EYDAP

Athens Water Supply & Sewerage Company

Annual Report & Annual Bulletin

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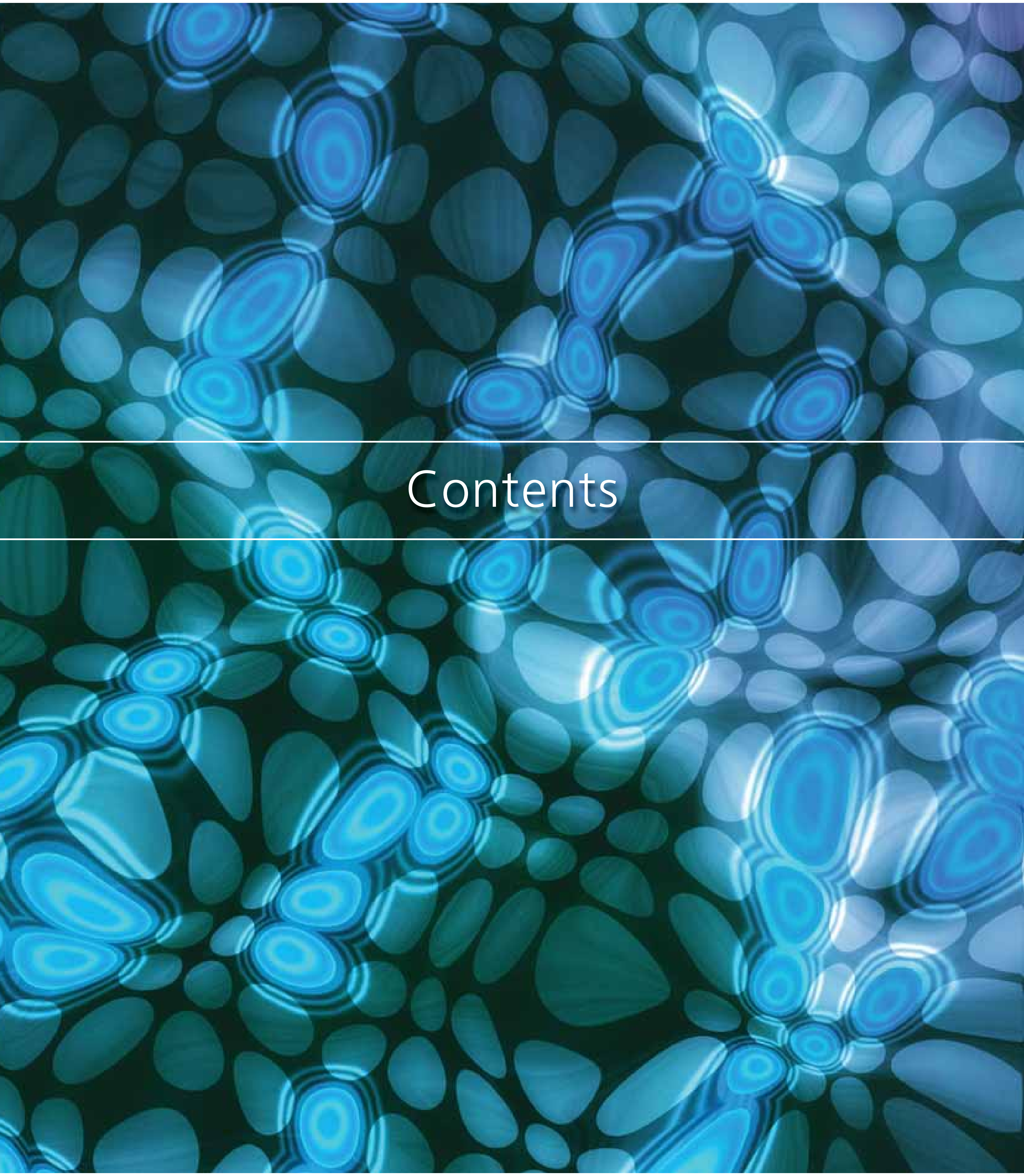


Contents

1. Company Profile

A. Background – Incorporation

The Athens Water Supply and Sewerage Company (EYDAP S.A.) is the largest of its kind in Greece. EYDAP S.A. uses state-of-the-art technology, equipment and facilities to supply water to approximately 4,300,000 residents in the Attica region through an extensive network of almost 2,030,000 water meters and a 9,500 km of water pipes. The sewerage sector serves 3,500,000 residents with sewers spreading at almost 6,000 km.

EYDAP was founded in 1980 under the «Incorporation of a Single Water Supply and Sewerage Company for Greater Athens» Act 1068/1980, pursuant to a merger of the incumbent water supplier in Athens and Piraeus «Hellenic Water Company S.A.» (EEY S.A.), and the «Greater Athens Sewerage Organization» (OAP S.A.).

In 1999, under the «Issues Related to the Athens Water Supply and Sewerage Company and other Provisions» Act 2744/1999, EYDAP S.A. took its present legal form, as all of its major assets were transferred to the company «EYDAP Assets» (Legal Entity under Public Law), thus remaining the property of the State. «EYDAP Assets» is the owner of dams, reservoirs, water towers, pumping stations and all other facilities that allow water to be transferred safely to treatment plants. Pursuant to an agreement signed between EYDAP S.A. and the Greek State in December 1999, EYDAP S.A. continues to operate the said facilities on behalf of «EYDAP Assets».

In January 2000, EYDAP S.A. was listed on the Main Market of the Athens Stock Exchange.

It should be noted that in 2005 the «State Companies and Organizations (DEKO)» Act 3429/2005 was passed, stipulating specific provisions for such entities. More precisely, publicly held companies (listed on a stock exchange) in which the State holds majority or minority stakes, are not considered as «State-Owned». Those companies are managed, organized and operate under Companies Act 2190/1920 and "Corporate Governance" Act 3016/2002.

EYDAP's company-owned headquarters are located in the Municipality of Galatsi, at 156, Oropou str., 111 46, tel.: +30.210-214.4444.

B. Object – Operations

EYDAP's object is stipulated in l.2744/1999 and its amendments, as described in the Joint Decision of the Ministers of Economy, Finance, Environment, Physical Planning and Public Works. The company's object is:

(a) To provide water-supply and sewerage services, as well as to design, construct, install, operate, manage, maintain, expand and upgrade water-supply and sewerage systems. These activities and projects include the pumping, desalination, processing, storage, transfer, distribution and management of all kinds of water, as a means of serving EYDAP's object. Other activities and projects include the collection, transfer, process, storage, management and disposal of wastewater treatment products.

(b) To provide telecommunications-related, energy-related, and sundry other services, and to exploit the water supply and sewerage system for other parallel objects, such as the deployment of telecommunications-related and energy-related operations, as an exception to the prohibitions of article 11, par. 8 of l.2744/1999 and upon condition that the safe and reliable operation of the system is not jeopardized.

(c) To explore and exploit natural springs and water resources, produce bottled water and sundry other refreshments or beverages that contain water.

(d) To utilize know-how and offer technical support.

(e) To undertake investments related to the scope and object of the company.

Under article 2 of l.2744/1999, EYDAP has been granted the exclusive right to provide water-supply and sewerage services in the geographical area of its jurisdiction for a period of 20 years, commencing on October 25, 1999. It is noted that due to the nature of the product and existing infrastructure, the provision of water-supply and sewerage services is a natural monopoly.

Under l.2939/2001 (Government Gazette 179/06-08-2001), EYDAP continues to be the exclusive client of projects related to the entire water supply system of the Greater Attica region, even after the adoption of l.2744/1999. The said projects include those which are co-financed by EU's Cohesion Fund. EYDAP may retrospectively collect the subsidy provided by the Cohesion Fund, for costs incurred after the adoption of l.2744/1999.

The enactment of l.4053/2012, whereby EYDAP may provide the full range of services specified in the l.2744/1999 also outside its area of responsibility, through subsidiaries and through the signing of framework agreements with local authorities, establishes a new growth framework for the Company, expanding the market in which it can operate and develop.

C. Outlook

The extroversion strategy, towards domestic and international growth, has been a strategic pillar also for 2011. More specifically, the strategic priorities set are:

- Upgrade of provided services, preserving a low-tariff policy, due to the economies of scale exploitation in the whole range of corporate activities (water production, processing, distribution, wastewater collection and sewerage treatment).
- Added-value generation by further exploitation of existing infrastructure in Attica, including wastewater effluent reuse projects for the benefit of our customers - citizens and the environment.
- Expansion of added value services in order to resolve definitely the issues of water supply and sanitation in the islands and mainland of Greece, under the scope of sustainability and good environmental practices.
- Expansion of services abroad with the aim of establishing the Company as a key international player in the field of water and sanitation.

Moreover, the Company continued the effort to enhance and strengthen the activities for the **protection of the environment**, the **upgrade of water and sanitation services**, and **business modernization** in order to **improve the level of customer service**.

D. EYDAP NISON S.A.

In July 2011, «EYDAP NISON S.A.» was established, in the share capital of which EYDAP S.A. participates at 100%. The scope of the Company is to provide water and wastewater services as well as a variety of activities related to the above, in the Greek islands territory.

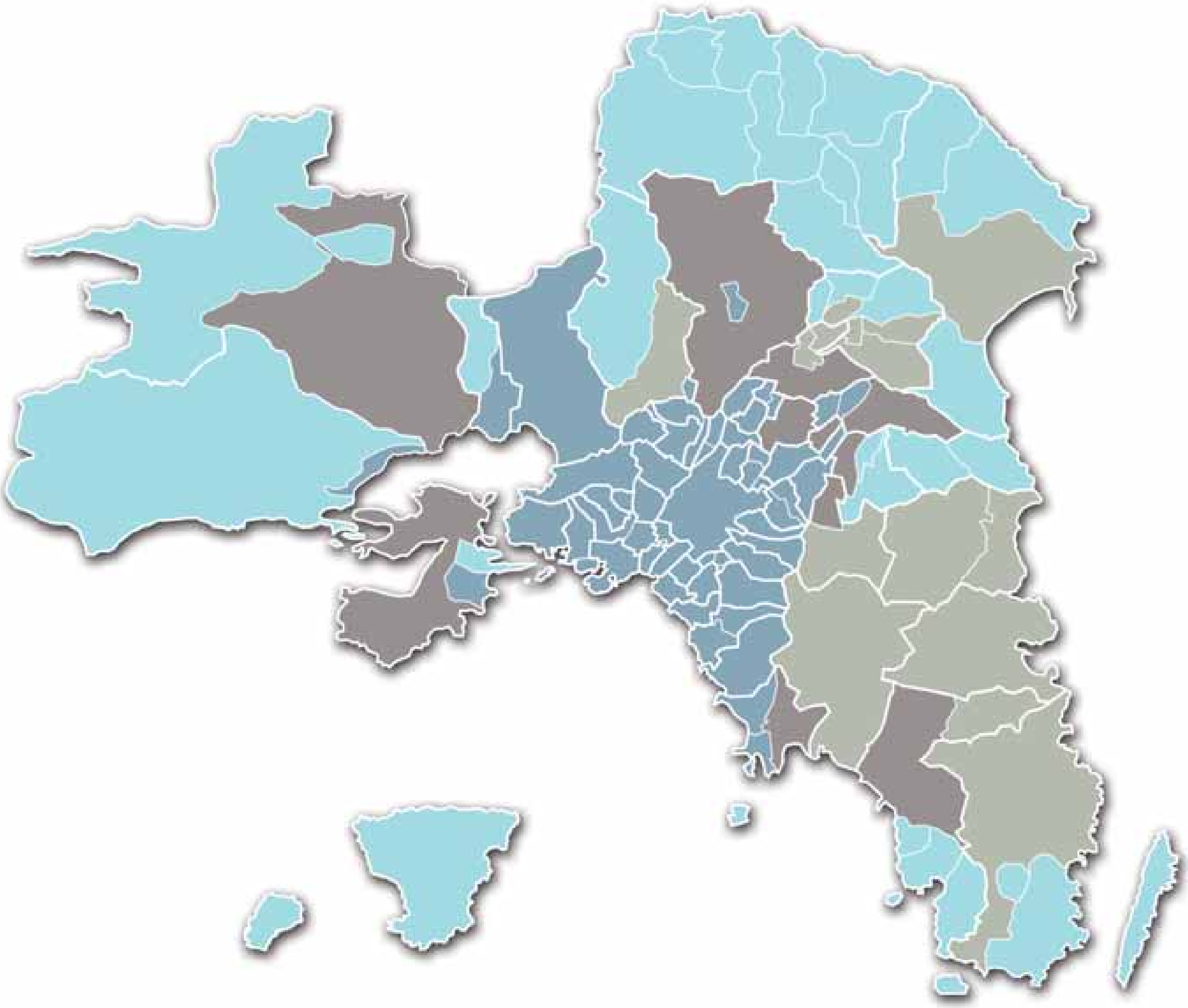
The aim of this initiative is to exploit the expertise of EYDAP S.A. in order to provide water and sewerage services to the Greek islands.

Already there have been discussions and current situation mapping in the following islands: Lefkada, Hydra, Sikinos, Folegandros, Kimolos, Agkistri, Elafonissos, Naxos (and Heraclea, Schinousa, Koufonissi, Donousa), Chalki, Milos, Agathonisi, Amorgos, Oinousses, Psara. EYDAP NISON has already submitted proposals to five of them, Lefkada, Hydra, Kimolos, Folegandros and Sikinos, and soon respective proposals are expected to be compiled and submitted to the rest of the islands under discussion.

E. Area of Service

EYDAP's area of service is the greater metropolitan area of Athens, as determined by l.1068/1980, under which the company has been incorporated. Moreover, under l.2744/1999, EYDAP has the exclusive right to provide water-supply and sewerage services in the geographical area of its jurisdiction. This right is non-transferable and non-delegable, and applies for a period of 20 years. The said duration and its renewal are specified in the Agreement signed between EYDAP and the Greek State. This Agreement was signed in December 1999.

More specifically, EYDAP's area of service covers the following Municipalities and Municipal Groups, either directly (retail) or through bulk water supply:



MUNICIPALITIES AND MUNICIPAL GROUPS WITHIN EYDAP'S AREA OF SERVICE

- DIRECT WATER SUPPLY FROM EYDAP
- BULK WATER SUPPLY TO MUNICIPAL NETWORKS
- JOINT WATER SUPPLY SYSTEM

MUNICIPALITIES AND MUNICIPAL GROUPS OUTSIDE EYDAP'S AREA OF SERVICE

- WATER SUPPLY WITH OR WITHOUT PARTICIPATION OF EYDAP IN THE LOCAL NETWORK OPERATION

Municipalities and Municipal Groups within EYDAP's Area of Service

DIRECT WATER SUPPLY FROM EYDAP

- Ag. Anargiri - Kamatero
- Ag. Dimitrios
- Ag. Paraskevi
- Ag. Varvara
- Alimos
- Aspropyrgos
- Athens
- Dafni – Ymittos
- Egaleo
- Elefsina (Elefsina)
- Elliniko – Argiroupoli
- Filothei – Psychiko
- Galatsi
- Haidari
- Halandri
- Ilion
- Ilioupoli
- Iraklio
- Kallithea
- Keratsini – Drapetsona
- Kessariani
- Korydallos
- Lykovrisi – Pefki
- Melissia (Penteli)
- Metamorphosis
- Moschato – Tavros
- N. Ionia
- N. Penteli (Penteli)
- N. Smyrni
- Nikea – Ag. Ioannis Rentis
- P. Faliro
- Papagou – Holargos
- Perama
- Peristeri
- Petroupoli
- Philadelphia – Halkidona
- Piraeus
- Thrakomakedones (Acharnes)
- Voula (Vari – Voula – Vouliagmeni)
- Vouliagmeni (Vari – Voula – Vouliagmeni)
- Vyronas
- Zefiri (Fyli)
- Zografou

BULK WATER SUPPLY TO MUNICIPAL NETWORKS (*)

- Anixi (Dionyssos)
- Ano Liosia (Fyli)
- Dionysos (Dionyssos)
- Drosia (Dionyssos)
- Ekali (Kifisia)
- Keratea (Lavreotiki)
- Kouvaras (Saronikos)
- Kropia
- Mandra (Mandra – Eidyllia)
- Marathon (Marathon)
- Markopoulo Mesogaias
- N. Erythrea (Kifisia)
- Peania (Peania)
- Rodopolis (Dionyssos)
- Spata – Artemida
- Vrilissia

JOINT WATER SUPPLY SYSTEM (**)

- Acharnes (Acharnes)
- Amarousion
- Gerakas (Pallini)
- Gluka Nera Peania
- Glyfada
- Kalyvia Thorikou (Saronikos)
- Kantza (Pallini)
- Kifisia (Kifisia)
- N. Peramos (Megareon)
- Penteli (Penteli)
- Salamina, Kamatero and Selinia (Salamina)
- Vari (Vari – Voula – Vouliagmeni)

Municipalities and Municipal Groups outside EYDAP's Area of Service

WATER SUPPLY WITH OR WITHOUT PARTICIPATION OF EYDAP IN THE LOCAL NETWORK OPERATION

- Ag. Stefanos, Kryoneri, Stamata (Dionysos)
- Agkistri
- Ampelakia except for Kamatero and Selinia (Salamina)
- Anavyssos, P. Fokea, Saronida (Saronikos)
- Anthousa and Pallini except for Kantza (Pallini)
- Egina
- Fyli (Fyli)
- Lavreotiki, Ag. Konstantinos (Lavreotiki)
- Magoula (Elefsina)
- Megara (Megareon)
- N. Makri, Varnavas, Grammatiko (Marathonas)
- Oropos, Kalamos, Malakasa, Afidnes, Kapandriti, Markopoulo Oropou, Polydendri, Sykamino (Oropos)
- Rafina – Pikermi
- Villia, Erythres, Inoi (Mandra – Eidyllia)

* Areas serviced by EYDAP via municipal networks. EYDAP is not involved nor is responsible for the operation of these local networks.

** Areas serviced by means of a joint system, i.e. partly covered by EYDAP's network and partly by local private or municipal networks.

Moreover, there is a number of Municipalities, Municipal Groups and Settlements outside EYDAP's geographical jurisdiction, yet serviced by EYDAP through bulk water supply to local authorities and without EYDAP's involvement in the operation of the local networks. Finally, EYDAP supplies water to certain islands that belong to the Cyclades Prefecture, as well as to various towns in Prefectures along the Mornos and Yliki reservoirs.

It should be also noted that under l.2744/1999 and the Joint Decision of the Ministers of Economy, Finance, Environment, Physical Planning and Public Works, EYDAP may also expand its operations to other areas within or outside the Attica region. Before each attempted expansion, EYDAP is required to investigate and ensure the feasibility of the effected investment, as well as to secure all necessary funds.

The enactment of l.4053/2012, whereby EYDAP may provide the full range of services specified in the l. 2744/1999 also outside its area of responsibility, through subsidiaries and through the signing of framework agreements with local authorities, establishes a new growth framework for the Company, expanding the market in which it can operate and develop.

To meet its obligation and provide water-supply services in the greater metropolitan area of Athens, EYDAP obtains, under certain agreements, raw water from adequate resources that belong to the Greek State. According to l.2744/1999 and the Agreement that EYDAP signed with the Greek State in December 1999, the cost for this raw water will be set off against the cost incurred by EYDAP for the maintenance and operation of the assets that belong to «EYDAP Assets» (Legal Entity under Public Law).

F. Board of Directors

Composition of the Board of Directors (31/12/2011)

Name	Position
Themistoklis Lekkas	Chairman of the BoD – executive member
Nikolaos Bardis	Chief Executive Officer – executive member
Antonios Antonopoulos	Non-executive member
Georgios Kontoroupis	Non-executive member
Panayotis Beis	Non-executive member
Dionysios Asimakopoulos	Non-executive member
Antonios Kotsonis	Non-executive member
Nikolaos Kogioumtsis	Non-executive member
Epameinondas Sklavenitis	Non-executive member
Panayotis Skoularikis	Non-executive member
Christos Mistriotis	Non-executive member
Emmanouel Aggelakis	Non-executive member
Evagelos Moutafis	Non-executive member

II. Corporate Governance

EYDAP is committed to apply Corporate Governance principles throughout its operations. Along these lines, the Company approaches decision-making through business ethics and pledges to uphold the interests of its shareholders and all other related parties.

A. Board of Directors: Composition and Functions

The Board of Directors is the company's highest administrative body. Its main function is to formulate the company's strategy and development policy. In general, the Board of Directors resolves on issues that aim to facilitate the implementation of the company's objects, while it monitors the progress and implementation of the company's operations.

More precisely, the Board of Director is authorized to resolve on any issue that pertains to the administration and representation of the company, as well as on the management of the company's assets. The Board of Directors is not authorized to resolve on issues that according to the law or the company's Articles of Incorporation fall under the exclusive jurisdiction of the General Meeting.

The company's Board of Directors is elected by the General Meeting of Shareholders to a five-year term.

The term of the current Board of Directors which was elected during the Repeat Extraordinary General Meeting of Shareholders on May 4th, 2010 ends on June 2013. Of the board's thirteen members, two are executive – the Chairman and the Chief Executive Officer– whereas eleven are non-executive. Of the non-executive members, one member is independent according to the l.3016/2002 and l.3693/2008.

It should be noted that, apart from the shareholders' representatives that are elected by the General Meeting, the Board of Directors also comprises two representatives of the company's employees and two representatives of minority interests' shareholders.

The members of the Board of Directors may not be related with each other by blood or marriage up to the third degree, nor contractors or suppliers of the company, nor members of a Board of Directors or employees of another company who holds business relations with EYDAP S.A. Nevertheless, the members of EYDAP's Board of Directors may be members of the Board of Directors or employees of an affiliated company.

The Board of Directors convenes at least once a month. In 2011, the Board of Directors met 26 times.

Compensation of BoD Members	2011
Compensation of Chairman & Managing Director (and of executive members)	132
Compensation & Meeting Fees of BoD Members	75

B. Internal Audit and Audit Committee

The company's internal audit is carried out by the Internal Audit Department, which is an independent organizational unit that reports to the company's Board of Directors. The work of the Internal Audit Department is supervised by the Board of Directors' Inspection Committee, instituted by resolution of the Board of Directors and comprising three non-executive BoD members, one of which is independent, in accordance with l.3693/2008.

The Internal Audit Department's object is:

- To examine and evaluate the adequacy and efficiency of the company's Internal Audit System and to ascertain whether this system provides logical assurance regarding:
  - Compliance with the general functions of the Company and current legislation,
  - The security of the company's assets,
  - The economical and effective use of resources,
  - The reliability of the financial statements,
  - The reliability and integrity of the information used in decision-making.
- To inform the Management about the results of audits and recommend corrective actions.
- To assess past actions taken in the course of rectifying audit issues previously identified and brought to the attention of the Management.

Among the Department's responsibilities, the following are included:

- Monitoring of the implementation and constant compliance with the company's Bylaws and Articles of Incorporation, as well as with relevant legislation and particular laws which regulate the operations of companies and the stock market.

- Reporting to the company's Board of Directors conflict-of-interest issues related to the BoD members or senior executives, which are detected during the performance of the department's duties.

The Internal Audit Department fulfills its object by inspecting, controlling and evaluating functions and procedures, as well as by bringing relevant findings to attention and providing analyses, evaluations and recommendations that may improve the company's functions.

C. Investor Relations and Communication with Shareholders

EYDAP ensures the timely, equal and cost-effective communication with Shareholders and Investors on issues that pertain to corporate activities. Investor relations and communication with shareholders have been assigned to the following departments:

Shareholder and Investor Relations Department

The Department's main object is to ensure the timely, direct and equal dissemination of information to shareholders, to assist them on issues that pertain to the exercise of their rights, as well as to institutional investors and analysts with respect to the company's progress on financial, growth and strategic levels.

More specifically, the Shareholder and Investor Relations Department is responsible to inform shareholders on issues that concern the distribution of dividends, the dates of General Meetings and the resolutions thereof. The same department is also authorized to distribute the Annual Report in the General Meeting, dispatch corporate publications to any interested shareholder, keep and update the company's Register of Shareholders and communicate any changes thereof to the Central Securities Depository. Last but not least, the department is responsible to inform the company's investors on issues that concern the progress of its operations, as well as on business developments that may affect the company's stock value.

Ilias Dedoussis,
Deputy Director of Financial Division,
responsible for Investors Relations
e-mail: investor.relations@eydap.gr
tel.: +30.210.214.4032

George Barbas,
Shareholder Relations Manager
e-mail: eydap-met@eydap.gr
tel.: +30.210.214.4400–1, **fax:** +30.210.214.4437

Corporate Communications Department

The Corporate Communications Department is responsible for the company's compliance with the regulatory framework set by the Greek Securities and Exchange Commission ('Hellenic Capital Market Commission') as well as with the communications requirements determined by the investment community.

More specifically, the duty of the Corporate Communications Department is to publish preferential information, notify transactions held by the company's related parties, and submit the company's reports and bulletins to the Hellenic Capital Market Commission and the Athens Stock Exchange.

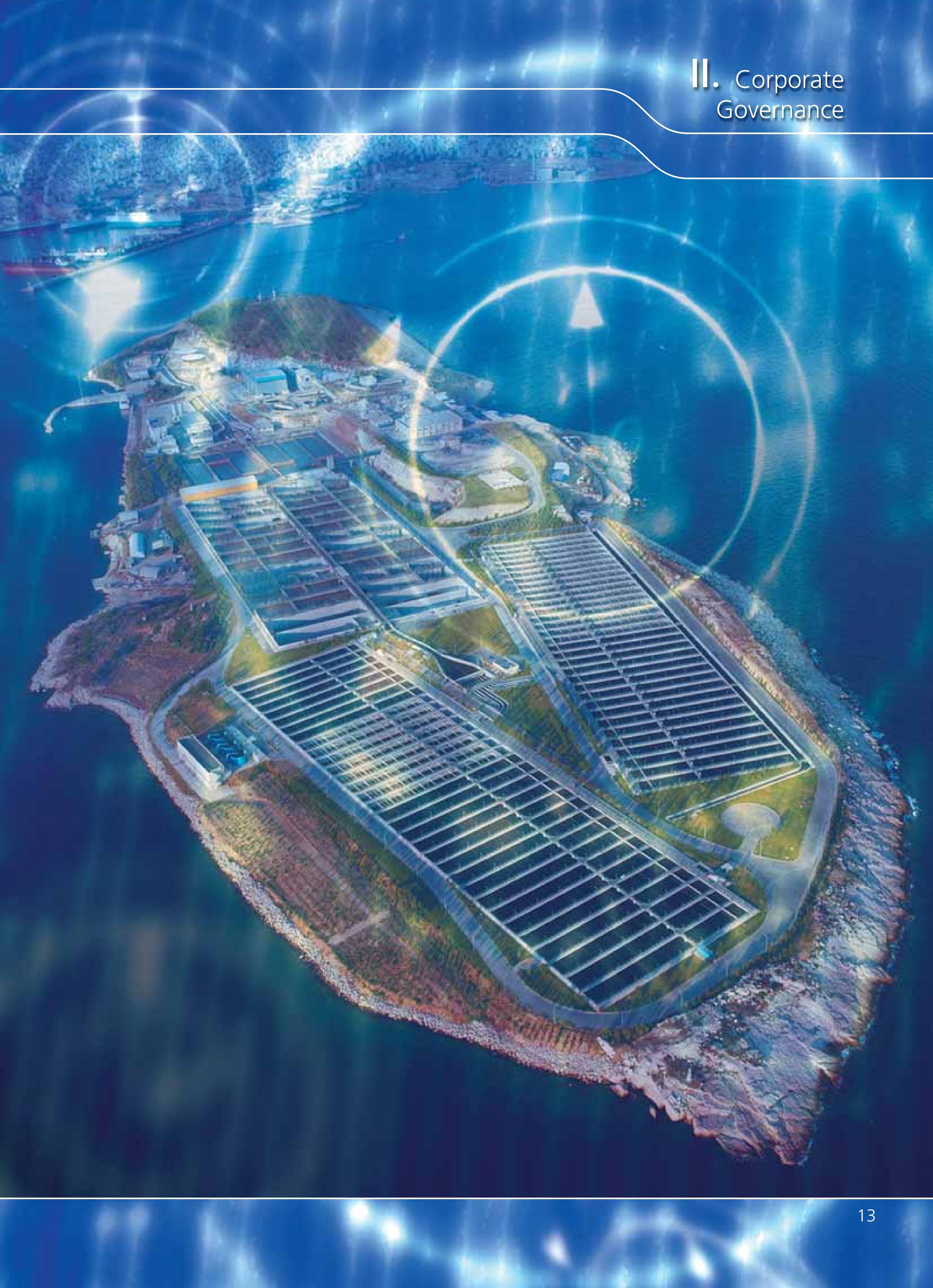
Margarita Gamaletsou,
Corporate Communications Manager
e-mail: etairanak@eydap.gr
tel.: +30.210.749.5443, **fax:** +30.210.749.5376

D. Code of Corporate Governance

Following the provisions of the new institutional framework (l.3873/2010 and Hellenic Capital Market Commission Directive dated 10/02/2011), the Company compiled the Code of Corporate Governance, which facilitates the formulation of policies and practices of corporate governance according to the specific needs of EYDAP. More precisely, the Code includes all the practices that are followed as far as the BoD responsibilities, the internal audit, the compensation and the relations with shareholders are concerned.

The «Code of Corporate Governance of EYDAP» was adopted by the Board of Directors (BoD Resolution 17214/29.03.2011) and then was submitted to the Hellenic Capital Market Commission (Ref. 5269/31.03.2011). The Corporate Governance Code is also available on the website of the Company (www.eydap.gr).

II. Corporate Governance



III. Corporate Responsibility

As a company that supplies and manages the most important natural resource – water – and given the challenges involved in its business operations, EYDAP has warmly embraced and effectively implemented the principles of Corporate Social Responsibility across its operations, actively demonstrating its utmost concern for the environment, the society and the individual. EYDAP, day by day, is committing further to greater progress and further adoption of new initiatives that would benefit the entire society.

A. Environment

In recent years, the sensitivity of people, governments and enterprises towards environmental protection has increased dramatically. As a company involved in the supply and management of water, EYDAP could not stay idle. The principles that run across environmental protection, sustainability and proper utilization of water resources and the retention of equilibrium in ecosystems are the main pillars of EYDAP's environmental policy.

The company's approach to environmental protection is realized through concrete initiatives in the following fields:

Less energy consumption – Lower environmental burden

- Exploitation of the biogas produced at the Wastewater Treatment Plant to generate thermoelectric power.
- Exploitation of the hydraulic energy produced during the transfer of water across aqueducts to generate electric power at small hydroelectric stations.
- Investment in more efficient – hence less energy consuming – equipment and facilities.
- Sludge treatment and exploitation at Water and Wastewater Treatment Plants.
- Research and planning for reuse of treated water from WWTP in Psyttalia for irrigation and other secondary uses.

Protection of marine life

- Treatment of greater Athens sewage and wastewater and construction of new treatment facilities.
- Control of materials disposed in the company's sewerage network.

Protection and optimal use of water resources

- Improvement and upgrade of the company's water supply network to minimize leakage.
- Gradual water-meters replacement plan.
- Operation of a Central Water Resource Management System.
- Operation of a Geographical Network Information and Management System to ensure proper maintenance of the water supply network and prevent faults and leaks.

Environmental sensitivity and awareness

- Environmental seminars organized by EYDAP for pupils and students across all the education levels. The seminars are attended by approximately 20,000 students every year and free brochures are handed to attendants.
- Website section dedicated to inform the citizens of the need to protect water resources.
- Free brochures to the customers, as an annex to their bills, with information on the proper use of water.
- 3D movie for children, aiming to increase awareness among younger audiences on the protection of the environment and natural resources.
- Online games for children to increase awareness among younger audiences on the proper use of water.

B. Human Resources

In an effort to upkeep its positive social profile among its employees, and applying new HR management techniques, the company:

- Offers the opportunity to its employees to enhance their skills and qualities. In particular within 2011, during the first semester 113 modules were held and during the second semester 117 modules were held, with more than 2,000 staff participations.
- Covers exclusively or partly the fees for Personnel Training courses run by other institutions (outside EYDAP).
- Covers exclusively or partly extraordinary medical expenses of its employees.
- Offers loans to its employees for immediate unforeseen expenses or for the purchase of new personal computers.

- Organizes entertainment events for its retired staff members.
- Offers gifts and organizes various celebration events for the employees' children.

C. Society

As a company burdened with the task to satisfy one of its customers' vital needs, EYDAP has adopted a society-oriented approach which is realized through benefits, decisions and actions that manifest the company's civil sensitivity. The company's social policy is materialized through:

Care for its Customers

- Financial or material support to disadvantaged social groups or people in need.
- Lower tariffs for special customers such as charity organizations, families with many children, hospitals etc.
- Favorable settlement for excessive charges due to unnoticed leakage.

Culture

- Preservation and retrieval of film material from ULEN archives and production of a documentary that presents the construction of the dam in Lake Marathon and related activities in 1930s.
- Operation of a small museum at Lake Marathon, with exhibits related to the construction of the dam in 1925.
- Cultural events with environmental scope and character.

D. Responsible Business Practice

Corporate Governance

- Endorsement of Corporate Governance Principles, in accordance with applicable law.
- Representation of minority shareholders and employees in the Board of Directors.
- Internal Audit Committee.
- Code of Corporate Governance compilation

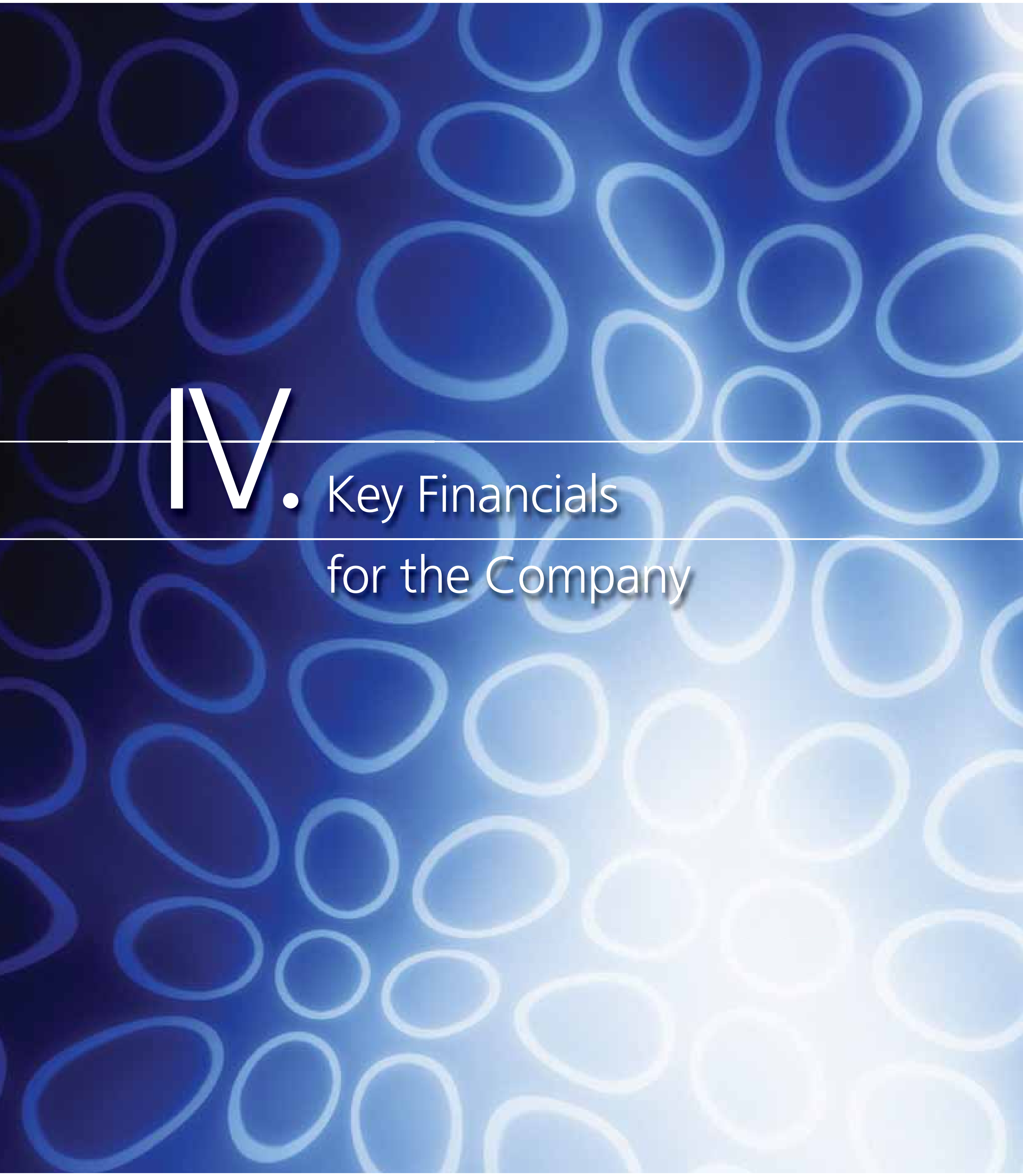
Water Quality

- Daily checks on water derived from three different sampling spots: water reservoirs of Mornos, Yliki and Marathon, water treatment plants and the water supply network.
- ISO EN 17025 accreditation of the Chemical Laboratories at Galatsi and Polydendri and the Microbiology Laboratory.
- Conduct of about 80,000 chemical and microbiological tests annually.

Customer Service

- Updating of the Consumer Charter of Obligations (COC) to meet the current needs of service despite the fact that the Company is not subject to l.3249/2005, which refers to the obligation of public bodies to draw up Consumer Charters.
- Collaboration with independent organizations such as the Ombudsman and the Consumer Ombudsman.
- Online customer service applications at the Company's website.

III. Corporate Responsibility

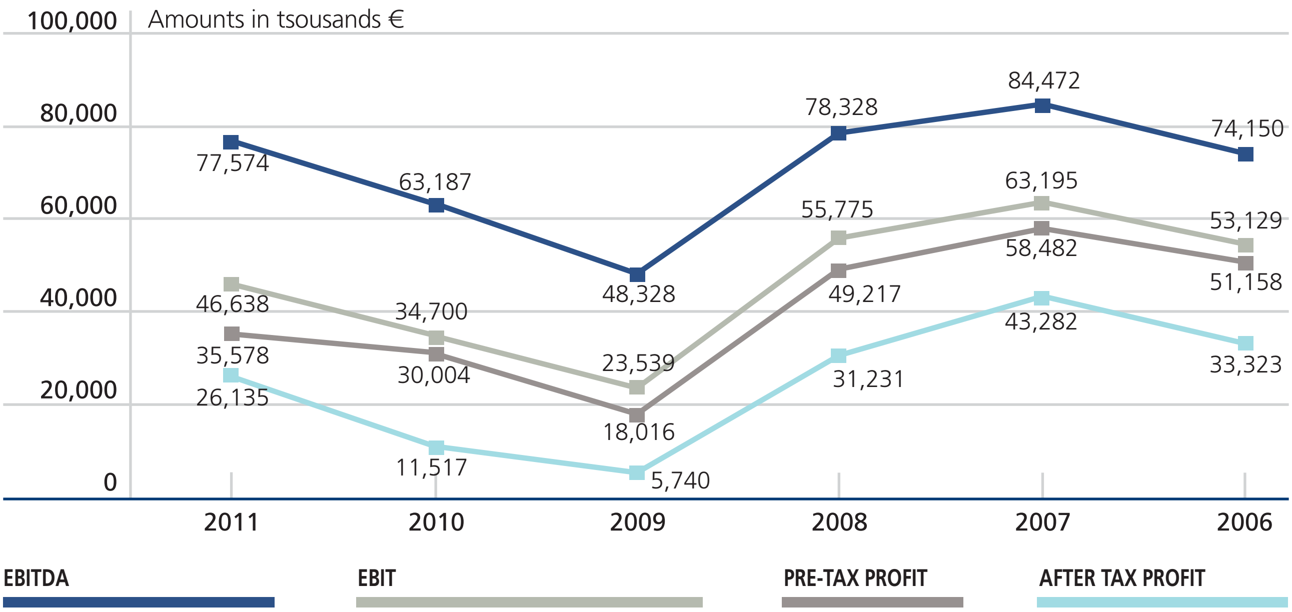


IV. Key Financials for the Company

A. Key Financial Figures & Ratios

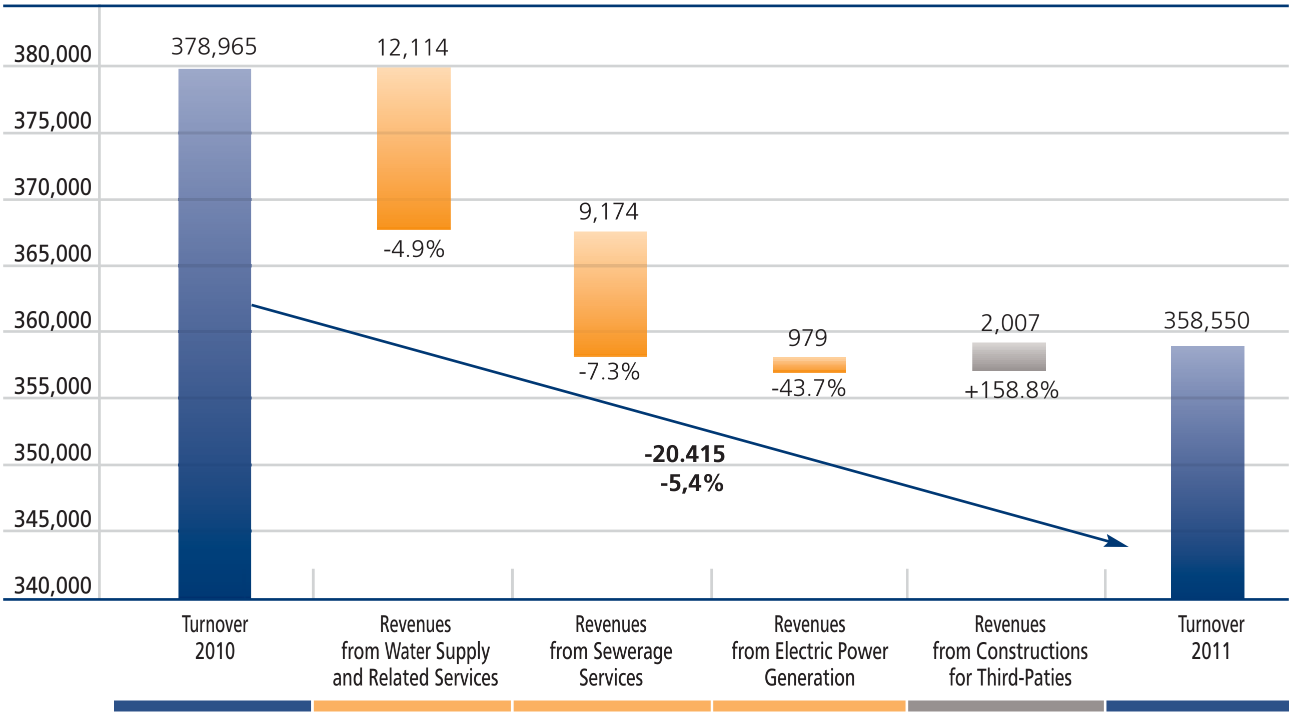
amounts in tsousands €	2011	2010	2009	2008	2007	2006
TOTAL ASSETS	1,658,155	1,624,267	1,555,791	1,510,281	1,444,238	1,413,139
INVESTED CAPITAL (1)	1,032,272	1,007,170	991,690	972,224	915,052	887,662
EQUITY CAPITAL	852,518	830,848	821,511	829,489	813,698	781,325
REVENUE	358,550	378,965	386,174	403,161	388,417	361,995
OPERATING INCOME (EBITDA)	77,574	63,187	48,328	78,328	84,472	74,150
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	46,638	34,700	23,539	55,775	63,195	53,129
PRE-TAX PROFIT	35,578	30,004	18,016	49,217	58,482	51,158
AFTER TAX PROFIT	26,135	11,517	5,740	31,231	43,282	33,323
amounts in €	2011	2010	2009	2008	2007	2006
AFTER TAX PROFIT PER SHARE	0.25	0.11	0.05	0.29	0.41	0.31
DIVIDEND	18,105,000	4,260,000	2,130,000	13,845,000	14,910,000	11,715,000
DIVIDEND PER SHARE	0.17	0.04	0.02	0.13	0.14	0.11
NUMBER OF SHARES	106,500,000	106,500,000	106,500,000	106,500,000	106,500,000	106,500,000
	2011	2010	2009	2008	2007	2006
COVERAGE OF FINANCIAL EXPENSES (2)	2.94	3.27	2.61	5.70	8.31	11.88
NET DEBT TO EQUITY	0.21	0.21	0.21	0.17	0.12	0.14
NET DEBT TO OPERATING INCOME (EDITDA)	2.32	2.79	3.52	1.82	1.20	1.43
RETURN ON INVESTED CAPITAL (3)	3.6%	2.6%	1.8%	4.3%	5.2%	4.2%

(1): Equity Capital plus Invested Loans, (2): EBIT to Financial Expenses, (3): EBIT*(1-T) / Invested Capital



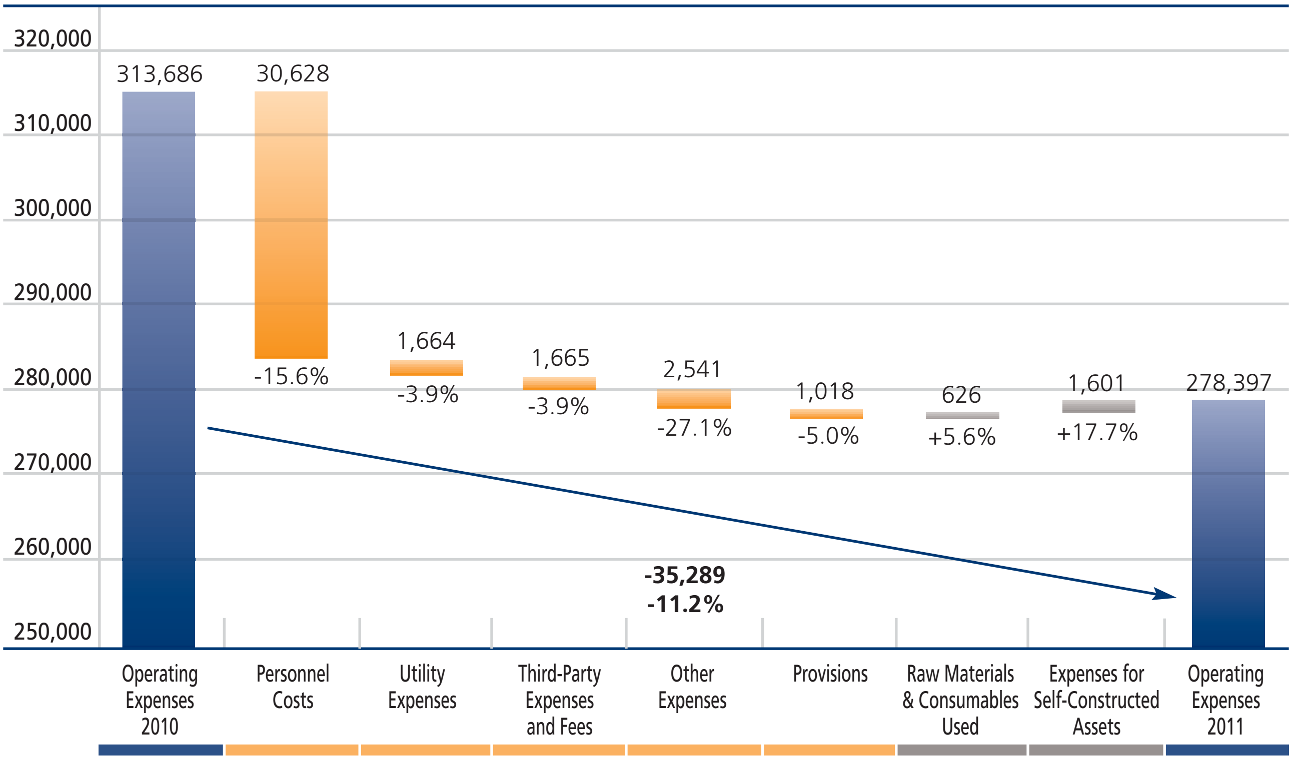
TURNOVER 2011

amounts in thousands of €



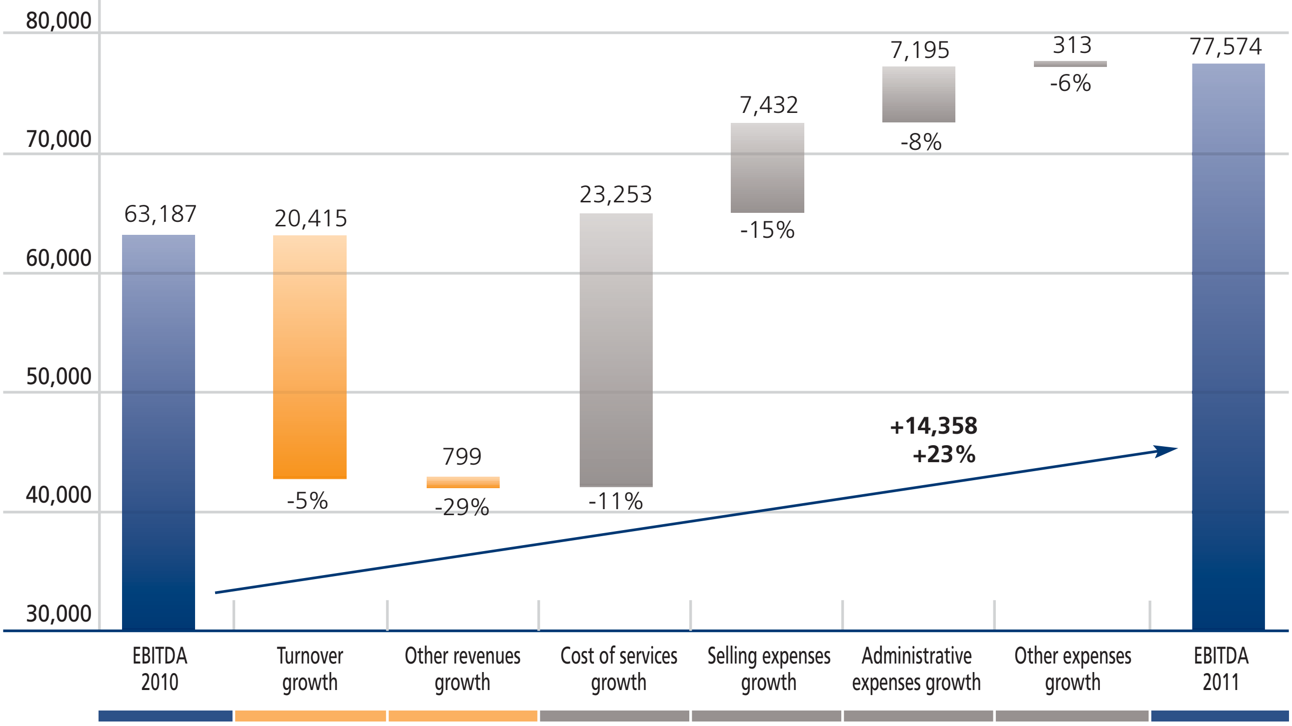
OPERATING EXPENSES 2011

amounts in thousands of €



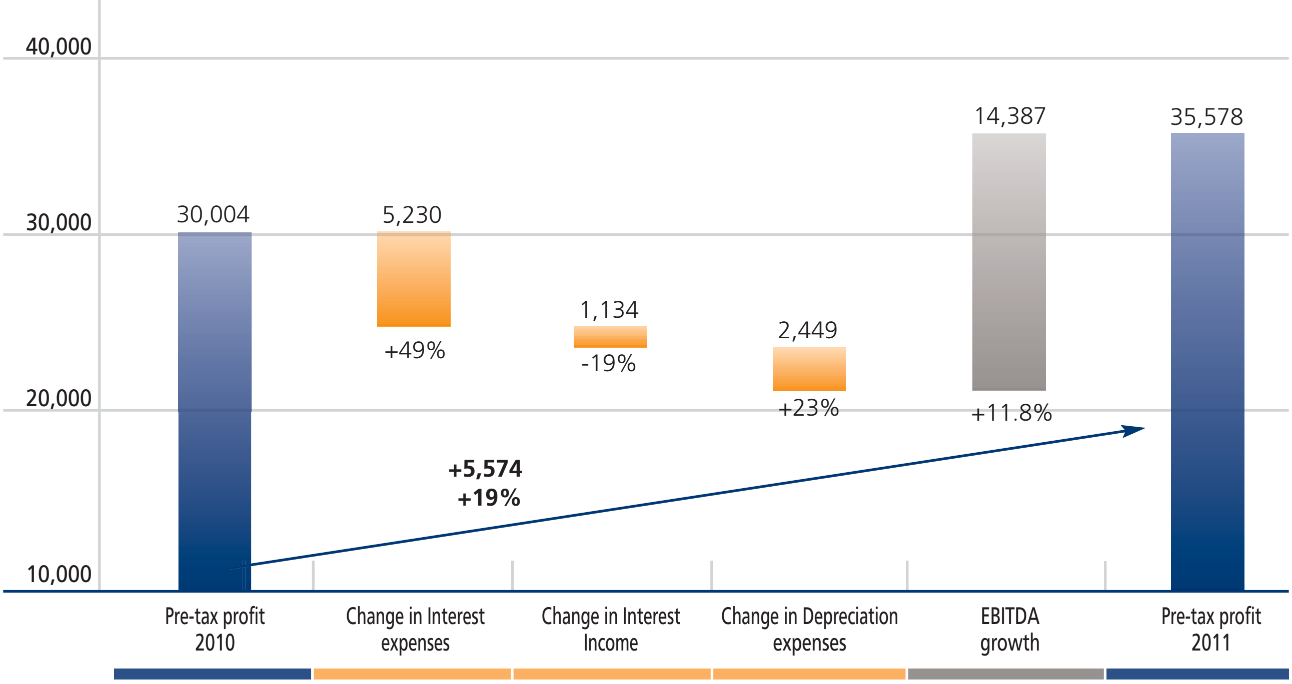
EBITDA 2011

amounts in thousands of €

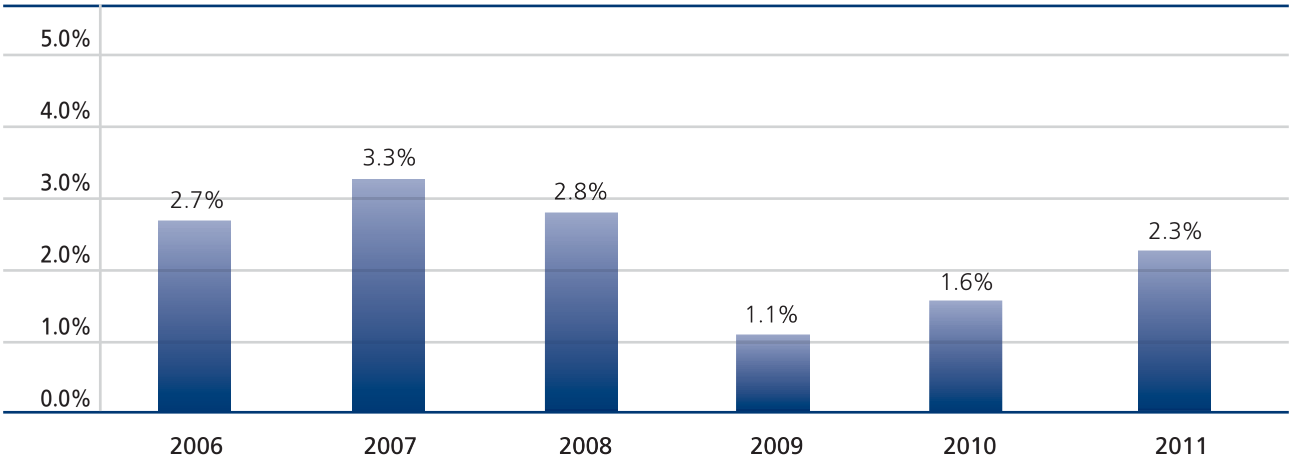


PRE-TAX PROFIT 2011

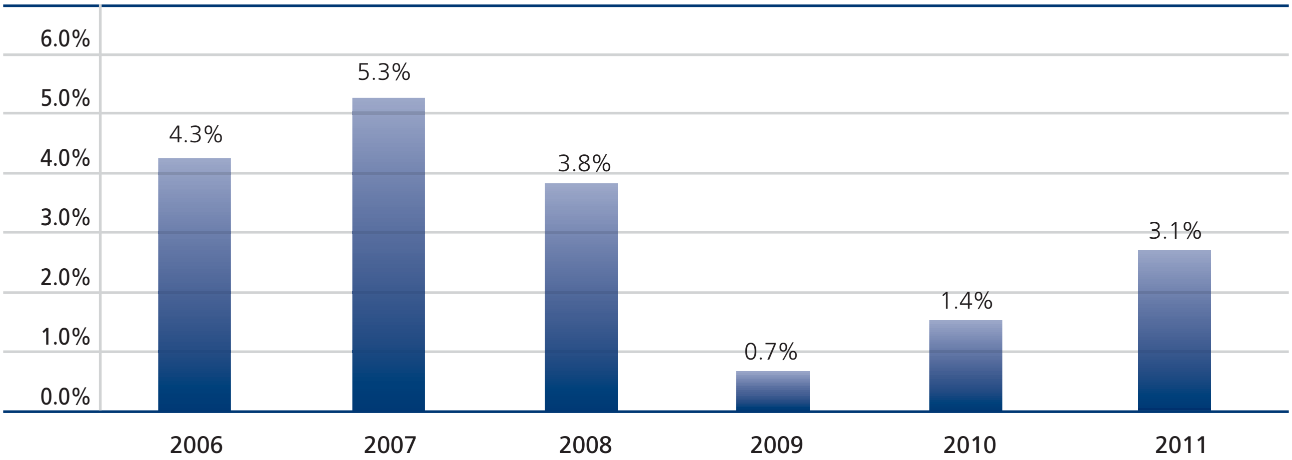
amounts in thousands of €



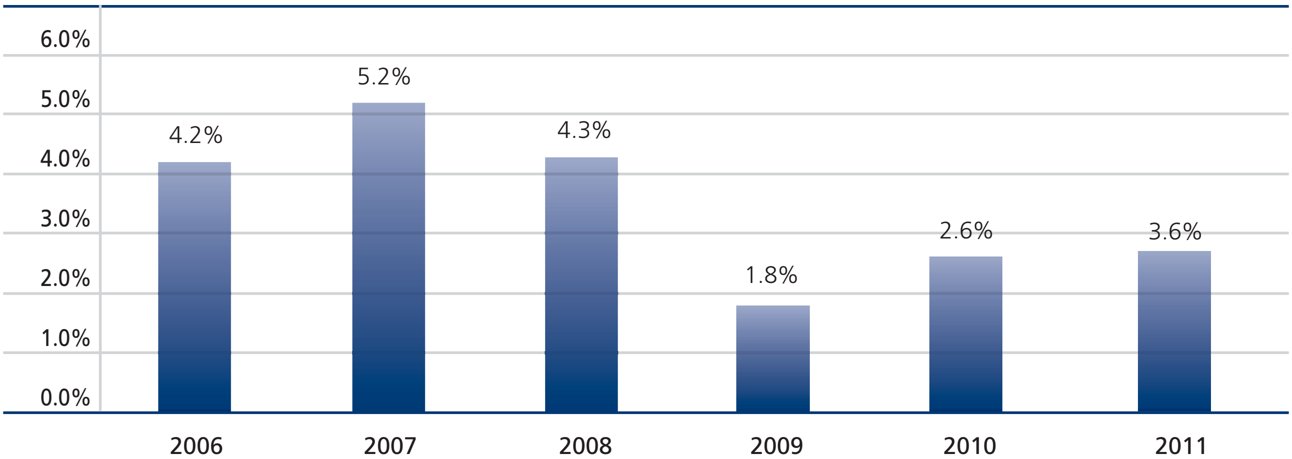
RETURN ON ASSETS (ROA)



RETURN ON EQUITY (ROE)

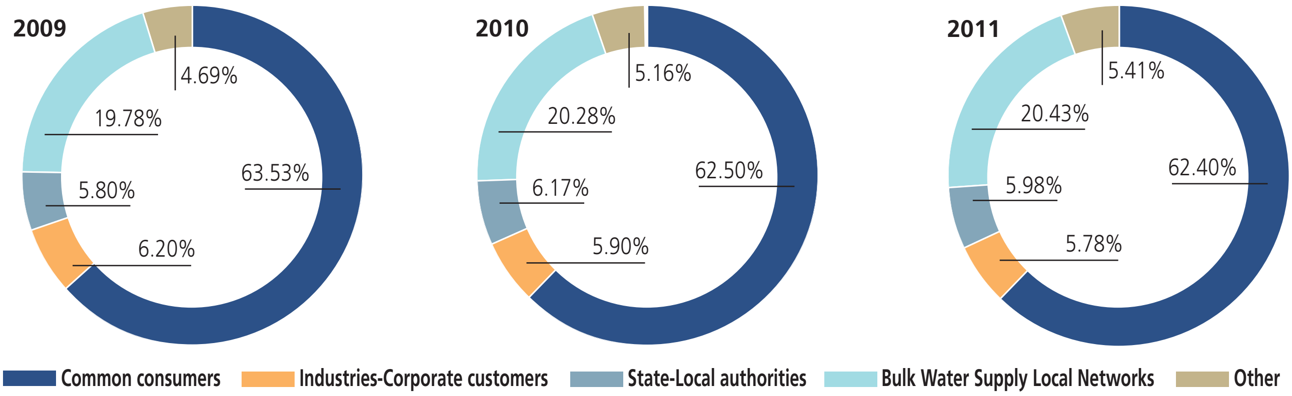


RETURN ON CAPITAL (ROC)

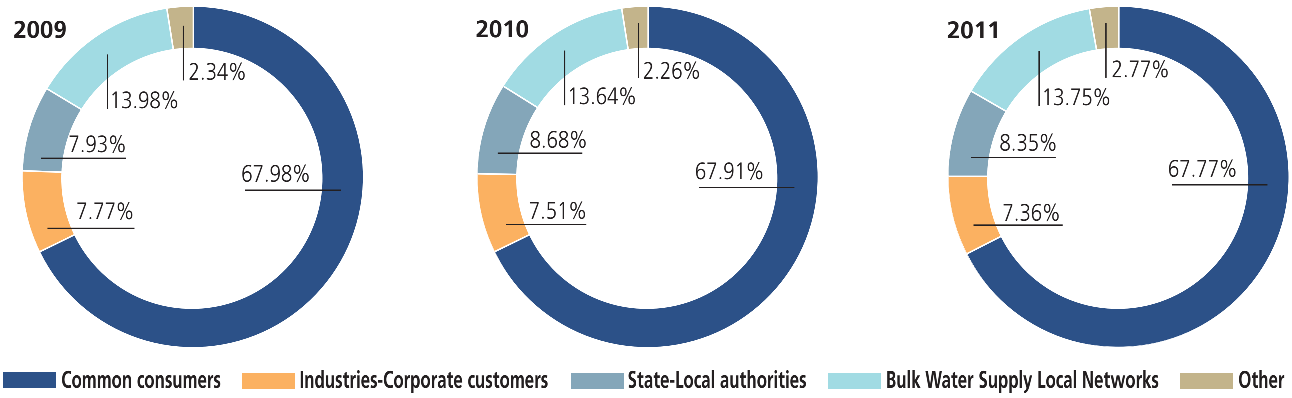


B. Consumption Evolution & Breakdown

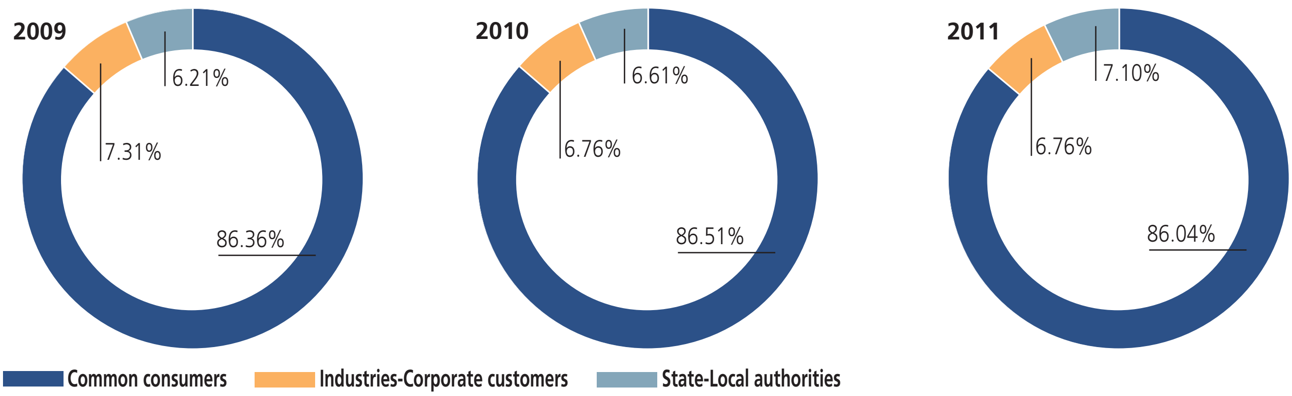
BREAKDOWN OF BILLED CONSUMPTION PER CUSTOMER CLASS (%)



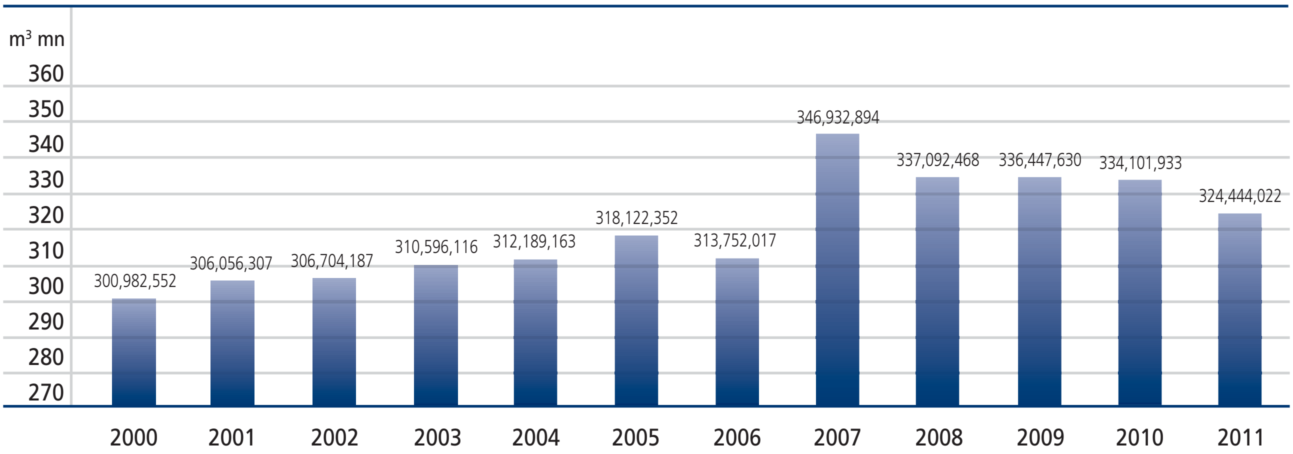
BREAKDOWN OF WATER SALES INCOME PER CUSTOMER CLASS (%)



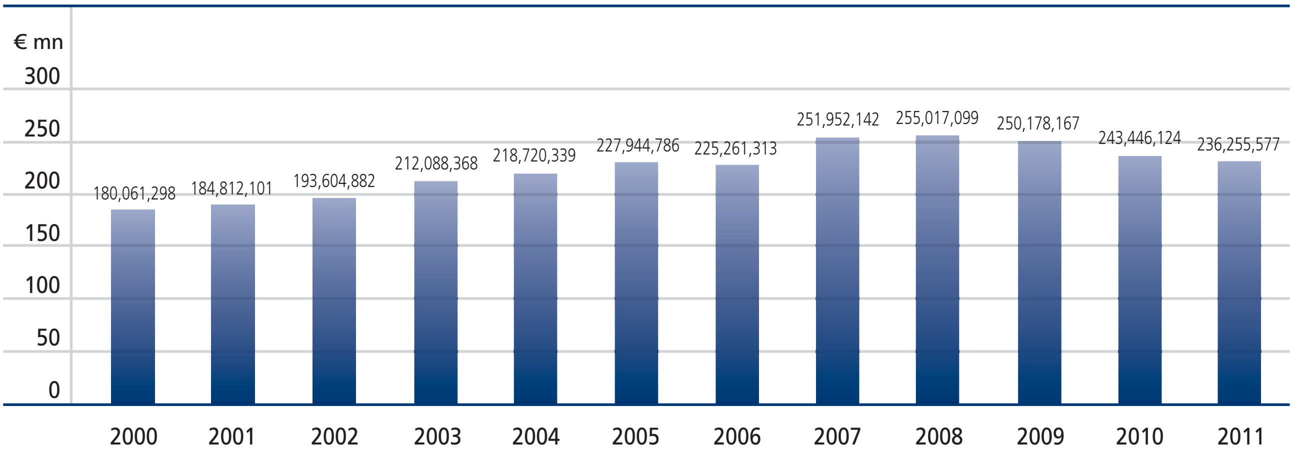
BREAKDOWN OF SEWERAGE SERVICES INCOME PER CUSTOMER CLASS (%)



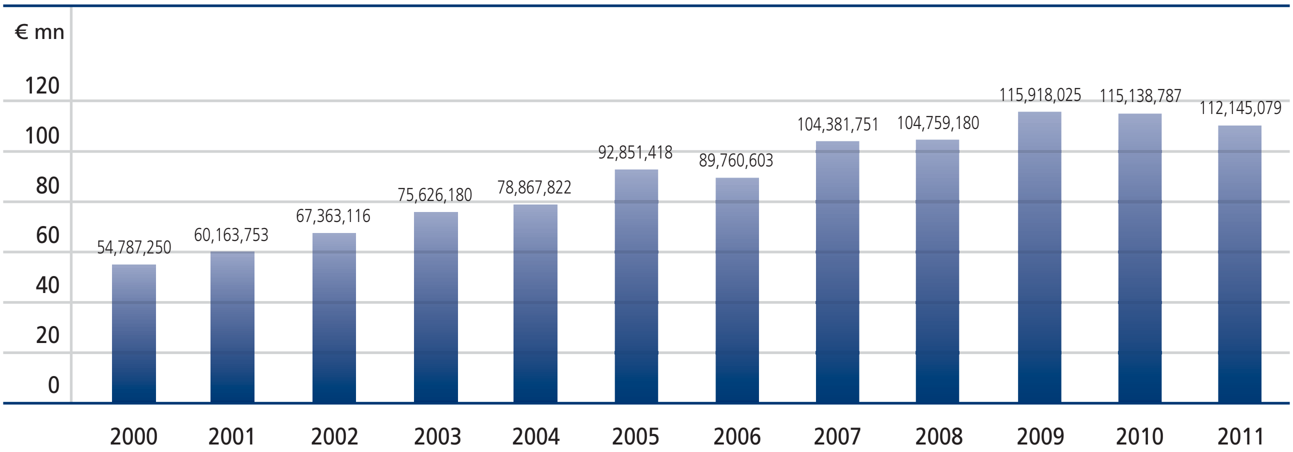
PROGRESS OF WATER QUANTITIES BILLED (in m³)



PROGRESS OF WATER SALES INCOME (in €)



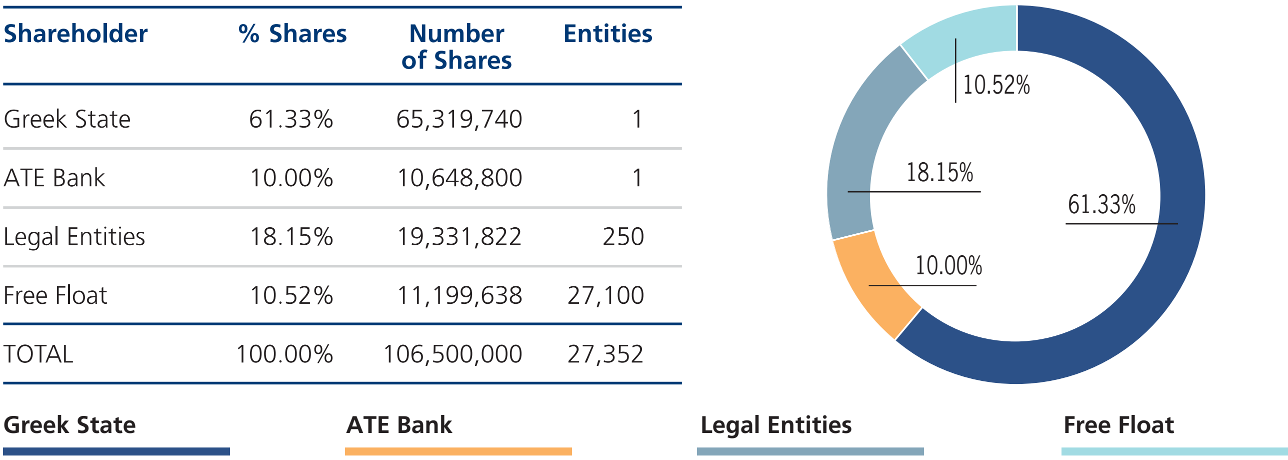
PROGRESS OF SEWERAGE SERVICES INCOME (in €)



C. Stock Information

Shareholders' Mix 31/12/2011

Shareholder	% Shares	Number of Shares	Entities
Greek State	61.33%	65,319,740	1
ATE Bank	10.00%	10,648,800	1
Legal Entities	18.15%	19,331,822	250
Free Float	10.52%	11,199,638	27,100
TOTAL	100.00%	106,500,000	27,352



2011 Stock Highlights

	Number of Shares	Total Trading Volume (%)	Free Float Trading Volume	Average Stock Market Value (in €)
January	417,908	0.39%	1.37%	493,095,000
February	900,064	0.85%	2.95%	539,955,000
March	697,144	0.65%	2.28%	562,320,000
April	545,448	0.51%	1.79%	569,775,000
May	433,802	0.41%	1.42%	546,345,000
June	3,212,004	3.02%	10.52%	516,525,000
July	384,318	0.36%	1.26%	470,730,000
August	452,954	0.43%	1.48%	372,750,000
September	380,097	0.36%	1.24%	339,735,000
October	235,565	0.22%	0.77%	313,110,000
November	225,153	0.21%	0.74%	302,460,000
December	555,321	0.52%	1.82%	332,280,000

2011 Stock Prices (in €)

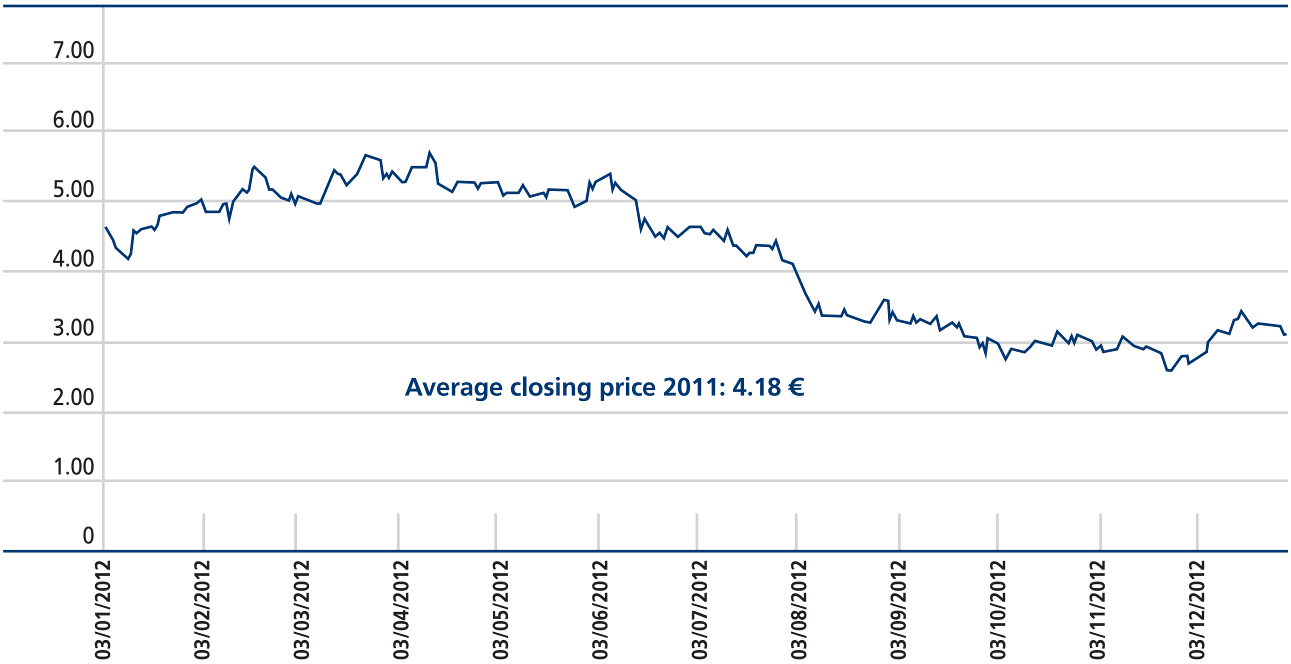
	Closing price	Average price	Highest price	Lowest price
January	4.95	4.65	4.99	4.16
February	5.09	5.07	5.56	4.70
March	5.32	5.28	5.79	4.90
April	5.28	5.35	5.78	5.07
May	5.29	5.13	5.40	4.76
June	4.66	4.85	5.37	4.40
July	4.16	4.42	4.75	4.16
August	3.31	3.50	4.28	3.21
September	3.05	3.19	3.42	2.84
October	3.00	2.94	3.19	2.73
November	2.73	2.83	3.07	2.50
December	3.10	3.12	3.39	2.67

Historical Dividends and Earnings per Share

	Earnings (after tax)	Dividend
2001	0.65	0.22
2002	0.27	0.10
2003	0.36	0.13
2004	0.05	0.06
2005	0.19	0.07
2006	0.31	0.11
2007	0.40	0.14
2008	0.29	0.13
2009	0.05	0.02
2010	0.11	0.04
2011	0.26	0.17*

*Proposed to the General Meeting

2011 Stock Price Performance



IV. Key Financials for the Company

V. Annual Bulletin

A. Statements of the Management Board Members

(according to the article 4 par. 2 of the l.3556/2007)

The Following Members:

1. Lekkas Themistocles, Chairman of the Management Board
2. Bardis Nikolaos, Managing Director
3. Antonopoulos Antonios, member of the Management Board specially designated for this.

According to what is specified in the paragraph 2 of the article 4 of the l.3556/2007 we hereby declare that from what we know:

a. The Annual Financial Statements of 2011 which were conducted according to the valid International Financial Reporting Standards, trully illustrate Assets and Liabilities figures, Net Worth and Income Statement of EYDAP S.A.

b. The Annual Report of the Management Board, trully illustrates the position and performance of EYDAP S.A. together with all risks and uncertainties.

Athens, 28 March 2012

The Chairman of the Management Board	The Managing Director	The Member of the Management Board
Lekkas Themistocles	**Bardis Nikolaos**	**Antonopoulos Antonios**
ID no. AE 144774	ID no. Φ 472635	ID no. N 329504

B. Board of Directors' Consolidated Report

for the Fiscal Year 2011

Dear Shareholders,

In accordance with article 4 of l.3556/2007, the article 2 of the Hellenic Capital Committee Resolution 7/448/2007 and the par. 3 of the article 107 of the c.l.2190/1920, we hereby submit the annual Board of Directors' Report for the financial year ended at 31 December 2011. The same report has been uploaded and is publicly available on the Company's website at www.eydap.gr.

The present report provides an overview of the strategic goals and activities of the business operations carried out in 2011, financial highlights, potential risks and uncertainties and the Corporate Governance Statement. Additionally, the Board of Directors' Report is including analytical information of par. 7, of article 4 of the l.3556/2007 for the compilation of the explanatory report. In the Report are also referenced the significant transactions between the Company, the Group and related parties, according to IAS 24 as well as significant events after the end of fiscal year 2011.

As in the previous fiscal year, EYDAP posted gains for 2011, despite the adverse financial environment. Nevertheless, the positive financial result is not accompanied by proportionate increase of cash flows, as depicted analytically at the Cash Flow Statement. The Company has reinforced further its growth, reassuring its dominant position in the Greek water supply and sewerage market.

A. STRATEGIC GOALS AND ACTIONS

The extrovert strategy, towards domestic and international growth, has been a strategic pillar also for 2011. More specifically, the strategic priorities set are:

- Upgrade of provided services, preserving a low-tariff policy, due to the economies of scale exploitation in the whole range of corporate activities (water production, processing, distribution, wastewater collection and sewerage treatment).
- Added-value generation by further exploitation of existing infrastructure in Attica, including wastewater effluent reuse projects for the benefit of our customers–citizens and the environment.
- Expansion of added value services in order to resolve definitely the issues of water supply and sanitation in the islands and mainland of Greece, under the scope of sustainability and good environmental practices.
- Expansion of services abroad with the aim of establishing the Company as a key international player in the field of water and sanitation.

Moreover, the Company continued the effort to enhance and strengthen the activities for the **protection of the environment**, the **upgrade of water and sanitation services**, and **business modernization** in order to **improve the level of customer service**.

B. FINANCIAL HIGHLIGHTS FOR THE PERIOD

I. Review of Operations – Water Consumption Progress

In 2011 total water consumption (billed or not) decreased by 2.1% compared to last year, in relation to the 1.5% increase, from 2009 to 2010. Total water consumption in the years 2009, 2010 and 2011 was 422,703,942 m^3, 428,937,600 m^3 and 420,062,606 m^3, respectively. The compound annual growth rate (CAGR) of total water consumption during the 10-year period 2002 to 2011 is positive and equal to 0.3% per year. During the 5-year period 2007–2011 CAGR is positive and equal to 0.1% per year. Finally, during the 3-year period 2009–2011 CAGR is negative and equal to -1.1% annually.

In 2011, billed consumption decreased by 2.9% over the previous year, compared with a 0.7% decline, which occurred in 2010 compared to 2009. Billed water consumption for the years 2009, 2010 and 2011 was 336,447,630 m^3, 334,101,933 m^3 and 324,444,022 m^3 respectively. The compound annual growth rate (CAGR) of billed water consumption during the 10-year period 2002 to 2011 is positive and equal to 0.6% per year. During the 5-year period 2007–2011 CAGR is positive and equal to 0.7% per year. Finally, during the 3-year period 2009–2011 CAGR is negative and equal to -1.3% annually.

In 2011, as stated above, the combination of the disproportionate decrease in billed consumption in relation to the increase in total consumption, resulted in a rise of the non-billed consumption by 0.8% over the previous year, compared to 9.9% rise, which occurred in 2010 in relation to 2009.

During the years 2009, 2010 and 2011, non-billed consumption reached 86,239,310 m^3, 94,819,940 m^3 and 95,602,600 m^3, respectively.

Additionally, the non-billed to total consumption ratio increased marginally, and was shaped at 22.8% in 2011, increased by 0.7% compared to 2010. More specifically, in 2009, 2010 and 2011 the non-billed to total consumption ratio was formed at 20.4%, 22.1% and 22.8%, respectively.

With respect to the main consumer classes, the class of common consumers - which represents the overwhelming majority of customers, and mainly residential customers - fell by 3.0% compared to 2010, versus 2.3% fall in 2010 compared to 2009.

Water consumption of common consumers in the years 2009, 2010 and 2011 reached 213,737,447 m^3, 208,812,663 m^3 and 202,451,498 m^3, respectively. The compound annual growth rate (CAGR) of consumption in the common consumers' class in the 10-year period 2002 to 2011 is positive and equal to 0.4% per year. During the 5-year period 2007–2011 CAGR is negative and equal to -0.2% per year. Finally, during the 3-year period 2009–2011 CAGR is negative and equal to -1.1% annually.

Bulk Water Supply to municipal networks, which represents the second biggest customer class, fell by 2.1% compared to 2010, versus 1.8% increase in 2010 compared to 2009. Bulk water supply to municipal networks in the years 2009, 2010 and 2011 was 66,540,857 m^3, 67,741,121 m^3 and 66,285,025 m^3 respectively.

The industrial consumers' class fell by 4.9% compared to 2010, versus 5.6% decline, in 2010 compared to 2009. Water consumption in the industrial consumers' class in 2009, 2010 and 2011 was 20,874,872 m^3, 19,703,412 m^3 and 18,740,351 respectively.

The class of State-Local Authorities dropped by 5.8% compared to 2010, versus a 5.6% increase in 2010 compared to 2009. Water consumption in the State-Local Authorities class in 2009, 2010 and 2011 was 19,510,561 m^3, 20,600,941 m^3 and 19,405,206 respectively.

The impact of billed consumption change in each consumer class to the decreased total billed consumption, which is shaped at -9,657,911 m^3, is summarized in the following table:

CHANGE IN BILLED CONSUMPTION FROM 2010 TO 2011

CONSUMER CLASS	CHANGE (IN CM)
COMMON CONSUMERS	-6,361,165
INDUSTRIES – CORPORATE CUSTOMERS	-963,061
STATE – LOCAL AUTHORITIES	-1,195,735
BULK WATER SUPPLY TO LOCAL NETWORKS	-1,456,096
OTHER	318,146
TOTAL CHANGE IN BILLED CONSUMPTION	**-9,657,911**

During 2009, 2010 and 2011 the consumption classes' breakdown is shown below:

CONSUMPTION BREAKDOWN

CONSUMER CLASS	2011	2010	2009
COMMON CONSUMERS	62.40%	62.50%	63.53%
INDUSTRIES – CORPORATE CUSTOMERS	5.78%	5.90%	6.20%
STATE – LOCAL AUTHORITIES	5.98%	6.17%	5.80%
BULK WATER SUPPLY TO LOCAL NETWORKS	20.43%	20.28%	19.78%
OTHER	5.41%	5.16%	4.69%

The tariff breakdown for the common consumers class consumption is shown in the following table:

TARRIFF BREAKDOWN AT THE COMMON CONSUMERS CLASS

BILLING SCALE (COMMON CONSUMERS CLASS)	2011	2010
1st BILLING SCALE (1-15 m^3 / quarter)	47.63%	46.67%
2nd BILLING SCALE (15-60 m^3 / quarter)	44.48%	45.08%
3rd BILLING SCALE (60-81 m^3 / quarter)	2.86%	3.06%
4th BILLING SCALE (81-105 m^3 / quarter)	1.31%	1.43%
5th BILLING SCALE (>105 m^3 / quarter)	3.72%	3.76%

The above table shows that only the share of the first billing scale increased marginally. The shares of all other billing scales fell marginally. Therefore, the consumption share of common consumers class billed at the minimum billing scale was increased, while the consumption share billed at other billing scales, higher priced than the first one, were decreased. Consequently, the change in the composition of billed domestic consumption, combined with reduced consumption in the common consumers class, led to decrease in the revenue from common consumers class.

The following table presents the annual water sales revenue and the change for the main customer classes:

WATER SALES INCOME (€)

CUSTOMER CLASS	2011	2010	CHANGE	RELATIVE CHANGE
COMMON CONSUMERS	160,106,136	165,319,519	-5,213,383	-3.15%
INDUSTRIES – CORPORATE CUSTOMERS	17,390,566	18,286,161	-895,595	-4.90%
STATE – LOCAL AUTHORITIES	19,736,619	21,138,001	-1,401,382	-6.63%
BULK WATER SUPPLY TO LOCAL NETWORKS	32,489,278	33,209,073	-719,795	-2.17%
OTHER	6,778,416	5,721,601	1,056,815	18.47%
TOTAL	**236,501,015**	**243,674,355**	**-7,173,340**	**-2.94%**

In the following table, the annual revenue from sewerage usage and the respective change for the main customer classes is presented:

INCOME FROM SEWERAGE SERVICES (€)

CUSTOMER CLASS	2011	2010	CHANGE	RELATIVE CHANGE
COMMON CONSUMERS	96,486,012	99,602,566	-3,116,554	-3.13%
INDUSTRIES – CORPORATE CUSTOMERS	7,575,469	7,784,887	-209,418	-2.69%
STATE – LOCAL AUTHORITIES	7,957,693	7,606,377	351,316	4.62%
OTHER	125,905	144,957	-19,052	-13.14%
TOTAL	**112,145,079**	**115,138,787**	**2,993,708**	**-2.60%**

Similarly, the following table presents the total annual income from water sales and sewerage use, as well as the respective change for the main customer classes:

TOTAL WATER SUPPLY AND SEWERAGE SERVICES INCOME (€)

CUSTOMER CLASS	2011	2010	CHANGE	RELATIVE CHANGE
COMMON CONSUMERS	256,592,148	264,922,085	-8,329,937	-3.14%
INDUSTRIES – CORPORATE CUSTOMERS	24,966,035	26,071,048	-1,105,013	-4.24%
STATE – LOCAL AUTHORITIES	27,694,312	28,744,378	-1,050,066	-3.65%
BULK WATER SUPPLY TO LOCAL NETWORKS	32,489,278	33,209,073	-719,795	-2.17%
OTHER	6,904,321	5,866,558	1,037,763	17.69%
TOTAL	**348,646,094**	**358,813,142**	**-10,167,048**	**-2.83%**

Finally, the following table presents the average revenue per cubic meter for the year 2011, separately for water sales and sewerage usage for the main customer classes:

AVERAGE INCOME / CUBIC METER (€) 2011

CUSTOMER CLASS	WATER SALES	WATER SALES & SEWERAGE SERVICES
COMMON CONSUMERS	0.76	1.21
INDUSTRIES – CORPORATE CUSTOMERS	0.93	1.33
STATE – LOCAL AUTHORITIES	1.02	1.43
BULK WATER SUPPLY TO LOCAL NETWORKS	0.49	0.49
OTHER	0.37	0.38
TOTAL AVERAGE INCOME	**0.71**	**1.04**

It is worth noting that the Bulk Water Supply to Local Networks customer class continues to generate disproportionately low income in relation to the quantity of water sold. Specifically, while it accounts for 20.43% of billed consumption, it merely corresponds to 13.74% of revenues from water supply, let alone their slow collection rate.

II. Key Financial Data

Turnover amounted to € 358.6 mn from € 379 mn in 2010, down by 5.4% (€ -20.4 mn). This decrease is due to a drop by € 12.1 mn in revenues from water supply and related works (-4.9%) and to the corresponding decrease in revenues from sewerage services by € 9.2 mn (-7.3%). Revenues from electricity sale fell by € 1 mn, while revenues from construction projects for third parties increased by € 2 mn (with almost equivalent cost). This increase is directly related to the water supply channel breakdown at Saranti, which took place in late March 2011 and resulted to increased costs of water pumping from the lake Yliki, but also to the restoration works of the aqueduct. These expenses are claimed and burden EYDAP Fixed Assets and the Ministry of Infrastructure, Transportations and Networks.

Total operating expenses amounted to € 309.3 mn from € 342.2 mn in 2010 falling by € 32.8 mn (-9.6%) compared with 2010. In particular the cost of sales in 2011 decreased by € 21.4 mn (-9.3%) and amounted to € 208.7 mn from € 230.1 mn in 2010, while towards the same direction were shaped the administration expenses, that declined by € 4 mn (-6,4%) and the distribution expenses which decreased by € 7.4 mn (-15.1%).

The result of all the above mentioned developments was the Gross Profit Margin to increase by € 1 mn (+0.7%), reaching € 149.9 mn from € 148.9 mn in 2010. Gross Profit Margin as a percentage of turnover was shaped at 41.8% from 39.3% in 2010.

Regarding the evolution of operating expenses according to their category, the largest decrease occurred in the category of labor costs by € 30.6 mn (-15.6%). The majority of this decrease is due to reductions in salaries and wages by € 18.4 mn (-13.7%) and social security contributions by € 3.9 mn (-14.4%). A reduction occurred also in the headcount by 240 people, as on 31/12/2011, 2,671 employees were included in the Company's payroll compared to 2,911 employees on 31/12/2010.

A decrease was also noted in the category of third parties expenses and allowances (mainly contractors, designers and consultants involved in maintenance and repair of water and wastewater networks). These fees and expenses were decreased from € 42.8 mn in 2010 to € 41.1 mn in 2011 producing a fall of € 1.7 mn (-3.9%).

Utility expenses fell by € 1.7 mn (-3.9%) and amounted to € 41.4 mn from € 43.1 mn in 2010.

Financial expenses increased by 49.3% reaching € 15.8 mn from € 10.6 mn in 2010, mainly due to an increase in interest rates, while financial revenues declined by € 1.1 mn and reached € 4.8 mn from € 5.9 mn in 2010.

Short-term borrowing on 31/12/2011 was shaped at € 201.7 mn from € 204.2 mn on 31/12/2010, a decrease of € 2.5 mn (-1.2%).

Taking into account the above mentioned data, earnings before taxes amounted to € 35.6 mn from € 30 mn in 2010, increased by 18.6%.

Operating Cash Flow amounted to € 18.6 mn from € 27.8 mn in 2010 and was influenced by the decrease of the turnover. Significant increase was observed in the change of customers' receivables by € 38.6 mn versus a respective increase by € 26.1 mn in 2010. The Investment Cash Flow amounted to € -17.9 mn in 2011 from € -32.5 mn in 2010. To this decline contributed the reduction of tangible fixed assets aquisition to € 32.1 mn versus € 49.8 mn in 2010.

Free Cash Flows derived from the difference between the Operating and Investment Cash Flows, amounted to € 671 th., positive for the first time on an annual basis, over the last five years.

C. BUSINESS HIGHLIGHTS FOR THE PERIOD

Code of Corporate Governance

Following the provisions of the l.3873/2010 (incorporation of Directive 2006/46/EC of the European Union) and the Hellenic Capital Market Commission Directive dated 10/02/2011, the Company in line with the new corporate governance institutional framework requirements, compiled the Code of Corporate Governance under the current legislation, which facilitates the formulation of policies and practices of corporate governance according to the specific needs of EYDAP. The "Code of Corporate Governance of EYDAP" was adopted by the Board of Directors (BoD Resolution 17214–29/03/2011) and then was submitted to the Hellenic Capital Market Commission (Ref. 5269–31/03/2011). The Corporate Governance Code is also available on the website of the Company (www.eydap.gr).

Claims against the Greek State

On June 29, 2011, the Board of Directors decided to reclaim from the Greek Government the amount due of € 508,350 th. to the Company by formal letter to the Ministry of Infrastructure, Transport and Networks.

Claims against the Local Authorities

Regarding the claims of the Company against the Local Authorities, which sum up to € 194 mn (without increments) and constitute a serious obstacle to the growth of the Company, apart from the extended settlement program that is applied by EYDAP, the Board of Directors, on May 13, 2011, approved the preliminary Framework Agreement Draft between EYDAP and municipalities that possess municipal water distribution networks. According to this Agreement, the local authorities' claims will be settled, through the water distribution networks management undertaking by EYDAP, nevertheless without taking over of their ownership. So far, there have been signed such contracts with the Municipalities of Markopoulos Mesogaias, Saronicos, Spata-Artemida, Elefsina (Magoula), Marathon, Paiania, Amarousion and Megara, and if future projects are deemed viable, relevant cooperation agreements will be compiled.

Founding Decision of «EYDAP NISON S.A.»

On May 13, 2011, the Board of Directors approved the establishment of the company «EYDAP NISON S.A.» in the share capital of which EYDAP S.A. will participate in 100%. The scope of the Company is to provide water and wastewater services as well as a variety of activities related to the above, in the Greek islands territory. The aim of this initiative is to exploit the expertise of EYDAP S.A. in order to provide water and sewerage services to the Greek islands.

Already there have been discussions and current situation mapping in the following islands: Lefkada, Hydra, Sikinos, Folegandros, Kimolos, Agkistri, Elafonissos, Naxos (and Heraclea, Schinousa, Koufonissi, Donousa), Chalki, Milos, Agathonisi, Amorgos, Oinousses, Psara. EYDAP NISON S.A. has already submitted proposals to five of them, Lefkada, Hydra, Kimolos, Folegandros and Sikinos, and soon respective proposals are expected to be compiled and submitted to the rest of the islands under discussion.

Water Supply Channel breakdown at Saranti, Voiotia

On March 29, 2011, a soil collapse occurred under part of the canal, carrying water from Mornos reservoir, at Saranti in Voiotia prefecture (total length of damage approximately 130 meters). The collapse of the canal wall and water leakage have not caused any problems in the water supply of Attica, while the Company's technical services divisions took all the necessary measures to quickly restore the damage. The damage was partly restored within six days through the placement of a large diameter metal pipe (F2000). The water supply capacity of the channel was restored satisfactorily after the construction of the second pipe, within eleven days. It is noted that during the repair period, there has been no service interruption or pressure loss in the water supply system in Athens, as a result of the rational water resources management.

However, the collapse of the channel caused several damages to one hundred and thirty-two properties at Saranti, for which the BoD decided on June 29, 2011 to pay compensation amounting to € 386,000.00, an amount that the company will claim from the Ministry of Infrastructure, Transport and Networks, according to the current Agreement between EYDAP and the Greek State, when released. Up until the 31/12/2011, the amount of compensation paid, sums up to € 224,601.86.

Last but not least, the Board of Directors on May 30, 2011 approved the initiation of the necessary procedures for the permanent restoration of the Mornos aqueduct. The implementation of the above mentioned project will financially burden the Ministry of Infrastructure, Transport and Networks (BoD Res. 17270–30/05/2011).

Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders, held on June 10, 2011 approved dividend distribution to the Shareholders of the Company for the fiscal year 2010, amounting € 4,260,000.00, namely € 0.04 per share.

Salaries reduction according to l.4024/2011

According to l.4024/2011, the average per capita cost of salaries, subsidies, allowances and remuneration in general of the total staff may not exceed the 65% of the average per capita cost, as it was formed on 31/12/2009.

Following the law's requirement, the reductions needed to be done in per capita salaries expenses on average should be around 35% by 31/12/2012 as compared to the amount shaped on the 31/12/2009 (including staff remuneration reductions from the application of laws 3833/2010 and 3845/2010) and are expected to significantly reduce the labor cost of the Company, effective from 01/01/2012, reducing by 18% on average the per capita labor cost, as long as the Company continues to be under the l.4024/2011.

Modernizing Business Functions

In 2011, the Company continued the implementation of concrete actions in the course of modernizing its business functions, so as to boost performance and upgrade customer service. These actions per business function had as follows:

With respect to **New Operations**, EYDAP apart from the preliminary contracts signing with the Municipalities of Markopoulos Mesogaias, Saronicos, Spata-Artemida, Elefsina (Magoula), Marathon, Paiania, Amarousion and Megara, is also discussing the potential of reuse of treated wastewater effluent from Psyttalia and the new Thriasion Wastewater Treatment Plant, for industrial and agricultural uses and reforestation, irrigation of urban green areas, aquifer recharge, etc.

With respect to **IT & Technology**, in 2011, EYDAP has undertaken the following activities by operational sector:

a) Business and Finance Sector:

- In January 2011 began the trial operation of the new ERP «SAP – Business One» in parallel with the existing system ERP «ORAMA». In July 2011, the two ERP systems were fully synchronized and produced the same financial results for the first quarter of 2011. «SAP – Business One» is already in productive operation, effective from 01/01/2012 and is interfaced with the following IT systems already in operation.
  - Off-balance Sheet Cost Accounting (SAS–ABM)
  - Budgeting System (SAS FM)
  - Human Resources Management System (ORAMA–HR)
  - Payroll System (ORAMA-PAYROLL)
  - Healthcare Management System (SAP R/3)
  - Warehouse Management System (SAP–MM)
  - Customer Service System (BCC)

  «SAP - Business One» includes the following subsystems:
  - General and Cost Accounting
  - Warehouse (accounting function)
  - Asset Management
  - Costing function
  - Customers Management – Billing (for those not included in the customer service system–BCC)
  - Banks – Loans – Securities Management.
- The new Procurement Management System (SAP Business One subsystem) has been completed. The new system is modernising the existing procurement processes, has been put into operation since 01/01/2012, and includes the following functions:
  - Rules framework for suppliers selection and evaluation
  - Suppliers key data management
  - Items and services connection to suppliers
  - Tenders preparation, execution and monitoring for the procurement of goods and services.
  - Benchmark option for the evaluation of the tenders financial offers.
  - Automatic transformation of a tender to order.

b) Geographic Information System (GIS) Sector:

- Background improvement in order to meet the new requirements from the expansion of EYDAP's business to new municipalities.
- Improvement and modifications to the water supply application for the needs of better and more direct information flow between the technical departments of the Water Supply Network Division and the Operations Center – 1022.
- Extension of service failure application, for the online connection with the complaints application of the Operations Center – 1022.
- Improvement in the sewerage application and development of a new application for calculating loads of sewage pipelines.
- Application implementation for the Water Supply Network Division to serve the monitoring and management of technical actions and outstanding issues on the water valves.
- Provision of support services and training for the GIS users and map-composition production for the needs of the Technical Services of the Company.
- Continuous generation and provision of networks digital data for interested third parties.

c) Customer Service Sector:

For the needs of the customer service sector, the IT:
- Implemented and will put in the near future into productive operation the integration of the overdue receivables management to the customer service system.
- Implemented the printed material selective insertion option and the second page integration in the account statement.
- Started the incorporation of new contracted agents for the online accounts payment.
- Implemented the consolidation of the users from internal departments at the Customer Service Division.
- Developed and put into operation the incorporation of Hydrometers Warehouse and hydrometers test lab in the customers system.
- Started cooperation with new banks in the electronic payment system.
- Implemented and put into operation the New Hydrometer application which interconnects the customer service system and the technical departments of the Company.

d) Telecommunications Sector:

In the field of Telecommunications, the IT Division:
- Started the gradual replacement of the communication means of the voice network circuits from conventional to IP.
- Installed new call centers in remote facilities at the dams of Mornos and Evinos.

e) Infrastructure & Technology Sector:
In the field of Infrastructure & Technology, the IT Division:
- Launched the Operations Centre – 1022 at the facilities of Perissos and updated its interface with all remote-control systems of the Company.
- Upgraded and enriched the company's intranet (thalassa) with new areas for the Business Operations Center and 1022.
- Upgraded the corporate website.
- Implemented an infrastructure for secure access corporate email through web.
- Implemented the transfer of the remote control System to the Disaster Recovery Site.
- Installed the adequate infrastructure for internal network communication and video conferencing.
- Upgraded Citrix infrastructure for the operation of the call center (1022).
- Upgraded the Central Antivirus infrastructure.

With regards to **Human Resources Development**, the Division of Professional Training and School Academy of EYDAP S.A., having as core philosophy that training and development go hand in hand, was designed to record and maintain the Company's know-how, to diffuse the accumulated expertise to all employees, to develop training programs for the needs of municipal water and wastewater operators, to reinforce the extroversion of the Company through training services provision abroad and finally to establish future cooperation with higher educational Institutions.

For this purpose, there has been developed an educational program covering the following areas: technical (water and sewage networks and facilities), management, business development, economic, public relations and communication. The entire training program is supported by the respective handbooks, which have been prepared in-house by executives and is designed to provide focused and financially rational training.

In 2011, trainings were held in two semesters, including modules for water supply and sewerage technical issues, information and technology, foreign languages, but also financial and administrative modules. In particular, during the first semester 113 modules were held with 1,495 total training hours and 1,967 staff participations. Also, during the second semester 117 modules were held, with 1,043 total training hours and 2,912 staff participations.

The implementation of the training program in both the two semesters was based on 87% (first semester) and 94% (second semester) to internal lecturers and the staff response was impressive and growing by 32% from the first semester to the second.

Using internal lecturers for the implementation of the training programs provides the opportunity to use the accumulated experience and expertise of senior managers and at the same time allows costs control. In addition, when appropriate, freelance lecturers are recruited, according to specific strict selection criteria.

Additionally, since 2011 operates on the internal portal of the Company an electronic library of the Academy School, where is posted the module guide, the schedule for every semester and all relevant notices.

Providing high-quality knowledge and securing for its employees the opportunity for lifelong learning, EYDAP is investing in its people, aiming at the quality upgrade of customer service, the respect to the environment and the society.

With regards to **Customer Service**, focusing on providing services fully aligned with the requirements and deadlines, as defined in the specifications and contracts with customers and on achieving the best possible financial result for the company and its customers, the Company continued within 2011, offering services that meet the three key success market factors: quality, time and cost. Specifically, the Customer Service Department:
- By committing to provide fast and reliable customer service, is fully utilizing all the information systems available in the Company, focusing on the rapidly evolving customer service system BCC. This secures direct access to a single electronic database, ensuring information accuracy and drastic time reduction for the completion of a transaction.
- Leverages the new communication channel with customers, the Customer Contact Office, which day by day is winning the trust of the customers for information regarding the services provided by the Company or about issues related to their water supply hydrometer.
- Continued the cooperation with the Citizen Service Centers (KEP) for faster satisfaction of the customers' needs.
- Attracted a significant number of customers to pay or settle their debts, using the Collections System.
- Takes care of the best possible customer service, by creating a friendly environment at Customer Service Centers.
- Continues to work effectively with the authorities "Greek Ombudsman" and "Consumer's Counsel" to the benefit of its customers.

Finally, it is worth noting that the Customer Service Department meets the requirements of procedures standardization, as set in the ISO 9001:2008 certificate of the TÜV HELLAS SA certification body.

Towards the upgrade of customer service quality, at the end of 2011, the **Operations Center – 1022** has been activated. This Department consists of: a) The already operating call center 1022, b) the newly established "Technology and Documentation Office", c) the newly established "Operations Center Supervisors Body". The objectives of the Operations Center include:

1. The customer service upgrade

From early 2011, there has been an upgrade in the quality and speed of customer information provision on operational issues, such as the phase of damage repair. The establishment of an electronic platform for the development of a homogeneous step-by-step call management protocol, as well as the upgrading of digital interconnection between 1022 and the technical divisions played an important role towards this direction. These tools have helped to avoid a reduction in the percentage of calls answered by EYDAP agents, despite a 33% reduction in the agents' workforce within 2011. The next step in enhancing customer service is the upgrade of the call center 1022 from a telephone number for service failures reporting to a single integrated customer service line (serving accounts issues etc.).

2. The immediate response to crisis incidents

The Supervisors Body of the Operational Centre is composed of engineers and technicians that act as a second eye, tracking daily operational events, ensuring immediate notification and mobilization of the responsible departments or where appropriate, the top management.

3. The enrichment of operational digital databases

Since December 2011, a web portal including information such as "Operational Digital Maps", "Legislative Framework of Operations", extensive and frequent running incidents and alarms database, as well as critical instruments function database is in full operation. Also, since early 2011, the Department is cooperating with the Division of Water Supply Network and the IT Division to create a portal for water and other related applications (service failure application, valves operation application, etc.).

4. The empowerment of the "digital culture"

Since December 2011, a dynamic company intranet with real-time reference for major incidents is on air and actively operating. This tool is modernizing the dynamic inter-departmental communication for operational issues.

5. The interpersonal communication enhancement and dissemination of knowledge and experience

Since December 2011, a digital forum operates among the 170 executives of the Operations Centre, a cyberspace for views exchanging, dialogue between agents and employees working in the Center, enhancing interpersonal communication and strengthening the culture of quality service in the Company.

Significant Events after the end of the fiscal year

Enactment of l.4053/2012

The enactment of l.4053/2012, whereby EYDAP may provide the full range of services specified in the l.2744/1999 also outside its area of responsibility, through subsidiaries and through the signing of framework agreements with local authorities, establishes a new growth framework for the Company, expanding the market in which it can operate and develop.

Transfer of the 27.3% of the Company's share capital of the Greek State to the «Hellenic Republic Asset Development Fund»

According to the relevant notification dated 27/1/2012, there have been transferred from the Hellenic State 29,074,500 shares of EYDAP S.A., and the equal number of voting rights, i.e. 27.30% of share capital of the Company, to the «Hellenic Republic Asset Development Fund». The transfer was the result of an OTC market transaction, pursuant to par. 4 and 5 of article 2 of the l.3986/2011 (GG 152/A) and Decision no. 195/2011 (GG 2501/B) of the Ministerial Committee for Asset Restructuring and Privatization.

It is worth noting that now the percentage of the Hellenic government in the share capital of EYDAP S.A. is 34.03%.

Since the Hellenic government controls 100% of the «Hellenic Republic Asset Development Fund», it indirectly controls the above voting rights.

With the exception of the all the above mentioned, no other event has occurred which significantly affects the financial structure or business course of the Company from 30/12/2011 until the financial statements approval date by the Company's Board of Directors.

D. RISKS AND UNCERTAINTIES

As a result of its operations the Company is not exposed to any particular financial risks such as Market risk (changes in exchange rate parities, interest rates or market prices), Credit risk and Liquidity risk. The Company's financial risk management plan is focused on the minimization of their probable negative effects over the Company's financial position.

Risk management is processed by the Company's Central Economic Department which operates under certain rules approved by the Board of Directors. The Board of Directors provides guidance and directions for general and specific risk management problems such as exchange risk, interest rates risk and credit risk.

(a) Market Risk

Exchange rate risk

The main part of the Company's operations is processed in the Eurozone under Euro. As a result exchange rate risk is immaterial.

Interest rates variability risk

The Company doesn't possess any substantial interest financial items. Thus its operating revenues and cashflows are independent from changes in interest rates. Loan liabilities however are based on variable interest rates which are in accordance with market conditions. Thus could be either remain variable or it may convert in fixed.

The Company doesn't use financial derivatives. As a result interest rates risk concerns loans. Loans under variable rate result in cash flow risk for the Company.

SENSITIVITY ANALYSIS OF LOANS UNDER CASH FLOW RISK IN INTEREST RATE CHANGES

	Interest rates Variability	Impact in EAT
2011	+1%	(1,996)
	-1%	1,996

(b) Credit Risk

The Company's exposition in credit risk is confined on its financial Assets which can be analyzed as follows:

Categories of financial items	GROUP 31/12/2011	GROUP 31/12/2010	COMPANY 31/12/2011	COMPANY 31/12/2010
Financial items in disposal	847	1,057	848	1,057
Cash flows and cash equivalents	21,975	27,842	21,920	27,842
Commercial and other claims	404,133	361,479	404,135	361,479
Long term claims	136,024	135,304	136,023	135,304
Investments in associates	130	207	542	542
Investments in subsidiaries	–	–	60	–
Total	563,109	525,889	563,528	526,224

The Company checks its claims on an ongoing basis either separately or by grouping the respective items and incorporates these data in credit control procedures. The Company's long term claims are concern with the State Municipalities. As a result credit risk is immaterial.

Cash flows and cash equivalents do not involve credit risk because they mainly concern with deposits in banks with adequate credit rating. Commercial and other claims involve receivables from private customers which have the lowest degree of loss mainly because of the extensive dispersion of claims; while for Municipalities the Company examines the potential collection of the respective due debt through contract agreements. The approximate amount of these claims is € 194 mn.

None of the Company's financial assets is insured by mortgage or any other form of credit insurance. The available for sale financial items are assessed in their fair value that is their stock market value. As a result they are attributed in the level 1, according to IFRS 7, par. 27b.

The timetable of **claims on maturity** is analysed as follows:

CLAIMS ON MATURITY

2011	Not due	0–1 month	1–6 months	6 months – 2 years	2–5 years	>5 years	Total
Private customers	24,730	10,746	20,690	24,126	19,130	5,398	104,820
Public	3,208	1,311	6,114	8,418	8,387	23,632	51,070
Municipalities	8,750	4,315	17,497	55,057	61,077	46,981	193,677
Total	**36,688**	**16,372**	**44,301**	**87,601**	**88,594**	**76,011**	**349,567**
2010	**Not due**	**0–1 month**	**1–6 months**	**6 months – 2 years**	**2–5 years**	**>5 years**	**Total**
Private customers	22,062	11,596	19,271	20,531	16,029	3,746	93,235
Public	5,812	1,013	3,900	7,508	9,702	21,732	49,667
Municipalities	9,820	4,491	19,998	41,998	53,896	33,429	163,632
Total	**37,694**	**17,100**	**43,169**	**70,037**	**79,627**	**58,907**	**306,534**

The accounting value of claims which have been renegotiated was on 31 December 2011 € 48.2 and on 31 December 2010 € 45.3 respectively.

(c) Liquidity Risk

Liquidity risk is confronted by the preservation of sufficient cash for the reassurance of bank credits. The existing available and approved to the Company bank credits are enough for the purpose of confronting any probable shortage of cash.

The following table analyses the Company's financial liabilities which are classified in groups according to their expiration date and calculated according to the time balance arising at the balance sheet date to the contractual arrangement ending date in non discounted figures.

The timetable of the **Company's liabilities on maturity** date is analysed as follows:

LIABILITIES ON MATURITY

2011	0–1 month	2–3 months	3–6 months	6–12 months	1–5 years	>5 years	Total
Loans	7,006	85,123	33,600	75,945	–	–	201,674
Creditors & others	59,735	16,876	4,992	9,960	86,218	211,869	389,650
Total	**66,741**	**101,999**	**38,592**	**85,905**	**86,218**	**211,869**	**591,324**
2010	**0–1 month**	**2–3 months**	**3–6 months**	**6–12 months**	**1–5 years**	**>5 years**	**Total**
Loans	16,016	71,600	69,548	47,000	0	0	204,164
Creditors & others	58,471	18,960	12,202	21,543	92,646	175,954	379,776
Total	**74,487**	**90,560**	**81,750**	**68,543**	**92,646**	**175,954**	**583,940**

E. CORPORATE GOVERNANCE STATEMENT

This Statement covers all of the principles and practices adopted by the Company in order to ensure its efficiency, the interests of shareholders and all other interested parties.

The structure of this Statement of Corporate Governance focuses on the following topics:

a. Code of Corporate Governance
b. Board of Directors and Audit Committee
c. Shareholders' Meeting and Rights
d. Internal Audit and Risk Management
e. Other managerial, supervisory bodies or Committees of the Company.

a. Code of Corporate Governance

EYDAP has compiled a Corporate Governance Code, customised to the needs and obligations of the Company. This Code can be found at the corporate website: **www.eydap.gr**.

Apart from the website, the Code is also available to all staff via the company's intranet (THALASSA INTRANET).

Practices of Corporate Governance that the Company implements over the provisions of the law

The Company within the framework of implementing a structured and adequate corporate governance system has implemented specific practices of good corporate governance as provided by relevant laws c.l.2190/1920, 3016/2002, 3693/2008 and 3873/2010, 3884/2010 and the Corporate Governance Code of the Hellenic Federation of Enterprises – SEV
(www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf)

b. Board of Directors & Audit Committee

Constitution and operation of the Board of Directors

The Company is managed by the Board of Directors, having an odd number of members which may not exceed thirteen (13) members or be less than seven (7) members. The Board of Directors comprises executive, non executive and independent non executive members as per the provisions of articles 3 and 4 of l.3016/2002 as applicable from time to time.

The General Meeting of Shareholders has authority to determine the number of members of the Board of Directors as well as to increase or decrease such number, always within the limits specified in the Company's Articles of Association. The Board of Directors is composed of:

i. Two (2) representatives of Company employees elected (along with an equal number of alternate representatives) by direct and universal vote;
ii. Two (2) members representing minority shareholders, elected as provided for in article 36 of the Company's Articles of Association;
iii. Shareholder representatives, elected by the General Meeting.

The Board of Directors is composed of:

i. Two (2) representatives of Company employees elected (along with an equal number of alternate representatives) by direct and universal vote;
ii. Two (2) members representing minority shareholders, elected as provided for in article 36 of the Articles of Association;
iii. Shareholder representatives, elected by the General Meeting.

The term of office of the Board of Directors' members is five years and is extended until the nomination or election of new directors. Such term extension may not be longer than one year. The members of the Board of Directors can be freely recalled. Such recall and substitution is done by those having the right to elect or nominate. The General Meeting may substitute any of the members of the Board of Directors elected before the end of their term of office. The members of the Board of Directors may be appointed anew or reelected without limitation and may be recalled without limitation. The members of the Board of Directors may not be related by blood or marriage, up to the third degree of relation, and may not be contractors or suppliers of the Company or members of the Board of Directors or employees of an undertaking doing business with the Company. The members of the Board of Directors may, however, be members of the Board of Directors or employees of an undertaking associated with the Company, as per the provisions of article 42e of c.l.2190/1920.

Convocation of the Board of Directors

The Board of Directors is called by its Chairman or the Chairman's legal deputy, pursuant to the provisions of the Company's Articles of Association, and holds its meetings at the registered office of the Company. The agenda is presented to the Board of Directors by the Managing Director.

The Board of Directors holds ordinary meetings once each calendar month, and also holds extraordinary meetings if so deemed necessary by the Chairman. The agenda of the Board of Directors' meetings is established by the Chairman and the agenda items are included in the notice to the meeting sent to the directors.

The notice to the meeting is advised to the members of the Board of Directors at least two (2) business days prior to the day of the meeting and shall clearly indicate the agenda items; otherwise, decisions may be adopted only if all members are present or represented at the meeting and no one objects to the passing of decisions. As to the rest, the provisions of article 20 of c.l.2190/1920, as applicable, shall apply.

The Board of Directors may be convened upon the request of two (2) of its members, by applying to the Chairman of the Board of Directors, who is required to convene the Board of Directors within a time period of ten (10) days as of the submission of their application. In case of refusal by the Chairman to convene the Board of Directors within the said time period or in case of late convocation, the requesting members may themselves call a meeting of the Board of Directors within five (5) days as of the expiration of the said ten-day period, advising the relevant notice to the other members of the Board of Directors. The application of such requesting members must clearly indicate the agenda of the meeting, otherwise such application shall be dismissed.

The Board of Directors may also hold its meetings outside the registered office of the Company, at another place, in Greece or abroad, if all its members are present or represented at the meeting and no one objects to the holding of the meeting and the passing of decisions.

Quorum – Majority – Representation of Members

The Board of Directors is in quorum and may validly transact its business when one half plus one director are present, subject to the provisions of paragraphs 4, 4a and 5 of article 11 of the Company's Articles of Association. To find the number constituting a quorum, any resulting fraction is omitted. At no time can the number of directors attending in person be less than three. The decisions of the Board of Directors are passed by absolute majority of the members present. In case of a tie, the Chairman of the Board of Directors does not have a casting vote. In case the Chairman is absent or prevented from acting, the meeting is presided over by the Chairman's deputy. The meetings of the Board of Directors may be attended by scientific advisors, legal or otherwise, and experts, without the right to vote, as well as by the Director of the Legal Department of the Company, if invited to attend by the Chairman or the Board of Directors, and if the Director of the Legal Department is absent or prevented from acting by another lawyer as instructed by the Chairman of the Board of Directors. All the directors have the right to be advised in writing, by the Chairman and the Managing Director, on the management of the Company and the course of the corporate affairs in general. A director who is absent may be represented by another director, by means of written authorization to this effect. Each director may represent only one absent director.

Minutes are kept for each meeting of the Board of Directors; such minutes are ratified at the same or the next meeting. Copies or extracts of the Minutes are attested by the Chairman or his deputy or by another member of the Board of Directors authorized to this effect under a decision of the Board of Directors. The Minutes of the Board of Directors are entered in a dedicated book kept in a manual or computerized system and are signed by the Chairman and the directors who attended the meeting. Any refusal by a director to sign the Minutes is entered in the minutes. All directors have the right to have their opinion entered in the Minutes.

Authority and powers of the Board of Directors

The Board of Directors is the supreme administrative body of the Company that primarily formulates the corporate growth policy and strategy while supervising and overseeing the management of the corporate property.

The Board of Directors has authority to decide on all matters with respect to the management of the corporate property, the administration and representation of the Company and the corporate business in general, and proceeds with all action and decisions aimed at the fulfillment of the Corporate object; the Board of Directors also monitors the course of the Company and the implementation of its activities. Excepted are those issues and matters which, under the provisions of the law or the present Articles of Association, fall within the exclusive authority of the General Meeting.

Delegation of power by the Board of Directors

The Board of Directors, under the restrictions stipulated by law and the Articles of Association, may decide to delegate the exercise of its powers or authorities in part to the Chairman or the Managing Director or a member or members of the Board of Directors or Company Managers or employees or third parties.

Information concerning the members of the Board of Directors

The members of the Board of Directors for the period from 01/01/2011 to 31/12/2011 were as follows:

From January 1st until the 23rd of February 2011, the Board of Directors comprised the following members:

NAME	POSITION
Themistocles Lekkas	Chairman of the BoD – executive member
Nikolaos Bardis	CEO – executive member
Antonios Antonopoulos	Non-executive member
George Kontoroupis	Non-executive member
Panagiotis Beis	Non-executive member
Dionysis Asimakopoulos	Non-executive member
Antonios Kotsonis	Non-executive member
Nikolaos Kogioumtsis	Non-executive member
Nikolaos Tzikas	Non-executive member
Panagiotis Skoularikis	Non-executive member
Christos Mistriotis	Non-executive member
Emmanuel Aggelakis	Non-executive member
Evangelos Moutafis	Non-executive member

After the resignation of Mr. Nikolaos Tzikas on February 24th, 2011 and until March 28th, 2011, the Board of Directors was formed as follows:

NAME	POSITION
Themistocles Lekkas	Chairman of the BoD – executive member
Nikolaos Bardis	CEO – executive member
Antonios Antonopoulos	Non-executive member
Georgios Kontoroupis	Non-executive member
Panagiotis Beis	Non-executive member
Dionysios Assimakopoulos	Non-executive member
Antonios Kotsonis	Non-executive member
Nikolaos Kogioumtsis	Non-executive member
Panagiotis Skoularikis	Non-executive member
Christos Mistriotis	Non-executive member
Emmanuel Aggelakis	Non-executive member
Evangelos Moutafis	Non-executive member

On June 10th, 2011, the Shareholders General Meeting endorsed Mr. Antonios Antonopoulos, as an independent non-executive member. Also, after the resignation of Mr. Nikolaos Tzikas on March 29th, 2011, his position was assumed by Mr. Andreas Geragidis, consequently the composition of the Board of Directors was as follows, until October 26th, 2011:

NAME	POSITION
Themistocles Lekkas	Chairman of the BoD – executive member
Nikolaos Bardis	CEO – executive member
Antonios Antonopoulos	Independent – Non-executive member
Georgios Kontoroupis	Non-executive member
Panagiotis Beis	Non-executive member
Dionysios Assimakopoulos	Non-executive member
Antonios Kotsonis	Non-executive member
Nikolaos Kogioumtsis	Non-executive member
Andreas Geragidis	Non-executive member
Panagiotis Skoularikis	Non-executive member
Christos Mistriotis	Non-executive member
Emmanuel Aggelakis	Non-executive member
Evangelos Moutafis	Non-executive member

On October 27th, Mr. Andreas Geragidis resigned and in his position was elected on November 10th, 2011, Mr. Epaminondas Sklavenitis. The new Board of Directors from November 10th until December 31st, 2011 was as follows:

NAME	POSITION
Themistocles Lekkas	Chairman of the BoD – executive member
Nikolaos Bardis	CEO – executive member
Antonios Antonopoulos	Independent – Non-executive member
Georgios Kontoroupis	Non-executive member
Panagiotis Beis	Non-executive member
Dionysios Assimakopoulos	Non-executive member
Antonios Kotsonis	Non-executive member
Nikolaos Kogioumtsis	Non-executive member
Epaminondas Sklavenitis	Non-executive member
Panagiotis Skoularikis	Non-executive member
Christos Mistriotis	Non-executive member
Emmanuel Aggelakis	Non-executive member
Evangelos Moutafis	Non-executive member

The tenure of the Board of Directors for the representatives of the Minority Shareholders is until 2/06/2013 and for the rest of the Board until 25/06/2013.

The CVs of the members of the Board of Directors are listed on the Company's website http://www.eydap.gr/index.asp?a_id=60.

During 2011 the Board of Directors convened 26 times.

Audit Committee

The Company in compliance with the provision of article 37 of l.3693/2008 has established and Audit Committee.

Within 2011, the Audit Committee was comprised of the following members:

From 01/01/2011 until 09/06/2011, the members were:

1) Mr. Antonios Antonopoulos, Chairman (non-executive member)
2) Mr. Dionysios Assimakopoulos (non-executive member) and
3) Mr. Christos Mistriotis, Secretary.

During the General Meeting which took place on the 10th of June 2011, the new Audit Committee was elected as follows:

1) Mr. Antonios Antonopoulos, Chairman (independent, non-executive member)
2) Mr. Andreas Geragidis (non-executive member) and
3) Mr. Christos Mistriotis, Secretary (non-executive member).

Following the resignation of Mr. Geragidis on the 27/10/2011 from the Board of Directors, the new Audit Committee was assigned following a Board of Directors Resolution on November 28th, 2011 as follows:

1) Mr. Antonios Antonopoulos, Chairman (independent, non-executive member)
2) Mr. Epaminondas Sklavenitis (non-executive member) and
3) Mr. Christos Mistriotis, Secretary (non-executive member).

The authorities and obligation of the Audit Committee are:

a) the observation of the procedure of financial information,
b) the observation of the efficient operation of the system of internal audit and the system of risk management, as well as the observation of the correct operation of the internal auditors of the company
c) the observation of the course of the obligatory check of the financial statements company
d) the observation of issues contingent to the existence and preservation of the independence of the auditor especially on what concerns the providing of other services from the auditor.

Mission of the Audit Committee is the insurance of efficiency of the company's proceedings affairs, the control of the credibility of the financial information that is provided to the investing community and the shareholders of the company, the compliance of the company with the laws, the safeguard of investments and assets of the company and the detection and confrontation of the most important risks.

The operating framework and powers of the Committee has been determined by the Board of Directors Resolution (BoD Res.14995/2004).

The audit committee during 2011 (01/01/2011– 31/12/2011) convened four times.

c. Shareholders' General Meeting & Rights

Operation and Powers of the General Meeting

The General Meeting of shareholders of the Company is the supreme body of the Company, being entitled to decide on any matter in connection with the Company; its resolutions, passed as prescribed by law, are binding on all shareholders, even absent or dissenting ones. Sole the General Meeting has authority to decide on the following:

1) on any amendment of the Articles of Association; the increase of decrease of the capital of the Company is considered to be an amendment subject to par. 4 of article 8 and par. 5 of article 9 of the Articles of Association;
2) on the election of the members of the Board of Directors and the auditors subject to articles 11 and 13 of the Articles of Association;
3) on the approval of the annual financial statements of the Company;
4) on the appropriation of the annual profits and the approval of the emoluments to members of the Board of Directors;
5) on the discharge of the members of the Board of Directors and Auditors from any personal liability;
6) on the issue of bond loans of any type, subject to par. 4 of article 9 of the Articles of Association;
7) on the merger, division, conversion, revival, extension of the term and dissolution of the Company;
8) on the appointment of liquidators.

As to the rest, the provisions of article 34, par. 2, of c.l.2190/1920, as applicable, shall apply.

Convocation of the General Meeting

The General Meeting of shareholders, convened by the Board of Directors, holds its ordinary sessions at the place where the registered office of the Company is located, once every year, within six months at the latest after the end of each business year.

Exceptionally, the General Meeting may be held at another place located in Greece, upon authorization to this effect by the supervising Authority specifying also the conditions under which such authorization is granted. Such authorization is not required when shareholders representing the entire share capital are present or represented at the Meeting and no one objects to the holding of the General Meeting session and the adoption of resolutions.

The Board of Directors may also call an extraordinary session of the General Meeting of shareholders if it so deems advisable.

The Board of Directors is required to convene the General Meeting upon the requisition of the auditors, within ten (10) days as of the day the requisition was delivered to the Chairman of the Board of Directors, its agenda being as specified in the requisition. The Board of Directors is also required to convene the General Meeting upon the requisition of the (Hellenic) State. In case of refusal by the Board of Directors, the State can convene the General Meeting via the supervising Minister, by a written statement communicated to the Company.

When no Board of Directors exists, the General Meeting a) is called by an interim Board of Directors appointed by the competent Court pursuant to article 69 of the Civil Code, or b) is self-called provided all shareholders representing the entire share capital of the Company are present or represented at the relevant session of the General Meeting.

The Company does not provide for shareholders' participation and voting in the General Assembly via electronic or long-distance means.

General Meeting Notice - Agenda

The notice to the General Meeting shall specify as a minimum the date and time and the building where the meeting is to be held, as well as the agenda items clearly defined. The General Meeting shall be convened by publication of the relevant notice to the shareholders of the Company, pursuant to the provisions of the Articles of Association and pursuant to the provisions on publication contained in articles 26, par. 2, and 26a of c.l.2190/1920 as currently applicable. The notice shall be posted at a conspicuous place in the Company's office, and shall be published as imposed by any applicable provision.

The said notice is published ten (10) clear days in advance in Government Gazette, Bulletin of Corporations and Companies with Limited Liability and twenty (20) clear days in advance in the said daily or weekly political and financial newspapers. In the case of a repeat General Meeting the above time periods set for the publication of the notice are shortened by half and the notice is to be published as above specified. It is noted that non business days are counted in the above stipulated time periods, however the day of publication of the notice to the General Meeting and the day on which the General Meeting session is held are not counted.

Within the same twenty-day (20-day) period the notice is communicated to the Ministry of Finance and the Ministry of Infrastructure, Transport and Networks. Ten (10) days before the date set for the Ordinary General Meeting, any shareholder may obtain from the Company the annual financial statements, as well as the relevant reports by the Board of Directors and the Auditors.

Shareholders Participation at the General Meeting

Each share affords its owner the right to one vote at the General Meeting.

In the Shareholders General Meeting anyone who appears as a shareholder in the Dematerialized Securities System which is managed by Athens Stock Exchange S.A. has a right to participate. The proof of shareholders identity is established by the relevant written assurance of the above mentioned organization or by direct electronic connection of the Company with the organization. The person must be a shareholder five (5) days before the General Assembly (record date), and the relevant receipts or the electronic receipts concerning the shareholding capacity must come to the company at the latest the third (3) day before the General Assembly.

The shareholder participates in the General Meeting and votes either in person or via proxies. Each shareholder may appoint up to three (3) proxies. Legal entities may participate in the General Meeting appointing as proxies up to three natural entities. However, if the shareholder owns shares of the company that appear in more than one accounts, he may appoint different proxies. A proxy that acts on behalf of different shareholders may vote differently for each shareholder. The proxy holder is obliged to disclose to the Company, before the commencement of the General Meeting, any fact which might be useful to the shareholders in assessing whether the proxy holder might pursue any interest other than the interest of the represented shareholder. A conflict of interest within this context may in particular arise where the proxy holder:

a. is a controlling shareholder of the Company, or is another entity controlled by such shareholder;
b. is a member of the Board of Directors or the management of the Company, or of a controlling shareholder or an entity controlled by such shareholder;

c. is an employee or an auditor of the company, or of a Controlling shareholder or an entity controlled by such shareholder;

d. is a spouse or close relative (of 1st degree) with a natural person referred to in points (a) to (c).

The appointment and reverse of a proxy takes place in writing and is announced to the company at least three (3) days before the date of the General Meeting.

The forms for the appointment and revocation of a proxy holder are available on the Company's website. The appointment form of a proxy holder, completed and signed by the shareholder must be submitted to the Company at least 3 days before the date of the General Meeting. The shareholders are requested to ensure the successful dispatch of the form and receipt thereof by the Company.

The (Hellenic) State attends the General Meeting represented by the Minister of Finance or his representative authorized in writing by the Minister of Finance. The General Meeting may also be attended, without voting right, by the Minister supervising the Company or his representative authorized in writing by the said supervising Minister. Specifically for the election of the members of the Board of Directors, the State, as a shareholder, is represented at the General Meeting by the Ministers of Economy and the supervising Minister or the official authorized by them.

The fulfilling of the above mentioned rights (attendance and voting) does not require the prior bound of the shareholders´ shares or any other procedure that limits the possibility of selling or transferring shares in the time between the record date and the date of the General Meeting.

In the General Meeting only those who are shareholders in the said date have a right to participate in the General Meeting. In case of non compliance to article 28a of the l.2190/1920, the said shareholder participates in the General Meeting only after its license.

Ordinary quorum and majority vote at the General Meeting

A quorum shall be present and the General Meeting may validly transact the business contained in its agenda, when at least fifty one per cent (51%) of the paid-in share capital is represented thereat.

If no such quorum is present at the first meeting, a reiterative meeting shall be held within twenty (20) days as of the day of the cancelled meeting, upon a prior notice of at least ten (10) days, whatever the part of the paid-in share capital represented thereat.

All resolutions of the General Meeting are passed by absolute majority of the votes represented at the Meeting.

Qualified quorum and majority vote at the General Meeting

Exceptionally, a quorum shall be present and the General Meeting may validly transact the business contained in the following agenda when two thirds (2/3) of the paid-in share capital are represented thereat:

a) Change of the nationality of the Company;

b) Change of the object of the corporate business;

c) Increase of the shareholders' obligations;

d) Share capital increase, except for increases under article 8 (paragraphs 2 and 3), of the Articles of Association or those imposed under provisions of law or effected by means of capitalization of reserves;

e) Share capital reduction;

f) Issuance of a bond loan, subject to the provisions of article 9, par. 4, of the Articles of Association;

g) Change of the manner of appropriation of profits;

h) Merger, division, conversion, revival, term extension or dissolution of the Company;

i) Delegation or renewal of power to the Board of Directors for Share Capital increase or issuance of a bond loan pursuant to article 8, par. 2 and 3, and article 9, par. 4, of the Articles of Association;

j) In any other case for which the law and the present Articles of Association stipulate that, for the adoption of a certain resolution by the General Meeting the special qualified quorum provided for in this paragraph is required.

If the quorum specified in the preceding paragraph is not present in the first meeting, a first reiterative meeting shall be held within twenty (20) days as of such first meeting, upon a notice of a minimum of ten (10) days in advance; such meeting shall form a quorum and may validly transact the business contained in the original agenda if at least one half (1/2) of the paid-in share capital is represented thereat.

If again no such quorum is present, then a second reiterative Meeting shall be held within twenty (20) days as per the above; such meeting shall form a quorum and may validly transact the business of the original agenda if at least one third (1/3) of the paid-in share capital is represented thereat.

All resolutions under par. 1 of this article are passed by a majority of two thirds (2/3) of the share capital represented in the General Meeting.

Minority Rights

On the requisition of shareholders representing one twentieth (1/20) of the paid-in share capital, the Board of Directors is required to call an Extraordinary General Meeting of shareholders and set a date for it not being more than thirty (30) days from the date such requisition was submitted to the Chairman of the Board of Directors. The requisition must accurately specify the agenda items.

On the requisition of shareholders representing one twentieth (1/20) of the paid-in share capital, the Chairman of the General Meeting shall adjourn, but only once, the adoption of a resolution by the Ordinary or Extraordinary General Meeting on all or some agenda items, and fix a new session for deciding on such resolution, on the date mentioned in the requisition of the shareholders, which may not, however, be later than thirty (30) days from the day of such adjournment. Such adjourned General Meeting is a continuation of the previous one and the publication formalities need not be observed anew; this Meeting may also be attended by new shareholders, subject to the provisions of articles 27, par. 8, and 28 of c.l.2190/1920, as applicable, and of the present Articles of Association.

On the requisition of shareholders representing one twentieth (1/20) of the paid-in share capital, submitted to the Company five (5) clear days before the Ordinary General Meeting, the Board of Directors is required to:

a) Inform the General Meeting of the amounts which were paid during the last two-year period by the Company for whatever reason to members of the Board of Directors or to the Managers or other employees of the Company as well as of any benefit by the Company to the above persons or any agreement whatsoever existing between the Company and such persons;
b) Supply any requested information regarding the affairs of the Company insofar as such information is useful for an actual evaluation of the agenda items. The Board of Directors may refuse to supply the requested information for sufficient reasons which shall be entered in the Minutes.

On the requisition of shareholders representing one third (1/3) of the paid-in share capital, submitted to the Company within the period specified in the preceding paragraph, and provided such shareholders are not represented in the Board of Directors, the Board of Directors is required to give to them during the General Meeting or to their representative before such meeting, information with regard to the course of the corporate affairs and the status of its property. The Board of Directors may refuse to provide such information, for sufficient and substantial reasons which shall be entered in the Minutes.

In the cases mentioned in the second subparagraph of par. 3 and in par. 4 of article 35 of the Articles of Association, any dispute as to the soundness of the reasons for refusal shall be resolved by the competent One-Member Court of First Instance of the district where the company's registered office is located, in accordance with the injunction procedure. In its judgment the Court may instruct the Company to provide the denied information.

On the requisition of shareholders representing one twentieth (1/20) of the paid-in share capital, the passing of a resolution by the General Meeting on any given item of the agenda of the General Meeting shall be effected by roll call.

Shareholders of the Company representing at least 1/20 of the paid-in share capital have the right to demand an inspection of the Company by applying to the competent Court of the district where the registered office of the Company is located. In case the Company engages Certified Chartered Accountants registered with the Chartered Accountants Association pursuant to article 75 of l.1969/1991, Presidential Decree 226/1992 and Presidential Decree 227/1992 for carrying out the audit of the Company, this right shall be reserved to shareholders representing at least 1/10 of the share capital. Such inspection shall be ordered if by the alleged acts it seems probable that the provisions of law or the Articles of Association or the resolutions of the General Meeting have been violated and provided the alleged acts were committed within a period of time not exceeding two years from the date of approval of the annual financial statements of the year in which such acts were committed.

Shareholders of the Company representing one third (1/3) of the paid-in share capital may apply to the competent Court, as per the provisions of the preceding paragraph, for the issuance of an inspection order if from the whole course of the corporate affairs it can be assumed that the management of these affairs is not exercised as required by the principles of sound and wise administration. This provision shall not apply if the requesting minority is represented in the Board of Directors of the Company.

By application of the shareholders that represent one twentieth (1/20) of the share capital, the BoD is obliged to add additional matters in the agenda that has already convene, if the relevant application comes to the BoD at least fifteen (15) days before the General Meeting. The additional matters have to be published, under the responsibility of the BoD, according to article 26 of the l.2190/1920, seven (7) days at least before the General Meeting. If these matters are not published, the applicants are entitled to ask the postponement of the General Meeting in accordance with par. 3 of article 39 of the c.l.2190/1920 and to engage themselves in the publication, as defined in the preceding paragraph, at the expense of the Company.

Upon application of the shareholders that represent one twentieth (1/20) of the share capital, the BoD gives out at least six (6) days before the date of the General Meeting, plans of decisions for matters that have been included in the initial or the revised agenda, if the relevant application has come to the BoD seven (7) days before the date of the General Meeting.

Following the request of any shareholder, communicated to the Company at least 5 full days before the General Assembly, the Board of Directors must provide to the General Assembly, the requested, specific information with respect to matters of the Company, to the extend this information is useful for the actual assessment of the items on the agenda.

In the aforementioned cases, the shareholders who are communicating a request must provide proof of their qualification as shareholders as well as the number of shares held by them at the moment of the exercise of the relevant right. The presentation of a certification of the Hellenic Exchanges S.A. or the verification of a shareholder's qualification through the direct electronic link of the Hellenic Exchanges S.A. and the Company, may be recognized as such proofs.

In line with article 27 par. 3, cases c, d, e of c.l.2190/1920, all the documents, related to the exercise of voting rights, will also be available in hard copy at the Company's competent department.

Shareholders Rights and Obligations

Shareholders exercise their rights in connection with the management of the Company only through their participation at the General Meeting; outside this, only in the cases stipulated by law. The rights and obligations under each share follow such share's legal owner and holder. Ownership of a share certificate entails the acceptance of the Articles of Association of the Company and of the resolutions of the General Meeting of shareholders, as well as the decisions of the BoD passed within the scope of their authority. The shares of the Company are indivisible as concerns the Company, with the Company recognizing only the owner for each share. Any ab indiviso co-owners of a share as well as its possessor or bare owners shall be represented at the General Meeting by only one person unanimously appointed by them. In case of failure to appoint a person who shall be the common representative of all beneficiaries, the BoD is required to suspend all rights deriving from such share. Each share affords the right to one (1) vote at the General Meeting and a right of sharing in the profits of the Company and its property in the case of liquidation.

Other Information

The information of article 27 par. 3 of c.l.2190/1920 including the invitation, the forms of appointment and revocation of a proxy holder, the procedure of voting by proxy, the draft resolutions for the agenda items, as well as further information regarding the exercise of minority rights of article 39, par. 2, 2a, 4 and 5 of c.l.2190/1920 are available in electronic form on the Company's website (www.eydap.gr).

d. Internal Audit & Risk Management

Main characteristics of Internal Audit

The Internal Audit of the Company is conducted by the Internal Audit Division, according to the annual programme of audits.

It is noted that the control on the base of which the relevant report is drawn up within the l.3016/2002, as it stands (art. 7 & 8) as well as the Decision 5/204/2000 of the Hellenic Market Committee, as it stands after its alteration by the Decision of the BoD of the Hellenic Market Committee no 3/348/19.7.2005.

During the audit, the Internal Audit Division takes into account all the necessary books, files, bank accounts and portfolios of the company and asks for the complete and constant cooperation of the management, so that all the necessary information and data will be gathered, with the purpose to compile a Report that will include conclusions that do not entail substantial inaccuracies.

The scope of the audit is the evaluation of the general level and the procedures of the internal audit system. In any controlled period, several areas of audit are chosen, while the organization and operation of the BoD is constantly controlled as well as the Shareholders and Investor Relations Department and the Corporate Communications Department that operate under the l.3016/2002.

Risk Management related to the Financial Statements

The Company has invested in the development and maintenance of MIS infrastructure that ensure the correct display of figures. At the same time, an analysis of the results is made on a daily basis covering all the important fields of business activity. The actual, historical and budgeted figures are compared with adequate explaining of all the important deviations.

e. Other Managerial or Supervisory Committees of the Company

No other committees exist at the time.

F. OUTLOOK

The water market attracts in recent years the interest of water management authorities, water supply corporations, and investors worldwide.

According to estimates published by international agencies, the outlook of water market is extremely positive. Many call water the "transparent gold", since its consumption grows twice as fast world population, while its resources steadily decline.

Current reports indicate that demand expressed by almost one-third of world population is marginally covered due to restricted reserves, while 64% of world population is expected to face water shortage, to a bigger or smaller degree, by 2025.

Climate change and increasing demand for drinking water are parameters that render water as a valuable good for society and a promising commodity for corporations, setting new challenges and opportunities for further business initiatives. Nevertheless, one should also consider the adverse effects imposed by the dire financial context wherein EYDAP operates, the high amount of receivables from State and Municipal Authorities, and the absence of a tariff policy regime that would serve the company's business plan, due to its ownership status.

It is obvious that in such a volatile financial and business context, it is hard to forecast long-term business developments. It is certain, though, that the company's strategic choices and actions ensure its sustainable development and set the ground for further profitability and growth, upholding the interests of its customers and shareholders.

G. RELATED PARTY TRANSACTIONS

The following tables provide an overview of related-party transactions:

A) TRANSACTIONS AND AMOUNTS OUTSTANDING WITH THE MEMBERS OF THE BOARD

	31/12/2011	31/12/2010
Salaries (Chairman & CEO and Executive Directors)	132	127
Salaries & participation fees of the Members of the Board of Directors	75	68
	207	195

B) TRANSACTIONS AND AMOUNTS OUTSTANDING WITH THE GREEK STATE AND THE MUNICIPALITIES

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
1) Transactions				
Revenues	69,320	68,590	69,323	68,590
Cost of sales (construction contracts)	(3,084)	(1,192)	(3,084)	(1,192)
Provisions	(7,288)	(10,573)	(7,288)	(10,573)
2) Outstanding amounts				
Long term receivables (construction contracts)	110,598	107,329	110,598	107,329
Long term receivables (Arrangements of Municipalities)	23,102	25,264	23,102	25,264
Trade receivables	177,079	154,709	177,079	154,709
Other receivables (coverage of Employees' end-of-service indemnity)	62,433	51,383	62,433	51,383

H. DISCLOSURES PURSUANT TO ARTICLE 4, PAR. 7 OF L.3556/2007 – SUPPLEMENTARY REPORT

Pursuant to article 4, par. 7 of l.3556/2007, the company is obliged to disclose in the Board of Directors' Report information on the following matters:

a) Share Capital Structure

Pursuant to article 5 par. 3 of the Company's Codified Articles of Incorporation, as approved by the 24th General Shareholders' Meeting of 30 June 2006, the Share Capital of the Company currently amounts to sixty-three million nine-hundred thousand euros (€ 63,900,000) and is divided into 106,500,000 shares with a nominal value of sixty eurocents each (0.60).

Pursuant to article 7 par. 1 of the Articles of Incorporation the company's shares are registered and liability thereof is several. Each share affords its owner the right to one (1) vote in the General Meeting and pro-rata entitlement to the company's profits, as well as to the company's assets in case of liquidation.

b) Restrictions on the Transfer of the Company's Shares

The transfer of the Company's shares is carried out as provided by the effective legal framework without restrictions imposed by the articles of incorporation.

c) Major Direct or Indirect Shareholders, as provided in articles 9 to 11 of l.3556/2007

Major direct or indirect shareholders, as provided in articles 9 to 11 of l.3556/2007, whose stake exceeds directly or indirectly 5% of the total number of the company's shares are the following:

	Number of Shares	% of Total
Shareholders >5%		
Greek State	36,245,240	34.03%
Hellenic Republic Asset Development Fund	29,074,500	27.30%
Agricultural Bank of Greece	10,648,800	10.00%
Other Shareholders <5%	30,531,460	28.67%
TOTAL	106,500,000	100.00%

d) Shares Conferring Special Control Rights

There are no shares that confer to their holders special control rights.

e) Restrictions on Voting Rights

The Company's Articles of Incorporation do not include restrictions on voting rights. Voting rights are regulated by articles 28 and 29 of the Company's Articles of Incorporation.

f) Agreements between Shareholders Entailing Restrictions on Share Transfer or Voting Rights

The Company is not aware of any agreements between its shareholders, which entail restrictions on the transfer of its shares or on the exercise of voting rights associated with its shares.

g) Provisions Concerning the Appointment and Replacement of the Members of the Board of Directors and the Amendment of the Articles of Incorporation

The provisions concerning the appointment and replacement of the Members of the Board of Directors are set forth in article 11 of the Company's Articles of Incorporation, which states the following:

Article 11: Composition and Term of the Board of Directors

1. The Company is managed by the Board of Directors; the number of members (Directors) is an odd number which may not exceed thirteen (13) or be less than seven (7). The General Meeting of shareholders has the authority to specify the number of Directors, as well as to increase or reduce such number, always in accordance with the provisions set forth in this paragraph.
2. The Board of Directors consists of:
   (a) Two (2) representatives of the Company's employees, elected (along with their alternate members) by direct universal suffrage, in accordance with article 17, par. 1, of l.2469/ (Government Gazette A' 38), as in force from time to time.
   (b) Two (2) members representing minority shareholders, in accordance with the provisions of article 18, paragraphs 3 and 5 of c.l.2190/1920, elected as per the provisions of article 36 hereof.
   (c) Representatives of the shareholders, elected by the General Meeting; shareholders who participated in the Special Meeting provided for in article 36 hereof (concerning the election of the remaining members of the Board) may not participate in the said General Meeting.
3. The Board of Directors consists of executive, non-ex-

ecutive and independent non-executive members, in accordance with the provisions of articles 3 and 4 of l.3016/2002, as in force from time to time.

4. The two (2) members elected by the Company's employees are appointed within two months of their election. Until their appointment, the Board of Directors convenes and resolves validly without these members. As of their appointment, the said members are included ipso jure in the Board of Directors; if the Board of Directors has already held its inaugural meeting, it convenes again to include the said members.
4. (a) Non-election, non-appointment or neglect on behalf of minority shareholders, for any reason whatsoever, to nominate their representatives may not prevent the Board of Directors from holding its inaugural meeting, nor from validly convening and resolving; the number of the said representatives is not taken into account in the calculation of majority and quorum.
5. In any event, the Board of Directors may convene and resolve validly without the representatives of employees, if the deadline specified in article 11, par. 4 hereof expires. In such case, their number is not taken into account in the calculation of majority and quorum.
6. Members of the Board of Directors are elected to a five-year term; this term is extended ipso jure until the nomination or election of new members (Directors), in accordance with the provisions of par. 2 of this article. Such extension may not exceed one (1) year.
7. Members of the Board of Directors may be freely recalled. Recall and replacement procedures are carried out by those who had the right to elect or nominate the members, in accordance with the provisions of par. 2 of this article. The General Meeting may replace any of the members (Directors) it had elected, as per par. 2, sub-paragraph (c) of this article, before their term expires.
8. The Directors may be re-appointed, re-elected or recalled for an unlimited amount of times.
9. The members of the Board of Directors may not be related with each other, by blood or marriage, up to the third degree, and may not be contractors or suppliers of the Company under any form, nor members of other Boards of Directors or employees of other companies that do business with the Company. Nevertheless, members of the Board of Directors or employees of an affiliate to the Company, as defined in article 42e of c.l.2190/1920, may be members of the Board of Directors of the Company.

According to article 25 hereof, the amendment of the Articles of Incorporation lies with the responsibilities of the General Meeting of shareholders.

h) Authority of the Board of Directors or Designated Members with Regard to the Issuance of New Shares or Share Repurchase

The authority of the Board of Directors with regard to the issuance of new shares is laid down in article 8 of the Articles of Incorporation, which provides for the increase, reduction and amortization of share capital. Paragraphs 1 to 4 of article 8 state the following:

1. In order for the Company to increase its share capital, a resolution of the General Meeting of shareholders which provides for the amendment of the relevant article of the Company's Articles of Incorporation is required; such resolution may only be passed by qualified quorum and majority vote, as per article 31 hereof.
2. (a) Without prejudice to par. 4 of this article, it is expressly stated that by resolution of the General Meeting, subject to the publication formalities stipulated in article 7b of l.2190/1920, as currently in force, the Board of Directors may be authorized to decide by majority of at least 2/3 of its entire membership, to increase the Company's share capital in whole or in part, through the issuance of new shares, up to the amount of the paid-up capital at the date on which such authority was granted to the Board of Directors.

   (b) The General Meeting may renew such authority to the Board of Directors for a period that does not exceed five years per renewal; every renewal is effected upon completion of the previous renewal. Such resolution of the General Meeting is subject to the publication formalities stipulated in article 7b of l.2190/1920, as currently in force.
3. A share capital increase resolved as per the provisions of par. 2 of this article shall not constitute an amendment of the Articles of Incorporation.
4. As an exception to the provisions of par. 2 of this article, when the Company's reserves exceed 1/4 of the paid-up capital, in order for the Company to increase its share capital, a resolution of the General Meeting reached in accordance with the provisions of article 31 hereof ("Special Quorum and Majority Vote in General Meetings") is always required, pursuant to which the relevant article of the Company's Articles of Incorporation is amended.

With regard to share repurchase, the provisions of l.2190/1920 apply without modifications.

i) Important Agreements Effected, Amended or Terminated in Case of Change of Management

There are no important Agreements effected, amended or terminated in case of change of management, pursuant to public offering.

j) Agreements with Members of the Board of Directors or with Employees

There are no agreements between the Company and members of the Board of Directors or employees concerning severance pay in case of resignation, unjustified dismissal or termination of tenure or employment due to public offering.

I. DIVIDEND POLICY

The Board of Directors intends to declare in the 30th General Meeting of Shareholders, scheduled for the 12th of June 2012, dividends for 2011 that amount to € 18,105,000.00 (€ 0.17 per share).

The proposed dividend is more than quadruple compared to the equivalent of 2010 (€ 0.04) and is charged with tax deductions, according to l.3943/2011, where applicable.

J. SIGNIFICANT EVENTS AFTER YEAR END

No matters or circumstances which may affect the Company's operations or financial structure have arisen since the end of the financial year (31 December 2011) and until this report was compiled.

K. RESEARCH & DEVELOPMENT

The Company has no significant activity in Research & Development.

Galatsi, 28 March 2012

THE MEMBERS OF THE BOARD OF DIRECTORS

Name	Position
Themistocles Lekkas	Chairman of the BoD – executive member
Nikolaos Bardis	CEO – executive member
Antonios Antonopoulos	Independent non-executive member
Georgios Kontoroupis	Non-executive member
Panagiotis Beis	Non-executive member
Dionysios Asimakopoulos	Non-executive member
Antonios Kotsonis	Non-executive member
Nikolaos Kogioumtsis	Non-executive member
Epaminondas Sklavenitis	Non-executive member
Panagiotis Skoularikis	Non-executive member
Christos Mistriotis	Non-executive member
Evangelos Moutafis	Non-executive member
Emmanouel Aggelakis	Non-executive member

Exact Copy of No 1067
Minutes of the Board of Directors
of 28th of March 2012

The Chief Executive Officer

Nikolaos Bardis

C. Financial Statements for the Annual Period 1st January to 31st December 2011

According to International Financial Reporting Standards

The Financial Statements were approved by the Board of Directors on 28 March 2012 and are under the approval of the Annual Shareholders Meeting.

The following officers signed the Financial Statements under the permission of the Board of Directors:

Athens 28 March 2012

The Chairman of the Management Board	The Managing Director	The Director of the Economic Department	The Accounting Department Supervisor
Lekkas Themistocles	**Bardis Nikolaos**	**Misailidis Michalis**	**Skylaki Lemonia**
ID No AE 144774	ID No Φ 472635	ID No P 227188 Economic Chamber of Greece Accounting License Reg. No A/1496	ID No Ξ 971227 Economic Chamber of Greece Accounting License Reg. No A/17806

1. GENERAL INFORMATION FOR THE COMPANY

Name:	EYDAP SA
Domiciliation:	Oropou 156 – Galatsi
Date of Establishment:	25/10/1999
Duration:	100 years
Main Activity:	Water Supply – Sewerage
Registration Number of S.A.:	44724/06/B/99/52
Prefecture:	Athens
Tax Number:	094079101
Members of the Board of Directors:	Th. Lekkas, N. Bardis , G. Kontoroupis, P. Beis, D. Asimakopoulos, A. Kotsonis, Epam. Sklavenitis, N. Kogioumtsis, E. Agelakis, Ch. Mistriotis, E. Moutafis, P. Skoularikis, A. Antonopoulos
Ending Day of the Period:	31 December 2011
Period:	12 months
Form of Financial Statements:	Annual
Date of Approval of Financial Statements:	28 March 2012
Chartered Public Accountants:	N. Sofianos (Reg. num. soel 12231) N. Papadimitriou (Reg. num. soel 14271)
Auditing Company:	Chatzipavlou, Sofianos & Kampanis S.A. CERTIFIED AUDITORS – CONSULTANTS d.t. DELOITTE
Type of Auditor's Report	Qualified opinion – Matter of Emphasis
Internet address where the Financial Statements are registered:	www.eydap.gr

All amounts in Financial Statements and Notes are in € thousands unless otherwise stated.

2. STATEMENT OF INCOME FOR THE YEARS ENDED ON 31 DECEMBER 2011 & 2010

		GROUP		COMPANY	
amounts in € th.	Notes	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Turnover	10	358,550	378,965	358,550	378,965
Cost of services	11	(208,684)	(230,100)	(208,684)	(230,100)
Gross Profit		**149.866**	**148,865**	**149,866**	**148,865**
Other Operating Income	10	1.953	2.755	1,956	2,755
General and administration expenses	11	(58,989)	(62,995)	(58,982)	(62,995)
Distribution and selling expenses	11	(41,667)	(49,078)	(41,667)	(49,078)
Profit from operating activities		**51,163**	**39,547**	**51,173**	**39,547**
Other operating expenses		(4,534)	(4,847)	(4,534)	(4,847)
Finance income net	14	4.788	5,922	4,788	5,922
Finance costs net	15	(15,849)	(10,618)	(15,849)	(10,618)
Valuation of investments in associates		(76)	(176)		
Profit from ordinary activities before income taxes		**35,492**	**29,828**	**35,578**	**30,004**
Income tax expense	16	(9,442)	(18,487)	(9,443)	(18,487)
Net profit for the year		**26,050**	**11,341**	**26,135**	**11,517**
Earnings per share (in €)	17	**0.24**	**0.11**	**0.25**	**0.11**
Proposed divident (in €)	17			**0.17**	**0.04**

STATEMENT OF TOTAL INCOME FOR THE YEARS ENDED ON 31 DECEMBER 2011 & 2010

	GROUP		COMPANY	
amounts in € th.	31/12/2011	31/12/2010	31/12/2011	31/12/2010
EAT	26,050	11,341	26,135	11,517
Portfolio's available for sale valuation	(205)	(210)	(205)	(210)
Accumulated total revenues after taxes	25,845	11,131	25,930	11,307

The notes in pages 61-105 are integral part of the Annual Financial Statements.

3. STATEMENT OF ECONOMIC POSITION FOR THE YEARS ENDED ON 31 DECEMBER 2011 & 2010

amounts in € th.	Notes	GROUP 31/12/2011	GROUP 31/12/2010	COMPANY 31/12/2011	COMPANY 31/12/2010
ASSETS					
NON-CURRENT ASSETS					
Goodwill	18	3,357	3,357	3,357	3,357
Other Intangible assets	19	3,185	5,389	3,185	5,389
Property, plant and equipment, net	20	1,017,919	1,021,193	1,017,919	1,021,193
Investment in associates	21	130	207	542	542
Investments in subsidiaries	22	0	0	60	0
Available-for-sale Investments	23	847	1,057	847	1,057
Long-term receivables	24	136,024	135,304	136,023	135,304
Deferred tax assets	25	53,303	49,371	53,302	49,372
Total non-current assets		**1,214,765**	**1,215,878**	**1,215,235**	**1,216,214**
CURRENT ASSETS					
Materials and spare parts, net	26	16,288	18,731	16,288	18,731
Trade receivables, net	27	322,012	291,890	322,015	291,890
Other receivables, net	28	82,120	69,590	82,120	69,590
Current tax receivables	16	577	0	577	0
Cash and cash equivalents	29	21,975	27,842	21,920	27,842
Total Current assets		**442,972**	**408,053**	**442,920**	**408,053**
Total Assets		**1,657,737**	**1,623,931**	**1,658,155**	**1,624,267**
LIABILITIES					
EQUITY					
Share Capital	30	63,900	63,900	63,900	63,900
Share Premium		40,502	40,502	40,502	40,502
Reserves	31	380,258	379,933	380,258	379,933
Retained Earnings	32	367,437	346,177	367,858	346,513
Total Equity		**852,097**	**830,512**	**852,518**	**830,848**
LONG TERM LIABILITIES					
Liabilities for employees benefits	34	224,690	216,124	224,690	216,124
Provisions	35	59,418	48,398	59,418	48,398
Deferred subsidies and customer contributions	36	213,737	209,479	213,737	209,479
Consumers' guarantees	37	17,777	17,523	17,777	17,523
Total long term liabilities		**515,622**	**491,524**	**515,622**	**491,524**
SHORT TERM LIABILITIES					
Operating Current Liabilities	38	56,743	54,241	56,740	54,241
Income taxes payable	16	0	12,979	0	12,979
Short term loans	33	201,674	204,164	201,674	204,164
Accrued and other current liabilities	38	31,601	30,511	31,601	30,511
Total Short Term Liabilities		**290,018**	**301,895**	**290,015**	**301,895**
Total Liabilities		**1,657,737**	**1,623,931**	**1.658,155**	**1,624,267**

The notes in pages 61-105 are integral part of the Annual Financial Statements.

4. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED ON 31 DECEMBER 2011 & 2010

GROUP

2011	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other Reserves	Results profit/loss carried forward	Total Equity
Equity Balance at the beginning of the year 2011	63,900	40,502	21,080	358,283	570	346,177	830,512
Profit / (Losses) of the year, after tax			467			25,583	26,050
Arrangement of non distributed dividends					33	(33)	0
Net Profit from revaluation of available-for-sale investments					(205)		(205)
Dividends					30	(4,290)	(4,260)
Equity Balance at the end of the year 2011	**63,900**	**40,502**	**21,547**	**358,.283**	**428**	**367,437**	**852,097**

2010	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other Reserves	Results profit/loss carried forward	Total Equity
Equity Balance at the beginning of the year 2010	63,900	40,502	20,513	358,283	780	337,533	821,511
Profit / (Losses) of the year, after tax			567			10,774	11,341
Net Profit from revaluation of available-for-sale investments					(210)		(210)
Dividends						(2,130)	(2,130)
Equity Balance at the end of the year 2010	**63,900**	**40,502**	**21,080**	**358,283**	**570**	**346,177**	**830,512**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED ON 31 DECEMBER 2011 & 2010

COMPANY

2011	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other Reserves	Results profit/loss carried forward	Total Equity
Equity Balance at the beginning of the year 2011	63,900	40,502	21,080	358,283	570	346,513	830,848
Profit / (Losses) of the year, after tax			467			25,668	26,135
Arrangement of non distributed dividends					33	(33)	0
Net Profit from revaluation of available-for-sale investments					(205)		(205)
Dividends					30	(4,290)	(4,260)
Equity Balance at the end of the year 2011	**63,900**	**40,502**	**21,547**	**358,283**	**428**	**367,858**	**852,518**

2010	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other Reserves	Results profit/loss carried forward	Total Equity
Equity Balance at the beginning of the year 2010	63,900	40,502	20,513	358,283	780	337,693	821,671
Profit / (Losses) of the year, after tax			567			10,950	11,517
Net Profit from revaluation of available-for-sale investments					(210)		(210)
Dividends						(2,130)	(2,130)
Equity Balance at the end of the year 2010	**63,900**	**40,502**	**21,080**	**358,283**	**570**	**346,513**	**830,848**

The notes in pages 61-105 are integral part of the Annual Financial Statements.

5. CASH FLOW STATEMENTS FOR THE YEARS ENDED ON 31 DECEMBER 2011 & 2010

	GROUP		COMPANY	
	1/1–31/12/2011	1/1–31/12/2010	1/1–31/12/2011	1/1–31/12/2010
Cash Flows from operating activities				
Profit before tax	35,492	29,828	35,578	30,004
Adjustments for:				
Provisions for personnel's compensation	7,955	10,905	7,955	10,905
Other Provisions	19,455	20,505	19,455	20,505
Depreciation and amortization	38,250	35,795	38,250	35,795
Amortization of customers' contributions and subsidies	(7,314)	(7,308)	(7,314)	(7,308)
Investment income	(30)	(35)	(30)	(35)
Impairment of investments	76	176	0	0
Interest and related income	(4,758)	(5,887)	(4,758)	(5,887)
Interest and related expense	15,848	10,617	15,848	10,617
Operating income before working capital changes / changes in operating assets and liabilities				
(Decrease in) Increase in				
Trade receivables	(51,403)	(58,405)	(51,403)	(58,405)
Materials and spare parts	2,490	1,610	2,490	1,610
Increase in (Decrease in)				
Operating Shortterm Liabilities	(227)	7,488	(232)	7,488
Consumers' guarantees	254	391	254	391
Obligations for employees benefits	611	517	611	517
Minus:				
Interest and related expenses paid	(12,131)	(10,411)	(12,131)	(10,411)
Income Tax paid	(26,017)	(7,979)	(26,017)	(7,979)
Net cash from operating activities (a)	**18,551**	**27,807**	**18,556**	**27,807**
Cash Flows from investing activities				
Purchases of property, plant and equipment	(32,131)	(49,814)	(32,131)	(49,814)
Purchases of intangible assets	(640)	(2,025)	(640)	(2,025)
Proceeds from customers' contributions and subsidies	11,572	15,595	11,572	15,595
Interest and related income received	3,344	3,686	3,344	3,686
Dividends received	30	35	30	35
Subsidiaries	0	0	(60)	–
Net cash from investing activities (b)	**(17,825)**	**(32,523)**	**(17,885)**	**(32,523)**
Cash Flows from financing activities				
Proceeds from borrowings	0	64,800	0	64,800
Repayments of borrowings	(4,600)	(53,500)	(4,600)	(53,500)
Dividends paid	(1,993)	(1,366)	(1,993)	(1,366)
Net cash from financing activities (c)	(6,593)	9,934	(6,593)	9,934
Net (decrease) increase in cash and cash equivalents (a) + (b) + (c)	**(5,867)**	**5,218**	**(5,922)**	**5,218**
Cash and cash equivalents, beginning of period	**27,842**	**22,624**	**27,842**	**22,624**
Cash and cash equivalents, end of period	**21,975**	**27,842**	**21,920**	**27,842**

The notes are integral part of the Cash Flow Statements.

6. ESTABLISHMENT, OPERATIONS AND LEGAL FRAMEWORK OF THE COMPANY

General Information

«Athens Water and Sewerage Company» («EYDAP» or «Company») was established in 1980 following the merge of the two water and sewerage utilities of Athens at that time, namely Hellenic Water Company and the Sewerage Organization of Athens. The Company's Headquarters are located at 156 Oropou Street, Galatsi 111 46, Athens.

The Company is involved in water supply and refinement plus sewerage services and waste treatment in Attica region, which comprises the broader area of Athens. In accordance with its Articles of Incorporation, EYDAP is responsible fro the survey, construction, establishment, operation, exploitation, maintenance, expansion and renewal of water supply and sewerage installation and networks, within its area of responsibility.

EYDAP provides its water supply services through its 8,446 kilometers water distribution network. The Company also operates four Water Treatment Plants (WTP) with a total daily capacity of 1.8 million cubic water meters.

The sewerage network has a total length of owner 6,000 kilometers and consists of the main collector mains and the secondary sewerage network.

The company owns also the Waste Water Treatment Plants (WWTP) in Psitalia island, Metamorphosi and Thriasio areas.

From February 28th 2009 when EYDAP signed a deliverance-acceptance protocol with the Ministry of Infrastructure, Transportation and Networks concerning the management of the dehydrated sludge dessication unit, the company has under its juristiction the total facilities of Psitalia sewerage processing centre (Phase A, Phase B, dessication and CETHE).

The company has also the responsibility and operation costs (transportation plus energy development) of the dessicated product.

In Psitalia have been constructed and operate three Electrical and Thermal co-production units (CETHE). One unit operates with the combustion of natural gas of Electrical and Thermal power of 12.9 MWe and 17.3 MWth respectively.

The other two units operate with the combustion of biogas of total Electrical and Thermal power of 11.4 MWe and 17.2 MWth respectively.

Operation of the waste treatment plant in Psytallia

EYDAP has also installed and operate four small hydroelectric plants in Kirphi, Eliconas, Kithaironas & Mandra of Mornos Aquadect locations.

In addition the construction of the small hydroelectric power station in Evinos (820KW) has been completed.

The Company operates under the supreme inspection of the Ministry of Infrastructure, Transportation and Networks and in accordance with the provisions of c.l.2190/1920 as amended by l.2744/1999.

Until the enactment of l.2744/1999 the Company operated as wholly state-owned utility. On 1999 the Hellenic Republic decided to partially privatize the Company through an Initially Public Offering in Athens Stock Exchange. In this respect l.2744/1999 was enacted, the main provisions of which have as follows:

The legal duration of EYDAP was set to 100 years commencing from the date the l.2744/1999 was published in the Government Gazette, which was the 25 October 1999. The period can be expanded by a special resolution of the General Assembly.

The Greek State is not permitted to hold less than the 51% of the Company's share capital, at any time.

EYDAP has the exclusive right of providing water supply and sewerage services in the Attica region for the 20 years commencing from the date l.2744/1999 was published in the Government Gazette. This exclusive right is not transferable and may be renewed following a written agreement between the Greek State and the Company.

For the period 2000 to 2011 the tariffs of water and sewerage services are defined through common decisions of the Ministers of Infrastructure, Transportation and Networks and Finance and National Economy, after considering the Company's Board of Directors opinion.

Under article 4 of the l.2744/1999 an independent public entity «EYDAP Fixed Assets» («the Public Entity» or «PE») was established with the purpose of carrying out the operation and maintenance of the dams and reservoirs which where transferred to it, at no consideration. The provisions of l.2744/1999 are as follows:

On October 1999 the dams and the reservoirs at Marathons lake and Mornos river which are the main infrastructure installations used for watering Attica region in view of the Company's privatization were transferred to the Public Entity, with an equal decrease in the Special Tax Free Reserve of Equity.

The Greek State through the Public Entity is obliged to provide adequate quantities of crude water to the Company to carry out its watering activities.

The Public Entity has the responsibility for the proper function and the maintenance of the dams and reservoirs, which were transferred to it. However, as allowed in the contract, the maintenance has been assigned and is carried out by EYDAP. Until 2004, the annual cost of the maintenance and the proper functioning of these installations will be offset against the crude water, which the Public Entity provides the company. There is no agreement on a new contract after the period where the aforementioned provision was in place.

According to the l.2939/2001, EYDAP continues to have - and after the enforcement date of l.2744/1999 - the authority to construct projects related with the water supply system of the broader area of Athens that were selected for refinancing from the European Cohesion Fund at that time and until their completion. EYDAP has the right to receive the investment grants from the ECF, in retrospect, for the amounts received or will be received after the enforcement day of l.2744/99.

The Company's revenues are cyclical (increased water consumption in summer months). As a result the reported revenues and income have significant variances from quarter to quarter.

For these reason, results of operations for interim periods are not necessarily indicative of the annual results. Results of operations for interim periods are indicative only if they are compared with the corresponding results of the previous periods.

7. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IAS 24 (Revised) "Related Party Disclosures"

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual Financial Statements. This revision does not affect the Group's Financial Statements.

IAS 32 (Amendment) "Financial Instruments: Presentation"

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not relevant to the Group.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group.

IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group's Financial Statements.

IFRS 3 "Business Combinations"

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily re-placed share-based payment awards.

IFRS 7 "Financial Instruments: Disclosures"

The amendments include multiple clarifications related to the disclosure of financial instruments.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

IAS 27 "Consolidated and Separate Financial Statements"

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

IAS 34 "Interim Financial Reporting"

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

IFRIC 13 "Customer Loyalty Programmes"

The amendment clarifies the meaning of the term "fair value" in the context of measuring award credits under customer loyalty programmes.

Standards and Interpretations effective from periods beginning on or after 1 January 2012

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its Financial Statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

IFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

IFRIC 20 "Stripping costs in the production phase of a surface mine" (effective for annual periods beginning on or after 1 January 2013)

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This interpretation has not yet been endorsed by the EU.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the Group has continuing involvement. It also provides guidance on applying the disclosure requirements.

IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". This amendment has not yet been endorsed by the EU.

IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012)

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 January 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. This amendment has not yet been endorsed by the EU.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 January 2013)

The IASB has published this amendment to include information that will enable users of an entity's Financial Statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This amendment has not yet been endorsed by the EU.

IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment has not yet been endorsed by the EU.

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The main provisions are as follows:

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/principal relationships.

IFRS 11 "Joint Arrangements"

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of Financial Statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate Financial Statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate Financial Statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

8. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

EYDAP S.A. established on July 18th 2011 (Board of directors decision 17241–13/5/2011) a company under the name «Islands Water Supply and Sewerage S.A.» EYDAP participates in the new company's share capital by 100%. As a result it conducts consolidated financial Statements for the first time.

Basis of Consolidation

The Consolidated financial Statements of the current period include the mother company and its subsidiaries.

Subsidiaries are considered to be all those companies managed or controlled directly or indirectly by the mother company through the holding of the majority of their stocks or through their dependence on group's technological knowledge.

Subsidiaries financial Statements are included in consolidated financial statements from the date of control accession to the date that control over the subsidiary stops.

During the subsidiary's acquisition the respective claims, liabilities plus potential liabilities are assessed in their fair value. In such case that acquisition value is greater than fair value the respective difference is recognised as goodwill.

In the opposite case where acquisition value is lower than fair value the respective difference is recognised as credit in the financial results of the acquisition use. Minority interests are showed (in minority's analogy) in the fair value of the assets and liabilities where recognised.

Subsidiaries acquisitions are booked under the acquisition method. The subsidiaries Financial results which obtained or sold during the financial use are included in the respective consolidated statements from their acquisition date to their sale date.

When is being necessary subsidiaries financial statements are restated for data comparison reasons. During the consolidation all transactions among group's companies as also balances, profits or losses between them are erased.

In the Company's financial statements participations in subsidiaries or affiliates are carried out in their acquisition cost deducted by their impairment provisions.

The company inspects in a yearly basis all impairment indications in the accounting value of the subsidiaries in relation with their retrieval value on the basis of the higher value between the fair value less cost to sell and the respective value in use.

Investments in associates

Associates are those companies in which the Group exercises significant influence but do not meet the requirements to qualify as affiliates. The consolidated financial statements include the Group's share of profits and losses of affiliates, based on the equity method from the date the Group obtains significant influence until the date that it ceases to exist such influence. When the Group's share in the losses of an associate exceeds the displayed book value of the investment, the carrying value of investment is reduced to nil and the recognition of further losses stops, unless the Group has incurred obligations or contingent liabilities of the associate, beyond arising from ownership. The results of transactions between group companies and associates are eliminated to the extent of the investment of the Group in associated companies.

In the separate financial statements of the Company, relatives are valued at cost and are subject to review for impairment annually or in interim periods when there are serious indications of impairment.

Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity or other business activity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity or other business ctivity recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the company cash-generating units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity or other business activity the attributable amount of goodwill is included in the determination of the profit or loss on disposal. The Company's policy for goodwill arising on the acquisition of an associate is described under "Investments in associates" above.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

<u>Sale of goods</u>

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

<u>Rendering of services</u>

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

<u>Dividend and interest revenue</u>

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal owing and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

<u>Rental income</u>

Rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease (see also "Leasing" below).

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity on financial statements report date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

<u>The Company as lessor</u>

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

<u>The Company as lessee</u>

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the economic position report.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency), which is the euro.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. On each financial statements report date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the financial statements report date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:
- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

EYDAP SA obtains subsidies from the European Union (E.U.) in order to fund specific projects executed through a specific time period. Furthermore EYDAP's customers are required to participate in the initial network connection cost (metering devices, distribution network, connections, etc) or in the upgrade/expansion of the Company's networks.

Subsidies and customers' contributions are deferred and amortized into income, over the period necessary to match them with the related costs that they are intended to compensate, in the accompanying balance sheets. Amortization is included in depreciation and amortization in the accompanying statements of operations.

Government grants for the training of personnel are recognized in profit or loss in the periods required for the matching with the related expenses and they are presented as a deduction from them.

Retirement benefit costs

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out on each financial's position statement date. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Company's defined benefit obligation and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in financial position statement represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the financial statements report date.

<u>Deferred tax</u>

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquired business identifiable assets, liabilities and contingent liabilities over cost.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated on the financial statement report at their acquisition cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Land owned by the Company is not depreciated.

The water supply and sewerage networks as antipollution works, waste processing centres, fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss account.

Intangibles assets

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset; how the intangible asset will generate probable future economic benefits.
- the ability of the intangible asset to create possible economic benefits in the future.
- the availability of adequate technical, financial and other resources to complete the development and to use or
- sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Impairment of tangible and intangible assets excluding goodwill

On the financial statements report date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss account.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation on the fianancial statements report date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Restructurings

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Warranties

Provisions for warranty costs are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

Financial assets

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Financial assets are classified into the following specified categories: financial assets as "at fair value through profit or loss" (FVTPL), "held-to-maturity investments", "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (commissions paid or received as they are an inextricable part of the effective interest, transactions costs plus other additional fees or discounts, all invoved) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument. A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 44.

Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available for sale (AFS) financial assets

Listed shares and listed redeemable notes held by the Company that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 44.

Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Dividends on AFS equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate on the fianancial statements report date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment on the fianancial statements date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are transfered in benefit of income statement. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, 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 recognised, the previously recognised impairment loss is reversed through profit or loss tothe extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Compound Financial instruments

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

• the amount of the obligation under the contract, as determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and

• the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at Fair Value Through Profit and Loss Account (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in note 47.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Deletion-Stop-Discontinuance of recognition

The Company deletes a financial liability only when it has been paid, cancelled or expired.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Areas of Operations

The basic company's operations (water supply and sewerage services) is not subject to different risks and returns. As a result the company did not proceed in releases concerning its activity areas. It must be clarified that the company is operative in one geographical region (Attiki Metropolitan area). There is a policy towards making decisions which is common to all the operating functions of the Company.

9. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

1) Investment program

(a) The Company according to its establishment l.2744/99, has signed a contract with the Greek State, according to which the Greek State undertakes the commitment for the subsidization of EYDAP either from the Community Funds or from the Program of Public Investments for the coverage of the 60% of the capital expenditure, which EYDAP pays for the maintenance, restoration, improvement or the expansion of the water supply and sewerage network system for the 8years period 2000–2008. Against the aforementioned investment program of around € 1.22 bn, that includes, as already mentioned, also the maintenances, the Company has spent for capital expenditures as on 31 December 2008 an amount of € 432.49 mn, for which it has the right to receive a subsidy of around € 259.49 mn (432.49*60%), while for the maintenance expenditures the Company claims the corresponding subsidy.

The Company against the subsidy that has received as at 31 December 2011 an amount of € 9.08 mn. On the basis of the above the claim of the Company from the Greek State is raised to at least € 250.41 mn (259.49 - 9.08). Therefore this amount has not recorded in the accounts receivables with an equal debit of the long-term liabilities accounts, the carrying amount of which is gradually transferred in the profit/loss of the period in proportion to the depreciation rate of the subsidized water supply and sewerage network system.

If the aforementioned journals were carried out then the company's results of the current and the previous year would be showed improved by € 5.2 mn and its net worth would be showed also improved by approximately € 50.2 mn.

It must be clarified that a decision made by the Extraodinary Shareholders Meeting of August 10th 2004 modified the company's investment programme however not affecting the above mentioned claim against the Greek State.

It is worthnoting that after the company's request towards the Greek State (annex 4 of the aforementioned contract) the company for its capital expenditures during the period 1/1/2009–31/12/2010 that amount approximately € 105.3 mn is justified for a claim of € 63.2 mn (105.3*60%).

(b) The Company according to the contract with the Greek State has an additional claim concerning the maintenance expenditures subsidies. However, since the corresponding amount is not feasible to be extracted from the total amount (€ 704.43 millions) of expenditures related with operation and maintenance of installations. The related subsidy has not been finalized until the conduction of the current financial statements.

(c) In parallel a contractual agreement between the Greek State and the Company regarding the supply of raw water is pending since 2004. According to the valid (until 31/12/2004) contract this claim is offset with the conservation and operating costs of the fixed assets needed for the saving and water supply that belong to the State.

2) Public Entity EYDAP Fixed Assets (PE)

The Public Entity was established at the time of the company's IPO (l.2744/99) for the management, operation and conservation of all transferred (to it) fixed assets like dams, reservoirs, basins etc. Besides the constructions and upgrades of the installations that are related with these water dams and basins, the Greek State – through the Public Entity – has undertaken the obligation to supply the Company with raw water to meet its water supply obligations.

The price of the raw water is being offset with the cost of services that EYDAP realizes for the maintenance and operation of the fixed assets that belong by ownership to the Public Entity. A contractual agreement between the Greek State and the Company regarding the supply of raw water is pending since 2004. According to the valid (until 31/12/2004) contract this claim is offset with the conservation and operating costs of the fixed assets needed for the saving and water supply that belong to the State.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty on the financial statements report date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. Litigations and claims

Lawsuits for civil law cases with claims of an amount of € 80.9 mn have been raised against the Company as at 31 December 2011. These lawsuits are mainly related with damages caused by floods (either because of broken mains or from rainfalls) or they are lawsuits of various trade creditors and subcontractors for violation of contractual terms. There are also pending litigations with employees of around € 54.8 mn.

Against all these potential losses, EYDAP has formed a provision of € 59,4 mn as on 31 December 2011 and of € 48.4 mn as on 31 December 2010, which are considered as sufficient.

Pending litigations involve also the Municipality of Marathonas lawsuit of € 5.402 mn. The company hasn't formed any provision against this potential loss since it judges the case as completely baseless by law.

2. Insurance coverage

The Company's property, plant and equipment are dispersed in many locations, mainly at the Attica region, and therefore risk of a major loss is reduced. The Company does not carry any form of insurance coverage on its assets.

3. Unaudited by tax authorities fiscal years

The tax authorities had not audited the Company, until the fiscal period ended as at 31 December 2007. The accompanying financial statements include a related provision for the additional taxes and fees that are probable to be levied at the finalization of the anaudited financial years 2008 to 2011.

According to the article 82 of the l.2238/1994 and the Ministerial Decision 1159–22/7/2011 from the financial use of 2011 the company's legal auditors are oblidged for the issuance of its tax certificate.

10. REVENUES

Sales of the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Revenues from water supply and related services	237,378	249,492	237,378	249,492
Revenues from sewerage services	116,638	125,812	116,638	125,812
Revenues from constructions for third parties	3,270	1,263	3,270	1,263
Revenues from electric power sales	1,261	2,240	1,261	2,240
Inventory Sales	3	158	3	158
Total Turnover	358,550	378,965	358,550	378,965
Other operating revenues	1,953	2,755	1,956	2,755
Financial revenues	4,788	5,922	4,788	5,922
Total Revenues	365,291	387,642	365,294	387,642

The cutback of water supply revenues by 5.8% is mainly due to the decrease in new water supplies, water consumption and other coherent water works.

11. ALLOCATION OF EXPENSES

11.1 Expenses accounts have been allocated to cost of services and Administrative and Selling operations as follows:

GROUP

31/12/2011	Cost of Sales	Selling Expenses	Administrative Expenses	Total
Third-party expenses and fees	65,852	155	3,114	69,121
Self-constructed assets	(28,020)	–	–	(28,020)
Total A	**37,832**	**155**	**3,114**	**41,101**
Wages and Salaries	94,207	25,976	45,097	165,280
Third-party allowances	31,270	5,080	5,044	41,394
Depreciation and amortization	26,582	961	3,396	30,939
Provisions	10,973	8,377	–	19,350
Other Expenses	4,112	820	1,911	6,843
Raw material and consumables used	11,139	298	427	11,864
Self-constructed assets	(7,431)	–	–	(7,431)
Total B	**170,852**	**41,512**	**55,875**	**268,239**
Total (A + B)	208,684	41,667	58,989	309,340

31/12/2010	Cost of Sales	Selling Expenses	Administrative Expenses	Total
Third-party expenses and fees	77,867	420	3,448	81,735
Self-constructed assets	(38,969)	–	–	(38,969)
Total A	**38,898**	**420**	**3,448**	**42,766**
Wages and Salaries	117,333	29,699	48,876	195,908
Third-party allowances	32,916	4,527	5,612	43,055
Depreciation and amortization	24,745	940	2,802	28,487
Provisions	8,290	12,078	–	20,368
Other Expenses	6,476	1,078	1,829	9,383
Raw material and consumables used	10,474	336	428	11,238
Allocation of expenses to self-constructed assets	(9,032)	–	–	(9,032)
Total B	**191,202**	**48,658**	**59,547**	**299,407**
Total (A + B)	230,100	49,078	62,995	342,173

COMPANY

31/12/2011	Cost of Sales	Selling Expenses	Administrative Expenses	Total
Third-party expenses and fees	65,852	155	3,114	69,121
Self-constructed assets	(28,020)	–	–	(28,020)
Total A	**37,832**	**155**	**3,114**	**41,101**
Wages and Salaries	94,207	25,976	45,097	165,280
Third-party allowances	31,270	5,080	5,041	41,394
Depreciation and amortization	26,582	961	3,393	30,936
Provisions	10,973	8,377	–	19,350
Other Expenses	4,112	820	1,910	6,842
Raw material and consumables used	11,139	298	427	11,864
Self-constructed assets	(7,431)	–	–	(7,431)
Total B	**170,852**	**41,512**	**55,868**	**268,232**
Total (A + B)	**208,684**	**41,667**	**58,982**	**309,333**

31/12/2010	Cost of Sales	Selling Expenses	Administrative Expenses	Total
Third-party expenses and fees	77,867	420	3,448	81,735
Self-constructed assets	(38,969)	–	–	(38,969)
Total A	**38,898**	**420**	**3,448**	**42,766**
Wages and Salaries	117,333	29,699	48,876	195,908
Third-party allowances	32,916	4,527	5,612	43,055
Depreciation and amortization	24,745	940	2,802	28,487
Provisions	8,290	12,078	–	20,368
Other Expenses	6,476	1,078	1,829	9,383
Raw material and consumables used	10,474	336	428	11,238
Self-constructed assets	(9,032)	–	–	(9,032)
Total B	**191,202**	**48,658**	**59,547**	**299,407**
Total (A + B)	**230,100**	**49,078**	**62,995**	**342,173**

Wages and Salaries were reduced mainly due to the l.3845/2010 implementation for the use 2011 as well as to the significant number of retirement during 2011 (217 employees).

In adition to the above mentioned change, it must be notified that the cost arising from the evaluation of employees benefits according to IAS is included in their wages. This arising cost is lawer compared to the respective of 2010 by € 7,376 th. (€ 32,884 in 2010).

11.2 Third party Construction costs

They are related with the construction costs of the works and technical watering installations that are constructed by EYDAP on behalf of the Ministry of Environment, Planning and public works (now Ministry of Infrastructure. Transportation and Networks) and the Company's Public Entity which are analyzed as follows:

	31st DECEMBER 2011		31st DECEMBER 2010	
	EYDAP Public Entity	Ministry of Infrastructure Transportation & Networks	EYDAP Public Entity	Ministry of Infrastructure Transportation & Networks
Payroll costs	138	–	–	–
Raw material and consumables used	41	–	–	–
Sub-constructions	1,745		272	–
Other expenditures	(926)	133	–	452
Utilities (Electrical Power)	–	1,048	–	335
Allocation of overhead expenses	386	518	110	23
	1,384	1,699	382	810

12. DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation is calculated on a straight-line basis over the average estimated economic useful life, as follows:

I. WATER SUPPLY NETWORKS	
Aquaducts	50 years
Primary Water Supply Mains	45 years
Secondary Water Supply Mains	45 years
Distribution networks, Pumping Stations	10 to 45 years
Regulating / Storage tanks – Water Treatment Plants	25 to 50 years
II. SEWERAGE NETWORKS AND RELATED INFRASTRUCTURE	
Heavy infrastructure and primary collectors mains	50 years
Secondary collector mains	40 years
Tertiary Wastewater Sewerage System	25 years
Electromechanical installations	15 to 30 years
III. WASTE WATER TREATMENT PLANTS AND R&D CENTERS	
Engineering Research & Development waste Centers	20 years
Waste Water Treatment Plants	20 years
Furniture and fittings	5 years
Computer hardware	1 to 4 years
Motor vehicles	5 to 7 years
Mechanical equipment	7 years
Buildings	40 years

The amounts are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Depreciation of tangible assets	35,406	32,905	35,406	32,905
Amortization of software	2,846	2,890	2,844	2,890
Amortization of customers' contributions and subsidies for fixed assets	(7,314)	(7,308)	(7,314)	(7,308)
Total	30,938	28,487	30,936	28,487

13. STAFF COSTS (GROUP & COMPANY)

	31/12/2011	31/12/2010
Wages and Salaries	115,868	134,301
Social Security Costs	23,087	26,964
Provisions for staff leaving indemnities	3,307	3,475
Provisions for staff leaving indemnity (special account)	90	152
Provisions for post-employment medical care	22,928	31,016
Total (Note 10)	165,280	195,908

The total number of employees as on 31 December 2011 and 2010 were 2,671 and 2,911 respectively. The company implementing the l.3833/10 and l.3845/10 lowered the personnel's payroll and expenses.

14. FINANCIAL REVENUES (GROUP & COMPANY)

	31/12/2011	31/12/2010
Interest from customers	4,312	5,545
Dividends	30	35
Other revenues	446	342
Total	4,788	5,922

15. FINANCIAL EXPENSES (GROUP & COMPANY)

The financial expenses of amounts € 15,849 and € 10,618 on 31 December 2011 and 2010, respectively, mainly concern the Company's loans interests.

16. INCOME TAX

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Current Tax	12,456	16,282	12,456	16,282
Special charge of the l.3808/09 & l.3845/10	0	2,261	0	2.261
Tax of unaudited by tax authorities fiscal years	917	972	917	972
Deferred Tax (Note 23)	(3,930)	(1.028)	(3,930)	(1,028)
	9,442	**18,487**	**9,443**	**18,487**

The financial tax burden of the period, consists of the current income tax the deffered taxes and the anaudited financial years provision.

The tax rate for the financial year 2011 and 2010 was 20% and 24% respectively.

The tax for the current period was calculated as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Profit before tax	35,492	29,828	35,578	30,004
Income tax calculation based on the current tax rate 20% and 24%	7,098	7,159	7,116	7,201
Special charge of the l.3808/09 and l.3845/10	–	2,261	–	2,261
Impact mainly from tax rates differences between current income tax and deffered tax rates at the time of temporary differences reconciliation	–	2,402	–	2,403
Tax over non-deductible tax expenses	1,427	5,693	1.410	5,650
Tax of unaudited by tax authorities fiscal years	917	972	917	972
	9,442	**18,487**	**9,443**	**18,487**

Income tax obligation on 31/12/2011 and 31/12/2010 was € 577 and € 12,979 respectively.

This significant decrease is due to the great advance income tax for the year 2010 paid in 2011 amounted to € 12,973 versus € 12,456 income tax.
The weighted tax rate for the financial uses 2011 and 2010 was 26.54% and 61.61% respectively.

17. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the net profit of the period attributable to ordinary shareholders with the weighted average number of ordinary shares in issue during the period.

Profits are defined as profits/losses from continuing operations that corresponds to the entity. It must be noted that at the current year there are no discontinued operations. There are no convertible bonds or other potentially delusive convertibles securities during the periods reported in the accompanying financial statements, so there is no calculation for diluted earnings per share.

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Earnings attributable to ordinary shareholders	26,050	11,341	26,135	11,517
Weighted Average of ordinary shares in issue	106,500	106,500	106,500	106,500
Basic Earnings per Share	0.24	0.11	0.25	0.11

The Board of Directors decided to propose to the General Shareholders Meeting the distribution of the obligatory based to l.2190/1920 intended dividend of seventeen cents (€ 0.17) per share for the year 2011 (the total proposed dividend amount is 18,105 mn). The dividend will be approved by the Annual Shareholders Meeting and is included in the account of "Total Results curried forward".

18. GOODWILL

The amount of goodwill of € 3,357 as on 31 December 2011 is related with the excess in the acquisition cost over the undepreciated replacement cost of Elefsina, Aspropirgos and Likovrisi water supply networks as it was estimated at the time of concession. The cash generating units and consequently the goodwill of the water supply networks are tested for impairment either annually or more frequently if the events of the changes of conditions indicate possible impairment. The impairment test performed on the end of 2011 by the Direction of Economic Programming and Audit showed that the value of the goodwill was not impaired.

More specifically:

In order to arrange its claims the Company signed a concession contract with the municipalities of Aspropyrgos and Elefsina during the 2nd half of 2003 and the municipality of Likovrisi during the second half of 2006 for the transfer of ownership of their water supply networks. According to the terms of these contracts, water supply networks of 327 km were transferred to EYDAP. These networks serve, through 26,786 connections, 65,000 inhabitants of these municipalities, which are added to the customer base of the Company.

The concession of the water supply network of Aspropyrgos costed € 2,749 and has been arranged by offsetting equal debt to the Company. The appraisal of Aspropyrgos water supply network in replacement cost was performed by the technical services of the Company and conformed to the corresponding estimations of the technical services of the Municipality of Aspropyrgos and amounts to € 2,192.

The acquisition of Elefsina water supply network costed € 1,800 and arranged by offsetting a € 1,500 debt of Elefsina to EYDAP plus a company payment of € 300. The appraisal of this network in replacement cost was performed by the technical services of the Company and conformed with the corresponding appraisal of the technical services of Elefsina Municipality and amounts to € 681.

The acquisition of Likovrisi water supply network costed € 2,271 and arranged by offsetting equal debt to the company. The appraisal of this network in replacement cost was performed by the technical services of the Company and conformed with the corresponding appraisal of the technical services of Likovrisi Municipality and amounts to € 590.

19. OTHER INTANGIBLES ASSETS (GROUP & COMPANY)

Initial cost on 31 December 2010	19,375
Additions	640
Balance on 31 December 2011	20,015
AMORTIZATIONS	
On 31 December 2010	(13,986)
Charge for the period	(2,844)
Total amortizations on 31 December 2011	(16,830)
Undepreciated value on 31 December 2010	5,389
Undepreciated value on 31 December 2011	3,185

Other intangibles assets are related with the expenditure for software purchases associated with future economic benefits for the company, which are recorded as intangible assets and amortized over a three years period.

20. TANGIBLE ASSETS

The Company under the provisions of IFRS 1 "First Time Adoption of IFRS" used the voluntarily exemption in relation with the presentation and valuation of property as at the balance sheet date, at the transition to the IFRS, 1 January 2004. The company considers the adjusted values of property as deemed cost for the preparation of the transition balance sheet, at the 1 January 2004. More specifically for the transition to the IFRS the company valuates the property at fair values using the estimates of an independent appraiser. These fair values formed the deemed cost at the date of the preparation of the balance sheet.

Fixed assets changes table for the financial years 2011 and 2010 for the group and the company:

2011	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network & consumption meters	Sewerage Networks & Biological cleaning	Motor Vehicles & Furnitures	Constructions-in-progress	Total
Carrying Amount at 1 January 2011	**279,908**	**2,840**	**312,793**	**314,861**	**5,707**	**105,084**	**1,021,193**
Additions	460	1,145	7,463	7,866	872	30,464	48,270
Reductions/Transfers	–	(3)	–	–	(98)	(16,138)	(16,239)
Disposals	–	3	–	–	98	–	101
Depreciation charge of the period	(2,880)	(793)	(17,033)	(12,196)	(2,504)	–	(35,406)
Carrying amount 31 December 2011	**277,488**	**3,192**	**303,223**	**310,531**	**4,075**	**119,410**	**1,017,919**
1/1/2011							
Cost	294,459	17,425	453,634	417,174	46,997	105,084	1,334,773
Accumulated Depreciation	(14,551)	(14,585)	(140,841)	(102,313)	(41,290)	–	(313,580)
Carrying Amount	**279,908**	**2,840**	**312,793**	**314,861**	**5,707**	**105,084**	**1,021,193**
31/12/2011							
Cost	294,918	18,570	461,097	425,040	47,869	119,410	1,366,904
Accumulated Depreciation	(17,430)	(15,378)	(157,874)	(114,509)	(43,794)	–	(348,985)
Carrying Amount	**277,488**	**3,192**	**303,223**	**310,531**	**4,075**	**119,410**	**1,017,919**

2010	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network & consumption meters	Sewerage Networks & Biological cleaning	Motor Vehicles & Furnitures	Constructions-in-progress	Total
Carrying Amount at 1 January 2010	**276,817**	**2,772**	**313,630**	**310,545**	**6,154**	**94,522**	**1,004,440**
Additions	5,784	790	15,010	15,503	2,009	38,468	77,564
Reductions/Tranfers	–	–	–	–	(426)	(27,906)	(28,331)
Disposals	–	–	–	–	425	–	425
Depreciation charge of the period	(2,694)	(722)	(15,847)	(11,187)	(2,455)	–	(32,905)
Carrying amount 31 December 2009	**279,908**	**2,840**	**312,793**	**314,861**	**5,707**	**105,084**	**1,021,193**
1/1/2010							
Cost	288,674	16,635	438,624	401,671	45,414	94,522	1,285,540
Accumulated Depreciation	(11,857)	(13,863)	(124,994)	(91,126)	(39,260)		(281,100)
Carrying Amount	**276,817**	**2,772**	**313,630**	**310,545**	**6,154**	**94,522**	**1,004,440**
31/12/2010							
Cost	294,459	17,425	453,634	417,174	46,997	105,084	1,334,773
Accumulated Depreciation	(14,551)	(14,585)	(140,841)	(102,313)	(41,290)	–	(313,580)
Carrying Amount	**279,908**	**2,840**	**312,793**	**314,861**	**5,707**	**105,084**	**1,021,193**

21. INVESTMENTS IN ASSOCIATES

Investments in associates of € 130 include:

a) Participation of the Company at the "Gas Company of the Suburbs S.A." (E.A.P.). On February 2003 the joint-venture of EYDAP S.A., ELLINIKI TECHNODOMIKI-TEV S.A. and AKTOR S.A. was awarded, in an international tender offer by EPA Attikis, the project of the promotion of natural gas connections for domestic and small professional customers in the north-eastern part of Attica, as well as a part of the Athens Municipality. For this reason the "Gas Company of the Suburbs S.A." was established and EYDAP participates with a share of 35%.

On 31st December 2011 the acquisition cost of E.A.P. climbed to € 542 while the impairment losses increased to € 413.

The main figures of the afiliated EAP (Suburb Gas Company) on 31st December 2011 and 2010 are analyzed as follows:

	31/12/2011	31/12/2010
Total Assets	436	679
Total Liabilities	66	89
Sales	166	173
Profit-Loss	(220)	(484)

Due to the establishment of a subsidiary (EYDAP NISON S.A.) in 2011, the Company from 30/09/2011 prepares separate and consolidated financial statements in contrast to the comparative period of 31/12/2010 when it prepared onlyconsolidated ones, valuing its investments in associates using the equity according to the Ministry Decision No. 39–10/2/05 of ELTE. In order, therefore comparative data for individual financial statements to be comparable with current use, certain funds were reclassified by preparing separate financial statements for the previous year as well. Reclassification of funds is shown in Note 39 of the annual financial statements.

22. INVESTMENTS IN SUBSIDIARIES

In 18 July 2011 with the Board of directors decision 17241–13/5/2011 EYDAP S.A. established a company under the name «Islands Water Supply and Sewerage S.A.» (EYDAP NISON S.A.). EYDAP participates in its share capital by 100% with the purpose of its water supply and sewerage operations to expand in the country's islands.

As a result of this establishment from 30/9/2011 EYDAP conducts invividual and consolidated financial statements in contradiction with the respective comparison period when conducted only individual financial statements.

23. INVESTMENTS AVAILABLE-FOR-SALE

	31/12/2011	31/12/2010
Fair Value (EYATH)	847	1,057
	847	1,057

Investments included in the Table above represents the participation of EYDAP in EYATH, a company enlisted in the Athens Stock Exchange, which provides the ability to the company to gain revenues from dividends and capital gains. The fair value of the share is based on the corresponding quoted market price in the financial statements conduction date.

24. LONG-TERM RECEIVABLES

The account is analyzed in the accompanying financial statements as follows:

	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Long Term Receivables from Municipalities	23,102	25,264	23,102	25,264
Staff Loans (Note 28)	1,647	2,057	1,647	2,057
Construction contracts	110,598	107,329	110,598	107,329
Guarantees (Public Power Corp., Real Estate)	677	654	676	654
Total	136,024	135,304	136,023	135,304

Long-term receivables from Municipalities EYDAP supply with water (distilled or raw) various Municipalities, which operate their own water supply networks and charge their citizens. During the past years the Company faced serious delays in the payments of related trade receivables from Municipalities.

From February of 2001, EYDAP went on the settlement of contracts with Municipalities, according with which the carrying amounts during the signing of the contract are arranged with monthly interest-free payments.

These long-term receivables are presented in the financial statements in their unamortized cost.

The compound interest rate implemented to mature claims represents the real interest rate that compounds their nominal amount on the settlement date. This interest rate was 6.5% for 2011. It is wortnoting that from 2001 until now the company did not charge any interest concerning the above mentioned claims thus proceeding in bilateral arrangements free of interest.

Construction contracts (GROUP & COMPANY)

The account in the accompanying financial statements is analyzed as follows:

	31/12/2011	31/12/2010
Ministry of Environment, Physical Planning and Public Works	65,995	64,193
Paid Subsidies / Advances	(1,022)	(1,022)
	64,973	**63,171**
Public Entity EYDAP fixed Assets	99,635	98,168
Paid Subsidies / Advances	(54,010)	(54,010)
	45,625	**44,158**
	110,598	**107,329**

The Company has been undertaken the execution of a construction program concerning anti-flooding infrastructure works for the ex Ministry of Environment and the upgrading/improvement of the technical watering installations which were transferred to the Public entity in 1999.

According to the existing legal framework the Company constructs anti-flooding projects on behalf of the ex Ministry of Environment, Physical Planning and Public Works and projects relating with the upgrade/improvement of the damns and the reservoirs that have been transferred to the Public Entity. These projects have been granted to be subsidized by the EU or/and the Greek State and after their completion they will be transferred to their owners.

The paid subsidies from the European Union or the Greek State are subtracted from the unbilled revenues because the Greek State has the obligation to pay the difference upon their transfer. Besides that the Company has the right to receive a reasonable fee for the construction of these projects, which has been legally determined to a 6% percent on the construction cost as this is presented in the accounting books and certified by the Chartered Accountants.

It must be noted that no contracts are signing for the construction of these projects (the terms are governed by the existing legal framework) and also during the construction period no interim certificates and thus no interim billings are issued. For the purpose of preparation of financial statements according to the IFRS (revenue recognition from construction works) the IAS 11: Construction Works was applied according to which the reasonable fee that is related with the part of the projects that was constructed during the years 2011 and 2010 respectively is charged to revenues.

25. DEFERRED TAXATION

Below are the main assets and liabilities from deferred taxation recorded by the Company and their movements at the years ending at 31/12/2011 and 31/12/2010.

	2010			2011		
	Opening Balance	Credit to profit/loss of the period because of tax rate change	Ending Balance	Burden/ utility because of tax rate change	Credit/burden to the results of the period as a result of temporary differences	Ending Balance
Expensing of intangible assets	101	(35)	(17)	49	(32)	17
Slow moving Inventory	469	37	(43)	463	(9)	454
Employee Benefits liabilities	24,172	1,985	(214)	25,943	1,666	27,609
Provisions for Bad Debt	3,108	–	–	3,108	–	3,108
Other Provisions	7,199	1,621	(1,107)	7,713	2,204	9,917
Customer Contributions	13,465	(250)	–	13,215	(351)	12,864
Depreciation difference as a result of useful life revaluation	(3,831)	(404)	–	(4,235)	(372)	(4,607)
Revenues and Expenses accruals	(1,764)	(39)	(11)	(1,814)	(95)	(1,909)
Deffered tax. because of fixed assets readjustment	3,265	–	–	3,265	–	3,265
Other Deferred tax assets	2,159	(131)	(364)	1,665	919	2,584
	48,343	**2,784**	**(1,756)**	**49,372**	**3,930**	**53,302**

The charge for deferred income taxes (expense of the year-deferred tax liability) in the accompanying income statements include the temporary tax differences arising from recorded revenues-profits that will be taxed in future time. The credit for deferred taxes (revenue of the year-deferred tax assets) includes mainly temporary tax differences arising from specific provisions that are tax deductible at the time of the realization of the corresponding expenditure.

26. MATERIALS AND SPARE PARTS (GROUP & COMPANY)

The account in the accompanying financial statements is analyzed as follows:

	31/12/2011	31/12/2010
Consumables and spare parts	18,560	21,050
Provision for stock obsolesence	(2,272)	(2,319)
	16,288	18,731

27. RECEIVABLES (GROUP & COMPANY)

The account in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Domestic customers and users	108,638	93,097	108,641	93,097
Municipalities, Greek State, Public utilities	212,938	184,674	212,938	184,674
	321,576	**277,771**	**321,579**	**277,771**
Domestic customers and users	56,966	62,168	56,966	62,168
Accrual revenues	**378,542**	**339,939**	**378,545**	**339,939**
Less: Bad debt allowances	(56,530)	(48,049)	(56,530)	(48,049)
	322,012	291,890	322,015	291,890

The majority of domestic customers are priced every three months according to the indications of the water meters.

Non-priced revenues arising from the supply of water and sewerage services from domestic customers, for the time between the last measuring and the pricing day and at the time of the preparation of the financial statements are recorded as accrued non-priced revenues.

The provisions for bad debts that have formed for the estimated non-recoverable amounts from the water supply and sewerage services is analyzed as follows:

	31/12/2011	31/12/2010
Opening Balance	48,049	35,834
Provisions of the period	8,481	12,215
Write-offs	–	–
Ending Balance	56,530	48,049

Provisions has been estimated on the basis of past years defaults and statistical data over the collectibility of accounts as also other parameters related to the collection of trade receivables.

The Company calculates surcharges over the mature debts with a rate of 1% per month (which is not accounted) and is equal to the rate of surcharges to mature debts to the Greek State, as specified by the Ministry of Economy.

28. OTHER RECEIVABLES (GROUP & COMPANY)

The account is analyzed as follows

	31/12/2011	31/12/2010
Loans and advances to personnel	5,063	5,302
Advances to subcontractors and suppliers	538	522
Receivable based on the participation of the Greek State for the coverage of Employees' end-of-service indemnity	62,433	51,383
Other advances	3,058	2,490
Refund of pension entity contributions	4,399	4,399
Claim from personel's training programmes	1,600	1,622
Other receivables	5,029	3,872
	82,120	69,590

Loans and advances to personnel

The Company provides both interest-bearing and interest-free loans to the personnel as well as interest-free short-term payroll advances and long-term loans with interest rates equal to the current rate of the Company's overdraft bank accounts. The amount of € 5,063 doesn't include the long-term portion of personnel loans on 31 December 2011 and 31 December 2010 which equals to € 1,647 and € 2,057 respectively and which is included in the long-term receivables (Note 24).

Participation of the Greek State for the coverage of Employees' end-of-service indemnity

This amount is related with the obligation of the Greek State according to the provisions of l.2939/01 to participate in the coverage of the deficit of the account of special indemnity for the personnel employed before the 25 October 1999 and retires afterwards. This amount is related with indemnities already paid by the Company, which are claimed from the Greek State.

It must be noted that an increase in other claims balance takes place in every fiscal year and can be attributed in:
a) The Greek Public's luck of decision concerning the coverage of the special lump sum for the employees who are going to retire (l.2939–6/8/01 clause 26) and
b) The increasing staff's willingly departure rate.

The movement of the part of indemnities that corresponds to the Greek State has as follows:

	1/1–31/12/2011	1/1–31/12/2010
Accumulated surplus/(deficit) opening balance	51,383	22,625
Employees' payments	12,908	30,986
Employees' retentions	(1,858)	(2,228)
Accumulated surplus / (deficit) claimed from the Greek State closing balance	62,433	51,383

29. CASH AND CASH EQUIVALENTS

The account is analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Cash at hand	397	369	397	369
Sight and time deposits	21,578	27,473	21,523	27,473
	21,975	27,842	21,920	27,842

The sight and time deposits accounts are in euros and have floating interest rates varying in relation to the amount of the deposit. The current account of these deposits approximate their accounting value due to the fact of their floating interest rates and short maturities. Sight deposit accounts include undeposited checks of trade creditors and other creditors, the amounts of which as on the 31 December 2011 and 2010 were € 8,563 and € 5,531 respectively (note 38).

Interest earned from bank deposits are recognized on an accrual basis and are included in financial revenues.

30. SHARE CAPITAL

EYDAP was established in 1980 pursuant to l.1068/1980 and following the merge of the two water and sewerage utilities of Athens at that time, namely Hellenic Water Company and the Sewerage Organization of Athens.

The initial share capital of the Company was set to € 130,502 and was determined based on the valuation of assets and liabilities of the merged entities according to the provisions of the l.1068/1980.

Within 1992 the share capital was increased to € 1,253,507 consisting of 213,566,232 ordinary shares of € 5.87 each. The increase incurred pursuant to l.1914/1990 following a new valuation of the Company's net equity in view of major infrastructure installations, which were contributed in kind by the Greek State at that time, capitalization of liabilities towards the State, etc.

The Shareholders General Meeting on 30 June 1998 decided the increase of the Company's share capital by € 6,845 through the capitalization of investment subsidies that had been collected up to 31 December 1997. After the increase the Company's share capital amounted to € 1,260,352 consisting of 214,732,544 ordinary shares of € 5.87 each (two thousands drachmas).

In 1999, in view of the Company's listing in the Athens Stock Exchange and according to l.2744/1999, The Company's share capital was set at € 58,694 consisting of 100,000,000 ordinary shares of € 0.59 (two hundred drachmas) each. According to the same law the remaining amount of 1,201,658 share capital was converted to a "Special Non Taxable Reserve", which, was among others decreased by the net amount of the fixed assets, which were conceded to the Public Entity at no consideration.

On December 1999, 6,500,000 new ordinary shares were issued of € 0.59 each and were covered through the Initial Public Offering process.

As a result the Company's share capital as of December 31, 2000 consisted of 106,500,000 ordinary shares of € 0.59 par value each (two hundred drachmas).

On May 2001 EYDAP decided to denominate its shares in euro, through the increase of its nominal value from € 0.59 to € 0.60 par value. The resulting amount of this increase was € 1,391 and it was transferred from the Share Premium account reserve. Thus, the share capital of the Company on 31 December 2009 and 31 December 2008 was equal to € 63,900 consisting of 106,500,000 ordinary shares of € 0.60 par value.

31. RESERVES

The account in the accompanying financial statements is as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Legal reserve	21,547	21,080	21,547	21,080
Special Non-taxable reserve of l.2744/99	352,078	352,078	352,078	352,078
Reserve from non-taxable revenues	2,518	2,518	2,518	2,518
Reserve from special taxed revenues	3,687	3,687	3,687	3,687
Other reserves	428	570	428	570
	380,258	379,933	380,258	379,933

Legal reserve: According to the Greek corporate law (article 44 l.2190/1920) corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the paid-in share capital. The reserve cannot be distributed and its reason of existence is the coverage of potential future losses.

Special Non-Taxable Reserve of the l.2744/1999: This Special Non-taxable Reserve was formed at the time of the Initial Public Offering in the Athens Stock Exchange in 1999, from the formation of the existing share capital to an equal amount of € 58,694, and its opening balance was € 1,201,658. According to the provisions of l.2744/1999, the opening balance of this reserve had the following movements:

- It decreased with the amount of the net book value of the fixed assets that were conceded to the Public entity at no consideration.
- It decreased with the amount of various provisions accounts that were recorded at the time of the IPO.
- It increased with the revaluation surplus from the revaluation of the technical installations and networks that were remained at the ownership of the Company.
- It increased with the amount of the Profit/Loss carryforward account that was present on the Balance Sheet as at 31 December 1998.

According to the l.2744/1999, during the time of its creation this reserve was defined as a Special Non-taxable reserve and it was not subject to any taxation.

Reserves from non-taxable or taxed with a special treatment revenues: They are related with income from interest that are either non-taxable or tax withholded at the beginning. If they are distributed then they are taxed according to the general provisions of the income taxation. At the present time the Company has no intention to distribute these reserves and according to IAS 12 no deferred taxation has been calculated.

Other Reserves

The decrease of EYATH share price on 31 December 2011 (portfolio available for sale) resulted in a respective reduction of other reserves.

32. RETAINED EARNINGS

The account in the accompanying financial statements is analyzedas follows:

	GROUP	COMPANY
Balance at 01/01/2010	**337,533**	**337,693**
Dividends paid	(2,130)	(2,130)
Profit for the year 2010	11,341	11,517
Transfer to Legal Reserve	(567)	(567)
Balance at 01/01/2011	**346,177**	**346,513**
Dividends paid	(4,290)	(4,290)
Profit for the year 2011	26,050	26,135
Arrangement of undistributed dividends reserve	(33)	(33)
Transfer to Legal Reserve	(467)	(467)
Balance at 31/12/2011	**367,437**	**367,858**

33. BORROWINGS

The account on the accompanying financial statements is analyzed as follows:

	31/12/2011	31/12/2010
Bank Loans	198,532	201,022
Greek State Loans	3,142	3,142
	201,674	**204,164**

Loans are payable immmediately or within one year and they are involved in short term liabilities.

The Company's bank borrowings are denominated in euro and consequently are not subject to foreign currency risk. Bank borrowings are subject to floating interest rates and consequently the Company is subject to the risk of future cash flows but not on the risk of the fair value of the debt. The Company does not utilize derivative financial instruments in order to reduce its risk exposure, as at the balance sheet date, because management is of the opinion that there are no significant risks from interest rates changes.

The fair values of loans approximate their existing carrying amounts due to floating exchange rates.

The Company has the following borrowing contracts:

a) Bank overdraft account with an open credit of € 20,000 and closing balance of € 10,600 on 31 December 2011 and 2010 respectively. The interest rate of the loan is assessed on Euribor basis (floating on the date of interest payment and renewal) plus the respective bank's spread. The initial loan arrangement was signed on December 2004 with an option of expansion.

b) Bank overdraft account with an open credit of € 40,000 and a closing balance of € 39,872 on 31 December 2011 and 31 December respectively. The interest rate of the loan was assessed on Euribor basis (floating that changes every day) until 15/6/2010. From 16/6/2010 is assessed also on Euribor basis (floating on the dates of interest payment and renewal) plus the respective bank's spread. The loan arrangement was signed on October 2004 with an option of expansion.

c) Bank overdraft account with an open credit of € 40,000 and a closing balance of € 38,500 on 31 December 2011 and 31 December 2010 respectivelly. The interest rate of the loan is assessed on Euribor basis (one month floating that changes every day) plus the respective bank's spread. The initial loan arrangement was signed on March 2006 with an option of expansion.

d) Three months bank overdraft account with the possibility of renewal and an open credit of € 40,000. The closing balance was € 40,000 on 31 December 2011 and 31 December 2010 respectivelly. The interest rate of the loan is assessed on three month Euribor basis (floating rate valid in the beginning of the renewal period) plus the respective bank's spread. The initial loan arrangement was signed on December 2004. On December 2010 a credit of € 40,000 was approved with the possibility of 3 month renewal.

e) Bank overdraft account with an open credit of € 24,000 and a closing balance of € 19,000 on 31 December 2011 and € 22,000 on 31 December 2010. The interest rate of the loan is assessed on a three month Euribor basis (rate valid for the next month based on the last working day of the previous month) plus the respective bank's spread. The initial loan arrangement was signed on November 2007 with an option of renewal.

f) Bank overdraft account with an open credit of € 25,000 and a closing balance of € 23,400 on 31 December 2011 and € 25,000 on 31 December 2010. The interest rate of the loan is assessed on the Euribor basis (floating on the dates of interest payment and renewal). The initial loan arrangement was signed on November 2007 with an expansion option.

g) Bank overdraft account with an open credit of € 20,000 and a closing balance of € 8,000 on 31 December 2011 and 31 December 2010 of € 8,000 respectivelly. The interest rate of the loan is assessed on a Euribor basis (floating rate valid on the starting and renewal dates. The rate relates to the duration of the deal). The initial loan arrangement was signed on July 2009 and it was of a sine die duration.

h) Bank overdraft account with an open credit of € 25,000 and a closing balance of € 15,000 on 31 December 2011 and 31 December 2010 respectivelly. The interest rate of the loan is assessed on a Euribor basis (floating rate that changes every day). The initial loan arrangement was signed on August 2002 and it was of a sine die duration.

Accrued interest amounted for € 973 th. on 31st December 2011 and € 176 th. on 31st December 2010 respectively and they are involved in the short term loans balance.

34. LIABILITIES FOR EMPLOYEES BENEFITS

The account in the accompanying financial statements is analyzed as follows:

	31/12/2011	31/12/2010
Employees' end-of-service indemnities (Provision)	18,516	20,831
Employees healthcare scheme	201,048	190,868
Special Employees' end-of-service indemnity	5,126	4,425
	224,690	**216,124**

The Company operates a medical and healthcare plan, which covers its employees, pensioners and their families and it has also a Staff Retirement Indemnities, which consists of a lump sum payment made to its employees upon dismissal or retirement.

The actuarial valuation of liabilities was prepared in accordance with the requirements of IAS 19 by independent valuers.

The principal actuarial assumptions used for the purpose of actuarial valuations (staff retirement indemnities and employees healthcare scheme) were as follows:

	2011	2010
Inflation	2%	2%
Discount Rate	law 2112/20: 4,40% Special Ac.: 4,90% Helthcare Scheme: 4,85%	law 2112/20: 4,59% Special Ac.: 5,16% Helthcare Scheme: 4,93%
Expected return on plan assets	6%	6%
Morbidity rates	1,7%	1,7%
Expected increase of payroll cost	2012: -18,0% 2013–15: 0,0% 2016+: 3,5%	1,5% annualy plus the inflation rate
Expected increase in healthcare cost	2,4%	2,4%

a. Provision of Employees' end-of-service indemnity

The liabilities for Employees' end-of-service indemnity were calculated through an actuarial study for the period ended at 31/12/11 and 31/12/10 according to the aforementioned assumptions.

The movements of the provision for Employees' end-of-service indemnity during the years ended at 31 December 2011 and 2010 were as follows:

PERIOD	1/1–31/12/11	1/1–31/12/10
Present Value of (Liabilities not financed)	26,155	28,682
Not recognized actuarial profits / losses	(7,639)	(7,851)
Net liability recognized in Balance Sheet	**18,516**	**20,831**
Amounts recognized in Profit & Loss Account		
Cost of current employment	1,255	1,334
Interest in liability	1,221	1,675
Actuarilal profit / loss recognized	407	275
Expense in Profit & Loss Account	**2,883**	**3,284**
Cost of abridgements / settlements / end of service	424	191
Total expense in Profit & Loss Account	**3,307**	**3,475**
Net liability alterations recognized in Balance Sheet		
Opening Net liability	20,831	26,470
Benefits payed by the employer	(5,622)	(9,114)
Total expense recognized in Profit & Loss Account	3,307	3,475
Net liability in the end of the year	**18,516**	**20,831**
Changes in the Liabilities Present value		
Present value of the liability in the beginning of the year	28,682	32,359
Cost of current employment	1,255	1,334
Interest cost	1,221	1,675
Benefits payed by the employer	(5,622)	(9,114)
Additional payments–expenses / revenues	363	166
Actuarial loss / profit	256	2,262
Present value of the liability in the end of the year	**26,155**	**28,682**

b. Employees Healthcare Scheme

The Company covers the expenses of healthcare for the employees, the pensioners and their family members on specific internal regulations issued on this respect. The scheme is partly funded through payroll contributions and withholdings. The related liabilities of the Company arising from the healthcare scheme are calculated according to an actuarial study for the uses 2010 and 2009.

The movement of the provision for the healthcare scheme during the years ended on 31 December 2010 and 2009 were as follows:

PERIOD	1/1–31/12/11	1/1–31/12/10
Present Value of (Liabilities not financed)	248,187	281,085
Not recognized actuarial profits / losses	(47,139)	(90,217)
Net liability recognized in Balance Sheet	**201,048**	**190,868**
Amounts recognized in Profit & Loss Account		
Cost of current employment	3,914	5,145
Interest in liability	13,513	16,654
Actuarilal profit / loss recognized	4,684	7,458
Expense in Profit & Loss Account	**22,111**	**29,257**
Total expense in Profit & Loss Account	**22,111**	**29,257**
Net liability alterations recognized in Balance Sheet		
Opening Net liability	190,868	174,476
Benefits payed by the employer	(11,931)	(12,865)
Total expense recognized in profit & loss account	22,111	29,257
Net liability in the end of the year	**201,048**	**190,868**
Changes in the Liabilities Present value		
Present value of the liability in the beginning of the year	281,085	285,020
Cost of current employment	3,914	5,145
Interest cost	13,513	16,654
Benefits payed by the employer	(11,931)	(12,865)
Actuarial loss / profit	(38,394)	(12,869)
Present value of the liability in the end of the year	**248,187**	**281,085**

c. Special Account for employees' end-of-period indemnity (for employees hired after the 26/10/1999)

For the employees hired after the 25th October 1999 the Company has the obligation to fully pay the retirement indemnities according to the labor regulations and the collective labor agreements.

PERIOD	1/1–31/12/11	1/1–31/12/10
Present Value of (Liabilities not financed)	3,748	3,989
Fair value of schedule assets	(3,812)	(3,201)
	(64)	**788**
Not recognized actuarial profits / losses	1,378	436
Net liability recognized in Balance Sheet	**1,314**	**1,224**
Amounts recognized in Profit & Loss Account		
Cost of current employment	90	88
Interest in liability	204	197
Expected return on Assets	(202)	(128)
Actuarilal profit / loss recognized	(2)	(5)
Expense in Profit & Loss Account	**90**	**152**
Cost of abridgements / settlements /end of service	–	–
Total expense in Profit & Loss Account	**90**	**152**
Net liability alterations recognized in Balance Sheet		
Opening Net liability	1,224	1,072
Total expense recognized in Profit & Loss Account	90	152
Net liability in the end of the year	**1,314**	**1,224**
Changes in the Liabilities Present value		
Present value of the liability in the beginning of the year	3,989	3,327
Cost of current employment	90	88
Interest cost	204	197
Charges payed by the employees	373	377
Benefits payed by the plan	(7)	(7)
Actuarial loss / profit	(901)	7
Present value of the liability in the end of the year	**3,748**	**3,989**
Changes in the value of Assets		
Assets value in the beginning of the period	3,201	2,684
Expected return on assets	202	128
Employer's contributions	–	–
Employees contributions	373	377
Benefits payed by the plan / scheme	(7)	(7)
Expenses	–	–
Actuarial loss / profit	43	19
Assets value in the end of the period	**3.812**	**3.201**

It is worthnoting that the fair value of the aforementioned schedule which was € 3,812 th. and € 3,201 th. on 31 December 2011 and 2010 respectively, is included in the company's assets and concerns mainly the eymployees' contributions.

d. Special account of Employees' end-of-service indemnity (for employees hired until 25/10/1999)

According to the Special Collective Bargaining Agreements of 2/4/1990, 2/7/1991 and 25/5/1992 besides the indemnity of the l.2112/20 a special indemnity is paid from the special account reserve that is formed from the staff contributions and the interest on these. According to the l.2939/2001 the Greek State undertakes the obligation to cover the current deficit of the special indemnity account at the end of each year, for the staff at service on 25 October 1999 that has been retired or is going to retire in the future. The company has not form any provision (note 28).

e. EYDAP Personnel Insurance Fund (TEAP EYDAP)

All the company's personnel is insured for their obligatory auxiliary pension in TEAP EYDAP which now has been merged with other auxiliary pension funds under the name TAYTEKO.

Since 1/10/2011 the sector of Auxiliary Personnel Insurance (TEAP EYDAP) has been merged with the Unified Supplementary Insurance Fund for Employees (ETEAM) (article 44, par. 3 of l.3996/2011).

The company has no legal obligation to cover TEAP'S deficits and as a result there is no similar future obligation.

35. PROVISIONS FOR PENDING LITIGATION (GROUP & COMPANY)

	31/12/2011	31/12/2010
Provisions for litigations with employees	41,938	33,015
Provisions for urban litigations	17,480	15,383
	59,418	48,398

The Company has formed provisions for civil law pending litigations and of litigations with employees which are concerned efficient enough. The prediction was based on the best estimate of the Administration of the company in cooperation with its legal advisers who manage these affairs. This current use was chargedwith an amount of € 11,020.

36. DEFERRED SUBSIDIES AND CUSTOMER CONTRIBUTIONS

The account in the accompanying financial statements is analyzed as follows:

	31/12/2011	31/12/2010
Cost:		
Investment Subsidies	222,880	212,246
Customer Contributions	99,698	98,777
	322,578	**311,023**
Accumulated Amortization		
Investment Subsidies	(73,464)	(68,844)
Customer Contributions	(35,377)	(32,700)
	(108,841)	**(101,544)**
Carrying Amount		
Investment Subsidies	149,416	143,402
Customer Contributions	64,321	66,077
	213,737	209,479

EYDAP obtains subsidies from the European Union through the Greek State in order to fund specific projects. In addition EYDAP's Customers (including State and Municipalities) are required to participate in the funding of the initial network connection cost (meters, substations, network connections etc.) or its expansion/upgrade.

The above subsidies are recorded upon collection and are reflected on the financial position statement as deferred income. Such sums are amortized over the useful life of the related assets when these are put in operation. Subsidies amortization is recorded against depreciation charge.

According to the IFRIC 18 which refers to the transfer of assets from its customers and the implementation of its respective interpretation, the company recognized in its revenues an amount of € 2,730, coming from external ramifications, sewerage connection rights and capitalizing constructions until 31/12/2010 and an amount of € 2,058 until 31/12/2011 respectivelly.

37. CONSUMERS' GUARANTEES

The amount of € 17,777 on 31st December 2011 and € 17,523 on 31st December 2010 is related with guarantees received from customers for the use of the water meter, paid at the time of the initial connection with water supply.

These guarantees are repaid back (without interest cost) on the termination date of the connection upon customer's request. The above mentioned guarantees have been booked in their nominal value and not in their fair value because they can be demanded from the consumers at any time.

38. OPERATING AND OTHER CURRENT LIABILITIES

The account in the accompanying financial statement is analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Trade creditors	31,231	34,136	31,228	34,136
Taxes withheld	8,569	4,914	8,569	4,914
Social insurance contributions and other funds	3,348	3,549	3,348	3,549
Customer Advances	2,108	2,076	2,108	2,076
Dividends payable	11,487	9,566	11,487	9,566
Operating Current Liabilities	**56,743**	**54,241**	**56,740**	**54,241**
Payable Expenses	87	603	87	603
Outstanding Credit Accounts	8,563	5,531	8,563	5,531
Collections for third parties	1,275	1,246	1,275	1,246
Provision for vacation leave (non taken)	4,739	4,365	4,739	4,365
Personnel's compensations	3,843	7,188	3,843	7,188
Other Current liabilities	7,771	6,315	7,771	6,315
Short–term Consumers Guarantees	5,323	5,263	5,323	5,263
Other Current Liabilities	**31,601**	**30,511**	**31,601**	**30,511**

The carrying amounts of the operating and other current liabilities approximate their fair value,

39. REGRADING FUNDS

Certain funds of the comparative financial statements like expenses, investments in associates and value of holdings, were reclassified in relation to the respective published items. As a result, essential changes in the EAT took place, nevertheless, the fund changes from period to period, are shown with accuracy.

TOTAL REVENUES STATEMENT

amounts in thousands of €	31 December 2010 as they were published	31 December 2010 as they were reclassified	
		CONSOLIDATED	SEPARATE
Revenue from services rendered	378,965	378,965	378,965
Cost of Services	(230,100)	(230,100)	(230,100)
Gross Profit	**148,865**	**148,865**	**148,865**
Other Operating Income	2,755	2,755	2,755
General and administration expenses	(62,995)	(62,995)	(62,995)
Distribution and selling expenses	(49,078)	(49,078)	(49,078)
Profit from operating activities	**39,547**	**39,547**	**39,547**
Other operating expenses	(4,847)	(4,847)	(4,847)
Finance income net	5,922	5,922	5,922
Finance costs net	(10,794)	(10,618)	(10,618)
Valuation of Associates	–	(176)	–
Profit from ordinary activities before income taxes	**29,828**	**29,828**	**30,004**
Income tax expense	(18,487)	(18,487)	(18,487)
Net profit for the year	**11,341**	**11,341**	**11,517**
Shares outstanding	106,500	106,500	106,500
Earnings per share (in €)	**0.11**	**0.11**	**0.11**

STATEMENT OF TOTAL INCOME

amounts in thousands of €	31 December 2010 as they were published	31 December 2010 as they were reclassified	
		CONSOLIDATED	SEPARATE
Profit after taxes	11,341	11,341	11,517
Portfolio valuation	(210)	(210)	(210)
Aggregate total income after taxes	11,131	11,131	11,307

STATEMENT OF CHANGES IN EQUITY

AS THEY WERE PUBLISHED

2010	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other reserves	Results profit/loss carried forward	Total Equity
Equity Balance at 1/1/2010	63,900	40,502	20,513	358,283	780	337,533	821,511
Net Profit / (Losses)			567			10,774	11,341
Portfolio Profit					(210)		(210)
Dividends						(2,130)	(2,130)
Equity Balance at the end of 31 December 2010	**63,900**	**40,502**	**21,080**	**358,283**	**570**	**346,177**	**830,512**

AS THEY WERE RECLASSIFIED

CONSOLIDATED 2010	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other reserves	Results profit/loss carried forward	Total Equity
Equity Balance at 1/1/2010	63,900	40,502	20,513	358,283	780	337,533	821,511
Net Profit / (Losses)			567			10,774	11,341
Portfolio Profit					(210)		(210)
Dividends						(2,130)	(2,130)
Equity Balance at the end of 31 December 2010	**63,900**	**40,502**	**21,080**	**358,283**	**570**	**346,177**	**830,512**

SEPARATE 2010	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other reserves	Results profit/loss carried forward	Total Equity
Equity Balance at 1/1/2010	63,900	40,502	20,513	358,283	780	337,693	821,671
Net Profit / (Losses)			567			10,950	11,517
Portfolio Profit					(210)		(210)
Dividends						(2,130)	(2,130)
Equity Balance at the end of 31 Devember 2010	**63,900**	**40,502**	**21,080**	**358,283**	**570**	**346,513**	**830,848**

STATEMENT OF FINANCIAL POSITION

amounts in thousands of €	31 December 2010 as they were published	31 December 2010 As they were reclassified CONSOLIDATED	SEPARATE
ASSETS			
NON-CURRENT ASSETS			
Goodwill	3,357	3,357	3,357
Other Intangible assets	5,389	5,389	5,389
Property, plant and equipment, net	1,021,193	1,021,193	1,021,193
Investment in associates and subsidiaries	207	207	542
Investments in subsidiaries	0	0	0
Available–for–sale Investments	1,057	1,057	1,057
Long-term receivables	135,304	135,304	135,304
Deferred tax assets	49,371	49,371	49,372
Total non–current assets	**1,215,878**	**1,215,878**	**1,216,214**
CURRENT ASSETS			
Materials and spare parts	18,731	18,731	18,731
Trade receivables	291,890	291,890	291,890
Other receivables	69,590	69,590	69,590
Cash and cash equivalents	27,842	27,842	27,842
Total Current assets	**408,053**	**408,053**	**408,053**
Current assets	**1,623,931**	**1,623,931**	**1,624,267**
EQUITY			
LIABILITIES AND SHAREHOLDER'S EQUITY			
Share Capital	63,900	63,900	63,900
Share Premium	40,502	40,502	40,502
Reserves	379,933	379,933	379,933
Retained Earnings	346,177	346,177	346,513
Total Equity	**830,512**	**830,512**	**830,848**
NON-CURRENT LIABILITIES			
Reserve for employees benefits	216,124	216,124	216,124
Provisions	48,398	48,398	48,398
Investment subsidies and customer contributions	209,479	209,479	209,479
Consumers' guarantees	17,523	17,523	17,523
Total non–current liabilities	**491,524**	**491,524**	**491,524**
CURRENT LIABILITIES			
Operating Current Liabilities	54,241	54,241	54,241
Current tax liabilities	12,979	12,979	12,979
Short term loans and borrowings	204,164	204,164	204,164
Other current liabilities	30,511	30,511	30,511
Total Current Liabilities	**301,895**	**301,895**	**301,895**
LIABILITIES AND SHAREHOLDER'S EQUITY	1,623,931	1,623,931	1,624,267

STATEMENT OF CASH FLOWS

amounts in thousands of €	31 December 2010 as they were published	31 December 2010 as they were reclassified CONSOLIDATED	SEPARATE
Cash Flows from Operating activities			
Profit before tax	29,828	29,828	30,004
Adjustments for:			
Depreciation and amortization	35,795	35,795	35,795
Amortization of customers' contributions and subsidies	(7,308)	(7,308)	(7,308)
Revenues from securities	(35)	(35)	(35)
Impairment of participating interests	176	176	–
Employees' end of service provisions	10,905	10,905	10,905
Provisions	20,505	20,505	20,505
Interest and related income	(5,887)	(5,887)	(5,887)
Interest and related expense	10,617	10,617	10,617
Operating income before working capital changes / changes in operating assets and liabilities			
(Decrease in) Increase in			
Receivables	(58,405)	(58,405)	(58,405)
Materials and spare parts	1,610	1,610	1,610
Increase in (Decrease in)			
Liabilities	7,488	7,488	7,488
Consumers' guarantees	391	391	391
Reserve for employees benefits	517	517	517
Minus:			
Interest and related expenses paid	(10,411)	(10,411)	(10,411)
Income Tax paid	(7,979)	(7,979)	(7,979)
Net cash from operating activities (a)	**27,807**	**27,807**	**27,807**
Cash Flows from investing activities			
Purchases of property, plant, and equipment	(49,814)	(49,814)	(49,814)
Purchases of intangible assets	(2,025)	(2,025)	(2,025)
Proceeds from customers' contributions and subsidies	15,595	15,595	15,595
Interest and related income received	3,686	3,686	3,686
Dividends received	35	35	35
Subsidiaries	0	0	0
Net cash from investing activities (b)	**(32,523)**	**(32,523)**	**(32,523)**
Cash Flows from financing activities			
Proceeds from borrowings	64,800	64,800	64,800
Repayments of borrowings	(53,500)	(53,500)	(53,500)
Dividends paid	(1,366)	(1,366)	(1,366)
Net cash from financing activities (c)	**9,934**	**9,934**	**9,934**
Net (decrease) increase in cash and cash equivalents (a) + (b) + (c)	**5,218**	**5,218**	**5,218**
Cash and cash equivalents, beginning of period	**22,624**	**22,624**	**22,624**
Cash and cash equivalents, end of period	**27,842**	**27,842**	**27,842**

Statement of cash flows

A sum of € 10,905 th. was moved from the account "Obligations for employee benefits" in line "Staff end of service compensation projections".

INCOME TAX

amounts in thousands of €	31 December 2010 as they were published	31 December 2010 As they were reclassified CONSOLIDATED	SEPARATE
Profit before tax	29,828	29,828	30,004
Income tax assessed based on the current tax rate (20% & 24% respectively)	7,159	7,159	7,201
Change of tax factors impact	1,756	–	–
Special charge of the l.3808/09 & l.3845/10	2,261	2,261	2,261
Unaudited fiscal years (by public revenue authorities)	972	972	972
Tax over non-deductible tax expenses-final tax differences	4,925	5,693	5,650
Impact from tax rates differences between current income tax and deffered tax rates in the time of temporary differences reconciliation	1,414	2,402	2,403
Total	**18,487**	**18,487**	**18,487**

40. EVENTS AFTER THE BALANCE SHEET DATE

1. Voting of l.4053/2012

The voting of l.4053/2012, whereby EYDAP may provide the full range of services specified in the l.2744/1999 and outside area of responsibility of the Company, through subsidiaries and through the conclusion of program contracts with local government, establishes a new growth framework for the Company, expanding the market in which EYDAP may operate and develop.

2. Transfer 27.3% share of the Greek state "Private Property Development Fund of the State S.A."

According to the notification 27/01/2012, passed by the Greek State 29,074,500 shares of EYDAP S.A., and equal number of voting rights, ie 27.30% of share capital in the "Private Property Development Fund of the State S.A.". The transfer was then run off-exchange transaction pursuant to par. 4 and 5 of article 2 of l.3986/2011 (Official Gazette 152 / A) and No. 195/2011 (GG 2501 / B) of the Ministerial Decision Restructuring and Privatization Commission (DEAA).

The Greek government controlling 100% in "Private Property Development Fund of the State S.A.", indirectly controls the voting rights above.

With the exception of the above no event has occurred which significantly affects the financial structure or business course of the Company from the 31/12/2011 to the date of approval of the Board of Directors.

Other Energy Works

EYDAP owns a production license and a decision of environmental terms approval for the construction of a photovoltaic park at the company's installations in Aharnes -Attica region- the power of which would be of 1.971 MW.

The company has also deposited a complete file to DESMHE concerning the signature of an electric sales contract agreement and it expects the finalization of the sales price.

Networks taking over

EYDAP is under negotiations for the take over and embodiment of water supply network parts in the Municipality of Vari–Voula–Vouliagmeni, the Municipal Section of Magoula in the Municipality of Elephsina, the Municipality of Vari–Voula–Vouliagmeni, as well as the water supply networks of St George region in the Municipality of Aspropyrgos and St Panteleimonas region in the Municipal Section of N. Peramos in the Municipality of Megara.

Towards its operations development, the company has signed preliminary programming contract with Saronikos, Spata–Artemida, Marathonas, Paiania, Amarousio, Markopoulo Mesogeas and Megara Municipalities regarding the possible management take over of their water supply networks and it also examines the possibility of signing preliminary contract regarding the management take over of the water supply networks in Salamina and Lavreotiki.

The company has also submitted, in contact with Attica Region, a proposal of financing the project of the waste reuse (waste treated in Psitalia and Thriasio waste treatment plants) for industrial and some agricultural purposes, for watering of urban green, reforestation and for any other use.

According to the Company's Management best knowledge, no subsequent events exist that may significantly affect the Company and the Group until the date of the approval of the financial statements.

41. COMMITMENTS AND CONTINGENT LIABILITIES – ASSETS

41.1. LIABILITIES

Contingent liabilities are not recorded in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is minimal. The Company has issued letters of guarantee to secure obligations of € 1,155 on 31/12/2011.

Litigations and claims

Lawsuits for civil law cases with claims of an amount of € 80.9 mn have been raised against the Company as on 31st December 2011. These lawsuits are mainly related with damages caused by floods (either because of broken mains of from rainfalls) or they are lawsuits of various trade creditors and subcontractors for violation of contractual terms.

There are also pending litigations with employees of around € 54.8 mn. Against all these potential losses, when the pending litigation will be finalized, EYDAP has formed a provision of € 59.4 mn as on 31st December 2011 and of € 48.4 mn as on 31st December 2010, which are considered as sufficient.

Pending litigations involve also the lawsuit of Municipality of Marathonas of € 5,402 mn. The company hasn't form any provision against this potential loss since it judges the case as "completely baseless by law".

Unaudited by tax authorities fiscal years

The Public Revenues Service (tax authorities) have audited the Company, until the fiscal period ended on 31 December 2007. According to article 82 of l.2238/1994 and A.Y.O. pol.1159–22/07/2011, the statutory auditors, issue tax certificate after the tax audit they carry on the books kept by the company.

The accompanying financial statements include a related sufficient provision for the additional taxes and fees that are probable to be levied on the finalization of the financial years 2008, 2009 and 2010, and 2011.

Committments from unexecuted contracts:

The company's committments concerning with expansions, improvements, and conservation of networks and installations as also supply works of electrical and thermal coproduction units are € 96 mn on 31st December 2011 and €123 mn on 31st December 2010 approximately.

41.2 Assets

Investment program:

(a) The Company according to its establishment l.2744/99, has signed a contract with the Greek State, according to which the Greek State undertakes the commitment for the subsidization of EYDAP either from the Community Funds or from the Program of Public Investments for the coverage of the 60% of the capital expenditure, which EYDAP pays for the maintenance, restoration, improvement or the expansion of the water supply and sewerage network system for the 8years period 2000–2008. Against the aforementioned investment program of around € 1.22 bn, that includes, as already mentioned, also the maintenances, the Company has spent for capital expenditures as on 31 December 2008 an amount of € 432.49 mn, for which it has the right to receive a subsidy of around € 259.49 mn (432.49*60%), while for the maintenance expenditures the Company claims the corresponding subsidy. The Company against the subsidy that has the right to receive has received as on 31 December 2009 an amount of € 9.08 mn. On the basis of the above the claim of the Company from the Greek State is raised to at least € 250.41 mn (259.49 - 9.08). Therefore this amount has not recorded in the accounts receivables with an equal debit of the long-term liabilities accounts, the carrying amount of which is gradually transferred in the profit/loss of the period in proportion to the depreciation rate of the subsidized water supply and sewerage network system. If the aforementioned journals were carried out then the profit/loss of the current and the previous year period would be improved by around € 5.2 and the net worth will be improved by around € 50.2 mn by 31/12/2011.
It must be clarified that a decision made by the Extraodinary Shareholders Meeting of August 10th 2004 modified the company's investment programme, however not affecting the above mentioned claim against the Greek State.

It is worthnoting that after the company's request towards the Greek State which is provided in the annex 4 of the aforementioned contract between the two parties the company for all its capital expenditures for the period 1/1/2009–31/12/2010 that amount € 105.3 mn approximately is eligible for a € 63.2 mn subsidy.

(b) In addition to these claims the Company has a claim for a subsidy of 60% for the maintenance expenditures according to the contract with the Greek State. However it is not feasible to extract the amount that corresponds to maintenance only from the amount of expenditures that are related with the operation and maintenance of installations that is € 704.43 mn. The corresponding subsidy between the Company and the Greek State has not been finalized until the conduction of the current Financial Statements.

42. RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

A) Transactions and amounts outstanding with the Members of the Board

	31/12/2011	31/12/2010
Salaries (Chairman & CEO and Executive Directors)	132	127
Salaries & participation fees of the Members of the Board of Directors	75	68
	207	195

B) Transactions and amounts outstanding with the Greek State and the Municipalities

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
1) Transactions				
Revenues	69,320	68,590	69,323	68,590
Cost of sales (construction contracts)	(3,084)	(1,192)	(3,084)	(1,192)
Provisions	(7,288)	(10,573)	(7,288)	(10,573)
2) Outstanding amounts				
Long term receivables (construction contracts)	110,598	107,329	110,598	107,329
Long term receivables (Arrangements of Municipalities)	23,102	25,264	23,102	25,264
Trade receivables (Greek State)	177,079	154,709	177,079	154,709
Other receivables (coverage of Employees' end-of-service indemnity by the Greek State)	62,433	51,383	62,433	51,383

43. AUDITORS REMUNERATION

	31/12/2011	31/12/2010
Auditors remuneration for auditing the annual accounts	120	125
Auditors remuneration for auditing the cost of Public Entity works NPDD «EYDAP Assets Company» & Ministry of Public Works (2008–2010)	25.5	–

44. PUBLIC ENTITY EYDAP FIXED ASSETS (PE)

The Public Entity was established at the time of the IPO with the purpose of the ownership's transfer of the water dams and basins of Marathon, Mornos, Yliki and Evinos from EYDAP to PE. Besides the constructions and upgrades of the installations that are related with these water dams and basins, the Greek State -through the Public Entity- has undertaken the obligation to supply the Company with raw water to meet its water supply obligations. The price of the raw water until 2004 were offseting with the cost of services that EYDAP realizes for the maintenance and operation of the fixed assets that belong by ownership to the Public Entity. There is no new similar agreement thereafter.

The total landed property of the State entity "Eydap fixed Assets Company" has not been transcribed from EYDAP S.A. until the issuance of the current Auditors Report. The undepreciated value of the respective property is approximately € 657 mn.

45. CAPITAL RISK MANAGEMENT

The company manages its capital in a way that guarantees the continuity of its operations over time while the maximization of shareholders returns through the optimization of the relation between debt and net worth is secured.

The company's Capital structure consists of debts involved in "Borrowing" (note 32), cash and equivalents and the net worth which consists of the issued capital, reserves and the carrying amount (notes 29, 30, 31).

The company reviews its capital structure on an ongoing basis, the cost of capital and the risks connected with each capital category.

According to Management suggestions the company balances its total capital structure through divident payments and short term borrowing.

The Group's Management reviews the capital structure at regular intervals. In this review estimated the capital cost and the risk for each class of capital. This relationship is as follows:

Leverage ratio

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Borrowings	201,674	204,164	201,674	204,164
Cash flows and cash equivalents	(21,975)	(27,842)	(21,920)	(27,842)
Net Debt	179,699	176,322	179,754	176,322
Total Equity	852,097	830,512	852,518	830,848
Net debt to equity ratio	21.09%	21.23%	21.09%	21.22%

46. FINANCIAL RISK MANAGEMENT

As a result of its operation the Company is not exposed to any particular financial risks such as Market risk (changes in exchange rate parities, interest rates or market prices), Credit risk and Liquidity risk.

The Company's Financial risk management plan is focused on the minimization of their probable negative effects over the Company's financial position.

Risk management is processed by the Company's Central Economic Department which operates under certain rules approved by its Administrative Council.

Administrative Council provides guidance and directions for general and specific risk management problems such as exchange risk, inerest rates risk and credit risk.

a) Market Risk

Exchange rate risk

The main part of the Company's operations is processed in the Eurozone under euro. As a result exchange rate risk is immaterial.

Interest rates variability risk

The Company doesn't possess any substantial interest financial items. Thus its operating revenues and cashflows are independent from changes in interest rates.

Loan liabilities are based on variable interest rates which are in accordance with market conditions. Thus could be either remain variable or it may convert in fixed.

The Company doesn't use financial derivatives. As a result interest rates risk concerns loans. Loans under variable rate result in cash flow risk for the Company.

Sensitivity Analysis of loans under cash flow risk in Interest rate changes

	Interest rates Variability	Impact in EAT
2011	+1%	(1,996)
	-1%	1,996

b) Credit Risk

The Company's exposition in credit risk is confined on its financial Assets which can be analyzed as follows:

Categories of financial items	GROUP 31/12/2011	GROUP 31/12/2010	COMPANY 31/12/2011	COMPANY 31/12/2010
Financial items in disposal	847	1,057	847	1,057
Cash flows and cash equivalents	21,975	27,842	21,920	27,842
Commercial and other claims	404,133	361,480	404,135	361,480
Long term claims	136,024	135,304	136,023	135,304
Investments in associates	130	207	542	542
Investments in subsidiaries	–	–	60	–
Total	563,109	525,890	563,527	526,225

The Company checks its claims on an ongoing basis either separately or by grouping the respective items and incorporates these data in credit control procedures. The Company's long term claims are concern with the State Municipalities. As a result credit risk is immaterial.

Cash flows and cash equivalents do not involve credit risk because they mainly concern with deposits in banks with adequate credit rating.

Commercial and other claims involve receivables from private customers which have the lowest degree of loss mainly because of the extensive dispersion of claims, while for Municipalities the Company examines the potential collection of the respective due debt through contract agreements. The approximate amount of these claims is € 194 mn.

None of the Company's financial assets is insured by mortgage or any other form of credit insurance. The available for sale financial items are assessed in their fair value that is their stock market value. As a result they are attributed in the level 1, according to ifrs 7, par. 27b.

The timetable of **claims on maturity** is analysed as follows:

2011	Not due	0–1 month	1–6 months	6 months – 2 years	2–5 years	>5 years	Total
Private customers	24,730	10,746	20,690	24,126	19,130	5,398	104,820
Public	3,208	1,311	6,114	8,418	8,387	23,632	51,070
Municipalities	8,750	4,315	17,497	55,057	61,077	46,981	193,677
Total	**36,688**	**16,372**	**44,301**	**87,601**	**88,594**	**76,011**	**349,567**
2010	**Not due**	**0–1 month**	**1–6 months**	**6 months – 2 years**	**2–5 years**	**>5 years**	**Total**
Private customers	22,062	11,596	19,271	20,531	16,029	3,746	93,235
Public	5,812	1,013	3,900	7,508	9,702	21,732	49,667
Municipalities	9,820	4,491	19,998	41,998	53,896	33,429	163,632
Total	**37,694**	**17,100**	**43,169**	**70,037**	**79,627**	**58,907**	**306,534**

The accounting value of claims which have been renegotiated was on 31 December 2011 € 48,2 and on 31 December 2010 € 45,3 respectivelly.

c) Liquidity Risk

Liquidity risk is confronted by the preservation of sufficient cash for the reassurance of bank credits. The existing available and approved to the Company bank credits are enough for the purpose of confronting any probable shortage of cash.

The following table analyses the Company's financial liabilities which are classified in groups according to their expiration date and calculated according to the time balance arising at the balansheet date to the contractual arrangement ending date in non discounted figures.

The timetable of the **Company's liabilities on maturity** date is analysed as follows

2011	0–1 month	2–3 months	3–6 months	6–12 months	1–5 years	>5 years	Total
Loans	7,006	85,123	33,600	75,945	–	–	201,674
Creditors & others	59,735	16,876	4,992	9,960	86,218	211,869	389,650
Total	**66,741**	**101,999**	**38,592**	**85,905**	**86,218**	**211,869**	**591,324**
2010	**0–1 month**	**2–3 months**	**3–6 months**	**6–12 months**	**1–5 years**	**>5 years**	**Total**
Loans	16,016	71,600	69,548	47,000	0	0	204,164
Creditors & others	58,471	18,960	12,202	21,543	92,646	175,954	379,776
Total	**74,487**	**90,560**	**81,750**	**68,543**	**92,646**	**175,954**	**583,940**

47. ASSESSION OF FAIR VALUES

The financial value of items bargain in active markets (stock exchanges), i.e. (derivatives, stocks, bonds, mutual funds), is assessed based on published prices that stand on the financial statements report date.

The fair value of financial items which are not bargain in active makets is assessed by the use of valuation techniques and assumptions which are based on market data on the Financial Statements Report date.

The nominal value minus provisions of bad and doubtful debts is estimated in a way that approximates its real value.

The real values of financial liabilities for the purpose of their presentation in the financial statements are calculated relied on the present value of future cash flows.

The cash flows result from specific contractual arrangements and the basis of calculation is the current available to the Company interest rate for the use of similar financial instruments.

D. Independent Auditor's Report

To the Shareholders of ATHENS WATER SUPPLY AND SEWERAGE COMPANY S.A.

Report on the Company Stand-Alone and Consolidated Financial Statements
We have audited the accompanying Company stand-alone and consolidated financial statements of ATHENS WATER SUPPLY AND SEWERAGE S.A. (The Company) which comprise the Company stand-alone and consolidated statement of financial position as at December 31, 2011, and the Company stand-alone and consolidated statements of profit and loss and comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Company Stand-Alone and Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these Company stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as these have been adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of Company stand-alone and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company stand-alone and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company stand-alone 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 company stand-alone 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 company stand-alone 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 Company stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of its subsidiaries as of December 31, 2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Matters of Emphasis
We draw your attention to the following:

1. As it is explained in note 41.2 of the financial statements, the Company according to its establishment l.2744/99, signed an Agreement with the Greek State whereby the State committed to granting the Company either from European Union's financial resources or from the State's Programme of Public Investment funds to cover 60% of the capital expenditure that the Company will spend for the maintenance, renovation, improvement and/or the expansion of the water supply and sewerage system for the eight year period from 2000 to 2008. Against the above mentioned Investment Programme, amounting to approximately € 1.22 bn, which as explained above includes maintenance expenses, the Company has incurred expenses for capital expenditure through December, 31 2008 amounting to approximately € 432.5 mn against which it is entitled to receive a subsidy amounting to approximately € 259.5 mn (432.5*60%) while in accordance with the aforementioned agreement the Company claims also a relevant subsidy for maintenance expenses. The Company against the above subsidy to which it is entitled to, has received through

December, 31 2011 an amount of approximately € 9 mn. Based on the principle of prudence, the above receivable of the Company from the Greek State amounting to € 250.5 mn approximately (259.5 mn – 9 mn) has not been accounted for as a receivable and as a long term liability, from which it would be gradually transferred to the income statement in accordance with the depreciation rate of the corresponding subsidised water supply and sewerage system. Had the above treatment was followed, then the current and the previous period's financial results would have been improved by € 5.2 mn approximately, and Shareholders' Equity at December, 31 2011 would have been increased by € 50.2 mn approximately. It is clarified that based on the resolution of August 8, 2004 of the Extraordinary General Assembly of shareholders, the Company's Investment program was modified; however, such modification does not affect the above Company's claim against the Greek State. It is also noted that, during the period 01/01/2009–31/12/2010, the Company has incurred expenses for capital expenditure amounting to approximately € 105.3 mn for which, according to Appendix 4 of the aforementioned Agreement, it is entitled to apply for a subsidy amounting to approximately € 63.2 (105.3 X 60%).

2. As it is explained in note 41.2 of the financial statements and as already mentioned in our above matter of emphasis number 1, the amount of approximately € 250.5 mn does not include the receivable arising from the subsidisation of maintenance expenses, because from the total expenses relating to operations and maintenance up to 31/12/2008 amounting to € 704.4 mn approximately, it was not possible to isolate the amount related to maintenance expenses. Even though in the relevant contract signed by the Company and the Greek State (Appendix 4 – Financial commitments under the title "Subsidies for capital expenditure guaranteed by the State") it is mentioned that the State guarantees the granting to the Company of a subsidy amount representing 60% of the capital expenditure incurred by the Company relating to maintenance, renovation, improvement or expansion of the water supply and sewerage system for any year from 2000 to 2008, as of the date of completion of our audit, the crystallisation of the subsidy relating to maintenance expenses has not been yet agreed between the Company and the Greek State.
3. As it is explained in note 44 of the financial statements, is pending since 2004 the conclusion of a contract between the Greek State and the Company, in relation to the raw water supply from the Greek State to the Company the cost of which, based on the contract in effect until 31/12/2004, is offset with the cost of services provided by the Company for the maintenance and operation of the water saving and water transfer fixed assets that belong to the "Fixed Assets EYDAP Legal Person governed by Public law".
4. As it is explained in note 44, as of the date of the approval of the financial statements by the board of directors and the issuance of this report, the legal transfer of the ownership of real property transferred to the Company "Fixed Assets EYDAP Legal Person governed by Public law", with a net book value € 657 mn approximately, is pending.

We do not qualify our audit opinion regarding the issues above.

Report on Other Legal and Regulatory Requirements

a) The Annual Consolidated Directors' Report includes a Corporate Governance Statement which provides the information required according to the provisions of par. 3d of article 43a and par. 3st of article 107 of the c.l.2190/1920.

b) We have agreed and confirmed the content and consistency of the Annual Consolidated Directors' Report to the accompanying Company stand-alone and consolidated financial statements according to the provisions of the articles 43a, 108 and 37 of the c.l.2190/1920.

Athens, March 28, 2012
The Certified Public Accountants

Nicos K. Sofianos	Nicos A. Papadimitriou
Reg. No SOEL: 12231	Reg. No SOEL: 14271

Deloitte.

Hadjipavlou Sofianos & Cambanis S.A.
Assurance & Advisory Services
Fragoklisias 3a & Granikou Str, 151 25 Maroussi
Reg. No (ICPA (GR)): E 120

E. Published Financial Data and Information

COMPANY'S STATUTORY INFORMATION

Prefecture:	Athens
Company's web Site	www.eydap.gr
Members of the Board of Directors:	Th. Lekkas, N. Bardis, A. Antonopoulos, G. Kontoroupis, P. Beis, D. Asimakopoulos, A. Kotsonis, E. Sklavenitis, P. Skoularikis, N. Kogioumtsis, Ch. Mistriotis, E. Agelakis, E. Moutafis
Date of Approval of Financial Statements:	March 28, 2012
Chartered Public Accountants:	N. Sofianos SA (ID No 12231) / N. Papadimitriou SA (ID No 14271)
Auditing Company:	Deloitte. Hatzipaulou, Sofianos & Kampanis Public Accountants and Business Consultants S.A., ID No 120
Type of Auditor's Report:	Unqualified Opinion – Emphasis of matter

STATEMENT OF FINANCIAL POSITION (amounts in thousands of €)

	GROUP		COMPANY	
ASSETS	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Tangible assets	1,017,919	1,021,193	1,017,919	1,021,193
Intangible assets	3,185	5,389	3,185	5,389
Other non current assets	193,661	189,296	194,131	189,632
Inventories	16,288	18,731	16,288	18,731
Trade receivables	322,012	291,890	322,015	291,890
Other current assets	104,672	97,432	104,617	97,432
TOTAL ASSETS	1,657,737	1,623,931	1,658,155	1,624,267
TOTAL EQUITY AND LIABILITIES				
Share capital	63,900	63,900	63,900	63,900
Other items of Shareholders' Equity	788,197	766,612	788,618	766,948
Total Shareholders' Equity	852,097	830,512	852,518	830,848
Reserves for employee benefits	224,690	216,124	224,690	216,124
Deferred subsidies and customer contributions	213,737	209,479	213,737	209,479
Provisions and other long-term liabilities	77,196	65,921	77,196	65,921
Short-term borrowings	201,674	204,164	201,674	204,164
Other Short-term borrowings	88,343	97,731	88,340	97,731
Total liabilities (d)	805,640	793,419	805,637	793,419
TOTAL EQUITY AND LIABILITIES (c)+ (d)	1,657,737	1,623,931	1,658,155	1,624,267

STATEMENT OF COMPREHENSIVE INCOME (amounts in thousands of €)

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Turnover	358,550	378,965	358,550	378,965
Gross profit	149,866	148,865	149,866	148,865
Earnings before tax, financial, and investment results	46,628	34,699	46,638	34,699
Profit before tax	**35,492**	**29,828**	**35,578**	**30,004**
Profit after tax (A)	26,050	11,341	26,135	11,517
Other comprehensive income, net of tax (B)	(205)	(210)	(205)	(210)
Total comprehensive income for the period (A+B)	**25,845**	**11,131**	**25,930**	**11,307**
Attributable to:				
Shareholders	25,845	11,131	25,930	11,307
Diluted earnings per issued share (in €)	0.24	0.11	0.25	0.11
Proposed dividend per share	–	–	0.17	0.04
Earnings before tax, financial, investment results and depreciation and amortization	**77,564**	**63,186**	**77,574**	**63,186**

ADDITIONAL DATA AND INFORMATION

1. The number of employees as at 31 December 2011 was 2,671. The number of employees as at 31 December 2010 was 2,911.

2. Unaudited (by Public Revenue Services) tax uses for both the Group and the Company are analitically shown in the note 41 of financial statements.

3. The Provisions formed up to 31 December 2011 concern: **a)** Lawsuits for civil law cases with claims of an amount of € 80.9 mn have been raised against the Company. These lawsuits are mainly related with damages caused by floods (either because of broken mains or from rainfalls) or they are lawsuits of various trade creditors and contractors for violation of contractual terms. There are also pending litigations with employees of around € 54.8 mn. Against all these potential losses, if the pending litigation wiil be finalized, EYDAP has formed a provision of € 59.4 mn as at 31 December 2011 and of € 48.4 mn as at 31 December 2010, which are considered as sufficient. **b)** Provisions of € 4.6 mn for unaudited (by Public Revenue Services) tax uses as at 31 December 2011 and of € 3.0 mn as at 31 December 2010 and **c)** Other provisions of € 58.8 mn as at 31 December 2011 and of € 50.4 mn as at 31 December 2010.

4. The matters of emphasis of the Certified Auditors are the following: **a)** The Company according to its establishment l.2744/99, has signed a contract with the Greek State, according to which the Greek State undertakes the commitment for the subsidization of EYDAP either from the Community Funds or from the Program of Public Investments for the coverage of the 60% of the capital expenditure, which EYDAP pays for the maintenance, restoration, improvement or the expansion of the water supply and sewerage network system for the 8years period 2000–2008. Against the aforementioned investment program of around € 1.22 bn, that includes, as already mentioned, also the maintenances, the Company has spent for capital expenditures as at 31 December 2008 an amount of € 432.49 mn, for which it has the right to receive a subsidy of around € 259.49 mn (432.49*60%), while for the maintenance expenditures the Company claims the corresponding subsidy. The Company against the subsidy that has the right to receive has received as at 31 December 2011 an amount of € 9.08 mn. On the basis of the above the claim of the Company from the Greek State has been raised to € 250.41 mn (259.49 - 9.08). Therefore this amount has not recorded in accounts receivables with an equal credit in long-term liabilities, the carrying amount of which is gradually transferred in the profit/loss account of the period according to the depreciation rate of the subsidized water supply and sewerage network system. If the aforementioned journals were carried out then the profit/loss of the current, previous period would have been be improved by around € 5,2 mn and the net equity would have been be improved by around € 50.2 mn. It must be clarified that the company's Investment programm modified as a result of a decision taken by the 10/08/2004's Extraordinary Shareholders General Meeting. However this doesn't affect the company's claim towards the Greek State. It must be noted that after the company's prompt to the Greek State, which is anticipated in the supplement 4 of the aforementioned contract between the company and the State, the company is eligible for a subsidy of approximately € 63.2 mn (105.3*60%) for all the capital expenditures accomplished during the years 2009 and 2010 which amount approximately € 105.3 mn. **b)** In addition the Company has a claim concerning a subsidy for the maintenance expenditures according to the contract with the Greek State. However, since it is not feasible to extract the amount that corresponds to maintenance from the total amount of expenditures that are related with the operation and maintenance of installations that is € 704.43 mn as at 31 December 2008, the corresponding subsidy has not been finalized between the company and the State until the conduction of the present finacial statements. **c)** In parallel with the aforementioned the contract between the State and the Company concerning the supply of raw water is pending from 2004 use. According to contract which was valid until 31 December 2004 the supply of raw water compensates with the operation and conservation costs of the water supply fixed assets that belong to the State. (State entity «EYDAP fixed Assets Company»). **d)** The total landed property of the State entity «EYDAP fixed Assets

The figures illustrated below provide summary information about the financial position of the Group and EYDAP S.A. (the Company). We advise the reader before taking any investment decision or other transaction concerning the company, to visit the Company's web site where the financial statements are presented according to International Financial Reporting Standards together with the auditor's report, whenever it is required.

STATEMENT OF CHANGES IN EQUITY (amounts in thousands of €)

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Equity opening balance (01/01/2011 and 01/01/2010 respectively)	830,512	821,511	830,848	821,671
Profit of the year, after tax	26,050	11,341	26,135	11,517
Net income directly charged to equity	(205)	(210)	(205)	(210)
Comprehensive income after taxes	25,845	11,131	25,930	11,307
Distributed Dividends	(4,260)	(2,130)	(4,260)	(2,130)
Equity closing balance (31/12/2011 and 31/12/2010 respectively)	852,097	830,512	852,518	830,848

STATEMENT OF CASH FLOWS (amounts in thousands of €)

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Cash Flows from operating activities				
Profit before taxes	35,492	29,828	35,578	30,004
Adjustments for:				
Depreciation and amortization	38,250	35,795	38,250	35,795
Amortization of customers' contributions and subsidies	(7,314)	(7,308)	(7,314)	(7,308)
Investment income	(30)	(35)	(30)	(35)
Impairment of investments	76	176	0	0
Provisions for employees' end of service compensation	7,955	10,905	7,955	10,905
Other Provisions	19,455	20,505	19,455	20,505
Credit Interest and related income	(4,758)	(5,887)	(4,758)	(5,887)
Debit Interest and related expense	15,848	10,617	15,848	10,617
Operating income before working capital changes / changes in operating assets and liabilities				
(Decrease in) Increase in				
Receivables	(51,403)	(58,405)	(51,403)	(58,405)
Materials and spare parts	2,490	1,610	2,490	1,610
Increase in (Decrease in)				
Liabilities	(227)	7,488	(232)	7,488
Consumers' guarantees	254	391	254	391
Reserve for employees benefits	611	517	611	517
Minus:				
Interest and related expenses paid	(12,131)	(10,411)	(12,131)	(10,411)
Income Tax paid	(26,017)	(7,979)	(26,017)	(7,979)
Cash Flows from investing activities	18,551	27,807	18,556	27,807
Net Cash from operating activities				
Purchases of property, plant, and equipment	(32,131)	(49,814)	(32,131)	(49,814)
Purchases of intangible assets	(640)	(2,025)	(640)	(2,025)
Proceeds from customers' contributions and subsidies	11,572	15,595	11,572	15,595
Interest and related income received	3,344	3,686	3,344	3,686
Dividends received	30	35	30	35
Subsidiary Formation	0	0	(60)	0
Net cash from investing activities (b)	(17,825)	(32,523)	(17,885)	(32,523)
Cash Flows from financing activities				
Proceeds from borrowings	0	64,800	0	64,800
Repayments of borrowings	(4,600)	(53,500)	(4,600)	(53,500)
Dividends paid	(1,993)	(1,366)	(1,993)	(1,366)
Net cash from investing activities (c)	(6,593)	9,934	(6,593)	9,934
Net (decrease) increase in cash and cash equivalents (a) + (b) + (c)	(5,867)	5,218	(5,922)	5,218
Cash and cash equivalents, beginning of period	27,842	22,624	27,842	22,624
Cash and cash equivalents, end of period	21,975	27,842	21,920	27,842

Company» has not been transcribed from EYDAP S.A. until the issuance of the current Auditors Report. The undepreciated value of the respective property is approximately € 657 mn.

5. Cumulative amounts from the beginning of the current period concerning puchases and sales together with both the Group's and the Company's claims and liabilities at the end of the current period that have been resulted from their transactions with related parties in the sense of the IAS 24 are as follows:

	GROUP		COMPANY	
	2011	2010	2011	2010
i) Revenues (1/1–31/12/2011 and 1/1–31/12/2010 respectively).	69,320	68,590	69,323	68,590
ii) Claims (31/12/2011 and 31/12/2010 respectively) .	373,212	338,685	374,212	338,685
iii) Transactions and Payrolls of Directors and Members of the Administration (1/1–31/12/2011 and 1/1–31/12/2010 respectively).	207	195	207	195

iv) Transactions with, «EYDAP NISON S.A.»

6. In the current period an expense of € 205 th. related to changes in the fair value of assets available for sale was recorded in «Other comprehensive income after taxes» of the statement of comprehensive income.

7. Until the approval date of the condensed financial annual, events that could substantially affect the Group's and the Company's assets structure or their activities process have not been occurred.

8. Since the 30th of September 2011, when the subsidiary (EYDAP NISON S.A.) was established, the Company conducts separate as well as consolidated financial statements unlike the period of 31/12/2010 when it was conducting only consolidated ones, revaluating its participation in associate enterprises using the net equity method (accorfing to the decision 39–10/2/2005 Greek Accounting Standards). In order to be comparable to the current period, the comparative elements were reclassified, conducting separate financial statements for the previous period. Regraded funds are shown in the financial statements note 25.

9. Conlolidated financial statements include the companies shown below: **a)** EAP which resides in Kifissia (Eydap participates with a share of 35%) which was unified with the net equity method and **b)** EYDAP NISON S.A. which resides in Piraeus (EYDAP participates up to100%) which was unified with the accounting method under the name «total unification».

Athens, 28 March 2012

The Chairman of the Board of Directors	The Chief Executive Officer	The Chief Financial Officer	The Chief Accounting Officer
LEKKAS THEMISTOCLES	NIKOLAOS BARDIS	MISAILIDIS MICHALIS	SKYLAKI LEMONIA
I.D. No AE 144774	I.D. No Φ 472635	I.D. No P 227188	I.D. No Ξ 971227
		Reg. Num. O.E.E. A/1496	Reg. Num. O.E.E. A/17806

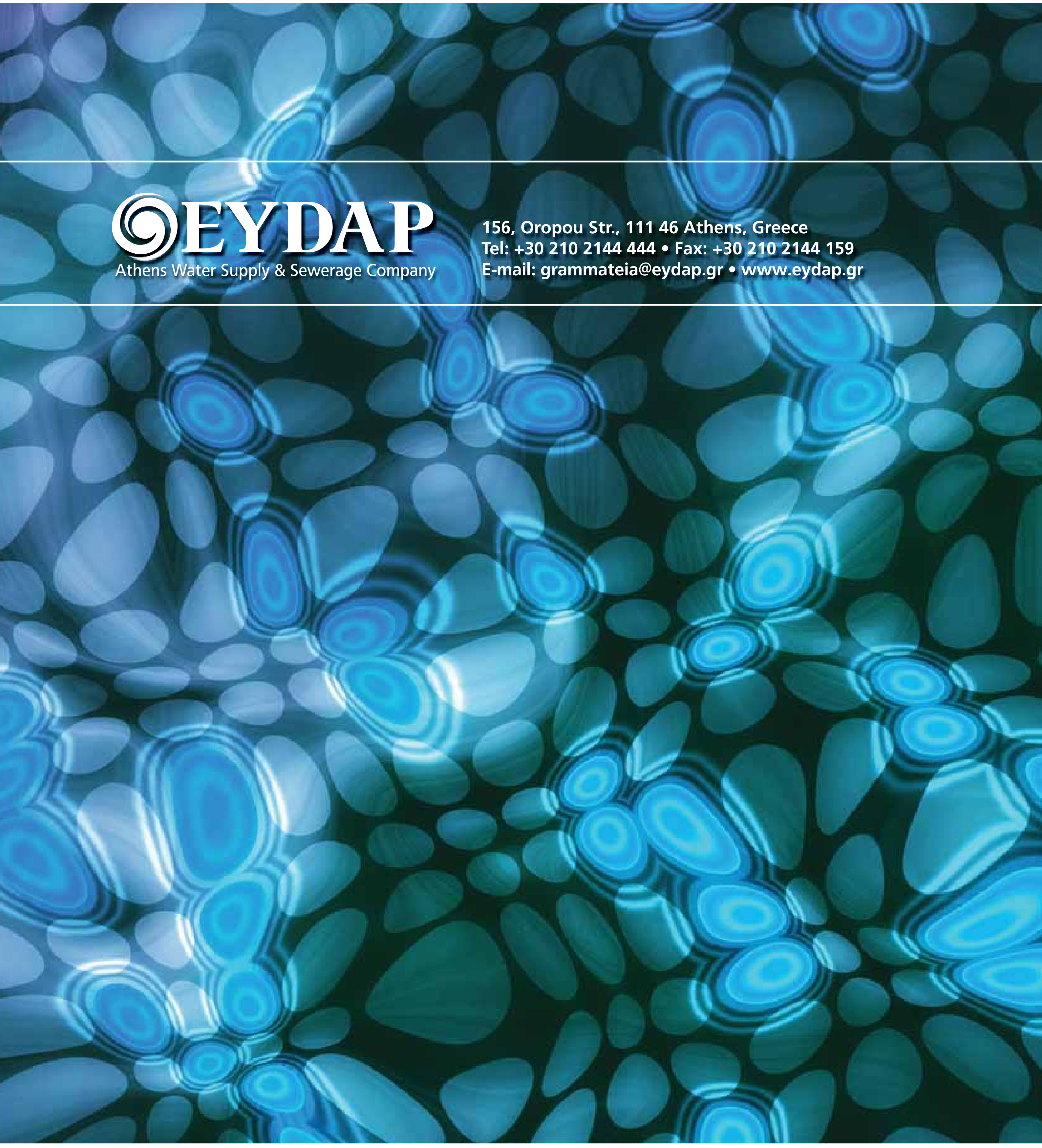
F. Information of the article 10 of the l.3401/2005

The following announcements/notifications have been sent to Daily official list announcements and are posted to the Athens Stock Exchange website as well as to our Company's website www.eydap.gr under the Section Investor Relations / Corporate Announcements.

DATE	
3/1/2011	CORPORATE ANNOUNCEMENT
3/2/2011	CORPORATE ANNOUNCEMENT
22/2/2011	2011 FINANCIAL CALENDAR
31/3/2011	FY 2010 RESULTS
20/4/2011	POSTPONMENT OF THE ANALYSTS' ANNUAL BRIEFING DATE
10/5/2011	COMPANY PRESENTATION TO THE REPRESENTATIVES OF THE CAPITAL MARKET
18/5/2011	INVITATION TO THE ANNUAL SHAREHOLDERS' GENERAL MEETING OF THE EYDAP S.A.
31/5/2011	Q1 2011 KEY FIGURES & RESULTS
10/6/2011	RESOLUTIONS OF THE ANNUAL SHAREHOLDERS' MEETING
15/6/2011	NEW AUDIT COMMITTEE
30/6/2011	2010 DIVIDEND PAYMENT
31/8/2011	H1 2011 KEY FIGURES & RESULTS
14/10/2011	CORPORATE ANNOUNCEMENT
15/11/2011	REPLACEMENT OF BOARD OF DIRECTORS MEMBER
17/11/2011	CORPORATE ANNOUNCEMENT
22/11/2011	CORPORATE ANNOUNCEMENT
29/11/2011	FOUNDATION OF THE SUBSIDIARY «EYDAP NISON S.A.»
30/11/2011	Q3 2011 KEY FIGURES & RESULTS
13/12/2011	NEW AUDIT COMMITTEE

Notes

Notes



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