

### PUBLIC POWER CORPORATION S.A.

### CONDENSED FINANCIAL DATA AND INFORMATION FOR THE YEAR 1 January 2006 - 31 December 2006

(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 I.F.R.S.)

The following infromation is a general overview of the financial status of Public Power Corporation S.A. and PPC Group. We recommend to our readers before proceeding to any investing transaction to visit our site, where all the periodically financial statements are published, according to IFRS as well as the auditor's report whenever is requested.

### **COMPANY'S DETAILS**

Company's address Reg No: Appropriate Authority: Date of approval by the Board of Directors:

Certified auditor accountant: Audit company: Type of auditors' report

Web site address:

**ASSETS** 

Chalkokondyli 30 - 104 32 Athens 47829/06/B/00/2 Ministry of Development

Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Dimitrios Constantinou, Vassilios Kaminaris www.dei.gr

Athanasopoulos Panagiotis Chatziargyriou Nikolaos Giannidis Ioannis Cortessis Michail Mageirou Evangelos Marinidis Georgios

Chairman & Chief Executive Officer Member Member Member

Mergos George Membe Michalos Constantine Member Panagopoulos Ioannis Tsarouchas Ioannis Member

### **BALANCE SHEET**

### Amounts in thousands of Euro THE GROUP THE COMPANY 31.12.2006 31.12.2005 31.12.2006 31.12.2005 11.210.479 11.271.172 11.269.230 11.302.152 Total non current assets 602.520 602.031 557.834 557.834 Materials, spare parts and supplies, net 940.391 781.617 782.281 Trade receivables 941 468 Other current assets 125.948 112.719 179.242 103.894 TOTAL ASSETS 12.938.089 12.662.649 13.024.893 12.715.181 **EQUITY AND LIABILITIES** 5,876,648 5.569.425 5 876 648 5.569.788 Short term borrowings 1.150.735 1.150.803 636.080 636.080 Other curent liabilities 1.139.430 984.770 1.146.032 984.736 Total liabilities (a) 7.859.658 7.497.498 7.866.555 7,497,464 Total Shareholders' Equity (b) 5.165.151 5.217.717 5.078.43 5.158.338 Minority interests (c) 5.078.431 5.165.151 5.158.338 5.217.717 Total Equity (d)=(b)+(c)TOTAL LIABILITIES AND EQUITY (a)+(d) 12.938.089 12.662.649 13.024.893 12.715.181

# STATEMENT OF OPERATIONS

Amounts in thousa	nds of Eur	f Euro		
	THE G	ROUP	THE CO	MPANY
<u>01.0</u>	1- 31.12.2006	01.01- 31.12.2005	01.01-31.12.2006	01.01- 31.12.2005
Sales	4.787.403	4.290.860	4.787.403	4.290.860
Gross operating results	785.514	882.969	785.514	870.845
Profit before tax, financing and investing activities and				
depreciation and amortisation	739.701	900.728	733.547	895.720
Profit before tax, financing and investing activities	163.086	337.264	162.253	337.518
Profit before tax	41.991	195.502	75.979	208.763
Income tax expense	(19.907)	(65.751)	(26.767)	(62.954)
Profit after tax from continuing activities (a)	22.084	129.751	49.212	145.809
Profit after tax from discontinuing activities (b)	0	0	215	152
Profit after tax (continuing and discontiuing activities) (a)+(b)	22.084	129.751	49.427	145.961
Distributed to:				
Company's Shareholders	22.084	129.751	49.427	145.961
Minority interests	0	0	0	0
Earnings per share, basic and diluted (in Euro)	0,10	0,56	0,21	0,63

## STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of Euro				
THE GROUP		THE COMPANY		
31.12.2006	31.12.2005	31.12.2006	31.12.2005	
5.165.151	4.183.705	5.217.717	4.220.061	
22.084	129.751	49.427	145.961	
0	0	0	0	
(116.000)	(208.800)	(116.000)	(208.800)	
7.196	1.060.495	7.194	1.060.495	
0	0	0	0	
5.078.431	5.165.151	5.158.338	5.217.717	
	THE GROU 31.12.2006 5.165.151 22.084 0 (116.000) 7.196	THE GROUP 31.12.2006 31.12.2005  5.165.151 22.084 129.751 0 0 (116.000) (208.800) 7.196 1.060.495 0 0	THE GROUP         THE COM           31.12.2006         31.12.2005         31.12.2006           5.165.151         4.183.705         5.217.717           22.084         129.751         49.427           0         0         0           (116.000)         (208.800)         (116.000)           7.196         1.060.495         7.194           0         0         0	

## Additional data and information for the Group

(Amounts in thousands of Euro) 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				
	% participation	Country of incorporation	Unaudited tax years	
PPC S.A.	Parent Company	Greece	2004-2006	
PPC Renewable Sources S.A.	100%	Greece	1999-2006	
PPC Rhodes S.A. (formerly KOZEN HELLAS)	100%	Greece	1999-2006	
PPC Telecommunications S.A.	100%	Greece	2003-2006	
PPC Kriti S.A.	100%	Greece	2004-2006	

The Annual Shareholders' General Assemblies for PPC Rhodes S.A. and PPC Kriti S.A. have decided to dissolve the aforementioned companies and to initiate the appropriate procedures on July 1st, 2006. The liquidation procedures are yet to be completed. PPC Telecommunications S.A. has been audited up to December 31, 2002

	% participation	Country of incorporation	Unaudited tax years	
LARCO S.A.	28.56%	Greece	2002 - 2006	
WIND PPC HOLDING N.V.	50% minus one share	Holland		
SENCAP S.A.	50%	Greece	-	
PPC RENEWABLES – TERNA S.A.	49%	Greece	2003 -2006	
PPC RENEWABLES – MEK ENERGEIAKI S.A.	49%	Greece	2002 -2006	
PPC RENEWABLES - DIEKAT ENERGEIA MYHE GITANH				
ANONYMOS ETAIREIA PARAGOGIS HLEKTRIKHS ENERGEIAS	49%	Greece	2000 -2006	
PPC RENEWABLES ROKAS A.B.E.E	49%	Greece	2003 - 2006	
PPC RENEWABLES ELLINIKI TEXNODOMIKI TEB ENERGEIAKH S.A.	49%	Greece	2005 - 2006	
2. The accounting policies adopted in the proportion of the financial statements are consistent with those followed in the proportion of the financial statements for the vacy and				

December 31, 2005. In 2006, the Parent Company identified certain payroll obligations for which no liability had been recognised in previous periods. As a result, the Parent Company decided to proceed to a revision of, previously reported, shareholders' equity for the years ended December 31, 2005 and 2004 and before and after tax profit for 2005. The effect of the above revision on the Group's financial statements is as follows:

Decrease in shareholders' equity after deferred taxes (43,630)Profit before tax decrease (6.062)

3. There exist no burdens on the Group's fixed assets, the existence of which could materially affect the Group's financial position.

Adequate provisions have been established for all litigation.

- 5. Total payrolls of the Group number 26,345 employees and 27,395 as of 31.12.2006 and 31.12.2005, out of which 137 employees and 149 employees, respectively work exclusively for the Hellenic Transmission System Operator and for which the Parent Company is compensated.
- 6. Sales and purchases of the Group, for the twelve month period ended December 31, 2006, as well as receivables and payables, that arose from the transactions of the Group to its related companies according to IAS 24, amount to Euro 342,268, Euro 692,449, Euro 173,182 and Euro 189,516, respectively. Fees concerning management members amounted to Euro 1,759 for the twelve month period ended December 31, 2006. There are no receivables or payables to officers and members of the Board.

7. Capital expenditure of the Group for the period amounted to approximately Euro 713.3 million.

8. The final clearance and reconciliation of the balances of the PPC Personnel Insurance Organisation (PPC – PIO) has not yet been finalised.

9. The Parent Company in prior years had recorded an impairment loss on the investment of one of its associates (Larco S.A.). At December 31, 2005, the carrying amount of this as NIL. In 2006 the Group evaluated its investment using the equity method. This resulted to reverse part of its impairment loss, previously recognized, amounting to Euro 9.238. LARCO S.A. does not prepare its financial statements under International Financial Reporting 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, it was impossible to use the equity method as prescribed in IAS 28 "Investments in associates".

### Additional data and information for the Parent Company (Ammounts in thousands of Euro)

1. The Parent Company has been audited by the tax authorities up to December 31, 2003.

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, 2005. The accounting poinces adopted in the preparation of the inflancial statements are consistent with those inclowed in the preparation of the inflancial statements are consistent with the parent Company identified certain payroll obligations for which no liability had been recognised in previous periods. As a result, the Parent Company decided to proceed to a revision of previously reported, shareholders' equity for the years ended December 31, 2005 and 2004 and pre tax and after tax profit for 2005. The effect of the above revision on the Parent Company's financial statements is as follows:

2005 2004 Decrease in shareholders' equity (43,630) (37,665) Profit before tax decrease (6,062)Profit after tax decrease (5.965)

- 3. In December 2006, the Board of Directors of the Parent Company decided to proceed to the spin-off of all of its renewable energy plants and to transfer them to its 100% subsidiary PPC Renewables S.A. in exchange of shares through an equivalent increase of the subsidiary's share capital.
- 4. In April 2005, PPC participated in the tender process for the privatization of 3 power plants in Bulgaria. PPC has submitted offers for two out of the three companies (Bobov Dol and Varna) and was the highest bidder for the Bobov Dol power plant. After a legal dispute that stalled the tender procedure for the sale of Thermal Power Plant of Bobov Dol EAD for more than a year, the Privatization Agency of Bulgara with its Decision No 3074-P of July 4, 2006 declared PPC as the winning bidder, for the Bobov Dot power plant and summoned PPC to negotiations in order to complete the deal. PPC, due to the amount of time elapsed, proceeded with a confirmatory due diligence, after which negotiations were repeated in order to conclude the Agreement, until September 12, 2006. Bulgaria's Privatization Agency rescheduled, in time, the above mentioned deadline for December 11, 2006. The deadline was further extended twice for February 9, 2007 and April 10, 2007. The negotiations are currently under way.
- 5. In May 2006, PPC's Board of Directors approved the Company's Business Plan for the five year period 2006 2010, as well as a Study for the enhancement of performance and the rationalization
- of costs for the same period. The basic axis of PPC's Business Plan is the Conversion Programme under the name "HERCULES".

  6. PPC's Board of Directors, by its Decision 2/10.01.2006, approved lump sum payments of up to 20 monthly wages to employees who would retire voluntarily until December 31, 2006, subject to terms specified in the above mentioned Decision. In the period ended December 31, 2006, 139 employees filed application for voluntary retirement and the total amount recognized in the statement of income amounted to Euro 12,494. Out of this amount, Euro 6,300 will be paid in 2007.

**CASH FLOW STATEMENT** Amounts in thousands of Euro

THE COMPANY

(8.507)

189.277

(26.300)

650.000

(605.088)

(151.114)

(115.971)

(248.473)

29.351

(513.375)

189.050

(43.150)

585.000

(405.265)

(135.081)

(208.828)

9.077

20.274

(525.232)

**Cash Flows from Operating Activities** Profit before tax from continuing operations 41.991 195.502 75.979 208.763 Profit before tax from disposal group Adjustments: Depreciation and amortisation 633.523 614.152 633.523 614.152 Amortisation of customers' contributions and subsidies (56.908)(50.688)(56.908)(50.688)Fair value (gain)/ loss of derivative instruments (17.763)(14.648)(17.763)(14.648)Devaluation of fixed assets 12.767 Impairment of subsidiaries under liquidation 1.225 Reversal of impairment loss on associate (37.032) Share of loss of associates 13.214 (2.120)(14.915)Interest income (15.009)(18.271)(18.061)Sundry provisions 36.055 31.251 Impairment loss on emission rights purchased 10.100 Unrealised foreign exchange losses (gains) on interest bearing loans and borrowings (4.985)4.944 (4.985)(21.559) Unbilled revenu (32.746) (32.746) (21.559) Amortisation of loan origination fees 2.195 2.157 2.195 2.157 Interest expense 154.697 139.083 154.697 139.083 Operating profit before working capital changes 749.030 749.728 Increase / (Decrease) in: Increase / (Decrease) of materials (37.809) 29.578 29.578 (37.809)Increase / (Decrease) of receivables (155.279)(58.688)(155.695)(58.735)Increase / (Decrease) of liabilities (excluding banks) 207.825 Minus: (178.689) Income tax paid (178.766 Net Cash from Operating Activities (a) 763.767 764.032 **Cash Flows from Investing Activities** (6.624) (1.731)(1.700) Capital expenditure for fixed assets and software (728,405) (746.557) (728.405)(746.557) Disposal of fixed assets and software 21.076 18.350 21.076 18.350 Interest received 15.835 14.915 15.625

Cash and cash equivalents at the end of the year 35.537 38.176 31.535 29.351 7. In 2006, the Parent Company together with Contour Global LLP established a 50% jointly controlled entity named SENCAP S.A. whose object 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.

241

189.050

(43.150)

585.000

(405 265

(135.081)

(208.828

28.071

(207.324)

(523.708)

(8.507)

189.277

(26.300)

650.000

(605 088)

(151.114)

(115.971

(248.473)

(517.933)

8. There exist no burdens on the Parent Company's fixed assets, the existence of which could materially affect the Parent Company's financial position Adequate provisions have been established for all litigation.

Dividends received from associates

Purchases of marketable securities

Net Cash used in Investing Activities (b)

Cash Flows from Financing Activities

Net Cash used in Financing Activities (c)

Net change in short-term borrowings

Interest paid

Dividends paid

Proceeds from customers' contributions and subsidies

Proceeds from interest bearing loans and borrowings

Cash and cash equivalents at beginning of year

Principal payments of interest bearing bonds and borrowings

Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)

- 10. Total payrolls of the Parent Company number 26.345 employees and 27.394 employees as of 12.31.06 and 12.31.05 respectively, out of which 137 employees and 149 employees, respectively work exclusively for the Hellenic Transmission System Operator and for which the Parent Company is compensated.
- 11. Sales and purchases of the Parent Company to its related companies (according to IAS 24), for the twelve month period ended December 31, 2006 amount to Euro 342,500 and Euro 692,449 respectively. As at December 31, 2006 the receivables and the payables of the Parent Company due to the related companies amount to Euro 174,931 and Euro 189,516, respectively. Fees concerning management members amounted to Euro 1,759 for the twelve month period ended December 31, 2006. There are no receivables or payables to officers and members of the Board, other than payrolls or compensations for participation on the Board, respectively.

12. Capital expenditure of the Parent Company for the period, amounted to approximately Euro 713.3 million.

- 13. The issuance of the common Ministerial Decision 36028/1604 (Official Gazette 1216/B/01.09.2006) finalized the Greek National Allocation Plan for the first trading period 2005 2007. According to the above mentioned National Allocation Plan (NAP), PPC has been allocated for the period 2005 - 2007 emission allowances of 159,131 kt CO<sub>2</sub> out of which 52,224 kt CO<sub>2</sub> correspond to the year 2005, 53,297 kt CO<sub>2</sub> to the year 2006 and 53,610 kt CO<sub>2</sub> to the year 2007. In January 2006, the competent authority has issued the permits for CO<sub>2</sub> emissions of twenty-nine (29) PPC's bound plants. The allocation of emission allowances will be considered final, both for years 2005 and 2006, after the Greek competent authority settles PPC's request for additional emission allowances to "Unknown New Entrance Units". There is no emission allowances allocated to these units in (NAP) 2005 - 2007, since these units operated urgently to cover summer peak demands. However that additional allocation corresponds to a very small percentage of the total amount of emission allowances allocated to PPC's bound plants. The total CO<sub>2</sub> emissions from PPC's bound plants for 2006 that are under verification amount to 50,483 kt CO<sub>2</sub> CO<sub>2</sub> emissions for the year 2006 will be considered final by the end of the verification procedure.
- Nevertheless, for 2006 it is estimated that PPC will exhibit a surplus of emission allowances, thus economic results for 2006 will not be aggravated with emission allowances purchase expenses.

  14. The Parent Company in prior years had recorded an impairment loss on the investment of one of its associates (Larco S.A.). At December 31, 2005, the carrying amount of this investment was NIL. In 2006 due to the fact that the indications that led to the recognition of the impairment loss had been reversed, the Parent Company appointed an independent valuer to make an assessment of the recoverable amount of its investment in this associate, in accordance with the provisions of IAS 36 "Impairment of assets". As a result, in 2006 the Parent Company reversed part of the impairment loss previously recognized of Euro 37,032.

15. The final clearance and reconciliation of the balances of the PPC Personnel Insurance Organisation (PPC – PIO) has not yet been finalised.

- 16. According to Greek Law 3481/A/162/02.08.2006, article 13, paragraphs 3 and 4, the environmental terms for the continuation, completion and operation of the projects of the Acheloos River Diversion Scheme to Thessaly were approved and their compliance is a prerequisite for the realisation of the projects and for which responsibility lies with the administrator for execution and operation. Public Works 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. Under these terms, the continuation, completion and operation of the Messohora Power Plant are allowed. Based on the above-mentioned, the concessionaire of the contract has been given orders to continue with
- 17. In September 2006, the Parent Company's Board of Directors has approved PPC's participation in a tender for the lease of research and exploitation of mineral rights in a public extractive area, which is located in Vew, in the Floring prefecture. The Parent Company has submitted its offer and the evaluation process is confinued.

  18. In the context of PPC's right to replace old units with a capacity up to 1600 MW, its Board of Directors has decided for the Parent Company to take all necessary actions towards RAE and the
- Ministry of Development, in order to define the additional terms and prerequisites for a Combined Circle Unit with a capacity of 400 MW, using natural gas as a fuel, which will be implemented in Megalopolis Power Plant and which will be finished by the end of 2011.

Athens, March 27 2007

CHARMAIN & CHIEF EXECUTIVE OFFICER VICE CHAIRMAN CHIFF ACCOUNTANT CHIEF FINANCIAL OFFICER

PANAGIOTIS J. ATHANASOPOULOS NIKOLAOS D. CHATZIARGYRIOU GEORGE C. ANGELOPOULOS XENOPHON A. PRINOS