**	**7,783,941**	**58,951**	**134,779**	**1,146,320**	**11,854,392**
- Additions	-	35,040	-	-	937	-	-	1,069,339	**1,105,316**
- Depreciation expense	-	(16,398)	(452)	(84,661)	(482,777)	(7,721)	(18,945)	-	**(610,954)**
- Disposals	(12)	-	-	(2,316)	(13,249)	(2)	(1,497)	(19,423)	**(36,499)**
- Transfers from CIP	5,993	4,578	-	63,756	886,275	11,426	11,091	(987,190)	**(4,071)**
- Transfers	-	-	-	(1,758)	(2,504)	3	(220)	4,479	**-**
Other movements / write off	-	1	-	(1)	(1,816)	(1)	-	31	**(1,786)**
- Revaluation surplus	343,503	-	-	53,216	561,966	7,091	8,827	-	**974,603**
- Devaluation of fixed assets	(1,913)	-	-	(28,436)	(107,708)	(21)	(585)	-	**(138,663)**
December 31, 2009	**1,022,387**	**362,898**	**10,918**	**1,704,338**	**8,625,065**	**69,726**	**133,450**	**1,213,556**	**13,142,337**
At January 1, 2008									
Gross carrying amount	672,140	500,409	22,603	1,942,534	8,894,203	73,936	215,150	1,111,129	**13,432,104**
Accumulated depreciation	-	(199,892)	(10,781)	(250,610)	(1,441,115)	(20,748)	(76,081)	-	**(1,999,227)**
Net carrying amount	**672,140**	**300,517**	**11,822**	**1,691,924**	**7,453,088**	**53,188**	**139,069**	**1,111,129**	**11,432,877**
At December 31, 2008									
Gross carrying amount	674,816	551,327	22,603	2,037,007	9,675,097	86,502	228,551	1,146,320	**14,422,223**
Accumulated depreciation	-	(211,650)	(11,233)	(332,469)	(1,891,156)	(27,551)	(93,772)	-	**(2,567,831)**
Net carrying amount	**674,816**	**339,677**	**11,370**	**1,704,538**	**7,783,941**	**58,951**	**134,779**	**1,146,320**	**11,854,392**
At December 31, 2009									
Gross carrying amount	1,022,387	590,946	22,603	1,750,949	8,665,793	69,726	189,222	1,213,556	**13,525,182**
Accumulated depreciation	-	(228,048)	(11,685)	(46,611)	(40,728)	-	(55,772)	-	**(382,845)**
Net carrying amount	**1,022,387**	**362,898**	**10,918**	**1,704,338**	**8,625,065**	**69,726**	**133,450**	**1,213,556**	**13,142,337**

(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	Transport. Assets	Furniture and Equipment	Construction in Progress	Total
December 31, 2007	**670,389**	**300,517**	**11,820**	**1,682,509**	**7,419,588**	**53,183**	**138,700**	**1,097,813**	**11,374,519**
- Additions	-	42,224	-	-	-	-	-	966,150	**1,008,374**
- Depreciation expense	-	(11,758)	(452)	(80,931)	(450,063)	(7,471)	(19,808)	-	**(570,483)**
- Disposals	(102)	-	-	(4)	(14,275)	(13)	(902)	(811)	**(16,107)**
- Transfers from CIP	2,467	8,694	-	95,018	795,500	13,235	16,527	(932,467)	**(1,026)**
- Transfers	-	-	-	(190)	(535)	14	(14)	725	**0**
- Other movements	-	-	-	-	833	-	(26)	(6,875)	**(6,068)**
December 31, 2008	**672,754**	**339,677**	**11,368**	**1,696,402**	**7,751,048**	**58,948**	**134,477**	**1,124,535**	**11,789,209**
- Additions	-	35,040	-	-	-	-	-	1,053,385	**1,088,425**
- Depreciation expense	-	(16,398)	(452)	(83,645)	(478,216)	(7,723)	(18,929)	-	**(605,363)**
- Disposals	(12)	-	-	(2,140)	(12,660)	-	(1,497)	(19,423)	**(35,732)**
- Transfers from CIP	5,993	4,578	-	58,919	876,983	11,426	11,091	(973,061)	**(4,071)**
- Transfers	-	-	-	(1,033)	(2,504)	3	(220)	3,754	**-**
- Other movements	-	1	-	-	(1,816)	(1)	-	111	**(1,705)**
- Revaluation surplus	342,159	-	-	47,908	556,008	7,087	8,651	-	**961,813**
- Devaluation of fixed assets	(1,876)	-	-	(28,304)	(107,403)	(21)	(585)	-	**(138,189)**
December 31, 2009	**1,019,018**	**362,898**	**10,916**	**1,688,107**	**8,581,440**	**69,719**	**132,988**	**1,189,301**	**13,054,387**
At January 1, 2008									
Gross carrying amount	670,389	500,409	22,594	1,917,135	8,847,584	73,902	214,349	1,097,813	**13,344,175**
Accumulated depreciation	-	(199,892)	(10,774)	(234,626)	(1,427,996)	(20,719)	(75,649)	-	**(1,969,656)**
Net carrying amount	**670,389**	**300,517**	**11,820**	**1,682,509**	**7,419,588**	**53,183**	**138,700**	**1,097,813**	**11,374,519**
At December 31, 2008									
Gross carrying amount	672,754	551,327	22,594	2,011,931	9,624,813	86,467	227,638	1,124,535	**14,322,059**
Accumulated depreciation	-	(211,650)	(11,226)	(315,529)	(1,873,765)	(27,519)	(93,161)	-	**(2,532,850)**
Net carrying amount	**672,754**	**339,677**	**11,368**	**1,696,402**	**7,751,048**	**58,948**	**134,477**	**1,124,535**	**11,789,209**
At December 31, 2009									
Gross carrying amount	1,019,018	590,946	22,594	1,734,715	8,622,168	69,719	188,761	1,189,301	**13,437,222**
Accumulated depreciation	-	(228,048)	(11,678)	(46,608)	(40,728)	-	(55,773)	-	**(382,835)**
Net carrying amount	**1,019,018**	**362,898**	**10,916**	**1,688,107**	**8,581,440**	**69,719**	**132,988**	**1,189,301**	**13,054,387**

13. TANGIBLE ASSETS (continued)

Real Estate legal status:
PPC is reviewing in detail a list of its total real estate and for that reason has created a real estate assets register according to which all pertinent properties by name shall be registered with the relevant land registries and shall obtain ownership and encumbrance certificates. When the said procedure is concluded with PPC will acquiring strong valid ownership titles against any third party at the full application and operation of the Hellenic Cadastre.

Insurance Coverage:
The property, plant and equipment of PPC are located all over Greece and therefore the risk of a major loss is reduced. Currently, PPC does not carry any form of insurance coverage to date on its property, plant and equipment, except for its information technology equipment. The Company is evaluating the possibility to proceed to a procurement procedure with object the selection of an insurance company, shall be covering its property, plant and equipment operations, as well as liabilities against third parties.

Encumbrances on intangible assets: The intangible assets are held free from encumbrances.

Revaluation of Fixed Assets:
Within 2009, the Group proceeded with the revaluation of its operating fixed assets as of December 31, 2009. The revaluation was carried out by an independent firm of appraisers, according to IAS 16. The results of the above appraisal which excluded lakes, the land for the extraction of lignite and the construction in progress, were recorded in the Companys' books on December 31, 2009. The previous revaluation took place on December 31, 2004.

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 and properties for which the legal ownership of PPC is being disputed at law 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 properties appraised is held for use by the Mines, the Generation, the Transmission 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 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 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 by using the income approach, through a Discounted Cash Flow analysis. 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.

(f) Any additional surcharges from CO_2 emissions that may arise after the period 2008-2012, it was considered that will be fully passed on and recovered through the regulated tariffs.

The revalued amounts, from appraisers' work, compared to Net Book Value of the fixed assets, resulted to net surplus amounted to approximately Euro 770 m, which was credited directly in Revaluation Surplus in Equity (Euro 962 m net of Deferred Taxes). Additionally, an amount of Euro 138 m which was not offset by previous years' Revaluation Surplus was charged in the Statement of Income for the year ended at December 31, 2009.

14. INTANGIBLE ASSETS, NET

	Company					
	2009			2008		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	**5,801**	**-**	**5,801**	**10,723**	**10,397**	**21,120**
- Additions	4,048	176,388	180,436	1,026	13,662	14,688
- Depreciation expense	(3,422)	-	(3,422)	(5,932)	-	(5,932)
- Impairment	-	(8,146)	(8,146)	-	-	-
- Disposals	(2)	-	(2)	(16)	-	(16)
- Cover of CO2 deficit	-	(95,975)	(95,975)	-	(24,059)	(24,059)
December 31	**6,425**	**72,267**	**78,692**	**5,801**	**-**	**5,801**

	Group					
	2009			2008		
	Software	Emission Allowances	Total	Software	Emission Allowances	Total
Net book value, January 1	**5,870**	**-**	**5,870**	**10,776**	**10,397**	**21,173**
- Additions	4,148	176,388	180,536	1,082	13,662	14,744
- Depreciation expense	(3,470)	-	(3,470)	(5,972)	-	(5,972)
- Impairment	-	(8,146)	(8,146)	-	-	-
- Disposals	(2)	-	(2)	(16)	-	(16)
- Cover of CO2 deficit	-	(95,975)	(95,975)	-	(24,059)	(24,059)
December 31	**6,546**	**72,267**	**78,813**	**5,870**	**-**	**5,870**

During the year 2009, the Parent Company has realized general expenses by its participation in Carbon Funds for purchasing emission rights of Euro 1,039 (2008: Euro 1,704), which are included in emission allowances purchases in the income statement. Also, there was a provision in the income statement for emission rights deficit for 2009, amounted Euro 63,388.

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

	Group	Company
At December 31, 2007		
Gross carrying amount	30,650	30,565
Accumulated amortization	(19,874)	(19,842)
Net carrying amount	**10,776**	**10,723**
At December 31, 2008		
Gross carrying amount	51,926	51,784
Accumulated amortization	46,056	(45,983)
Net carrying amount	**5,870**	**5,801**
At December 31, 2009		
Gross carrying amount	56,072	55,830
Accumulated amortization	(49,526)	(49,405)
Net carrying amount	**6,546**	**6,425**

15. INVESTMENTS IN SUBSIDIARIES

	Group		Company	
	2009	2008	2009	2008
PPC Telecommunications	-	-	4,441	4,441
PPC Rhodes S.A.	-	-	838	838
PPC Renewables S.A.	-	-	70,482	70,482
PPC FINANCE PLC	-	-	-	-
Total	**-**	**-**	**75,761**	**75,761**

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

Name	Ownership Interest		Country and Year of Incorporation and activity	Principal Activities
	31.12.09	31.12.08		
PPC Renewables S.A.	100%	100%	Greece - 1998	RES
PPC Rhodes S.A.	100%	100%	Greece - 1999	Engineering, construction and operation of a power plant
PPC Telecommunications S.A.	100%	100%	Greece - 2000	Telecommunication services
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%	-	UK - 2009	General Commercial Company

In June 2006, the Annual Shareholders' General Assembly for PPC Rhodes S.A. decided to dissolve the aforementioned company and to initiate the appropriate procedures on July 1, 2006, according to national commerce law. The process for PPC Rhodes S.A. is yet to be completed.

In March 2008, the Parent Company as the only shareholder of the subsidiary PPC Telecommunications S.A., decided a partial reduction and the equal return of the share capital amounted to Euro 62,173, which was paid in April 2008. Also, in 2008, the Parent Company received dividends from the subsidiary company PPC Telecommunications S.A. amounted 76,992.

"PUBLIC POWER CORPORATION FINANCE PLC" (PPC FINANCE PLC) was incorporated on 21 January 2009 and its shareholders are PPC S.A. and PPCs' by 100% subsidiary PPC RENEWABLES S.A. PPC FINANCE PLC has its registered office in London, UK, and its main corporate purpose is to carry on business as a general commercial company. The authorised share capital of PPC FINANCE PLC is Euro 65.6, divided into 65,600 shares of Euro one (€ 1.00) each. PPC S.A. holds 59,040 shares (representing 90% of the entire issued share capital) and PPC RENEWABLES S.A. holds 6,560 shares (representing 10% of the entire issued share capital). PPC FINANCE PLC obtained a certificate issued by Companies House on 27 July 2009, which entitles PPC FINANCE PLC, as a public company, to do business and borrow in accordance with applicable laws.

In March 2010, PPC Renewable S.A. (a 100% PPC's subsidiary) proceeded to an share capital increase amounted € 8 m.

16. INVESTMENTS IN JOINT VENTURES

In October of 2006, the Parent Company together with Contour Global LLC, established a 50% jointly controlled entity named SENCAP S.A. ("SENCAP" - a holding entity) whose objective is the ownership, investment, operation, development and management of energy sector projects, including exploitation of mineral rights, in South East Europe, Italy, Turkey, and selectively in the Mediterranean area. Following several capital increases, on June 29, 2009, the General Meeting of the shareholders decided and approved the decrease of the share capital by four million thirty six thousands nine hundred Euros (4,036,900). Therefore, the share capital of Sencap as of December 31st 2009 amounts to Euro 1,493,100.00 (September 30, 2009: Euro 5,530,000.00;

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

16. INVESTMENTS IN JOINT VENTURES

December 31, 2008: Euro 5,140,000.00). The shareholders' agreement signed between PPC and Contour Global LLC provides that each partner can be invited to contribute an amount of up to Euro 300 million within the next five years from the date of SENCAP's establishment, in order for the latter to be able to finance its investment opportunities.

It is noted that since November 2008 the company's scope of work has been limited exclusively to the geographical area of Kosovo and more specifically to the important forthcoming energy Project of lignite mines and lignite generation units in Pristina.

On December 18th 2009, the Ministry of Energy and Mining of Kosovo announced its intention to redefine the object of the Project by significantly reducing its size and investments risks, and asked investors to submit new Expressions of Interest. On February 26th 2010, deadline date for Submissions of Interest, PPC and ControurGlobal have jointly submitted an Expression of Interest, without using SENCAP company/entity. On March 5th 2010, it was announced that the PPC-ContourGlobal consortium, together with another three (3) competitive consortiums, have been short-listed to participate in the forthcoming international tender. According to the announcements of the Kosovo Ministry of Energy and Mining, the tender process is expected to be completed with the selection of the winner within 2010.

At December 31, 2009 PPC's share in assets, liabilities, income and expenses of SENCAP was as follows:

	December 31 2009	December 31 2008
Assets	148	312
Liabilities	(188)	(172)
Equity	40	(140)
Income	-	-
Loss after taxes	(375)	(1,228)
Loss recognized in the consolidated income statement	(335)	(1,228)

17. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2009	2008	2009	2008
LARCO S.A.	-	-	-	-
PPC Renewables ROKAS S.A.	1,572	1,278	-	-
PPC Renewables TERNA Energiaki S.A.	1,414	893	-	-
PPC Renewables DIEKAT Energy S.A.	2,373	2,062	-	-
PPC Renewables MEK Energiaki S.A.	954	892	-	-
PPC Renewables ELTEV AIFOROS S.A.	946	958	-	-
PPC Renewables EDF EN GREECE S.A.	7,435	5,762	-	-
Good Works S.A.	148	153	-	-
Aioliko Parko LOYKO S.A.	12	24	-	-
Aioliko Parko MAMBO BIGLIES S.A.	13	24	-	-
Aioliko Parko KILIZA S.A.	16	24	-	-
Aioliko Parko LEFKIVARI A.E.	13	24	-	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	19	24	-	-
	14,915	**12,118**	**-**	**-**

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

17. INVESTMENTS IN ASSOCIATES (continued)

Data concerning the above mentioned associates as well as the Group's ownership interest in them as at December 31, 2009 and 2008 are as follows:

Name		Ownership Interest		Country and year of Incorporation	Principal Activities
		31.12.09	31.12.08		
Larco S.A.		11.45%	28.56%	Greece – 1989	Metallurgical
PPC Renewables ROKAS S.A.		49.00%	49.00%	Greece - 2000	RES
PPC Renewables TERNA Energiaki S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables NANKO Energy – MYHE Gitani S.A.		49.00%	49.00%	Greece – 2000	RES
PPC Renewables MEK Energiaki S.A.		49.00%	49.00%	Greece - 2001	RES
PPC Renewables ELTEVAIFOROS S.A.		49.00%	49.00%	Greece – 2004	RES
PPC Renewables EDF EN GREECE S.A.		49.00%	49.00%	Greece – 2007	RES
EEN VOIOTIA S.A.	1	46.60%	46.60%	Greece – 2007	RES
Good Works S.A.		49.00%	49.00%	Greece – 2005	RES
ORION ENERGIAKI S.A.	2	49.00%	49.00%	Greece – 2007	RES
ASTREOS ENERGIAKI S.A.	2	49.00%	49.00%	Greece – 2007	RES
PHOIBE ENERGIAKH S.A.	2	49.00%	49.00%	Greece – 2007	RES
IAPETOS ENERGIAKI S.A.	2	49.00%	49.00%	Greece – 2007	RES
Aioliko Parko LOYKO S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko MAMBO BIGLIES S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko KILIZA S.A.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko LEFKIVARI A.E.		49.00%	49.00%	Greece – 2008	RES
Aioliko Parko AGIOS ONOUFRIOS S.A.		49.00%	49.00%	Greece - 2008	RES

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.
2. They are consolidated by the associate company Good Works S.A. as they participate by 100% in their share capital.

In May 2009, the Extraordinary General Assembly of LARCOs' shareholders decided the decrease of share capital of the company for the amount of € 120,002 with the decrease of the nominal share value (from €29.35 per share to € 7.85 per share) and simultaneously offsetting accumulated losses of previous years. Also, the same Extraordinary General Assembly decided the increase of the share capital of the company by amount € 134,337 with the issuance of 17,112,940 new shares of nominal value € 7.85 per share and the corresponding cash deposit. PPC, within June 2009, notified its intention not to participate in the increase. Therefore, PPCs' participation in LARCO on December 31, 2009 amounted € 12,515 (1,594,282 shares of nominal price € 7.85 per share). PPCs' participation in LARCO has been fully impaired in 2008. Also, since PPC maintains its participation in LARCOs' Board of Directors, considers that has a significant influence and preserves LARCOs' classification in investments in associates.

LARCO S.A. does not prepare its financial statements under International Financial Standards. Furthermore, its statutory financial statements are audited and approved at a later date than the date that PPC's financial statements are authorised for issuance. As a result, in order for the Group to apply the equity method of accounting for this associate in its December 31, 2007 and 2008 consolidated financial statements, used unaudited pro-forma statutory financial information provided by LARCO S.A. The above mentioned have been prepared under different accounting principles and methods from those used by the Group. The above mentioned basis is not in accordance with the methods prescribed in IAS 28 "Investments in associates".

In the year ended December 31, 2009, the Group participated in a share capital increase of its associate companies by a total amount of Euro Zero (2008: Euro 1,146).

The Group received dividends, for the year ended December 31, 2009, from its associates which amounted to Euro Zero (2008: Euro 145).

The following table presents condensed financial information of the PPC share in its associates' assets, liabilities and shareholders' equity as at December 31, 2009 and 2008:

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

17. INVESTMENTS IN ASSOCIATES (continued)

	December 31, 2009		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	2,833	(1,268)	(1,565)
PPC Renewables TERNA Energiaki S.A.	9,376	(7,962)	(1,414)
PPC Renewables DIEKAT Energy S.A.	4,562	(2,180)	(2,382)
PPC Renewables MEK Energiaki S.A.	4,320	(3,365)	(955)
PPC Renewables ELTEV AIFOROS S.A.	1,200	(254)	(946)
PPC Renewables EDF EN GREECE S.A.	38,893	(33,910)	(4,983)
Good Works S.A.	150	(3)	(147)
Aioliko Parko LOYKO S.A.	15	(3)	(12)
Aioliko Parko MAMBO BIGLIES S.A.	18	(5)	(13)
Aioliko Parko LEFKIVARI A.E.	15	(2)	(13)
Aioliko Parko AGIOS ONOUFRIOS S.A.	22	(3)	(19)
Aioliko Parko KILIZA S.A.	21	(4)	(17)
	61,425	**(48,959)**	**(12,466)**

	December 31, 2008		
	Assets	Liabilities	Equity
PPC Renewables ROKAS S.A.	3,013	(1,742)	(1,271)
PPC Renewables TERNA Energiaki S.A.	10,707	(9,814)	(893)
PPC Renewables DIEKAT Energy S.A.	5,187	(3,125)	(2,062)
PPC Renewables MEK Energiaki S.A.	3,658	(2,766)	(892)
PPC Renewables ELTEV AIFOROS S.A.	1,256	(298)	(958)
PPC Renewables EDF EN GREECE S.A.	20,989	(15,480)	(5,509)
Good Works S.A.	148	(4)	(144)
Aioliko Parko LOYKO S.A.	26	(2)	(24)
Aioliko Parko MAMBO BIGLIES S.A.	26	(2)	(24)
Aioliko Parko LEFKIVARI A.E.	26	(2)	(24)
Aioliko Parko AGIOS ONOUFRIOS S.A.	26	(2)	(24)
Aioliko Parko KILIZA S.A.	26	(2)	(24)
	45,088	**(33,239)**	**(11,849)**

PPC's share of its associates' revenue and results for the year ended December 31, 2009 and 2008 has as follows:

	December 31, 2009		December 31, 2008	
	Sales	Profit/(Loss)	Sales	Profit/(Loss)
PPC Renewables ROKAS S.A.	858	488	719	215
PPC Renewables TERNA Energiaki S.A.	1,262	521	-	(36)
PPC Renewables DIEKAT Energy S.A.	748	311	440	57
PPC Renewables MEK Energiaki S.A.	1,164	56	796	44
PPC Renewables ELTEV AIFOROS S.A.	-	(12)	-	(8)
PPC Renewables EDF EN GREECE S.A.	1,103	(212)	-	(335)
Good Works S.A.	-	(3)	-	(11)
Aioliko Parko LOYKO S.A.	-	(12)	-	(5)
Aioliko Parko MAMBO BIGLIES S.A.	-	(12)	-	(5)
Aioliko Parko LEFKIVARI A.E.	-	(11)	-	(5)
Aioliko Parko AGIOS ONOUFRIOS S.A.	-	(6)	-	(5)
Aioliko Parko KILIZA S.A.	-	(8)	-	(5)
	5,135	**1,100**	**1,955**	**(99)**

18. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

PPC balances with its subsidiaries and its associates as of December 31, 2009 and 2008 are as follows:

	December 31, 2009		December 31, 2008	
	Receivable	Payable	Receivable	Payable
Subsidiaries				
- PPC Telecommunications S.A.	160	-	122	-
- PPC Renewables S.A.	19,905	(5,427)	17,112	(8,736)
- PPC Rhodes S.A.	29	-	33	-
- Arkadikos Ilios Ena S.A.	3	-	35	-
- Arkadikos Ilios Dio S.A.	1	-	9	-
	20,098	(5,427)	**17,311**	**(8,736)**
Associates				
PPC Renewables ROKAS S.A.	-	(254)	-	(195)
PPC Renewables TERNA Energiaki S.A.	-	-	-	-
PPC Renewables DIEKAT Energy S.A.	-	-	-	-
PPC Renewables MEK Energiaki S.A.	-	-	-	-
EEN VOIOTIA S.A.	-	-	-	(2,550)
- Larco (energy and ash)	63,031	-	24,924	-
- Sencap	137	-	137	-
	63,168	(254)	**25,061**	**(2,745)**
Other				
- HTSO (note 34)	655,751	(694,253)	548,834	(617,820)
	655,751	**(694,253)**	**548,834**	**(617,820)**

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

	2009		2008	
	Invoiced to	Invoiced from	Invoiced to	Invoiced from
Subsidiaries				
- PPC Telecommunications S.A.	37	-	35	-
- PPC Renewables S.A.	18,411	(9,842)	15,507	(14,926)
- PPC Rhodes S.A.	10	-	10	-
- Arkadikos Ilios Ena S.A.	-	-	34	-
- Arkadikos Ilios Dio S.A.	-	-	9	-
	18,458	(9,842)	**15,595**	**(14,926)**
Associates				
PPC Renewables ROKAS S.A.	-	(1,750)	147	(1,468)
PPC Renewables TERNA Energiaki S.A.	-	-	3	-
PPC Renewables DIEKAT Energy S.A.	1	-	2	-
PPC Renewables MEK Energiaki S.A.	1	-	21	-
PPC Renewables ELTEV AEIFOROS S.A.	150	-	-	-
EEN VOIOTIA S.A.	2,550	-	188	-
Larco (energy and ash)	44,047	(3,270)	67,960	(7,880)
Sencap S.A.	-	-	(122)	-
	46,749	**(5,020)**	**68,199**	**(9,348)**
HTSO (note 1)	**25,538**	**(344,303)**	**16,702**	**(694,754)**

Procurement of lignite from LARKO S.A.: On August 24, 2007 the Parent Company signed a contract for the procurement of lignite from LARKO S.A. for a total amount of 1.2 million tones (with a right to increase up to 15%) for a period of four years and a total amount of Euro 25.8 million. Given the fact that at the time of signing the contract LARKO S.A. had outstanding payables of an equal amount to PPC from the supply of electricity, payments for the procurement of lignite will be settled against the abovementioned receivable from LARKO S.A. PPC had made a provision for the abovementioned receivables, which was reversed in 2007, due to the fact that the collection of the amount was secured not only by the abovementioned contract, but also by a guarantee bond that LARCO S.A. raised in favor of PPC, covering the total duration of the contract and the total contractual amount. The value of PPC's lignite procurement based on this contract, for the year 2009, amounted Euro 3.9 m (2008: Euro 9.4 m). In December 2008, LARCO S.A. interrupted the supply of lignite stating that bad weather did not allow the Mine to operate. LARCO S.A. stated its intention to continue the deliveries of lignite as soon as the damages were restored and not later than the end of March 2009. But the deliveries did not start due to the fact that the mine is closed until the environmental permits are approved. The environmental permits were granted and LARCO restarted the deliveries of lignite since end of June 2009.

18. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

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.

	Purchases		Balance	
	31.12.09	**31.12.08**	**31.12.09**	**31.12.08**
ELPE, purchases of liquid fuel	78,954	418,269	8,674	12,836
DEPA, purchases of natural gas	467,436	849,942	40,772	60,595
	546,390	**1,268,211**	**49,446**	**73,431**

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

Management compensation

Fees concerning management members (Board of Directors and General Managers) for the year ended December 31, 2009 and 2008 have as follows:

	GROUP		COMPANY	
	2009	**2008**	**2009**	**2008**
Compensation of members of the Board of Directors				
- Executive members of the Board of Directors	742	866	447	500
- Non-executive members of the Board of Directors	344	368	186	230
- Compensation / Extra fees	292	344	-	-
- Contribution to defined contribution plans	-	7	-	-
- Other Benefits	7	6	7	6
	1,186	**1,591**	**631**	**736**
Compensation of Vice Managing Directors and General Managers				
- Regular compensation	1,725	1,608	1,725	1,608
- Contribution to defined contribution plans	212	180	212	180
- Compensation / Extra fees	217	261	217	261
	2,154	**2,049**	**2,154**	**2,049**
Total	**3,340**	**3,640**	**2,785**	**2,785**

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

19. MATERIALS, SPARE PARTS AND SUPPLIES, NET

	Group		Company	
	2009	**2008**	**2009**	**2008**
Lignite	70,506	63,356	70,506	63,356
Liquid fuel	144,833	90,675	144,833	90,675
Materials and consumables	707,733	717,028	706,880	716,257
Purchased materials in transit	51,816	50,534	51,816	50,534
	974,888	**921,593**	**974,035**	**920,822**
Provision for materials' write down to recoverable amount	(167,182)	(159,056)	(167,126)	(159,030)
Total	**807,706**	**762,537**	**806,909**	**761,792**

During 2009, the Group and the Parent Company made an additional provision for materials' write down to recoverable amount expected to be realized from their use of Euro 8,126 (2008: Euro 7,371) and Euro 8,096 (2008: Euro 7,345) respectively. Also, in 2009, the Parent Company and the Group has recognized a devaluation of the liquated net value of liquid fuels amounted Euro to Zero (2008: Euro 56,977). Materials, spare parts and supplies of the Parent Company and the Group are held free of encumbrances.

20. TRADE RECEIVABLES, NET

	Group		Company	
	2009	2008	2009	2008
High voltage	187,351	86,292	184,515	86,292
Medium and low voltage	691,657	566,058	691,657	566,058
Customers contributions	9,109	10,010	9,109	10,010
	888,117	**662,360**	**885,281**	**662,360**
Unbilled revenue	344,578	349,289	344,578	349,289
	1,232,695	**1,011,649**	**1,229,859**	**1,011,649**
Allowance for doubtful balances	(226,283)	(146,470)	(226,283)	(146,470)
Total	**1,006,412**	**865,179**	**1,003,576**	**865,179**

High voltage customer balances relate to (a) receivables from sales of energy to 28 large local industrial companies, which are invoiced at the end of each calendar month, based on individual agreements and actual metering and (b) exports to foreign customers.

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 customers.

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 invoices 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.

Allowance for doubtful customers is made on the basis of their outstanding balances. The Company considers that an impairment loss has been incurred when non-collection exceeds the period of six months and one year, over the normal credit terms, for medium voltage and low voltage customers, respectively. The movement in the allowance for doubtful balances is as follows:

	Group		Company	
	2009	2008	2009	2008
As at January 1	**146,470**	**116,752**	**146,470**	**116,752**
- Provision charge	81,782	34,024	81,782	34,024
- Reversal of unused provision	-	(2,087)	-	(2,087)
- Utilisation	(1,969)	(2,219)	(1,969)	(2,219)
As at December 31	**226,283**	**146,470**	**226,283**	**146,470**

At December 31, 2009 και 2008, the ageing analysis of the invoiced trade accounts receivable had as follows:

		Non Past due and not impaired	**Past due and not impaired (days)**			
	Total		**< 45**	**45 – 180**	**180 – 365**	**> 365**
2009	658,998	171,953	164,159	197,366	112,947	12,573
2008	515,890	184,286	161,475	109,518	44,855	15,756

21. OTHER RECEIVABLES, NET

	Group		Company	
	2009	2008	2009	2008
Value Added Tax	89,219	170,270	85,612	170,026
Assessed taxes and penalties	38,777	38,777	38,777	38,777
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'	1,546	1,546	1,546	1,546

Social security contributions				
Pensioners' advances, in dispute	5,262	5,262	5,262	5,262
Loans to employees	21,723	24,885	21,723	24,885
Receivables from contractors	16,244	17,343	16,244	17,343
Receivables from subsidiaries	-	-	25,847	17,112
Tellas (fibre-optics rental)	4,208	4,320	4,208	4,320
Lignite levy	690	-	690	-
Other	10,636	613	10,517	595
	209,559	**284,270**	**231,680**	**301,120**
Allowance for doubtful balances	(32,528)	(29,474)	(32,528)	(29,474)
Total	**177,031**	**254,796**	**199,152**	**271,646**

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 to be able to file a case against the tax courts. These amounts have as follows:

- For the fiscal year 1992, it was paid (in 2006) an amount of Euro 8,048 (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, it was paid an amount of Euro 30,728 (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, it was paid an amount of Euro 1,480. In 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 31).

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 for 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 appealed 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. A respective provision has been established for non-collection of this amount 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 for non-collection 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.

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

	Group		**Company**	
	2009	**2008**	**2009**	**2008**
As at January 1	**29,474**	**34,021**	**29,474**	**34,021**
- Provision charge	3,054	2,080	3,054	2,080
- Reversal of unused provision	-	(6,624)	-	(6,624)
-Utilisation	-	(3)	-	(3)
As at December 31	**32,528**	**29,474**	**32,528**	**29,474**

22. INVESTMENTS AVAILABLE FOR SALE

	Group		Company	
	2009	2008	2009	2008
National Bank of Greece	30,982	18,486	30,982	18,486
Heracles Cement S.A.	2,945	4,385	2,945	4,385
Evetam	241	241	241	241
HTSO	144	144	144	144
Total	**34,312**	**23,256**	**34,312**	**23,256**

The change in the fair value of investments equity securities available for sale (shares) totalled Euro 7,538 (2008: Euro 50,542 debited) to “Marketable securities valuation surplus”, in shareholders’ equity (note 26). In the year 2009, the Parent Company received dividends from the above investments, of a total amount of Euro 118 (2008: Euro 2,863) (note 10).

23. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009	2008	2009	2008
Cash in hand	941	1,361	938	1,359
Cash at banks	36,101	17,089	27,844	14,032
Time deposits	443,000	85,000	443,000	85,000
Total	**480,042**	**103,450**	**471,782**	**100,391**

Interest earned on cash at banks and time deposits is accounted for on an accrual basis and amounted to Euro 5,550 (2008: Euro 3,435), for the Group and to Euro 5,485 (2008: Euro 1,451) for the Company and are included in financial income in the accompanying statements of income (note 10).
All cash and cash equivalents are denominated in Euro.

24. SHARE CAPITAL

Under Law 2773/1999 PPC was transformed, into a société anonyme. The Articles of Incorporation of PPC specify, among other things, the following:

a. The Greek State is not permitted to hold less than 51% of the voting shares of PPC, after any increase in its share capital and
b. In case the participation percentage of a shareholder or a shareholder’s affiliated companies exceeds in total 5% of PPC´s share capital, such shareholder will not have the right to vote at the general assembly for the percentage of his shareholding exceeding 5%.

At December 31, 2009 and 2008, 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.

25. 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. For the year ended 2009, the Group established a legal reserve amounting € 34,537 (2008: Zero).

26. OTHER RESERVES

	Group		Company	
RESERVES	2009	2008	2009	2008
- Tax free	113,208	113,654	113,208	113,654
- Specially taxed reserves	94,779	94,779	94,779	94,779
- Fair values of investments “held-for-sale” (note 22)	10,637	3,099	10,637	3,099
Total	**218,624**	**211,532**	**218,624**	**211,532**

26. OTHER RESERVES (continued)

Tax-free and specially taxed reserves represent interest income which is either free of tax or tax is withheld at source. However, if distributed, such reserves are subject to income tax (estimated at approximately Euro 49 million at December 31, 2009, assuming a tax rate of 25%). On the above reserves, no deferred taxes are accounted for. For the years 2009 and 2008, the Group did not establish tax-free reserves or specially taxed reserves.

27. 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.

For the year 2009, the Board of Directors of the Parent Company decided to suggest to the Company's Shareholders General Assebly the distribution of dividends amounting € 1.00 (Euro: 1.00 per share).

As at December 31, 2009, the unpaid balance of dividends was Euro 91 (2008: Euro 238).

28. INTEREST BEARING LOANS AND BORROWINGS

	Group		Company	
	2009	**2008**	**2009**	**2008**
Bank loans	1,263,199	1,378,707	1,263,196	1,378,675
Bonds payable	3,093,694	2,933,694	3,093,694	2,933,694
Bills payable	278	76	278	92
Total	**4,357,171**	**4,312,477**	**4,357,168**	**4,312,461**
Less current portion:				
- Bank loans	119,139	115,705	119,139	115,673
- Bonds payable	1,380,000	1,375,000	1,380,000	1,375,000
- Bills payable	281	76	278	92
Total	**1,499,420**	**1,490,781**	**1,499,417**	**1,490,765**
Long-term portion	**2,857,751**	**2,821,696**	**2,857,751**	**2,821,696**

The total interest expense on total debt for the period ended December 31, 2009 is included in financial expenses in the accompanying statements of income (note 9).

A further analysis of PPC's interest bearing loans and borrowings is as follows:

	2009	**2008**
Bank loans and bonds		
- Fixed rate	600,000	1,200,000
- Floating rate	2,493,694	1,733,694
European Investment Bank		
- Fixed rate	644,518	693,561
- Floating rate	590,098	647,875
Project financings		
- Fixed rate	-	92
- Floating rate	28,858	37,239
Total	**4,357,168**	**4,312,461**

Long term debt represents unsecured obligations of the Group and the Company. Certain loans and bonds include certain non-financial covenants, the most important of which is that the Company should not cease to be a corporation controlled as to at least 51% by the Greek State.

28. INTEREST BEARING LOANS AND BORROWINGS (continued)

Analysis of borrowings by currency (including bank overdrafts)

	2009	2008
EURO	99.4%	99.2%
USD	0.0%	0.0%
CHF	0.6%	0.8%

During 2009 the Parent Company:

- issued sixteen series of bonds totaling Euro 1,315 million repayable within the period 2010 – 2016.
- For the first time the Parent Company has included in four loan agreements of total amount of € 475m financial and other covenants (besides ownership) like downgrade of its rating, obligation to retain the following ratios in certain levels: i) EBITDA/Interest higher than 2, ii) Liabilities/Equity below 2 and iii) Net Debt/Tangible Assets and Investments in Joint Ventures and Associates below “0.5”, which may lead to default or the increase of borrowing cost.
- Renewed for one more year the maturity of bond loans of Euro 220 million, in total, with an initial maturity in 2009.
- The Board of Directors of the Parent Company has approved the issue of bonds of an amount of Euro 840 million.
- In 2009, the Board of Directors of Parent Company approved a proposal for the financing of Transmission – Distribution Projects for the period July 2008 – 2011 totally amounted to € 950 million by the European Investment Bank. A first loan agreement of fifteen years duration for an amount of €250 million has already been concluded.

Euro Medium Term Note (EMTN) program, in 2009, in line with the establishment of a Euro Medium Term Note Program (EMTN), with initial amount Euro 2 billion, a Special Purpose Vehicle was formed under the name “PPC FINANCE PLC” by PPC (with 90% participation) and PPC Renewables (with 10% participation).

The annual principal payments required to be made subsequent to December 31, 2009 and 2008 (based on the exchange rates as at December 31, 2009 and 2008) are as follows:

	2009	2008
On demand or within one year	1,499,417	*1,490,765*
In the second year	485,410	*619,478*
In the third to fifth years inclusive	1,620,545	*1,430,652*
After five years	751,796	*771,566*
Total	**4,357,168**	**4,312,461**

The repayments in the year 2010 include bond loans of total amount Euro 115 million with one year duration with the exclusive right of PPC for their renewal for one more year, repayable in 2011.

The fair value of bonds that are publicly traded at December 31, 2009 totaled Euro 408 million (2008: Euro 903 million), while, their respective carrying amount as at December 31, 2009 totaled Euro 400 million (2008: Euro 900 million).

The fair value of long-term loans with floating interest rates approximate their carrying amounts.

Forward Contracts
At December 31, 2009, the Company had one group of currency forward contract outstanding..

The existing one was concluded for the purchase of an initial amount of YEN 4.118 billion, for the full repayment of an amortizable EIB loan covering the period January 2010 - January 2016.

29. FINANCIAL INSTRUMENTS

	Group		Company	
	2009	2008	2009	2008
Derivative liabilities	88	249	88	249
Derivative assets		-		-

Derivative financial instruments represent interest rate swaps. At December 31, 2009, PPC had three interest rate swap agreements outstanding of a total nominal outstanding amount of Euro 50 million, maturing in 2010. Changes in their fair values of these derivatives are included in financial (expense) income, net, in the accompanying statements of income.

The net change in the fair values of swap agreements for the years ended December 31, 2009 amounted to Euro 162 loss included in financial expenses – note 9 (2008: Euro 5,226 loss financial income note 10).

30. POST RETIREMENT BENEFITS

PPC's employees and pensioners 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. 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, and actuarial gains or losses. The retirement benefit obligations are not funded.

The details of the actuarial study for the years December 31, 2009 and 2008 have as follows:

	Group		Company	
	2009	2008	2009	2008
Present value of unfunded obligations	309,528	278,241	309,528	278,241
Unrecognised net loss	(71,369)	(43,728)	(71,369)	(43,728)
Net liability in balance sheet	**238,159**	**234,513**	**238,159**	**234,513**
Components of net service cost				
Current Service cost	3,454	3,402	3,454	3,402
Interest cost	16,640	14,389	16,640	14,389
Amortization of unrecognised loss	1,259	-	1,259	-
	21,353	**17,791**	**21,353**	**17,791**
Movements during the year in net liability in balance sheet				
Net liability at beginning of the year	234,513	241,037	234,513	241,037
Actual benefits utilised	(17,707)	(24,315)	(17,707)	(24,315)
Total expense recognised	21,353	17,791	21,353	17,791
Net liability, end of the year	**238,159**	**234,513**	**238,159**	**234,513**
Change in benefit obligation				
Liability at beginning of year	278,241	265,363	278,241	265,363
Current Service cost	3,454	3,402	3,454	3,402
Interest cost	16,640	14,389	16,640	14,389
Actuarial (gains)/loss	28,900	19,402	28,900	19,402
Benefits utilised	(17,707)	(24,315)	(17,707)	(24,315)
Liability, end of the year	**309,528**	**278,241**	**309,528**	**278,241**
Weighted average assumptions				
Discount rate	4.96%	6.20%	4.96%	6.20%
Rate of tariff increase per annum:	0%-2%	0%-5%	0%-2%	0%-5%
Average future working life	13.61	12.63	13.61	12.63

30. POST RETIREMENT BENEFITS (continued)

Further to the abovementioned benefits, the subsidiary company PPC Renewable S.A., has made a provision for personnel compensation in case of service termination amounting to Euro 25, regarding the personnel which is directly employed from PPC Renewables.

31. PROVISIONS

	Group		Company	
	2009	2008	2009	2008
Litigation with employees and third parties (note 37)	195,595	165,157	195,595	165,157
Disputes with tax authorities (note 21)	42,676	42,676	42,676	42,676
Mines' land restoration	17,231	16,541	17,231	16,541
PPC-PIO fixed assets	7,373	7,373	7,373	7,373
Other	1,335	-	2	-
Total	**264,210**	**231,747**	**262,877**	**231,747**

During the year ended December 31, 2009, PPC established an additional provision for litigation with employees and third parties of Euro 32,246 (2008: Euro 24,304 (reversed provision - gain)). In Addition, in 2009 the Parent Company paid Euro 1,808 for finalized cases (2008: Euro 7,887).

As per law 2773/1999, including among other provisions the establishment of the PPC Personnel Insurance Organization ("PPC-PIO"), PPC by decision of its Board of Directors, shall concede to PPC-PIO certain assets at no consideration.

The movement of the provisions for disputes with tax authorities and mines' restoration for the Parent Company and the Group has as follows:

	Group		Company	
	2009	2008	2009	2008
Balance at beginning of the year	**16,541**	**14,697**	**16,541**	**14,697**
- Change in outflow included in assets	2,063	2,357	2,063	2,357
- Reversal of unused amounts	(2,600)	(1,858)	(2,600)	(1,858)
- Finance cost (note 9)	1,227	1,345	1,227	1,345
Balance at the end of the year	**17,231**	**16,541**	**17,231**	**16,541**

32. DEFERRED CUSTOMERS' CONTRIBUTIONS AND SUBSIDIES

GROUP	**Subsidies**	**Customer Contributions**	**Total**
Net book value			
December 31, 2007	**372,392**	**1,463,521**	**1,835,913**
- Subsidies and contributions received	11,204	200,435	211,639
- Transfer to revenues (note 8)	(14,185)	(53,364)	(67,549)
December 31, 2008	**369,411**	**1,610,592**	**1,980,003**
- Subsidies and contributions received	82,055	-	82,055
- Transfer to revenues (note 8)	(16,752)	(56,309)	(73,061)
December 31, 2009	**434,714**	**1,554,283**	**1,988,997**

PARENT COMPANY	**Subsidies**	**Customer Contributions**	**Total**
Net book value			
December 31, 2007	**365,830**	**1,463,520**	**1,829,350**
- Subsidies and contributions received	11,204	200,436	211,640
- Transfer to revenues (note 8)	(13,771)	(53,364)	(67,135)
December 31, 2008	**363,263**	**1,610,592**	**1,973,855**
- Subsidies and contributions received	79,764	-	79,764
- Transfer to revenues (note 8)	(16,252)	(56,309)	(72,561)
December 31, 2009	**426,775**	**1,554,283**	**1,981,058**

33. OTHER NON – CURRENT LIABILITIES

	Group		Company	
	2009	2008	2009	2008
Customers' deposits	520,300	501,558	520,300	501,558
Other	74	16	14	16
Total	**520,374**	**501,574**	**520,314**	**501,574**

The amount customers' advances relates to deposits 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 deposits 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 pre-paid.

34. TRADE AND OTHER PAYABLES

	Group		Company	
	2009	2008	2009	2008
Trade:				
Suppliers and contractors	407,466	401,431	406,646	408,611
Municipalities' duties	202,541	177,852	202,541	177,852
Social security funds, other	95,327	92,620	95,315	92,614
Greek TV	51,688	48,596	51,688	48,596
HTSO	38,699	68,986	38,699	68,986
Taxes withheld	39,566	45,740	39,334	45,627
Credit customers' balances	35,485	33,118	35,485	33,118
Benefits on employee overtime	14,031	22,240	14,031	22,240
Bank of Crete	12,053	12,053	12,053	12,053
Lignite levy	-	353	-	353
Other	27,450	26,664	26,706	26,662
Total	**924,306**	**929,653**	**922,498**	**936,712**

Municipal Duties and Greek TV: The amounts represent duties collected by PPC through the bills issued to medium and low voltage customers and certain high voltage customers. The payment of such amounts to the beneficiaries is made by PPC at the end of each month and relates to collections made two months prior. For this service PPC charges a fee of 2% and 0.5%, on the amounts collected on behalf of Municipalities and Greek TV, respectively. Such fees for the years 2009 totaled Euro 30,359 (2008: Euro 29,058), and are included in other revenues in the accompanying statements of income. Furthermore, receivables from Municipalities relating to energy consumption are offset against amounts paid for the duties collected on behalf of the Municipalities.

Lignite Levy: Based on Law 2446/1996, effective 1997, PPC is obliged to pay a duty of 0.4% on its gross sales for the development and environmental protection of the three Prefectures (Kozani, Florina and Arkadia) where lignite power stations are in operation.

BANK OF CRETE

The dispute with the old "Bank of Crete" is dating back to 1989, when the bank was under liquidation due to serious legal violations revealed at that time. More precisely, by an action filed on July 22 1991 as against the Bank of Crete, PPC claimed an amount amounting to GRD billion 2,2 (Euro 6.5 million) due to the fact that transverse of the claims of PPC to stake-holding in the share capital of the Bank and to obligatory credit to the Bank, introduced by virtue of the 21/9.6.1989 Act of the trustee of the Bank was held invalid. The action was withdrawn by nr 9004/1996 Decision of the Multimember Court of Athens. PPC appealed against the said Decision of the Court which was also rejected by Decision Nr 4613/1997of the Athens Appeal Court. Said decision was brought to review by PPC before the Supreme Court and appellate Decision was quashed by Decision Nr 746/1998 of the Supreme Court. In consequence the case was brought to trial before the Court of Appeals, which by its Decision Nr 5514/1999 held that an expert report should take place. After said experts report, a Decision (Nr 7956/2005) was held partially in PPC's favour. Awarding in favour of PPC the amount of almost GRD 1,936 billion (Euro 5.7 million).
However, a petition for review before the Supreme Court was filed against the aforesaid Decision which was accepted by Decision Nr 1968/2007of the Supreme Court, was resubmitted to the Court of Appeals for a new trial. The decision issued by the Court of Appeals (Nr 4093/2009) postponing the final decision ordered the completion

of the expertise report concerning the requested amount of the compound interest by PPCs' lawsuit. The Decision seems to accept almost in its entirety the lawsuit of PPC, so that after the completion of the

34. TRADE AND OTHER PAYABLE (continued)

expertise report, with the issuance of the final Decision, there may be a decrease of the requested compound interest amounts. It should be noted that, on the 4th of February 2010, an application made by the Bank was heard before the Athens Court of Appeals by which, the Bank asked that it should be taken additionally into account within the context of the Decision of the said Court of Appeals Decision Nr 4093/2009, so that the Experts Report should also include a counterclaim by the Bank offered by the Bank an amount of GRD 100 m. (Euro 293) approximately, as against the claim of PPC on trial. As a consequence thereof, the addition of the Expert Report already decided by Decision Nr 4093/2009, is further postponed until the issuing of a final judgement of the same Court on the said application for an addition made by the Bank.

35. SHORT-TERM BORROWINGS

At December 31, 2009, PPC had drawn from its committed bank overdraft facilities an amount of Euro 213,500 bearing interest at EURIBOR plus a margin. In the year 2008, the subsidiary PPC RENEWABLE concluded a short-term loan agreement of a total amount of €3 million, out of which the amount of €3 million was available on December 31, 2009. This loan was concluded without the provision of any security.

	Group		Company	
	2009	**2008**	**2009**	**2008**
Committed Overdraft facilities				
- Credit lines available	78,000	438,000	75,000	435,000
- Unused portion	3,000	79,500	-	77,500
- Used portion	213,500	358,500	213,500	357,500

36. ACCRUED AND OTHER CURRENT LIABILITIES

	Group		Company	
	2009	**2008**	**2009**	**2008**
Accrued interest on interest bearing loans and borrowings	32,630	63,589	32,630	63,956
Natural gas and liquid fuel purchases	45,337	60,473	45,337	60,473
Energy purchases	11,139	2,428	11,139	2,428
Mining related services	3,325	3,546	3,325	3,546
Additional expropriation costs	3,725	2,010	3,725	2,010
Personnel day off and overtime	28,347	43,043	28,347	43,043
RAE fees	6,810	3,545	6,810	3,545
Purchase of Emission Allowances	33,323	84,013	33,323	84,013
Projects under construction	8,414	-	8,414	-
Other	5,564	9,685	5,004	8,783
Total	**178,615**	**272,332**	**178,055**	**271,797**

37. COMMITMENTS, CONTINGENCIES AND LITIGATION

Ownership of Property
Major matters relating to the ownership of PPC's assets, are as follows:

1. Public Power Corporation S.A. is the legal successor to all property rights of the former PPC legal entity. Its properties are for the most part held free of encumbrances. Although all property is legally owned, legal title in land and buildings will not be perfected and therefore title may not be enforced against third parties until the property is registered at the relevant land registry in PPC's name. PPC is in the process of registering this property free of charge at the relevant land registries following a simplified registration procedure. This process is not yet finalised.

2. In a number of cases, expropriated land, as presented in the expropriation statements, differs (in quantitative terms), with what PPC considers as its property.

3. Agricultural land acquired by PPC through expropriation in order to be used for the construction of hydroelectric power plants, will be transferred to the State at no charge, following a decision of PPC's Board of Directors and a related approval by the Ministry of Development, if such land is no longer needed by PPC S.A. for the fulfilment of its purposes.

37. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

Litigation and Claims
The Group is a defendant in several legal proceedings arising from its operations. The total amount claimed as at December 31, 2009 amounts to, Euro 696 million, as further analysed below:

1. Cla*ims with contractors, suppliers and other claims:* A number of contractors and suppliers have raised claims against the Company, mainly for disputes in relation to the construction and operation of power plants. These claims are either pending before courts or in arbitration and mediation proceedings. The total amount involved is Euro 377 million. 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 40 million and Euro 9 million, respectively.

3. *Claims by employees:* Employees are claiming the amount of Euro 182 million, 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, 2009, the PPC Personnel Insurance Organization (former "PPC PIO", TAYTEKO/IKA at present) had filed, before the courts, seven (7) lawsuits against PPC, claiming an amount in total of Euro 87,704 and, aiming to: (a) obtain the ownership of a building sold by PPC in 1999 for a consideration amounting to Euro 13,294, (b) obtain the ownership of certain properties owned by PPC and collect the rents earned by PPC over a specified period of time, at the amount of Euro 6,962 (three 3 actions), these cases will be resolved with the decision of the Plenary Session of the Supreme Court for one of these actions, (c) obtain the ownership of a building, of estimated value of Euro 8,000, (d) be compensated for securities and shares which became property of PPC, and part of which has been sold, as well as for related dividends collected by PPC all for the amount of Euro 59,393 and (e) to oblige PPC to render detailed accounts concerning management of bonds that PPC kept on behalf of PPC – PIO' of an amount of Euro 55. Cases described under (a) have been discussed before second instance courts, however PPC has filed a petition for review before the Supreme Court discussed in September 2008 and was remitted to the Plenary Session of the Supreme Court in January 2009, due to the importance of the case. It is noted that the recommendation in favour of PPC by the said Chamber of the Supreme Court it will be taken into account by the Plenary Session. Furthermore it should be noted that any ruling by the Plenary Session of the Supreme Court shall create a precedent in relation to all other pending cases with similar claims, (b) has already been discussed before first instance courts and the decision issuance process is on hold until the issuance of an irrevocable decision on case (a) above, (c) has been discussed before first instance courts and PPC has filed an appeal, discussed on September, 2008 with the decision still pending, (d) has been discussed before first instance courts, however the decision is still pending, and (e) OAPs' lawsuit was rejected by the Court of Appeal with the Decision No 1459/2009.

   For the above amounts the Group has established provisions, which at December 31, 2009 totalled approximately Euro 196 million.

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

1. Following the issuance of Environmental Permits, by Common Ministerial Decisions, for all Hydroelectric (H/E) Plants, environmental permits are still pending, only for "Plastiras" H/E Plant and the national transmission network, for which the Environmental Impact Assessment Studies have already been submitted to the Ministry for the Environment.

   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 were approved and their fulfilment is a prerequisite for the implementation of the projects and for which responsibility lies with the administrator, respnsible for construction and operation of the respective projects. Public Projects, as well as PPC's projects that have been auctioned and constructed or are under construction and are related to projects of the Acheloos River Diversion Scheme to Thessaly and energy projects are allowed to operate or be completed, according to the approved Administration Plan and the above-mentioned environmental terms. According to

these terms, the continuation, completion and operation of the Messohora Power Plant are permitted. Based on the above-mentioned, the concessionaire of the contract for the road communications

37. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

network project, has been given instructions to continue with the project. The works have been completed and the contract is in the phase of acceptance. On December 31, 2009, the accumulated investment expenses, for the Messochora Power Plant project amounted to Euro 289.1 million and it is estimated that, until the completion of the project, an additional amount of Euro 110.8 million will be required. After the publication of Greek Law 3734/2009, matters concerning the Messochora Hydroelectric Project are arranged, with which the completion and operation of the Project becomes possible. These matters concern expropriation of areas in the Messochora HEP Reservoir, expropriation of the Messochora Village and of the areas where it will be relocated and arrangement of compensations to the affected inhabitants. All the above mentioned expropriations are declared for public utility reasons of great importance and their settlement will allow the completion of the Project and the operation of the Messochora Power Plant.

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

PPC considers the Hydroelectric Plant of Messohora as an independent project from the aberrance of Aheloos river to Thessaly and therefore it is not affected from the abovementioned issues.

2. Under IPPC (Integrated Pollution Prevention and Control) Directive, the Best Available Techniques for Large Combustion Plants (with a thermal capacity greater than 50 MW) have been defined on July 2006 at a European level. These may: (1) require additional to the already foreseen investments at PPC’s larger thermal power plant stations, (2) reduce the permitted hours of operation of its oil fired power stations. In accordance with European Directive 2001/80/EC, a pollutants emissions reduction plan for existing Large Combustion Plants has been approved by PPC’s Board of Directors, and this includes, among others, the following measures:

   (i) Units I and II of Megalopolis A plant will enter the status of limited hours of operation (20,000 hours both of them as one installation) from January 1, 2008 until December 31, 2015 at the latest.

   (ii) Until the end of 2007, all measures for facing the operational problems of the flue gas desulphurisation plant in unit IV of Megalopolis B plant, should have been completed.

   (iii) Until the end of 2007, all measures for the installation and continuous operation of the flue gas desulphurization plant in Unit III of Megalopolis A plant, should have been completed.

   (iv) Until the end of 2007, all necessary modifications for using low sulphur heavy fuel oil, in all the existing oil fired plants included in the pollutants emissions reduction plan, should have been implemented.

   PPC’s emission reduction plan was submitted to the authorities and has been incorporated in the National Emissions Reduction Plan of the country, according to the provisions of the aforementioned Directive. For the Linoperamata Steam Electric Station, the use of low sulphur heavy fuel oil has already started from January 1st, 2007. From October 2007, all oil fired power plants which use heavy fuel oil, are supplied with low sulphur heavy fuel oil, as requested in measure (iv). The aforementioned measure (ii) was completed during the first semester of 2008, while about measure (iii) the semi commercial operation of the desulphurization plant has started in November 2009 and its commercial operation is expected to start in February 2010.

   The renewal of certain thermal power plants’ environmental permits is expected, after the issue (August 2008) of the Common Ministerial Decision for the National Emissions Reduction Plan (Directive 2001/80/EC).

In December 2007, a proposal for a new Industrial Emissions Directive (IED) amending IPPC Directive and 2001/80/EK was published by the European Commission. June 2009, the Council of Ministers for the Environment reached a political agreement on Commission’s proposal. The IED text will be finilised following the co-decision procedure between the Council and the European Parliament. After the finalisation of this

37. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

new proposed directive, eventually additional investments, referring to the above measures (i) and (ii) for existing Units, will be assessed on the new basis and redefined.

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

4. PPC has performed limited studies on the presence of asbestos-containing materials, at its premises. Upon submission by PPC of a full environmental impact assessment study, the Ministry of Environment issued in May 2004 the environmental permit for the construction and operation of an environmentally – controlled landfill site for the management and final disposal of asbestos containing construction materials, existing in its premises located in Northern Greece.

5. During the operation of the Transmission Lines, Substations and Hyperhigh Voltage Centers, there is no electromagnetic radiation, but two separate fields, the magnetic and the electric field. At places where the public or the Company's personnel might find themselves close to the above mentioned lines and substations, the values of those fields are substantially less than the limits. Those limits were established by the International Commission on Non Ionizing Radiation Protection (ICNIRP) in collaboration with the World Health Organization (WHO). The above mentioned limits have also been adopted by the European Union as well as the Greek State. It must be noted though, that the limits stated in the above regulations for both fields do not constitute dangerous values, but rather contain large safety factors, in order to cover for some vagueness due to the limited knowledge about both the magnetic and electric fields' influence in order to fulfil the requirement for the prevention of any adverse impacts.

Combined cycle natural gas fired power plant of a 416,95 MW in Aliveri
After an international tender, the Project "Study, supply, transportation, installation and putting in operation of a 416,95 MWnet combined cycle natural gas fired Unit V at Aliveri" was awarded to the successful bidder company (Metka S.A.). The contract with the company was signed on October 2007, the contractual price is Euro 219 million and the contractual deadline for completion was 27 months after the contract is signed. Construction of the plant is delayed due to antiquities found on the construction site and difficulties about the progress of the permissions. In September 2009, the construction begun, with a revised time schedule which anticipate the completion of the project within 25 months.

Option for acquisition of DEPA shares
PPC's Board of Directors, on October 2, 2007 decided to move with exercising its option for acquisition of DEPA (the natural gas company) shares, which has been done through a contract, decision that has been announced, on January 7, 2008, to the Ministry of Economy. In September 2009 PPC S.A. reached an agreement with National Bank of Greece and BNP Paribas for the provision of advisory services in relation to the exercise of its option and the acquisition of a stake in the share capital of DEPA and DESFA.

Commission of study, procurement of equipment and construction of a "closed type" substation in Soroni, Rhodes
In June 2008, the Parent Company concluded a tender regarding the project "Design, Procurement of equipment, construction and comission of a "closed type" substation in Soroni, Rhodes" and awarded it to ABB, who offered the lowest price of Euro 12.3 million. The project is scheduled to complete in two phases. According to the timetable the building phase of the substation was to be completed by April 2010, so the units generation would have been energized for the summer of 2010. But, due to the delay of issuance of the building permit, wich originally was expected to be issued in March 2009, the building phase of the substation is estimated to be completed in the first half of 2013.

International tender for the construction of the new lignite station in Florina
In July 2008, an international tender regarding the "Study, procurement, transportation, installation and putting in operation of the Steam-Electric Unit II in Meliti Power Station, with a power of 420-450 MW, using pulverized lignite as fuel and with the capability to provide thermal energy of 70 MWth for district heating" was announced. The budgeted cost for the new thermal unit was 675 million Euro. The new Unit will be fully equipped with modern and up-to-date antipollutive systems and with a provision of space for future installation of CO2 emissions' capture system. The above mentioned Project had been defined to be completed within 52 months, commencing with the

signing of the contract. Due to the fact that no offer was submitted, the basic technical and commercial parameters of the Project are in reconsideration, so that a new Inquiry shall be announced.

37. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

The decision concerning the announcement of a new Inquiry is correlated to the final assignment of exploitation of Public mine of Vevi, so that it will be possible a more efficient exploitation of total lignite deposit via common exploitation, as it is also provided by the mining legislation.

Business Collaboration with URBASER

PPC and the Spanish company Urbaser agreed in April 2009 on an "MoU", providing for the development of projects in relation with Waste-to-Energy, the Waste Management sector in general, as well as urban and industrial Waste Water Treatment.

Approval of business collaboration with RWE

The Parent Company's Board of Directors, in its meeting dated April 22, 2008 has approved a business collaboration memorandum with RWE. The memorandum between PPC and RWE refers to the exploration of collaboration on the following areas:

- Development in Porto Romano of Albania of a coal burning unit with a power of 500 – 800 MW. The collaboration memorandum anticipates that if the above mentioned investment is rated as viable, a new separate company will be formed in order to construct and operate the above mentioned station with RWE owning 51%, PPC 39% and TITAN 10% of its share capital. RWE and PPC signed the memorandum of understanding back in June 2008. The Albanian government initiated a short-listing procedure for the erection of this hard coal-fired power plant at the end of 2008. The consortium lead-managed by RWE participates in the first phase of this process and officially submitted, to the Albanian government, an application for the erection and operation of the power plant at the end of February 2009.
- Natural gas in Greece.
- Renewable energy sources. For the renewable energy sources projects the collaboration memorandum anticipates that RWE will hold 51% of the company's share capital while PPC Renewables S.A., PPC's wholly owned subsidiary will hold 49%.

PPC RENEWABLE

In February 2009, Public Power Corporation Renewables S.A. (PPCR) announced, the construction of nine (9) wind parks (W/P) with a total capacity of 35.1 MW. The nine wind parks are located, in Crete (2 W/P), in Samos (2 W/P), in Paros, in Lesvos, in Rhodes, in Sifnos and in Limnos, with a total capital expenditure of € 60 m. Contractor of the nine wind parks is ENERCON GmbH. Our estimation for the construction and the delivery of the wind parks from ENERCON to PPCR will be completed in April 2010 for the projects in Rhodes, Paros and Lesvos and in February 2011 for the projects in Sifnos, Crete, Limnos and Samos.

CO2 Emissions

In November 2007, PPC submitted 31 applications to the competent authority for the issuance of the emissions permits for its bound power plants, concerning the period 2008-2012. In December 2007, the competent authority approved the submitted Monitoring Plans and issued the respective permits for the second trading period 2008-2012. In February 2009 the competent authority issued guidelines for the verification of the emissions reports of the year 2008. In December 2008 the Greek National Allocation Plan for the period 2008 – 2012 was approved. According to the final allocation, 44,2 Mt CO_2 allowances have been allocated to the 31 existing bound plants of PPC for 2008. By the end of March 2009, the verification of the annual emissions reports, for all 31 bound plants, by accredited third party verifiers was completed successfully and the reports were promptly submitted to the Competent Authority. The total verified emissions of all 31 bound plants of PPC for 2008 amount to 52,2 Mt CO_2.

According to the final allocation of CO_2 emissions allowances and the final CO_2 emissions from the 31 bound plants of PPC for 2008 mentioned above, PPC exhibited a shortage of emissions allowances for 2008 in the range of 8,0 Mt CO_2. PPC's results will be burdened by the purchase of the corresponding emission allowances. It should be noted that the shortage of emissions allowances for 2008 will be considered final only after the probable additional allocation of allowances to some new entrance units for 2008, but, in any case, no substantial changes are expected.

According to the results for year 2009, the CO_2 emissions of PPC's bound plants for the period 01.01.2009 – 31.12.2009 amounts to 49.7 Mt. It should be noted that the emissions of 2009 will be considered final by the end of March 2010, when the verification of the annual emissions reports by accredited third party verifiers is completed. The allowances that have been allocated to the 31 existing bound plants of PPC for 2009 are 44.2 Mt CO_2.

37. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

According to the above, it is estimated that PPC will exhibit a shortage of emission allowances for 2009 amounting to 5.5 Mt CO_2. It should be additionally noted that the shortage of emissions allowances for 2009 will be considered final only after the probable additional allocation of allowances to some new entrance units for 2009.

In December 31, 2008 the Company recorded a CO_2 emission rights deficit amounting to € 84 m, valued at 31.12.2008 prices. PPC covered this deficit with actual purchases within 2009. This fact had a positive impact on 2009 financial results, amounting to € 11.4 m, due to the difference between the valuation of the abovementioned deficit at 31/12/2009 prices and the actual purchase cost.

Memorandum of Understanding with MEDGAS
In May 2009, the Board of Directors of the Parent Company approved the signing of a MoU with MEDGAS S.A. in order to evaluate a proposal for supply of compressed natural gas (CNG) to the Power Plants of Crete. This proposal was submitted by MEDGAS S.A. to PPC, in order to supply on a long term basis CNG to all Power Plants in Crete – existing and future ones – as an alternative solution to the supply with liquefied natural gas (LNG). The shareholders of MEDGAS S.A. are: (a) EGAS, the company of natural gas of the Egypt Ministry of Oil, by 30%, (b) Kopelouzos Group, by 60% and (c) ARABIA GAZ, a private company of natural gas in Egypt, by 10%. PPCs' Generation Strategy in Crete provides for the use of natural gas in all of its Power Plants, considering two alternative scenarios: (a) The construction by DESFA of an LNG Terminal in Korakia as well as of all necessary pipelines, to be used for unloading, storage, regasification of LNG and transportation to PPCs' Power Plants; DESFA S.A. has, already taken actions towards studying and developing the infrastructure required, or (b) the supply of compressed natural gas (CNG) from MEDGAS by means of CNG Carriers, to multiple delivery points over the island, in order to be used by PPCs' Power Plants.

Construction of a new Steam Electric unit in Ptolemaida
In May 2009, in the frame of modification of previous Decision, the Board of Directors of PPC decided that the new Steam Electric unit in Ptolemaida shall be of pulverized lignite technology, instead of fluidized bed, and installed capacity of 550-660 MW, instead of 450 MW, with the capability to provide thermal energy of 140MWth, instead of 120 MWth, for district heating. It is soon expected the start of the procedure for the announcement of the relevant Inquiry.
The total budget of the Project amounts to € 1.320 million and the Project is expected to be completed in 70 months from the signing of the contract.
The submission of the envelope for the new request to Regulatory Authority of Energy about the determination of general and special terms and conditions of the new Unit is expected, as well as the completion of the envelope for the Study of Environmental Impacts in order to be submitted to the relevant authorities for approval.

International tender for the construction of a diesel engine Power Plant 115,4 MW in South Rodos burning of heavy fuel oil with low sulphur content
After an international tender, the Project "construction of a diesel engine Power Plant 115,4 MW in South Rodos burning heavy fuel oil with low sulphur content" was assigned to the successful bidder company (TERNA S.A.). On July 30, 2009, the relevant Contract was signed. The Contract price is Euro 182.8 million. The construction will start after the conclusion of the permission issuance procedure, which is anticipated, according to the contract, to be concluded within 12 months from the signing of the contract and which is still in progress.

Alouminion of Greece"
The PPC's Board of Directors, at its meeting held on June 24th, 2008, has approved the filing of a recourse (automatic right for appeal) against the Ministerial Decision referring to the amendment of the electricity generation licences related to the electricity generation plants of "ALOYMINION". On July 30th, 2008, the Minister of Development decided to modify the electricity generation licences pertaining to "ALOYMINION". In October and November 2008, the Parent Company has terminated its contract with "ALOYMINION" dated 13.06.2008, for providing power under 150 KV according to Invoice A, a contract concluded and being in effect since March 7th, 2008. "ALOYMINION" has sought interim measures challenging PPC's contract termination as well as before the Council Of State for the annulment of the Ministerial Decision. The hearing of the relevant application (for interim measures) was set for the 23rd of January 2009, however ALOYMINIONwithdrew from the said application. Further to the above mentioned actions, there are also pending actions before the Athens Multimembered Court of First Instance of the one hand of ALOYMINION, as against PPC, as well as, on the other hand, of PPC as against ALOYMINION, . claims the continuation of the status of the initial Contract between the parties whereas PPC claims, among others, the amounts regarding to the differences in tariffs. On July 7th, 2009, PPCs' Board of Directors approved PPC to enter into an arbitration agreement by virtue, with ALOYMINION, for the dispute between the parties concerning the prerequisites and the application of December 2007 Ministerial Decision

37. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

regarding the high voltage customers´ tariffs. In July 2009 the arbitration agreement was signed . After hearing of the said case on February 23, 2010, the Arbitration Court Decision was issued. The said Decision accepted:

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

PPC has filed, an action before the competent Multimembered Athens Courts against "ALOYMINION" for all sums related to the consumption of electric energy due and payable to PPC by "ALOYMINION" for the period from October 2008 until end of September 2009 for an amount of Euros 49.8 million plus an amount of Euros 414 (for interest due to PPC by the "ALOYMINION" for a related period of four months within the year 2009). Date of the hearing has been set to be the 29.4.2010.

CLAIMS AGAINST LARKO S.A.
LARKO S.A. is liable to PPC for sums due and payable to PPC related to the consumption of electric energy since December 2008. For all sums due to PCC for the period from November 1 2008 until April 30 2009, an action has been filed by PPC before the competent Multimembered Court of Athens (for a sum of Euros 24.2 million) whereas, for the sums due to PPC for the remaining period (for the total sum of Euros 18.8 million) an action has been filed against the said Company, the hearing of the case having been set for March 10 2011.

Complaint against the European Commission's Decision regarding lignite extraction rights
On May 13th, 2008, PPC filed before the Court of First Instance of the European Communities (CFI), an application for annulment of the Commission's decision of March 5th 2008 regarding the granting by the Hellenic Republic of lignite extraction rights to PPC. The Greek State has intervened before the aforementioned Court in favour of PPC, while two undertaking– competitors of PPC – have intervened in favour of the European Commission. On February 19, the Hellenic Republic submitted its observations before the CFI. Consequently, on February 25 2009, a Commissioner's Letter was addressed to the Hellenic Republic as well as PPC, by which it was made known that the set of measures to be adopted by the Republic must include, the concession through public tender procedures, as soon as possible, to enterprises with the exclusion of PPC, of the relevant lignite rights of the mines of Drama, Elassona, Vevi and Vegora, as well as the disposition of the related extracted amounts to third parties, excluding PPC (save for those cases where no valid offers have been submitted), and the abolishment of article 3 para 3 of Greek Law 134/75 by which the relevant lignite extraction rights had been granted to PPC.. It is noted that the said provision was abolished by the new provision of Article 36, par 3 of Greek Law 3734/2009. Finally, both the Hellenic Republic and PPC were requested by the said Letter of the Commission to submit their observations within the period of three (3) weeks. The abovementioned objections were submitted by the Hellenic Republic and PPC to the Commission in time. On August 4th, 2009, the European Commission issued a second decision (which was notified to PPC on August 7), in which the measures for the compliance with the decision of March 5th, 2008 are defined as obligatory for the Hellenic Republic. The Commission's Decision defines 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 is also obliged to assure that the third parties that will be awarded the relevant extraction rights, will not sell to PPC the extracted lignite from the specific mines with the exception of those cases where there are no other valid and binding offers. With regard to the above mentioned mines, the Decision of August 4 2009, defines that the tender procedures should be launched within six (6) months from the notification of the decision and the extraction rights should be awarded to the successful bidders within twelve (12) months from the date of notification of the decision. PPC has timely (on 19/10/09) and lawfully submitted an application for annulment of the said decision of the Commission before the CFI of the European Communities. Furthermore, the Hellenic Republic has timely intervened before the CFI in the said proceedings in favour of PPC.

Tender for the supply and installation of a new combined cycle unit at Megalopolis
On August 25, 2009 the Board of Directors of PPC approved the award of the project "Supply and installation of a new combined cycle unit at Megalopolis" to the successful bidder, the Consortium METKA S.A. and ETADE S.A. The final amount of the project is €500 million. Furthermore, the contractor has accepted that he will not raise any claims related to eventual delay up to 13 months, due to unavailability of Transmission Network of 400 kV or/and Natural Gas. This time interval of 13 months starts, for the delay of supply of natural gas in the Unit, 26 months

from the date of signing of the Contract and for the delay of connection with the network 400 KV, 24 months from the date of signing of the Contract. On November 13, 2009, the relevant Contract for the

37. COMMITMENTS, CONTINGENCIES AND LITIGATION (continued)

implementation of the Project was signed and the contact price amounts to € 499.5 million. The permission procedure is in progress.

Approval of business collaboration with "Halyvourgiki"
In April 2008, the PPC's Board of Directors approved a business collaboration memorandum with Halyvourgiki referring to the exploration of collaboration on the following areas:
- The construction and operation of two combined cycle natural gas fired units, with a power of 880 MW, in an area inside Halyvourgiki's infrastructure with both units embodying the best available environmentally friendly technology.
- The transformation of two existing power units with a total power of 100 MVA, in order to compensate for summer's peak demand.

In 2008, PPC's Board of Directors approved the appropriate actions for the inception of a separate societe anonyme, which will handle the aforementioned project with Halyvourgiki S.A holding 51% of its share capital and PPC 49%, as well as the payment of Euro 4,900 in order for PPC to participate to the new company's share capital.

In 2009, PPC and Halyvourgiki signed the Shareholders' Agreement and agreed on the draft of the Articles of Association. Halyvourgiki S.A. will own 51% of the share capital of the joint venture and PPC will own 49%. Also PPC and HALYVOURGIKI S.A. filed an application to the Independent Committee of Competition, for the formation of the aforementioned company. On May 29th, 2009, the Independent Committee of Competition approved the formation of the company. A contract with the Technical Advisor of the project has already been signed, as well as the contract with the Financial Advisor. In September 2009 HALYVOURGIKI S.A. filed an application to the Independent Committee of Competition for the amendment of the generation license owned by HALYVOURGIKI to be transferred to the NewCo which will be jointly formed based on the Shareholders Agreement.

Approval of Business Collaboration with Quantum Corporation Ltd and Bank of Cyprus
PPC signed on the July 2nd, 2009 a "MoU" with Bank of Cyprus and Quantum Corporation for studying the feasibility of the construction and operation of power plants in Bosnia-Herzegovina.

Risk from Potential Undertaking of Social Security Liabilities: Despite the fact that, under current legislation the Company does not has the obligation to cover any deficit between income and expenses to former PPC-PIO, there can be no assurance that this regime will not change in the future.

38. FINANCIAL RISK MANAGEMENT

The overall financial risk management program is focused on unpredictability of financial and non-financial markets and seeks to minimize potential adverse effects in the Group's financial position as a whole. The Group identifies, evaluates and if necessary, hedges risks relating to the Group's operating activities. The Group does not undertake any transactions of a speculative nature. The Group periodically controls and revises the relative policies and procedures in connection with financial risk management, which are summarized below:

Credit risk
The Group has no significant concentrations of credit risk with any single counter party. The maximum exposure to credit risk is represented by the carrying amount of each asset, including derivative financial instruments, in the balance sheet. With respect to derivative instruments, the Group monitors its positions, the credit ratings of counter parties and the level of contracts it enters into with any counter party. The counter parties to these contracts are major financial institutions. The Group has a policy of entering into contracts with parties that are well qualified and, given the high level of credit quality of its derivative counter parties, the Group does not believe it is necessary to enter into collateral arrangements. The Group' s exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the future net cash flows of IRS and currency exchanges referred to Forward Currency Contracts.

Fair value
The 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. The fair values of marketable securities are based on their quoted market prices at the balance sheet date. The fair values of long-term debt are as described in note 28. The fair values of derivative instruments are based on marked to market valuations (discounted cash flow analysis). 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.

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

38. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

The Group manages its liquidity risk by on-going monitoring of its cash flows. The Group budgets and follows up its cash flows and appropriately acts for available cash deposits and credit lines with the banks, maintaining a balance between financing and flexibility through the use of Bank overdrafts, bonds and bank loans.

(In million Euro)	On demand	3 months	3 to 12 months ς	1 to 5 years	> 5 years	TOTAL
Year ended 31 December 2009						
Overdraft facilities	213.5	-	-	-	-	**213.5**
Short-term borrowing	-	440.3 [1]	1,059.4[2]	-	-	**1,499.7**
Interest bearing loans and borrowings	-	-	-	2,105.9	751.8	**2,857.7**
	213.5	440.3	1,059.4	2,150.9	751.8	**4,570.9**
Year ended 31 December 2008						
Overdraft facilities	357.5	-	-	-	-	**357.5**
Short-term borrowing	-	-	1.0	-	-	**1.0**
Interest bearing loans and borrowings	-	695.1	795.8	2,050.0	771.5	**4,312.4**
	357.5	695.1	796.8	2,050.0	771.5	**4,670.9**

(1) Repayments of bond loans of total amount Euro 65 million with one year initial duration with the exclusive right of PPC for their renewal for one more year are included.
(2) Repayments of bond loans of total amount Euro 50 million with one year initial duration with the exclusive right of PPC for their renewal for one more year are included.

Interest rate risk and foreign currency risk

The Group's principal financial liabilities, other than interest rate derivatives and forwards, comprise bank loans, bonds and overdrafts. The main purpose of these is to raise finance for the Group's operations. The Group also has entered into derivative transactions, currently interest rate swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's sources of finance. It is the Group's policy that no trading in derivatives shall be undertaken and that derivative transactions are undertaken on existing debt. The main risks arising from the Group's financial instruments are cash flow interest rate risk and to a much lower extent foreign currency risk. The Board of Directors approves on an ad hoc basis the management of each of these risks. More specifically, the Group's exposure to the risk of changes in market interest rates relates to the long term debt obligations bearing floating interest rates. The policy is to manage its interest rate cost by using a mix of fixed and variable rate debts according to the prevailing market conditions. To manage this the Group enters into interest rate swaps, in which the group exchanges, at specified intervals, the difference between fixed and variable rate amounts calculated by reference to an agreed-upon national principal amount. These swaps relate to hedging of underlying debt obligations.
The following table demonstrates 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
2009		
Euro	+15	(4.9)
Chf	+15	(0.04)
Euro	-15	4.9
Chf	-15	0.04
2008		
Euro	+15	(4.2)
Chf	+15	(0.06)
Euro	-15	4.2
Chf	-15	0.06

38. FINANCIAL RISK MANAGEMENT (continued)

The following table demonstrates the sensitivity to a reasonably possible changes in the Swiss Franc exchange rate , with all other variables held constant , of the Group' s profit before tax (through the impact on foreign currency borrowings).
(in € million)

	Increase / Decrease in CHF	Effect on profit before tax (CHF)
2009	**+5%**	(1.5)
	-5%	1.4
2008	**+5%**	(2)
	-5%	1.8

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	1.7 Euro million	16.9 Euro million	5.9 Euro million

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.

Concentration of natural gas supply
Taking into account the new legal framework for the liberalization of the natural gas market in Greece, the Group will examine the possibility to renegotiate the existing contract with DEPA, as well as other opportunities for natural gas sourcing.

Evolution of net debt ratio

The ratio net debt/equity amounts has as follows:

	2009	**2008**
Long term loans	4,357,171	4,312,461
Short term borrowings	213,500	358,500
Minus: cash	(480,042)	(103,450)
Net debt	4,090,629	4,567,511
Shareholders' equity		
Minus: reserve of evaluation of investments "held-for-sale"	6,461,314	4,981,366
	(10,367)	(3,099)
	6,450,677	4,978,267
Ratio net debt/equity	63%	95%

39. OPERATING LEASE ARRANGEMENTS

	Group		**Company**	
	2009	**2008**	**2009**	**2008**
Minimum lease payments under operating leases recognised as expense	**39,250**	**42,549**	**38,881**	**42,213**

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.

39. OPERATING LEASE ARRANGEMENTS (continued)

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.

40. SUBSEQUENT EVENTS

Bond Issues

The Board of Directors of the Parent Company, within 2010, has approved the issue of bonds of an amount of Euro 815 million, out of which the amount of Euro 615 million has a committed line with availability period of one year from the singing of the loan agreements. In the line of the abovementioned approvals of the Board of Directors, the Parent Company issued five bond series of a total amount of € 240 m. Furthermore, Parent Company issued five bond series of a total amount of € 390 m, concerning bonds that were approved by the Board of Directors in 2009. Furthermore, the Parent Company renewed for one more year the maturity of bond loans of Euro 65 million, in total, with an initial maturity in 2010.

Two of the above loan agreements of a total amount of € 70 m include a covenant that the downgrade of the Company's rating may lead to default or the increase of borrowing cost.

Overdraft Facilities

Within 2010, the Board of Directors of the Parent Company has approved the conclusion of an overdraft facility agreement with available credit line of Euro 100 m.

Revision of PPC's outlook by rating houses

In February 2010 the rating agency S&P lowered PPC's credit rating from BBB- with negative credit watch to BB+ with stable outlook.

Oil hedging transactions

In January 2010, the Company hedged 50-60% of the estimated consumption for the types of liquid fuels that the company consumes, for the year 2010.

Provision of Law 3833/2010 "Additional measures to strengthen fiscal targets of Stability and Growth Programme"

The main provisions of L 3833/2010 that will be applied retroactively from 01/01/2010 are the following:

1. 7% reduction in nominal wages (excluding family allowances ,child benefit, post graduate allowances and allowances that relate to dangerous conditions in labour).
2. 30% reduction in the 13th salary and 30% reduction in the 14th salary.
3. 50% reduction in the remuneration of Board of Directors members of public entities and enterprises.
4. Introduction of caps on wages effective from 01.03.10.
5. With a common ministerial decision of the Minister of Finance and the competent Minister, the excess of the caps on wages will be allowed up to the double of the caped amount, according to special qualifications, only for the President or the CEO.
6. For the year 2010 all wages are freezed, with the exception of increases regarding family allowances or salary evolution.
7. For 2010 and onwards the financing of the former PPC-PIO pension fund, as it was originally defined in articles 34 of L.2773/1999 and 26ω L.2843/2000, cannot exceed the amount included in the 2010 State Budget reduced by 10% .

PPC's management is in the process of evaluating the impact of the above provisions to PPC's financial results.

Abolition of the excise tax exemption for diesel used by PPC

According to L3833/15.03.2010 the exemption that PPC had, according to L2960/2001 from the excise tax for diesel, used from PPC only for electricity generation, was abolished, resulting in a readjustment of the excise tax to 382 €/Klit. It should be noted that, the excise tax for diesel for the period January 1, 2002 until February 8 2010 was 120 €/Klit and for the period February 09 2010 until March 03 2010 was 170 €/Klit.

The management estimates that the increase of the excise tax for diesel from 120 € to 382 €/Klit will impact PPCs' profitability for 2010 with an amount of € 100 m.

40. SUBSEQUENT EVENTS (continued)

Introduction of an excise tax of electricity
According to L. 3833/15.03.2010, which modified specific parts of L. 2960/01 (National Customs Law) an excise tax of electricity is imposed. This tax is imposed on electricity generated in the Country, or is imported from other EU member States, as well as to electricity that is imported from other Countries to the EU.
The calculation base for this tax, of the abovementioned Custom Law is the MWh.
The applicable rates are: 2.5 €/MWh for Industrial Consumption and 5 €/MWh for Household Consumption. This excise tax of electricity will be collected by PPC from the customers (through the electricity bills) and will be paid from PPC to the Greek State. The excise tax will not have any impact on PPC's financial results.
The Law enforcement begins on May 2 2010.

41. SIGNIFICANT EVENTS OF THE YEAR

European Investment Bank (EIB) – Loss of Rating
EIB requested the provision of a guarantee for certain outstanding loan agreements after PPCs' rating downgrade to BBB-, of a total amount, on December 31, 2009, Euro 488.3 m. The Hellenic Republic granted its guarantee for the amount of Euro 429.3 m, while for the remaining amount of Euro 59 m the guarantee was granted by commercial banks.

Revision of PPC's outlook by rating houses:
In March 2009 Standard and Poor's (S&P) lowered PPC's credit rating to BBB- from BBB and the outlook remained stable. Moody's announced that following the maturity of Euro 500 million Bond in March 2009, and since there is no PPC additional rated debt outstanding, PPC's rating is withdrawn. In December 2009 S&P put PPC in negative credit watch.

Oil hedging transactions
In June 2009, the Board of Directors of the Parent Company approved the policy of oil hedging transactions against the increasing volatility of oil prices, for the types of oil that the Company consumes. In line with the above the Company hedged more than 70% of the estimated oil consumption for the second half of 2009.

APPENDIX I

UNBUNDLED FINANCIAL STATEMENTS

Under the provisions of law 2773/1999 and law 3426/2005
and the approved methodology of
the Regulatory Authority for Energy.

PUBLIC POWER CORPORATION S.A.

GROUP UNBUNDLED INCOME STATEMENT

AS OF 31st DECEMBER 2009

(expressed in million euro)

	MINES		GENERATION		TRANSMISSION		DISTRIBUTION NETWORK		SUPPLY		ADMINISTRATORS		ELIMINATIONS		TOTAL PPC		SUBSIDIARIES, AFFILIATES		TOTAL GROUP	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
REVENUES																				
Revenue from energy sales																				
Energy sales to customers	0	0	0	0	0	0	0	0	5.477	5.426	0	0	0	0	5.477	5.426	0	0	**5.477**	**5.426**
Energy sales to HTSO S.A.	0	0	2.333	4.499	0	0	0	0	0	0	0	0	(2.331)	(4.492)	2	7	13	0	**15**	**7**
Energy exports	0	0	0	5	0	0	0	0	15	0	0	0	0	0	15	5	0	0	**15**	**5**
Capacity assurance mechanism	0	0	400	408	0	0	0	0	0	0	0	0	(400)	(408)	0	0	0	0	**0**	**0**
Services to HTSO S.A.	0	0	143	22	14	13	0	0	0	0	0	0	(143)	(22)	14	13	0	0	**14**	**13**
Distribution Network rentals	0	0	0	0	269	291	0	0	0	0	0	0	0	0	269	291	0	0	**269**	**291**
Customer's contribution	0	0	0	0	4	0	164	0	0	0	0	0	0	0	168	0	0	0	**168**	**0**
PSO'S revenues of other suppliers	0	0	0	0	0	0	0	0	3	0	0	0	0	0	3	0	0	0	**3**	**0**
Network distribution fees	0	0	0	0	0	0	0	0	0	0	3	0	0	0	3	0	0	0	**3**	**0**
Other Sales	1	2	7	7	2	3	16	11	53	51	0	0	(14)	6	65	80	0	0	**65**	**80**
Inter-Segment Sales																				
Public Service obligations	0	0	522	443	0	0	0	0	0	0	521	442	(1.043)	(885)	0	0	0	0	**0**	**0**
Contract for Differences between PPC's Generation and Supply	0	0	534	0	0	0	0	0	0	1.225	0	0	(534)	(1.225)	0	0	0	0	**0**	**0**
Energy	0	0	234	457	0	0	0	0	96	209	234	456	(563)	(1.122)	0	0	0	0	**0**	**0**
Lignite	907	902	0	0	0	0	0	0	0	0	0	0	(907)	(902)	0	0	0	0	**0**	**0**
Distribution Network usage rentals	0	0	0	0	0	0	809	795	0	0	823	810	(1.634)	(1.603)	0	2	0	0	**0**	**2**
REVENUES (SALES)	**908**	**904**	**4.173**	**5.841**	**289**	**307**	**989**	**806**	**5.643**	**6.911**	**1.581**	**1.708**	**(7.569)**	**(10.653)**	**6.017**	**5.824**	**13**	**0**	**6.030**	**5.824**
EXPENSES																				
Payroll Cost	367	341	492	477	85	77	341	325	57	55	10	10	0	0	1.352	1.285	7	4	**1.359**	**1.289**
Third party lignite and lignite reserve variation	(3)	(10)	54	52	0	0	0	0	0	0	0	0	0	0	51	42	0	0	**51**	**42**
Liquid fuel	0	0	565	1.074	0	0	0	0	0	0	0	0	0	0	565	1.074	0	0	**565**	**1.074**
Natural Gas	0	0	467	850	0	0	0	0	0	0	0	0	0	0	467	850	0	0	**467**	**850**
Depreciations	91	83	245	234	70	69	120	104	1	4	3	3	0	0	530	497	5	5	**535**	**502**
Energy Purchases from third party	0	0	0	5	0	0	0	0	80	73	0	0	0	(16)	80	62	0	0	**80**	**62**
Energy imports	0	0	0	0	0	0	0	0	173	277	0	0	0	0	173	277	0	0	**173**	**277**
Energy Purchases from HTSO S.A.	0	0	0	0	0	0	0	0	2.720	5.103	0	0	(2.331)	(4.492)	389	611	(10)	(15)	**379**	**596**
Charge for the capacity assurance mechanism	0	0	0	0	0	0	0	0	414	427	0	0	(399)	(408)	15	19	0	0	**15**	**19**
Transmission system usage fees	0	0	0	36	0	0	0	0	267	252	0	0	(142)	49	125	337	0	0	**125**	**337**
HTSO uplift charge	0	0	0	0	0	0	0	0	81	94	0	0	(16)	(49)	66	45	0	0	**66**	**45**
Materials & Consumables	67	66	75	68	3	4	37	27	1	1	0	0	0	0	183	166	0	0	**183**	**166**
Utilities & Maintenance	141	154	67	65	2	4	37	37	27	18	0	0	0	0	274	278	2	2	**276**	**280**
Thrid party fees	1	1	13	10	1	1	16	14	1	3	0	0	0	0	32	29	1	3	**33**	**32**
Taxes and duties	25	25	2	4	1	1	4	5	8	1	0	0	0	0	40	36	1	1	**41**	**37**
Provisions	8	11	15	(1)	3	4	12	11	85	34	0	0	0	0	123	59	0	0	**123**	**59**
Financial expenses	22	30	74	112	25	30	41	49	3	(3)	1	1	0	0	166	219	0	0	**166**	**219**
Financial income	(1)	(12)	(3)	(46)	(1)	(12)	(2)	(20)	(14)	(15)	0	(1)	0	0	(21)	(106)	1	75	**(20)**	**(31)**
Devaluation of fixed assets	7	0	84	0	21	0	22	0	0	0	2	0	0	0	136	0	0	0	**136**	**0**
Other income/ (expense), net	4	1	31	15	7	(1)	(1)	14	(2)	4	0	2	0	0	40	36	2	2	**42**	**38**
CO_2 Emissions	0	0	50	107	0	0	0	0	0	2	0	0	0	0	50	109	0	0	**50**	**109**
Investments in associates gains/ (losses), net	0	4	0	16	0	4	0	7	0	(1)	0	0	0	0	0	30	(1)	(7)	**(1)**	**23**
Foreign currency gains/ (losses), net	0	0	(2)	12	0	1	0	0	0	0	0	0	0	0	(2)	13	0	0	**(2)**	**13**
Allocated Administration expenses	36	38	66	61	15	13	60	55	16	17	0	0	0	0	193	184	0	(1)	**193**	**183**
Inter-Segment Expenses																				
Public service oblications	0	0	0	0	0	0	0	0	521	442	521	442	(1.043)	(885)	0	(1)	0	0	**0**	
Contract for Differences between PPC's Generation and Supply	0	0	0	1.225	0	0	0	0	534	0	0	0	(534)	(1.225)	0	0	0	0	**0**	**0**
Energy Purchases	56	87	40	120	0	2	0	0	234	457	234	456	(563)	(1.122)	0	0	0	0	**0**	**0**
Lignite	0	0	907	902	0	0	0	0	0	0	0	0	(907)	(902)	0	0	0	0	**0**	**0**
Distribution Network usage	0	0	0	0	0	0	0	0	825	810	809	795	(1.634)	(1.603)	0	2	0	0	**0**	**2**
PROFIT (LOSS) BEFORE TAX	**87**	**85**	**930**	**443**	**58**	**110**	**302**	**180**	**(389)**	**(1.144)**	**0**	**0**	**(0)**	**0**	**989**	**(327)**	**5**	**(69)**	**993**	**(396)**

PUBLIC POWER CORPORATION S.A.

INTERCONNECTED SYSTEM UNBUNDLED INCOME STATEMENT

AS OF 31st DECEMBER 2009

(expressed in million euro)

	MINES		GENERATION		TRANSMISSION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
REVENUES												
Revenue from energy sales												
Energy sales to customers	0	0	0	0	0	0	0	0	4.888	4.847	4.888	4.847
Energy sales to HTSO S.A.	0	0	2.333	4.499	0	0	0	0	0	0	2.333	4.499
Energy exports	0	0	0	5	0	0	0	0	15	0	15	5
Capacity assurance mechanism	0	0	400	408	0	0	0	0	0	0	400	408
Services to HTSO S.A.	0	0	143	22	14	13	0	0	0	0	157	35
Distribution Network rentals	0	0	0	0	269	291	0	0	0	0	269	291
Customer's contribution	0	0	0	0	4	0	139	0	0	0	143	0
PSO'S revenues of other suppliers	0	0	0	0	0	0	0	0	3	0	3	0
Network distribution fees	0	0	0	0	0	0	0	0	0	0	0	0
Other Sales	1	2	7	7	2	3	13	10	46	40	69	62
Inter-Segment Sales												
Public Service obligations	0	0	0	0	0	0	0	0	4.888	4.847	4.888	4.847
Contract for Differences between PPC's Generation and Supply	0	0	2.333	4.499	0	0	0	0	0	0	2.333	4.499
Energy	0	0	0	5	0	0	0	0	15	0	15	5
Lignite	907	0	400	408	0	0	0	0	0	0	400	408
Distribution Network usage rentals	0	0	143	22	14	13	0	0	0	0	157	35
REVENUES (SALES)	**908**	**0**	**0**	**0**	**269**	**291**	**0**	**0**	**0**	**0**	**269**	**291**
		0	0	0	4	0	139	0	0	0	143	0
EXPENSES		0	0	0	0	0	0	0	3	0	3	0
Payroll Cost	367	0	0	0	0	0	0	0	0	0	0	0
Third party lignite and lignite reserve variation	(3)	2	7	7	2	3	13	10	46	40	69	62
Liquid fuel	0											
Natural Gas	0											
Depreciations	91	0	0	0	0	0	0	0	0	0	0	0
Energy Purchases from third party	0	0	534	0	0	0	0	0	0	1.225	534	1.225
Energy imports	0	0	0	0	0	0	0	0	94	200	94	200
Energy Purchases from HTSO S.A.	0	902	0	0	0	0	0	0	0	0	907	902
Charge for the capacity assurance mechanism	0	0	0	0	0	0	714	705	0	0	714	705
Transmission system usage fees	0	904	3.417	4.941	289	307	866	715	5.046	6.312	10.526	13.179
HTSO uplift charge	0											
Materials & Consumables	67											
Utilities & Maintenance	141	341	389	375	85	77	287	273	51	47	1.179	1.113
Thrid party fees	1	(10)	54	52	0	0	0	0	0	0	51	42
Taxes and duties	25	0	129	380	0	0	0	0	0	0	129	380
Provisions	8	0	467	850	0	0	0	0	0	0	467	850
Financial expenses	22	83	202	191	70	69	103	90	1	4	467	437
Financial income	(1)	0	0	5	0	0	0	0	14	14	14	19
Devaluation of fixed assets	7	0	0	0	0	0	0	0	173	277	173	277
Other income/ (expense), net	4	0	0	0	0	0	0	0	2.720	5.103	2.720	5.103
CO_2 Emissions	0	0	0	0	0	0	0	0	414	427	414	427
Investments in associates gains/ (losses), net	0	0	0	36	0	0	0	0	267	252	267	288
Foreign currency gains/ (losses), net	0	0	0	0	0	0	0	0	81	94	81	94
Allocated Administration expenses	36	66	51	44	3	4	30	21	1	1	152	136
		154	52	47	2	4	31	30	26	18	252	253
Inter-Segment Expenses		1	3	3	1	1	14	12	1	3	20	20
Public service oblications	0	25	2	3	1	1	4	4	8	1	40	34
Contract for Differences between PPC's Generation and Supply	0	11	11	(4)	3	4	10	9	81	31	113	51
Energy Purchases	56	30	60	89	25	30	37	41	3	(4)	147	186
Lignite	0	(12)	(3)	(37)	(1)	(12)	(2)	(17)	(12)	(13)	(19)	(91)
Distribution Network usage	0	0	61	0	21	0	22	0	0	0	111	0
PROFIT (LOSS) BEFORE TAX	**87**	**1**	**29**	**10**	**7**	**(1)**	**0**	**8**	**(2)**	**2**	**38**	**20**

PUBLIC POWER CORPORATION S.A.
CRETE UNBUNDLED INCOME STATEMENT
AS OF 31st DECEMBER 2009
(expressed in million euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
REVENUES								
Revenue from energy sales								
Energy sales to customers	0	0	0	0	310	307	310	307
Energy sales to HTSO S.A.	0	0	0	0	0	0	0	0
Energy exports	0	0	0	0	0	0	0	0
Capacity assurance mechanism	0	0	0	0	0	0	0	0
Services to HTSO S.A.	0	0	0	0	0	0	0	0
Distribution Network rentals	0	0	0	0	0	0	0	0
Customer's contribution	0	0	12	0	0	0	12	0
PSO'S revenues of other suppliers	0	0	0	0	0	0	0	0
Network distribution fees	0	0	0	0	0	0	0	0
Other Sales	0	0	1	0	4	6	5	6
Inter-Segment Sales								
Public Service obligations	283	244	0	0	0	0	283	244
Contract for Differences between PPC's Generation and Supply	0	0	0	0	0	0	0	0
Energy	120	238	0	0	1	7	121	245
Lignite	0	0	0	0	0	0	0	0
Distribution Network usage rentals	0	0	50	47	0	0	50	47
REVENUES (SALES)	**403**	**482**	**63**	**47**	**315**	**320**	**781**	**849**
EXPENSES								
Payroll Cost	37	37	23	23	4	4	64	64
Third party lignite and lignite reserve variation	0	0	0	0	0	0	0	0
Liquid fuel	231	382	0	0	0	0	231	382
Natural Gas	0	0	0	0	0	0	0	0
Depreciations	19	22	5	4	0	0	24	26
Energy Purchases from third party	0	0	0	0	46	39	46	39
Energy imports	0	0	0	0	0	0	0	0
Energy Purchases from HTSO S.A.	0	0	0	0	0	0	0	0
Charge for the capacity assurance mechanism	0	0	0	0	0	0	0	0
Transmission system usage fees	0	0	0	0	0	0	0	0
HTSO uplift charge	0	0	0	0	0	0	0	0
Materials & Consumables	8	8	2	3	0	0	10	11
Utilities & Maintenance	2	5	2	2	1	0	5	7
Third party fees	0	0	1	1	0	0	1	1
Taxes and duties	0	0	0	1	0	0	0	1
Provisions	1	0	1	1	2	2	4	3
Financial expenses	7	10	1	2	0	1	8	13
Financial income	0	(4)	0	(1)	(1)	(1)	(1)	(6)
Devaluation of fixed assets	11	0	0	0	0	0	11	0
Other income/ (expense), net	(2)	3	1	5	0	1	(2)	9
CO_2 Emissions	3	4	0	0	0	0	3	4
Investments in associates gains/ (losses), net	0	1	0	0	0	0	0	1
Foreign currency gains/ (losses), net	0	0	0	0	0	0	0	0
Allocated Administration expenses	5	5	4	4	1	1	10	10
Inter-Segment Expenses								
Public service oblications	0	0	0	0	29	25	29	25
Contract for Differences between PPC's Generation and Supply	0	0	0	0	0	0	0	0
Energy Purchases	1	7	0	0	120	238	121	245
Lignite	0	0	0	0	0	0	0	0
Distribution Network usage	0	0	0	0	59	54	59	54
PROFIT (LOSS) BEFORE TAX	**80**	**2**	**24**	**3**	**54**	**(44)**	**158**	**(39)**

(All amounts in millions of Euro)

PUBLIC POWER CORPORATION S.A.

OTHER NO INTERCONNECTED ISLANDS UNBUNDLED INCOME STATEMENT

AS OF 31st DECEMBER 2009

(expressed in million euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
REVENUES	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Revenue from energy sales								
Energy sales to customers	0	0	0	0	279	272	279	272
Energy sales to HTSO S.A.	0	0	0	0	0	0	0	0
Energy exports	0	0	0	0	0	0	0	0
Capacity assurance mechanism	0	0	0	0	0	0	0	0
Services to HTSO S.A.	0	0	0	0	0	0	0	0
Distribution Network rentals	0	0	0	0	0	0	0	0
Customer's contribution	0	0	13	0	0	0	13	0
PSO'S revenues of other suppliers	0	0	0	0	0	0	0	0
Network distribution fees	0	0	0	0	0	0	0	0
Other Sales	0	0	2	1	3	5	5	6
Inter-Segment Sales								
Public Service obligations	239	199	0	0	0	0	239	199
Contract for Differences between PPC's Generation and Supply	0	0	0	0	0	0	0	0
Energy	114	219	0	0	0	2	114	221
Lignite	0	0	0	0	0	0	0	0
Distribution Network usage rentals	0	0	45	43	0	0	45	43
REVENUES (SALES)	**353**	**418**	**60**	**44**	**282**	**279**	**695**	**741**
EXPENSES								
Payroll Cost	65	65	29	29	3	4	97	98
Third party lignite and lignite reserve variation	0	0	0	0	0	0	0	0
Liquid fuel	206	312	0	0	0	0	206	312
Natural Gas	0	0	0	0	0	0	0	0
Depreciations	23	21	12	10	0	0	35	31
Energy Purchases from third party	0	0	0	0	20	20	20	20
Energy imports	0	0	0	0	0	0	0	0
Energy Purchases from HTSO S.A.	0	0	0	0	0	0	0	0
Charge for the capacity assurance mechanism	0	0	0	0	0	0	0	0
Transmission system usage fees	0	0	0	0	0	0	0	0
HTSO uplift charge	0	0	0	0	0	0	0	0
Materials & Consumables	16	16	5	3	0	0	21	19
Utilities & Maintenance	13	13	4	5	0	0	17	18
Thrid party fees	10	7	1	1	0	0	11	8
Taxes and duties	0	1	0	0	0	0	0	1
Provisions	3	3	1	1	2	1	6	5
Financial expenses	7	13	3	6	0	0	10	19
Financial income	0	(5)	0	(2)	(1)	(1)	(1)	(8)
Devaluation of fixed assets	12	0	0	0	0	0	12	0
Other income/ (expense), net	4	2	(1)	2	0	1	3	5
CO_2 Emissions	2	3	0	0	0	0	2	3
Investments in associates gains/ (losses), net	0	2	0	1	0	0	0	3
Foreign currency gains/ (losses), net	0	0	0	0	0	0	0	0
Allocated Administration expenses	9	8	5	6	1	1	15	15
Inter-Segment Expenses								
Public service oblications	0	0	0	0	27	22	27	22
Contract for Differences between PPC's Generation and Supply	0	0	0	0	0	0	0	0
Energy Purchases	0	2	0	0	114	219	114	221
Lignite	0	0	0	0	0	0	0	0
Distribution Network usage	0	0	0	0	53	49	53	49
PROFIT (LOSS) BEFORE TAX	**(17)**	**(45)**	**1**	**(17)**	**63**	**(37)**	**47**	**(99)**

PUBLIC POWER CORPORATION S.A.
UNBUNDLED INCOME STATEMENT OF ADMINISTRATORS
AS OF 31st DECEMBER 2009
(expressed in million euro)

	NETWORK ADMINISTRATOR		ADMINISTRATOR OF NON-INTERCONNECTED ISLANDS	
REVENUES	**2009**	**2008**	**2009**	**2008**
Revenue from energy sales				
Energy sales to customers	0	0	0	0
Energy sales to HTSO S.A.	0	0	0	0
Energy exports	0	0	0	0
Capacity assurance mechanism	0	0	0	0
Services to HTSO S.A.	0	0	0	0
Distribution Network rentals	0	0	0	0
Customer's contribution	0	0	0	0
PSO'S revenues of other suppliers	0	0	0	0
Network distribution fees	3	0	0	0
Other Sales	0	0	0	0
Inter-Segment Sales				
Public Service obligations	0	0	521	442
Contract for Differences between PPC's Generation and Supply	0	0	0	0
Energy	0	0	234	456
Lignite	0	0	0	0
Distribution Network usage rentals	712	707	111	103
REVENUES (SALES)	**715**	**707**	**866**	**1.001**
EXPENSES				
Payroll Cost	1	1	9	9
Third party lignite and lignite reserve variation	0	0	0	0
Liquid fuel	0	0	0	0
Natural Gas	0	0	0	0
Depreciations	0	0	3	3
Energy Purchases from third party	0	0	0	0
Energy imports	0	0	0	0
Energy Purchases from HTSO S.A.	0	0	0	0
Charge for the capacity assurance mechanism	0	0	0	0
Transmission system usage fees	0	0	0	0
HTSO uplift charge	0	0	0	0
Materials & Consumables	0	0	0	0
Utilities & Maintenance	0	0	0	0
Third party fees	0	0	0	0
Taxes and duties	0	0	0	0
Provisions	0	0	0	0
Financial expenses	0	1	1	0
Financial income	0	(1)	0	0
Devaluation of fixed assets	0	0	2	0
Other income/ (expense), net	0	1	0	1
CO_2 Emissions	0	0	0	0
Investments in associates gains/ (losses), net	0	0	0	0
Foreign currency gains/ (losses), net	0	0	0	0
Allocated Administration expenses	0	0	0	0
Inter-Segment Expenses				
Public service oblications	0	0	521	442
Contract for Differences between PPC's Generation and Supply	0	0	0	0
Energy Purchases	0	0	234	456
Lignite	0	0	0	0
Distribution Network usage	714	705	95	90
PROFIT (LOSS) BEFORE TAX	**0**	**0**	**0**	**0**

PUBLIC POWER CORPORATION S.A.
GROUP UNBUNDLED BALANCE SHEET
AS OF 31st DECEMBER 2009
(expressed in million of euro)

	ADMINISTRATION		MINES		GENERATION		TRANSMISSION		DISTRIBUTION NETWORK		SUPPLY		ADMINISTRATORS		TOTAL PPC		SUBSIDIARIES, AFFILIATES		TOTAL GROUP	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
ASSETS																				
NON-CURRENT ASSETS																				
Tangible Assets	0	0	1.493	1.406	5.013	5.004	1.794	1.411	4.523	3.778	34	19	81	64	12.938	11.682	88	65	13.026	**11.747**
Intangible Assets	0	0	1	2	73	1	0	0	0	0	0	0	1	0	75	3	0	0	75	**3**
Investments in related parties	79	78	0	0	0	0	0	0	0	0	0	0	0	0	79	78	(64)	(66)	15	**12**
Other non-current assets	0	0	2	1	8	3	3	1	5	1	0	0	0	0	18	6	0	1	18	**7**
Marketable and other securities	0	0	4	3	15	11	5	3	9	5	1	0	0	0	34	22	0	0	34	**22**
Administration non-current assets	0	0	28	27	49	47	9	8	27	26	8	5	0	0	121	113	0	0	121	**113**
TOTAL NON-CURRENT ASSETS	**79**	**78**	**1.528**	**1.439**	**5.157**	**5.066**	**1.811**	**1.423**	**4.564**	**3.810**	**43**	**24**	**82**	**64**	**13.264**	**11.904**	**24**	**0**	**13.288**	**11.904**
CURRENT ASSETS																				
Inventories	0	0	95	101	462	411	58	42	176	188	2	1	3	3	796	746	1	1	797	**747**
Trade Accounts Receivable	0	0	0	0	0	9	0	0	9	8	995	848	0	0	1.003	865	3	0	1.007	**865**
Various Debtors	0	0	36	33	22	118	6	8	46	31	86	44	2	0	198	234	(22)	(8)	176	**226**
Income tax	0	0	0	5	0	18	0	5	0	8	0	(1)	0	0	0	35	0	0	0	**35**
Other current assets	0	0	8	(3)	8	18	2	2	5	3	0	6	0	0	23	26	1	0	24	**26**
Derivatives asset	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Cash in hand	0	0	59	13	202	51	72	14	122	22	9	0	4	1	467	101	8	3	476	**104**
Administration current assets	0	0	4	11	7	20	1	3	4	11	1	2	0	0	17	47	0	0	17	**47**
TOTAL CURRENT ASSETS	**0**	**0**	**201**	**160**	**701**	**645**	**139**	**74**	**361**	**271**	**1.093**	**900**	**9**	**4**	**2.504**	**2.054**	**(9)**	**(4)**	**2.495**	**2.050**
TOTAL ASSETS	**79**	**78**	**1.729**	**1.599**	**5.859**	**5.711**	**1.950**	**1.497**	**4.925**	**4.081**	**1.136**	**924**	**91**	**68**	**15.768**	**13.958**	**15**	**(4)**	**15.784**	**13.954**
LIABILITIES AND EQUITY																				
EQUITY																				
Share Capital	1.067	1.067	0	0	0	0	0	0	0	0	0	0	0	0	1.067	1.067	0	0	1.067	**1.067**
Revaluation Surplus	107	107	0	0	0	0	0	0	0	0	0	0	0	0	107	107	0	0	107	**107**
Legal reserve	46	46	0	0	0	0	0	0	0	0	0	0	0	0	46	46	0	0	46	**46**
Fixed assets' revaluation surplus	4.990	4.231	0	0	0	0	0	0	0	0	0	0	0	0	4.990	4.231	36	26	5.026	**4.257**
Capitalised Fixed assets' tax revaluation surplus	(947)	(947)	0	0	0	0	0	0	0	0	0		0	0	(947)	(947)	0	0	(947)	**(947)**
Reserves	219	212	0	0	0	0	0	0	0	0	0	0	0	0	219	212	0	0	219	**212**
Retained earnings	968	268	0	0	0	0	0	0	0	0	0	0	0	0	968	268	(24)	(27)	944	**241**
TOTAL EQUITY	**6.449**	**4.982**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6.449**	**4.982**	**12**	**(1)**	**6.461**	**4.981**
CAPITAL FUNDING TO BUSSINESS UNITS	**(11.442)**	**(10.040)**	**1.502**	**1.426**	**5.043**	**5.079**	**1.670**	**1.350**	**2.917**	**2.227**	**231**	**(106)**	**80**	**65**	**0**	**1**	**0**	**0**	**1**	**1**
NON-CURRENT LIABILITIES																				
Long-term debt	2.858	2.822	0	0	0	0	0	0	0	0	0	0	0	0	2.858	2.822	0	0	2.858	**2.822**
Actuarial Provision and Provison for Riks	501	466	0	0	0	0	0	0	0	0	0	0	0	0	501	466	1	0	502	**466**
Deferred tax liabilities	0	0	58	20	211	79	71	21	121	34	9	(2)	3	1	473	152	(2)	(4)	471	**148**
Subsidies for fixed assets acquisition	0	0	2	0	209	222	116	75	1.655	1.671	0	4	0	0	1.982	1.971	8	6	1.990	**1.977**
Other long-term liabilities & Customers' advances	0	0	0	0	0	0	0	0	0	0	520	502	0	0	520	502	0	0	520	**502**
Administration non-current liabilities	0	0	1	0	2	2	0	0	1	1	0	0	0	0	4	4	0	0	4	**4**
TOTAL NON-CURRENT LIABILITIES	**3.359**	**3.288**	**61**	**20**	**422**	**303**	**188**	**97**	**1.776**	**1.705**	**530**	**504**	**3**	**1**	**6.338**	**5.917**	**7**	**2**	**6.346**	**5.919**
CURRENT LIABILITIES																				
Accounts Payable and Various Creditors	0	0	128	119	195	195	61	41	167	132	351	446	7	2	910	935	2	(7)	911	**929**
Short-term borrowings	214	358	0	0	0	0	0	0	0	0	0	0	0	0	214	358	0	1	214	**359**
Income tax payable	0	0	20	0	74	0	25	0	42	0	3	0	1	0	167	0	(7)	0	158	**0**
Current portion of long-term bank loans	1.499	1.491	0	0	0	0	0	0	0	0	0	0	0	0	1.499	1.491	0	0	1.499	**1.491**
Notes payable undertaking, non-accured interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Derivatives Liability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Dividens payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Accrued and other current liabilities	0	0	13	32	117	133	4	9	19	15	21	80	0	0	175	267	0	0	174	**267**
Administration current liabilities	0	0	4	2	7	3	1	1	4	2	1	0	0	0	17	8	0	0	17	**8**
TOTAL CURRENT LIABILITIES	**1.713**	**1.848**	**166**	**153**	**394**	**330**	**92**	**51**	**232**	**149**	**376**	**526**	**8**	**2**	**2.981**	**3.058**	**(5)**	**(5)**	**2.976**	**3.053**
TOTAL LIABILITIES AND EQUITY	**79**	**78**	**1.729**	**1.599**	**5.859**	**5.711**	**1.950**	**1.497**	**4.925**	**4.081**	**1.136**	**924**	**91**	**68**	**15.768**	**13.958**	**15**	**(4)**	**15.784**	**13.954**

PUBLIC POWER CORPORATION S.A.
INTERCONNECTED SYSTEM UNBUNDLED BALANCE SHEET
AS OF 31st DECEMBER 2009
(expressed in million of euro)

	MINES		GENERATION		TRANSMISSION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
ASSETS												
NON-CURRENT ASSETS												
Tangible Assets	1.493	1.406	4.089	4.040	1.794	1.411	3.976	3.248	31	16	**11.383**	**10.121**
Intangible Assets	1	2	64	1	0	0	0	0	0	0	**65**	**3**
Investments in related parties	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Other non-current assets	2	1	7	3	3	1	4	1	0	0	**16**	**6**
Marketable and other securities	4	3	12	9	5	3	8	4	1	0	**30**	**19**
Administration non-current assets	28	27	38	37	9	8	23	22	8	5	**106**	**99**
TOTAL NON-CURRENT ASSETS	**1.528**	**1.439**	**4.210**	**4.090**	**1.811**	**1.423**	**4.011**	**3.275**	**40**	**21**	**11.600**	**10.248**
CURRENT ASSETS												
Inventories	95	101	322	294	58	42	142	147	2	1	**619**	**585**
Trade Accounts Receivable	0	0	0	9	0	0	7	7	882	708	**889**	**724**
Various Debtors	36	33	15	114	6	8	40	26	77	41	**174**	**222**
Income tax	0	5	0	14	0	5	0	7	0	(1)	**0**	**30**
Other current assets	8	(3)	4	13	2	2	4	3	0	6	**18**	**21**
Derivatives asset	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Cash in hand	58	13	164	41	71	14	109	19	8	0	**410**	**87**
Administration current assets	4	11	5	15	1	3	3	9	1	2	**14**	**40**
TOTAL CURRENT ASSETS	**201**	**160**	**510**	**500**	**138**	**74**	**305**	**218**	**970**	**757**	**2.124**	**1.709**
TOTAL ASSETS	**1.729**	**1.599**	**4.720**	**4.590**	**1.949**	**1.497**	**4.316**	**3.493**	**1.010**	**778**	**13.724**	**11.957**
LIABILITIES AND EQUITY												
EQUITY												
Share Capital	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Revaluation Surplus	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Legal reserve	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Fixed assets' revaluation surplus	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Reserves	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Retained earnings	0	0	0	0	0	0	0	0	0	0	**0**	**0**
TOTAL EQUITY	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
CAPITAL FUNDING TO BUSSINESS UNITS	**1.502**	**1.426**	**4.108**	**4.062**	**1.670**	**1.350**	**2.603**	**1.919**	**203**	**(156)**	**10.086**	**8.601**
NON-CURRENT LIABILITIES												
Long-term debt	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Actuarial Provision and Provison for Riks	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Deferred tax liabilities	58	20	172	63	71	21	108	29	8	(3)	**417**	**130**
Subsidies for fixed assets acquisition	2	0	181	199	116	75	1.402	419	0	3	**1.701**	**1.696**
Other long-term liabilities & Customers' advances	0	0	0	0	0	0	0	0	460	434	**460**	**434**
Administration non-current liabilities	1	0	1	1	0	0	1	1	0	0	**3**	**3**
TOTAL NON-CURRENT LIABILITIES	**61**	**20**	**354**	**263**	**187**	**97**	**1.511**	**1.449**	**468**	**435**	**2.581**	**2.263**
CURRENT LIABILITIES												
Accounts Payable and Various Creditors	129	119	124	145	62	41	144	110	314	427	**773**	**842**
Short-term borrowings	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Income tax payable	20	0	61	0	25	0	38	0	3	0	**147**	**0**
Current portion of long-term bank loans	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Notes payable undertaking, non-accured interest	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Derivatives Liability	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Dividens payable	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Accrued and other current liabilities	13	32	68	118	4	9	17	13	21	73	**123**	**244**
Administration current liabilities	4	2	5	3	1	1	3	2	1	0	**14**	**8**
TOTAL CURRENT LIABILITIES	**166**	**153**	**258**	**265**	**92**	**51**	**202**	**125**	**339**	**500**	**1.057**	**1.093**
TOTAL LIABILITIES AND EQUITY	**1.729**	**1.599**	**4.720**	**4.590**	**1.949**	**1.497**	**4.316**	**3.493**	**1.010**	**778**	**13.724**	**11.957**

PUBLIC POWER CORPORATION S.A.
CRETE UNBUNDLED BALANCE SHEET
AS OF 31st DECEMBER 2009
(expressed in million of euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2009	2008	2009	2008	2009	2008	2009	2008
ASSETS								
NON-CURRENT ASSETS								
Tangible Assets	442	427	208	197	1	0	651	**624**
Intangible Assets	5	0	0	0	0	0	5	**0**
Investments in related parties	0	0	0	0	0	0	0	**0**
Other non-current assets	1	0	0	0	0	0	1	**0**
Marketable and other securities	1	1	0	0	0	0	1	**1**
Administration non-current assets	4	4	2	2	0	0	6	**6**
TOTAL NON-CURRENT ASSETS	**453**	**432**	**210**	**199**	**1**	**0**	**664**	**631**
CURRENT ASSETS								
Inventories	66	47	2	9	0	0	68	**56**
Trade Accounts Receivable	0	0	1	1	62	76	63	**77**
Various Debtors	3	3	2	2	5	3	10	**8**
Income tax	0	2	0	0	0	0	0	**2**
Other current assets	1	2	0	0	0	0	1	**2**
Derivatives asset	0	0	0	0	0	0	0	**0**
Cash in hand	18	4	4	1	1	0	23	**5**
Administration current assets	1	2	0	1	0	0	1	**3**
TOTAL CURRENT ASSETS	**89**	**60**	**9**	**14**	**68**	**79**	**166**	**153**
TOTAL ASSETS	**542**	**492**	**219**	**213**	**69**	**79**	**830**	**784**
LIABILITIES AND EQUITY								
EQUITY								
Share Capital	0	0	0	0	0	0	0	**0**
Revaluation Surplus	0	0	0	0	0	0	0	**0**
Legal reserve	0	0	0	0	0	0	0	**0**
Fixed assets' revaluation surplus	0	0	0	0	0	0	0	**0**
Reserves	0	0	0	0	0	0	0	**0**
Retained earnings	0	0	0	0	0	0	0	**0**
TOTAL EQUITY	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
CAPITAL FUNDING TO BUSSINESS UNITS	**462**	**443**	**81**	**79**	**18**	**34**	**561**	**556**
NON-CURRENT LIABILITIES								
Long-term debt	0	0	0	0	0	0	0	**0**
Actuarial Provision and Provison for Riks	0	0	0	0	0	0	0	**0**
Deferred tax liabilities	19	7	3	1	1	1	23	**9**
Subsidies for fixed assets acquisition	13	18	124	122	0	0	137	**140**
Other long-term liabilities & Customers' advances	0	0	0	0	30	34	30	**34**
Administration non-current liabilities	0	0	0	0	0	0	0	**0**
TOTAL NON-CURRENT LIABILITIES	**32**	**25**	**127**	**123**	**31**	**35**	**190**	**183**
CURRENT LIABILITIES								
Accounts Payable and Various Creditors	16	18	9	10	20	10	45	**38**
Short-term borrowings	0	0	0	0	0	0	0	**0**
Income tax payable	7	0	1	0	0	0	8	**0**
Current portion of long-term bank loans	0	0	0	0	0	0	0	**0**
Notes payable undertaking, non-accured interest	0	0	0	0	0	0	0	**0**
Derivatives Liability	0	0	0	0	0	0	0	**0**
Dividens payable	0	0	0	0	0	0	0	**0**
Accrued and other current liabilities	24	6	1	0	0	0	25	**6**
Administration current liabilities	1	0	0	0	0	0	1	**0**
TOTAL CURRENT LIABILITIES	**48**	**24**	**11**	**10**	**20**	**10**	**79**	**45**
TOTAL LIABILITIES AND EQUITY	**542**	**492**	**219**	**213**	**69**	**79**	**830**	**784**

PUBLIC POWER CORPORATION S.A.
OTHER NO INTERCONNECTED ISLANDS UNBUNDLED BALANCE SHEET
AS OF 31st DECEMBER 2009
(expressed in million of euro)

	GENERATION		DISTRIBUTION NETWORK		SUPPLY		TOTAL	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
ASSETS								
NON-CURRENT ASSETS								
Tangible Assets	482	532	339	334	2	3	823	**869**
Intangible Assets	3	0	0	0	0	0	3	**0**
Investments in related parties	0	0	0	0	0	0	0	**0**
Other non-current assets	1	0	0	0	0	0	1	**0**
Marketable and other securities	1	1	1	1	0	0	2	**2**
Administration non-current assets	7	6	2	2	0	0	9	**8**
TOTAL NON-CURRENT ASSETS	**494**	**539**	**343**	**337**	**2**	**3**	**839**	**879**
CURRENT ASSETS								
Inventories	74	70	31	32	0	0	105	**102**
Trade Accounts Receivable	0	0	1	0	51	64	52	**64**
Various Debtors	5	6	4	3	4	0	13	**9**
Income tax	0	2	0	1	0	0	0	**3**
Other current assets	3	3	0	0	0	0	3	**3**
Derivatives asset	0	0	0	0	0	0	0	**0**
Cash in hand	19	6	10	2	0	0	29	**8**
Administration current assets	1	3	0	1	0	0	1	**4**
TOTAL CURRENT ASSETS	**102**	**90**	**46**	**39**	**56**	**64**	**204**	**193**
TOTAL ASSETS	**596**	**629**	**388**	**376**	**57**	**67**	**1.041**	**1.072**
LIABILITIES AND EQUITY								
EQUITY								
Share Capital	0	0	0	0	0	0	0	**0**
Revaluation Surplus	0	0	0	0	0	0	0	**0**
Legal reserve	0	0	0	0	0	0	0	**0**
Fixed assets' revaluation surplus	0	0	0	0	0	0	0	**0**
Capitalised Fixed assets' tax revaluation surplus	0	0	0	0	0	0	0	**0**
Reserves	0	0	0	0	0	0	0	**0**
Retained earnings	0	0	0	0	0	0	0	**0**
TOTAL EQUITY	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
CAPITAL FUNDING TO BUSSINESS UNITS	**473**	**574**	**232**	**229**	**10**	**16**	**715**	**819**
NON-CURRENT LIABILITIES								
Long-term debt	0	0	0	0	0	0	0	**0**
Actuarial Provision and Provison for Riks	0	0	0	0	0	0	0	**0**
Deferred tax liabilities	19	9	10	3	0	0	29	**12**
Subsidies for fixed assets acquisition	14	5	129	130	0	0	143	**135**
Other long-term liabilities & Customers' advances	0	0	0	0	31	34	31	**34**
Administration non-current liabilities	0	0	0	0	0	0	0	**0**
TOTAL NON-CURRENT LIABILITIES	**34**	**14**	**139**	**133**	**31**	**34**	**204**	**182**
CURRENT LIABILITIES								
Accounts Payable and Various Creditors	57	32	13	12	16	9	86	**53**
Short-term borrowings	0	0	0	0	0	0	0	**0**
Income tax payable	7	0	3	0	0	0	10	**0**
Current portion of long-term bank loans	0	0	0	0	0	0	0	**0**
Notes payable undertaking, non-accured interest	0	0	0	0	0	0	0	**0**
Derivatives Liability	0	0	0	0	0	0	0	**0**
Dividens payable	0	0	0	0	0	0	0	**0**
Accrued and other current liabilities	25	9	1	2	0	8	26	**19**
Administration current liabilities	1	0	0	0	0	0	1	**0**
TOTAL CURRENT LIABILITIES	**89**	**41**	**18**	**14**	**16**	**17**	**123**	**72**
TOTAL LIABILITIES AND EQUITY	**596**	**629**	**388**	**376**	**57**	**67**	**1.041**	**1.072**

PUBLIC POWER CORPORATION S.A.
UNBUNDLED BALANCE SHEET OF ADMINISTRATORS
AS OF 31st DECEMBER 2009
(expressed in million of euro)

	NETWORK ADMINISTRATOR		ADMINISTRATOR OF NON-INTERCONNECTED ISLANDS	
	2009	**2008**	**2009**	**2008**
ASSETS				
NON-CURRENT ASSETS				
Tangible Assets	0	0	81	64
Intangible Assets	0	0	1	0
Investments in related parties	0	0	0	0
Other non-current assets	0	0	0	0
Marketable and other securities	0	0	0	0
Administration non-current assets	0	0	0	0
TOTAL NON-CURRENT ASSETS	**0**	**0**	**82**	**64**
CURRENT ASSETS				
Inventories	3	0	0	3
Trade Accounts Receivable	0	0	0	0
Various Debtors	1	0	1	0
Income tax	0	0	0	0
Other current assets	0	0	0	0
Derivatives asset	0	0	0	0
Cash in hand	0	0	3	1
Administration current assets	0	0	0	0
TOTAL CURRENT ASSETS	**4**	**0**	**4**	**4**
TOTAL ASSETS	**4**	**0**	**86**	**68**
LIABILITIES AND EQUITY				
EQUITY				
Share Capital	0	0	0	0
Revaluation Surplus	0	0	0	0
Legal reserve	0	0	0	0
Fixed assets' revaluation surplus	0	0	0	0
Capitalised Fixed assets' tax revaluation surplus	0	0	0	0
Reserves	0	0	0	0
Retained earnings	0	0	0	0
TOTAL EQUITY	**0**	**0**	**0**	**0**
CAPITAL FUNDING TO BUSSINESS UNITS	**4**	**0**	**75**	**65**
NON-CURRENT LIABILITIES				
Long-term debt	0	0	0	0
Actuarial Provision and Provison for Riks	0	0	0	0
Deferred tax liabilities	0	0	3	1
Subsidies for fixed assets acquisition	0	0	0	0
Other long-term liabilities & Customers' advances	0	0	0	0
Administration non-current liabilities	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	**0**	**0**	**3**	**1**
CURRENT LIABILITIES				
Accounts Payable and Various Creditors	0	0	7	2
Short-term borrowings	0	0	0	0
Income tax payable	0	0	1	0
Current portion of long-term bank loans	0	0	0	0
Notes payable undertaking, non-accured interest	0	0	0	0
Derivatives Liability	0	0	0	0
Dividens payable	0	0	0	0
Accrued and other current liabilities	0	0	0	0
Administration current liabilities	0	0	0	0
TOTAL CURRENT LIABILITIES	**0**	**0**	**8**	**2**
TOTAL LIABILITIES AND EQUITY	**4**	**0**	**86**	**68**

NOTES TO THE UNBUNDLED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

According to the provisions of European Directives 96/92 and 2003/54 (as well as the provisions of Law 2773/1999 and Law 3426/2005, which embodied the aforementioned European Directives 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 in accordance with the provisions of art. 23 of Law 3426/2005.

The summary totals of the unbundled financial statements are equal and agree with PPC's issued consolidated balance sheet and statement of income, prepared in accordance with International Financial Reporting Standards, with the exception of provision for income tax, as unbundled statements of income are presented before tax.

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 preparation of the unbundled financial statements requires management to make estimates, assumptions and judgments that affect the reported assets and liabilities for each activity. Such estimates, assumptions and judgments are regularly reviewed in order to reflect the managements' current view on facts and transactions concerned.

The unbundling methodology applied by the Company, for the preparation of the accompanied unbundled financial statements is approved by the regulatory Authority for Energy.

The unbundled financial statements were approved by the Company's Board of Directors, in its meeting, held on March 30, 2010.

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 and establishment of «Capital Funding» account
- Preparation of the unbundled statements of income
- Quantification of inter-segment revenues and expenses among activities through the application of an internal pricing system
- Embodying of the result of the Contract for Differences between PPC's Generation and Supply.

Determination of activities into which the integrated electric utility should be unbundled

The activities for which unbundled financial statements are prepared, on a first level and for the whole Group, are Mines, Generation, Transmission, Distribution Network, Supply, Network Administrator and Corporate.

On a second level, these activities are presented as follows:

- Interconnected System
  - Mines
  - Generation
  - Transmission
  - Distribution network
  - Supply
  - Network Administrator
- System of Crete
  - Generation
  - Distribution network
  - Supply
- System of other non interconnected islands
  - Generation
  - Distribution network
  - Supply
- Network Administrator of non-interconnected islands (Crete and other non-interconnected islands)
- Corporate

Mines include the lignite extraction activity carried out in the Lignite Centers of West Macedonia and Megalopolis.

Generation includes the electricity generation activities in the interconnected system, the system of Crete and the system of non interconnected islands.

2. ACCOUNTING UNBUNDLING METHODOLOGY (continued)

Transmission is responsible for the monitoring, the maintenance and the repair of high tension grid, which is used for the transmission of electricity, and is compensated, as the owner of the grid by the Hellenic Transmission System Operator ("HTSO").

Distribution Network includes the operation of electricity distribution to medium and low voltage customers in the interconnected system, the system of Crete in and the system of non interconnected islands.

Supply reflects the Company's activity which monitors relationships with final customers in the interconnected system, the system of Crete in and the system of non interconnected islands.

Network Administrator includes the operation of the network in order to distribute electric power to the consumers of low and medium voltage of the interconnected system and the system of non-interconnected islands.

The Corporate acts as the lender (funding source) of all activities and retains in its balance sheet all investments in subsidiaries, associates and joint ventures and in its liabilities and shareholders' equity all equity accounts, funding and provisions of a financial nature. The capital funding account which is also presented in the liabilities side of Corporate reflects the funds that have been made available to activities in order to finance their operations.

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 unbundled financial statements.

Preparation of unbundled trial balances

In the Company's accounting system, each cost centre represents an organizational entity, in which the assets and liabilities are recorded.

General and Cost Accounting trial balances, through the codification of each cost centre, provides the ability of detection and grouping of data which are directly ascribed to activities, and of composition of activities trial balances.

These trial balances include the balances of all balance sheet and statement of income accounts per activity.

In order for these trial balances to be generated, the following tasks are performed (this process is applied per account and cost centre for the minimum account degree in General and Cost Accounting):

- Cost centers are recorded in order to identify the boundaries of activities and then all cost centers to be assigned to activities with which they are related to.

- Each modification in cost centers and trial balance accounts is detected and recorded in order to be embedded in the proper activities or balance sheet and income statement accounts respectively.

2. ACCOUNTING UNBUNDLING METHODOLOGY (continued)

- The trial balance accounts are codified and grouped into sections of the balance sheet and of the income statement based on company's needs and its published financial statements.

- It is ensured that all cost centers are subordinate to one of the predefined activities and, at the same time, there is no possibility that two distinct activities include the same cost centre.

- The sum totals of the cost centers and accounts are reconciled with the comprehensive trial balance of the Company.

- The amounts that are depicted in the Corporate trial balance (which include the central financial services where a significant amount of the accounting entries is performed) and relate to the activities (e.g. significant balances of suppliers and contractors, taxes etc), are identified and ascribed in the activities based on the information extracted through the peripheral subsystems (subsystem of beneficiaries', fixed assets, constructions etc).

- The account balances, which, due to their nature, do not relate to activities into which have been ascribed, are reclassified and ascribed into the correct activities.

- The account balances which relate to activities and have not been directly ascribed or correlated with specific activities, are concentrated separately, in order to be allocated based on allocation criteria per fourth-degree account (the lowest account degree where the accounting entries are performed).

The allocation criteria, which are used for the first level of allocations and derived from trial balances amounts, are the following:

- **Payroll:** applies for the allocation of account balances related either with payroll or with general personnel issues (e.g. various payroll receivables and obligations, social securities funds, personnel loans etc). The specific allocation criterion is defined based on the payroll of employees who were actually employed in this activity (allocated payroll). According to this criterion, each activity proportionally receives an amount from the allocated Corporate accounts, based on the percentage of its participation in the total payroll amount of activities.
- **Material consumption:** applies for the allocation of account balances which are related to the materials consumption and suppliers cycle (e.g. orders from abroad, purchases in transit, suppliers etc.). According to this criterion, each activity's proportion depends on the total amount of activity's material consumptions in terms of total consumption.
- **Net book value of assets:** applies for the allocation of the account balances that are related to the fixed assets cycle (e.g. projects receivables, projects advances, subsidies, contractor works beneficiaries, contractors taxes etc) and reflects the total amount of assets net book value for each activity in terms of total net book value.
- **Total Operating Expenses:** used for the allocation of general nature's accounts balances and expresses total value of operating expenses of every activity expressed in terms of total operating expenses.
- **Compensation and third party fees:** applies for the allocation of the corresponding category of accounts and reflects the ratio of Compensation and third party fees of every activity expressed in terms of total.

2. ACCOUNTING UNBUNDLING METHODOLOGY (continued)

- **Third party allowances:** used for the allocation of the trial balance accounts that relate to third party allowances (apart from contract works), such as rentals, water supply, postage, etc.
- **Various expenses:** used for the allocation of various expenses accounts balances except for travel expenses, which relate to payroll; it is quantified as the ratio of every activity's various expenses expressed in terms of total various expenses.
- **Depreciation Expense:** applies for the allocation of depreciation expense accounts balances. The value of every activity's depreciation expense expressed in terms of total depreciation expense represents the corresponding percentage from the allocation.
- **Sales:** it is used for the allocation of accounts balances that relate to the Company's sales.

The account balances of financial nature included in the balance sheet and income statement (cash and cash equivalents, loans, derivatives etc), are aggregated separately, in order to be further allocated in the activities.

Preparation of unbundled balance sheets and establishment of «Capital Funding» account

The balances of balance sheet accounts of financial nature are allocated in the activities according to each activity's capital funding, which equals the capital employed of every activity including the provisions of liabilities and excluding the investments in affiliates of assets.

Then, the balance sheet accounts' balances are allocated in the activities, which have still remained to the Corporate (fixed assets, inventories, cash & cash equivalents etc.), based on total of assets and liabilities of each activity. Corporate keeps in its balance sheet only investments in subsidiaries, joint ventures and affiliates as well as total equity and liabilities of the entity.

Upon completion of the aforementioned allocations, the balance sheets per activity are prepared.

Capital Funding, presented in separate line of liabilities, represents capitals been granted from the Company to every activity for the achievement of its business goals.

Total Capital Funding equals total equity, liabilities and provisions of the whole Company excluding the investments in related parties (subsidiaries, joint ventures and affiliates)

The allocated assets and liabilities of Corporate in activities are presented in a separate line item in each activity's financial statement.

Preparation of the unbundled statements of income

Income statement accounts of financial nature are allocated to activities based on Capital Funding of every activity, as calculated above.

Then, income statement account balances that have remained in Corporate are allocated in the activities. For the allocation of expenses the following procedure is applied:

2. ACCOUNTING UNBUNDLING METHODOLOGY (continued)

Allocation of expenses of Information technology Department

Allocation of expenses of the Information Technology Department is performed in two phases. Initially, expenses that relate to the "ERMIS" system of customers' monitoring and billing are assigned to Distribution network and Supply. Then, the remaining expenses are allocated in the activities based on the number of employees of each activity.

Allocation of expenses of Real Estate Housing Department

The allocation criterion used for the allocation of the Real Estate Department's expenses is the surface occupied (in square meters) by each unit for housing its operations.

Allocation of Human resources Division

This Department consists of the Training Department, the Human Resources Department, the Organization, Health, Safety & Security Department and is allocated into the activities based on the number of employees (staff) of every activity.

Other Corporate Departments

All other Corporate Departments are allocated to activities based on direct expenses of every activity. These Departments are the following:

- CEO office
- Finance & Administrative Control
- Strategy & Planning
- Communication
- Legal Counsel
- Center for Research, Standards and Testing
- Internal Audit
- Finance
- Controlling
- Procurement and Supplies

Upon completion of the above allocations, the statements of income for each activity are prepared.

The Corporate expenses 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).

2. ACCOUNTING UNBUNDLING METHODOLOGY (continued)

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
Energy self-consumption	Supply	Mines
Energy self-consumption	Supply	Generation
Rental of distribution network	Distribution Network	Network Administrator
Use of distribution network	Distribution Network	Supply
Settlement of economic differences	Supply	Generation
System of Crete		
Energy	Generation	Administrator of Non interconnected islands
Rental of distribution network	Distribution Network	Network Administrator

Use of distribution network and Energy	Distribution Network	Supply
Self-consumption Energy	Supply	Generation
System of other non-interconnected islands		
Energy	Generation	Administrator of Non-interconnected islands
Rental of distribution network	Distribution Network	Administrator of Non-interconnected islands
Use of distribution network and energy	Administrator of Non-interconnected islands	Supply
Self-consumption Energy	Supply	Generation
Return of receivable Public service obligations		
Return of receivable Public service obligations	Interconnected Supply	Administrator of Non-interconnected islands
Return of receivable Public service obligations	Crete supply	Administrator of Non-interconnected islands
Return of receivable Public service obligations	Supply of non-interconnected islands	Administrator of Non-interconnected islands
Return of receivable Public service obligations	Administrator of Non-interconnected islands	Crete Generation
Return of receivable Public service obligations	Administrator of Non-interconnected islands	Generation of non-interconnected islands

2. ACCOUNTING UNBUNDLING METHODOLOGY (continued)

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 (expense).

For unbundled balance sheet preparation purposes, it is considered that all transactions among the activities are settled in cash and as a result, no accounts receivable or accounts payable are recorded among the activities in their balance sheets.

The inter-segment energy sales for self-consumption are calculated based on each activity’s metered consumption of energy and the prices applied for third party sales of the same customer class.

In more detail, in the interconnected system:

- The Mines internal revenue is calculated in accordance of the agreement the lignite supply between Mines and Generation.
- The Generation revenues are recorded based on the daily market transaction settlements carried out by the HTSO.
- The Transmission revenue reflects actual billings to HTSO for the rent of the Transmission Grid.

- The internal revenues of the Distribution Network are recorded based on the charged prices of the Distribution network.

- The Supply revenue reflects actual billings to the final consumers.

- The Network Administrators revenue, is the rental reflects registered billings of the use of the distribution network

In the system of Crete and in the system of other non-interconnected islands:

- The internal Generation revenues are calculated on basis of the calorific production and the estimated average marginal price of the interconnected system.

- The internal revenues of the Distribution Network are recorded based on the charged prices of the Distribution network.

- The Supply revenue reflects actual billings to the final consumers.

- The Network Administrators revenues are calculated as follows:

    1. The rental reflects registered billings of the use of the distribution Network.

    2. The selling energy produced by the Non-interconnected islands to the Supply.

2. ACCOUNTING UNBUNDLING METHODOLOGY (continued)

3. The Public Service Obligations which are collected and yielded from the Supply to the Administrator of the Non-interconnected islands, finally are yielded to the Generation of the Non-interconnected islands.

Finally, for the purpose of preparation of the unbundled financial statements, services that PPC receives / renders to / from the HTSO (ancillary services, energy, etc.) are quantified and presented separately, and not on a net basis, a practice which is applied by PPC through the preparation process of its consolidated financial statements.

Settlement of Economic Differences between General Division of Generation and General Division of Supply from transaction of Electric Energy

As it is known, in the context of operation of wholesale market of electric energy, the activity of the General Division of Supply is debited with the supply of electric energy on the Marginal Price of the System (SMP), which is then invoiced to the customers on the basis of regulated tariffs, resulting in a substantial divergence between income and expenses. Respectively, the activity of the General Division of Generation is credited by the market on the basis of SMP..

The applied methodology allows the settlement of economic relations between the activity of the General Division of Generation and the General Division of Supply and it functions at way similar with the “Contracts of Differences” as foreseen by the provisions of article 230 of the code. Given that PPC constitutes a single legal entity, practically, the particular methodology corresponds to a process

of internal pricing between the two activities and it aims in the internal correction of debits and credits of Supply and Generation respectively, that result from the wholesale market.

Description of basic methodology

The methodology that is applied is summarized as follows:

The activity of the General Division of Generation and the activity of the General Division of Supply, in the context of the up coming year's budget, agree in trading specific quantities of electric energy by zone of charge (Base, Intermediate, Peak) and time period (Winter/December – January – February – March, Summer/June – July – August – September, Remaining Months) in specific prices. In other words, they agree a total price by zone of charge and time period.

The income from the trading in question added up to the income from the Transient Capacity Assurance Mechanism (article 330 ep. KDS and SIE) and the income from the provision of Complementary Services (article 328 KDS and SIE) cover the reasonable cost of the activity of the General Division of Generation, as this results from the unbundled budget of the particular year, including a reasonable return on the capital employed.

2. ACCOUNTING UNBUNDLING METHODOLOGY (continued)

In this context, the price of the settlement of economic differences between the two activities, the General Division of Generation and the General Division of Supply, is equal to the product of the difference between the calculated middle price of clearing and the agreed price multiplied by the produced quantity. Continuously, in case that the calculated middle price of clearing is bigger than the agreed price, then the return of the additional income goes from the the activity of the General Division of Generation to the activity of the General Division of Supply, but in the opposite case, it goes in reverse order.

In case of divergence from the agreed, there will be clauses of readjustment of the agreed price. More specifically:

- If the prices of liquid fuels and natural gas change, the prices that were agreed upon for the transaction will be readjusted, on the basis of the provided readjustment of prices of sale of electric energy to third parties via the clauses of fuel readjustment.
- If the agreed quantities of electric energy change, there will be anticipated correction of the agreed price via clauses for the reimbursement of the relative cost of each side.

Lignite Supply Contract

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 has to do with 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.

E. ADDITIONAL INFORMATION

PUBLIC POWER CORPORATION S.A.

Reg. No : 47829/06/B/00/2

Chalkokondyli 30 - 104 32 Athens

FINANCIAL DATA AND INFORMATION FOR THE YEAR
January 1 2009 - December 31 2009

(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. 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 condensed financial statements and the auditor's review report, when is required are published.

COMPANY'S DATA

Appropriate Authority:	Ministry of Energy and Climate Change
Web site address:	www.dei.gr
Date of approval by the Board of Directors:	March, 30 2010
Certified auditor accountant:	Vassilios Kaminaris
Audit company:	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Type of auditors' report:	Unqualified Opinion

Board of Directors:

Zervos Arthouros	Chairman & Chief Executive Officer
Petropoulos Evaggelos	Vice Chairman
Baratsis Apostolos	Member and Deputy ceo
Alexakis Panagiotis	Member
Bouzoulas Evangelos	Member
Karavassilis Ioannis	Member
Katsoulakos Ioannis	Member
Nellas Georgios	Member
Panagopoulos Ioannis	Member
Panetas Konstantinos	Member
Tsarouchas Ioannis	Member

DATA FROM STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
ASSETS	**31.12.2009**	**31.12.2008**	**31.12.2009**	**31.12.2008**
Tangible assets	13.142.337	11.854.392	13.054.387	11.789.209
Intangible assets, net	78.813	5.870	78.692	5.801
Other non - current assets	33.219	21.067	96.827	86.240
Materials, spare parts and supplies	807.706	762.537	806.909	761.792
Trade receivables	1.006.412	865.179	1.003.576	865.179
Other current assets	201.323	318.472	222.438	326.373
Available for sale financial assets	34.312	23.256	34.312	23.256
Cash and cash equivalents	480.042	103.450	471.782	100.391
TOTAL ASSETS	**15.784.164**	**13.954.223**	**15.768.923**	**13.958.241**
EQUITY AND LIABILITIES				
Share capital	1.067.200	1.067.200	1.067.200	1.067.200
Share premium	106.679	106.679	106.679	106.679
Other equity items	5.287.435	3.807.487	5.275.346	3.808.068
Equity attributable to shareholders of the parent (a)	6.461.314	4.981.366	6.449.225	4.981.947
Minority interests (b)	0	0	0	0
Total Equity (c)=(a)+(b)	6.461.314	4.981.366	6.449.225	4.981.947
Interest bearing loans and borrowings	2.857.751	2.821.696	2.857.751	2.821.696
Provisions / other non current liabilities	3.500.576	3.099.408	3.493.157	3.097.337
Short term borrowings	1.712.920	1.849.281	1.712.917	1.848.265
Other current liabilities	1.251.603	1.202.472	1.255.873	1.208.996
Total liabilities (d)	9.322.850	8.972.857	9.319.698	8.976.294
TOTAL EQUITY AND LIABILITIES (c) + (d)	**15.784.164**	**13.954.223**	**15.768.923**	**13.958.241**

DATA FROM STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31.12.2009	**31.12.2008**	**31.12.2009**	**31.12.2008**
Total equity at beginning of the period (01.01.2009 and 01.01.2008, respectively)	4.981.366	5.279.901	4.981.947	5.208.288
Total comprehensive income after tax	1.480.421	(275.273)	1.467.724	(203.182)
Dividends	0	(23.200)	0	(23.200)
Other	(473)	(62)	(446)	41
Equity at the end of the period (31.12.2009 and 31.12.2008, respectively)	**6.461.314**	**4.981.366**	**6.449.225**	**4.981.947**

ADDITIONAL DATA AND INFORMATION

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

Full consolidation method:

Company	% participation	Country of incorporation	Unaudited tax Years
PPC S.A.	Parent Company	Greece	2009
PPC Renewable Sources S.A.	100%	Greece	2007-2009
PPC Rhodes S.A.	100%	Greece	1999-2009
PPC TELECOMMUNICATIONS S.A.	100%	Greece	2007-2009
ARKADIKOS ILIOS 1 S.A.	100%	Greece	2007-2009
ARKADIKOS ILIOS 2 S.A.	100%	Greece	2007-2009
ILIAKO VELOS 1 S.A.	100%	Greece	2007-2009
ILIAKO VELOS 2 S.A.	100%	Greece	2007-2009
SOLARLAB S.A.	100%	Greece	2007-2009
ILIAKA PARKA DITIKIS MAKEDONIAS 1 S.A.	100%	Greece	2007-2009
ILIAKA PARKA DITIKIS MAKEDONIAS 2 S.A.	100%	Greece	2007-2009
PPC FINANCE PLC	90%	UK	-

In November 2009 the tax audit for the Parent Company begun for the year ending December 31, 2008 and was completed in March 2010. The audit resulted to accounting differences of approximately € 21m from the Income Tax. From VAT and other taxes the company is surcharged with the amount of € 1m which will be set of with tax liabilities of the Greek State to PPC. Temporary results of the tax audit for the Income tax were issued until the final resolution of the tax issue referring to the energy bill paid by PPC personnel and pensioners. For all the other taxes final results were issued. For these amounts the relevant provisions are established.

In June 2006, the Annual Shareholders' General Assemblies for PPC Rhodes S.A. decided to dissolve the aforementioned company and to initiate the appropriate procedures on July 1, 2006, according to international commerce law. The process for PPC Rhodes S.A. is yet to be completed.

Equity method:

Company	Note	% participation	Country of incorporation	Unaudited tax years
LARCO S.A.		11.45%	Greece	2002-2009
SENCAP S.A.		50%	Greece	2006-2009
PPC RENEWABLES ROKAS S.A.		49%	Greece	2007-2009
PPC RENEWABLES – TERNA ENERGIAKI S.A.		49%	Greece	2006-2009
PPC RENEWABLES – MEK ENERGIAKI S.A.		49%	Greece	2002-2009
PPC RENEWABLES NANKO ENERGY – MYHE GITANI S.A.		49%	Greece	2007-2009
PPC RENEWABLES ELTEV AIFOROS S.A.		49%	Greece	2008-2009
GOOD WORKS S.A.		49%	Greece	2005-2009
PPC RENEWABLES EDF EN GREECE S.A.		49%	Greece	2007-2009
EEN VOIOTIA S.A.	1	46.60%	Greece	2007-2009
ORION ENERGIAKI S.A.	2	49%	Greece	2007-2009
ASTREOS ENERGIAKI S.A.	2	49%	Greece	2007-2009
PHOIBE ENERGIAKI S.A.	2	49%	Greece	2007-2009
IAPETOS ENERGIAKI S.A.	2	49%	Greece	2007-2009
AIOLIKO PARKO LOUKO S.A		49%	Greece	2008-2009
AIOLIKO PARKO BABO VIGLIES S.A.		49%	Greece	2008-2009
AIOLIKO PARKO LEFKIVARI S.A.		49%	Greece	2008-2009
AIOLIKO PARKO AGIOS ONOUFRIOS S.A.		49%	Greece	2008-2009
AIOLIKO PARKO KILIZA S.A.		49%	Greece	2008-2009
PPC FINANCE PLC		10%	UK	-

1. It is consolidated from the associate company PPC Renewables EDF EN GREECE S.A. as it participates by 95% in its share capital.
2. They are consolidated by the associate company Good Works S.A. as they participate by 100% in their share capital.

2. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2008 and are presented in Note 3.4 of the financial report, except from them who are presented in Note 3.2 of the financial report.
3. There exist no burdens on the Group's fixed assets, the existence of which could materially affect the Group's financial position.
4. Adequate provisions have been established for all litigation.
5. Provisions of the Group and the Parent Company as of December 31, 2009 are as follows :

Amounts in thousands of Euro	Group	Company
a) Provision for litigation and arbitration	32,569	32,246
b) Provision for audited by tax authorities fiscal years	3,500	3,500
c) Other provisions	92,963	92,933

6. Total payrolls of the Group and the Company number 22,582 employees and 23,611 employees as of December 31, 2009 and 2008 respectively. These figures do not include 130 and 129 employees, who work exclusively for the Hellenic Transmission System Operator and for which the Parent Company is compensated. On December 31, 2009 and 2008, 199 and 239 employees have been transferred to Public Sector Services (ministries etc.) out of which, 156 and 193 were compensated by PPC. The total payroll cost of such employees amounted to Euro 9,602 and Euro 9,221 for the year ended December 31, 2009 and 2008, respectively.
7. Sales and purchases of the Group and the Parent Company for the period ended December 31, 2009 as well as receivables and payables as of December 31, 2009 of the Group and the Parent Company, according to IAS 24 are as follows:

Amounts in thousands of Euro	Group	Company
a) Sales	72,287	90,745
b) Purchases	349,323	359,165
c) Receivables from related parties	718,919	739,017
d) Payables to related parties	694,507	699,934
e) Key management personnel compensations	3,340	2,785
f) Receivables from key management personnel compensations	0	0
g) Payables to key management personnel compensations	0	0

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	01.01-31.12.2009	**01.01-31.12.2008**	**01.01-31.12.2009**	**01.01-31.12.2008**
Sales	6.030.381	5.801.867	6.017.120	5.801.654
Gross operating results	1.365.912	316.388	1.370.388	316.175
Profit / (Loss) before tax, financing and investing activities	1.136.198	(170.734)	1.131.775	(169.635)
Profit / (Loss) before tax	993.099	(395.892)	988.989	(326.708)
Profit / (Loss) after tax (A)	693.319	(305.879)	690.736	(232.961)
Distributed to:				
- Owners of the Parent	693.319	(305.879)	690.736	(232.961)
- Minority interests	0	0	0	0
Other comprehensive income after tax (B)	787.102	30.606	776.988	29.779
Total comprehensive income after tax (A)+(B)	1.480.421	(275.273)	1.467.724	(203.182)
- Owners of the Parent	1.480.421	(275.273)	1.467.724	(203.182)
- Minority interests	0	0	0	0
Earnings / (Loss) per share, basic and diluted (in Euro)	2,9884	(1,3184)	2,9773	(1,0041)
Interim dividend	1,0000	0,0000	1,0000	0,0000
Profit before tax, financing and investing activities and depreciation and amortisation	1.677.561	343.585	1.667.999	339.645

CASH FLOW STATEMENT

	GROUP		COMPANY	
	01.01-31.12.2009	**01.01-31.12.2008**	**01.01-31.12.2009**	**01.01-31.12.2008**
Cash Flows from Operating Activities				
(Loss) / Profit before tax from continuing operations	993.099	(395.892)	988.990	(326.708)
Adjustments:				
Depreciation and amortization	614.397	581.868	608.785	576.415
Devaluation of fixed assets	138.663	0	138.188	0
Amortization of customers' contributions and subsidies	(73.061)	(67.549)	(72.561)	(67.135)
Provision for CO_2	41.913	108.073	41.913	108.073
Fair value gain of derivative instruments	(161)	5.226	(161)	5.226
Reversal of impairment loss on associate	0	0	0	30.800
Share of (profit) / loss of associates	(765)	23.814	0	0
Interest income	(18.343)	(23.198)	(19.276)	(98.206)
Sundry provisions	126.230	53.014	127.450	52.988
Impairment loss on emission rights purchased	8.145	0	8.145	0
Unrealized foreign exchange losses on interest bearing loans and borrowings	641	5.002	641	5.002
Unbilled revenue	4.710	(18.959)	4.710	(18.959)
Retirements of fixed assets and software	27.075	14.095	32.668	13.994
Amortization of loan origination fees	3.078	1.721	3.078	2.032
Interest expense	154.938	202.481	154.876	202.432
(Increase)/decrease in:				
Accounts receivable, trade and other	(151.045)	(193.498)	(153.480)	(208.673)
Other current assets	4.312	(6.436)	5.069	(6.417)
Materials, spare parts and supplies	(53.295)	(61.172)	(53.213)	(61.164)
Increase/(decrease) in:				
Trade and other payables	31.598	26.196	12.040	32.978
Other non – current liabilities	18.800	35.896	18.740	35.896
Accrued / other liabilities excluding interest	(12.115)	(8.929)	(12.140)	(8.753)
Income tax paid	0	(27.540)	0	0
Net Cash from Operating Activities (a)	**1.858.814**	**254.213**	**1.834.462**	**269.821**
Cash Flows from Investing Activities				
Interest received	18.343	23.198	19.276	98.206
Capital expenditure of fixed assets and software	(1.277.232)	(1.034.306)	(1.260.341)	(1.022.036)
Proceeds from customers' contributions and subsidies	82.055	211.639	79.764	211.640
Investments in subsidiaries and associates and investments available for sale	(6.267)	(1.146)	(3.711)	62.173
Net Cash used in Investing Activities (b)	**(1.183.101)**	**(800.615)**	**(1.165.012)**	**(650.017)**
Cash Flows from Financing Activities				
Net change in short term borrowings	(145.000)	161.600	(144.000)	160.600
Proceeds from interest bearing loans and borrowings	1.315.000	1.182.016	1.315.000	1.182.000
Principal payments of interest bearing bonds and borrowings	(1.269.652)	(671.082)	(1.269.652)	(671.082)
Interest paid and issuance fees paid	(199.322)	(189.224)	(199.260)	(189.222)
Dividends paid	(147)	(23.193)	(147)	(23.193)
Net Cash used in Financing Activities (c)	**(299.121)**	**460.117**	**(298.059)**	**459.103**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**376.592**	**(86.285)**	**371.391**	**78.907**
Cash and cash equivalents at the beginning of the period	**103.450**	**189.735**	**100.391**	**21.484**
Cash and cash equivalents at the end of the period	**480.042**	**103.450**	**471.782**	**100.391**

8. Capital expenditure of the Group and the parent company for the period ended December 31, 2009 amounted to Euro 1,103.6 million and of Euro 1,088.3 million respectively.
9. Other Comprehensive income / (loss) after tax which was recognized directly in equity for the period ended December 31, 2009 are as follows :

Amounts in thousands of Euro	Group	Company
Profit / (Loss) from fair value available for sale valuation	7,538	7,538
Other	779,564	769,450
Total	787,102	776,988

10. According to the results, the CO_2 emissions of PPC's bound plants for the year 2009 amounts to 49.7 m tn. Further information is presented in Note 37 of the financial report.
11. On May 19th, 2009, in the frame of modification of previous Decision, the Board of Directors of PPC decided that the new Steam Electric unit in Ptolemaida shall be of pulverized lignite technology, instead of fluidized bed, and installed capacity of 550-660 MW, instead of 450 MW, with the capability to provide thermal energy of 140 MWth, instead of 120 MWth, for district heating. Further information is presented in Note 37 of the financial report.
12. On August 25, 2009 the Board of Directors of PPC approved the award of the project "Supply and installation of a new combined cycle unit at Megalopolis" to the successful bidder, the Consortium METKA S.A. and ETADE S.A. The final amount of the project is €500 million. Further information is presented in Note 37 of the financial report.
13. On May 13th, 2008, PPC filed before the Court of First Instance of the European Communities (CFI), an application for annulment of the Commission's decision of March 5th 2008 regarding the granting by the Hellenic Republic of lignite extraction rights to PPC. On August 4th, 2009, the European Commission issued a second decision (which was notified to PPC on August 7), in which the measures for the compliance with the decision of March 5th, 2008 are defined as obligatory for the Hellenic Republic. Further information is presented in Note 37 of the financial report.
14. From the implementation of IFRIC 18, "Transfers of Assets from Customers" , PPC recognized in the Income Statement of 2009 additional income amounting to Euro 169 m. which involve the contribution received from the customers and the producers, for the construction cost of assets that are required to be constructed in order the customers and the producers to be connected with the network. Further information is presented in Note 3.2 of the financial report.
15. Within 2009, the Group proceeded with the revaluation of its operating fixed assets as of December 31, 2009. The revaluation was carried out by an independent firm of appraisers, according to IAS 16. The revalued amounts, from appraisers' work, compared to Net Book Value of the fixed assets, resulted to net surplus amounted to approximately Euro 770 m, which was credited directly in Revaluation Surplus in Equity (Euro 962 m net of Deferred Taxes). Additionally, an amount of Euro 138 m which was not offset by previous years' Revaluation Surplus was charged in the Statement of Income for the year ended at December 31, 2009. Further information is presented in Note 13 of the financial report.
16. On July 7th, 2009, PPCs' Board of Directors approved PPC to enter into an arbitration agreement by virtue, with ALOYMINION, for the dispute between the parties concerning the prerequisites and the application of December 2007 Ministerial Decision regarding the high voltage customers' tariffs. Further information is presented in Note 37 of the financial report.
17. According to L3833/15.03.2010 the exemption that PPC had, according to L2960/2001 from the excise tax for diesel, used from PPC only for electricity generation, was abolished, resulting in a readjustment of the excise tax to 382 €/Klit. It should be noted that, the excise tax for diesel for the period January 1, 2002 until February 8 2010 was 120 €/Klit and for the period February 09 2010 until March 03 2010 was 170 €/Klit. Further information is presented in Note 40 of the financial report.
18. According to L. 3833/15.03.2010, which modified specific parts of L. 2960/01 (National Customs Law) an excise tax of electricity is imposed. This tax is imposed on electricity generated in the Country, or is imported from other EU member States, as well as to electricity that is imported from other Countries to the EU. The calculation base for this tax, of the abovementioned Custom Law is the MWh. The applicable rates are: 2.5 €/MWh for Industrial Consumption and 5 €/MWh for Household Consumption. This excise tax of electricity will be collected by PPC from the customers (through the electricity bills) and will be paid from PPC to the Greek State. The excise tax will not have any impact on PPC's financial results. The Law enforcement begins on May 2 2010.

Athens, March 30, 2010

CHAIRMAN & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN	CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
ZERVOS ARTHOUROS	PETROPOULOS EVAGGELOS	GEORGE C. ANGELOPOULOS	EFTHIMIOS A. KOUTROULIS

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F. DISCLOSURES UNDER ARTICLE 10 L.3401/2005

Stock News 2009

Table of Announcements 2009

The Company's announcements that were publicised for the briefing of the investor community, during 2009, 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/InvestorRelation/Announcements

1.	Consequences for the PPC from the shortage of natural gas (8-Jan-2009)
2.	Comments on press article (29-Jan-2009)
3.	Supervising members of the Audit Committee of PPC S.A. (4-Feb-2008)
4.	2009 Budget Approval by the BoD of PPC S.A. (10-Feb-2009)
5.	Agreement between PPC S.A. and Halyvourgiki (12-Feb-2009)
6.	Announcement according to L.3556/07 (16-Feb-2009)
7.	Financial results for the year 2008 will be released on March 24, 2009 (19-Mar-2009)
8.	Financial Calendar 2009 (24-Mar-2009)
9.	PPC's consolidated 2008 financial results (24-Mar-2009)
10	Presentation to Analysts of PPC SA annual results (24-Mar-2009)
11	Condensed Financial Data and Information for the Year January 1 2008 - December 31 2008 - FINANCIAL REPORT (January 1, 2008 - December 31, 2008) (27-Mar-2009)
12	Construction award for a Power Station in South Rhodes (2-Apr-2009)
13	Two important Memoranda of Understanding approved by the BoD of PPC S.A. (28-Apr-2009)
14	Resignation of the Mines Division General Manager (30-Apr-2009)
15	Financial results for the First Quarter of 2009 will be released on May 19, 2009 (13-May-2009)
16	PPC's consolidated Q1 2009 financial results (19-May-2009)
17	1Q Results 2009 - Presentation to analysts (19-May-2009)

18.	Information for the period 1 January 2009 - 31 March 2009 - Financial Statements for the period 1 January 2009 - 31 March 2009 (21-May-2009)
19.	Invitation to the Annual General Meeting of the Shareholders of PPC S.A. (28-May-2009)
20.	Permission of the National Competition Authority for the formation of a joint venture between PPC and Halyvourgiki (2-Jun-2009)
21.	Annual Report 2008 (9-Jun-2008)
22.	Resignation Mr. G. Sfakianiakis and Mr. S. Efstathopoulos from the BoD of the PPC S.A. (12-Jun-2009)
23.	Amendement of the articles of incorporation of PPC S.A.- Proposal to the General Meeting of Shareholders of June 25th, 2009 (15-Jun-2009)
24.	Clarifications on the Agenda regarding the Invitation to the 7th Annual Ordinary General Meeting of PPC S.A. shareholders on June 25th, 2009 (16-Jun-2009)
25.	Election of new members of the Bod of the PPC S.A. (18-Jun-2009)
26.	Results of the 6th Annual General Meeting of the Shareholders of PPC S.A. (25-Jun-2009)
27.	Speech of the Chairman and CEO, Mr Takis Athanasopoulos, to the Annual General Meeting of Shareholders (25-Jun-2009)
28.	Clarification on profits' provision for the year 2009 (26-Jun-2009)
29.	Announcement 1.7.09 (1-Jul-2009)
30.	Joint Venture with Golden Energy One Holdings Ltd (Restis Group of Companies) in the Tender launched by the Government of Montenegro (14-Jul-2009)
31.	Comments on Press Articles (17-Jul-2009)
32.	Bid Submission by PPC and Golden Energy One Holdings Ltd Joint Venture in the Tender launched by the Government of Montenegro for the acquisition of shares of EPCG. (20-Jul-2009)
33.	Better financial offer from the PPC S.A - Golden Energy One Holdings Ltd Joint Venture in the Tender for the acquisition of shares of EPCG (24-Jul-2009)
34.	BoD decision for the new power plant in Megalopolis (28-Jul-2009)

35.	Opening up of financial bids for Megalopolis tender (31-Jul-2009)
36.	The Bid submitted for the acquisition of shares in EPCG by the Consortium PPC S.A. - Golden Energy Capital Management S.A has been rejected (3-Aug-2009)
37.	Appointments of General Manager of Mines and General Manager of Generation (4-Aug-2009)
38.	Financial results for the First Half of 2009 will be released on August 27, 2009 (21-Aug-2009)
39.	Award of contract for the construction of the Megalopolis V CCGT Unit to the Consortium METKA S.A. - ETADE S.A. (25-Aug-2009)
40.	PPC's consolidated 1H 2009 financial results (27-Aug-2009)
41.	1H Results 2009 - Presentation to analysts (27-Aug-2009)
42.	Information for the period 1 January 2009 - 30 June 2009 - Condensed Interim Financial Statements of the Company and the Group (January 1 2009 - June 30 2009) (28-Aug-2009)
43.	Agreement between PPC and two banks (3-Sep-2009)
44.	Replacement of a BoD member of PPC S.A. (8-Sep-2009)
45.	Cyclades Interconnection Project (23-Sep-2009)
46.	Award of the construction of the new Megalopolis Unit to METKA S.A. - ETADE S.A. (23-Sep-2009)
47.	Denial of Alleged Proposal for Ownership Unbundling (25-Sep-2009)
48.	Expiration of the five year period for the collection of the year 2003 dividend (30-Sep-2009)
49.	In relation with the future operation of the lignite power plant Meliti (3-Nov-2009)
50.	9M financial results will be released on Tuesday, November 10, 2009 (3-Nov-2009)
51.	PPC' s consolidated 9M 2009 Financial Results (10-Nov-2009)
52.	9M Results 2009 - Presentation to analysts (10-Nov-2009)
53.	Information for the period 1 January 2009 - 30 September 2009 - Condensed Interim

	Financial Statements of the Company and the Group (January 1 2009 - September 30 2009) (12-Nov-2009)
54.	Necessary to increase Hydro Generation (12-Nov-2009)
55.	Contract signed for the construction of the Megalopolis Unit (13-Nov-2009)
56.	Comment on Press Article regarding PPC's 9M results (16-Nov-2009)
57.	Invitation to Extraordinary General Meeting of Shareholders on 15 Dec. 2009 (19-Nov-2009)
58.	Invitation to Special Meeting of Minority Shareholders on 17 Dec. 2009 (19-Nov-2009)
59.	Resignation of 7 members of the Board of Directors (19-Nov-2009)
60.	Announcement regarding the resignation of the 7 members of the Board of Directors (20-Nov-2009)
61.	Announcement regarding the Agenda of the Extraordinary General (25-Nov-2009)
62.	Clarifications on the Invitations to the Extraordinary General Meeting and the Special Meeting of Minority Shareholders of PPC S.A. (25-Nov-2009)
63.	Release of regulated information, Law 3556/2007 (1-Dec-2009)
64.	Resignation of Mr I. Tsarouchas from the BoD of PPC S.A. (15-Dec-2009)
65.	Results of the Extraordinary General Meeting of the Shareholders -except the minority shareholders- of PPC S.A. (15-Dec-2009)
66.	Replacement of a BoD member of PPC S.A. (17-Dec-2009)
67.	Results of the Special Meeting of the Miniority Shareholders of "Public Power Corporation S.A." (17-Dec-2009)
68.	Formation of Body of the Board of Directors of PPC S.A. (18-Dec-2009)
69.	Necessary to increase Hydro Generation (21-Dec-2009)