



Introduction-address

I would like to thank you all for being here today to join us in this event.

2015 has been a historical and extremely difficult year for our country, its people, all of us.

I could not be more proud of HEDNO as under these adverse circumstances that we experienced, it continued to operate in an effective and efficient way, at the same time fostering the Greek economy and the Greek electrical energy market, and reaffirm its role as a leading institutional factor of stability.

2015 report

In addition to its main activity, which is to maintain, operate and develop the Electricity Distribution Network in the mainland and on the islands, last year HEDNO took significant steps to materialize its vision whose main goal is to achieve the best possible combination between **quality services and low cost**, and make environment and the citizens a top priority.

In that context:

- ✓ We managed to reduce customer servicing times and improve the main energy quality indicators.
- ✓ We launched the 11500-customer information call center, to which we keep adding more services (night tariff requests).
- ✓ We fully utilized the benefits of the central ERP system.
- ✓ We have successfully expanded the market by gaining new suppliers.
- ✓ We had great success in applying net metering in photovoltaic systems.
- ✓ For yet another year we actively participated in the efforts to support generation of energy using renewable energy sources by addressing the connection needs of our customers in a speedy way and in line with our quality standards. (Today, we are happy to say that 56,000 RES have joined the Inter-connected Network with a total power of approximately 3,900 MW)
- ✓ We intensified the measures and inspections against electrical power theft, which is growing increasingly due to the economic crisis, thereby managing to locate 8,000 detected



infringements, i.e., an increase of 20% compared to the 2014 numbers.

In addition to our main activities, we have been working on the materialization of our vision which would first require the implementation of strategic projects of utmost importance in order to ensure modernization and transition to the new era of "Intelligent Systems" within 2015:

- ✓ We have successfully concluded a tendering procedure for the extremely important pilot project of installation of 200,000 smart meters in Low Voltage customers. Three notable partnerships participate in this tender, submitting their bids which cover a broad range of technologies through the use of different meters.
- ✓ We have added yet another significant project to our activities, GIS mapping of the Distribution Network thus completing pilot implementation in the Mesogeia and Western Macedonia regions.
- ✓ We have also set up and are moving at a quick pace towards the implementation of our 12 strategic projects aiming at the transition of our Network in the "Intelligent Networks" era, such as Distribution Control Centers, expansion of remote metering systems to Medium and Low voltage customers, etc.

Ladies and Gentlemen, HEDNO is a people-oriented company.

HEDNO's sustainable growth is based on the driving force of its people. Therefore, as our aim is to support our employees so that they make the most out of their potential and improve their performance at work, last year we gradually took the first step for an internal restructuring by setting up a new GD that would focus on critical fields of our activities and on better organizing others.

Our goal is to enhance productivity and create added value for each employee, at the same time respecting meritocracy and ensuring transparency.

I should also add that I am extremely happy to see 540 new permanent staff hires concluded; it has been a long time since we last had this and it took us great effort to achieve it.



Our vision

The steps we took last year towards modernization are part of our broader vision of evolution and empowerment of the Company, thereby making citizens and environmental protection a top priority.

The materialization of our vision is based on a comprehensive Strategic Reorganization Program that involves modernization of networks and infrastructures, operation of state-of-the-art customer service systems, staff training, know-how - oriented new hires and, finally, introduction of innovative information systems and technologies to uphold all of the above.

As we speak, we are in the process of completing the updating our Business Plan that includes investments amounting to 1.25 bln euro within a 5-year period and 12 Strategic Projects that will constitute the primary "vehicle" to drive materialization of our strategic goals.

Among these projects are the following:

- ✓ Five new state-of-the art Distribution Control Centers serving inland and insular regions.
- ✓ Enhancement of the local remote metering equipment of the regional networks.
- ✓ Completion of the GIS project that I mentioned earlier through the mapping of the Network from all the regions of the country.
- ✓ New customer information call center
- ✓ Upgrading of the planning for the development of Networks.
- ✓ Encouraging remote metering.
- ✓ Reorganization of supply chain.
- ✓ Island Energy Control Centers which will include new tools, management systems, metering systems, etc.

Finally,

- ✓ **As for the Non-Interconnected Islands**, we are working consistently to encourage growth on the Islands by means of major RES penetration –"Smart Islands"– through a pilot project which we are in the process of design, preparation and consultation with RAE.



Emphasizing innovation

What all these elaborate projects have in common is that they reflect the evolution of HEDNO into a company that will hold the position it deserves in terms of size among the European Distribution System Operators.

In parallel with the Strategic Reorganization Program, HEDNO is currently working on the way by which it will evolve into an innovation fostering platform and a Research & Development driver, in close cooperation with research institutes, universities and small and medium-sized enterprises.

At these hard times for the Greek economy, our aspiration is to support the local know-how and, by implementing cutting-edge, innovative projects, to pave the way for the development of new services and products by Greek enterprises.

HEDNO can play a leading role in the restarting of the economy and become a growth hub of an "ecosystem" where Greek universities, small and medium-sized enterprises, international investors and many other bodies and organizations will be enabled to fully utilize the know-how and, consequently, create added value for Greece and its economy.

Staff shortage

I would like to stress that in order to implement all of the above, for HEDNO to continue supporting the Greek economy, to continue evolving, upgrading and modernizing the services, HEDNO offers to the Greek citizens, it must reinforce its workforce by making new hires.

Unless HEDNO hires new, specialized staff it will not manage to improve nor upgrade the services offered to the Greek citizens neither, as it seems, manage to continue effectively and efficiently performing its main role, its main duty, the effective operation of the Network, that is, in a continuously changing, demanding environment.



Today, substantial shortage, mainly in technical staff is covered by contractors while part of our needs is covered by extraordinary hires of people who are not experienced nor trained as required.

We are all aware that these solutions are actually nothing more than a quick fix and can sabotage our efforts and subvert HEDNO's development work and role, with whatever this may entail for the Greek energy market, the Greek economy, the Greek citizens.

To this gloomy landscape that I describe to you I should also add the huge pay cuts of the Company's executive staff, the suppression of the salary pyramid and the full disconnection of fee from responsibility and performance.

Ladies and Gentlemen,
Companies are primarily their people. Our people are the ones to whom we should invest.

Successful companies share a common feature: they employ people who have the necessary drive to achieve their business targets and who, by receiving competitive and fair pay, remain engaged and effectively motivated.

We, both HEDNO and our country, will be facing a bright future if we manage to put together our immense knowledge and experience we all here share in common with the know-how of specialized young people.

Thank you very much for your presence here today.

I wish you a good year, health and advancement in life for you and your families, with all my heart!