



Annual Bulletin & Annual Report 2013





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Dear Shareholders,

The year 2013 was a milestone for the future of EYDAP. The settlement of longterm issues between the Company and the Greek Government and of long outstanding financial claims which were difficult to solve for years and overshadowed the otherwise healthy image of the Company's progress, constitute the beginning of a new era for its evolution.

The initiatives taken, contributed decisively during the year 2013, in the collection of approximately € 406 million of overdue receivables from Municipalities and the Greek State, an amount which empowered the cash and cash equivalents of the Company, thus giving the opportunity to make important decisions, such as the payment of debt obligations and the settlement of the long pending labor legal cases.

All of the above contributed to strong financial results. More specifically, the profit after tax amounted to € 78 million from € 52 million in 2012, recording an increase of 51.4%, thus forming the net profit margin to 23.3% from 14.6% in 2012. Earnings before interest, taxes, and amortization (EBITDA) amounted to € 84 million from € 114 million in 2012. The earnings before taxes (EBT) amounted to € 62 million from € 68 million in 2012.

Free of outstanding burdens, we are currently focusing in the implementation of our strategy, which aims at profitable growth to the benefit of our customers, employees and Shareholders as well as that of society in which we operate and develop.

Our goal will be achieved through the effective and efficient operation of the Company, the maximum utilization of new technologies and the implementation of new innovative solutions, the continuous enhancement of human resources and the adoption of pioneering business plans for further development by focusing on the customers and their service.

The magnitude of EYDAP, its achievements and innovations, are the result of the effort, willpower, experience and knowledge of its employees, which constitute the fundamental basis to support our business plan, as they are the driving force for growth and our success in the future.

As the sole provider of integrated water and sewerage services management to 40 % of the population of Greece, with our mission to provide quality and affordable drinking water to a growing number of citizens and to ensure its clean return to the environment through an efficient process of organic treatment, faithful to the rational use of natural and economic resources, with social awareness and guided by our contribution to the overall well-being and sustainable development, we continue to commit ourselves to :

- high level of services to our customers
- respect to the environment and sustainability to the society,
- high performance towards our Shareholders

Dear Shareholders,

EYDAP's consistency, as always, towards its Shareholders, suggested during the Shareholders General Meeting, after approval from the Board of Directors, the distribution of dividends equal to 50% of the net profits of 2013, amounting to €38 million (€0.36 per share) and the distribution of tax free reserves, amounting to €2 million (€0.02 per share). The total amount to be distributed to the Shareholders of the Company amounts to €40.5 million (€0.38 per share).

I thank you warmly for the unconditional support and trust that you have embraced the management and employees of EYDAP.

Anthony M. Vartholomeos

Chairman & CEO





1. COMPANY PROFILE



1.1 Board of Directors

Name	Position
Anthony M. Vartholomeos	Chairman & CEO - Executive Member
Evaggelos Palaiologos	Deputy Chairman, Non-Executive Member
Grigorios Zafeiropoulos	Non-Executive Member
Lampros Zografos	Independent, Non-Executive Member
Panteleimon Kamas	Non-Executive Member
Eleftheria Karachaliou	Non-Executive Member
Anastasios Kourtis	Non-Executive Member
Epaminondas Sklavenitis	Non-Executive Member
Ioannis Chondrogiannos	Non-Executive Member
Christos Mistriotis	Non-Executive Member
Panayotis Skoularikis	Non-Executive Member
Emmanouel Aggelakis	Non-Executive Member
Evaggelos Moutafis	Non-Executive Member



From left: Ioannis Chondrogiannos, Evaggelos Moutafis, Emmanouel Aggelakis, Grigorios Zafeiropoulos, Anthony Vartholomeos, Eleftheria Karachaliou, Labros Zografos, Anastasios Kourtis, Epaminondas Sklavenitis, Christos Mistriotis (absent from the photo: Evaggelos Paleologos, Panteleimon Kamas, Panagiotis Skoularikis).

* The Audit Committee is composed of: Labros Zografos-Chairman, Grigorios Zafeiropoulos-Member, Acting Secretary, Epaminondas Sklavenitis-Member

Presentation of the Board of Directors



ANTHONY M. VARTHOLOMEOS

Chairman & CEO

Antony Vartholomeos was born in Athens in 1957. He is a graduate of the University of Piraeus (1980) and as a Ph.D Candidate, he completed the course of Master's and Doctorate degrees, working on his doctoral dissertation on Finance & International Economy at FORDHAM University of New York (1986).

His career in the banking sector started in the United States of America at the ATLANTIC BANK of New York in 1981, and then at the OLYMPIAN BANK where he worked until 1992. During his 12 years stay in USA, he gained important experience in the banking sector, with specialization in financing, investment, capital markets, real estate development and mortgage securitization and he served as senior and executive manager in various positions.

His return in Greece in June 1992, was combined with his participation in the management team of INTERBANK, with primary responsibility to develop Mortgage Programs. During his four years presence in INTERBANK, he introduced innovative mortgage products, which have enjoyed great success. He also undertook positions of the head of the technology, organization, credit control and financial risk sectors.

In June 1996, he was appointed as a Deputy General Director in EGNATIA BANK, and served as member of the management team, which had as main goal the profitability of the bank after 3 negative financial uses. His presence in this post was combined with continuous profitability, while the bank completed successfully the operational merger with the Bank of Central Greece. He was also member of all of the bank's Executive Committees and Vice-Chairman of EGNATIA Mutual Funds.

In January 2000, he took over the positions of the General Director initially and, later, of the Executive Vice President of the company Euroholdings Capital & Investment Corp. S.A., where, in cooperation with the Board of Directors, he implemented successfully the financial restructuring and the investment plan of the company, as well as complex projects of acquisitions, mergers, spin-offs, funding and liquidity investments. In June 2004, he was elected Executive Member of the Board of Directors of EYDAP S.A.. In May 2005 he took over the position of Chief Executive Officer (CEO) and later he was appointed Chairman of Board of Directors and CEO until his retirement in May 2010. During his tenure in the company, he achieved high growth rates, increased the company's profitability and was responsible for the formulation and implementation of the strategic plan as well as for its ongoing modernization and financial reorganization.

Since 2010, he has worked as a financial consultant while serving as Chairman of PEGASUS SECURITIES S.A. and member of the Board of the Directors of the HELLENIC REPUBLIC ASSET DEVELOPMENT FUND. Since April 2013, he was appointed as Chairman and Chief Executive Officer of EYDAP S.A..

During his career, he has developed new, innovative banking products as well as numerous business projects. He has taught Strategic Planning and Strategic Technology at FORDHAM Graduate Business School and has given lots of lectures on Securitization and Financial Restructuring. He is a member of the Board of Directors of «Konstantinos Karamanlis Institute for Democracy». As a former champion of the National Athletics Teen Team of Greece, he continues to be actively involved in supporting various sporting events and has served as a Board member of the Pan-Hellenic Gymnastics Association.



EVAGGELOS K. PALEOLOGOS, Ph.D. **Deputy Chairman**

Ev. Paleologos was born in Athens in 1958 and is a graduate of Varvakeios Model School having received the "Medal of Excellence" by the Mayor of Athens. He has a B.Sc. and M.Sc. in Civil and Environmental Engineering and a Ph.D. in Hydrology and Water Resources from the University of Arizona.

He was employed at the Yucca Mountain project for the burial of the U.S.A. high-level radioactive waste, authoring reports for the Department of Energy and the U.S.A. Congress (1992-1995). He was Professor at the University of South Carolina (1995-2007), founder of the State's Center for Water Research and Policy, for which he served at its Board (1998-2005), member of the Academic and Industrial Board of the State of South Carolina (2002-05), and Board Member of the international organization Global Alliance for Disaster Reduction (2001-2004).

Dr Paleologos has received multiple awards that include: the University of South Carolina's 2001 President Award, the "Researchers of Carolina" annual Award (1996-2006), and the South Carolina Research Institute's 1998 "Initializers" Award. In 2007 he returned to Greece as faculty of the Technical University of Crete and in 2011 he became Science Advisor on water issues to the Minister of Environment. He has over 100 publications and reports and is the author of two international monographs.



GRIGORIOS ZAFIROPOULOS **BoD Audit Committee Member** **Coordination, Support & Promotion of Local Authorities Issues**

Grigorios Zafiropoulos was born in Athens in 1967. He studied law and speaks two foreign languages. He is married with two children. In 1994 he created together with his brother George, one of the first companies in Electronic Indexing in Greece, «ZPM» (Zita Press Monitor). He has long experience in local and regional authorities management. He was a successful member for two terms of the Board of Directors of the municipality of Halandri and for two four-year periods (2002-2010) Mayor of Hanandri. He was member of the BoD of the Association of Communities and Municipalities in the Attica Region (A.C.M.A.R.) and a member of the Association of Municipalities and Communities for Protection and Restoration of Mount Penteli in Attica (SPAP).

He was president of PETA SA (information-education local development), an Intermunicipal Development Enterprise of the Local Authorities. He was a member for two terms of the Board KEDKE (Central Union of Municipalities and Communities) and member of the Executive Committee.

During the period 2004-2009 he was a Member of the BoD of EYDAP, and since April 2013 he is a Member again. He is a member of the Board of ENPE (Union of Regions in Greece) since 2011 and a Regional Councillor of Attica. He is Deputy Secretary of Nea Dimokratia (political party), responsible for Regional Administration and member of the Political Committee of the Nea Dimokratia.

He is a member of the Committee of the Regions of the European Union since 2007 (CoR). He has been a member of the CoR Bureau and member of the Bureau of the European People's Party (EPP) in the CoR. He is a member of the Euro-Mediterranean Conference of Local and Regional Authorities (ARLEM) as representative of the EPP and the CoR.



LAMBROS ZOGRAFOS **Chairman of the BoD Audit Committee**

Mr. Lambros Zografos was born in 1952 at Nafpakto Aetoloakarnania. After he graduated from the high school of Nafaktos, he studied to be Electronic Engineer (Technical Education). He served his military service in the army, in the rank of Transmission Operations. In his professional career, he worked in the Hellenic Telecommunications Organization (OTE S.A.) at Messolongi, Patra and Athens as Head of technical department and as Deputy District Manager of Western Greece and the Ionian islands Telecom District of OTE. His main responsibility was the surveillant, technical and financial audit. In addition he was a member of the Board the Water Supply and Sewerage Company of Messolongi. Mr. Zografos is married and has two sons.



PANTELEIMON KAMAS

Mr. Panteleimon Kamas was born in Piraeus in 1972. In 1998, he graduated from the Law School of Athens, having a specialization in Civil and Commercial Law as well as borrowers issues. During his professional career, he offered his services to the Technical Chamber of Greece from 2005 to 2010 and continued his career in the National Youth Foundation from 2010 to 2012.



ELEFThERIA KARACHALIOU

Eleftheria (Teta) Karachaliou has a long time experience in the banking sector and in particular in the areas of corporate and investment banking. She is a manager at Emporiki Bank, while from October 2011 she is occupied as project manager at the Hellenic Republic Asset Development Fund (HRADF). She was been working in the privatisations field since 2000, as a financial advisor to the Special Secretariat of Asset Privatizations (Ministry of Finance), successfully completing plenty of transactions on behalf of the Hellenic State.

She holds a BA in Economics from Athens University of Economics and Business (AUEB) and an MSc in Economics & Finance from Warwick Business School (UK). She speaks English and Italian and she is a member of the Economic Chamber of Greece. She was born in 1970 and has two daughters.



ANASTASIOS KOURTIS

Anastasios Kourtis was born in 1974. He received his law degree from the law school of the University of Athens and his Master Degree in the subject area of Labor Law at the same University. He is a Supreme Court lawyer. Benefiting from his wide range of practice, he offers his services to individuals, private and public law entities. He has been professor of labor law at the School for Police Officers of the Hellenic Police. He speaks English and Italian.



EPAMINONDAS SKLAVENTIS **BoD Audit Committee Member** **Coordination, Support & Promotion of Local Authorities Issues**

Mr. EPAMINONDAS SKLAVENTIS was born in Lefkada in 1950. As a graduate mathematician, he worked as a teacher in a private tutorial and in secondary education as well as a Director in a post-secondary Centre. During his 15-year union career, he was a member of the Board of Greek Federation of Secondary State School Teachers (OLME) and Civil Servants' Confederation (ADEDI) and President of the Center for Studies and Documentation of OLME. He demonstrated rich scientific and research activities at both national and European level. He actively participated in the creation of Centers for Adult Education where he served as Deputy Chairman.

In 1995, he was appointed as a consultant to the Minister of Education, in 1996 as a Director of Deputy Minister to the Prime Minister, in 2009 as a consultant to the Minister of National Defense and the in 2011 as a consultant to the Minister of Finance.

In 2000 and 2004, he was nominated for Member of the Parliament on behalf of PASOK in Lefkada, while he was a member of the Central Committee and National Council.



IOANNIS CHONDROGIANNOS

Mr. Ioannis Chondrogiannos originates from Leros. He is a graduate of the School of Educational SELETE and graduate -Licensed Engineer - Electrician.

During the time period from 1969 to 1995, he worked in the Production Division of Public Power Company (PPC) in the operating steam electric station (SES) of Aliveri. He participated in missions for receiving production units, as at SES at Rhodes and Geothermal Station (GS) at Milos. At the same time, he was responsible for the training of the newly recruited staff, which inspired him to write two educational books with technical content. Mr. Chondrogiannos is married with two children.



CHRISTOS MISTRIOTIS

Minority Shareholders Representative

He was born in Athens in 1976. He received a BA in Economics specializing in Econometrics from the University of Kent, Canterbury and Master's degree in Finance from Imperial College in London. He has been employed in brokerage - investment companies and since 2004 he is the Director of Treasury and Financial Risk Management (Treasurer) of a large group.



PANAGIOTIS SKOULARIKIS

Minority Shareholders Representative

Panos Skoularikis was born in Athens in January 1972.

He graduated from Athens College in 1989 and in 1992 he received a degree in economics from the University of Athens, followed by graduate studies at the London School of Economics from where he received a M.Sc. Economics / Operations Research and M.Phil. Economics / European Studies.

He worked at Citibank N.A. in London, in the areas of securities and cash management, while when he returned to Greece in 2001, he was appointed as economic adviser to the Manager of the Agricultural Bank. From 2003 to 2005 he served as Deputy Director of Administration and dealt with the issues of economic profitability of the Bank and the Group ATEbank.

In June 2005, under the partial privatization of ATEbank, he undertook the establishment and management of the Bank's investor relations by strengthening contacts and relationships with the domestic and international investment community and institutional investors.

On May 2010 he was appointed Director of Strategic Planning, Analysis and Investor Relations of the Bank, while he coordinated the negotiations between the Bank and Troika on the implementation of a comprehensive program of restructuring the Group, under the supervision of the European Competition Commission. Since August 2012, he is a member of Piraeus Bank Group and by February 2013 he was appointed Assistant General Manager with the main responsibilities the monitoring of the commitments and the progress of the restructuring of the Piraeus Bank Group, the MIS and the relationship with Credit Rating Agencies.

He is a member of the Board EYDAP SA since July 2010 and has served as Board Member of ATE Mutual Funds. He is married with one daughter and speaks English and French.



MANOLIS ANGELAKIS
Employees Representative

Manolis Angelakis was born in Athens in 1964, is a graduate of the Kapodistrian University of Athens, and works for EYDAP, as Scientific Personnel since May 1993. Since February 2014 he is a Deputy Director.

Mr. Angelakis was President of the «Enosis of Workers' Enosis EYDAP Employees», Board Member of EYDAP's Workers Union, is President of DAKE EYDAP, and on April 2009 has been elected as Employee Representative on the Board of the Directors of EYDAP.



EVAGGELOS MOUTAFIS
Employees Representative

He was born in 1960 and is an EYDAP employee since 1984. He has held positions in the union movement, of EYDAP, while from 2000 - 2005 he served as President of OME-EYDAP (Association of EYDAP employees). From 2001 until today, he is a member of the Executive Committee of General Confederation of Greek Workers (GSEE), Deputy Secretary General and since 2006 he holds the position of Organizing Secretary of GSEE.



ELIAS VASILOPOULOS
Legal Advisor to the BoD
Director of Legal Services



CHRISTINA KONTARATOU
BoD Secretary

1.2 Company's Executives Profile



Stefanos Georgiadis - Executive Director, Networks & Operation

Stefanos Georgiadis is a Civil Engineer, graduated from the Technical University of Thessaloniki. He speaks English and French. Since 2010 he has been Executive Director of Networks and Operation. He has the primary responsibility for water sources and external aqueducts, the Water Treatment Plants, the water supply and sewerage networks and the Wastewater Treatment Plants throughout the area of responsibility of the Company. His course in EYDAP is long and successful. He served as Water Supply Manager for about 20 years (1987-2006), with responsibility of water distribution network, reservoirs and pumping stations and systems of surveillance and control. From this position he designed and implemented modern network management applications designed to upgrade the services provided to citizens in view of a proper cost management. Cutting edge technologies were applied for the further use of existing investments and not the unnecessary production of new, in all his areas of responsibility, with protruding issues those of applications in controlling leakage and pressure management of drinking water.

In the period from 1996 to 2005 he was Deputy Director of Water Supply Network and from 2006 until 2008 he was Director of this Division. Finally the years 2008-2010 he served as Deputy Executive Director of Networks and Operation both for water supply and sewerage.



George Krampokoukis - Executive Director, Human Resources and Organisational Functions

George Krampokoukis is Graduate of the Economics Department-University of Piraeus and Post Graduate in Organisation and Administration of Industrial Systems-University of Piraeus and National Metsovia University. He joined EYDAP S.A. in 1984. He has also served as Director at Agrinio-Mesologgi Interconnected Hospitals and Vice President to Proastion Gas Company S.A. He is a licensed Economist and A Class Tax Accountant. Member of the Economic Chamber of Greece and SOLE-The International Society of Logistics District Greece. He has been Chairman of the EYDAP Scientific Staff (1997-2010).



Ioannis Passios - Executive Director, Project Development and Production

Mr. Ioannis Passios is the acting General Manager of Project Development and Production for the Athens Water Supply and Sewerage Company (EYDAP) since June of 2010. Mr. Passios is a graduate of the National Technical University of Athens in Civil Engineering and has worked with the company for the last 32 years. As a design engineer, Mr. Passios has undertaken the design studies for numerous major EYDAP water supply projects and has supervised the construction of water treatment plants and special reinforcement works of the open channel sections of the Mornos Raw Water Aqueduct.

Mr. Passios has held the positions of Department head, Division chief, Deputy General Manager, and General Manager of a number of technical departments in EYDAP dealing with the planning and implementation of water supply and wastewater infrastructure projects, as well as the operation of major facilities and water and wastewater networks.

During the years 2002 to 2004, as General Manager of Networks and Facilities, Mr. Passios successfully coordinated EYDAP's preparation for the Athens 2004 Olympic Games. As the current General Manager of Project Development and Production, Mr. Passios supervises and coordinates the operation of the Divisions of 1) Planning and Development, 2) Infrastructure Design and Implementation, 3) Building Facilities, Real Estate and Energy, 4) Quality and 5) Municipalities Development Relations.



George Chavakis - Executive Director, Financial Services & Control

George Chavakis is a graduate of the University of Athens (Department of Mathematics), Athens University of Economics (Department of Economics) and the Greek Open University postgraduate specialization (MSc) in Applied Economics & Finance and Information Systems. She speaks three foreign languages. He is married and father of two children.

He has worked as a Business Consultant and Head of Production at book publishing companies and magazines. Since 1995 he has worked in EYDAP in key managerial positions and is currently Executive Director of Financial Services & Control. He is also a member of the Greek Mathematical Society and the Economic Chamber of Greece.



From left: Kostas Vougiouklakis - Deputy Executive Director Networks & Operation, Athina Saini - Deputy Executive Director Human Resources & Organizational Functions, Lillian Nikolaou- Deputy Executive Director Customer Service and Accounts Management, George Karagiannis - Deputy Executive Director Networks & Operation, Anna Vlassopoulou - Internal Audit Director, Katerina Panagopoulou - Deputy Executive Director Planning & Control, Eleni Dalla - Deputy Executive Director Finance & Control (absent : Miltiades Sarros - Deputy Executive Director Project Development & Production)



1.3 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 2,060,000 water meters and a 9,500 km of water pipes. The sewerage sector serves 3,500,000 residents with sewers spreading at almost 8,500 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.

In 2012, the enactment of Law 4053/2012, whereby EYDAP may provide the full range of services specified in the law 2744/1999 also outside its area of responsibility, via subsidiaries and via 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. EYDAP’s company-owned headquarters are located in the Municipality of Galatsi, at 156, Oropou str., 111 46, tel.: +30.210-214.4444.

1.4 Object – Operations

EYDAP’s object is stipulated in I.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 I.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 I.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 I.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 I.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 I.2744/1999.

1.5 Strategy-Outlook

Greece is producing one of the highest quality waters of the world. The main water sources and reservoirs of EYDAP, are located in pure areas, free from industrial and agricultural activity, resulting in the natural supply of the Greek capital city with water, which requires minimum consumption of energy. EYDAP, responsibly, with know-how and mainly stable human centric approach, successfully manages for decades the water cycle, which provides to all citizens without discrimination and returns it back to the environment clean.

Our vision is to remain the largest and most reliable company in the management of the water cycle, always oriented towards Man and the Environment.

Our mission is to provide quality and affordable water to an increasing number of citizens and to return it pure back to the environment through the effective management of all available resources with social sensitivity and with our contribution to social welfare taken as basis.

Our strategy is based on achieving a balanced and sustainable development for the benefit of the society, our customers, employees and shareholders and for parties involved.

The main keystones of our strategy are:

- Increase of the operating efficiency of our Company
- Upgrade of the services provided
- Expansion of customer base – Increase of geographical coverage
- Development of new activities
- Take full advantage of human resources
- Utilization of technology and innovation
- Arrangement of the regulatory and contractual framework with the Greek State
- Strict implementation and compliance with all the quality and operational standards

To achieve these objectives, EYDAP has developed an integrated program of modernization, which main actions are focused on:

- Adoption of modern techniques of financial planning
- Restructuring and simplification of internal and external processes

- Application of modern techniques for remote monitoring and remote management for efficient network management.
- Implementation of crucial interventions in the network to avoid repeated costly failures.
- Implementation of modern techniques and tools of risk management
- Expansion of e-Government for customer service
- Adoption of modern systems for the development and management of human resources
- Implementation of a new cooperation model with the municipalities
- Empowerment of regulatory compliance and obtaining relevant certifications
- Elaboration of business plans for new activities and expansion in areas outside Attica region.

1.6 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.

In January 2013 an amendment that was approved in the parliament, created the legal framework under which it can be entrusted to EYDAP SA or its affiliates, the preparation or commissioning of studies for construction projects related to the activity of the company, as well as the delegation and administration of the implementation of those projects in island regions. EYDAP Nison S.A. is now at the final phase of the completion of the first stage of its development, which refers to an analytical research and setting out of the market needs, in which EYDAP Nison SA will activate and to the examination and specification of solutions proposed to its customers.

EYDAP Nison SA has been activated to the following actions, indicatively:

- The Municipality of Naxos requested counseling for issues of consolidating electrical and mechanical facilities, of the water treatment plant as well as of improving water quality in the reservoirs of the island
- The Municipality of Chios requested an offer for cleaning the pumping stations and parts of sewerage pipes. In addi-

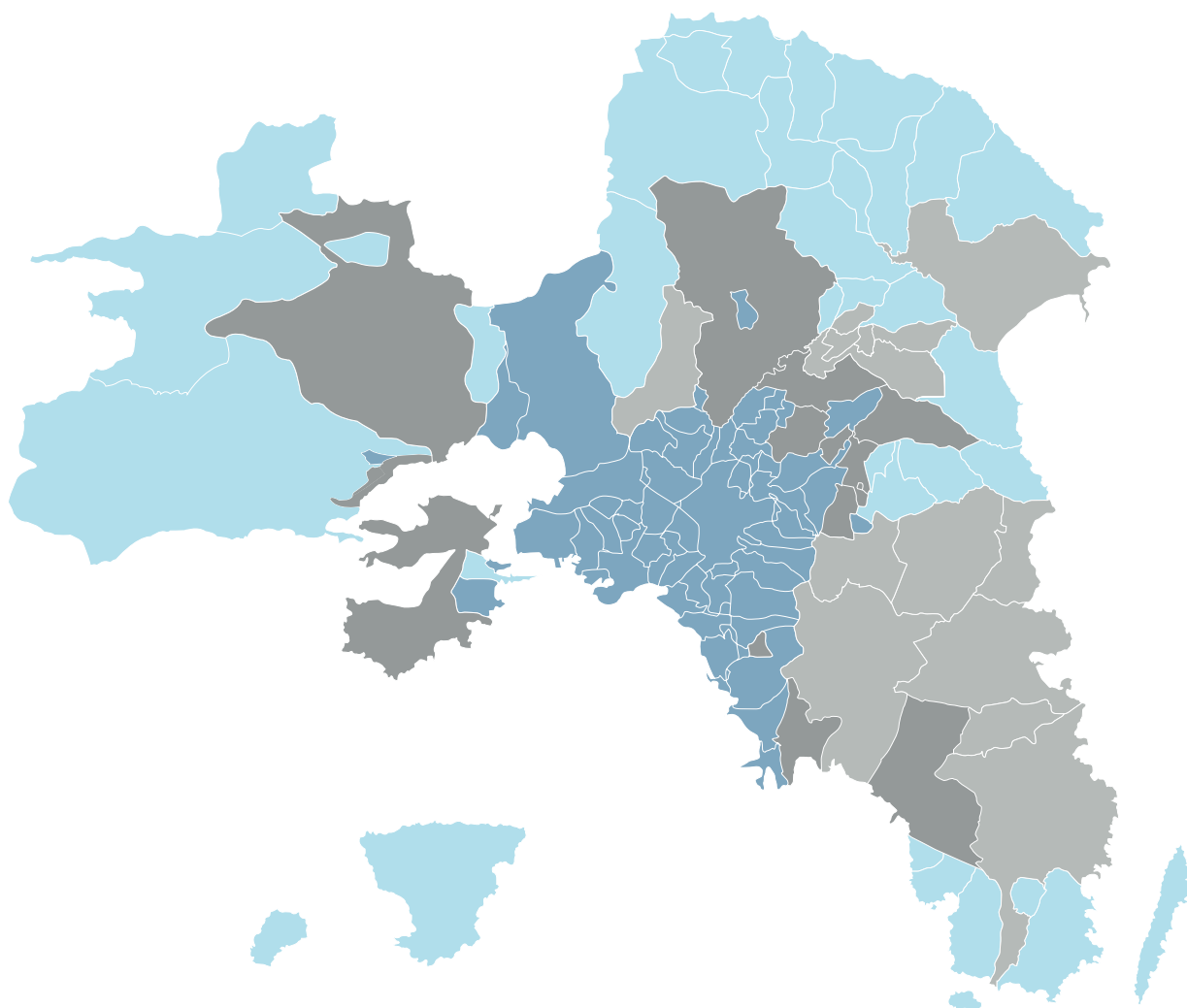
tion, the Municipality is completing a study on billing policy development, business plan, water supply and sewerage operating regulation, etc.

- The Municipality of Sikinos has obtained financing for conducting studies for two Biological Cleaning Installations, as well as for water supply and sewerage networks, in compliance to an offer submitted by EYDAP Nison.

In March 2013, the BoD of EYDAP S.A., decided the increase of the share capital of EYDAP Nison S.A. by €30,000, while on February 7th 2014 the Extraordinary General Meeting of “EYDAP NISON SA”, approved the share capital of “EYDAP NISON SA” by euro 150,000.00.

At the same Extraordinary General Meeting, Mr. Leonidas Kairis member of the BoD and General Manager of EYDAP Nison SA was replaced by Mr. Petros Matsoukis.

1.7 Area of Service



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

EYDAP's area of service is the greater metropolitan area of Athens, as determined by I.1068/1980, under which the company has been incorporated. Moreover, under I.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

- 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)
- Dionyssos (Dionyssos)
- Drosia (Dionyssos)
- Ekali (Kifisia)
- Keratea (Lavreotiki)
- Kouvaras (Saronikos)
- Kropia
- Mandra (Mandra – Eidyllia)
- Marathon (Marathon)
- Markopoulo Mesogaia
- N. Erythra (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)

* 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.

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 (Dionyssos)
- 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)

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 I.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 I.4053/2012, whereby EYDAP may provide the full range of services specified in the I.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 I.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).





2. CORPORATE GOVERNANCE



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.

2.1 Board of Directors

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 Ordinary General Meeting of Shareholders on June 28th, 2012 ends on June 2013. Of the board's thirteen members, one is executive - the Chairman & Chief Executive Officer - whereas twelve are non-executive. Of the non-executive members, one member is independent according to the Law.3016/2002.

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 members of the Board of Directors may, however, be members of the Board of Directors or of an affiliated company.

The Board of Directors convenes at least once a month. In 2013, the Board of Directors met 32 times

2.2 Shareholders

Functioning of Shareholders' General Meeting

According to the Law 2190/1920 and the company's Articles of Incorporation, 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.

The General Meeting of shareholders, convened by the Board of Directors, once every year, within six months at the latest after the end of each business year to approve of annual financial statements of the Company and discharge of the members of the Board of Directors and Auditors from any personal liability. The Board of Directors may also call an extraordinary General Meeting of shareholders, if it so deems advisable.

Sole the General Meeting has authority to decide on the following:

- a. On any amendment of the Articles of Association; the increase or decrease of the capital of the Company is considered to be an amendment subject to para. 4 of article 8 and para. 5 of article 9 of the Articles of Association;
- b. 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;

- c. On the approval of the annual financial statements of the Company;
 - d. On the appropriation of the annual profits and the approval of the emoluments to members of the Board of Directors;
 - e. On the discharge of the members of the Board of Directors and Auditors from any personal liability;
 - f. On the issue of bond loans of any type, subject to para. 4 of article 9 of the Articles of Association;
 - g. On the merger, division, conversion, revival, extension of the term and dissolution of the Company;
 - h. On the appointment of liquidators.
- As to the rest, the provisions of article 34, para. 2, of C.L. 2190/20, as applicable, shall apply.

Shareholders rights and method of their exercise

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 Meeting (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 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 law 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, para. 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, para. 2 and 3, and article 9, para. 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 according to paragraph 2 of Article 31 of the Articles of Association; 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 paragraph 1 of this article are passed by a majority of two thirds (2/3) of the share capital represented in the General Meeting.

Minority shareholders rights

Minority interests' shareholders have the rights as specified by Law 2190/1920

Concisely, the rights of the minority interest holders according to the percentages of representation and deadlines as defined by Law 2190/1920 are:

- Request for convocation of Extraordinary General Meeting of Shareholders
- Request for the inclusion of additional items in the Agenda of the General Meeting
- Request for deferment of a resolution of the General Meeting
- Request for the submission of specific information with respect to company matters, to the extent that these are useful for the actual assessment of the items of the agenda
- Request for information on remuneration of Board members and Directors
- Request for the submission of information with respect to the course of company affairs and the financial situation of the company.
- Request for management control
- Request for decision making of agenda items by roll-call vote in the General Meeting of Shareholders

Representation of minority shareholders on the Board

According to the company's Articles of Incorporation, Articles 11 and 36, minority shareholders represented on the Board by

two (2) members.

The minority shareholders shall be invited by the Board of Directors to a special General Meeting having as sole item on the agenda the election of the Board Members who are entitled to elect. Each shareholder entitled to propose and vote for a single member, irrespective of the number of shares held. The first or the first two majority candidates elected

2.3 CONTROL MECHANISMS

Internal Audit System

The internal audit of the Company is conducted by the Internal Audit Division, which is an independent organization unit referring to the BoD of the Company. The internal audit division is supervised by the Audit Committee of the BoD as instituted by resolution of General Meeting and comprising by three non-executives BoD members one of each is independent in accordance to Law 3016/2002

• Audit Committee.

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 overview and 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

• Internal Audit Division

The Internal Audit Division'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 (or those executives who have been authorized to be responsible for the implementation of corrective actions) for the results of the audit, the opinion that was formed for each of them and their respective contributions made (by the same auditor).
- 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 implements in an independent and objective way the following activities:

- Identification and prioritization of business risks
- Overview of the Company's activities in order to ascertain whether they are being implemented in an effective and efficient way, and in accordance to the instructions of the management, the policies and procedures.
- Evaluation of the sufficiency and effectiveness of internal control system in all areas of activity and with specified priorities
- Overview of the way the assets of the Company are being protected and confirmation of the existence of those data (inventory, counting, etc.).
- Assessment of the cost effectiveness and efficiency in the use of resources, and suggestions to the problems that may exist.
- Coordination with the work of the external auditors
- Evaluation of data processing systems in order to examine whether these systems meet their goals and objectives and whether adequate audit procedures have been incorporated.
- Follow up of recommendations from previous audits, for which there have been commitments for corrective actions

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

- **External audit**

The company's regular audit is carried out by certified auditors. To this end, every year, the Ordinary General Meeting of Shareholders approves the appointment of an auditing firm to audit the company's financial statements and business operations over a specific period.

EYDAP's Ordinary General Meeting of Shareholders in June 2013 agreed to assign the regular audit of the 2013 financial statements to the auditing firm DELOITTE A.E.

2.4 Risk Management

The Company focuses on the effective monitoring and management of potential risks in order to maintain the stability and continuity of its work, as follows:

- In forming a comprehensive framework and proposing strategy, policies and procedures for managing and monitoring the risks that would undertaken by the Company in accordance with the directions of the management.
- The definition, acknowledgment and assessment of the undertaken risks.
- Developing and implementing adjusted tools in relation to the risk of billing of services and education of the organizational units for their use
- In preparation of Crisis Management Plan
- In forming a corporate culture of risk management in each hierarchical level of the Company

For the effective application of those tasks, the responsible Division, has access to all the activities of the Company and all data and information necessary for the fulfillment of its tasks

2.5 Transparency and Disclosure

Established procedures

Placing special emphasis on transparency, the Company implements various relevant procedures, which stem from the legislative framework in force:

a) Procedure of regulated information disclosure

A procedure of regulated information disclosure, in accordance with Law 3556/2007, Decision 1/434/3.7.2007 and Circular No.33 of the Hellenic Capital Market Commission concerning information disclosure and transparency requirements for companies which are publicly traded on stock exchanges is applicable. The aim of this disclosure procedure is to inform the investment community and all interested parties, of any significant changes in the company's participations (acquisitions or disposals) in a timely and accurate manner, under Law 3556/2007 and to ensure EYDAP's compliance with applicable laws

b) Procedures within the framework of Law 3340/2005 for the protection of the capital market from actions of inside information abuse and market manipulation and of Corporate Governance Law 3016/2002.

In enforcing the above Laws, the company has adopted:

Transactions disclosure procedure

The persons that carry out managerial duties in the company and persons closely affiliated with those persons should notify the company of transactions conducted on their own account relating to shares issued by EYDAP, derivatives or other financial instruments linked to them

Procedure that deters the improper use of inside information:

The persons who possess inside information about the company

are forbidden to use this information in order to acquire or dispose, either directly or indirectly, financial instruments of the company to which the information relates.

EYDAP's Corporate Announcements Department is responsible for monitoring the above mentioned procedures and for the company's compliance with the obligations, set by Hellenic Capital Market Commission and Stock Exchange regulatory framework, for publication of regulatory and other information.

Communication with shareholders

Apart from established procedures that ensure transparency, EYDAP has adopted a number of other practices that enhance transparency and dissemination of information to shareholders and investors, such as the:

- Managing and maintaining shareholder records
- Servicing and responding to shareholder requests both individual and institutional, in Greece and abroad related to the exercise of their rights and the payment of dividends
- Organizing Company's General Meetings of Shareholders and providing information related to the exercise of their rights and to agenda items.
- Preparation and distribution of the Company's Annual Report
- Publishing of company-related information on the Company website so that all shareholders and investors can have equal and timely access to information
- The release of corporate publications which enhance the continuous flow of information on issues that relate to the company's operation, strategy, targets, and performance
- A two-way communication channel between company representatives and the investment community.
- Timely and equal dissemination of information on issues related the financial results through, corporate presentations roadshows and investor meetings.

EYDAP's Investor Relations & Shareholders Services Department has the responsibility of timely, accurate and equal service and communication to Shareholders and Investors

2.6 Corporate Governance Code

Following the provisions of institutional framework, 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.

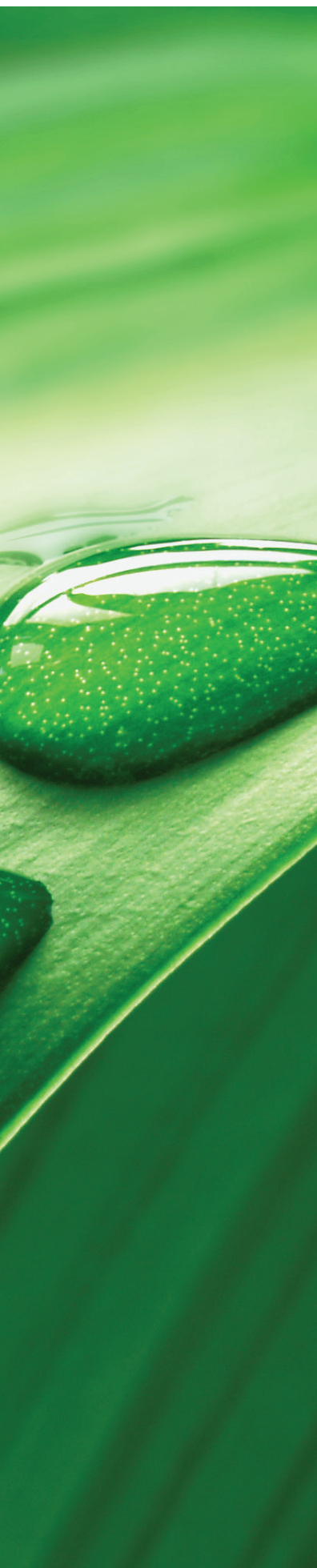
The updated version of the Rules is clearly structured to present information relating to corporate governance, internal control system, the assessment and management of operational risks, the organizational structure of the Company as well as the importance of social responsibility that the Company demonstrates as part of its operation.

This Regulation facilitates the formulation of policies and corporate governance practices in order to meet the current operating conditions EYDAP.

The purpose of the regulation is to promote good governance, believing that this will enhance the long-term success and competitiveness of EYDAP. The application of the Rules addressed by the company or its investors as a process that adds value to the company and is not seen as mere law compliance.

EYDAP S.A would greatly benefit by adopting and systematically apply these principles in a fully voluntary basis, which enhances the confidence of our shareholders, employees and other stakeholders as well as improves organizational effectiveness.





3.CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY

The commitment to the principles of sustainable development is a primary objective of EYDAP and basic prerequisite for long-term and sustainable business activity. In this context the principles of Corporate Social Responsibility (CSR) at each level of its operation are the cornerstone of any planned strategy with emphasis on environmental protection, social welfare, transparency, integrity and the quality of its services.

3.1 ENVIRONMENT

Environmental protection is a key pillar of CSR and in this context EYDAP incorporates procedures and actions to its activity to reduce its environmental footprint. The Company's strategy with regard to environmental protection is implemented with concrete practices in specific 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 Psytalia for irrigation and other secondary uses.

Protection of marine life

- Treatment of 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.

Paper and Batteries recycling procedures

- Systematic promotion of paper and batteries recycling procedures within the Company and adoption of ecological criteria in the procurement system in order to maximize the environmental benefits.

3.2 HUMAN RESOURCES

EYDAP safeguards the best working environment for its employees and aims to maintain the high levels of its qualification and the continuous improvement of its skills, applying new Human Resources (HR) management and development techniques.

For this reason the Company provides:

- Safe working conditions.
- Systems for the modernization of HR management and administration.
- Lifelong learning opportunities for employees to develop their skills and abilities.
- Financial support for employees training in the Company

- training centers or institutions outside EYDAP.
- Financial support to employees to cover medical expenses.
- Loans to employees to cover emergencies or buy a computer.
- Gifts and various celebrations for the employees' children.

3.3 SOCIETY

EYDAP supports initiatives and actions with a view to social contribution and the promotion of culture in order to improve the development and prosperity of society. **More specifically EYDAP:**

- Provides special tariffs low billing for vulnerable social groups, such as charities, large families, hospitals and makes favorable settlements for the repayment of excessive bills.
- Supports systematically charitable foundations, charities, health and education services with recognized social action.
- Provides its employees' know - how in areas affected by natural phenomena.
- Supports financially sports clubs and athletes.
- Supports scholarships and the scientific work of conferences covering all disciplines.
- Has reproduced the film material from the archives of ULEN and created historical documentary, which shows the construction of Marathon Dam and other related activities in the third decade of the 20th century.
- Has founded the small museum of Marathon Dam with exhibits from the construction of the dam in 1925.
- Plans the exhibition of inestimable historical value photographic material through the organization and operation of a documentation center which will be open to visitors.
- Supports publishing initiatives of cultural and historical interest.

3.4 RESPONSIBLE BUSINESS PRACTISE

EYDAP commits to performing the whole range of its activities

with transparency, ethics and integrity, ensuring the best quality of services provided and focusing on the customer. Its aim is to implement a continuous improvement process in order to enhance its reputation as company with ethos.

Corporate Governance

- Endorsement of EYDAP Governance Rules and Operation which consists of the merging and updating of the Code of Corporate Governance and the Internal Rules of EYDAP Operation aimed to the most effective operation of Company.
- Representation of minority shareholders and employees in the Board of Directors.
- Internal Audit Committee.

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 120,000 chemical and microbiological tests annually.

Transparency in Procurement System

- Adoption of policies and procedures for the impartial and transparent operation of procurement systems.
- Operation of electronic data processing.

Customer Care

- Promotion of innovative and flexible processes that will ensure the highest possible level of products and services provided.
- Upgrading e-government applications to ensure a high level of quality and safety of transactions.
- Collaboration with independent organizations such as the Ombudsman and the Consumer Ombudsman.
- Research aimed to monitor customers perceptions on the public image of the Company and the customers satisfaction regarding the services provided.





4. KEY FINANCIALS





4.1 KEY FINANCIALS (for the Group)

amounts in thousands €	2009	2010	2011	2012	2013
TOTAL ASSETS	1.555.791	1.623.931	1.657.737	1.677.283	1.651.105
INVESTED CAPITAL (1)	991.690	1.006.834	1.031.796	986.038	621.790
EQUITY CAPITAL	821.511	830.512	852.097	843.663	950.615
REVENUE	386.174	378.965	358.550	353.344	353.348
OPERATING INCOME (EBITDA)	48.328	63.186	77.564	114.170	84.077
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	23.539	34.699	46.628	79.960	54.072
PRE-TAX PROFIT	18.016	29.828	35.578	68.006	61.740
AFTER TAX PROFIT	5.740	11.341	26.135	51.624	78.160
amounts in thousands €	2009	2010	2011	2012	2013
AFTER TAX PROFIT PER SHARE	0,05	0,11	0,24	0,48	0,73
DIVIDEND	2.130.000	4.260.000	18.105.000	15.975.000	38.340.000
DIVIDEND PER SHARE (4)	0,02	0,04	0,17	0,15	0,36
NUMBER OF SHARES	106.500.000	106.500.000	106.500.000	106.500.000	106.500.000
amounts in thousands €	2009	2010	2011	2012	2013
COVERAGE OF FINANCIAL EXPENSES (2)	2,63	3,27	2,94	4,64	6,36
NET DEBT TO EQUITY	0,21	0,21	0,21	0,17	-0,35
NET DEBT TO OPERATING INCOME (EDITDA)	3,52	2,79	2,32	1,25	-3,91
RETURN ON INVESTED CAPITAL (3)	1,8%	2,6%	3,6%	6,5%	6,4%

Notes:

(1) Invested Capital = Equity plus net debt

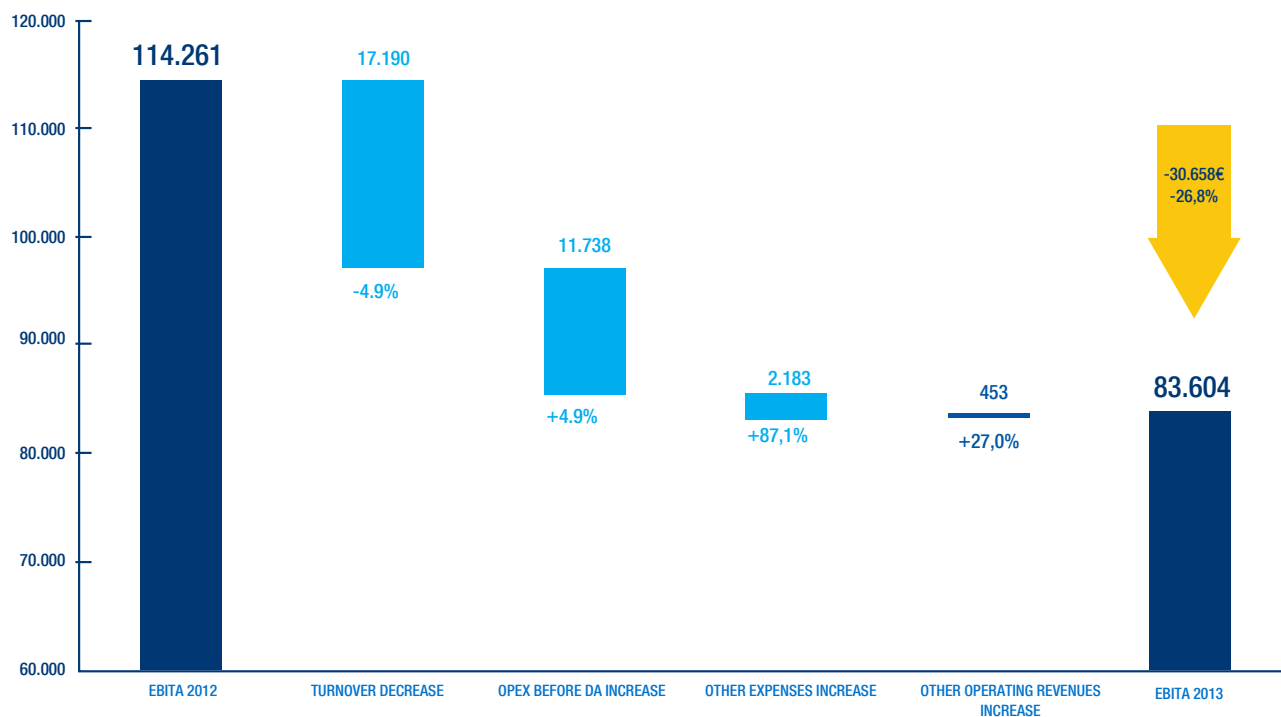
(2) EBIT to Financial Expenses

(3) $EBIT \times (1 - T) / \text{Invested Capital}$

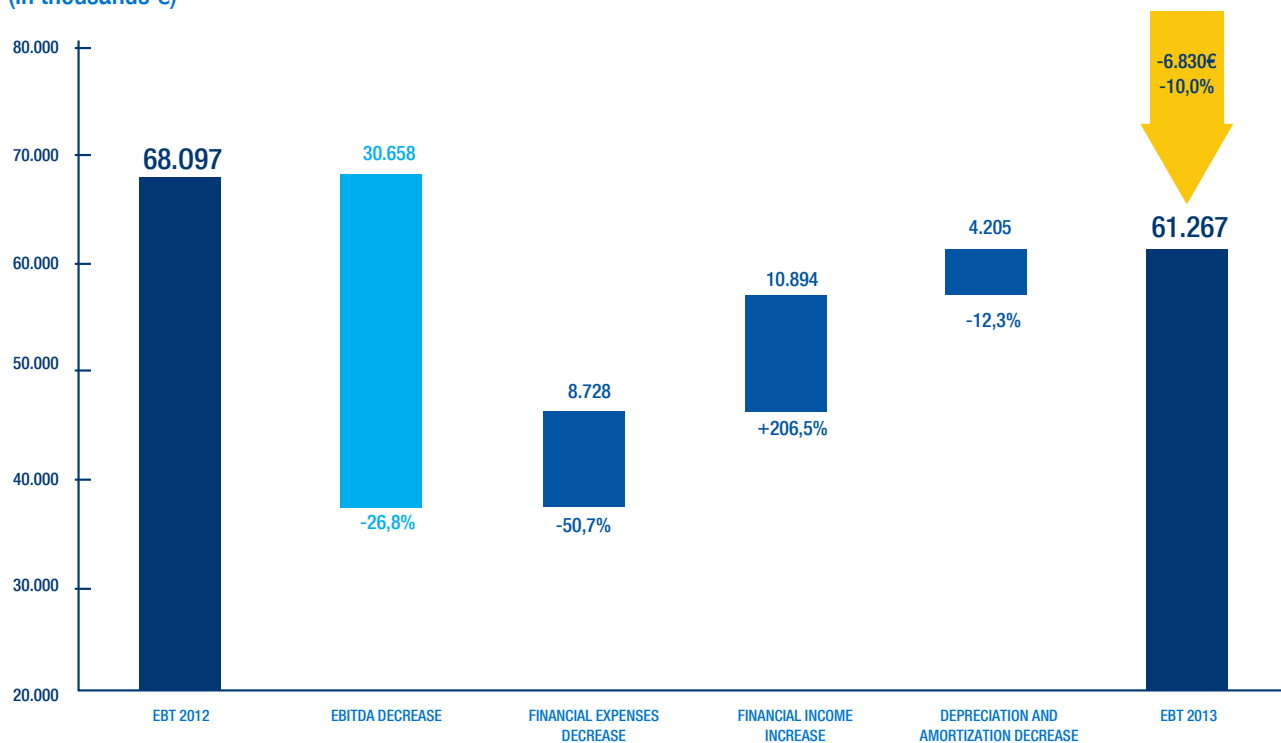
(4) For the fiscal year of 2012 the company distributed extra amount of 0,05 € per share while for 2013 the distribution of extra amount of 0.02 € per share from tax free reserves is proposed.

(5) The data for 2012 have been reclassified due to the implementation of the new IAS 19 from 1/1/2013

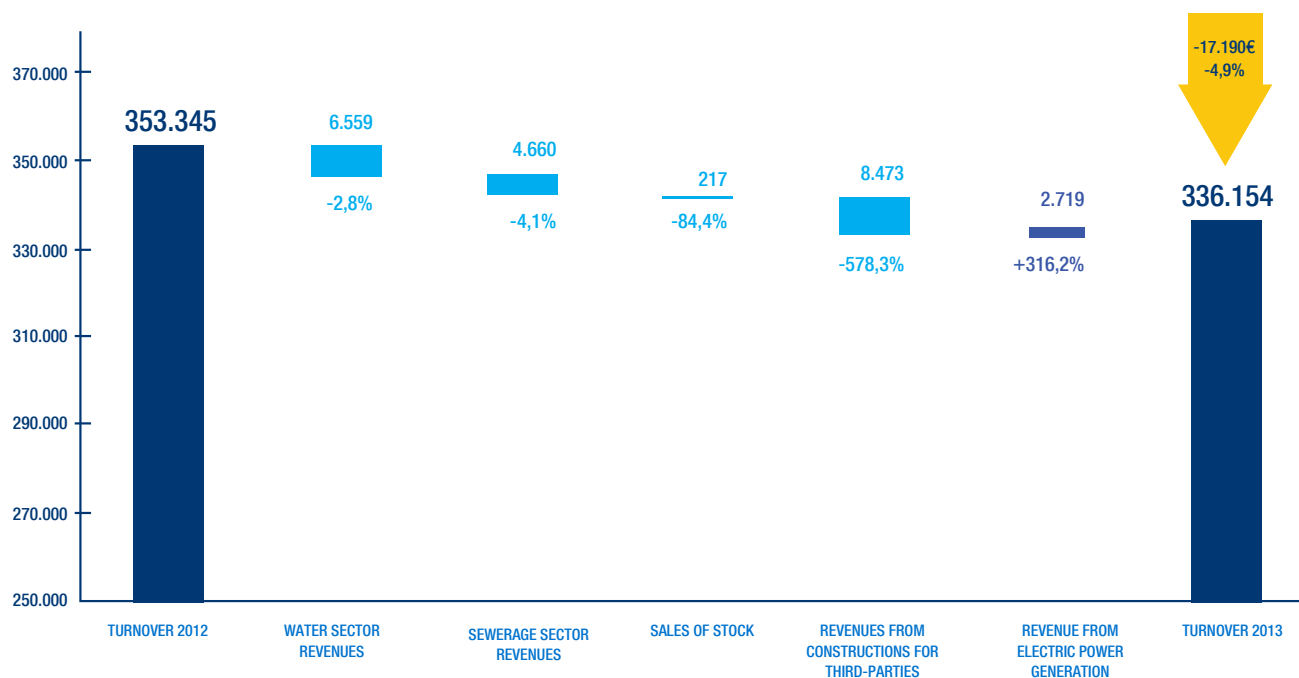
EBITDA 2013 (Company) (in thousands €)



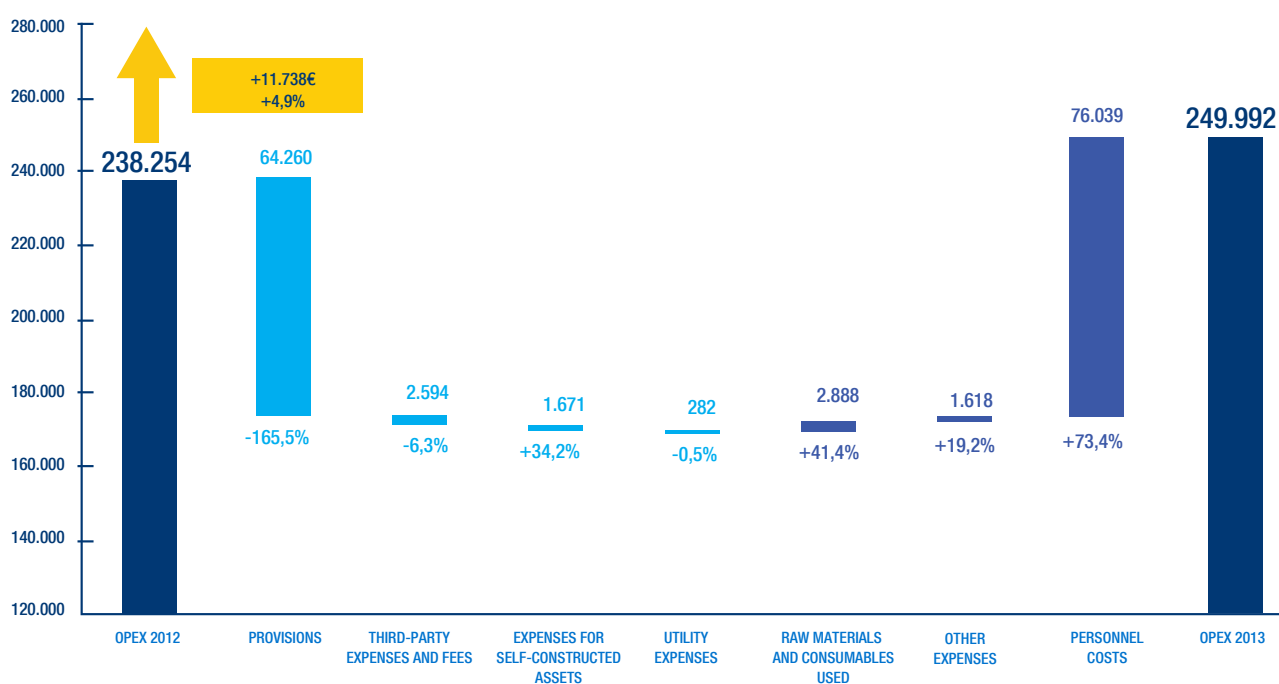
Earnings Before Taxes 2013 (Company) (in thousands €)



Turnover 2013 (Company) (in thousands €)

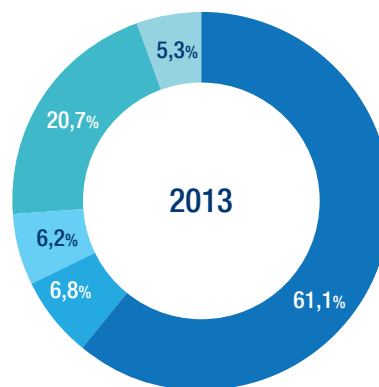
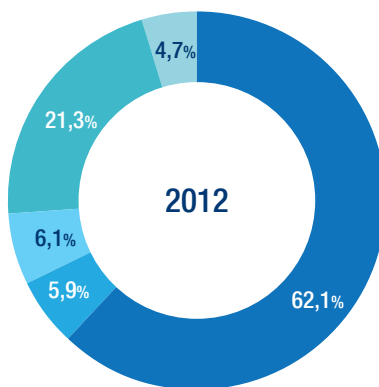
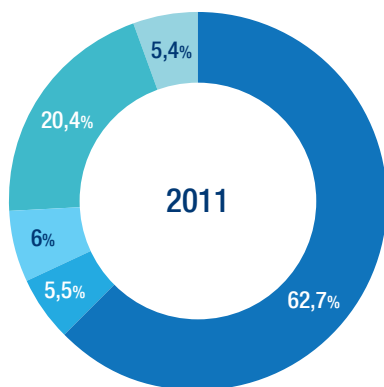


Operating expenses 2013 (Company) (in thousands €)

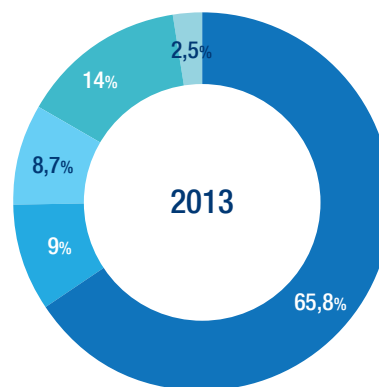
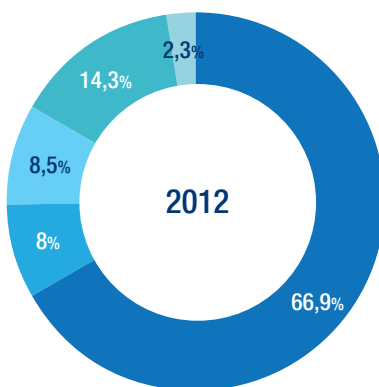
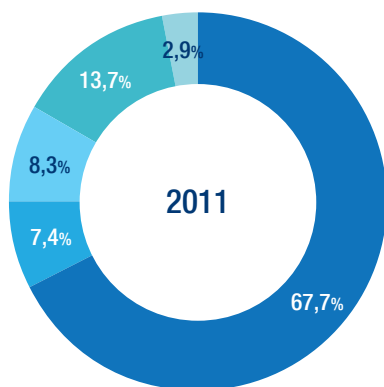


4.2. Consumption Evolution & Breakdown

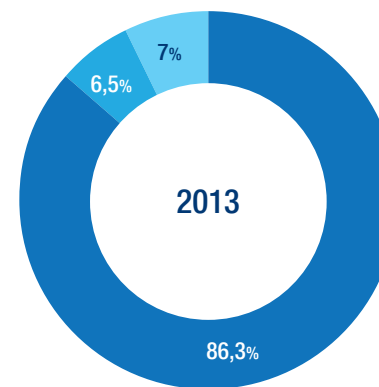
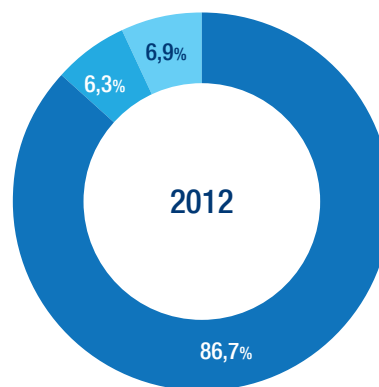
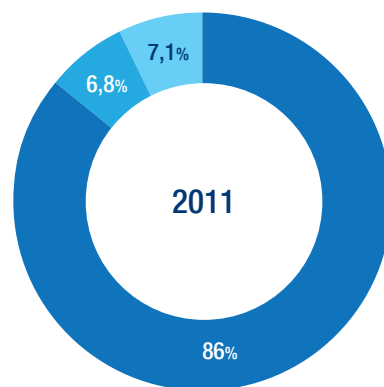
BREAKDOWN OF BILLED CONSUMPTION PER CUSTOMER CLASS



BREAKDOWN OF WATER SALES INCOME PER CUSTOMER CLASS

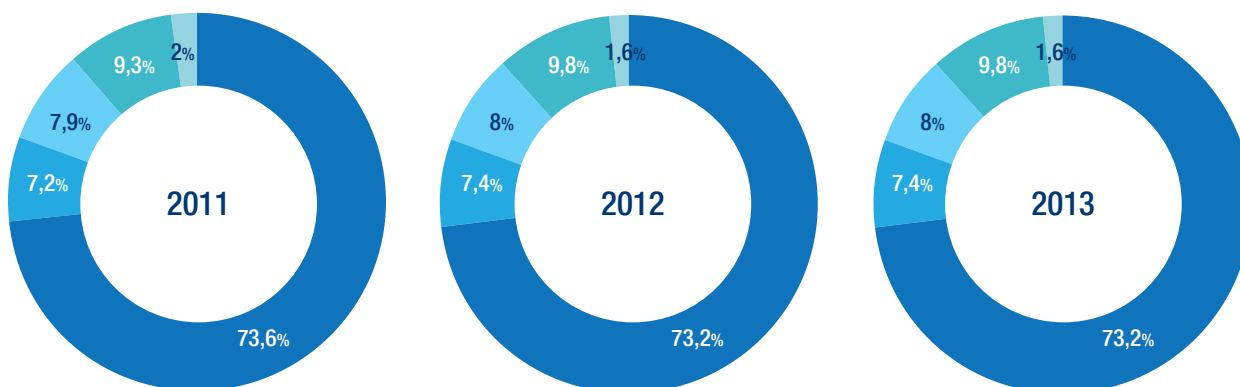


BREAKDOWN OF SEWERAGE SERVICES INCOME PER CUSTOMER CLASS

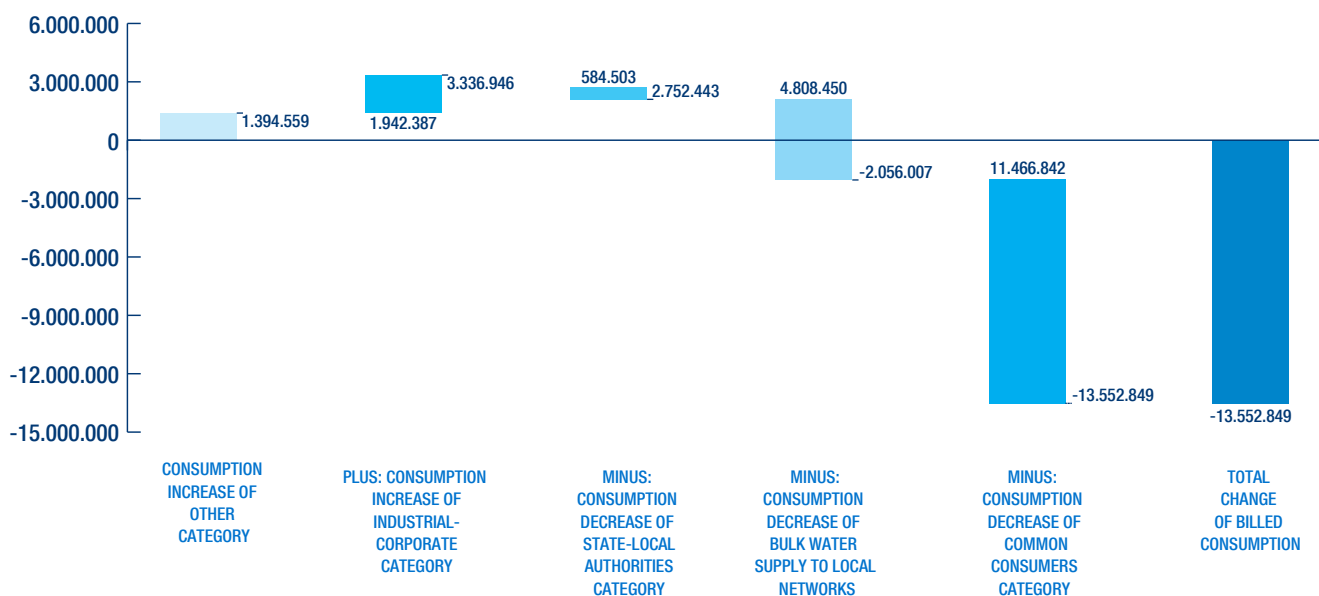


BREAKDOWN OF SEWERAGE SERVICES INCOME PER CUSTOMER CLASS

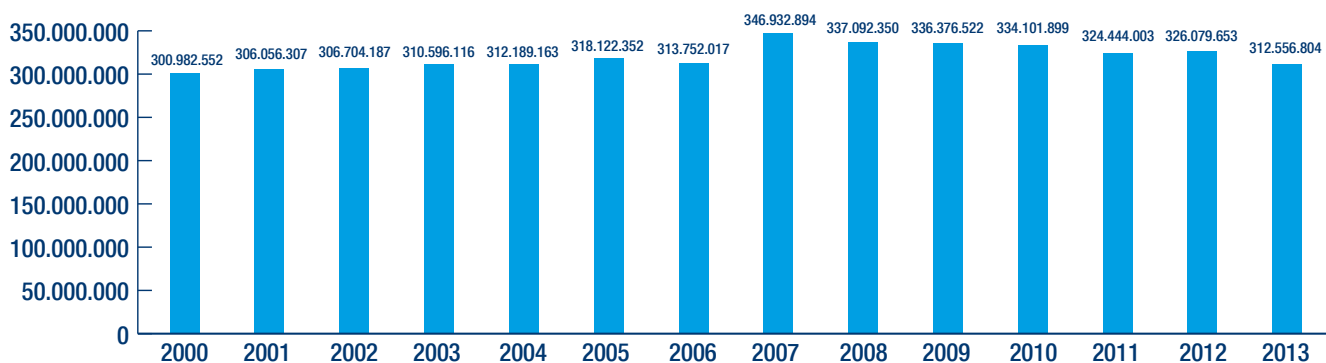
- COMMON CONSUMERS
- INDUSTRIAL-CORPORATE
- STATE-LOCAL AUTHORITIES
- BULK WATER SUPPLY TO LOCAL NETWORKS
- OTHER



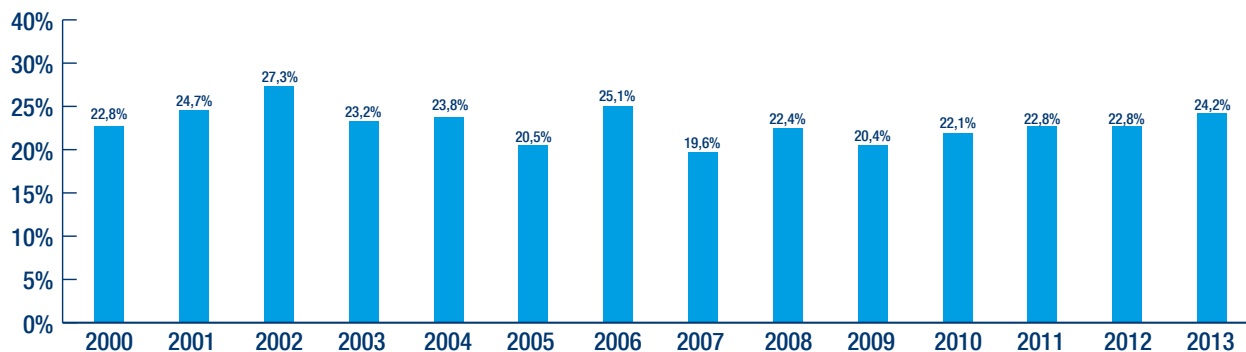
ANALYSIS OF ANNUAL CHANGE IN BILLED CONSUMPTION PER CUSTOMER CLASS THE CHANGE REFERS TO 2012-2013 IN CM3)



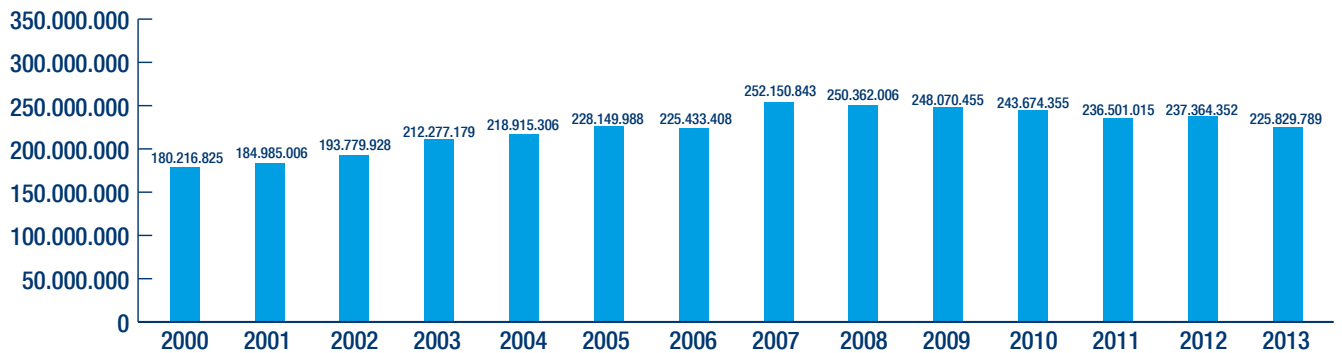
BILLED WATER CONSUMPTION PROGRESS (IN CM3)



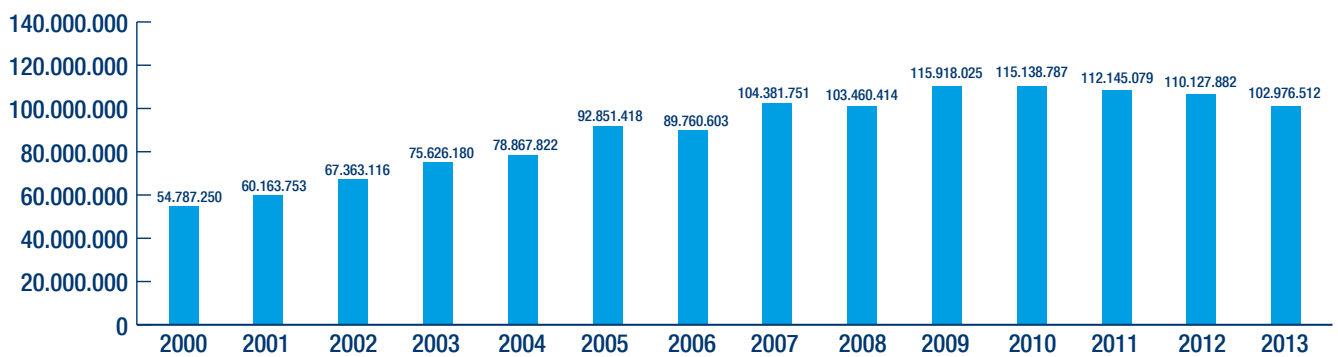
PERCENTAGE OF NON-BILLED CONSUMPTION PROGRESS (%)



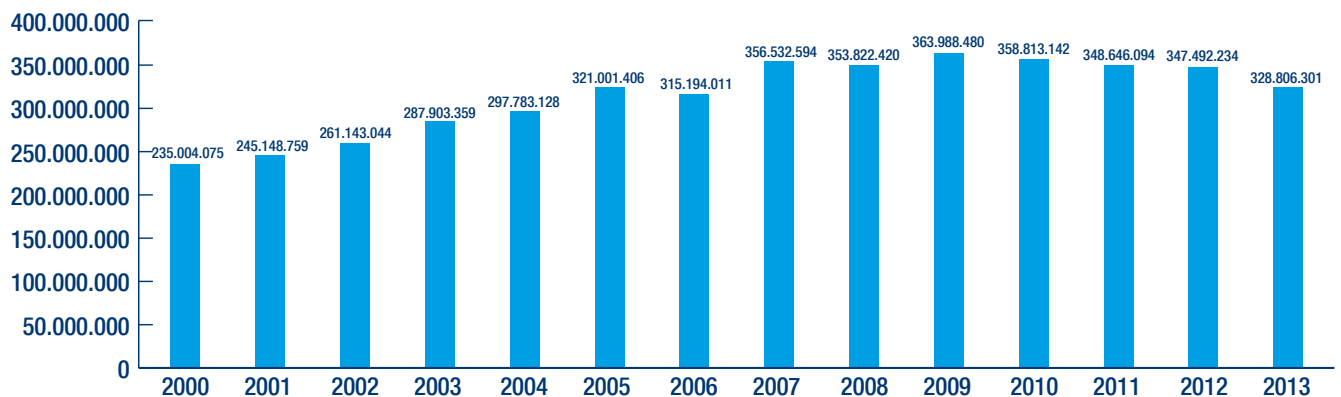
WATER REVENUE PROGRESS (IN €)



SEWERAGE REVENUE PROGRESS (IN €)



WATER SALES AND SEWERAGE SERVICES REVENUE PROGRESS IN €



4.3 Share Information

EYDAP's shares trade in the Athens Stock Exchanges.

Ticker	EYDAP
Bloomberg	EYDAP:GA
Reuters	EYDR.AT

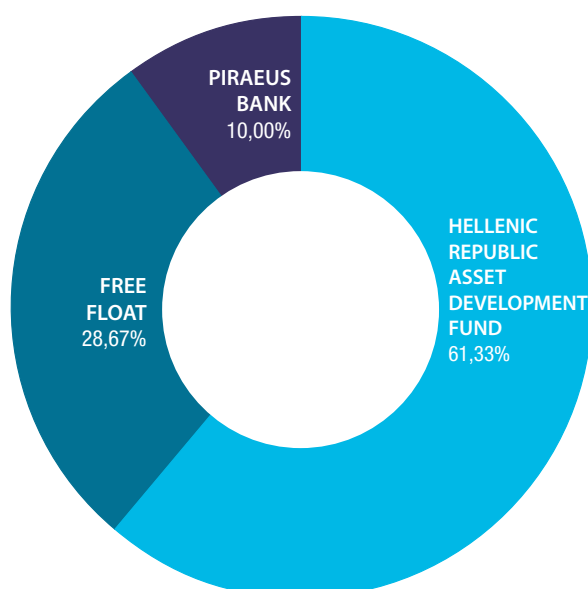
Shares Outstanding	106,500,000
Market capitalization	825,375,000 € (December 31, 2013)
Closing price	7.75 € (December 31, 2013)
Annual High	8.85 € (2013)
Annual Low	4.65 € (2013)

EYDAP Stock performance vs Athex Composite, Share price index & FTSE Large Cap in 2013



Shareholders' Structure, as of December 31, 2013

Shareholder	% Shares	Number of Shares	Entities
Hellenic Republic Asset Development Fund	61.33%	65,319,740	1
Piraeus Bank	10.00%	10,648,800	1
Free Float	28.67%	30,531,460	26,221
Total	100%	106,500,000	26,223



Historical Dividends and Earnings per Share

Fiscal Year	Earnings after tax (in €)	Dividend (in €)
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
2012	0,44	0,20*
2013	0,73	0,38**

*Ordinary dividend 0.15 € for 2012 FY earnings & 0.05 € extra dividend prior years' earnings.

** Ordinary dividend 0.36 € for 2013 FY earnings & 0.02 € distribution of tax free reserve (both proposed to General Meeting)





5. ANNUAL FINANCIAL REPORT

FOR THE PERIOD
FROM JANUARY 1, 2013
TO DECEMBER 31, 2013
In accordance with Article 4 of Law 3556/2007

Athens Water & Wastewater Services S.A.
REG. No. G.E.M.H. 121578960000
156 OROPOU STR Galatsi



Annual Financial Report

For the Period from January 1, 2013 to December 31, 2013

The attached Annual Financial Report has been compiled according to Law 3556/2007 and its relevant decisions of Capital Market Commission and includes:

- a) Statement of members of the Board of Directors
- b) Annual Board of Directors Management Report
- c) Annual Financial Statements for the period from January 1, 2013 to December 31, 2013
- d) Independent Auditors' Report
- e) Information according to article 10 of Law 3401/2005
- f) Financial Data and Information for the period from January 1, 2013 to December 31, 2013

It is declared that the attached Annual Financial Report is the one has been approved by the Board of Directors of **"Athens Water & Wastewater Services S.A."** on March 26th, 2014, and is available on the internet, at the web site address www.eydap.gr.

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5.1 STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

(According to the article 4 par.2 of the Law 3556/2007)

The Following Members:

1. Antonios Vartholomaïos, Chairman of the Management Board and Chief Executive Officer
2. Ioannis Chondrogiannos, Board Member, specially designated for this.
3. Labros Zografos, Board Member, specially designated for this.

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

a. The Annual Financial Statements of 2012 which were conducted according to the valid International Financial Reporting Standards truly illustrate Assets and Liabilities figures, Net Worth and Income Statement of E.YD.A.P S.A. and all the companies included in the consolidation regarded as total.

b. The Annual Report of the Management Board truly illustrates the position and performance of E.YD.A.P S.A. and all the companies included in the consolidation regarded as total, together with all risks and uncertainties.

Athens, 26 March 2014

The Chairman of the
Management Board & the Executive Officer

The Board Member

The Board Member

Antonios Vartholomaïos
ID no AK 543580

Ioannis Chondrogiannos
ID no AI 094411

Labros Zografos
ID no AB 390968

5.2 ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT

Dear Shareholders,

In accordance with article 4 of Law 3556/2007, the paragraph 3 of the article 107 of the c.l. 2190/1920, and the delegated resolutions of the Hellenic Capital Committee of the same Law, we hereby submit the annual Board of Directors' Report for the financial year from 01/01/2013 to 31/12/2013.

The report presents the development, the performance and the position of the Water Supply and Sewerage Company S.A., under the title EYDAP S.A. (hereinafter referred to as the "Company" or "EYDAP") and the Group, it provides an overview of the significant events that took place during the fiscal year 2013 and their affect on the financial statements of the same period, it describes the potential risks and uncertainties, 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 2013.

Moreover, the report includes the explanatory report of paragraph 7, of article 4 of the Law 3556/2007 and the Corporate Governance Statement.

The fiscal year of 2013 ended with very positive results for EYDAP and marked a milestone as it introduced solutions to accumulated chronic problems that constricted the smooth growth of the Company. Specifically, the chronic problem of the Municipalities overdue debts was successfully arranged by EYDAP since most of the overdue debts were repaid until 31/07/2013. Moreover, EYDAP and the Greek State settled both sides their claims, releasing the Company from the hurdle of accumulated demands from the Greek government. As a result, EYDAP enhanced significantly its cash flow which gave the Company an opportunity to fully repay its loan liabilities and to settle the litigation existing for many years, purifying thus its balance sheet.

The Company has reinforced further its growth, reassuring its dominant position in the Greek water supply and sewerage market, while the companys' philosophy was focused on smart, targeted and rational management, on using the best technology, on the financial payback of the projects, on humancentric and hence customer-oriented management, on the implementation of environmentally friendly processes and on supporting households affected by the economic crisis with a series of actions to their relief.

The driving force of EYDAP, is its human resources that via their know-how and their love for the Company, they force EYDAP to growth.

PERFORMANCE & FINANCIAL HIGHLIGHTS FOR THE PERIOD OF 2013

I. Review of Operations – Water Consumption Progress

In 2013 total water consumption (billed or not) decreased by 2.4% compared to 2012, in relation to the 0.6% increase, from 2011 to 2012. Total water consumption in the years 2010, 2011, 2012 and 2013 was 428,937,600 m³, 420,062,606 m³, 422,483,361 m³ and 412,385,158m³, respectively.

The compound annual growth rate (CAGR) of total water consumption during the period 2001 to 2013 is 0.4%. On the contrary, during the five-year period 2009-2013 is negative and equal to -1.0% annually. Finally, during the three-year period 2011 - 2013 the CAGR is negative and equal to -1.3%.

In 2013 billed consumption decreased by 4.1% over 2012, compared with a 0.5% increase in 2012 compared to 2011. Billed water consumption for the years 2010, 2011, 2012 and 2013 was 334,101,899 m³, 324,444,003 m³, 325,477,095 m³ and 312,556,804 m³ respectively.

The compound annual growth rate (CAGR) of billed water consumption during the period 2001 to 2013 is 0.3% annually. During the five-year period 2009-2013 is negative and equal to -1.5% annually. Finally, during the three-year period 2011 – 2013 is negative and equal to -2.2% annually.

Due to the fact that in 2013, as stated above, the billed consumption increased by a larger percentage in relation to the total consumption (4.0% versus 2.4%), an increase of the non-billed consumption occurred. Specifically, in 2013 the non-billed consumption increased by 2.9% over the previous year. In 2012 the non-billed consumption was also increased by 1.5% in relation to 2011.

During the years 2010, 2011, 2012 and 2013 the non-billed consumption was 94,819,974 m³, 95,602,619 m³ and 96,988,898 m³ and 99,819,003 m³ respectively. The compound annual growth rate (CAGR) of non-billed water consumption during the period 2001 to 2013 is 0.9% annually. During the five-year period 2009-2013 is equal to 0.5% annually. Finally, during the three-year period 2011 – 2013 is equal to 1.7% annually.

Additionally, the non-billed to total consumption ratio increased marginally. More specifically, in 2010, 2011, 2012 and 2013 the non-billed to total consumption ratio was formed at 22.1%, 22.8%, 22.9% and 24.2% respectively.

Regarding the main **consumer classes**, the class of common consumers - which represents the overwhelming majority of customers, and mainly residential customers, decreased by 5.7% compared to 2012, versus 0.5% fall in 2012 compared to 2011. Water consumption of **common consumers** in the years 2010, 2011, 2012 and 2013 was 209,762,467 m³, 203,477,397 m³, 202,484,911 m³ and 191,018,069 m³ respectively. The compound annual growth rate (CAGR) of consumption in the **common consumers**' class in the 3-year

period 2011 to 2013 is negative and equal to -3.1% annually.

Bulk Water Supply to municipal networks, which represents the second biggest customer class, in 2013 decreased by 6.9% compared to 2012, versus a 4.6% increase in 2012 compared to 2011.

Bulk water supply to municipal networks in the years 2010, 2011, 2012 and 2013 was 67,741,121 m3, 66,285,025 m3, 69,357,487 m3 and 64,549,037 m3 respectively. The compound annual growth rate (CAGR) of consumption in the bulk water supply to municipal networks class in the 3-year period 2011 to 2013 is negative and equal to -1.6% annually.

The **industrial consumers'** class consumption in 2013 increased by 10.1% compared to 2012, versus a 8.3% increase in 2012 compared to 2011. The industrial consumers' class consumption in the years 2010, 2011,

2012 and 2013 was 18,753,574 m3, 17,714,433 m3, 19,188,857 m3 and 21,131,244 m3 respectively. The compound annual growth rate (CAGR) of the **industrial consumers'** class consumption in the 3-year period 2011 to 2013 is positive and equal to 4.1% annually.

The consumption of the **State-Local Authorities** class in 2013 decreased by 3.0% compared to 2012, versus a 2.1% increase in 2012 compared to 2011. The State-Local Authorities consumption in the years 2010, 2011, 2012 and 2013 was 20,600,941 m3, 19,405,206 m3, 19,811,928 m3 and 19,227,425 m3 respectively. The compound annual growth rate (CAGR) of the **State-Local Authorities** class consumption in the 3-year period 2011 to 2013 is negative and equal to -2.3% annually.

The impact of billed consumption change in each consumer class to the total billed consumption change, which is shaped at -13,522,849 m3, is summarized in the following table:

1. Change in billed consumption from 2012 to 2013

Consumer Class	Change (in m3)
Common Consumers	-11,466,842
Industries – Corporate Customers	1,942,387
State – Local Authorities	-584,503
Bulk water supply to local networks	-4,808,450
Other	1,997,117
Total change in billed consumption	-12,920,291

During 2011, 2012 and 2013 the consumption classes' breakdown is shown below:

2. Consumption volume percentages

Consumer Class	2013	2012	2011
Common Consumers	61.11%	62.10%	62.72%
Industries – Corporate Customers	6.76%	5.90%	5.46%
State – Local Authorities	6.15%	6.09%	5.98%
Bulk water supply to local networks	20.65%	21.30%	20.43%
Other	5.32%	4.50%	5.41%

The following table presents the annual water sales revenue in each consumer class for the years 2011, 2012 and 2013:

3. Water sales income breakdown

Consumer Class	2013	2012	2011
Common Consumers	65.83%	66.93%	67.70%
Industries – Corporate Customers	8.96%	7.98%	7.35%
State – Local Authorities	8.68%	8.51%	8.35%
Bulk water supply to local networks	14.01%	14.32%	13.74%
Other	2.53%	2.27%	2.87%

The following table presents the annual water sales and sewerage usage revenue in each consumer class for the years 2011, 2012 and 2013:

4. Water Supply and Sewerage services income breakdown

Consumer Class	2013	2012	2011
Common Consumers	72.25%	73.19%	73.60%
Industries – Corporate Customers	8.20%	7.44%	7.16%
State – Local Authorities	8.16%	8.01%	7.94%
Bulk water supply to local networks	9.62%	9.78%	9.32%
Other	1.77%	1.58%	1.98%

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

5. Tariff breakdown at the Common Consumers class

Billing Scale (Common Consumers class)	2013	2012	2011
1st Billing scale (1-15 m3 / quarter)	49.21%	48.19%	47.63%
2nd Billing scale (16-60 m3 / quarter)	44.06%	44.45%	44.48%
3rd Billing scale (61-81 m3 / quarter)	2.61%	2.83%	2.86%
4th Billing scale (82-105 m3 / quarter)	1.16%	1.30%	1.31%
5th Billing scale (>105 m3 / quarter)	2.96%	3.23%	3.72%

The following table presents the annual billed water sales revenue and the change for the main consumer classes

6. Billed* water sales income / Amounts in €

Consumer Class	2013	2012	Change	%
Common Consumers	148,658,184	158,865,400	-10,207,216	-6.4%
Industries – Corporate Customers	20,238,961	18,941,604	1,297,357	6.8%
State – Local Authorities	19,597,560	20,192,403	-594,843	-2.9%
Bulk water supply to local networks	31,631,158	33,988,101	-2,356,943	-6.9%
Other	5,703,926	5,376,844	327,082	6.1%
Total	225,829,789	237,364,352	11,534,563	-4.9%

*billed : those for which a bill has been issued from 01/01/2013 to 31/12/2013

The table 5 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, that is the first billing scale price, increased. On the contrary, the consumption share billed at other billing scales, higher priced than the first one, decreased. Consequently, the change in the composition of billed consumption in the common consumers class, combined with reduced consumption in the same consumers class (-11,466,842 m3 see table 1), led to a decrease in the revenue from water supply in the common consumers class by € 10,207,216 or -6.4% (see table 6).

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

7. Billed* Income from sewerage services / Amounts in €

Consumer Class	2013	2012	Change	%
Common Consumers	88,915,033	95,450,052	-6,535,019	-6.8%
Industries – Corporate Customers	6,723,268	6,905,692	-182,424	-2.6%
State – Local Authorities	7,226,691	7,643,383	-416,692	-5.5%
Bulk water supply to local networks	0	0	0	-
Other	111,520	128,755	-17,235	-13.4%
Total	102,976,512	110,127,882	-7,151,370	-6.5%

* billed : those for which a bill has been issued from 01/01/2013 to 31/12/2013

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

8. Total billed* income from water and sewerage services / Amounts in €

Consumer Class	2013	2012	Change	%
Common Consumers	237,573,217	254,315,452	-16,742,235	-6.6%
Industries – Corporate Customers	26,962,229	25,847,296	1,114,933	4.3%
State – Local Authorities	26,824,251	27,835,786	-1,011,535	-3.6%
Bulk water supply to local networks	31,631,158	33,988,101	-2,356,943	-6.9%
Other	5,815,446	5,505,599	309,847	5.6%
Total	328,806,301	347,492,234	-18,685,933	-5.4%

* billed: those for which a bill has been issued from 01/01/2013 to 31/12/2013

Finally, table 9 presents the average revenue per cubic meter – either for water supply or for water supply and sewerage services - for the year 2013, for the main consumer classes:

9. Average billed Income per cubic meter 2013 / Amounts in €

Consumer Class	Water Sales	Water sales & Sewerage services
Common Consumers	0.78	1.24
Industries – Corporate Customers	0.96	1.28
State – Local Authorities	1.02	1.40
Bulk water supply to local networks	0.49	0.49
Other	0.34	0.34
Total Average Income	0.72	1.05

* billed: those for which a bill has been issued from 01/01/2013 to 31/12/2013

Because the method of calculation of the average income per cubic meter was changed in 2013, for reasons of continuity we have listed below the above table 9 with the exhibited figures calculated according to the method of calculation in force until 2012:

9. Average billed Income per cubic meter 2013 / Amounts in €

Consumer Class	Water Sales	Water sales & Sewerage services
Common Consumers	0.74	1.19
Industries – Corporate Customers	0.91	1.22
State – Local Authorities	1.02	1.40
Bulk water supply to local networks	0.49	0.49
Other	0.33	0.34
Total Average Income	0.70	1.02

* billed: those for which a bill has been issued from 01/01/2013 to 31/12/2013

It is worth noting that while the 20.65% of the billed water is billed as Bulk Water Supply to Local Networks (see table 2), the water sales income from this particular consumer class comes up to 14.01% of the total water sales (see table 3). This is due to the fact that the average revenue per cubic meter of the bulk water supply tariff (€ 0.49 - see Table 9), is 32.2% lower than the average revenue per cubic meter of water sales (€ 0.72 - see table 9).

II. Presentation of the Company's Major Financial Results

For EYDAP, 2013 was a year of extended initiatives with regard to the resolution of long-term pending issues which had rendered the financial transactions, the obligations and the relations between the Company and the Greek State especially inarticulate. The major characteristics of year 2013 were the following:

- Increase of the Company's liquidity and elimination of its bank debt resulting from the collection of the long term overdue receivables from the Greek State and the Local Government

Authorities (OTA). The Free Cash Flows to the Firm accounted for 495.6 mil. € in 2013 versus 64.8 mil. € in 2012.

- The collection of older receivables concerning projects executed by the Company for the account of Ministry of Infrastructure, Transport & Networks (YPOMEDI) and EYDAP Fixed Assets, and the initiation of a new collaboration framework that will not allow for such claims to emerge again. Specifically, the joint ministerial decision D6/2476/3.12.2013 (Gov. Gaz. 3065) of ministers of Finance and of Infrastructure, Transport & Networks arranged the collection of a amount 141.1 mil. € (including VAT) for constructions, until 31.12.12, infrastructure works, flooding protection works, etc. versus the Company's

claim of 152.4. mil. €. The difference of 11.3 mil. € accounted for 9.2 mil. € following the deduction of VAT and led to reduction of the turnover.

- The receipt of 149 mil. € from the Greek State for the account of OTA and the adoption of strict policies with regard to the payment of their future obligations.
- The continuation and acceleration of cost reduction efforts initiated in the previous years with an emphasis on personnel cost. Salaries and wages in 2013 posted a decrease by 5.2 mil. € (-5.8%) and settled at 83.8 mil. € from 89.0 mil. € in 2012
- The wide use as well as formation of new provisions aiming at the correct depiction of the assets and liabilities arranged during the year as result of the settlement with the Greek State, as well as of the labor related liabilities.

The effect of the provisions on the results of 2013 accounted for approximately € 30 million and is analyzed as follows:

- a) New provisions for the correct depiction of liabilities regarding the special lump sum account of employees hired until 26.10.99, an amount of approximately € 60 mil.
- b) New provisions for the correct accounting depiction of labor related liabilities, an amount of approximately € 30 mil.
- c) New provisions for doubtful receivables concerning retail customers, an amount of € 6 mil.
- d) Cancellation of provisions for doubtful receivables concerning the Greek State and OTA, amount € 66 mil.

With the recorded provisions, the Company is adequately structured to settle, without affecting its future results, pending litigations with pensioners and employees and to serve its mandatory obligations toward its personnel.

- The coordinated restructuring actions of the business activities and effectiveness of the Company and the initiation of a modernization program regarding all Company's operations.

Turnover settled to 336.2 mil. € from 353.3 mil. € in 2012 posting a decrease by 4.9% (-17.2 mil. €).

The largest part of this reduction resulted from the contraction of revenues from construction works for third parties by 9.2 mil. as result of the JMD D6/2476/3.12.2013 (Gov. Gaz. 3065) of the ministers of Finance and of Infrastructure, Transport and Networks. Without the above reduction, turnover would have decreased by

8 mil. € (-2.3%), mainly due to lower revenues from water supply and related services by 6.6 mil. € (-2.8%) and also due to lower revenues from sewerage services by 4.7 mil. € (-4.1%). On the other side, revenues from sale of electric energy increased by 2.7 mil. € (+316%) mainly due to the pricing of previous years' electric energy sales from Evinos hydroelectric project within 2013, at the level of 1.7 mil. €. The decrease in consumption is attributed to the lower number of connected households due to the repatriation of economic immigrants, as well as to the per capita consumption due to conservative use of water by the population following the economic crisis.

Total operating expense increased to 280.0 mil. € from 272.5 mil. € in 2012, posting an increase of 7.5 mil. € (+2.8%) as compared to 2012. Specifically cost of goods sold in 2013 decreased by 12.2 mil. € (-6%) and settled at 190.6 mil. € from 202.8 mil. € in 2012, whereas in an opposite direction, administrative expenses increased by 11.9 mil. € (+26.8%) and distribution expenses rose by 7.8 mil. € (+31%) affected mainly from provisions recorded during the year.

Following the above, Gross Profit declined by 5.0 mil. € (-3.3%) and settled at 145.6 mil. € from 150.6 mil. in 2012. Gross profit margin settled at 43.3% from 42.6% in 2012. It is noted that for the year 2012, prior to the re-classification of the statement of income (due to the application of the revised IAS 19), gross profit margin had settled to 41.4% of turnover, or 1.2% lower than the level due to re-classification.

With regard to the evolution of the different categories of operating expenses, notable changes occurred in personnel fees & expenses (+73.4%) as well as in sundry provisions (-166.5%).

Specifically with regard to the personnel fees and expenses, there was an aggregate increase of 76.0 mil. € and as result they amounted to 179.6 mil. € versus 103.6 mil. € in 2012 (+73.4%). The largest part of this increase is attributed to the provision (recorded in the statement of financial position) for the special lump sum indemnity toward the employees hired until 25.10.99, in accordance with the relevant Collective Labor Agreements which were signed on 2.7.1991, 25.5.1992, 21.06.1995, 06.06.2008, approximately by 60 mil. €. It is noted that the article 45 of L. 4179/2013 abolished the Greek State's obligation concerning the coverage of the deficit of the lump sum account. In total, the burden on the Company's results accounted for 60.4 mil. €.

There was also an increase of 15.2 mil. € in provisions for medical and healthcare benefits. The recognized expense (provision) in the statement of income reached 11.6 mil. € versus a corresponding expense (provision) of -3.6 mil. €. The latter had derived from the direct recognition of a negative prior service cost -20.4 mil. € in the cost for the period and was due to the increase in healthcare contributions of the pensioners from 2.55% to 4%. The net cash benefits (benefits minus contributions) of the plan toward the beneficiaries amounted to 7.2 mil. € versus 9.1 mil. € in 2012. In the same pattern, provisions for end of service staff indemnities increased by 4.1

mil. €, with the amount recognized in the statement of income at 2.3 mil. € versus -1.8 mil. € in 2012.

With regard to the expense with the second largest change, sundry provisions from 38.6 mil. € in 2012 settled at -25.7 mil. in 2013. Sundry provisions include provisions for doubtful receivables (-56.7 mil. € in 2013 from 30 mil. € in 2012), provisions for litigations (31.0 mil. € in 2013 versus 8.6 mil. € in 2012) and provisions for obsolete inventories (-24 thous. € in 2013 versus 20 thous. € in 2012).

In thous. €	Provisions for Doubtful Receivables for the Year	Provisions for Litigations for the Year
2005	5,107	8,699
2006	2,689	2,033
2007	3,420	1,218
2008	4,313	-329
2009	2,958	426
2010	12,078	8,103
2011	8,481	11,021
2012	29,133	8,584
2013	-59,953	31,025

From the provisions for doubtful receivables, the provisions for doubtful customers settled at -59.9 mil. € from 29.1 mil. € in 2012, as the Company on 8.10.2013 received from the Greek State for the account of OTA an amount of 146.8 mil. € and for the account of other public entities an amount of 2.6 mil. €, based on no. 38560/26.9.2013 Joint Ministerial Decision (Gov. Gaz. 2410) of the Ministers of Finance and of Interior. In view of the reduction by 150 mil. € of the outstanding amount of customers concerning OTA & Public Sector, the Company reviewed and defined its cumulative provision for doubtful receivables at approximately € 25.7 mil.

In thous. €	Balance of Doubtful Customers	Balance of Customers prior to Provision for Doubtful Receivables	Share
	(1)	(2)	(3)=(1)/(2)
2004	18,181	184,179	10%
2005	23,288	211,183	11%
2006	25,977	256,043	10%
2007	29,397	275,831	11%
2008	33,900	308,748	11%
2009	35,834	313,800	11%
2010	48,049	339,939	14%
2011	56,530	378,545	15%
2012	85,663	395,705	22%
2013	25,710	228,904	11%

The ratio “balance of doubtful customers” over “balance of customer prior to provisions” contracted to 11% from 22% to 2012.

The provisions for litigations (expense) posted an increase of 22.4 mil. € and as result total provisions in the balance sheet amounted to 99.0 mil. € in 2013 from 68 mil. € in 2012. It must be noted that with the decision 18275/22-1-2014 of the Board of Directors, a settlement based resolution agreement was reached between the Company and its employees – pensioners over historical labor related legal cases (initial claims amounting to € 134 million were reduced following a settlement to € 64 million). As the above settlement will be implemented within 2014, part of the total provision of 99.0 mil. € has been transferred to other short-term liabilities (amount of 73.2 mil. €, including employer contribution cost of approximately 9 mil. €), whereas the remaining amount is recorded in the provisions for pending litigations (25.9 mil. €).

Lower scale changes occurred in other category expenses such as in third party fees and expenses (decrease of 2.6 mil. € or -6.2%), third party benefits (decrease of 0.3 mil. € or -0.6%), sundry expenses (increase of 1.6 mil. € or +19.2%) and materials & consumables (increase of 2.9 mil. € or +41.4%). In addition the cost for self-constructed projects (item that is deducted from the expenses) posted and increase by 1.7 mil. € (+34.2%).

The above developments affected negatively the earnings before interest, taxes, depreciation & amortization (EBITDA), which declined by 30.2 mil. € (-26.4%) and settled at 84.1 mil. € from 114.2 mil. € in 2012. EBITDA margin contracted to 25% from 32.3% in 2012.

Depreciation charges for the year posted a decrease of 12.3% or 4.2 mil. € settling at 30 mil. € from 34.2 mil. € in 2012. The

decrease is due to the increase of the amortization of subsidies and customer contributions by -2.3 mil. €.

Earnings before interest and taxes (EBIT) dropped by 26.0 mil. € (-32.4%), settling at 54.1 mil. € from 80.0 mil. € in 2012. EBIT margin declined to 16.1% from 22.7% in 2012.

Financial expenses posted a decrease by 50.7% and settled at 8.5 mil. € from 17.2 mil. € in 2012, whereas financial income increased by 10.9 mil. € and amounted to 16.2 mil. € from 5.3 mil. € in 2012. Of the financial income, an amount equivalent to 9.8 mil. € relates to the repayment of overdue amounts from OTA due to settlement.

During the year, bank debt was fully repaid, versus an amount of 182.3 mil. € at the beginning of 2013. The collection of overdue amounts from the Greek State resulted in the improvement of the cash and cash equivalents which reached 332.0 mil. € at the end of 2013 from 43.1 mil. € at the end of 2012.

Profit before taxes settled at 61.7 mil. € from 68.0 mil. € in 2012 posting a decrease of 9.2%.

The increase of the tax rate from 20% to 26% led to the significant increase of the deferred tax asset by 44.8 mil. € and in combination with the corresponding income tax for the period of 27.4 mil. € resulted into an income tax of -16.4 mil. € (tax benefit).

Net profit after taxes reached 78.2 mil. € from 51.6 mil. € in 2012 posting an increase of 51.4%. Net profit margin settled at 23.3% from 14.6% in 2012.

Net Operating Cash inflows increased significantly and settled at 497.7 mil. € from 61.3 mil. € in 2012. Net Investing Cash outflows reached 10.3 mil. € in 2011 from 8.4 mil. € in 2012.

Finally, Free Cash Flows to the Firm, accounted for 495.6 mil. € from 64.8 mil. € in 2012.

Analysis of the Return on Equity in 5 factors

	2013	2012	2011
ROE	8,71%	6,25%	3,19%
Tax Burden	1,27	0,76	0,73
Interest Burden	1,14	0,85	0,76
EBIT Margin	16,09%	22,65%	13,00%
Asset Turnover	0,20	0,21	0,22
Leverage	1,86	2,02	2,01

ROE=Profit after taxes / Average Shareholders' Equity

Tax Burden = Profit after Taxes / Profit before Taxes

Interest Burden = Profit before Taxes / EBIT

EBIT Margin = EBIT / Turnover

Asset Turnover = Turnover / Average Assets

Leverage = Average Assets / Average Shareholders' Equity

The effect from the subsidiary company and the related company on the consolidated accounts is negligible and requires no further analysis.

BUSINESS HIGHLIGHTS DURING FISCAL YEAR 2013

Claims against the Local Authorities

EYDAP's largest class of customers, after the class of common consumers, both in terms of consumption and in terms of revenue and debts, consists of Municipalities supplied with bulk water supply. The Board of Directors of EYDAP, with its No. 18078/5-6-2013 decision, has formed the "Relation Development with Local Authorities Division", not only for better monitoring but also for more effective management of this specific customer class. This new Division is responsible to follow the degree of increase of Municipal claims liquidation and it is also centrally monitoring and organizing, at all levels, the cooperation between the Company and the Municipalities, contributing to further development of their relationship, for the benefit of both parties.

Given the unfavorable economic conditions and the incapability of Municipalities to meet the operational requirements of their networks and their financial obligations towards EYDAP, EYDAP aims at the implementation of an extended program of Concession Contracts Networks with Municipalities that own and operate water distribution network. According to that:

- a)** EYDAP will take over the management of the above mentioned network, while the network remains at the property of the Municipality,
- b)** The customers of the Municipalities will enjoy the upgraded services provided by EYDAP and
- c)** Specific Municipalities will have debts settlement, based on a specific repayment timetable.

In this framework, in February 2013, the Management of EYDAP handed the draft concession contracts for the municipal water supply networks, to 7 Mayors in Eastern Attica (Eleusina, Marathon, Markopoulo, Megara, Paiania, Spata and Fili). The Municipality of Eleusina, with the No. 54/2013 Decision of its Town Council, has approved the concession contract with EYDAP for the water distribution network of the Magoula City Section, for a period of 20 years, starting on the date of signature. Accordingly, EYDAP, with the No. 18226/13-11-2013 Decision of its Board of Directors, has approved the expansion of its activity to the Magoula region of the Municipal of Eleusina and the undertaking of the management and operation of the water distribution network of the Magoula City Section, for a period of 20 years. On the 10th of January 2014 the Concession Contract with the Municipality of Eleusina was signed and sent to the competent Ministries in order to issue the Joint Ministerial Decision, as defined by the lying provisions.

Within the framework of relations development with the Municipalities, a consolidation effort has begun for the majority

of their provisions (cash replacement, manhole revelations, etc), as well as an enrollment of the Divisions and the Public Law Legal Entities of the Municipalities, in a way that will facilitate their regular updating in what concerns the progress of their debts, their consumption etc.

Within the framework of the settlement of debts of the Public Sector and the Municipalities to the Water and Sewerage Companies, EYDAP and EYATH, Law 4071 (GG 85A/11-4-2012) introduced the Article 281A in Law 3852/2010, according to which Municipalities and their supervised Legal Entities were subsidized for the repayment of overdue debts, which were created before the 31st of December 2011, against particular credits of the national budget. Derived from these credits in 2013 the amount of 68,565,736.48€ was paid to EYDAP through the Deposits and Loans Fund.

Subsequently, with Article 52 of Law 4186 (GG 193A / 09.17.2013) the above provision was amended and credits for the payment of overdue debts, until the 31st of July of 2013, of the Municipalities and their Legal Entities towards to EYDAP were approved. Thereafter, based on the Joint Ministerial Decision 38560/26-9-2013 (GG 2410B) the amount of 149,447,102.49 € was paid to EYDAP. The debts of Schools (billing until the 30th of April) rising up to 4,814,161.76€ were not included in the above mentioned amount but the Attica Region overdue debt of 799,640.29 € was included.

Based on the No.18227/13-11-2013 Decision of the Board of Directors, the Company redefined its attitude towards the Municipalities, setting out a stricter frame of actions in order to prevent the accumulation of new debts in the future. Within this framework, the executives of the Relation Development with Local Authorities Division, in cooperation with the Company Administration and the Legal Services Division, have intensified the pressure put upon those Municipalities that delay their repayments.

Claims against Greek State

Fiscal year 2013 marked a milestone as far as the arrangement of the Greek State debt towards EYDAP. In more details:

- a)** By order of the Ministry of Infrastructure, Transport and Networks, EYDAP collected the amount of € 15,927,354.04 from water supply arrears of the Division of construction works for road maintenance until 08/05/2013
- b)** The article 45 L. 4179/8-82013, defined that the overdue debts until 30.6.2013 of the Greek State towards EYDAP for infrastructure works, water supply construction works on behalf of State Legal Entities, construction and maintenance flood protection works etc, would be determined by a Joint Ministerial

Decision of the Ministry of Transport, Infrastructure and Networks and the Ministry of Economics. Any debt that would arise, which would be determined in details and yearly, it would be covered by the special credit set aside in the State Budget for the settlement of outstanding obligations of the General Government under the Economic Policy Program.

The claims of EYDAP against the Greek State, as they are included in the company's financial statements regarding the fiscal year of 2012 and have already been approved from the Ordinary General Shareholders Meeting of the 28th of June 2013, are determined to 113,199,696.12 euro (excluding VAT) for construction works of EYDAP Fixed Assets Company, for pumping costs at Viliza-Yliki, for construction and maintenance flood protection works and to 1,935,021.25 euro (VAT included) for invoiced works for the Ministry of Transport, Infrastructure and Networks.

On October 23rd 2013, the Extraordinary General Shareholders Meeting was held, where the main Shareholder of the Company, the Hellenic Republic Asset Development Fund (H.R.A.D.F.), made the following statement:

"Pending the issuance of the Joint Ministerial Decision, stipulated from Article 45, L. 4179/2013, which will determine the Greek State's overdue debts towards EYDAP until 31.12.2012, concerning Infrastructure Projects, Construction of Water Supply Works etc., as well as the Company's non-tax liabilities towards the Greek State, it is impossible to decide on the requested by the same provision (Article 45 of L. 4179/2013) relinquishment of EYDAP from all other claims and appeals regarding these requirements. Therefore, we request the convocation of the Company's General Shareholders Meeting again, immediately after the issuance of the Joint Ministerial Decision".

Following the above mentioned statement, and since no other shareholder expressed an opinion on the issue of the Agenda, the President declared the end of the meeting.

On December 3rd 2013, the Joint Ministerial Decision no. D Δ6/2476 (G.G. 3065/03.12.2013-Second Issue) was published, that determined the total amount for payment to EYDAP S.A. to 141,170,647.48 euro (VAT included), which will be paid as long as EYDAP waives from any other claim and appeal regarding these reasons.

The same Joint Ministerial Decision, reports the unsettled and off-balance claims of EYDAP against the Greek State, regarding the investment grants of 60% of the Company's investment expenses during 2000-2010, which are reported in the financial statement notes and are estimated at the amount of 293,774,088.1 €. It determines also the non-tax liabilities of EYDAP towards the Greek State regarding the provided raw water, at the amount of 294,100,000 €. The non-tax liabilities of EYDAP towards the Greek State and the claim of EYDAP

regarding the investment grants, as long as they are unsettled and off-balance until 30/6/2013, according to the article 45 L. 4179/2013, as it was complemented with the section a' of paragraph 1 of article 131 L. 4199/2013, and section b' of paragraph 1 of article 131 L. 4199/2013 are written off both sides, without affecting the equity of the company.

On the 27th of December 2013, the extraordinary shareholders meeting was held, which approved unconditionally by the majority, the stipulated in No Δ6/2476 Joint Ministerial Decision (GG B' 3065/03.12.2013), as it was finally reprinted due to an error, amounts regarding the determination of their respective claims between the Greek State and EYDAP SA as follows:

a) Overdue debts of the Greek State to EYDAP from infrastructure works, water supply construction works on behalf of Public Entity, construction and maintenance of flood protection works etc, up to 31/12/2012, amounting to 113,199,696.12€ plus VAT amounting to 26,035,930.11€ (against claims of EYDAP for VAT amount of 38,693,217.82 €), plus the amount of 1,935,021.25€ (VAT included) and

b) Non-tax liabilities of EYDAP towards the Greek State, consisting of the price of raw water supplied to EYDAP from the Greek State for the time period from 25/10/2004 to 30/6/2013 and depreciation of other adversarial claims arising from their contract on the 09/12/1999.

Shareholders accepted unconditionally, by majority by 96.44%, of what the aforementioned JMD determines and decided and waived from any other claim and appeal that the article 45 L. 4179/2013 (GG A' 175/08-08-2013) determines.

Development of Activities

In February 2013, EYDAP S.A. and the Ministry of Shipping and Aegean signed a Memorandum of Cooperation for providing technical advisory services to the Greek government in the area of integrated management of water and wastewater of the islands. The timetable of the services will be determined within each contract between EYDAP S.A., the Ministry of Shipping and Aegean and the respective municipality.

The scope of this cooperation is not only to solve the longstanding problem of water supply of islands that burden the state budget but also the adaptation of Greece in EU directives on integrated water management, water tariffs and billing of service.

Administrative Changes

On April 1st, 2013, Mr. Antonios Vartholomeos was elected CEO in replacement of the resigned from this position, Stylianos Stavridis, and from April 30th, 2013, he was also appointed Chairman of the Board of Directors.

The new administration proceeded in several changes of executives in the organization chart of the company in order to succeed a more proper functioning and a better development of the human resources.

New Claim Settlement Program

EYDAP, having a clear social orientation which is implemented through benefits, arrangements and actions expressing its social sensitivity, applies since June 2013 a new claim settlement program, which includes specific social arrangements to better serve the Greek household which is affected by the crisis.

The program includes among others:

1. Favorable settlement program for the customer that proves financial difficulties and months of delay in the claims repayment, by increasing the installments up to 36, instead of 6 that are currently provided.
2. Simplify of the settlement procedure and rapid approval of requests without the obligations of submitting many supporting documents
3. Establishment of an expert Claim Settlement Requests Evaluation Committee for the immediate assessment and arrangement of customer cases that are found in an awful financial condition or (and) belong to sensitive social groups (years of unemployment, having many children, chronic health problems, etc.).
4. Temporary abeyance of the measures of forced collection, based on the Code for Public Revenue till the 30/6/2014 and up to the amount of €3,000, under the precondition that the debtors will timely attend in order to settle the repayment of their claims in installments, according to the new Company Policy.

Ordinary General Shareholders Meeting

The 31st Annual Shareholders' Meeting was held at the premises of the Company in Galatsi on the 28th of June 2013. During the meeting, the shareholders approved, among others, the annual financial statements for the fiscal year 2012 together with the report of the Board of Directors and the Independent Auditors' Report, they ratified the elected Members of the Board of Directors and they approved a dividend distribution of the gross amount of 15,975,000.00€ for the year 2012, i.e. € 0.15 per share.

Special Shareholders Meeting

The Special Shareholders Meeting on behalf of the minority Shareholders was held on the 28th of June 2013 and elected Mr. Panagiotis Skoularikis and Mr. Christos Mistriotis as Members of the Board of Directors of EYDAP S.A.

Extraordinary General Meeting of Shareholders July 2013

On 28 June 2013, the Board of Directors of the company in its 1110th meeting, decided (Resolution No. 18109) the convergence of the Extraordinary General Meeting on July 26th, 2013. The Extraordinary General Meeting decided the amendment of the Articles of Association and in particular the abolition of paragraph 5 of Article 5 of Chapter II of the Codified Articles of EYDAP SA as being contrary to the Law. This paragraph stated that the main shareholder can not allocate more than 49% of the share capital. The Extraordinary General Meeting also approved the the distribution of prior year profits derived from the account "retained earnings" (except for the fiscal year 2012), amounting gross €5,325,000.00, i.e. €0.05 per share gross.

Special Pension Benefit Account (L. 4179/8-8-2013)

The Law 4179/8-8-2013 abolished the second and third sections of case b of paragraph 1 of Article 26 of Law 2939/2001. The Company therefore formed a provision for the special compensation to the employees that were recruited until 25.10.1999, of the amount of 59,466,630 € as envisaged by the relevant collective labour agreements.

The Company collected claims from the Greek State, amounting to 69.8 million €, regarding the account of the special compensation to the employees that were recruited until 25.10.1999 (based on the L. 2939/06.08.2001), by offsetting the liabilities of payable dividends of 11.4 million euros and the payment by the Greek government of 58.4 million euros on 25.09.2013, following the decision by the Ministry of Infrastructure, Transport and Networks (WSNs: BA9I1-KOH) to cover the deficit of pension benefit account of the company's staff until the 06/30/13.

Social Tariff

Since September 23rd and for one year, EYDAP, due to the unfavorable economic conditions that have affected the Greek households, after the unanimous decision of the BoD and within its social responsibility policy and continuing social contribution, has set into effect the Social Tariff.

Specifically, for specific social groups, families with many children, single-parent families, elderlies with low income, a discount up to 60% on water - sewerage bills is set.

Internal Rules of Operation -Corporate Governance

With a focus on creating an accessible and comprehensive reference system in accordance with Law 3873/2010 the Rules of Corporate Governance and Operation, was composed, was approved by the Board Resolution 18197/23-10-2013 and submitted to the SEC.

This Regulation consists of the merge and update of two older documents: the Code of Corporate Governance and Internal Rules of Operation EYDAP.

By merging the two documents in one, we achieved a single effective dissemination operational concept.

The updated version of the Rules is clearly structured to present information relating to corporate governance, internal control system, the assessment and management of operational risks, the organizational structure of the Company as well as the importance of social responsibility that the Company demonstrates as part of its operation.

This Regulation facilitates the formulation of policies and corporate governance practices in order to meet the current operating conditions EYDAP.

The purpose of the regulation is to promote good governance, believing that this will enhance the long-term success and competitiveness of EYDAP. The application of the Rules addressed by the company or its investors as a process that adds value to the company and is not seen as mere law compliance.

EYDAP S.A would greatly benefit by adopting and systematically apply these principles in a fully voluntary basis, which enhances the confidence of our shareholders, employees and other stakeholders as well as improves organizational effectiveness.

Tariff Readjustment

On December 16th 2013, the Joint Ministerial Decision of the Ministers of Finance, Infrastructure, Transport and Networks and of Environment, Energy and Climate Change, who accepted the decision of the Board of Directors of EYDAP of March 28th 2013 and decided the tariff readjustment of water supply and sewerage services provided by the company as referred to the J.M.D., was issued in GG B' No. 3188/16-12-2013, setting into effect the adjusted tariff from the date of publication, the 16th of December 2013. The new tariff policy includes reductions in consumption prices, within its social responsibility policy. On December 24th, 2013 EYDAP announced all the charges of the new reformed tariff

EYDAP Nison S.A.

The scope of EYDAP Nison S.A. is to provide water services, drainage and rainwater collection as well as a variety of activities related to the above, in the Greek islands territory.

In January 2013 an amendment that was approved in the parliament, created the legal framework under which it can be entrusted to EYDAP SA or its affiliates, the preparation or commissioning of studies for construction projects related to the activity of the company, as well as the delegation and administration of the implementation of those projects in island regions. EYDAP Nison S.A. is now at the final phase of the completion of the first stage of its development, which refers to an analytical research and setting out of the market needs, in which EYDAP Nison SA will activate and to the examination and specification of solutions proposed to its customers.

EYDAP Nison SA has been activated to the following actions, indicatively:

- The Municipality of Naxos requested counseling for issues of consolidating electrical and mechanical facilities, of the water treatment plant as well as of improving water quality in the reservoirs of the island
- The Municipality of Chios requested an offer for cleaning the pumping stations and parts of sewerage pipes. In addition, the Municipality is completing a study on billing policy development, business plan, water supply and sewerage operating regulation, etc.
- The Municipality of Sikinos has obtained financing for conducting studies for two Biological Cleaning Installations, as well as for water supply and sewerage networks, in compliance to an offer submitted by EYDAP Nison.

The Secretariat General for the Aegean and Island Policy is quite interested in the work implemented by EYDAP Nison as well as in the benefits that the General Secretariat would have from a potential collaboration. This interest is indicative of the importance of resolving water supply and sewerage problems in the islander Greece.

In March 2013, the BoD of EYDAP S.A., decided the increase of the share capital of EYDAP Nison S.A. by €30,000.

I. Modernization of the Operation Sectors

Within 2013 the Company continued the implementation of the actions that had been undertaken the previous years regarding to the modernization of its operation, having as an upper goal the increase of efficiency and the improvement of the quality of services provided to the customers. Analytically, such actions are mentioned below per sector:

In the sector of Development of New Activities, it was approved with decision of BoD a new preliminary agreement for the takeover of the management of the water supply networks of the Municipalities.

A preliminary agreement has already been signed with the Municipality of Eleusinas and for its implementation the issue of the relevant J.M.D. is expected.

The signature of Preliminary Agreement with the Municipalities of Salaminas, Marathonas, and Megareon is expected, while negotiations with other Municipalities in Attica are conducted.

EYDAP is negotiating the takeover of the management of parts of the water supply network of the Municipality of Varis – Voulas – Vouliagmenis, parts of the water supply network of Municipality of Amarousio and the water supply network of the Region St. George in the Municipality of Aspropyrgos.

The progressive incorporation of small private water supply networks in Attica in the ownership of EYDAP is completing.

The implementation of sewerage works, according to EYDAP's planning, in the regions of Northern and Eastern Attica, such as Dionisos, Koropi and Paiania, is developing under the responsibility of the Prefecture of Attica and the concerned Municipalities. In addition, the procedure of permitting works in the regions of Pallini and Saronikos is promoting. Finally, sewerage works in the regions of Ampelakia, Selinia and Aianteiou Salaminas are being implemented.

The total budget for above mentioned works rises up to the amount of € 350 mn and is covered by EU funds and state funding. EYDAP will be the future manager of those works, according to agreements conducting between the Prefecture of Attica and the concerned municipalities.

EYDAP has submitted to the Operational Program «Environment and Sustainable Development» (ΕΠΠΕΡΑΑ) a project proposal for financing for reusing of treated sewages of Psyttaleia and Thriasio Wastewater Treatment Plant for industrial and agricultural uses, reforestation, irrigation of urban green and enrichment of aquifer.

As far as the IT & Technology are concerned, EYDAP in 2013 has proceeded in the implementation of the following activities:

1. In Business and Finance Sector

- In April 2013 started the productive operation of the new

ERP cost accounting system (ABM) which was integrated to the ERP platform “SAP - Business One”. This new system replaced the previous “SAS-ABM”. The project was part of the homogenization and the modernization of the information systems of the company.

With this new “cost accounting system”

- The parallel entry of basic data in two different systems is avoided ensuring the data reliability
- The, after all, united cost accounting system can be in a safer, easier and more economical way.

- Since 1/10/2013 the new budgeting system (FM) has been put into operation and it has been integrated to the ERP platform “SAP - Business One”. The system includes the following functions:

- EYDAP Budget configuration on a Department level
- Automatic update of the procurement program
- Flexible operation of the sanctioning stages until the final budget approval
- Comparison of accountably and budgeted data per organizational unit.
- Data comparison from preceding years

The new system replaced the existing budgeting system “SAS-FM” and its implementation within the same platform with the new central ERP ensures the reliability of the imported data and its complete concurrency with the ERP.

- On the 31/12/2013 the new “Tendering and Reception Committee” operating subsystem was completed and it will be put into productive operation very soon. The new subsystem has been integrated to the ERP platform “SAP - Business One” and includes the following functions:
 - Management of Receipt Committees of material, assets and services
 - Management Tender Evaluation Committees

This new subsystem will accelerate the receipt procedures of goods as well as the tender evaluation procedures, and it will also allow the enrollment of the progress of the above mentioned operations and the direct update of the involved departments.

- In September 2013 started the productive operation of the new subsystem for the “Automation of Bulletins for export materials on subcontracting”. The new software is integrated to the platform “SAP - Business One” and it manages effectively, through the sanctioning stages, the materials that are intended to be used in subcontracting. In this way, the export materials are been directly controlled and the involved departments receive more accurate information.

- During the last quarter of 2013 started the process for the procurement of Digital Signatures, which will gradually replace the traditional ones, in the frame of implementing, by the company, a new contemporary model of complete electronic management of documents. The gradual use of the Digital Signatures has already started by the beginning of 2014, aiming at using them at every document of the Company.

2. Customer Applications

- The process of notifying electronically the customers, through emails or/and sms, about the issue date of their bill, the execution or not of their standing orders, as well as their increased consumption, has been set into effect.
- The management and the preconditions for a settlement have been changed, by a Decision of the Board of Directors.
- Specific adjustments have occurred at the technical Actions of interruption and reconnection, by a Decision of the Board of Directors.
- The integration of new contracting partners (OPAP agents) for online payment accounts in their agencies is in constant evolution and enrichment.
- The new social tariff policy has been set into effect.
- The general tariff of the Company has changed.
- An add fund for the management of the Municipalities has been realized.
- A new screen "Application" gathering all important information for the Operation Centre (1022) from the BCC was created.
- An add fund as well as significant adjustments to the BCC were realized for the management of the Municipalities.

3. Geographic Information System (GIS) Sector

- The buildings identification between GIS and Customer System is ongoing and enriched.
- The application for the management of water supply isolation is ongoing and enriched.
- An application for the management of "Water supply Alerts" for the needs of Operational Centre and 1022 was developed.
- An application for the management of "Water supply Incidents" for the needs of Operational Centre and 1022 was developed.
- An application for the imprinting of "Exterior Aqueducts" was developed and the transference of relative data from a study of the Ministry of Infrastructure, Transport and Networks was achieved.
- A supply of 5 authorizations of Smallworld software was realized in order to cover the permanently increasing needs of EYDAP's Departments for accessing the GIS.

- A connection to the GOOGLE MAPS was realized so that the maps can appear in the GIS environment.
- The provision of digital data for the networks inside or outside of EYDAP is continuous.
- The transference of data from the GIS for the operation of a new application of hydraulic analysis in the environment WaterCad was completed.
- Continuous training and support to the GIS users is provided.

4. In the sector of infrastructure & technology

- The Server Consolidation at the Datacenter was implemented with benefits in energy saving and thermic charges as well as in reduction of their operational cost. The infrastructure virtualization was exploited maximizing the flexibility not only in developing new solutions but also in controlling the infrastructure.
- The network infrastructures were expanded, with application of satellite circuits in Mornos, Eyinos, Elikonas, Kithaironas as well as 3G connections at the televisual inspection vehicles.
- The transition of applications to a new platform Citrix was completed.
- A new fax server system was installed with a gradual suppression of the machines and a transition to the electronic system.
- The policy of controlling natural access of IT equipment to the company's network was implemented

5. In the telecommunications sector

- A transition to a full MPLS network for the biggest part of the Company was completed, with a simultaneous suppression of engaged circuits resulting the reduction of functional expenses to the of previous ones and the increase of the available width of communication per 4 to 10 times.
- The pilot installation and operation of SIP communications was implemented.
- The following applications were set into effect: a) One number service & b) Mobility functioning in a platform of IP environment.

Regarding **customer service**, the services provided are fully aligned not only with the excellent quality, the customer demands, the processing time of work and the optimal financial results for the company, but also with our internal and external customers. The main goal for 2013 as well was the fulfillment of the three main dimensions of market success: quality, time, cost. More specifically, the Division of Customer Service:

- Exploits all the information systems available in the Company focusing on the Billing System and Basic Customer Queries Management (BCC), in order to achieve the reduction of time needed to meet customer demands.
- Leverages the electronic communication channel with customers for information regarding the services provided by EYDAP, the processing of customer demands, as well as issues relating to their water supply meter.
- Automatic Payment Systems (APS) have been applied.
- Continues the cooperation with the Citizen Service Centres (KEP), which are an additional channel for customer requests.
- Exploits Collections System for liquidation of customer debts.
- Ensures the configuration of a friendly environment at the Customer Service Centers.
- Continues to work effectively with the authorities «Greek Ombudsman» and «Consumer's Counsel».

The Operations Center - 1022 consists of:

- a) The call center 1022,
- b) The «Technology and Documentation Office»,
- c) The «Operations Center Supervisors Body».

1022

To 1022 περιλαμβάνει δύο στάδια εξυπηρέτησης, την υποδοχή και The Operation Center – 1022 includes two customer service phases, reception and specialized service. The “Reception Phase” aims at offering polite, complete and accurate services. The second phase (“Specialized service”) refers to more complicated occasions. In addition, the agents of the specialized services:

- Monitor the qualitative/quantitative performance of the telephone operators and train them in compliance with the Protocol service
- Ensure that telephone operators are constantly and fully informed (digital) for the daily feedback / interventions the Athens network, operating events that can cause complaints, or changes in procedures / regulations
- Constantly supply the consumers updating tools (IVR and web site) which are renovated since 2013 (digital maps for water supply deprivation in the web site etc.)
- Constantly support the departments, by identifying the extensive and frequent complaints or requests, the delayed repair works, and by classifying as “urgent” some complaints based on specific criteria (i.e. water deprivation

at a hospital, or appearance of water at the street close to a significant function alarm) by giving maps and statistics through email, etc.

The above mentioned four job activities were intensified since June 2013, after the completion of digital upgrades, disengaging EYDAP employees from the “reception phase” which is now being taken over completely by an external and cheaper associate. In this way, the Department made a determined investment on the experience of EYDAP’s employees aiming at increasing the quality of the services provided by 1022 to the external and internal (technical divisions) customers.

Technology and Documentation Office of the Operational Centre

Within 2013 the Technology and Documentation Office has pursued its work for designing digital tools for the completion of the «Operational Monitoring System». A brief presentation of these tools was published in the International Journal of IWA with reference to its cover (“Water Utility Management International”, December 2013).

These tools have been used already either by the Engineers of the Operational Centre and the qualified agents of 1022, usually when the Engineers of the Operational Centre are absents, or/and by the personnel of the relevant technical departments (they have been supplied with the tools and they have received training for using them).

In 2013, the Operational Centre has planned (from the user's side) the following tools, which were put into effect right after their completion by IT Division:

- Dynamic mapping classification of isolated roads in the GIS, automatic archiving of interventions (closing valves) needed to be done (so that they can be easily repeated)
- Dynamic web «daily report» of the main events in water supply and sewerage (operational central homepage)
- Dynamic web Top10 of the main operational problems of water supply (accountably graphics)
- Process monitoring tool «hawk eye» in the GIS (overview of all complaints, alarms and actions of the crews of water supply from above the map with more information and links to reports and graphs as it «zooms in»)
- Video Manufacturing of drivers for the above tools
- Continuous updating and posting of digital work instructions of the Operational Centre engineers.
- Daily Update of the relevant departments (via email) for instruments failure and mistakes in limits in telemetry (via Operational Centre engineers and / or Supervisors 1022). In this way and with the excellent cooperation of the Division of Water Supply Network, the limits of SCADA were fully corrected while working with Akl for monitoring SMS tools.
- Creation of portal for water supply in thalassa for easy, centralized and permanent access to:

- Active alarms
 - Alarms record
 - Record of water isolations
 - Record of complaints
 - Useful maps (besides GIS)
 - Manuals
 - Legislation
 - Useful numbers inside or outside of EYDAP
 - Instructions and video applications
(created in our department)
- Organizing office for sewerage customer service by creating a calendar page on thalassa «callback» (which solved the communication problems of Sewerage - 1022).
 - Create web reports and charts for the external aquaduct of Mornos

Engineers Shifts for Monitoring Operation

The Engineers Shifts for Monitoring Operation were formed to support the fault repair departments with 24 alert engineers analysis on the event and the associated operational data. Such a «second eye» in monitoring is not a luxury but a tool even faster and more effective for the feedback of the event, which is the basis of management of our networks.

E -Government

Responding to current trends to provide integrated e-government services to citizens, EYDAP currently provides a range of specialized solutions e-government online services that include customer service, e-paying, etc., tailored to the needs of the public, our partners and our shareholders.

Utilizing in all areas of the Company, Information Technologies and Communication, we highlight daily our structures in a platform of transparency and trade facilitation for our customers and partners.

Apart from the e-Government services already available, which are accessible through our website, we proceed to further simplify our processes, minimizing the required documentation for each transaction, promoting innovative, flexible and personalized applications that will ensure a better functioning company for the convenience of our employees and of course the highest possible level of services.

Recognizing the importance of this object EYDAP proceeds in the immediate future to institutionalize specific sector in order to further develop e- governance, with a view to ensuring a high level of quality and security of transactions.

Future Outlook

Having the exclusive right to provide services of water supply and distribution as well as sewerage services in the Attica region, EYDAP serves 40% of the Greek population.

The natural supply of water in Greece is abundant and the existing infrastructure, which collect and supplies the Attica region with water of high quality, ensure the exceeding needs of the population served. Additionally, the excellent know-how of EYDAP of the integrated management of the water cycle, in combination with the existing expansion opportunities both by geographic expansion (Greek islands and neighboring areas of the region) and by entering new markets and complementary activities (liquid waste water management, environmental recovery of aquifers through integrated management of faulting water systems, etc.) can provide significant benefits for the Company's growth and sustainability and enhancement of the hydrological cycle.

EYDAP remains committed to the optimal customer satisfaction by maintaining excellent quality of the supplied water and by providing high quality services and also committed to undertake continuous initiatives and actions to protect the environment.

The high cash flow of EYDAP, which was a result of pending financial settlement and collection of overdue debts from the Greek State and local authorities, in conjunction with the strategic options for more effective and efficient operation, for utilization of technology, know-how and human resources, as well as modernization through implementation of innovative and new activities, the Company provides the perspective of sustainable development and sets the base for continuous growth and profitability aiming to the protection of the interests of both shareholders and customers.

RISKS AND UNCERTAINTIES

As a result of its operation, the Company is not exposed to any particular financial risks such as Market risks (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 financial services department which operates under certain rules

which have been approved by the Board of Directors. The Board of Directors provides guidance and directions for the general and management of specific risks such as the exchange risk, the interest rates risk and the credit risk.

(a) Credit Risk

The Company's exposure with respect to the credit risk it is eliminated to the financial assets which at the reporting date of the Financial Statements are analyzed as follows:

Amounts in € thousands	GROUP		COMPANY	
Financial Assets categories	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Available for sale financial assets	1,369	1,602	1,369	1,602
Cash and cash equivalents	331,967	43,106	331,941	43,072
Trade and other receivables	221,553	400,554	221,552	400,554
Long-term receivables	5,407	147,591	5,407	147,590
Investments in associates	0	53	0	542
Investments in subsidiaries	0	-	60	60
Total	560,296	592,906	560,329	593,420

The Company reviews its receivables on constant basis either individually or by group and incorporates the respective information in the procedure of the credit audit and incorporates these data in credit control procedures.

Cash and cash equivalents do not bear credit risk because they mainly refer to deposits in banks with adequate credit rating. Trade and other receivables include receivables from private customers which carry the lowest level of loss risk mainly because of the extensive dispersion of claims, while for the receivables from Local Governments, the Company examines the possibility

of collecting the respective due amounts through contract agreements (management of networks and settlements).

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 which is their stock market value and thus there are categorized at level 1, according to the clauses of IFRS 7, par. 27B.

Below it is displayed the timetable of the Company's claims based on their maturity:

Amounts in € thousands		CLAIMS BASED ON THEIR MATURITY					
2013	Not due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
PRIVATE CUSTOMERS	23,396	11,540	29,374	30,190	23,585	16,658	134,743
STATE	2,704	1,304	3,199	1,537	1,850	2,896	13,490
LOCAL GOVERNMENT	7,150	3,518	13,266	1,690	1,259	1,262	28,145
Total	33,250	16,362	45,839	33,417	26,694	20,816	176,378
2012	Not due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
PRIVATE CUSTOMERS	22,321	14,481	25,935	28,229	22,098	12,564	125,628
STATE	2,682	1,629	3,515	6,061	10,159	25,697	49,743
LOCAL GOVERNMENT	8,359	4,741	19,564	45,461	74,677	60,845	213,647
Total	33,362	20,851	49,014	79,751	106,934	99,106	389,018

The book value of the receivables which have been subject to renegotiations of their arrangement receipt on 31.12.2013 and 31.12.2012 stood at € 0 million and € 72.4 million respectively. With regard to credit risk management, the Department of Collection Enforcement reviews on constant basis and settles via judicial means overdue receivables concerning water supply, utilization rights and property connection rights from retail customers and local government authorities (OTA).

(b) Liquidity Risk

The liquidity risk is been managed by the preservation of sufficient cash available for the assurance of bank credits for use .The existing available, unused and approved bank credit

of the Company are adequate in order to confront ant potential shortage of cash.

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

Amounts in € thousands		TIME ANALYSIS OF THE LIABILITIES					
2013	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities		-	-	3.142	-	-	3.142
Suppliers and other liabilities	76.193	92.762	6.928	15.167	71.482	230.212	492.744
Total	76.193	92.762	6.928	18.309	71.482	230.212	495.886
2012	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	22.177	7.815	155.488	-	-	-	185.480
Suppliers and other liabilities	53.647	17.330	6.748	14.795	91.047	205.897	389.464
Total	75.824	25.145	162.236	14.795	91.047	205.897	574.944

Relations with the Greek State

The Company in line with its foundation law 2744/1999, signed an agreement with the Greek State in 1999 according to which the Greek State undertook the commitment regarding the Company's subsidy from either European Community Funds or the Public Investment Program. The subsidy would be utilized to cover 60% of the Company's capital expenditure need for the maintenance, renovation, improvement or / and expansion of the water supply and sewerage network system for the decade 2000 – 2010.

On the other hand, the Greek State claimed from the Company an amount for the crude water which disposed to the Company for the period after 25.10.2004. Specifically according to the article 6 of law 2744/1999, the quantity, quality and the supply method of the crude (non distilled) water will be defined via an agreement between the Company and the Greek State, as it is provided by paragraph 2 or article 2 of L. 2744/1999. The same agreement will define the amount paid from the Company for the crude water collected. The payment will be made to "L.E.P.L. EYDAP Fixed Assets". In execution of the above, in November 1999 the Greek State and the Company signed an agreement, the terms of which (article 15) provided for an agreed price of the crude water only for a 5-year period, namely until 25.10.2014.

As it is analytically described below, the signing of a written agreement - as it is defined in article 15 of the agreement on 9.12.1999 between the Greek State and the Company - which will determine the price paid to "L.E.P.L. EYDAP Fixed Assets" for the crude water collected from 1.7.2013 is pending. In absence of a written agreement, the Company continues from 25.10.2004 and onwards to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by "L.E.P.L. EYDAP Fixed Assets", burdening its annual financial results.

Based on the article 45 of L. 4179/2013 as it was complemented with the article 131 of L. 4199/2013, it was decided that with a joint ministerial decision, the overdue amounts payable to the Company from the Greek State concerning infrastructure works, LEPL water supply construction works, maintenance of flooding protection works, etc. as well as the non tax related overdue amounts payable to the Greek State from the Company concerning the cost of the collected crude water during the period 25.10.2004 – 30.6.2013 will be defined.

With joint ministerial decision of 3.12.2013 which was issued according to the above law provisions, it was defined that the

overdue amounts payable to the Company from the Greek State concerning investment plan's subsidized expenditures of € 294 million for the decade 2000 – 2010 as stipulated from the agreement of 9.12.1999 between the Greek and the Company, are offset with equivalent in value non tax related overdue amounts payable to the Greek State from the Company, until 30.6.2013, concerning the cost of the collected crude water for the period 25.10.2004 – 30.6.2013.

The same ministerial decision defined also the other obligations of the Greek State concerning infrastructure, construction works, etc. at the amount of € 141 million approximately, compared to an amount of € 152 million (including VAT) claimed by the Company. With the decision of the Extraordinary General Shareholders'

Meeting on 27th December 2013, the above ministerial decision was accepted, resolving the long-term issue of conflict of claims between the Greek State and the Company. As a result, the Company resigned from any other claim.

In addition, in the context of the settlement of the obligations of the Greek State from OTA, LEPL and General Government entities to the Company, in 2013 overdue obligations of € 149 million approximately were fully paid to the Company.

Furthermore, the Greek State paid an overdue amount of approximately € 70 million to the Company, concerning the mandatory coverage of the deficit of the special lump sum account for the Company's staff indemnities until 8.8.2013.

RELATED PARTY TRANSACTIONS

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

Amounts in € thousands	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
1) Transactions				
- Income	66,151	66,961	66,151	66,961
- Cost of Goods Sold (cost of construction works)	(2,147)	(1,382)	(2,147)	(1,382)
- Income from non utilized provisions / (Sundry provisions)	(59,396)	(23,835)	(59,396)	(23,835)
2) Outstanding amounts				
- Long-term receivables (Projects for third parties)	2,147	112,063	2,147	112,063
- Long-term receivables (Arrangements of Municipalities)	0	30,955	0	30,955
- Trade receivables (Local authorities, Greek State)	40,931	165,149	40,931	165,149
- Other receivables (from the Greek State for coverage of deficit concerning staff indemnities)	0	68,844	0	68,844
- Obligation due to non issuance of decision concerning dividend counterbalance	0	11,388	0	11,388

DIVIDEND POLICY

The Board of Directors of the Company in its convection on March 26th 2014 approved the submitting of the proposal to the Annual Ordinary General Shareholders Meeting, of a dividend, Article 45 of the Code. Law 2190/1920, of the amount of thirty-six cents (€ 0.36) per share (a total gross amount of Euro 38,340 million) for the year 2013. The dividend is subject to approval by the Annual General Meeting of Shareholders and is included in the account «Retained earnings».

HUMAN RESOURCES

EYDAP, being a company that manages the most precious natural resource, adopts and applies the principles of Corporate Social Responsibility for the development and the welfare of the society. EYDAP's philosophy has an anthropocentric character which leads to a customer-centered planning that will have the greatest contribution to the society.

The basic philosophy of EYDAP is to provide Knowledge that will enhance the capabilities of EYDAP's human resource so that, through the intracompany optimization, the degree of customer satisfaction will increase.

In this framework, the Division of Professional Training and School Academy aims to provide learning opportunities that respond to the objectives and expectations of the trainees aiming not only to the enrichment of their knowledge and the development of their skills but also to the reinforcement of their "loyalty" to the company bringing added value both to the employees and to the company.

The educational program covers both the Administrative and the Technical Sector. Within March 2013 many programs that enabled a large number of the employees to be certified in the use of computers from a specified body were implemented, as well as eGovernemnt programs.

In addition, programs of learning of specialized terms in English, adjusted to the requirements of the Company were realized, such as programs of technical terms, IT terms etc. A large number of programs to meet the educational proposals and needs of the different operating sectors of the company were implemented as well.

The educational program is supported by distinguished trainers, internal and external, that have a deep knowledge of their topic that allow them to cover even the most specified educational needs, while its implementation is fully supported by a modern IT application entitled "education".

The number of programs conducted by external partners rose to 139 while those conducted by internal partners were 58. The total number of programs realized in 2013 was 197. The total man-hours of training rose to 29,841 and the total number of trainees was 2,850.

In conclusion, the educational sector of EYDAP in 2013, expresses the company's will to enhance training so as to give employees the capacity to face new professional circumstances and requirements. Thus, by developing its human resource, EYDAP will be able to face market competition.

ENVIRONMENT

EYDAP has taken initiatives to reduce its environmental footprint, through the exploitation of biogas produced at Wastewater Treatment Plants for the production of electrical and thermal energy, through the exploitation of hydraulic energy which is converted into electricity in small hydropower stations along the aqueducts, as well as through the investments in the electromechanical installations of EYDAP for efficient operation and therefore less energy consumption.

EYDAP also contributes to the protection of the marine environment through the operation of the wastewater treatment plants and the controls that conducts of the discharges made into sewers and specifically of the industries. At the same time, EYDAP modernize its networks and facilities so as to minimize any leakages, while running the Central Management System of Water Resources and the Geographic Information System & Network Administration for their preventive maintenance and effective treatment of damages and leaks.

Equally important is the contribution of the Company in growing environmental consciousness and public awareness, with the educational program that approximately 20,000 students attend per year.

RESEARCH & DEVELOPMENT

R&D actions of EYDAP for 2013:

The modern providers of water and wastewater services must spot the challenges of the next 10-20 years and undertake actions to develop new technologies. One of these actions is investing (with own resources and / or public financing) in research, technological development and innovation.

EYDAP created the Research and Development Department (R & D) in early 2011, having as primary and principal purpose the development and dissemination of knowledge, innovation and extrovert perspective. The aim of the department is to strengthen applied research in order to improve and resolve issues concerning the operation of the Company and to promote actions for:

- Acquisition of new knowledge which can be exploited by the operation departments of the company.
- Improving the quality of its services through the use of new technologies such as reducing the environmental and energy footprint of the organization.
- Developing and providing new services for citizens and businesses.
- Increasing staff productivity through the introduction of new methods of work (eg open innovation methods).
- Reducing operating costs of the company (eg through process automation).
- Creating a research center.
- Creating the research archive of the company that will include all the results of research applications
- Disseminating the scientific knowledge within the company.

During 2013 EYDAP's actions in the R&D field were the following:

1. Research Activity:

- Twelve proposals of research projects were submitted for EU funding, three of those were accepted. These three research projects will start in early 2014.
- Three internal research projects with the following topics were completed:
 - i. Improvement of drinking water treatment
 - ii. Confront quality problems in reservoirs
 - iii. Exploitation of the effectiveness of alternative methods of wastewater treatment and waste
- EYDAP participated in the following EU funded research projects:
 - i «TRUST» on the development and optimization of water and wastewater companies' services
 - ii. «CYANOCOST» on confronting algae growth in reservoirs

2. Development and accreditation of the laboratories of the research center

The laboratories of the research center were accredited under ISO17025 in all areas of interest of the company (raw and treated wastewater - waste water reuse, raw and drinking water). Therefore all the test results of the laboratories are considered valid and unambiguously. As part of the company's operation, the laboratories of the research center performed daily test on «internal» customers (within the company) samples and “external” customers samples such as the Environmental Inspectors of the Ministry of Environment. The laboratories of the research center performed more than 13.000 tests during 2013.

3. Create and maintain the research archive of the company

For the first time in company's history, the R & D department created the research archive of the company. A significant volume of research projects covering the research activities of the past 20 years were collected. This archive is available to all departments of EYDAP in order to spread scientific knowledge and experience in all areas of the company's interest (water abstraction, water treatment , water quality , wastewater quality and wastewater treatment) . A further objective is to create an electronic library/database accessible to all who will include the results of projects that have been implemented , those that are in progress and the potential of new proposals.

POST BALANCE SHEET EVENTS

EYDAP SA, since the end of 2013, has started an effort to reconcile legal cases of civil actions pending for several years, which were forcing the company to formulate predictions about large sums of money to cover them. On the 16th of December 2013 a Private Settlement Agreement was signed, according to which EYDAP was obliged to pay the amount of euro 55 mn in order to cover pending for several years legal cases, versus to total claims amounting to euro 129.783 mn. This Agreement has never been set into effect and consequently it was repealed me the No 18275/2014 decision of the BoD of EYDAP S.A. A new Private Settlement Agreement was signed on 16/01/2014, according to which, the pending for several years categories of civil actions brought by employees and retired employees – about 2,500 cases - for which favorable decisions have been issued, many of which have become final and irrevocable, amounting to euro 134 mn, finally reconciled to the amount of euro 64 mn. This agreement is not expected to have substantial impact on the Company's equity and financial statements, as the adequate provisions that the Company had formed for this purpose until 31/12/2013 will be used. On 31.12.2013, the Company has made a provision with a value of approximately € 73 million of which € 9 million for approximately associated costs.

Finally, on the 29th of December 2014, EYDAP SA decided (BoD Decision No 18290) the cash payment over the increase of share capital of "EYDAP NISON SA" by euro 150,000.00. This decision was confirmed by voting at the Extraordinary General Meeting of "EYDAP NISON SA", on the 7th of February 2014. At the same Extraordinary General Meeting, Mr. Leonidas Kairis member of the BoD and General Manager of EYDAP Nison SA was replaced by Mr. Petros Matsoukis.

STATEMENT OF CORPORATE GOVERNANCE

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:

Code of Corporate Governance

- i. Board of Directors and Audit Committee
- ii. Shareholders' Meeting and Rights
- iii. Internal Audit and Risk Management
- iv. Other managerial, supervisory bodies or Committees of the Company

A. Code of Corporate Governance

EYDAP has compiled a Corporate Governance Code, which has been embedded in the Internal Rules of Operation, forming from 23/10/2013 a unified text named as Internal Rules of Corporate Governance and Operation of EYDAP S.A. This text, is available to the public at the Company's Headquarters, Shareholder and Investor Relations Department, at 156 Oropou str Galatsi and at the Company's offices, Corporate Announcements Department, at 9 Ilision str, Ilisia.

The Company does not apply any practices beyond the provision of the Law.

B. Board of Directors & Audit Committee

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 Law 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:

- a.** Two (2) representatives of Company employees elected (along with an equal number of alternate representatives) by direct and universal vote;
- b.** Two (2) members representing minority shareholders, elected as provided for in article 36 of the Company's Articles of Association;
- c.** 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.

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 01/01/2013 to 31/12/2013 were as follows:

a. From 01/01/2013 to 31/03/2013

Stylianos Stavridis, Chairman & CEO, executive Member
Dionysios Asimakopoulos, Deputy Chairman, non-executive Member
Antonios Antonopoulos, Independent non-executive Member
Georgios Kontoroupis, non-executive Member
Eleftheria Karahaliou, non-executive Member
Antonios Kotsonis, non-executive Member
Nikolaos Koumgioumtzis, non-executive Member
Epameinondas Sklavenitis, non-executive Member
Panagiotis Skoularikis, non-executive Member
Christos Mistriotis, non-executive Member
Emmanouil Aggelakis, non-executive Member
Evangelos Moutafis, non-executive Member

b. From 01/04/2013 to 21/04/2013 (election of Antonios Vartholomeos)

Stylianos Stavridis, Chairman, non-executive Member
Antonios Vartholomeos, CEO, executive Member
Antonios Antonopoulos, Independent non-executive Member
Dionysios Asimakopoulos, non-executive Member
Georgios Kontoroupis, non-executive Member
Eleftheria Karahaliou, non-executive Member
Antonios Kotsonis, non-executive Member
Nikolaos Koumgioumtzis, non-executive Member
Epameinondas Sklavenitis, non-executive Member
Panagiotis Skoularikis, non-executive Member
Christos Mistriotis, non-executive Member
Emmanouil Aggelakis, non-executive Member
Evangelos Moutafis, non-executive Member

c. From 22/04/2013 to 29/04/2013 (election of Grigorios Zafeiropoulos, Lambros Zografos, Panteleimon Kamas and Anastasios Kourtis)

Stylianos Stavridis, Chairman,
non-executive Member
Antonios Vartholomeos, CEO,
executive Member
Lambros Zografos, Independent
non-executive Member
Eleftheria Karahaliou, non-executive Member
Grigorios Zafeiropoulos, non-executive Member
Panteleimon Kamas, non-executive Member
Epameinondas Sklavenitis, non-executive Member
Anastasios Kourtis, non-executive Member
Panagiotis Skoularikis, non-executive Member
Christos Mistriotis, non-executive Member
Emmanouil Aggelakis, non-executive Member
Evangelos Moutafis, non-executive Member

d. From 30/04/2013 to 27/06/2013 (election of Antonios Vartholomeos, Evgenia Bournova and Evaggelos Palaiologos)

Antonios Vartholomeos, Chairman & CEO,
executive Member
Evaggelos Palaiologos, Deputy Chairman,
non-executive Member
Lambros Zografos, Independent
non-executive Member
Eleftheria Karahaliou, non-executive Member
Grigorios Zafeiropoulos, non-executive Member
Panteleimon Kamas, non-executive Member
Epameinondas Sklavenitis, non-executive Member
Anastasios Kourtis, non-executive Member
Panagiotis Skoularikis, non-executive Member
Christos Mistriotis, non-executive Member
Emmanouil Aggelakis, non-executive Member
Evangelos Moutafis, non-executive Member
Evgenia Bournova, non-executive Member

e. From 28/06/2013 to 31/12/2013 (election of new Members due to expiration of their term)

Antonios Vartholomeos, Chairman & CEO,
executive Member
Evaggelos Palaiologos, Deputy Chairman,
non-executive Member
Lambros Zografos, Independent
non-executive Member
Eleftheria Karahaliou, non-executive Member
Grigorios Zafeiropoulos, non-executive Member
Panteleimon Kamas, non-executive Member
Epameinondas Sklavenitis, non-executive Member
Anastasios Kourtis, non-executive Member
Panagiotis Skoularikis, non-executive Member
Christos Mistriotis, non-executive Member
Emmanouil Aggelakis, non-executive Member
Evangelos Moutafis, non-executive Member
Ioannis Hondrogiannos, non-executive Member

Resignation dates of BoD Members and Decisions of General Assembly and BoD for the election of new Members.

a. Resignation dates of BoD Members

17/04/2013 resignation of Antonios Antonopoulos
16/04/2013 resignation of Antonios Kotsonis
13/04/2013 resignation of Georgios Kontoroupis
15/04/2013 resignation of Nikolaos Koumgiumtzis
12/04/2013 resignation of Dionysios Asimakopoulos
30/04/2013 resignation of Stylianos Stavridis

b. Resolutions of General Meeting and BoD for the election of new Members Resolutions of General Meeting

- Extraordinary General Meeting of 19th/11/12, election of Stylianos Stavridis and Eleftheria Karahaliou.
- 31st Ordinary General Meeting of 28th/06/13, election of Antonios Vartholomeos, Evaggelos Palaiologos, Lambros Zografos (independent Member), Eleftheria Karahaliou, Panteleimon Kamas, Anastasios Kourtis, Epameinondas Sklavenitis, Grigorios Zafeiropoulos and Ioannis Hondrogiannos.
- Special General Meeting of 28th/06/13, election of Panagiotis Skoularikis and Christos Mistriotis.

Resolutions of BoD

- 17824/19.11.2012 election of Stylianos Stavridis as Chairman of BoD and CEO.
- 17825/19.11.2012 election of Dionysios Asimakopoulos as Deputy BoD Chairman.
- 17993/01.04.2013 election of Antonios Vartholomeos as BoD Member.
- 17994/01.04.2013 election of Antonios Vartholomeos as CEO.
- 18003/22.04.2013 election of Grigorios Zafeiropoulos, Lambros Zografos, Panteleimon Kamas and Anastasios Kourtis as BoD Members.
- 18023/30.04.2013 election of Antonios Vartholomeos as Chairman of the BoD.
- 18024/30.04.2013 election of Evaggelos Palaiologos as Deputy BoD Chairman.
- 18104/28.06.2013 election of Antonios Vartholomeos as Chairman of the BoD and CEO.
- 18105/28.06.2013 election of Evaggelos Palaiologos as Deputy BoD Chairman.

Number of BoD meetings from 01/01/2013 to 31/12/2013

During the above mentioned time period the BoD held thirty two (32) meetings (1092/16.01.2013 to 1122/20.12.2013)

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:

- a.** 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 para. 4 of article 8 and para. 5 of article 9 of the Articles of Association;
- b.** 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;
- c.** On the approval of the annual financial statements of the Company;
- d.** On the appropriation of the annual profits and the approval of the emoluments to members of the Board of Directors;
- e.** On the discharge of the members of the Board of Directors and Auditors from any personal liability;
- f.** On the issue of bond loans of any type, subject to para. 4 of article 9 of the Articles of Association;
- g.** On the merger, division, conversion, revival, extension of the term and dissolution of the Company;
- h.** On the appointment of liquidators.

As to the rest, the provisions of article 34, para. 2, of C.L. 2190/20, 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, para. 2, and 26a of Codified Law 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 rights and method of their exercise

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 law 2190/1920, the said shareholder participates in the General Meeting only after its license.

Regarding the other rights of shareholders and minority shareholders and how to exercise them, the respective provisions of Law 2190/1920 are applied.

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, para. 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, para. 2 and 3, and article 9, para. 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 according to paragraph 2 of Article 31 of the Articles of Association; 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 paragraph 1 of this article are passed by a majority of two thirds (2/3) of the share capital represented in the General Meeting.

Other Information

The information of article 27 paragraph 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 of C.L. 2190/1920 are available in electronic form on the Company's website (www.eydap.gr).

D. Internal Audit System & Risk Management

Audit Committee

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

Composition of the Audit Committee from 01/01/2013 to 31/12/2013

a. From 01/01/2013 to 17/04/2013

BoD Resolution 17453/28.11.2011

Antonios Antonopoulos, Chairman
Epaminondas Sklavenitis, Member
Christos Mistriotis, Member

b. From 22/04/2013 to 31/12/2013

BoD Resolution 18005/22.04.2013

Lambros Zografos, Chairman
Epaminondas Sklavenitis, Member
Christos Mistriotis, Member

Resolution of 31st Ordinary General Meeting of 28/06/2013
Reelection of Lambros Zografos as BoD Member and as independent Member.
Reelection of Epaminondas Sklavenitis as BoD Member.

Resolution of Special Minority Shareholders Meeting of 28/06/2013
Reelection of Christos Mistriotis as BoD Member.

BoD Resolution 18107/28.06.2013
Lambros Zografos, Chairman
Epaminondas Sklavenitis, Member
Christos Mistriotis, Member
Resolution of Extraordinary General Meeting of 26/07/2013

Ratification of the Members of the Audit Committee based on the BoD Resolution 18107/28.06.2013.

Number of Audit Committee meetings from 01/01/2013 to 31/12/2013

During the above mentioned time period the Audit Committee held four (10) meetings.

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 overview and 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.

Main characteristics of the Internal Audit System

The internal audit of the Company is conducted by the Internal Audit Division, which is an independent organization unit referring to the BoD of the Company. The internal audit division is supervised by the audit committee of the BoD.

The Internal Audit Division'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 (or those executives who have been authorized to be responsible for the implementation of corrective actions) for the results of the audit, the opinion that was formed for each of them and their respective contributions made (by the same auditor).
- To assess past actions taken in the course of rectifying audit issues previously identified and brought to the attention of the Management.

The Internal Audit Control Division is responsible for:

- To monitor the implementation and continuous compliance with the Internal Operating Regulation and the Articles of Association of the Company, as well as with the general law relating to the Company and especially the law of joint stock companies and brokerage.
- To verify the compliance with the commitments contained in the annual reports and the business plan of the Company regarding the use of funds raised from the stock market
- To verify the legitimacy of the fees and all manner of benefits provided to the members of the administration with respect to the decisions of the competent bodies of the Company
- To control the relationships and transactions between the Company and its affiliated companies within the meaning of article 42 paragraph 5 of the Law 2190/1920, and the relationships of the Company with companies in the capital of which members of the Board of the Company are participating with at least 10% or shareholders with at least 10%.
- To monitor and recognize the cases where there is conflict of private interests of board members or directors of the Company with the Company's interests, which are revealed during the performance of its duties (which are stated to the Board of Directors)
- To control whether confidentiality is ensured as well as the adequate notification of events such as: decisions on essential alterations in business activities, decisions or agreements concluding or resolving business partnerships or alliances and any essential international initiative, decisions for submitting public offer market etc., as well as whether the preconditions for transactions of liable persons are applicable.
- To check whether there is «pre-notification» of certain transactions relating to securities of the Company for such persons as noted in the relevant legislation.
- To check whether the obligations of the Shareholders and Investor Relations Department and the Corporate Communications Department are in compliance with the relevant legislation
- To check whether the annual report is prepared in accordance with the requirements described in the relevant legislation

The internal audit implements in an independent and objective way the following activities:

- Identification and prioritization of business risks
- Overview of the Company's activities in order to ascertain whether they are being implemented in an effective and efficient way, and in accordance to the instructions of the management, the policies and procedures.
- Evaluation of the sufficiency and effectiveness of internal control system in all areas of activity and with specified priorities
- Overview of the way the assets of the Company are being protected and confirmation of the existence of those data

(inventory, counting, etc.).

- Assessment of the cost effectiveness and efficiency in the use of resources, and suggestions to the problems that may exist.
- Coordination with the work of the external auditors
- Evaluation of data processing systems in order to examine whether these systems meet their goals and objectives and whether adequate audit procedures have been incorporated.
- Follow up of recommendations from previous audits, for which there have been commitments for corrective actions

The way in which internal audit control is performed ensures that there is compliance with international standards of internal audit control and with the Code of Conduct of the Institute of Internal Auditors.

The Director and the staff of the Internal Audit Control Division during the performance of their duties are independent, and they do not come under of any other division of the Company. The Director and the staff of the Internal Audit Control Division are supervised by the Audit Committee.

Internal auditors are appointed by the Board of Directors and they are dedicated to a full-time job. From the Internal Audit Control Division are excluded all members of the Board of Directors, managers who have other responsibilities apart from than the the Internal Audit Control responsibilities or relatives of the above up to the second degree by blood or marriage.

In addition, during the performance of their duties, the Director and the staff of the Internal Audit Control Division (as well as members of the Audit Committee) may examine any documents is absolutely necessary for conducting the audit.

Risk Management

The Internal Audit Division, through the procedures mentioned above is responsible for the assessment and management of operational risks that may be undertaken by the Company.

The Company focuses on the effective monitoring and management of potential risks in order to maintain the stability and continuity of its work, as follows:

- In forming a comprehensive framework and proposing strategy, policies and procedures for managing and monitoring the risks that would undertaken by the Company in accordance with the directions of the management.
- The definition, acknowledgment and assessment of the undertaken risks.
- Developing and implementing adjusted tools in relation to the risk of billing of services and education of the organizational units for their use
- In preparation of Crisis Management Plan
- In forming a corporate culture of risk management in each hierarchical level of the Company

For the effective application of those tasks, the responsible Division, has access to all the activities of the Company and all data and information necessary for the fulfillment of its tasks.

E. Other managerial or supervisory bodies or committees of the Company

No other managerial or supervisory bodies or committees exist at the time.

EXPLANATORY REPORT

Information pursuant to article 4, paragraph 7 of Law 3556/2007

No other managerial or supervisory bodies or committees exist at the time.

Share Capital Structure

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).

The Company's shares are all common shares with voting rights and there are no special classes of shares. Each share incorporates all rights and obligations arising from the Law 2190/1920 (hereinafter Law). The Company's shares are listed for trading on the Athens Stock Exchange.

The ownership of each share automatically implies rightfully the owners' acceptance of the terms of the Articles of Association and the legal resolutions of the General Meetings of shareholders, even if the shareholders did not participate in these. The liability of shareholders is limited to the nominal value of their shares. Shareholders participate in the management and profits of the company in accordance with the Law and the Articles of Association.

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.

According to Article 4 of Law 3016/2002, as applicable, the independent non-executive Members of the BoD can not, among other things, own shares by more than 0.5% of the paid up share capital.

Major Direct or Indirect Shareholders, as Provided in Articles 9 to 11 of Law 3556/2007

Significant direct and indirect shareholdings of persons (natural and legal) on the total share capital and total voting rights of the Company as provided in articles 9 to 11 of Law 3556/2007, by 31.12.2013, presented below:

The Hellenic Republic Asset Development Fund owns 61.33% of the Company's share capital corresponding to 65,319,740 common nominal shares and voting rights and Bank of Piraeus holds 10% of share capital corresponding to 10,648,800 common nominal shares and voting rights.

On 31 December 2013, there were no other shareholders in the Company who have held, acquired or ceded directly or through a third party legal or natural person, more than 5% of the voting rights within the meaning of Articles 9 to 11 of Law 3556/2007.

Shares Conferring Special Control Rights

There are no shares that confer to their holders' special control rights, except the right of the minority shareholders to elect in accordance with Articles 11 and 36 of the Company's Articles of Association two Board members through a special meeting convened specifically for this purpose. For convocation and decision on this meeting, the articles of the Articles of Association of the Company and the Law apply according for the convening and deciding on General Meetings. Every shareholder present and voting legally, is entitled to propose and pass a single Board Member regardless of the number of shares held.

Restrictions on Voting Rights

At the special meeting of minority shareholders (Articles 11 and 36 of the Company's Articles of Association) the majority shareholder is excluded from attending (former Greek State) and in the General Assembly that elects the remaining members of the Board the participation of minority shareholders is excluded respectively (Article 11 paragraph .2 section c).

The Company's Articles of Incorporation do not include any other restrictions on voting rights.

Agreements between Shareholders

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.

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

According to Article 11 paragraph 1 & 2 of the Articles of Association, the Company is managed by the Board, with an odd number of Board Members and can not exceed thirteen (13) or be less than seven (7) members

The Board of Directors consists of:

- 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 Law 2469/ (Government Gazette A' 38), as in force whenever.
- Two (2) members representing minority shareholders, in accordance with the provisions of article 18, paragraphs 3 and 5 of Codified Law 2190/1920, elected as per the provisions of article 36 hereof.
- 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.

According to paragraph 4 of Article 11, the elected from the employees two (2) Members, are appointed within two (2) months of their election. Until those employee representatives are appointed, the Board is lawfully constituted and operating 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.

According to paragraph 4 section (a) of Article 11, non-election, non-appointment or non completion 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.

According to paragraph 5 of Article 11, 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.

Apart from the above differentiations, the other rules provided by the Articles of Association regarding the appointment and replacement of members of the Board of Directors of the Company, as well as the amendment of the Articles of Association, are no different from the provisions of Law 2190 / 1920, as in force.

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 Law 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 Law 2190/1920, as currently in force.

3. A share capital increase resolved as per the provisions of paragraph 2 of this article shall not constitute an amendment of the Articles of Incorporation.

4. As an exception to the provisions of paragraph 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 Law 2190/1920 apply without modifications.

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.

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.

Galatsi, 26 March 2014
The Members of the Board of Directors

Name	Position
Antonios Vartholomeos	Chairman & CEO
Evangelos Palaiologos	Member
Gregory Zafeiropoulos	Member
Ioannis Chondrogiannos	Member
Lampros Zografos	Member
Eleftheria Karachaliou	Member
Panteleimon Kamas	Member
Anastasios Kourtis	Member
Epaminondas Sklavenitis	Member
Panayotis Skoularikis	Member
Christos Mistriotis	Member
Emmanouel Aggelakis	Member
Evangelos Moutafis	Member

Exact Copy of No 1128
Minutes of the Board of Directors of 26th of March 2014


The Chairman and CEO

Antonios Vartholomaïos



5.3 ANNUAL FINANCIAL STATEMENTS

OF THE FINANCIAL
YEAR 1 JANUARY TO
31 DECEMBER 2013
IN ACCORDANCE WITH
THE INTERNATIONAL
FINANCIAL REPORTING
STANDARDS (IFRS)
OF THE GROUP AND
EYDAP SA (THE COMPANY)



DOMICILE: 156 OROPOU ST., GALATSI
SA REGISTRATION NUMBER 44724/06/B/99/52
G.E.M.I. (Greece's General Electronic Commercial
Registry) NUMBER 121578960000

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- General Information for the Company
- Statement of Income for the Financial Years ended on 31st December 2013 & 2012
- Statement of Total Comprehensive Income for the Financial Years ended on 31st December 2013 & 2012
- Statement of Financial Position of 31st December 2013 & 2012
- Statements of Changes in Shareholders' Equity of 1st January – 31st December 2013 & 2012
- Cash Flow Statements of 1st January – 31st December 2013 & 2012
- Notes on the Annual Financial Statements of 31st December 2013

The present Financial Statements, pages 83-135 were approved by the Board of Directors on 26 March 2014 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, 26 March 2014

The Chairman & Chief
Executive Officer

The Member of the Board of
Directors

The Director
of Financial Services

The Head of Accounting
Department

Antonios Vartholomaïos
ID No. AK 543580

Hondrogiannos Ioannis
ID No. AI 094411

Spyropoulou Eleni
ID No AI 060168
Economic Chamber of
Greece Accounting License
Reg. No A/22806

Skylaki Lemonia
ID NO. Ξ 971227
Economic Chamber of Greece
Accounting License
Reg. No. A/17806

GENERAL INFORMATION FOR THE COMPANY

Company Name:	Athens Water Supply and Sewerage Company S.A.
Distinctive Title:	EYDAP S.A.
Domiciliation:	156 Oropou St. – Galatsi
Date of Establishment:	25/10/1999
Company Duration:	100 years
Main Activity:	Water Supply - Sewerage
G.E.MI. (Greece's General Electronic Commercial Registry) Number	121578960000
Prefecture:	Athens
Tax Registration Number:	094079101
Members of the Board of Directors:	Ant. Vartholomaïos, Evang. Palaiologos, Elefth. Karachaliou, Grig. Zafeiropoulos, Lambros Zografos, Panteleimon Kamas, Anast. Kourtis, Ioannis Hondrogiannos, Epam. Sklavenitis, Panag. Skoularikis, Christ. Mistriotis, Emman. Aggelakis, Evang. Moutafis
Ending Date of the Current Period:	31 December 2013
Duration of the Period:	12 months
Form of Financial Statements (which have been the basis in compiling the condensed financial statements):	Annual
Date of Approval of Financial Statements (which have been the basis in compiling the condensed financial statements):	26 March 2014
Chartered Auditors Accountants:	Nikolaos Sofianos (Reg. No. SOEL 12231) Nikolaos Papadimitriou (Reg. No. SOEL 14271)
Auditing Company:	CHATZIPAVLOU, SOFIANOS & KAMPANIS SA CERTIFIED AUDITORS CONSULTANTS & BUSINESS CONSULTANTS d.t. DELOITTE
Audit Report on the Annual Financial Statements from Chartered Auditor Accountant:	Qualified Opinion – Matter of Emphasis
Internet address where the Financial Statements are registered::	www.eydap.gr

STATEMENT OF INCOME FOR THE FINANCIAL YEARS ENDED ON 31ST DECEMBER 2013 & 2012

Amounts in € thousands	NOTE	GROUP		COMPANY	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
Turnover	5	336.165	353.344	336.154	353.345
Cost of Goods Sold	6	(190.570)	(202.750)	(190.569)	(202.751)
Gross Profit		145.595	150.594	145.585	150.594
Other Operating Income	5	2.131	1.677	2.131	1.677
General and Administration Expenses	6	(56.258)	(44.381)	(56.232)	(44.366)
Distribution and Selling Expenses	6	(33.196)	(25.347)	(33.196)	(25.347)
Operating Profit		58.272	82.543	58.288	82.558
Other Expenses		(4.200)	(2.507)	(4.689)	(2.507)
Financial Income	9	16.169	5.275	16.169	5.275
Financial Expenses	10	(8.501)	(17.229)	(8.501)	(17.229)
Valuation of Participation in Associate Company		0	(76)		
Profit before Taxes		61.740	68.006	61.267	68.097
Income Tax	11	16.420	(16.382)	16.420	(16.385)
Net Profit after Taxes		78.160	51.624	77.687	51.712
Earnings per Share (in €)	12	0,73	0,48	-	
Proposed Dividend (in €)		-	-	0,36	0,15
Dividend from Tax Free Reserve (in €)		-	-	0,02	-

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED ON 31ST DECEMBER 2013 & 2012

Amounts in € thousands	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Net Profit for the Year	78.160	51.624	77.687	51.712
Valuation of portfolio's equities available for sale - Other income transferrable to following years' results	(233)	755	(233)	755
Actuarial profit-losses of defined benefit plans – Other income non transferrable to following years' results	50.325	14	50.325	14
Total Comprehensive Income after Taxes	128.252	52.393	127.779	52.481

STATEMENT OF FINANCIAL POSITION OF 31ST DECEMBER 2013 & 31ST DECEMBER 2012

Amounts in € thousands	NOTES	GROUP		COMPANY	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
ASSETS					
NON-CURRENT ASSETS					
Goodwill	13	3.357	3.357	3.357	3.357
Other Intangible Assets	14	1.420	1.772	1.420	1.772
Tangible Assets	15	976.641	995.178	976.641	995.178
Investments in Associate Companies	16	0	53	0	542
Investments in Subsidiaries	17	0	0	60	60
Investments Available for Sale	18	1.369	1.602	1.369	1.603
Long-term Receivables	19	5.407	147.591	5.407	147.590
Deferred Tax Assets	20	93.593	66.453	93.593	66.450
Total Non-Current Assets		1.081.787	1.216.006	1.081.847	1.216.552
CURRENT ASSETS					
Materials and Spare Parts	21	15.798	17.616	15.798	17.616
Trade Receivables	22	203.194	310.042	203.181	310.041
Other Receivables	23	18.359	90.513	18.371	90.512
Cash and Cash Equivalents	24	331.967	43.106	331.941	43.072
Total Current Assets		569.318	461.277	569.291	461.241
Total Assets		1.651.105	1.677.283	1.651.138	1.677.793
LIABILITIES					
SHAREHOLDERS' EQUITY					
Share Capital	25	63.900	63.900	63.900	63.900
Share Premium		40.502	40.502	40.502	40.502
Reserves	26	380.302	381.013	380.302	381.013
Retained Earnings (earnings carried forward)	27	465.911	358.248	465.949	358.759
Total Shareholders' Equity		950.615	843.663	950.653	844.174
LONG TERM LIABILITIES					
Liabilities for Employee Benefits	29	252.609	258.413	252.609	258.413
Provisions	30	25.854	68.002	25.854	68.002
Investment Subsidies and Customer Contributions	31	204.598	211.379	204.598	211.379
Consumers' Guarantees	32	18.042	17.927	18.042	17.927
Total Long-Term Liabilities		501.103	555.721	501.103	555.721
SHORT-TERM LIABILITIES					
Operating Short Term Liabilities	33	82.490	56.576	82.484	56.576
Current Tax Liabilities	11	11.935	8.714	11.935	8.714
Short Term Loans	28	3.142	185.481	3.142	185.481
Other Short Term Liabilities	33	101.820	27.128	101.821	27.127
Total Short-Term Liabilities		199.387	277.899	199.382	277.898
Total Liabilities		1.651.105	1.677.283	1.651.138	1.677.793

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF 31ST DECEMBER 2013 & 31ST DECEMBER 2012

GROUP 2013

Amounts in € thousands	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results profit carried forward	Total Equity
Equity Balance at 1st January 2013	63.900	40.502	21.547	358.283	1.183	358.248	843.663
Net Profit for the Period						78.160	78.160
Tax on reserve of tax free income				(478)		478	0
Net income recorded directly in Equity					(233)	50.325	50.092
Dividends						(21.300)	(21.300)
Equity Balance at 1st January 2013	63.900	40.502	21.547	357.805	950	465.911	950.615

2012

Amounts in € thousands	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results profit carried forward	Total Equity
Equity Balance at 1st January 2012	63.900	40.502	21.547	358.283	428	324.715	809.375
Net Profit for the Period						51.624	51.624
Arrangement of Reserves of Non-Distributed Dividends							
Net income recorded directly in Equity			755	14	769		
Dividends						(18.105)	(18.105)
Equity Balance at 31st December 2012	63.900	40.502	21.547	358.283	1.183	358.248	843.666

COMPANY 2013

Amounts in € thousands	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results profit carried forward	Total Equity
Equity Balance at 1st January 2013	63.900	40.502	21.547	358.283	1.183	358.759	844.174
Net Profit for the Period						77.687	77.687
Tax on reserve of tax free income			(478)		478	0	
Net income recorded directly in Equity					(233)	50.325	50.092
Dividends						(21.300)	(21.300)
Equity Balance at 31st December 2013	63.900	40.502	21.547	357.805	950	465.949	950.653

2012

Amounts in € thousands	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results profit carried forward	Total Equity
Equity Balance at 1st January 2012	63.900	40.502	21.547	358.283	428	325.138	809.798
Net Profit for the Period						51.712	51.712
Arrangement of Reserves of Non-Distributed Dividends							
Net income recorded directly in Equity					755	14	769
Dividends						(18.105)	(18.105)
Equity Balance at 31st December 2012	63.900	40.502	21.547	358.283	1.183	358.759	844.174

CASH FLOW STATEMENTS OF 1ST JANUARY - 31ST DECEMBER 2013 & 2012

Amounts in € thousands	GROUP		COMPANY	
	1.1-31.12.2013	1.1-31.12.2012	1.1-31.12.2013	1.1-31.12.2012
Cash Flows from operating activities				
Profit before tax	61.740	68.006	61.267	68.097
Plus / minus adjustments for:				
Depreciation and amortization	39,642	41,536	39,642	41,536
Amortization of customer contributions and investment subsidies	(9,637)	(7,326)	(9,637)	(7,326)
Income from securities	(43)	(50)	(43)	(50)
Impairment of investments	5	76	495	0
Provisions for personnel compensation	61,040	(20,287)	61,040	(20,287)
Other provisions	(25,656)	38,603	(25,656)	38,603
Interest and related income	(16,126)	(5,225)	(16,126)	(5,225)
Interest and related expense	8,501	17,229	8,501	17,229
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables	375,065	(40,566)	375,083	(40,566)
Materials and spare parts	1,842	(1,348)	1,842	(1,348)
Increase (Decrease)				
Operating short term liabilities	35,537	(5,409)	35,510	(5,403)
Customers' guarantees	115	150	115	150
Obligations for employees benefits	1,164	622	1,164	622
Minus:				
Interest and related expenses paid	(11,103)	(14,991)	(11,103)	(14,991)
Income tax paid	(24,398)	(9,736)	(24,398)	(9,736)
Net Cash Flows from Operating Activities (a)	497,688	61,284	497,696	61,305
Cash flows from investing activities				
Dividends received	43	50	43	50
Interest and related income received	7,494	3,929	7,494	3,929
Purchases of tangible assets	(20,028)	(16,467)	(20,028)	(16,466)
Purchases of intangible assets	(725)	(915)	(725)	(916)
Proceeds from customer contributions and subsidies	2,856	4,968	2,856	4,968
Cash collection from liquidation of affiliated company	48	0	48	0
Net Cash Flows from Investing Activities (b)	(10.312)	(8.435)	(10.312)	(8.435)
Cash flows from financing activities				
Loan repayments	(178,993)	(15,372)	(178,993)	(15,372)
Dividends paid	(19,522)	(16,346)	(19,522)	(16,346)
Net Cash Flows from Financing Activities (c)	(198.515)	(31.718)	(198.515)	(31.718)
Net increase / (decrease) in cash and cash equivalents for the period				
(a) + (b) + (c)	288.861	21.131	288.869	21.152
Cash and cash Equivalents at the beginning of period				
	43.106	21.975	43.072	21.920
Cash and cash Equivalents at the end of period	331.967	43.106	331.941	43.072

NOTES ON THE ANNUAL FINANCIAL STATEMENTS OF 31ST DECEMBER 2013

1. ESTABLISHMENT, OPERATIONS AND LEGAL FRAMEWORK OF THE COMPANY

“Athens Water Supply and Sewerage Company” (“EYDAP” or “Company”) was established in 1980 following the merger between the Hellenic Water Company and the Sewerage Organization of Athens. The Company’s Headquarters are located at 156 Oropou Street, Galatsi, pc 111 46, Athens.

The Company operates in the sector of supply and refinement of water, providing as well sewerages services and waste management in region of Attica. In accordance with its Articles of Association, where the operation clauses are referred, EYDAP is responsible for the analysis, 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 units of water exploitation and refining with a total daily capacity of 1.8 million cubic water meters.

The sewerage network has a total length of 6,000 kilometers and it is consisted of the main collectors system and the secondary sewerage network.

Within the company’s jurisdiction it is also incorporated the waste water treatment plant (WWTP) of Psitalia, the waste water treatment plant of Metamorphosi as well as the waste management centre of Thriasio.

As of February 28, 2009 after the signing of the deliverance-acceptance protocol by EYDAP and the Ministry of Infrastructure, Transportation and Networks concerning the management of the dehydrated sludge desiccation unit of Psitalia, the company has under its jurisdiction the total facilities of Psitalia sewerage processing centre (Phase A, Phase B, desiccation and CETHE). The company has also the responsibility and management cost (transfer and energy development) of the desiccated product.

The waste water treatment plant (WWTP) in Psitalia also operates as well three Electrical and Thermal Energy Co-production units (ETEC). The one ETEC unit operates with the combustion of natural gas of electrical power 12.9 MWe and thermal power of 17.3 MWth respectively. The other two ETEC units operate with the combustion of biogas of total electrical power of 11.4 MWe (7.14 MWe & 4.25 MWe) and thermal of 17.2 MWth respectively.

Through operating of the waste water treatment plant (WWTP) in Psitalia, EYDAP has been incorporated in the System of Greenhouse Gas Emission Allowance Trading (December 2012).

EYDAP has also installed and operate four small hydroelectric stations in Kirphi, Eliconas, Kithaironas and Mandra of Mornos Aqueduct locations. In addition it was also completed the construction and it was delivered a small hydroelectric power station in Evinos (power of 820KW).

The Company operates under the authority of the Ministry of Infrastructure, Transportation and Networks and in accordance with the clauses of the Corporate Law 2190/1920 and establishment Law 1068/1980 as amended by Law 2744/1999.

Until the enactment of L 2744/1999 the Company operated as wholly state-owned utility. On 1999 the Hellenic State decided to partially privatize the Company through an Initially Public Offering in Athens Stock Exchange. With respect to this privatization, it was introduced and enacted the 2744/1999 Law, the main clauses of which are as follows:

The legal duration of EYDAP is set to 100 years commencing as of 25th of October 1999, date at which the L 2744/1999 was published. The aforementioned period can be expanded by an individual resolution of the General Assembly.

EYDAP has the exclusive right to provide supply and distribution of water and sewerage services in the Attica region for 20 years commencing as of date of which the L 2744/1999 was published in the Government Gazette. This exclusive right is not transferable and it can be renewed following a written agreement between the Greek State and the Company.

By the article 35 par.2 of the law 4053/2012, EYDAP is enabled through its subsidiaries to undertake as well activities outside of its jurisdiction, as effective by the Law 1068/80 as effective through programmatic contracts of the article 100 of the law 3852/2010. At this case the subsidiaries are governed by the same legal and regulatory framework as effective for EYDAP with the exception of the tariffs policy which is defined by the programmatic contracts.

Apart from the amendment resulted from the article 28, paragraph 2 of L. 4053/2012 in the paragraph 6 of article 1 of L. 2744/1999 the following regulatory changes have been made:

With the paragraph 2, of article 1 of legislative act, Gov. Gaz. A 175/07.09.2012, which was ratified with the article 1st of L. 4092/2012, Gov. Gaz. A 220/08.11.2012, it is stipulated that the paragraph 10 of article 1 of L. 2744/1999 (A 222) is abolished. Transfers of shares of EYDAP S.A. from the Greek State to Hellenic Republic Asset Development Fund are valid even if they occurred prior to the enactment of the current Law.

The Company's articles of association were amended in accordance with the above regulation.

With the article 64 of L. 4150/2013 Gov. Gaz. A 102/29.4.2013, the paragraph 5A was added to the article 1 of L. 2744/1999, according to which the following are stipulated: "With joint decision of the Ministers of Development & Competitiveness, of Infrastructure, Transport & Networks, of Marine & Aegean and of other pertinent Ministers, EYDAP SA or subsidiary companies can be assigned with the study or with the assignment of a study with regard to the construction in island areas of projects related to the companies' activities, as well as with the assignment and the execution management of such projects. The decision stipulates special issues, such as the obligations of the Company (EYDAP S.A.) or its subsidiaries, the principal of the project, the financing scheme of the studies and the projects, the pertinent and responsible bodies, and any issue relevant to the application of this paragraph."

For the period 2000 up to 2013 the tariffs of water supply and sewerage services are defined through common decisions made by the Ministry of Infrastructure, Transportation and Networks and the Ministry of Finance, and after taking into account the proposition made by the Company's Board of Directors.

According to article 4 of the L 2744/1999 it has been established Legal Entity of Public Law (L.E.P.L.) under the name "EYDAP Fixed Assets L.E.P.L." ("EYDAP L.E.P.L.") with purpose mainly the management of the operation and maintenance of the dams, the reservoirs and the main transfer channel of water. The Law 2744/1999 refers to the follows:

On October 1999 the dams, the reservoirs and the water supply channels of Marathona and Ilikis' lakes as well as that of Mornos' river which are the main infrastructure installations for the watering of the Attica region have been transferred to EYDAP L.E.P.L., with a decrease of the Special Untaxed Reserve of Equity.

The Greek State through the EYDAP L.E.P.L. is obliged to provide adequate quantities of crude water to the Company in order to be able to meet the demands for water supply.

EYDAP L.E.P.L. is responsible for the proper operation and the maintenance of the dams and watering channels, which have been transferred to it. The aforementioned maintenance has been assigned and is carried out by EYDAP. The annual cost of the maintenance and the proper operation of these installations continues to be counterbalanced against the cost of the crude water, which is provided by the EYDAP L.E.P.L. to the Company. However there is a pending issue with regard to the pricing of the crude water which the Company collects after 30/6/2013.

According to the L 2939/2001, EYDAP continues as well and after the enforcement date of L 2744/1999 – to be the carrier of the projects related with the water supply system of the broader area of Athens which were included under the European Cohesion Fund (ECF) by that time and until their completion. EYDAP has the right to receive the subsidies from the ECF, in retrospect, for the amounts spent or to be spent after the enforcement day of L 2744/99.

EYDAP S.A. established on 18th July 2011 (BoD Decision no. 17241/13.05.2011), the company under the name "NISON' WATER SUPPLY & SEWERAGE SOCIETE ANONYME" with the distinctive title "NISON' EYDAP S.A.". EYDAP S.A. participates with 100% in the share capital of NISONS' EYDAP S.A.. As a result, the Company prepares Consolidated Financial Statements since the financial year 2011.

The Company's revenues are cyclical (increased water consumption in summer months) having as a consequence the occurrence of substantial variances from quarter to quarter in its revenues and financial results. Thus, the interim financial results cannot be characterized as indicative for the trend of the whole year but they are indicative provided that they are compared with the respective results of the previous periods.

2. 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 reporting period and subsequent reporting periods. If not stated differently, the amendments are not expected to have material effect on the consolidated financial statements.

The following standards, amendments to standards and interpretations to existing standards are applicable to the Company for periods on or after 1 January 2013:

IAS 1 (Amendment) 'Presentation of Financial Statements'

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

IAS 19 (Amendment) 'Employee Benefits'

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. The Company has applied the changes from 1 January 2013, and has also restated and reassessed the comparative figures for 2012.

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.

IAS 36 (Amendment) “Recoverable amount disclosures for non-financial assets”

(effective for annual periods beginning on or after 1 January 2014). This amendment requires:

a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognized or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”

(effective for annual periods beginning on or after 1 January 2014).

This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

IFRS 7 (Amendment) “Financial Instruments: Disclosures”

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 recognized financial assets and recognized financial liabilities, on the entity’s financial position.

IFRS 7 (Amendment) “Financial Instruments: Disclosures”

(effective for annual periods beginning on or after 1 January 2015):

The amendment requires additional disclosures on transition from IAS 39 to IFRS 9. The amendment has not yet been endorsed by the EU.

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. The amendment has not yet been endorsed by the EU.

IFRS 9 “Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS7 and IAS 39”

(effective for annual periods beginning on or after 1 January 2015).

The IASB has published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity’s debt attributable to changes in an entity’s own credit risk to be recognized in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have not yet been endorsed by the EU.

IFRS 13 ‘Fair value measurement’

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.

IFRIC 21 “Levies”

(effective for annual periods beginning on or after 1 January 2014).

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date.

IAS 19R (Amendment) “Employee Benefits”

(effective for annual periods beginning on or after 1 July 2014).

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IAS 12 (Amendment) 'Income Taxes' with regard to Investment Property using the fair value model.

IFRIC 20 'Stripping Costs in the Production Phase of a Surface Mine', applicable only to costs incurred in surface mining activity.

IFRS 1 (Amendment) 'Government Loans'.

The amendment sets out how a first-time adopter would account for a government loan with a below-market rate of interest during the transition to IFRSs.

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2014):

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 2014. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. 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 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.

IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance".

(effective for annual periods beginning on or after 1 January 2014). The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities" (effective for annual periods beginning on or after 1 January 2014)".

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

- Amendments to standards that form part of the IASB's 2011 annual improvements project. The amendments set out below describe the key changes to IFRSs following the publication in

May 2012 of the results of the IASB's annual improvements project. These amendments are effective for annual periods beginning on or after 1 January 2013.

IAS 1 "Presentation of financial statements".

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

IAS 16 "Property, plant and equipment".

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

IAS 32 "Financial instruments: Presentation".

The amendment clarifies that income tax related to distributions is recognized in the income statement and income tax related to the costs of equity transactions is recognized in equity, in accordance with IAS 12.

IAS 34, 'Interim financial reporting'.

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 "Operating segments".

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after 1 July 2014).

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

IFRS 2 "Share-based payment".

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 "Business combinations".

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 "Operating segments".

The amendment requires disclosure of the judgments made by management in aggregating operating segments.

IFRS 13 "Fair value measurement".

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets".

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 "Related party disclosures".

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

• Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after 1 July 2014).

The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

IFRS 3 "Business combinations".

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

IFRS 13 "Fair value measurement".

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

IAS 40 "Investment property".

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

IFRS 1 "First-time adoption of International Financial Reporting Standards".

The amendment clarifies that a first-time adopter can use either the old or the new version of a revised standard when early adoption is permitted.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

Basis of Consolidation

The Consolidated financial Statements of the current as well as of the previous period, include the parent company and its

subsidiary “NISONs’ EYDAP SA.”, whereas in the corresponding period of 2012 the consolidated financial statements included an associate company as well.

Subsidiaries are all the companies which are managed and controlled directly or indirectly by the parent company either through the majority holding of the companies’ shares to which the investment has been made or through their on the know-how which is provided to them by the Group. Subsidiaries’ financial Statements are included in the consolidated financial statements from the date of control accession until the date that the control cease to exist.

During the acquisition of the subsidiary the respective receivables, liabilities as well as any potential liabilities are assessed at their fair value. In case that the cost value is greater than the fair value, the respective difference is recognized as goodwill.

At the opposite case, where the cost value is lower than the fair value, the respective difference is credited in the financial results of the acquisition year. Minority interests are displayed at the proportion of the minority at the fair value of the assets and liabilities at which they have been recognized.

Subsidiaries’ acquisitions are recognized under the acquisition method. The subsidiaries’ financial results which are either acquired or sold during the fiscal year, they are included in the respective consolidated statements respectively from their acquisition date or the date of their disposal.

When is deemed necessary, subsidiaries’ financial statements are restated in order for the data to be homogeneous and comparable with the respective data of the remaining companies of the Group. During the consolidation all the intra-group transactions and balances as well as the losses and gains between the companies of the Group are eliminated.

In the Company’s financial statements participations in subsidiaries and affiliates are displayed at their cost value deducted by any impairment of their value. The company examines on a yearly basis or whenever there is any indication for impairment occurrence the accounting value of the aforementioned participations compared to the retrieval value on the basis of the higher value between fair value less cost to sell and the value in use.

Investments in associates

Associates are those companies on which the Group exercises significant influence but they do not meet the requirements to be treated as subsidiaries. The consolidated financial statements include the Group’s share in the profits and losses of the associates, based on the equity consolidation method from the date that 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 the investment is reduced

to nil and the recognition of further losses stops, unless the Group has undertaken liabilities or contingent liabilities of the associate, beyond that arising from its shareholder state. The results stemming from transactions between the companies of the Group and the associates are eliminated to the extent of the investment of the Group in the associates.

In the separate financial statements of the Company, associates are valued at cost and they are subject to impairment audit annually or in interim periods when there are serious indications of impairment occurrence.

Goodwill

Goodwill arising from the acquisition of a subsidiary or a jointly controlled entity or other business activity represents the difference between the acquisition cost and the participation of the Company in the net fair value of the identified assets, liabilities and contingent liabilities of the subsidiary or that of the jointly controlled entity or other business activity recognized at the date of acquisition.

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

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit of the company. 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 proportional based on the carrying amount of the unit’s assets. An impairment loss recognized for goodwill is not reversed in a subsequent period.

During the disposal of a subsidiary or a jointly controlled entity or other business activity the defined amount of goodwill is included in the determination of the profit or loss that stems from 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 by the estimated adjustments of customers’ bills, the price reductions and other relevant downward adjustments.

The water supply and sewerage services are the major sources of income for the Company. Income from water supply are calculated on the basis of the consumed quantities and the price list in effect. Income from sewerage services are calculated as

percentage on the value of the consumed water. The Company invoices the water consumption mainly on quarterly basis, via measurements, whereas with regard to the non invoiced consumption up to the ending date of the period of the financial statements, the Company proceeds with an accounting record of an accrued income, which is based on historical consumption data of the Company's customers for the non invoiced period.

Provision of services

Revenue stemming from service provision they are recorded based on the stage of the contract's completion.

Income from dividend and interest

The income stemming from participations' dividends are recorded when it has been finalized the right for their receipt by the shareholders. Interest revenue is recorded based on proportional timing with respect to the unpaid capital and the effective real interest rate which is the interest rate at which they are discounted the future cash receipts which are expected to be received throughout the usable life of the asset in order to be offset with the net book value of the asset.

Rental income

Rental income from investment properties is recognized 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 recognized based on the stage of the contract's completion by the reference date of the financial statements, measured based on the proportion of the real conventional for the executed project until the timing of the financial position over the total conventional costs which are estimated at the respective date for the completion of the project, except in the case where this is not representative of the completion stage.

Variations from the initial contract, claims and incentive payments are included to the extent that they have been agreed with the client.

In case where the outcome of a contract for projects' construction cannot be estimated reliably, the conventional revenue are recognized to the extent where the realized conventional cost are estimated to be retrieved. The conventional costs are recognized at the financial results of the fiscal year during which they occur. When it is probable that the total conventional cost will exceed the total conventional revenue, the expected loss is recognized

immediately at the results.

Leasing

Leases are classified as finance leases whenever according to the terms of the lease they are transferred substantially all the risks and benefits stemming from the ownership of the lease to the lessee. All the other leases are classified as operating leases.

The Company as lessor

The amounts that are due from the 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 the fiscal 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 recognized on a straight-line basis over the term of the relevant lease agreement. Initial direct costs which incur during the negotiation and the arrangement of the operating lease are added to the carrying amount of the leased asset and they are recognized on a straight-line basis over the lease term.

The Company as lessee

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

Lease payments are apportioned between financing charges and reduction of the lease obligation so as to achieve a constant rate of interest burden on the remaining balance of the liability. Finance charges are charged directly on the financial results, unless this specific cost can be attributed directly to an individual asset, case where this is capitalized in accordance with the Company's general policy governing the borrowing costs (see below). Contingent rentals are recognized as expenses in the periods in which they incur.

Operating lease payments are recognized 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 recognized as an expense in the period in which they incur.

In case that lease incentives are received within the context of the lease agreement, the respective incentives should be recorded as a liability. The aggregate benefits of incentives are recorded

as a reduction of the lease expense according to the straight-line basis, unless 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 economic environment in which the entity operates (its operating currency), which is the Euro.

During the compiling of the financial statements of the company, transactions in currencies other than the entity's operating 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 which are estimated at fair value and they 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 recognized in the financial result of the period in which they arise except for:

- exchange differences which are related to assets under construction for future use in the production, which are included in the cost of those assets and they are regarded as an adjustment to the interest costs on foreign currency borrowings;
- exchange differences in hedging transactions of 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 recognized in the foreign currency translation reserve and recognized 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

The borrowing costs at all cases burden the financial results of the fiscal year during which they occur.

Subsidies

Subsidies are not recognized until there is reasonable assurance that the Company will comply with the clauses that govern them and that the subsidy will be received.

State subsidies whose primary condition is the purchase or the construction, or by any other way the acquisition of non-current assets are recognized as deferred income in the balance sheet and they are transferred to the operating result on a systematic and rational basis during the useful life of the related asset.

Other subsidies are recorded on a systematic basis at the income of the respective periods during which there has to be made the matching of these subsidies with the respective costs. State subsidies which are received as compensation for expenses or losses which have already incurred or for the purpose of providing immediate financial support to the Company with no future related costs are recognized in the results of the period during which they become receivable.

The Company receives subsidies from the European Union (E.U.) the Greek State and the Organization of Local Government for the financing of specific projects. Furthermore EYDAP's customers are required to participate in the initial network connection cost (supply, distribution network, connections pipes, 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 provided to compensate, with the amortizing rate equal to the depreciation rate of the respective assets. The aforementioned income is presented as a subtraction from the depreciation expense at the financial statements.

State subsidies for the training of the personnel are recognized in the financial results within the periods that are required for the matching with the related expenses and they are presented as a deduction from them.

Retirement benefit costs

Contributions to defined staff indemnities benefit schemes are recognized as an expense when employees have provided services 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 position statement's date. Actuarial gains or losses are directly recognized in the total comprehensive income for the period during which they occur, and are not transferred to the income statement of a following period. Prior service cost is recognized immediately to the extent that the benefits are already vested, otherwise are amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the financial position statement at the time of the indemnity represents the present value of the defined benefit obligation after taking into account the adjustments for the unrecognized actuarial gains and losses and unrecognized past work experience cost reduced by the fair value of scheme's assets.

Any asset resulting from this calculation is limited to unrecognized actuarial losses and past working experience cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Taxation

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

Current tax

The current tax 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 in addition it further excludes items that are will never be taxed or exempted. The Company's liability for the current tax is calculated using the effective tax rates or those who have been enacted by the financial statements report date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities of the financial statements and the corresponding tax bases which are used for the calculation of the taxable profit. Differed tax is recorded by applying the balance sheet liability method. Liabilities from deferred tax are generally recognized for all the taxable temporary differences and deferred tax assets are generally recognized 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 utilized. Such assets and liabilities are not recognized 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 does not affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for all the taxable temporary differences associated which arise from investments in subsidiaries and associates, and participations in joint ventures, with the exception of the cases where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and

participations are only recognized to the extent that it is probable that there will be sufficient taxable profits against which they could be utilized the benefits of the temporary differences and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is been 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 according to the tax rates that are expected to be effective in the period at which the asset will be liquidized or the liability will be settled, based on effective tax rates or are effective by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax results that will follow based on the way that 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 are related 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 recognized as an expense or income in the financial results, except when they are related to items credited or debited directly to equity, case where the tax is also recognized directly in equity, or where they arise from the initial recognition of 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 between the acquirer's interest in the net fair value of the acquired business identifiable assets, liabilities and contingent liabilities over cost of the company.

Property, plant and equipment

Land and buildings held for use in the production or sale of goods or services, or for administrative purposes, are displayed on the financial statement report at their acquisition cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Properties under construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the compensation of professionals.

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 well as the antipollution projects, waste processing centers, fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged against the results so as to decrease the cost or the value of the assets, with the exception of the 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 end of each year, with the effect of any changes on the estimates to be calculated on a prospective basis.

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

The gain or loss arising from the disposal or the retirement of a property, plant and equipment item is determined as the difference between the sales proceeds and the net book value of the asset and it is recognized in the profit and loss account.

Intangibles assets

Intangible assets acquired separately

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

Internally-generated intangible assets – research and development expenses

Expenditure on research activities is recognized as an expense in the period in which it incurs.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following can be proven:

- 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
- the intangible asset to be able to generate probable future

economic benefits.

- the availability of adequate technical, financial and other resources for the completion of the development and the utilization or sale of the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure which arise from the date when the intangible asset first meets the recognition of the criteria listed above. Where it is not possible to recognize internally-generated intangible asset, development expenditure is charged to the profit and loss statement in the period in which it incurs.

Subsequent to the initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization 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 recognized 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 amortization 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 occurs, 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 flow-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets can also be allocated to individual cash flow-generating units, or otherwise they are allocated to the smaller group of cash flow-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 between the fair value deducted by the sale costs and the value in use. In assessing value in use (of the asset), the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks related to the asset.

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

Where an impairment loss subsequently is reversed, the carrying amount of the asset (cash flow-generating unit) is increased to the revised estimate of its recoverable amount, so as the increased carrying amount does not exceed the carrying amount that would have been determined if there had not been recognized any impairment loss for the asset (or a cash flow-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the profit and loss account.

Inventories

Inventories are recorded at the lower value between the acquisition cost or the production cost and the price at which the Company can purchase (current purchase price) or produce (current production price) during the reporting period of the financial statements.

Provisions

Provisions are recognized 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 recognized as a provision is the best estimate of the consideration required to settle the present obligation on the financial 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 part or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset when it is practically 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 recognized and measured as a provision. An onerous contract is considered to occur 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 recognized when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation, to those been affected, that it will carry out the restructuring by starting the implementation of the plan or announcing its main features to those been affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which necessarily stem from the restructuring and simultaneously are not associated with the ongoing activities of the entity.

Warranties

Provisions for warranty costs are recognized at the date of the sale of the relevant products, according to the management's best estimates for the expenditure required to settle the Company's obligation.

Financial assets

Investments are recognized and written off on the date of the trade where the purchase or sale of an investment is performed based on a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and they are initially measured at the 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 it is determined at the time of the initial recognition.

Method of Effective interest rate

The effective interest rate method is a method based on which it is calculated the amortized cost of a financial asset and it is allocated the interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all the commissions paid or received as they are an inextricable part of the effective interest transactions costs plus other additional fees or discounts) through the expected life of the financial asset, or a shorter period where it is deemed as appropriate.

Income is recorded on the profit and loss account by utilizing the effective interest rate basis except from those financial assets which have been identified as “at the fair value through the profit and loss” (FVTPL).

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for sale 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 jointly and for that there is a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective hedging instrument.

A financial asset other than a financial asset held for sale can be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces an inconsistency which refers to the measurement or the recognition that would otherwise arise; or
- the financial asset forms a part of a group of financial assets or financial liabilities or both, which is under management and its performance is evaluated based on its fair value, 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 to the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value and any resultant gain or loss is recognized in the profit and loss statement. The net gain or loss recognized in the profit and loss statement incorporates any dividend or interest earned on the financial asset. The fair value is determined in the manner described in note 41.

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 the ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest rate method less impairment, with revenue recognized at the profit and loss account on an effective yield basis.

Available for sale (AFS) financial assets

Listed shares and listed redeemable bonds held by the Company and 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 41. Gains and losses arising from changes in

the fair value are recognized directly in equity in the investments revaluation reserve with the exception of the impairment losses, the interest calculated using the effective interest rate method and the foreign exchange gains and losses on monetary assets, which are recognized directly in profit the loss account. When the investment is disposed or it is identified as impaired, the cumulative gain or loss previously recognized in the investments revaluation reserve is included in the profit and loss account of the period.

Dividends on AFS equity instruments are recognized in profit or loss when it is finalized the Company's right to receive payments from the shareholders.

The fair value of AFS monetary assets denominated in a foreign currency is determined in the respective foreign currency and it is translated at the spot rate at the financial statements report date. The change in fair value attributable to translation differences that result from a change in the amortized cost of the asset is recognized in profit or loss while other changes are recognized in the equity.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that they are not traded in an active market are classified as 'loans and receivables'. Loans and receivables are measured at their initial recognition at fair value and subsequently at amortized cost using the effective interest rate method less any impairment.

Interest income is recognized by applying the effective interest rate method, 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 indications of impairment on each financial 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 amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the initial effective interest rate.

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

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 it was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date that the impairment is reversed does not exceed the amortized cost that would have been estimated if the impairment was not recognized.

In respect of AFS equity securities, any increase in the fair value subsequent to an impairment loss it is recognized directly in the 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 with the product of the receipts, net of direct issuance 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 issuance date, 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 amortized cost basis until it is eliminated through its conversion or until its maturity date. The equity component is determined after the deduction of the liability component from the fair value of the compound instrument as a whole. This amount is recognized and included in equity, net of income tax effects, and it is not re-measured at a subsequent date.

Financial guarantee contract liabilities

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

- 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 recognized deductible by, when it is deemed necessary, the cumulative amortization recognized in accordance with the revenue recognition policies.

Financial liabilities

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

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

Financial liabilities are classified as at FVTPL when the financial liability is either held for sale or if it is designated as a FVTPL.

A financial liability is classified as held for sale 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 special financial instruments that the Company manages jointly and for this there is 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 sale may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces an inconsistency which refers to the measurement or recognition 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 to the entire combined contract (asset or liability) to be designated as at FVTPL.
- Financial liabilities at FVTPL are stated at fair value, and any resultant gain or loss is recognized in the profit and loss account. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability. Fair value is determined based on the way described in note 41.

Other financial liabilities

Other financial liabilities, which include as well borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method, with interest expenses recognized on an effective yield basis.

The effective interest rate method is a method based on which is been calculated the amortized cost of a financial liability and the interest expense is been allocated over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, in a shorter when deemed necessary.

Deletion-Cease-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 of cash on hand and deposits, and other short-term highly liquid investments that are easily converted to a known amount of cash and subject to an insignificant risk of changes in their value.

Sectors of Operations

The basic operations of the Company (water supply, sewerage services and others) are not subject to different risks and returns. As a result the company did not proceed to the presentation of notifications with respect to the sectors of operations. It is clarified that the Company operates in one geographical region (Attiki Metropolitan area). The policy and the decision making is common for the operating sectors of the Company.

Voting of Law 4053/2012

The voting of Law 4053/2012, whereby EYDAP is able to provide the full range of services specified in the law 2744/1999 as well as outside areas of the Company's responsibility, through its subsidiaries and through the conclusion of programmatic contracts with local government, establishes a new development framework for the Company, expanding the market in which EYDAP can operate and develop.

Transfer of 61.33% share of the Greek State to the «Development Fund of the State's Private Property S.A.»

According to the N. 195/2011 (GG 2501/B') Decision of Restructuring and Privatization Inter-ministerial Committee (RPIC) and on 27.1.2012 relevant notification there have been transferred from the Greek State 29,074,500 shares of EYDAP SA, and equal number of voting rights, ie 27.30% of share capital to the Development Fund of the State's Private Property S.A. Subsequently, after the N206/2012 (GG 1363) Decision of Restructuring and Privatization Inter-ministerial Committee (RPIC) and the relevant notification on 11.5.2012, there have been transferred from the Greek State 36,245,240 shares of EYDAP S.A. and equal number of votes, corresponding to 34.033% of the Company's share capital to the Development Fund of the State's Private Property S.A. The result of the aforementioned transactions was that the Development Fund of the State's Private Property S.A. participates in the Company's share capital by 61.33%. It is noted that the percentage of the Greek State in the share capital of EYDAP S.A. is consequently formed to 0.00%. The Greek State controlling 100% of the Development Fund of the State's Private Property S.A. controls indirectly the voting rights.

4. CRITICAL ACCOUNTING TREATMENTS AND IMPORTANT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

During the preparation of the financial statements in accordance with the accounting policies of the Group, as they are presented in note 3, it is essential for the management to proceed with judgments, estimations and assumptions with regard to the book value of the assets and the liabilities, which are not obvious from other sources of information. The estimations and the relevant assumptions, are based on past empirical evidence, estimations of specialized external advisors as well as other related factors. The actual results may differ from these estimates.

The estimates and the subjective assumptions are reviewed on constant basis. The revisions of accounting estimates are recognized in the period of occurrence, if such affect only the particular period or in future periods as well.

The accounting judgments which have been made by the management during the application of the Group's accounting policies and which significantly affect the financial statements of the company and the group are the following:

1. The provision for contingent doubtful customer receivables (Greek State, public utilities, local government authorities, retail customers)
2. Contingent obligations of the Company toward the Greek State (maintenance cost of the assets of LEPL "EYDAP Fixed Assets", cost price of the crude water)
3. Provisions concerning four defined benefit plans for the personnel
4. Provisions for pending judicial cases relating to labor issues

Furthermore the management reviews annually, in terms of assumptions and estimations, the following:

1. Economic life and repurchase values of the depreciated tangible assets and the amortized intangible assets.
2. Income tax which incorporates the provision for the current income tax and the provision for additional taxes and incremental charges for tax unaudited years.
3. Recoverability of deferred tax receivables.

5. REVENUES

The Company's revenues are analyzed as follows:

Amounts in € thousands	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
REVENUES				
Revenues from water supply and related services	229,248	235,798	229,238	235,798
Revenues from sewerage services	110,305	114,965	110,305	114,965
Revenues from constructions for third parties	2,147	1,465	2,147	1,465
Turnover reduction due to sale of projects to third parties	(9,155)		(9,155)	
Revenues from electric power sale	3,579	860	3,579	860
Inventory Sales	40	256	40	256
Total Turnover	336.165	353.344	336.154	353.345
Other Operating Revenues	2,131	1,677	2,131	1,677
Financial Income	16,169	5,275	16,169	5,275
Total Revenues	354,465	360,296	354,454	360,296

The reduction by € 17.2 million approximately is mainly due to:

The reduction in:

- Revenues from water consumption and revenues from the use of sewer channels, new supplies and related water and sewerage infrastructure works, by € 11.22 approximately.
- Income from construction works for the Greek State by an amount of € 9.2 million approximately. The reduction resulted from the arrangement of the joint ministerial decision D6/2476/3.12.2013 (Gov. Gaz. 3065) of the ministers of Finance and of Infrastructure, Transport & Networks.

The increase in:

- income from sale of electric energy by € 2.7 million approximately.

6. ALLOCATION OF EXPENSES IN THE OPERATIONS

6.1 The expenses accounts (by nature) have been allocated in the cost of goods sold and in the operations of administration and distribution as follows:

GROUP				
31/12/2013				
Amounts in € thousands	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	47,665	792	3,932	52,389
Cost of Self-Constructed Assets	(13,501)	-	-	(13,501)
Total A	34.163	792	3.932	38.888
Personnel Fees & Expenses	115.869	24.806	38.970	179.645
Third-party provisions	29.075	5.964	8.773	43.812
Depreciation and amortization	28.019	481	1.505	30.005
Various Provisions	(25.657)			(25.657)
Sundry Expenses	6.724	829	2.479	10.032
Raw materials and consumables	8.940	324	599	9.863
Cost of Self-Constructed Assets	(6.564)			(6.564)
Total B	156.406	32.404	52.326	241.136
Total (A + B)	190.570	33.196	56.258	280.024

31/12/2012				
Amounts in € thousands	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	50.298	448	2.763	53.509
Cost of Self-Constructed Assets	(12.041)	-	-	(12.041)
Total A	38.257	448	2.763	41.468
Personnel Fees & Expenses	53 .650	16.155	33.798	103.603
Third-party provisions	34.343	7.040	2.713	44.096
Depreciation and amortization	31.093	647	2.470	34.210
Various Provisions	38.603	-	-	38.603
Sundry Expenses	5.498	748	2.170	8.416
Raw materials and consumables	6.199	309	467	6.975
Cost of Self-Constructed Assets	(4.893)	-	-	(4.893)
Total B	164.493	24.899	41.618	231.010
Total (A + B)	202.750	25.347	44.381	272.478

COMPANY**31/12/2013**

Amounts in € thousands	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	47.664	792	3.918	52.374
Cost of Self-Constructed Assets	(13.501)	-	-	(13.501)
Total A	34.163	792	3.918	38.873
Personnel Fees & Expenses	115.869	24.806	38.970	179.645
Third-party provisions	29.075	5.964	8.765	43.804
Depreciation and amortization	28.019	481	1.505	30.005
Various Provisions	(25.657)			(25.657)
Sundry Expenses	6.724	829	2.475	10.028
Raw materials and consumables	8.940	324	599	9.863
Cost of Self-Constructed Assets	(6.564)			(6.564)
Total B	156.406	32.404	52.314	241.124
Total (A + B)	190.569	33.196	56.232	279.997

31/12/2012

Amounts in € thousands	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	50.298	448	2.762	53.508
Cost of Self-Constructed Assets	(12.041)	-	-	(12.041)
Total A	38.257	448	2.762	41.467
Personnel Fees & Expenses	53.651	16.155	33.800	103.606
Third-party provisions	34.343	7.040	2.703	44.086
Depreciation and amortization	31.093	647	2.470	34.210
Sundry Provisions	38.603	0	-	38.603
Sundry Expenses	5.498	748	2.164	8.410
Raw materials and consumables	6.199	309	467	6.975
Cost of Self-Constructed Assets	(4.893)	-	-	(4.893)
Total B	164.494	24.899	41.604	230.997
Total (A + B)	202.751	25.347	44.366	272.464

The fluctuation (increase) of expenses as compared to the previous year is attributed via the following accounts:

- Personnel fees and expenses, which mainly include:

1. The creation of a provision, for the first time, concerning the special lump sum indemnity to the employees hired by the Company until 25/10/1999, in accordance with the Collective Employment Agreements signed on 2.7.1991, 25.5.1992, 21.06.1995, 06.06.2008, by € 60.4 million approximately. It is noted that the article 45 of L. 4179/2013 abolished on 8.8.2013 the mandatory coverage of the above lump sum indemnity account's deficit from the Greek State.
2. The other valuations of employee benefits in accordance with the revised IAS, which were altered by an amount of € 19.5 million as presented in note 8.

- Various provisions which include:

3. The provision concerning litigations cases which was altered by an amount of € 22.4 million approximately. It is noted that the Company applies the BoD decision no. 18275/22.01.14, according to which claims from employees of € 134 million approximately were reduced to € 73.2 million approximately (including the employer's contribution cost of € 9 million approximately).
4. The cancellation of a provision for doubtful receivables, which was altered by an amount of € 86.7 million approximately, due to the collection from the Greek State and the Local Government Authorities of an amount of € 149.5 million approximately, based on the joint ministerial decision no. 38560/26.9.2013 (Gov. Gaz. 2410) of the ministers of Finance and Infrastructure, Transport & Networks.

7. DEPRECIATION EXPENSES

Depreciation expenses of fixed assets are recorded on the basis of fixed assets' economic life, via the straight line depreciation method as follows::

I. WATER SUPPLY NETWORKS	YEARS
Water Supply Reservoirs	50
Primary Water Supply Pipelines	45
Secondary Water Supply Pipelines	45
Distribution Networks, External and Internal Pumping Stations	10-45
Storage tanks – Water Treatment Plants	25-50
II. SEWERAGE NETWORKS	
Heavy Infrastructure and Primary Collection Units	50
Secondary Pipelines	40
External Branches	25
Electromechanical Installations	15-30
III. Waste Water Treatment Plants and r&d Centers	
Waste Water Treatment R&D Centers	20
Waste Water Treatment Plants	20
IV. OTHER	
Furniture & Fixture	5
Computer Hardware	1-4
Transportation Vehicles	5-7
Mechanical Equipment	7
Buildings	40

The amounts recorded in the financial statements are analyzed as follows:

	GROUP		COMPANY	
Amounts in € thousands	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Depreciation of tangible assets	38.565	39.208	38.565	39.208
Amortization of software & first installation expenses	1.077	2.328	1.077	2.328
Amortization of investment subsidies and customer contributions	(9.637)	(7.326)	(9.637)	(7.326)
Total	30.005	34.210	30.005	34.210

8. PERSONNEL FEES & EXPENSES (GROUP & COMPANY)

Amounts in € thousands	31/12/2013	31/12/2012
Salaries and Wages	83,763	88,959
Social Security Contributions	21,350	19,989
Provision for staff indemnity L. 2112	2,269	(1,848)
Provision for Special One-Off Indemnity for employees hired up to the date 25/11/1999	60,412	0)
Provision for Special One-Off Indemnity for employees hired after the date 25/11/1999	235	83
Provisions for Healthcare Beneficiaries	11,616	(3,577)
Total (note 6)	179.645	103.606

Total number of employees in the Company as of 31st December 2013 and 2012 settled at 2,477 and 2,512 respectively.
The Company, applying the clauses of Law 4024/2011, has adjusted accordingly the personnel fees and expenses.

9. FINANCIAL INCOME (GROUP & COMPANY)

Amounts in € thousands	31/12/2013	31/12/2012
Interest from Customers	6.376	4.586
Dividends	43	50
Other Income	9.750	639
Total	16.169	5.275

The change in other income is mainly due to payment of settlements from municipal authorities to the Company.

10. FINANCIAL EXPENSES (GROUP & COMPANY)

The financial expenses of the Company, amounting to € 8,501 thous. and € 17,229 thous. on 31st December 2013 and 2012 respectively, mainly concerned interest from loans granted to the Company from credit institutions.

11. INCOME TAX

The income tax of the current year represents the sum of the current income tax, the deferred taxation, the tax provision for the unaudited financial years as well as the tax audit differences, and is analyzed as follows:

	GROUP		COMPANY	
Amounts in € thousands	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Corresponding Income Tax	27,405	18,842	27,405	18,842
Provision for additional tax for the year	1,533	747	1,533	747
Minus: Utilization of previous year's provision	(748)	(918)	(748)	(918)
Tax audit / compliance differences of article 82, L. 2238/1994	214	179	214	179
Deferred Taxation	(44,824)	(2,468)	(44,824)	(2,465)
Total	(16.420)	16.382	(16.420)	16.385

The income tax for the current period derived as follows:

	GROUP		COMPANY	
Amounts in € thousands	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Corresponding Income Tax	61,740	68,006	61,267	68,097
Income tax calculated with the tax rate in effect (20% & 26%)	16,052	13,601	15,929	13,619
Provision for additional tax for the year	1,533	747	1,533	747
Minus: Utilization of previous year's provision	(748)	(918)	(748)	(918)
Tax audit / compliance differences	214	179	214	179
Additional tax (from tax free reserve and income from leases)	483	4	483	4
Difference of deferred tax from the tax adjustment of fixed assets	0	(2,943)	0	(2,943)
Change in tax rate from 20% to 26%	(19,935)	-	(19,935)	-
Tax on non deductible expenses	(14,019)	5,712	(13,896)	5,697
Total	(16.420)	16.382	(16.420)	16.385

The amount of the income tax obligation accounted for € 11,935 thous. and € 8,714 thous. respectively on 31/12/2013 and 31/12/2012.

With the adjustments emanating from the clauses of L. 4110/23.01.2013 and for the financial years starting from 1.1.2013 and onwards, an increased tax rate for legal entities was enacted (from 20% to 26%). The above tax rate change affected positively the results of the current financial year via the deferred tax, by € 19,935 thous. approximately, and correspondingly affected the asset account "Deferred Tax Assets" which settled at € 93,593 on 31.12.2013.

The Company has not been tax audited for the years 2008, 2009 and 2010. For the years 2011 and 2012 the Company was audited with regard to its tax compliance from its legal auditors, in accordance with the article 82 of L.2238/1994.

The financial statements include a relevant adequate provision for the additional taxes and incremental amounts which may be possibly charged with the tax audit completion of the unaudited financial years and the year 2013. NISONS' EYDAP SA has not formed a relevant provision due to its limited business transactions.

12. 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 of the Company. It is noted that in the current year, as well as in the previous one, there were no discontinued operations. There were no convertible bonds or other potentially dilutive convertible securities during the periods reported in the accompanying financial statements, so there is no calculation of any diluted earnings per share.

	GROUP	
	31/12/ 2013	31/12/ 2012
Earnings attributable to ordinary shareholders (in € '000)	78.160	51.624
Weighted Average of outstanding shares	106.500.000	106.500.000
Earnings per share – Basic in €	0,73	0,48

The Board of Directors of the Company during its meeting on 26.3.2014 approved the submission of a proposal to the Ordinary General Shareholders' Meeting concerning the distribution of dividend, of article 45 of Cod. Law 2190/1920, amounting to thirty six cents (€ 0.36) per share (total gross dividend at € 38.34 million) for the financial year 2013. The dividend is subject to approval from the Ordinary General Shareholders' Meeting and is included in the balance of the account "Retained Earnings (earnings carried forward)".

13. GOODWILL

The goodwill of € 3,357 thous. on 31st December 2013 concerns the amount paid in excess for the acquisition of Elefsina, Aspropyrgos and Lykovrisi networks as compared to the networks' net replacement cost, which was valued at the time of the acquisition. The cash generating units and consequently the goodwill of the networks, are under review for possible impairment in their values on annual basis, or periodically, provided that the events or the changes of conditions indicate that such impairment could be justified. The valuation audit of the goodwill from the acquisition of networks derived no loss due to impairment. The impairment audit was performed by the Financial Planning and Control Department of the Company in December 2013.

More specifically:

In order to settle its claims against certain local government authorities (OTA), the Company signed contracts with three municipalities (Aspropyrgos and Elefsina during the 2nd half of 2003 and Likovrisi in 2nd half 2006) for the transfer of ownership of their water supply networks. In the context of the above contracts, water supply networks of 327 kilometers were transferred to EYDAP. The networks service, via 26,786 connections, 65,000 inhabitants approximately of the particular municipalities, which are now added to the Company's customer base.

The acquisition of the network of Aspropyrgos Municipality accounted for € 2,749 thous. and was settled by offsetting an equal debt to the Company. The appraisal of the network in replacement cost, which was performed by the Company's technical department and was in agreement with the corresponding estimates of the Municipality's technical department, amounts to € 2,192 thous.

The acquisition of the network of Elefsina Municipality accounted for € 1,800 thous. and was settled by offsetting a debt of € 1,500 thous. to the Company and via a payment of € 300 thous. from the Company to the municipality. The appraisal of the network in replacement cost, which was performed by the Company's technical department and was in agreement with the corresponding estimates of the Municipality's technical department, amounts to € 681 thous.

The acquisition of the network of Likovrisi Municipality accounted for € 2,271 thous. and was settled by offsetting an equal debt to the Company. The appraisal of the network in replacement cost, which was performed by the Company's technical department and was in agreement with the corresponding estimates of the Municipality's technical department, amounts to € 590 thous.

14. OTHER INTANGIBLES ASSETS (GROUP & COMPANY)

Acquisition Cost on 31st December 2012	20.930
Additions	725
Balance on 31st December 2013	21.655
DEPRECIATION	
31st December 2012	(19.158)
Depreciation for the Year	(1.077)
Total Depreciation on 31st December 2013	(20.235)
Net Value	
31st December 2012	1.772
31st December 2013	1.420

Other intangible assets concern expense for the purchase of software, which is expected to generate future benefits to the Company. The expense is recorded as intangible asset and depreciated in three years.

15. TANGIBLE ASSETS

The Company, applying the provisions of IFRS 1 “First-time adoption of IFRS”, utilized the exception concerning the recording and valuation of property assets during the compilation of the Transitional Balance Sheet to the IFRS on 1 January 2004. In this context, the Company treats the adjusted value of its property assets as deemed (implied) cost for the purposes of the compilation of the Transitional Balance Sheet to the IFRS on 1 January 2004. Specifically for the transition to IFRS, the Company recorded the self-utilized property assets at fair values based on studies performed by independent valuers. These fair values constituted the deemed cost for the compilation of the Balance Sheet.

The changes in fixed assets of the Group and the Company for the financial years 2013 and 2012 are presented in the table below:

2013	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network & consumption meters	Sewerage Networks & Biological Treatment	Motor Vehicles & Furniture	Prepayments & Constructions in Progress	Total
Amounts in € thousands							
Non-Depreciated Value on 1st January 2013	275.721	2.907	291.490	335.742	3.586	85.732	995.178
Additions	311	249	4,335	20,265	1,545	18,898	45,603
Reductions/Transfers	-	(4)	-	-	(1,987)	(25,577)	(27,568)
Depreciation Reverse Entry	-	6	-	-	1,987	-	1,993
Depreciation of the Year	(2,669)	(854)	(17,919)	(15,408)	(1,715)	-	(38,565)
Non-Depreciated Value on 31/12/2013	273.363	2.304	277.906	340.599	3.416	79.053	976.641
1/1/2013:							
Cost	296,519	19,154	467,672	465,283	49,353	85,732	1,383,713
Accumulated Depreciation	(20,798)	(16,247)	(176,182)	(129,541)	(45,767)	-	(388,535)
Καθαρή αναπόσβεστη αξία	275.721	2.907	291.490	335.742	3.586	85.732	995.178
31/12/2013							
Cost	296,830	19,410	472,008	485,548	48,813	79,053	1,401,662
Accumulated Depreciation	(23,467)	(17,106)	(194,102)	(144,949)	(45,397)	-	(425,021)
Net Non-Depreciated Value	273.363	2.304	277.906	340.599	3.416	79.053	976.641
2012	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network & consumption meters	Sewerage Networks & Biological Treatment	Motor Vehicles & Furniture	Prepayments & Constructions in Progress	Total
Amounts in € thousands							
Depreciated on 1st January 2012	277.488	3.192	303.223	310.531	4.075	119.410	1.017.919
Additions	1,167	587	6,543	40,243	1,605	16,503	66,648
Reductions/Transfers	434	(3)	32	-	(121)	(50,181)	(49,839)
Depreciation Reverse Entry	(434)	3	(32)	-	121	-	(342)
Depreciation of the Year	(2,934)	(872)	(18,276)	(15,032)	(2,094)	-	(39,208)
Non-Depreciated on 31/12/2012	275.721	2.907	291.490	335.742	3.586	85.732	995.178
1/1/2012:							
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)
Net Non-Depreciated Value	277.488	3.192	303.223	310.531	4.075	119.410	1.017.919
31/12/2012							
Cost	296.519	19.154	467.672	465.283	49.353	85.732	1.383.713
Accumulated Depreciation	(20.798)	(16.247)	(176.182)	(129.541)	(45.767)	-	(388.535)
Net Non-Depreciated Value	275.721	2.907	291.490	335.742	3.586	85.732	995.178

16. INVESTMENTS IN ASSOCIATES

The investments in associate companies include the Company's participation in "Gas Company of Suburbs SA (EAP)". In February 2003, the joint venture "EYDAP – AKTOR – ELLINIKI TECHNODOMIKI TEV" was awarded by Gas Distribution Company (EPA) of Attica the project "Natural gas connections for household and small scale business consumption" in the northern part of Attica as well as in a large part of the Municipality of Athens. For this purpose, the company "Gas Company of Suburbs SA (EAP)" was established, in which EYDAP participates with 35%.

With the decision of EAP's General Shareholders' Meeting on 4.5.2012, it was unanimously approved the resolution of the company and its subsequent liquidation from 1.6.2012. On 17.6.2013, the final liquidation balance sheet as of 31 May 2013 was approved as well as the termination of the company's liquidation procedure.

The amount from the liquidation settled at € 494 thous. and € 5 thous. for the Company and the Group respectively.

17. INVESTMENTS IN SUBSIDIARIES

On 18th July 2011, with the BoD decision 17241/13.05.2011, EYDAP SA established a company under the name "NISON Water Supply and Sewerage S.A." with distinctive title NISON EYDAP SA, which has a share capital of € 60,000 fully owned by EYDAP SA.

The subsidiary plans to activate in the areas of water supply, sewerage, irrigation, and rain water collection in Greece's islands. The subsidiary possesses limited business activity until today.

18. INVESTMENTS AVAILABLE FOR SALE

	31/12/2013	31/12/2012
Fair Value (EYATH)	1.369	1.602

The investment presented in the above table concerns the Company's participation in EYATH, a company listed on the Athens Exchange. This investment provides EYDAP with the ability to collect income from dividends and potential capital gains.

The depicted value of this equity is based on the official quoted price of the Athens Exchange as of the reporting date of the Financial Statements.

19. LONG-TERM RECEIVABLES (GROUP & COMPANY)

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

Amounts in € thousands	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Long Term Receivables				
from Local Government Authorities	0	30.955	0	30.955
Personnel Loans (Note 21)	2.248	1.777	2.248	1.777
Payroll Deductions	317	2.122	317	2.122
Third Party Works	2.147	112.063	2.147	112.063
Guarantees (Public Power Corp., Real Estate)	695	674	695	673
Total	5.407	147.591	5.407	147.590

Long Term Receivables from Local Government Authorities (OTA)

The Company, in the context of its activities, supplies with (distilled or crude) water various local government authorities (OTA), which utilize their own distribution networks and invoice their citizens.

The Company, after 8.10.2013, received from the Greek State on behalf of OTA an amount of € 146.8 million approximately, part of which was recorded in the long-term receivables, based on no. 38560/26.09.2013 joint ministerial decision (Gov. Gaz. 2410) of the Ministers of Finance and Interior.

Payroll Retentions

The account "Payroll Retentions" concerns the long term part of the arranged cash facilities to the personnel following the adjustment of the payroll cost in line with the requirements of L. 4024/2011.

Construction Works for Third Parties (Group and Company)

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

Amounts in € thousands	31/12/2013	31/12/2012
Ministry of Infrastructure, Transport and Networks	936	66.998
Received Subsidies / Advances	0	(1.022)
	936	65.976
EYDAP Fixed Assets L.E.P.L.	1.211	100.097
Received Subsidies / Advances	0	(54.010)
	1.211	46.087
Total	2.147	112.063

The Company, in accordance with its foundation law 2744/1999, signed a contract with the Greek State in 1999 to undertake the construction of flood protection infrastructure for the account of the former Ministry for the Environment, Planning and Public Works (currently named as Ministry of Infrastructure and Networks) as well as to undertake projects for the upgrade and expansion of water supply technical installations, which have been transferred to the L.E.P.L. "EYDAP Fixed Assets". With the joint ministerial decision no. D6/2476/3.12.2013 (Gov. Gaz. 3065) of the ministries of Finance and of Infrastructure, Transport and Networks, the payment of an amount € 139.24 million (including VAT) was defined. This amount refers to a receipt on 31.12.2013 concerning Greek State's obligation, up until 31.12.2012, for construction of infrastructure and flood protection projects, etc. The total claim of the Company for the particular projects was set to an amount of € 151.89 million approximately.

20. DEFERRED TAXATION

Amounts in € thousands	2012			2013		
Description	Opening Balance 01.01.2012	(Burden)/ Benefit in Period's Results	Ending Balance 31.12.2012	((Burden)/ Benefit in Period's Results	(Burden)/ Benefit in Equity	Ending Balance 31.12.2012
Expensing of intangible assets	17	9	26	8	-	35
Inventory impairment	454	4	458	131	-	589
Obligation for employee benefits	38,288	(3,949)	34,339	26,321	(17,681)	42,978
Provisions for doubtful receivables	3,108	-	3,108	933	-	4,041
Other provisions for risks and expenses	9,917	1,717	11,634	11,556	-	23,190
Customer and municipalities contributions	12,864	(105)	12,759	3,405	-	16,164
Depreciation differences due to adjustment of economic life	(4,607)	232	(4,375)	(1,484)	-	(5,859)
Income and expenses accrued	(1,909)	23	(1,886)	1,835	-	(51)
Deferred tax in Tax Reserve due to revaluation of real estate assets	3,265	2,943	6,208	1,863	-	8,071
Other deferred taxation items	2,584	1,595	4,179	255	-	4,434
	63,981	3,689	66,450	44,824	17,681	93,593

The debit entry for deferred income taxes (expenses for the year – deferred tax liability) in the income accounts, includes the temporary tax differences mainly deriving from recorded revenues – profits which will be taxed in the future. The credit entry for deferred income taxes (income for the year – deferred tax receivable), mainly includes temporary tax differences deriving from provisions, which are tax deductible at the time of the realization of the corresponding expenditure in following time periods.

With the adjustments emanating from the clauses of L. 4110/23.01.2013 and for the financial years starting from 1.1.2013 and onwards, an increased tax rate for legal entities was enacted (from 20% to 26%). The above tax rate change affected positively the results of the current financial year via the deferred tax, by € 19,935 thous. approximately, and correspondingly affected the asset account "Deferred Tax Assets" which settled at € 93,593 on 31.12.2013.

21. MATERIALS, SPARE PARTS & CONSUMABLES (GROUP & COMPANY)

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

Amounts in € thousands	31/12/2013	31/12/2012
Consumables and Spare Parts	18.065	19.908
Provision for Obsolete Inventory	(2.267)	(2.292)
Total	15.798	17.616

Inventories are utilized in the Company's networks (maintenance and expansion).

22. RECEIVABLES FROM CUSTOMERS, CONSUMERS (GROUP & COMPANY)

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

Amounts in € thousands	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Retail customers and users	130,688	121,626	130,675	121,625
Municipalities, Greek State, Public Utilities	41,635	221,172	41,635	221,173
	172.323	342.798	172.310	342.798
Accrued, Non-Invoiced, Income	56.581	52.907	56.581	52.907
	228.904	395.705	228.891	395.705
Minus: Provision for doubtful receivables	(25.710)	(85.663)	(25.710)	(85.663)
	203.194	310.042	203.181	310.041

The majority of retail customers (household users) are charged every three months based on indications provided by water meters. Non-invoiced income concerns water supply and sewerage services between the date of the last measurement and the ending date of the financial year. The above income had not been invoiced as of 31/12/2013.

On 16/12/2013 (Gov. Gaz. 3188) based on a joint Decision of the Ministers of Finance and Networks, the pricing lists of water supply and sewerage services were readjusted.

The statement of the provision for doubtful receivables which have been recorded for estimated non-recoverable amounts from water supply and sewerage services, is analyzed as follows:

Amounts in € thousands	31/12/2013	31/12/2012
Opening Balance	85.663	56.530
Provisions for the Period	(59.953)	29.133
Ending Balance	25.710	85.633

The provision for doubtful receivables has been calculated via empirical estimates for past years defaults, statistical data over the collectability of accounts and other parameters concerning the ability for collection of receivables.

The Company calculates incremental charges over mature payable amounts based on a monthly rate of 1%, which is not recorded in the accounts and is monitored as a non-accounting item. This rate is equivalent with the incremental percentage rate of overdue payments to the Greek State and is defined following decision of the Ministry of Finance. From 8.10.2013, the Company received from the Greek State on behalf of local government authorities an amount of € 146.8 million approximately, and on behalf of other public entities an amount of € 2.6 million approximately, based on no. 38560/26.9.2013 Joint Ministerial Decision (Gov. Gaz. 2410) of the ministers of Finance and Interior.

As result of the reduction of the outstanding amount from local government and public authority invoices by € 150 million approximately, the Company adjusted the cumulative provision for doubtful receivables to the amount of € 25.7 million approximately.

23. OTHER RECEIVABLES (GROUP & COMPANY)

The account is analyzed as follows:

Amounts in € thousands	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Loans and advances to personnel	5.349	7.165	5.349	7.165
Advances to subcontractors and suppliers	538	538	538	538
Receivable concerning Greek State's participation in the mandatory coverage of the deficit of the special lump sum account	258	68.844	258	68.844
Sundry advances	2.719	1.698	2.719	1.698
Receivables due to refund of social security contributions	1.100	4.399	1.100	4.399
Receivables due to personnel's training programs	1.354	999	1.354	999
Other receivables	3.542	4296	3.554	4.295
Receivables concerning retention amounts from pensioners' health care contributions	3.499	2.574	3.499	2.574
Total	18.359	90.513	18.371	90.512

The outstanding amounts of other receivables include provision for doubtful receivables of € 4,162 thous. on 31/12/2013 and € 867 thous. on 31/12/2012.

Loans and Advances to Personnel:

The company provides the personnel with zero interest loans, short-term payroll advances, cash facilities and long-term interest bearing loans. Following the full repayment of its debt obligations, the Company, from November 2013 uses the interest rate of Greek State's 3-month Treasury Bill for the interest calculation of its loans. The amount of € 5,349 thous. does not include the long-term part of loans granted to personnel, which at 31 December 2013 amounted to € 2,248 thous., and the long-term part of the installments of the withholding amount, from the personnel's payroll account, which at 31 December 2013 accounted for € 317 thous. and was included in the long-term receivables (Note 19).

Greek State's participation in the mandatory coverage of the deficit of the special lump sum account:

The amount concerns Greek State's obligation based on L. 2939/6.8.2001 to cover the deficit of the special lump sum account for end of service indemnity, for employees hired by the Company until 25th October 1999.

The statement of part of the indemnities undertaken by the Greek State, is the following:

Amounts in € thousands	1.1.-31.12.2013	1.1.-31.12.2012
Accumulated deficit opening balance	68.844	62.433
Compensation settlements	1.922	7.842
Employees' retentions	(769)	(1.431)
Receipt for the Greek State (article 52, L. 4186/2013)	(58.351)	0
Offsetting entry / Greek State's dividend and the Account (decision issued by the Greek State)	(11.388)	0
Accumulated deficit receivable from the Greek State closing balance	258	68.844

1. With the voting of article 52, L. 4186/17.9.2013, the Company received € 58.4 million approximately on 25.9.2013, concerning the coverage obligation of the account from the Greek State, until 30.06.2013. The obligation in effect concerns an overdue amount payable from the Greek State from 1.7.2013-8.8.2013 (publication date of L. 4179/2013).

2. On 5.7.2013, the prot. no. 2/64497/0025 Decision of the General Directorate of Treasury and Budget was issued, counterbalancing the obligations with dividends payable of an amount of € 11.4 million approximately.

24. CASH AND CASH EQUIVALENTS

The account is analyzed as follows:

Amounts in € thousands	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Cash at hand	389	492	363	492
Sight and time deposits	331.578	42.614	331.578	42.580
Total	331.967	43.106	331.941	43.072

The sight and time deposits carry floating interest rates based on the level of the deposit and the interest charged period. The current value of the above sight and time deposits approaches their accounting value due to the floating interest rates and their short-term maturities. Sight deposits do not include amounts of € 5,058 thous. and € 1,677 thous. of overdue check payables on 31 December 2013 and 2012 respectively, which have been recorded in the account of other short-term liabilities (Note 33). Interest income from bank deposits is recognized via the principle of accrued income, and is included in the financial income.

25. SHARE CAPITAL

EYDAP was established in 1980 pursuant to Law 1068/1980 and following the merger of the two water and sewerage utilities of Athens at the time, with the company names Hellenic Water Supply Company and the Sewerage Organization of Athens.

The initial share capital of the Company settled at € 130,502 and was based on the valuation of assets and liabilities of the merged entities according to the clauses of Law 1068/1980.

In 1992, the share capital amounted to € 1,253,507 consisting of 213,566,282 common shares with a nominal value of € 5.87 per share. The share capital increase took place pursuant to Law 1914/1990 following a new valuation of the Company's net worth in view of significant number installations, which were contributed by the Greek State to the Company at the time, and following the capitalization of liabilities towards the State.

The Shareholders General Meeting on 30 June 1998 approved an additional increase of the Company's share capital by € 6,845 via the capitalization of investment subsidies that had been collected up to 31 December 1997. Following the above increase, the Company's share capital amounted to € 1,260,352 consisting of 214,732,544 common shares with a nominal value of €5.87 (two thousands drachmas) per share.

In 1999, due to the Company's listing on the Athens Exchange and according to Law 2744/1999, its share capital was set at € 58,694 consisting of 100,000,000 common shares with a nominal value of € 0.59 (two hundred drachmas) per share. According to the same Law, the remaining amount of € 1,201,658 of the share capital was converted to a "Special Non Taxable Reserve", which was among others decreased by the net amount of fixed assets, which were transferred to «EYDAP Fixed Assets» at no cost. In December 1999, 6,500,000 new ordinary shares were issued at a nominal value of € 0.59 (two hundred drachmas) per share and were allocated through an initial public offering for the Company's

listing on the Athens Exchange.

As a result, the Company's share capital as of December 31, 2000 had amounted to € 62,509 thous. consisting of 106,500,000 common shares with a nominal value of € 0.59 (two hundred drachmas) per share.

In May 2001, EYDAP decided to denominate its share capital into Euro, through the increase of the nominal value per share from € 0.59 to € 0.60, and the amount of € 1,391 of the above share capital increase was transferred from the "Share Premium Account". Thus, the share capital of the Company on 31 December 2012 and 31 December 2011 was equivalent to € 63,900 thous. consisting of 106,500,000 common shares with a nominal value of € 0.60 per share.

No change occurred in the Company's share capital during the current as well as the previous financial year. According to the no. 195/2011 (Gov. Gaz. 2501/B') Decision of the Inter-ministerial Committee for Asset Restructuring and Privatization (DEAA) and the relevant notification as of 27.1.2012, 29,074,500 shares of EYDAP SA, and an equal number of voting rights representing 27.30% of the Company's share capital, were transferred from the Greek State to the Hellenic Republic Asset Development Fund (HRADF). In an following stage with the no. 206/2012 (Gov. Gaz. 1363) Decision of the Inter-ministerial Committee for Asset Restructuring and Privatization (DEAA) and the relevant notification as of 11.5.2012, 36,245,240 shares of EYDAP SA, and an equal number of voting rights representing 34.033% of the Company's share capital, were transferred from the Greek State to the Hellenic Republic Asset Development Fund (HRADF). As a result, HRADF holds 61.33% of the Company's share capital. It is noted that Greek State's participation in the share capital of EYDAP now accounts for 0.00%. The Greek State, by controlling 100% of the Hellenic Republic Asset Development Fund SA, controls indirectly the above voting rights.

26. RESERVES

The account in the financial statements is analyzed as follows:

Amounts in € thousands	31/12/2013	31/12/2012
Legal reserve	21.547	21.547
Special Non-Taxable Reserve of Law 2744/99	352,078	352,078
Reserve from Non-Taxable Income	2,040	2,518
Reserve from Specially Taxed Income	3,687	3,687
Other reserves	950	1,183
Total	380.302	381.013

Legal reserve:

According to the Greek commercial law (Article 44, L. 2190/1920), companies are required to transfer at least 5% of their annual net profits to a legal reserve until this reserve becomes equivalent with the 1/3 of the paid up share capital. The particular reserve is not distributable and the purpose of its creation is to cover future losses. On 31/12/2011, the Company covered the required by law legal reserve as percentage of its total paid up share capital.

Special Non-Taxable Reserve of Law 2744/99:

The Special Non-Taxable Reserve was formed with the Company's listing on the Athens Stock Exchange (ASE) in financial year 1999, from the denomination of the Company's share capital at the time to the euro equivalent of € 1,201,658. Based on the clauses of L. 2744/99, the initial balance of the reserve:

- Was reduced with the net, non-depreciated, value of the facilities which were granted to EYDAP LEPL at no consideration.
- Was decreased with the various amounts of provisions which were recorded in the Company's accounting books during its list on ASE.
- Was increased with the surplus value deriving from the revaluation of the installations and networks that remained in the possession of the Company.
- And was increased with the transfer of the account "Profit/loss carried forward" which was recorded in the Balance Sheet of 31 December 1998.

In accordance with the L. 2744/99, the reserve was classified as "Special Non-Taxable Reserve" at its creation and was not subject to any taxation.

Reserves from non-taxable or for special purpose taxed income

They refer to income from interest which is either non-taxable or has been taxed via an amount withheld at source. In case of distribution, these reserves are subject to taxation.

In the current phase, the Company intends to distribute, via approval of the Ordinary General Shareholders' Meeting of 30.04.2013, the reserve from non taxable income in accordance with the tax provisions of article 72, L.4179/2013.

The change in the current year concerns the taxation of the amount € 2,518 thous. based on tax rate of 19% as it is required.

Other Reserves

The decrease in the share price of EYATH on 31/12/2013 (portfolio available for sale), resulted to the corresponding decrease of other reserves.

27. RETAINED EARNINGS

The account in the financial statements is analyzed as follows:

Amounts in € thousands	GROUP	COMPANY
Balance at 01.01.2012	324.715	325.138
Dividends Paid	(18,105)	(18,105)
Net Income directly recorded in Equity	14	14
Net Profit for the Year 2012	51,624	51,712
Balance at 01.01.2013	358,248	358,759
Dividends Paid	(21,300)	(21,300)
Net Profit for the Year 2013	78,160	77,687
Tax of Reserve	478	478
Net Income directly recorded in Equity	50,325	50,325
Total 31.12.2013	465.911	465.949

28. BANK LOANS (GROUP & COMPANY)

The account in the financial statements is analyzed as follows:

Amounts in € thousands	31/12/2013	31/12/2012
Bank Loans	0	182,339
Greek State Loans	3,142	3,142
Total	3.142	185.481

Until 16/10/2013, the Company had repaid its entire debt obligations and as result no bank debt existed as of 31/12/2013. The debt was immediately or within a year payable and was included in the short term liabilities.

The accrued interest of loans as of 31/12/2013 and 31/12/2012 amounted to € 0 and € 215 thous. respectively, and were included in the outstanding amount of the debt obligations.

29. LIABILITIES FOR EMPLOYEE BENEFITS (GROUP & COMPANY)

The Company and the Group apply from 01.01.2013 the revised IAS 19 and retroactively from 01.01.2012 in accordance with the IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The fundamental change emanating from the new standard, thus implying a change in accounting principle, is the direct recognition of the actuarial gains and losses as well as of the prior service cost deriving from defined benefit plans. No transfer of the above items, based on the margin principle, is allowed, as it was the case with the previous IAS 19.

The account in the financial statements is analyzed as follows:

Amounts in € thousands	31/12/2013	31/12/2012
Provision for staff indemnity due to retirement	26,424	28,758
Healthcare coverage of personnel	161,937	224,147
Special one-off indemnity (personnel hired prior to and after 25-10-1999)	64,248	5,508
Total	252.609	258.413

The Company has placed in effect a medical and healthcare plan covering its entire personnel, pensioners and their protected members. In addition, the Company retains an account for staff indemnity due to retirement and two plans of special one-off compensation for personnel hired prior to or after 25/10/1999.

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

a. Provision for employees' end of service indemnity

The statement of the provision for employees' end of service indemnity for the years ending on 31 December 2013 and 2012 is the following:

PERIOD	1/1/-31/12/13	1/1/-31/12/12
Amounts recognized in the balance sheet		
Present value of liabilities	26.424	28.757
Fair value of the plan's assets	-	-
Net liability recognized in the balance sheet	26.424	28.757
Amounts recognized in the results		
Cost of current employment	1,401	1,144
Net interest on the liability / (asset)	869	1,106
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	2,269	2,250
Recognition of prior service cost	-	(4,098)
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	2,269	(1,848)
Change in the present value of the liability		
Present value of liability at the beginning of period	28,757	26,155
Cost of current employment	1,401	1,144
Interest cost	869	1,106
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	(2,306)	(3,889)
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	(4,098)
Actuarial loss / (profit) – financial assumptions	(1,551)	4,059
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	(746)	4,280
Present value of liability at the end of period	26.424	28.757

The expected benefits (not discounted) from the plan over the following period are estimated at € 2,608 thous.

The major actuarial assumptions utilized for the calculation of the relevant provisions for employees' end of service indemnity are the following:

Actuarial assumptions	2013	2012
Discount rate	3,39%	3,17%
Inflation	1,75%	2,00%
Future salary increases	2014-16: 0%, 2017+: 1,75%	2013-15: 0%, 2016+: 3,5%
Duration of obligations	10,50	12,53

b. Medical and Healthcare Plan

The Company covers the medical and healthcare expenses of its employees, pensioners and their protected members based on the provisions of its internal regulation which is in effect. The plan is financed, in part, from the employees' and pensioners' contributions. The relevant liabilities of the Company arising from the medical and healthcare plan were estimated through an actuarial study which was performed for the years 2013 and 2012.

The statement of the provision for medical and healthcare benefits during the financial years 2013 and 2012 is the following:

PERIOD	1/1-31/12/13	1/1-31/12/12
Amounts recognized in the balance sheet		
Present value of liabilities	161,937	224,147
Fair value of the plan's assets	-	-
Net liability recognized in the balance sheet	161.937	224.147
Amounts recognized in the results		
Cost of current employment	2,873	3,115
Net interest on the liability / (asset)	7,746	11,735
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	10,619	14,850
Recognition of prior service cost	-	(20,380)
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	10.619	(5.530)
Change in the present value of the liability		
Present value of liability at the beginning of period	224,147	248,187
Cost of current employment	2,873	3,115
Interest cost	7,746	11,735
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	(7,161)	(9,103)
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	(20,380)
Actuarial loss / (profit) – financial assumptions	(10,112)	42,186
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	(55,556)	(51,592)
Present value of liability at the end of period	161.937	224.147
PERIOD	1/1-31/12/13	1/1-31/12/12
Adjustments		
Adjustments in liabilities due to change of assumptions	10,112	(42,186)
Empirical adjustments in liabilities	55,556	51,592
Empirical adjustments in assets	-	-
Total actuarial gain / (loss) in the Equity	65,668	9,406
Other adjustments made in the Equity	-	-
Total amount recognized in the Equity	65.668	9.406

The expected benefits (not discounted) from the plan over the following year are estimated at € 7,333 thous.

The major actuarial assumptions utilized for the calculation of the relevant provisions for the medical and healthcare benefits are the following:

Actuarial assumptions	2013	2012
Discount rate	3.70%	3.53%
Inflation	2.10%	2.40%
Future salary increases	2014-16: 0%, 2013-15: 0%,	2017+: 1.75% 2016+: 3.5%
Duration of obligations	15.82	17.00

c. Special lump sum account for employees hired after 26.10.1999

With regard to the employees hired after October 25th, 1999, the Company has the obligation to fully repay the relevant indemnities, in accordance with the employment law and the collective employment agreement.

PERIOD	1/1-31/12/13	1/1-31/12/12
Amounts recognized in the balance sheet		
Present value of liabilities	4.266	5.508
Fair value of the plan's assets	(5.083)	(4.434)
Net liability recognized in the balance sheet	(816)	1.074
Amounts recognized in the results		
Cost of current employment	203	83
Net interest on the liability / (asset)	32	(11)
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	235	72
Recognition of prior service cost	-	11
Cost of curtailment / settlements / service termination	-	-
ΣvoTotal expense in the account of results	235	83
Change in the present value of the liability		
Present value of liability at the beginning of period	5,508	3,748
Cost of current employment	203	83
Interest cost	194	181
Employee contributions	374	322
Benefits paid from the plan	-	-
Benefits paid from the employer	-	-
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	11
Actuarial loss / (profit) – financial assumptions	(2,024)	1,143
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	11	20
Present value of liability at the end of period	4.266	5.508
Change in the value of assets		
Value of plan's assets at beginning of period	4,434	3,812
Expected return on assets	162	193
Contributions from the employer	-	-
Contributions from employees	374	322
Benefits paid from the plan	-	-
Expenses	-	-
Asset adjustment (via Equity)	-	-
Actuarial (loss) / gain	112	107
Value of plan's assets at the end of the period	5.083	4.434
PERIOD		
1/1-31/12/13		
1/1-31/12/12		
Adjustments		
Adjustments in liabilities due to change of assumptions	2,024	(1,143)
Empirical adjustments in liabilities	(11)	(20)
Empirical adjustments in assets	112	107
Total actuarial gain / (loss) in the Equity	2,125	(1,056)
Other adjustments made in the Equity	-	-
Total amount recognized in the Equity	2.125	(1.056)

The expected contributions and benefits (not discounted) from the plan over the following year are estimated at € 354 thous. and € 98 thous. respectively.

The major actuarial assumptions utilized for the calculation of the relevant provisions for the special lump sum account for employees hired after 26.10.1999, are the following:

Actuarial assumptions	2013	2012
Discount rate	3.72%	3.55%
Inflation	1.75%	2.00%
Future salary increases	2014-16: 0%, 2016+: 3.5%	2017+: 1.75%
Duration of obligations	15.75	17.99

d. Special lump sum account for employees hired until 25.10.1999

With the voting of article 45 of L. 4179/2013, which abolished the clauses of article 26 of L. 2939/2001 concerning the mandatory coverage of the account's deficit from the Greek State, the Company's Management proceeded with an actuarial study in order to estimate for the first time the relevant provision for employees' indemnity.

PERIOD	1/1-31/12/13
Amounts recognized in the balance sheet	
Present value of liabilities	59,982
Fair value of the plan's assets	(515)
Net liability recognized in the balance sheet	59,467
Amounts recognized in the results	
Cost of current employment	375
Net interest on the liability / (asset)	719
Total admin. cost recognized in the account of results	-
Ordinary expense in the account of results	1,094
Recognition of prior service cost	59,319
Cost of curtailment / settlements / service termination	-
Total expense in the account of results	60,413
Change in the present value of the liability	
Present value of liability at the beginning of period	-
Cost of current employment	375
Interest cost	719
Employee contributions	525
Benefits paid from the plan	(3,039)
Benefits paid from the employer	-
Cost of curtailment / settlements / service termination	-
Cost of prior service at the period	59,319
Actuarial loss / (profit) – financial assumptions	2,997
Actuarial loss / (profit) – demographic assumptions	-
Actuarial loss / (profit) – evidence from the period	(914)
Present value of liability at the end of period	59,982

Change in the value of assets	1/1-31/12/13
Value of plan's assets at beginning of period	-
Expected return on assets	-
Contributions from the employer	3,029
Contributions from employees	525
Benefits paid from the plan	(3,039)
Expenses	-
Asset adjustment (via Equity)	-
Actuarial (loss) / gain	-
Value of plan's assets at the end of the period	515

PERIOD	1/1-31/12/13
Adjustments	
Adjustments in liabilities due to change of assumptions	(2,997)
Empirical adjustments in liabilities	914
Empirical adjustments in assets	
Total actuarial gain / (loss) in the Equity	(2,083)
Other adjustments made in the Equity	
Total amount recognized in the Equity	(2,083)

The expected contributions and benefits (not discounted) from the plan over the following year are estimated at € 4,723 thous. and € 5,238 thous. respectively.

The major actuarial assumptions utilized for the calculation of the relevant provisions for the special lump sum account for employees hired until 26.10.1999, are the following:

Actuarial assumptions	2013
Discount rate	3.22%
Inflation	1.75%
Future salary increases	2014-16: 0%, 2017+:1.75%
Duration of obligations	9.27

Sensitivity analysis of results

The results of the valuation are dependent on the assumptions (financial and demographic) of the actuarial study. The actuarial liability (BDO) as of 31/12/2013 for each plan based on the following sensitivity analysis scenarios is presented below:

Provision for employees' end of service indemnity L. 2112/20:

Sensitivity scenario	DBO on 31/12/13 (in euro)	% Deviation from the Base Scenario
		Discount rate +0.5%
25,164,800	-4.8%	
Discount rate -0.5%	27,779,735	5.1%
Inflation +0.5%	27,628,184	4.6%
Inflation -0.5%	25,234,800	-4.5%
Remuneration increase +0.5% (from 2017)	26,505,913	0.3%
Remuneration increase -0.5% (from 2017)	26,308,989	-0.4%
Expected survival +1 year	26,435,636	0.0%
Expected survival -1 year	26,412,153	0.0%

Medical and Healthcare services:

Sensitivity scenario	DBO on 31/12/13 (in euro)	% Deviation from the Base Scenario
		Discount rate +0.5%
151,255,618	-6.6%	
Discount rate -0.5%	173,910,524	7.4%
Inflation +0.5%	175,254,852	8.2%
Inflation -0.5%	149,946,467	-7.4%
Remuneration increase +0.5% (from 2017)	161,518,973	-0.3%
Remuneration increase -0.5% (from 2017)	162,349,936	0.3%
Expected survival +1 year	166,778,741	3.0%
Expected survival -1 year	157,223,299	-2.9%

Special Account of employees hired from 26.10.1999

Sensitivity scenario	DBO on 31/12/13 (in euro)	% Deviation from the Base Scenario
		Discount rate +0.5%
3,959,486	-7.2%	
Discount rate -0.5%	4,602,728	7.9%
Inflation +0.5%	4,127,870	-3.2%
Inflation -0.5%	4,417,638	3.5%
Remuneration increase +0.5% (from 2017)	4,668,868	9.4%
Remuneration increase -0.5% (from 2017)	3,908,025	-8.4%
Expected survival +1 year	4,256,675	-0.2%
Expected survival -1 year	4,276,631	0.2%

Special Account of employees hired until 25.10.1999

Sensitivity scenario	DBO on 31/12/13 (in euro)	% Deviation from the Base Scenario
		Discount rate +0.5%
57,360,329	-4.4%	
Discount rate -0.5%	62,784,538	4.7%
Inflation +0.5%	58,916,157	-1.8%
Inflation -0.5%	61,019,774	1.7%
Remuneration increase +0.5% (from 2017)	62,778,868	4.7%
Remuneration increase -0.5% (from 2017)	57,340,834	-4.4%
Expected survival +1 year	60,034,158	0.1%
Expected survival -1 year	59,924,367	-0.1%

e. EYDAP Employees' Auxiliary Pension Fund (TEAP EYDAP)

The Company's personnel is insured with regard to the obligatory auxiliary pension, in TEAP EYDAP, which was part of a merger with other auxiliary pension funds, forming TAYTEKO, a separate legal entity.

With the article 44, paragraph 3 of law 3996/2011 from 1/10/2011, the unit of employees' auxiliary pension fund EYDAP TEAP of the auxiliary insurance arm of TAYTEKO (Insurance Fund of Banking and Public Utility Employees) merged with the ETEAM (Unified Supplementary Insurance Fund for Employees).

The Company has no obligation to cover any deficits of the Auxiliary Fund, and consequently it is deemed that no such obligation arises in the future.

30. PROVISIONS FOR PENDING LITIGATION (GROUP & COMPANY)

The account in the financial statements is analyzed as follows:

Amounts in € thousands	31/12/2013	31/12/2012
Provisions for pending litigations with employees - pensioners	3.197	47.919
Provisions for civil litigations	22.657	20.083
Total	25.854	68.002

As of 31.12.2013, the lawsuits for civil cases against the Company accounted for € 97.3 million. The lawsuits concerned indemnities for damages from flooding (due to pipeline fractures or rainfalls), or cases involving various counterparty suppliers and sub-contractors with regard to violation of contractual terms. Furthermore, there are pending legal cases for employment differences of € 22.6 million approximately. With regard to contingent losses from the above legal cases, provided that these cases become irrevocably resolved, the Company has formed provisions of € 25.9 million on 31.12.2013 and of € 68 million on 31.12.2012. The provisions are deemed as adequate.

The significant change of € 42,148 thous. approximately, concerns the transfer of provisions on 31.12.2013 for pending litigations with employees and pensioners into the account "Operating and other short-term liabilities" as it is presented in note 33.

31. INVESTMENT SUBSIDIES AND CUSTOMER CONTRIBUTIONS (GROUP AND COMPANY)

The account in the financial statements is analyzed as follows:

Amounts in € thousands	31/12/2013	31/12/2012
Opening Value:		
Investment Subsidies	227,500	225,691
Customer Contributions	102,918	101,870
	330.418	327.562
Accumulated Depreciation		
Investment Subsidies	(85,076)	(78,110)
Customer Contributions	(40,744)	(38,073)
	(125.820)	(116.183)
Net (Non Depreciated) Value		
Investment Subsidies	142,424	147,582
Customer Contributions	62,174	63,797
	204.598	211.379

The Company receives subsidies from the European Union, through the Greek State, in order to finance certain projects. Furthermore, the Company's customers (including the public sector and the local government authorities) are required to participate in the financing scheme of the initial network development cost (meters, network connections, etc.) or its upgrade.

The above subsidies and customer contributions are accounted at the time of receipt and are recorded in the Statement of Financial Position in the long-term liabilities. These amounts constitute deferred income and are depreciated on the basis of the economic life of the relevant assets, at the time their operation commences. The amortization of subsidies and customer contributions are deducted from the depreciation of fixed assets in the statement of income.

32. CONSUMERS' GUARANTEES

The amounts of € 18,042 thous. on 31/12/2013 and of € 17,927 thous. on 31/12/2013 concern customer guarantees for the use of the water meter, paid at the time of water supply connection. The above guarantees are paid back (free of interest) upon request from the customer for termination of the water supply connection. The above guarantees have been recorded in nominal value, and not at fair value, initially, and in a following stage in their net (non depreciated) cost, since they can be claimed from the customers at any time.

33. OPERATING AND OTHER CURRENT LIABILITIES

The account in the financial statements is analyzed as follows:

Amounts in € thousands	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Suppliers	28,934	30,828	28,926	30,828
Withheld Taxes Payable	46,860	8,761	46,860	8,761
Social Security Contributions and Other Items	3,976	3,430	3,976	3,430
Customer Advances	2,586	2,061	2,586	2,061
Dividends Payable	136	11,496	136	11,496
Operating Short-Term Liabilities	82,492	56,576	82,484	56,576
Pending Litigations with Employees and Pensioners	73,173	0	73,173	0
Checks Payable	5,058	1,677	5,058	1,677
Collections for Third Parties	1,171	1,320	1,171	1,320
Provision for Non-Utilized Vacation Leave	5,861	5,288	5,861	5,288
Personnel Compensation	1,330	4,295	1,330	4,295
Other Short-Term Liabilities	9,823	9,194	9,824	9,193
Short-Term Customer Guarantees	5,404	5,354	5,404	5,354
Other Short-Term Liabilities	101.820	27.128	101.821	27.127

In execution of the decision 18275/22.01.2014 of the BoD, a private agreement was signed between the Company and its employees – pensioners, according to which the historical claims of employees and pensioners that had reached a court of law, amounting to € 134 million, were reduced following a settlement to approximately € 73.2 million, of which € 9.02 million concerns an additional employer's contribution charge. The payment of this amount has already started in the financial year 2014.

The Company has not been tax audited for the financial years 2008, 2009 and 2010. For the years 2011 and 2012, the Company was audited by its legal auditors, in accordance with the article 82 of L. 2238/1994.

The financial statements include an adequate provision for additional taxes of € 6.1 million as well as incremental charges that may be charged at the time of the final audit of the tax unaudited years and the year 2013.

The outstanding amount of the operating and other liabilities approaches their fair value.

34. EVENTS AFTER THE BALANCE SHEET DATE

1. Pending Legal Cases

With the decision 18275/22-1-2014 of the Board of Directors, a settlement based resolution agreement was reached between the Company and its employees – pensioners over historical labor related legal cases (initial claims amounting to € 134 million were reduced following a settlement to € 64 million). The Company has formed a provision of € 73 million (including the employer contribution cost of € 9 million) as of 31.12.2013.

2. Share Capital Increase of NISONS' EYDAP

The Board of Directors, at its 1,124th meeting, on 29.01.2014 approved the share capital increase of the subsidiary company NISON EYDAP SA by € 150 thous. The payment of the amount occurred on 14/03/2014 via a deposit in the subsidiary's bank account.

Apart from the above, there is no other event which significantly affects the financial structure or the business course of the

Company from 31/12/2013 until the approval date of the financial statements from the Company's Board of Directors.

35.COMMITMENTS AND CONTINGENT LIABILITIES – ASSETS

Contingent liabilities are not recorded in the financial statements but they are disclosed, provided that the possibility of an outflow of resources incorporating financial benefits is minimal.

1. Relations with the Greek State

The Company in line with its foundation law 2744/1999, signed an agreement with the Greek State in 1999 according to which the Greek State undertook the commitment regarding the Company's subsidy from either European Community Funds or the Public Investment Program. The subsidy would be utilized to cover 60% of the Company's capital expenditure need for the maintenance, renovation, improvement or / and expansion of the water supply and sewerage network system for the decade 2000 – 2010.

On the other hand, the Greek State claimed from the Company

an amount for the crude water which disposed to the Company for the period after 25.10.2004. Specifically according to the article 6 of law 2744/1999, the quantity, quality and the supply method of the crude (non distilled) water will be defined via an agreement between the Company and the Greek State, as it is provided by paragraph 2 or article 2 of L. 2744/1999. The same agreement will define the amount paid from the Company for the crude water collected. The payment will be made to “L.E.P.L. EYDAP Fixed Assets”. In execution of the above, in November 1999 the Greek State and the Company signed an agreement, the terms of which (article 15) provided for an agreed price of the crude water only for a 5-year period, namely until 25.10.2004.

As it is analytically described below, the signing of a written agreement - as it is defined in article 15 of the agreement on 9.12.1999 between the Greek State and the Company - which will determine the price paid to “L.E.P.L. EYDAP Fixed Assets” for the crude water collected from 1.7.2013 is pending. In absence of a written agreement, the Company continues from 25.10.2004 and onwards to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by “L.E.P.L. EYDAP Fixed Assets”, burdening its annual financial results.

Based on the article 45 of L. 4179/2013 as it was complemented with the article 131 of L. 4199/2013, it was decided that with a joint ministerial decision, the overdue amounts payable to the Company from the Greek State concerning infrastructure works, LEPL water supply construction works, maintenance of flooding protection works, etc. as well as the non tax related overdue amounts payable to the Greek State from the Company concerning the cost of the collected crude water during the period 25.10.2004 – 30.6.2013 will be defined.

With joint ministerial decision of 3.12.2013 which was issued according to the above law provisions, it was defined that the overdue amounts payable to the Company from the Greek State concerning investment plan's subsidized expenditures of €

294 million for the decade 2000 – 2010 as stipulated from the agreement of 9.12.1999 between the Greek and the Company, are offset with equivalent in value non tax related overdue amounts payable to the Greek State from the Company, until 30.6.2013, concerning the cost of the collected crude water for the period 25.10.2004 – 30.6.2013.

The same ministerial decision defined also the other obligations of the Greek State concerning infrastructure, construction works, etc. at the amount of € 141 million approximately, compared to an amount of € 152 million (including VAT) claimed by the Company. With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted, resolving the long-term issue of conflict of claims between the Greek State and the Company. As a result, the Company resigned from any other claim.

In addition, in the context of the settlement of the obligations of the Greek State from OTA, LEPL and General Government entities to the Company, in 2013 overdue obligations of € 149 million approximately were fully paid to the Company.

Furthermore, the Greek State paid an overdue amount of approximately € 70 million to the Company, concerning the mandatory coverage of the deficit of the special lump sum account for the Company's staff indemnities until 8.8.2013.

2. Commitments concerning Non Executed Contracts

The Company's commitments which concern expansions, improvements and maintenance of networks and installations, electrical and thermal energy production unit installations, etc., accounted for € 119 million approximately on 31.12.2013 (versus € 72 million on 31.12.2012).

3. Letters of Guarantee

The Company has issued letters of guarantee for liability insurance of € 855 thous. on 31/12/2013.

36. RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

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

Amounts in € thousands	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
1) Transactions				
- Income	66,151	66,961	66,151	66,961
- Cost of Goods Sold (cost of construction works)	(2,147)	(1,382)	(2,147)	(1,382)
- Income from non utilized provisions / (Sundry provisions)	(59,396)	(23,835)	(59,396)	(23,835)
2) Outstanding amounts				
- Long-term receivables (Projects for third parties)	2,147	112,063	2,147	112,063
- Long-term receivables (Arrangements of Municipalities)	0	30,955	0	30,955
- Trade receivables (Local authorities, Greek State)	40,931	165,149	40,931	165,149
- Other receivables (from the Greek State for coverage of deficit concerning staff indemnities)	0	68,844	0	68,844
- Obligation due to non issuance of decision concerning dividend counterbalance	0	11,388	0	11,388

The transactions with the Greek State and Local Government Authorities concern revenues of water supply, invoiced and accrued, as well as accrued income from the construction cost for the account of Ministry of Infrastructure, Transport and Networks and "EYDAP Fixed Assets LEPL".

37. AUDITORS' REMUNERATION

Amounts in € thousands	31/12/2013	31/12/2012
Auditors remuneration for auditing the annual accounts	78	100
Other fees	135	40
Total fees	213	140

38. EYDAP FIXED ASSETS «EYDAP L.E.P.L.»

The Public Entity was established at the time of the Company's IPO aiming at transferring the ownership of the water dams and basins of Marathon, Mornos, Yliki and Evinos from EYDAP to PE. It is noted that until the approval date of the financial statements by the Board of Directors, the total ceded assets have not been transferred to EYDAP L.E.P.L., which have a total net book value of € 657 million approximately.

39. RISK MANAGEMENT OF CAPITAL

The company manages its capital by such way that the continuation of its operation is ensured while it will maximize the returns of its shareholders through the improvement of the relationship between shareholders equity and debt. The Management of the Company examines the capital structure on a constant basis, the cost of capital and the risks associated with every category of capital. According to the guidance provided by the Management the Company offsets the total capital structure through the payments of dividends as well as through short-term debt.

The management of the Group overviews the capital structure of the Group within regular time intervals. Within the context of the above review it is estimated the cost of capital and the respective risks for every category of capital. The respective ratio has as follows:

Leverage ratio

Amounts in € thousands	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Borrowings	3,142	185,481	3,142	185,481
Cash and cash equivalents	(331,967)	(43,106)	(331,941)	(43,072)
Net Debt	0	142,375	0	142,409
Total Equity	950,615	843,663	950,653	844,174
Net Debt to Equity Ratio	0	16,15%	0	16,15%

40.FINANCIAL RISK MANAGEMENT

As a result of its operation, the Company is not exposed to any particular financial risks such as Market risks (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 financial services department which operates under certain rules which have been approved by the Board of Directors. The Board of Directors provides guidance and directions for the general and management of specific risks such as the exchange risk, the interest rates risk and the credit risk.

(a) Credit Risk

The Company's exposure with respect to the credit risk it is eliminated to the financial assets which at the reporting date of the Financial Statements are analyzed as follows:

Financial Assets categories	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Available for sale financial assets	1,369	1,602	1,369	1,602
Cash and cash equivalents	331,967	43,106	331,941	43,072
Trade and other receivables	221,553	400,554	221,552	400,554
Long-term receivables	5,407	147,591	5,407	147,590
Investments in associates	0	53	0	542
Investments in subsidiaries	0	-	60	60
Total	560.296	592.906	560.329	593.420

The Company reviews its receivables on constant basis either individually or by group and incorporates the respective information in the procedure of the credit audit and incorporates these data in credit control procedures.

Cash and cash equivalents do not bear credit risk because they mainly refer to deposits in banks with adequate credit rating. Trade and other receivables include receivables from private customers which carry the lowest level of loss risk mainly because of the extensive dispersion of claims, while for the receivables from Local Governments, the Company examines the possibility of collecting the respective due amounts through contract agreements (management of networks and settlements).

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 which is their stock market value and thus there are categorized at level 1, according to the clauses of IFRS 7, par. 27B.

Below it is displayed the timetable of the Company's claims based on their maturity:

CLAIMS BASED ON THEIR MATURITY							
2013	Not due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
PRIVATE							
CUSTOMERS	23,396	11,540	29,374	30,190	23,585	16,658	134,743
STATE	2,704	1,304	3,199	1,537	1,850	2,896	13,490
LOCAL							
GOVERNMENT	7,150	3,518	13,266	1,690	1,259	1,262	28,145
Total	33.250	16.362	45.839	33.417	26.694	20.816	176.378

2012	Not due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
PRIVATE							
CUSTOMERS	22,321	14,481	25,935	28,229	22,098	12,564	125,628
STATE	2,682	1,629	3,515	6,061	10,159	25,697	49,743
LOCAL							
GOVERNMENT	8,359	4,741	19,564	45,461	74,677	60,845	213,647
Σύνολο	33.362	20.851	49.014	79.751	106.934	99.106	389.018

The book value of the receivables which have been subject to renegotiations of their arrangement receipt on 31.12.2013 and 31.12.2012 stood at € 0 million and € 72.4 million respectively.

With regard to credit risk management, the Department of Collection Enforcement reviews on constant basis and settles via judicial means overdue receivables concerning water supply, utilization rights and property connection rights from retail customers and local government authorities (OTA).

(b) Liquidity Risk

The liquidity risk is been managed by the preservation of sufficient cash available for the assurance of bank credits for use .The existing available, unused and approved bank credit of the Company are adequate in order to confront ant potential shortage of cash.

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

TIME ANALISIS OF THE LIABILITITES							
2013	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities		-	-	3.142	-	-	3.142
Suppliers and other liabilities	76.193	92.762	6.928	15.167	71.482	230.212	492.744
Total	76.193	92.762	6.928	18.309	71.482	230.212	495.886

2012	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	22.177	7.815	155.488	-	-	-	185.480
Suppliers and other liabilities	53.647	17.330	6.748	14.795	91.047	205.897	389.464
Total	75.824	25.145	162.236	14.795	91.047	205.897	574.944

41. FAIR VALUE ASSESEMENT

The fair value of the financial items which are traded in active markets (stock exchanges),(i.e. derivatives, stocks, bonds, mutual funds).is assessed based on their published prices which are effective on the financial statements reporting date.

The fair value of financial items which are not traded in active markets is assessed by the utilization of valuation techniques and assumptions which are based on market data on the Financial Statements reporting date.

The nominal value minus provisions of bad debts is estimated that approximates their real value. The real values of the financial liabilities for presentation purposes in the financial statements are calculated based on the present value of their future cash flows, applying the effective interest rate which is available for the Company for utilization of similar financial items.

42. RECLASSIFICATION OF EXPENSES

Due to the application of the new IAS 19 “Employee Benefits” with regard to the direct recognition of the actuarial gains and losses, certain accounts of the comparative periods, in the statement of income, statement of total comprehensive income, statement of changes in equity, statement of financial position, and cash flow statement, have been reclassified. The Company and the Group apply from 01.01.2013 the revised IAS 19 and retroactively from 01.01.2012 in accordance with the IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The changes which occurred affected positively the released financial results and the statement of comprehensive income of 2012 after taxes by an amount of € 4,869 thous. and € 4,885 thous. respectively, and affected negatively the shareholders’ equity of 31.12.2011 and 31.12.2012 by the amounts of € 42,720 thous. and € 37,837 thous. respectively.

STATEMENT OF INCOME

Amounts in € thousands	GROUP		COMPANY	
	31 December 2012 As published	31 December 2012 As re-classified	31 December 2012 As published	31 December 2012 As re-classified
Turnover	353,344	353,344	353,344	353,345
Cost of Goods Sold	(207,159)	(202,750)	(207,159)	(202,751)
Gross Profit	146.185	150.594	146.185	150.594
Other Operating Income	1,677	1,677	1,677	1,677
General and Administration Expenses	(45,437)	(44,381)	(45,420)	(44,366)
Distribution and Selling Expenses	(25,976)	(25,347)	(25,976)	(25,347)
Operating Profit	76.449	82.543	76.466	82.558
Other Expenses	(2,507)	(2,507)	(2,507)	(2,507)
Financial Income	5,275	5,275	5,275	5,275
Financial Expenses	(17,229)	(17,229)	(17,229)	(17,229)
Valuation of Participation in Associate Company	(76)	(76)	-	-
Profit before Taxes	61.912	68.006	62.005	68.097
Income Tax	(15.159)	(16.382)	(15.162)	(16.385)
Net Profit after Taxes	46.753	51.624	46.843	51.712
Number of Shares	106.500	106.500		
Earnings per Share for the Period (in €)	0,44	0,48		

GROUP As published 2012

Ποσό σε χιλ. ευρώ	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results profit carried forward	Total Equity
Equity Balance at 1st January 2012	63.900	40.502	21.547	358.283	428	367.437	852.097
Net Profit for the Period						46.753	46.753
Arrangement of Reserves of Non-Distributed Dividends							
Net income recorded directly in Equity					755		755
Dividends						(18.105)	(18.105)
Equity Balance at 31st December 2012	63.900	40.502	21.547	358.283	1.183	396.085	881.500

**As re-classified
2012**

Amounts in € thousands	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results profit carried forward	Total Equity
Equity Balance at	63.900	40.502	21.547	358.283	428	324.715	809.375
Net Profit for the Period						51.624	51.624
Arrangement of Reserves of Non-Distributed Dividends							
Net income recorded directly in Equity				755	14	769	
Dividends						(18.105)	(18.105)
Equity Balance at 31st December 2012	63.900	40.502	21.547	358.283	1.183	358.248	843.666

**COMPANY
As published
2012**

Amounts in € thousands	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results profit carried forward	Total Equity
Equity Balance at 1st January 2012	63.900	40.502	21.547	358.283	428	367.858	852.518
Net Profit for the Period						46.843	46.843
Arrangement of Reserves of Non-Distributed Dividends							
Net income recorded directly in Equity				755			755
Dividends						(18.105)	(18.105)
Equity Balance at 31st December 2012	63.900	40.502	21.547	358.283	1.183	396.596	882.011

**As re-classified
2012**

Amounts in € thousands	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results profit carried forward	Total Equity
Equity Balance at 1st January 2012	63.900	40.502	21.547	358.283	428	325.138	809.798
Net Profit for the Period						51.712	51.712
Arrangement of Reserves of Non-Distributed Dividends							
Net income recorded directly in Equity					755	14	769
Dividends						(18.105)	(18.105)
Equity Balance at 31st December 2012	63.900	40.502	21.547	358.283	1.183	358.759	844.174

CASH FLOW STATEMENT

Amounts in € thousands	GROUP		COMPANY	
	As published 1.1-31.12.2012	As re-classified 1.1-31.12.2012	As published 1.1-31.12.2012	As re-classified 1.1-31.12.2012
Cash Flows from operating activities				
Profit before tax	61,912	68,006	62,005	68,097
Plus / minus adjustments for:				
Depreciation and amortization	41,536	41,536	41,536	41,536
Amortization of customer contributions and investment subsidies	(7,326)	(7,326)	(7,326)	(7,326)
Income from securities	(50)	(50)	(50)	(50)
Impairment of investments	76	76	0	0
Provisions for personnel compensation	(14,195)	(20,287)	(14,195)	(20,287)
Other provisions	38,603	38,603	38,603	38,603
Interest and related income	(5,225)	(5,225)	(5,225)	(5,225)
Interest and related expense	17,229	17,229	17,229	17,229
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables	(40,564)	(40,566)	(40,566)	(40,566)
Materials and spare parts	(1,348)	(1,348)	(1,348)	(1,348)
Increase (Decrease)				
Operating short term liabilities	(5,409)	(5,409)	(5,403)	(5,403)
Customers' guarantees	150	150	150	150
Obligations for employees benefits	622	622	622	622
Minus:				
Interest and related expenses paid	(14,991)	(14,991)	(14,991)	(14,991)
Income tax paid	(9,736)	(9,736)	(9,736)	(9,736)
Net Cash Flows from Operating Activities (a)	61.284	61.284	61.305	61.305
Cash flows from investing activities				
Dividends received	50	50	50	50
Interest and related income received	3,929	3,929	3,929	3,929
Purchases of tangible assets	(16,467)	(16,467)	(16,466)	(16,466)
Purchases of intangible assets	(915)	(915)	(916)	(916)
Proceeds from customer contributions and subsidies	4,968	4,968	4,968	4,968
Cash collection from liquidation of affiliated company	0	0	0	0
Net Cash Flows from Investing Activities (b)	(8.435)	(8.435)	(8.435)	(8.435)
Cash flows from financing activities				
Loan repayments	(15,372)	(15,372)	(15,372)	(15,372)
Dividends paid	(16,346)	(16,346)	(16,346)	(16,346)
Net Cash Flows from Financing Activities (c)	(31,718)	(31,718)	(31,718)	(31,718)
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	21,131	21,131	21,152	21,152
Cash and Cash Equivalents at the beginning of period	21,975	21,975	21,920	21,920
Cash and Cash Equivalents at the end of period	43,106	43,106	43,072	43,072

STATEMENT OF FINANCIAL POSITION GROUP

Amounts in € thousands	31 December 2012 As published	31 December 2012 As re-classified	31 December 2011 As published	31 December 2011 As re-classified
ASSETS				
NON-CURRENT ASSETS				
Goodwill	3,357	3,357	3,357	3,357
Other Intangible Assets	1,772	1,772	3,185	3,185
Tangible Assets	995,178	995,178	1,017,919	1,017,919
Investments in Associate Companies	53	53	130	129
Investments Available for Sale	1,602	1,602	847	848
Long-term Receivables	147,591	147,591	136,024	136,024
Deferred Tax Assets	56,994	66,453	53,303	63,983
Total Non-Current Assets	1,206,547	1,216,006	1,214,765	1,225,445
CURRENT ASSETS				
Materials and Spare Parts	17,616	17,616	16,288	16,288
Trade Receivables	310,042	310,042	322,012	322,012
Other Receivables	90,513	90,513	82,120	82,121
Current Tax Receivables	-	-	577	576
Cash and Cash Equivalents	43,106	43,106	21,975	21,975
Total Current Assets	461,277	461,277	442,972	442,972
Total Assets	1.667.824	1.677.283	1.657.737	1.668.417
LIABILITIES				
SHAREHOLDERS' EQUITY				
Share Capital	63,900	63,900	63,900	63,900
Share Premium	40,502	40,502	40,502	40,502
Reserves	381,013	381,013	380,258	380,258
Retained Earnings (earnings carried forward)	396,085	358,248	367,437	324,718
Total Shareholders' Equity	881.500	843.663	852.097	809.378
LONG TERM LIABILITIES				
Liabilities for Employee Benefits	211,117	258,413	224,690	278,090
Provisions	68,002	68,002	59,418	59,418
Investment Subsidies and Customer Contributions	211,379	211,379	213,737	213,737
Consumers' Guarantees	17,927	17,927	17,777	17,777
Total Long-Term Liabilities	508.425	555.721	515.622	569.022
SHORT-TERM LIABILITIES				
Operating Short Term Liabilities	56,576	56,576	56,743	56,743
Current Tax Liabilities	8,714	8,714	0	0
Short Term Loans	185,481	185,481	201,674	201,673
Other Short Term Liabilities	27,128	27,128	31,601	31,601
Total Short-Term Liabilities	277,899	277,899	290,018	290,017
Total Liabilities	1,667,824	1,677,283	1,657,737	1,668,417

COMPANY

Amounts in € thousands	31 December 2012 As published	31 December 2012 As re-classified	31 December 2011 As published	31 December 2011 As re-classified
ASSETS				
NON-CURRENT ASSETS				
Goodwill	3,357	3,357	3,357	3,357
Other Intangible Assets	1,772	1,772	3,185	3,185
Tangible Assets	995,178	995,178	1,017,919	1,017,919
Investments in Associate Companies	542	542	542	
Investments in Subsidiaries	60	60	60	
Investments Available for Sale	1,602	1,602	848	848
Long-term Receivables	147,590	147,590	136,023	136,023
Deferred Tax Assets	56,991	66,450	53,302	63,981
Total Non-Current Assets	1,207.092	1,216.551	1,215.235	1,225.915
CURRENT ASSETS				
Materials and Spare Parts	17,616	17,616	16,288	16,288
Trade Receivables	310,042	310,042	322,015	322,015
Other Receivables	90,512	90,512	82,120	82,121
Current Tax Receivables	-	-577	576	
Cash and Cash Equivalents	43,072	43,072	21,920	21,920
Total Current Assets	461,242	461,242	442,920	442,920
Total Assets	1,668.334	1,677.793	1,658.155	1,668.835
LIABILITIES				
SHAREHOLDERS' EQUITY				
Share Capital	63,900	63,900	63,900	63,900
Share Premium	40,502	40,502	40,502	40,502
Reserves	381,013	381,013	380,258	380,258
Retained Earnings (earnings carried forward)	396,596	358,759	367,858	325,138
Total Shareholders' Equity	882.011	844.174	852.518	809.798
LONG TERM LIABILITIES				
Liabilities for Employee Benefits	211,117	258,413	224,690	278,090
Provisions	68,002	68,002	59,418	59,419
Investment Subsidies and Customer Contributions	211,379	211,379	213,737	213,737
Consumers' Guarantees	17,927	17,927	17,777	17,777
Total Long-Term Liabilities	508.425	555.721	515.622	569.023
SHORT-TERM LIABILITIES				
Operating Short Term Liabilities	56,576	56,576	56,740	56,740
Current Tax Liabilities	8,714	8,714	0	0
Short Term Loans	185,481	185,481	201,674	201,673
Other Short Term Liabilities	27,127	27,127	31,601	31,601
Total Short-Term Liabilities	277,898	277,898	290,015	290,014
Total Liabilities	1,668,334	1,677,793	1,658,155	1,668,835

ALLOCATION OF EXPENSES IN THE OPERATIONS

GROUP (as published)

31/12/2012

Amounts in € thousands	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	50,298	448	2,763	53,509
Cost of Self-Constructed Assets	(12,041)	-	-	(12,041)
Total A	38.257	448	2.763	41.468
Personnel Fees & Expenses	58,059	16,784	34,854	109,697
Third-party provisions	34,343	7,040	2,713	44,096
Depreciation and amortization	31,093	647	2,470	34,210
Sundry Provisions	38,603	-	-	38,603
Sundry Expenses	5,498	748	2,170	8,416
Raw materials and consumables	6,199	309	467	6,975
Cost of Self-Constructed Assets	(4,893)	-	-	(4,893)
Total B	168.902	25.528	42.674	237.104
Total (A + B)	207.159	25.976	45.437	278.572

GROUP (as re-classified)

31/12/2012

Amounts in € thousands	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	50,298	448	2,763	53,509
Cost of Self-Constructed Assets	(12,041)	-	-	(12,041)
Total A	38.257	448	2.763	41.468
Personnel Fees & Expenses	53,650	16,155	33,798	103,603
Third-party provisions	34,343	7,040	2,713	44,096
Depreciation and amortization	31,093	647	2,470	34,210
Sundry Provisions	38,603	-	-	38,603
Sundry Expenses	5,498	748	2,170	8,416
Raw materials and consumables	6,199	309	467	6,975
Cost of Self-Constructed Assets	(4,893)	-	-	(4,893)
Total B	164.493	24.899	41.618	231.010
Total (A + B)	202.750	25.347	44.381	272.478

COMPANY (as published)

31/12/2012

Amounts in € thousands	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	50,298	448	2,762	53,508
Cost of Self-Constructed Assets	(12,041)	-	-	(12,041)
Total	38.257	448	2.762	41.467
APersonnel Fees & Expenses	58,059	16,784	34,854	109,697
Third-party provisions	34,343	7,040	2,703	44,086
Depreciation and amortization	31,093	647	2,470	34,210
Sundry Provisions	38,603	-	-	38,603
Sundry Expenses	5,498	748	2,164	8,410
Raw materials and consumables	6,199	309	467	6,975
Cost of Self-Constructed Assets	(4,893)	-	-	(4,893)
Total B	168.902	25.528	42.658	237.088
Total (A + B)	207.159	25.976	45.420	278.555

COMPANY (as reclassified)
31/12/2012

Amounts in € thousands	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	50,298	448	2,762	53,508
Cost of Self-Constructed Assets	(12,041)	-	-	(12,041)
Total A	38.257	448	2.762	41.467
Personnel Fees & Expenses	53,650	16,155	33,800	103,606
Third-party provisions	34,343	7,040	2,703	44,086
Depreciation and amortization	31,093	647	2,470	34,210
Sundry Provisions	38,603	0	-	38,603
Sundry Expenses	5,498	748	2,164	8,410
Raw materials and consumables	6,199	309	467	6,975
Cost of Self-Constructed Assets	(4,893)	-	-	(4,893)
Total B	164.493	24.899	41.604	230.996
Total (A + B)	202.750	25.347	44.366	272.463

INCOME TAX

Amounts in € thousands	GROUP		COMPANY	
	31.12.2012 As published	31.12.2012 As re-classified	31.12.2012 As published	31.12.2012 As re-classified
Corresponding Income Tax	18,843	18,842	18,843	18,842
Tax of unaudited period 2012, 2013	747	747	747	747
Minus: Utilization of provision of year 2011	(918)	(918)	(918)	(918)
Tax audit differences	179	179	179	179
Deferred Taxation	(3,692)	(2,468)	(3,689)	2,465
Total	15.159	16.382	15.162	16.385

LIABILITIES FOR EMPLOYEE BENEFITS (GROUP & COMPANY)

The account is analyzed as following:

Amounts in € thousands	31.12.2012 As published	31.12.2012 As re-classified	31.12.2011 As published	31.12.2011 As re-classified
Provision for staff indemnity due to retirement	17,285	28,757	18,516	26,155
Healthcare coverage of personnel	188,110	224,147	201,048	248,187
Special one-off indemnity L. 2939/6-8-01 no. 26	5,722	5,509	5,126	3,748
Total	211.117	258.413	224.690	278.090

5.4 INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Shareholders of ATHENS WATER SUPPLY AND SEWERAGE 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) and the group ATHENS WATER SUPPLY AND SEWERAGE which comprise the Company stand-alone and consolidated statement of financial position as at December 31, 2013, and the Company stand-alone and consolidated statements of profit and loss account 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 the group ATHENS WATER SUPPLY AND SEWERAGE as of December 31, 2013, 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.

Matter of Emphasis

We draw your attention to the fact that as it is further explained in note 35.1 of the financial statements, long outstanding claims raised both by the Company and the Greek State against each other, have been settled in 2013 through legislation and ministerial decisions on one hand and on the

other hand through the resolution taken of December 27, 2013 by the Extraordinary General Assembly of shareholders. However, an agreement on the cost of the unprocessed water supply to the Company after June, 30 2013 is still pending. The Company continues to offset the cost of the unprocessed water supply against the cost of services that the Company provides for the maintenance and operation of the water saving and water transfer fixed assets owned by the State Entity "Fixed Assets E.YD.A.P Company". Our audit opinion does not include a qualification regarding the issue above.

Report on Other Legal and Regulatory Requirements

a) The Annual Consolidated Directors' Report includes a Corporate Governance Statement does provide the information required according to the provisions of paragraph 3d of Article 43a and paragraph 3st of Article 107 of the Codified Law 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 Codified Law 2190/1920.

Athens, March 26, 2014
The Certified Public Accountants

Nicos Sofianos
Reg. No SOEL: 12231

Nicos Papadimitriou
Reg. No SOEL: 14271

Hadjipavlou Sofianos & Cambanis S.A.
Assurance & Advisory Services
Fragoklisias 3a & Granikou Str,
151 25 Maroussi
Reg. No (ICPA (GR)): E 120

Deloitte.

5.5 INFORMATION ACCORDING TO ARTICLE 10 OF LAW 3401/2005

The following Announcements/Notifications have been sent to the Daily Official List Announcements and are posted to the Athens Exchange website as well as to Company's website www.eydap.gr.

17/01/2013	IN FRIENDLY CLIMATE THE MEETING WITH JOURNALISTS
19/02/2013	2013 FINANCIAL CALENDAR
01/03/2013	SHARE CAPITAL INCREASE EYDAP NISON S.A.
28/03/2013	REPLY TO THE CAPITAL MARKET COMMISSION
29/03/2013	EYDAP REDUCES WATER RATES
29/03/2013	FY 2012 RESULTS
01/04/2013	CORPORATE ANNOUNCEMENT
02/04/2013	CORPORATE ANNOUNCEMENT
09/04/2013	FINANCIAL ANALYSTS' ANNUAL BRIEFING
11/04/2013	COMPANY PRESENTATION TO THE REPRESENTATIVES OF THE CAPITAL MARKET
23/04/2013	REPLACEMENT OF BOARD OF DIRECTORS MEMBERS
01/05/2013	REPLACEMENT OF BOARD OF DIRECTORS MEMBERS
21/05/2013	CORPORATE ANNOUNCEMENT
22/05/2013	CORPORATE ANNOUNCEMENT
23/05/2013	CORPORATE ANNOUNCEMENT
30/05/2013	INVITATION TO ORDINARY SHAREHOLDERS MEETING
30/05/2013	INVITATION TO SPECIAL SHAREHOLDERS MEETING
31/05/2013	Q1 2013 KEY FIGURES & RESULTS
04/06/2013	ERROR CORRECTION
05/06/2013	CORPORATE ANNOUNCEMENT
06/06/2013	INVITATION TO THE SHAREHOLDERS ORDINARY GENERAL MEETING
10/06/2013	CORPORATE ANNOUNCEMENT
28/06/2013	SPECIAL SHAREHOLDERS MEETING RESOLUTIONS
28/06/2013	RESOLUTIONS OF THE ORDINARY SHAREHOLDERS MEETING
01/07/2013	2012 DIVIDEND PAYMENT

030/7/2013	RESOLUTIONS AND VOTING RESULTS OF SPECIAL SHAREHOLDERS MEETING 2013
03/07/2013	RESOLUTIONS OF THE 31ST ANNUAL SHAREHOLDERS' GENERAL MEETING
05/07/2013	CLARIFICATIONS FOR THE DISTRIBUTION OF RETAINED EARNINGS OF PRIOR YEARS PROPOSAL TO THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING
05/07/2013	INVITATION TO THE SHAREHOLDERS' EXTRAORDINARY GENERAL MEETING
09/07/2013	ANNOUNCEMENT PURSUANT TO LAW 3556/2007 - DISCLOSURE OF CHANGE IN VOTING RIGHTS
12/07/2013	ANOUNCEMENT
26/07/2013	2013 FINANCIAL CALENDAR UPDATE
26/07/2013	DISTRIBUTION OF PRIOR YEARS PROFITS
26/07/2013	RESOLUTIONS OF THE ETXRAORDINARY SHAREHOLDERS MEETING
30/07/2013	RESOLUTIONS OF THE EXTRAORDINARY SHAREHOLDERS MEETING_CORRECT REPETITION
31/07/2013	RESOLUTIONS AND VOTING RESULTS EXTRAORDINARY GENERAL MEETING 2013
30/08/2013	H1 2013 RESULTS
02/10/2013	INVITATION TO THE SHAREHOLDERS' EXTRAORDINARY GENERAL MEETING
09/10/2013	CORPORATE ANNOUNCEMENT
23/10/2013	RESOLUTION OF THE EXTRAORDINARY SHAREHOLDERS MEETING OCTOBER 2013
25/10/2013	CONCLUSION OF ORDINARY TAX AUDIT FOR FISCAL YEAR 2012 AND TAX CERTIFICATE ISSUANCE
18/11/2013	CORPORATE ANNOUNCEMENT
29/11/2013	9M 2013 KEY FIGURES & RESULTS
05/12/2013	CORPORATE ANNOUNCEMENT
06/12/2013	INVITATION TO THE SHAREHOLDERS' EXTRAORDINARY GENERAL MEETING
11/12/2013	INVITATION TO THE SHAREHOLDERS EXTRAORDINARY MEETING CORRECT REPETITION
17/12/2013	CORPORATE ANNOUNCEMENT
24/12/2013	CORPORATE ANNOUNCEMENT
27/12/2013	RESOLUTIONS OF THE EXTRAORDINARY SHAREHOLDERS MEETING
31/12/2013	VOTING RESULTS OF THE EXTRAORDINARY SHAREHOLDERS MEETING 2013

5.6 Financial Data and Information

ATHENS WATER AND SEWERAGE COMPANY S.A. (E.Y.D.A.P)

Company's Number in the General Electronic Commercial Registry : 121578960000, Oropou 156 -11146 Galatsi

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1st January 2013 to 31 December 2013

(in terms of article 135 of Law 2190, for companies publishing annual financial statements in accordance with IAS/IFRS)

The information and financial data below provide general information about the financial position and the results of EYDAP S.A.(the Company) and the Group. Therefore, we recommend the reader, before making any investment decision or proceeding to any transaction with the Group or the Company to visit the Company's website where the full year financial statements according to International Financial Reporting Standards together with the auditor's report, are presented.

COMPANY PROFILE

Prefecture:

Company's web Site

Members of the Board of Directors:

Athens

www.eydap.gr

«A. Vartholomaïos, E. Palaïologos, L. Zografos, E. Karachaliou, Eleftheria Karachaliou*, Panteleimon Kamas*, Anastasios Kourtis*, Epaminondas Sklavenitis*, Panayotis Skoularikis*, Christos Mistriotis*, Emmanouel Aggelakis*, Evangelos Moutafis*, (*Non- Executive Members) P. Kamas, A. Kourtis, I. Chondrogiannos, E. Sklavenitis, P. Skoularikis, C. Mistriotis, E.Aggelakis, E. Moutafis, G. Zafeiropoulos.

March 26, 2014

N.Sofianos SA D No 12231

N.Papadimitriou SA D No 14271

Deloitte Hatzipaulou, Sofianos & Kampanis

Type of Auditor's Report Unqualified Opinion-Emphasis of matter

Date of Approval of Financial Statements:

The Certified Auditors:

Auditing Company:

Public Accountants and Business Consultants SA D No 120

STATEMENT OF FINANCIAL POSITION

Amounts in € thousand

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
ASSETS				
Tangible assets	976.641	995.178	976.641	995.178
Intangible assets	1.420	1.772	1.420	1.772
Other non current assets	103.726	219.056	103.786	219.602
Inventories	15.798	17.616	15.798	17.616
Trade Receivables	203.194	310.042	203.181	310.041
Other current assets	350.326	133.619	350.312	133.584
TOTAL ASSETS	<u>1.651.105</u>	<u>1.677.283</u>	<u>1.651.138</u>	<u>1.677.793</u>
EQUITY AND LIABILITIES				
Share capital	63.900	63.900	63.900	63.900
Other Equity Items	886.715	779.763	886.753	780.274
Total Equity (a)	<u>950.615</u>	<u>843.663</u>	<u>950.653</u>	<u>844.174</u>
Liabilities for employee benefits	252.609	258.413	252.609	258.413
Investment subsidies and Consumers' participation	204.598	211.379	204.598	211.379
Provisions/Other long-term liabilities	43.896	85.929	43.896	85.929
Short- term Loans	3.142	185.481	3.142	185.481
Other Short- term liabilities	196.245	92.418	196.240	92.417
Total liabilities (b)	<u>700.490</u>	<u>833.620</u>	<u>700.485</u>	<u>833.619</u>
TOTAL EQUITY AND LIABILITIES (a)+(b)	<u>1.651.105</u>	<u>1.677.283</u>	<u>1.651.138</u>	<u>1.677.793</u>

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

Amounts in € thousand

	GROUP	
	1.01-31.12.2013	1.01-31.12.2012
Turnover	336.165	353.344
Gross profit	145.595	150.594
Profit before tax, financial, and investment results	54.072	79.960
Profit before tax	61.740	68.006
Profit after tax (A)	78.160	51.624
Other comprehensive income, net of tax (B)	50.092	769
Total Comprehensive income for the period (A+B)	128.252	52.393
Attributable to		
Shareholders	78.160	51.624
Diluted earnings per issued share (in euro)	0,7295	0,4856
Proposed dividend per share (in €)	-	-
Proposed Dividend from Tax Free Reserve per share (in €)	-	-
Profit before tax, financial, investment results and depreciation and amortization	84.077	114.170

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

Amounts in € thousand

	<u>1.01-31.12.2013</u>	<u>COMPANY</u> <u>1.01-31.12.2012</u>
Turnover	336.154	353.345
Gross profit	145.585	150.594
Profit before tax, financial, and investment results	53.599	80.051
Profit before tax	61.267	68.097
Profit after tax (A)	77.687	51.712
Other comprehensive income, net of tax (B)	50.092	769
Total Comprehensive income for the period (A+B)	127.779	52.481
Attributable to		
Shareholders	77.687	51.712
Diluted earnings per issued share (in euro)	-	-
Proposed dividend per share (in €)	0,36	0,15
Proposed Dividend from Tax Free Reserve per share (in €)	0,02	-
Profit before tax, financial, investment results and depreciation and amortization	83.604	114.261

STATEMENT OF CHANGES IN EQUITY

Amounts in € thousand

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31.12.2013</u>	<u>31.12.2012</u>	<u>31.12.2013</u>	<u>31.12.2012</u>
Equity balance at the beginning of the year (01.01.2013 and 01.01.2012)	843.663	809.375	844.174	809.798
Profit of the year, after tax	78.160	51.624	77.687	51.712
Net income directly charged to equity	50.092	769	50.092	769
Comprehensive income after tax	128.252	52.393	127.779	52.481
Distributed Dividends	(21.300)	(18.105)	(21.300)	(18.105)
Equity balance at the end of the year (31.12.2013 and 31.12.2012)	<u>950.615</u>	<u>843.663</u>	<u>950.653</u>	<u>844.174</u>

STATEMENT OF CASH FLOWS

Amounts in € thousand

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31.12.2013</u>	<u>31.12.2012</u>	<u>31.12.2013</u>	<u>31.12.2012</u>
Cash Flows from operating activities				
Profit before tax	61.740	68.006	61.267	68.097
Plus / minus adjustments for:				
Depreciation and amortization	39.642	41.536	39.642	41.536
Amortization of customers' contributions and subsidies	(9.637)	(7.326)	(9.637)	(7.326)
Investment income	(43)	(50)	(43)	(50)
Impairment of investments	5	76	495	0
Provisions for personnel compensation	61.040	(20.287)	61.040	(20.287)
Other Provisions	(25.656)	38.603	(25.656)	38.603
Interest and related income	(16.126)	(5.225)	(16.126)	(5.225)
Interest and related expense	8.501	17.229	8.501	17.229
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Decrease) Increase in :				
Trade Receivables	375.065	(40.566)	375.083	(40.566)
Materials and spare parts	1.842	(1.348)	1.842	(1.348)
Increase (Decrease) in :				
Liabilities	35.537	(5.409)	35.510	(5.403)
Consumers' guarantees	115	150	115	150
Liabilities for employees benefits	1.164	622	1.164	622
Minus:				
Interest and related expenses paid	(11.103)	(14.991)	(11.103)	(14.991)
Income tax paid	(24.398)	(9.736)	(24.398)	(9.736)
Net cash flows from operating activities (a)	<u>497.688</u>	<u>61.284</u>	<u>497.696</u>	<u>61.305</u>

Cash Flows from investing activities

Purchase of tangible assets	(20.028)	(16.467)	(20.028)	(16.466)
Purchase of intangible assets	(725)	(915)	(725)	(916)
Proceeds from customers' contributions and subsidies	2.856	4.968	2.856	4.968
Interest and related income received	7.494	3.929	7.494	3.929
Dividends received	43	50	43	50
Acquisition of subsidiaries	48	0	48	0
Net cash flows from investing activities (b)	<u>(10.312)</u>	<u>(8.435)</u>	<u>(10.312)</u>	<u>(8.435)</u>

Cash Flows from financing activities

Loans repayments	(178.993)	(15.372)	(178.993)	(15.372)
Dividends paid	(19.522)	(16.346)	(19.522)	(16.346)
Net cash flows from financing activities (c)	<u>(198.515)</u>	<u>(31.718)</u>	<u>(198.515)</u>	<u>(31.718)</u>
Net (decrease) increase in cash and cash equivalents (a) + (b) + (c)	<u>288.861</u>	<u>21.131</u>	<u>288.869</u>	<u>21.152</u>
Cash and cash equivalents, at the beginning of the year	<u>43.106</u>	<u>21.975</u>	<u>43.072</u>	<u>21.920</u>
Cash and cash equivalents, at the end of the year	<u>331.967</u>	<u>43.106</u>	<u>331.941</u>	<u>43.072</u>

ADDITIONAL DATA AND INFORMATION

1. The number of employees, for Group and Company, at 31 December 2013 was 2,477 (31 December 2012: 2,512).
2. The unaudited by the tax authorities fiscal years for the Company and the Group's subsidiary are presented in detail in the note 33 of the annual financial statements.
3. The provisions formed by the Company until 31 December 2013 concern:
 - a) Lawsuits for civil cases against the Company of a total amount € 97.3 million, mainly relating to indemnities for damages from water flooding (due to pipelines fractures and rainfalls), and to lawsuits from various counterparty suppliers and sub-contractors for violation of contractual terms.
 - b) There are also pending litigations for labor differences of € 22.6 million approximately. Against the losses which may arise if the above (a and b) pending litigations become irrevocably resolved, EYDAP has formed provisions of total amount € 25.9 million on 31 December 2013 versus € 68 million on 31 December 2012, which are deemed as adequate.
 - c) In execution of the decision 18275/22.01.2014 of the BoD, a private agreement was signed between the Company and its employees – pensioners, according to which the historical claims of employees and pensioners that had reached a court of law, amounting to € 134 million, were reduced following a settlement to approximately € 64.2 million plus an amount of € 9 million concerning adjunctive charges.
 - d) Tax unaudited years € 6.1 million on 31 December 2013 versus € 4.9 million on 31 December 2012 and e) Other provisions for doubtful receivables and obsolete inventories of € 27.9 million on 31 December 2013 versus € 87.9 million on 31 December 2012.»
4. a) In the current year 2013, based on regulatory arrangements and the decision of the General Shareholders' Meeting of the Company, long-term claims of the Company against the Greek State were resolved. Detailed analysis is presented in the note 35, par. 1 of the financial statements.
b) The note 38 of the financial statements presents that until the approval date of the annual financial statements from the Board Directors, the total property assets assigned to L.E.P.L. "EYDAP Fixed Assets" of net book value of € 657 million approximately have not been transferred.»
5. Transactions during the fiscal year 2013 and balances as of 31 December 2013 with related parties, as defined in IAS 24, are as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
i) Income	66.151	66.961	66.151	66.961
ii) Expenses	2.147	1.382	2.147	1.382
iii) Receivables	40.931	308.167	40.931	308.167
iv) Dividend liability	-	11.388	-	11.388
v) Remuneration and compensation of Board Members and senior executives	136	188	136	188

6. In current year, an expense of € 233 thous. concerning the change in the fair value of assets available for sale and actuarial profits of € 50,235 thous. after taxes from defined benefit plans in accordance with the revised IAS 19, were recorded in the statement of total comprehensive income.
7. Until the approval date of the annual financial statements, with the exception of the subjects presented in note 4, no other material events exist which may significantly affect the asset structure or the activities of the Group and the Company, as they were recorded on 31.12.2013.
8. Apart from EYDAP, the consolidated financial statements include NISON EYDAP S.A. with domicile in Athens. EYDAP holds 100% of the company's share capital. NISON EYDAP S.A. was consolidated according to the full consolidation method and as a result no minority rights have been recorded. In comparison with the previous comparative year, the current year does not consolidate a company which had been consolidated via the net worth method, due to liquidation this company.
9. The Company and the Group apply from 1.1.2013 the revised IAS 19 with retroactive application from 1.1.2012 in accordance with IAS 8. Detailed presentation exists in note 42 of the financial statements. The changes which occurred affected: a) positively the published statement of income and of total comprehensive income by amounts of € 4,869 thous. and 4,885 thous. respectively, and b) negatively the published shareholders' equity on 31.12.2011 and 31.12.2012 by amounts of € 42,720 thous. and € 37,837 thous. respectively.

10. The matter of emphasis of the Certified Auditors are the following: "We draw your attention to the fact that as it is further explained in note 35.1 of the financial statements, long outstanding claims raised both by the Company and the Greek State against each other, have been settled in 2013 through legislation and ministerial decisions on one hand and on the other hand through the resolution taken of December 27, 2013 by the Extraordinary General Assembly of shareholders. However, an agreement on the cost of the unprocessed water supply to the Company after June, 30 2013 is still pending. The Company continues to offset the cost of the unprocessed water supply against the cost of services that the Company provides for the maintenance and operation of the water saving and water transfer fixed assets owned by the State Entity "Fixed Assets E.YD.A.P Company". Our audit opinion does not include a qualification regarding the issue above."

Athens, March 26, 2014

The Chairman of the Management Board
and Chief Executive Officer

The Member of the BoD

The Director of the Economic Department

The Chief Accountant Supervisor

Antonios Vartholomaïos
ID no AK 543580

Chondrogiannis Ioannis
ID no AI 094411

Spyropoulou Eleni
ID No AI 060168

Skylaki Lemonia
ID No Ξ 971227

Economic Chamber of
Greece Accounting
License Reg.No A/22806

Economic Chamber of Greece
Accounting
License Reg.No A/17806

