



Annual Bulletin & Annual Report

2014





Annual Bulletin
& Annual Report

2014



INDEX

Message from the Chairman & CEO.....	
1. Company Profile.....	2
1.1 Board of Directors Profile	5
1.2 Companys' Executives Profile	6
1.3 Background-Incorporation	11
1.4 Object-Operation.....	13
1.5 Outlook	13
1.6 Eydap Nison S.A.....	14
1.7 Area of Service	15
2. Corporate Governance.....	19
2.1 Board of Directors.....	20
2.2 Shareholders	20
2.3 Control Mechanisms.....	23
2.4 Risks Management.....	24
2.5 Tranparency and Disclosure.....	24
2.6 Corporate Governance Code	25
3. Corporate Responsibility	27
3.1 Enviroment.....	28
3.2 Human resourses	29
3.3 Society.....	29
3.4 Responsible Business Practice	30
4. Key financials.....	31
4.1 Key financials.....	33
4.2 Consumption Evolution & Breakdown.....	36
4.3 Stock Information.....	40
5. Annual Financial report.....	43
5.1 Statement of the Members of the Board of Directors.....	47
5.2 Annual Financial report of the Board of Directors	48
5.3 "Financial statements for the period January 1st 2013 to December 31st 2013 in accordance with the international financial reporting standards (IFRS) of the group and EYDAP SA (The Company)"	84
5.4 Independent Auditors Report.....	139
5.5 Information according to art. 10 of law 3401/2005.....	141
5.6 Financial data and information.....	142

Message from the Chairman & CEO

There is no doubt that 2014 was a forceful year of growth in which we have successfully dealt with demanding challenges on multiple levels. With our highly skilled manpower, our strong know-how, and our healthy economic environment, we managed, once again, to offer our customers high quality services.

As the company that manages and provides the most precious of the natural resources, that being water, EYDAP sensitively and consistently strives to meet consumers' needs and demands while simultaneously ensures environmental protection.

The aim and objective of our Company's economic policy is to be able, to autonomously fulfill our obligations towards our employees, our shareholders, and society. And this is an objective that we have successfully achieved through 2014. With zero debt and high cash balances, along with our social responsibility actions, EYDAP continued to thrive for 2014.

In this context, we managed to implement our pricing policy with reduced rates throughout past year, while at the same time maintaining –and in many cases expanding, by using new favorable to the public price adjustments – our special social tariff for financially vulnerable households, as we believe that a water and sewage company, must first and foremost “serve” the customers. We set operational efficiency as our primary objective and despite the expected revenue decrease, as a result of our social initiatives, we succeeded in gaining strong profitability. In particular, for 2014 our turnover amounts in 326.4m € earnings before taxes, interest, depreciation and amortization amounts in 87.6m € and our profit before taxes amounts in 63.5m €.

This current year, will be the first year of the implementation of our new Investment and Business Framework Strategic Action Plan for 2015-2019, which was completed in November 2014 in cooperation with consultants both from Greece and abroad. This strategic action framework includes all the company's development and modernization investments plan, along with projects of high reward and effectiveness, without committing to one-way implementation actions while at the same time giving the opportunity for evaluation, focused on towards higher quality services and further company's efficiency improvement.

Our strategy in 2015 is tracked towards Society and Environment, providing at the same time specific actions to further increase company's profitability. Our strategy includes a series of crucial initiatives which will contribute to company upgrading with respect to the extent of its environmental performance, modernization of fixed assets under the required International and European standards, to the continuous increase of the functional and technical performance, to the further improvement of processes and finally to the customer service methods.

We have already launched multipart actions in order to reshape company's Operation Centre towards a more integrated, modern and customer-oriented operating model that will emerge as a strategic communication and consumer service hub. Through simple, fast and innovative procedures, we will be able to deal effectively and responsibly with our consumers' demands as reflected in today's society.

Additionally, we launched a new investment activity in order to reduce the percentage of non-revenue water and revenue loss, mainly created due to the aged installed water meters and to the lack of coordinated business activities and investment needs.

The challenges in our industry, as they emerge and shape by the requirements of new conditions of our time, request from us to show maturity and responsibility. The restriction of water abundance, the climate change, the demographic characteristics, the need for new technologies, the investment requirements in infrastructure as well as the lack of investment in a provincial and municipal level are just some of the many challenges the sector of water and sewerage faces; not only at a national but also at a European level, all those challenges are the ones that we should undoubtedly, be able to promptly predict and act upon the appropriate decisions made, as to adapt to new business standards.

In spite of any possible events that might occur we are confident that our vision, which focuses to the maximization of company's contribution to the society with our manpower at the wheel and the complete support of our shareholders, will be integrated; when in accordance we will be able to successfully tackle the current challenges and positively impact the growth of Greek economy.

Dear Shareholders

EYDAP, committed to its shareholders, proposes to the Shareholders' General Meeting through the Board of Directors decision, a dividend equal to 50 % of 2014 net profit, amounting to 21.3m €. (0.20€ per share).

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

Antonios Vartholomeos



Chairman & CEO Executive Member



1. COMPANY PROFILE



1.1 Board of Directors

Name	Position
Antonios Vartholomeos	Chairman & CEO – Executive Member
Evangelos Palaiologos	Deputy Chairman-Non Executive Member
Gregory Zafeiropoulos	Non-Executive Member
Lampros Zografos	Non-Executive Member
Panteleimon Kamas	Independent, 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
Evangelos Moutafis	Non-Executive Member

Presentation of the Board of Directors

ANTONIOS M. VARTHOLOMEOS

Chairman & CEO

Antonios 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 and was specialized in matters of financing, investment, capital markets, real estate development and mortgage securitisation 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, organisation, credit control and financial risk sector.

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 modernisation and financial reorganization.

During the last years, 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 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.

EVAN 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 EPAM. ZAFIROPOULOS

BoD Audit Committee Member

Coordination, Support & Promotion of Local Authorities Issues

Grigorios Zafiroopoulos 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 Nafpakto, 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 MScin 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 Sklavenitis 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.

PANOS 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.

PROKOPIOS TARADOS**Legal Advisor to the BoD****CHRISTINA KONTARATOU****BoD Secretary**



1.2 Company's Executives Profile

KONSTANTINOS VOUGIOUKLAKIS

Executive Director, Project Development and Production

He was born in Athens in September 1966 and graduated from the 5th High School of Kallithea. He studied at the National Technical University of Athens, section of Civil Engineering, with specialization in Transportation. He has been working in EYDAP since 1993, where he has held positions, including, Head of the Second Regional Maintenance Department (1996-1997), Head of the Preventive Maintenance Sewerage Network (1997-2007), Director of the Sewerage Network (2009-2013) and Assistant Executive Director of Operation and Network Installations (2013-2014). Today, he holds the position of Executive Director Development and Infrastructure, having the responsibility of the Department of Planning and Development, the Department of Infrastructure, the Quality Management Research and Development (R&D), the Department of Building Property and Energy and the Department for Relations with Local Authorities.

GEORGIOS KARAGIANNIS

Executive Director, Networks & Operation

Georgios Karagiannis has Bachelor of Civil Engineering from the Polytechnic School of Democritus University of Thrace. He is married and father of two children. He joined EYDAP S.A in 1990. As a civil engineer he has designed and constructed a significant number of technical works. For many years he has worked in organizing, planning and implementation of works and processes in Water Supplies. While being Section Manager, Sub Director and Assistant General Director, he has been in charge of Departments in various technical activities of EYDAP. Nowadays, from the position of General Director of Networks and Facilities Operation, he monitors and coordinates the Departments that deal with water sources, external reservoirs, water treatment plants, water supplies and sewerage and wastewater treatments, throughout the area of responsibility of EYDAP S.A. He has been elected as a member of The Technical Chamber of Greece, from 2006 to 2009.

GEORGE KRAMPKOUKIS

Director General, Human Resources and Organisational Functions

George Krampokoukis is Graduate of the Economics Department-University of Pireaus and Post Graduate in Organisation and Administration of Industrial Systems-University of Pireaus and National Metsovio University. He joined EYDAP S.A. in 1984. He has also served as Director to 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).

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.



1.3 Background – Incorporation

The Athens Water Supply and Sewerage Company (EYDAP S.A.) is the largest company in Greece activating in water management and distribution as well as in sewerage services. EYDAP supplies water to approximately 4,300,000 customers (2,100,000 water meters) through a network of approximately 9,500 km. 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 L.2744/1999 and its amendments, as described in the Joint Decision of the Ministers of Economy, Finance, Environment, Physical Planning and Public Works. The company’s object is:

- a. To provide water-supply and sewerage services, as well as to design, construct, install, operate, manage, maintain, expand and upgrade water-supply and sewerage systems. These activities and projects include the pumping, desalination, processing, storage, transfer, distribution and management of all kinds of water, as a means of serving EYDAP’s object. Other activities and projects include the collection, transfer, process, storage, management and disposal of wastewater treatment products.
- b. To provide telecommunications-related, energy-related, and sundry other services, and to exploit the water supply and sewerage system for other parallel objects, such as the deployment of telecommunications-related and energy-related operations, as an exception to the prohibitions of article 11, par. 8 of L.2744/1999 and upon condition that the safe and reliable operation of the system is not jeopardized.
- c. To explore and exploit natural springs and water resources, produce bottled water and sundry other refreshments or beverages that contain water.
- d. To utilize know-how and offer technical support.
- e. To undertake investments related to the scope and object of the company.

Under article 2 of L.2744/1999, EYDAP has been granted the exclusive right to provide water-supply

and sewerage services in the geographical area of its jurisdiction for a period of 20 years, commencing on October 25, 1999. It is noted that due to the nature of the product and existing infrastructure, the provision of water-supply and sewerage services is a natural monopoly.

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

1.5 Strategy-Outlook

Greece is fortunate to have natural resources of high quality, like its water. EYDAP, always with respect to the environment and with primal goal the best customer service, manages and distributes the most essential source of life, our water.

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.

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

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, wastewater and drainage consulting 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 and diffuse the know-how of EYDAP S.A. for the best possible service of the residents and visitors of the Greek islands.

EYDAP NISON completed its development study regarding the strategic plan to be followed. The next step is the formation of the methodology regarding tariff policy for the provided services.

In January 2014, EYDAP S.A. approved the payment in cash of the share capital increase of “ISLANDS’ EYDAP” SA by an amount of Euro 150,000.00, which in turn was approved via a voting process by the Extraordinary Shareholders’ Meeting of “ISLANDS’ EYDAP” SA on 7 February 2014.

On October 2014, EYDAP SA, approved the share capital increase for EYDAP NISON S.A by 1.000.000 euro, through payment in cash in two equal installments of 500,000 euro.

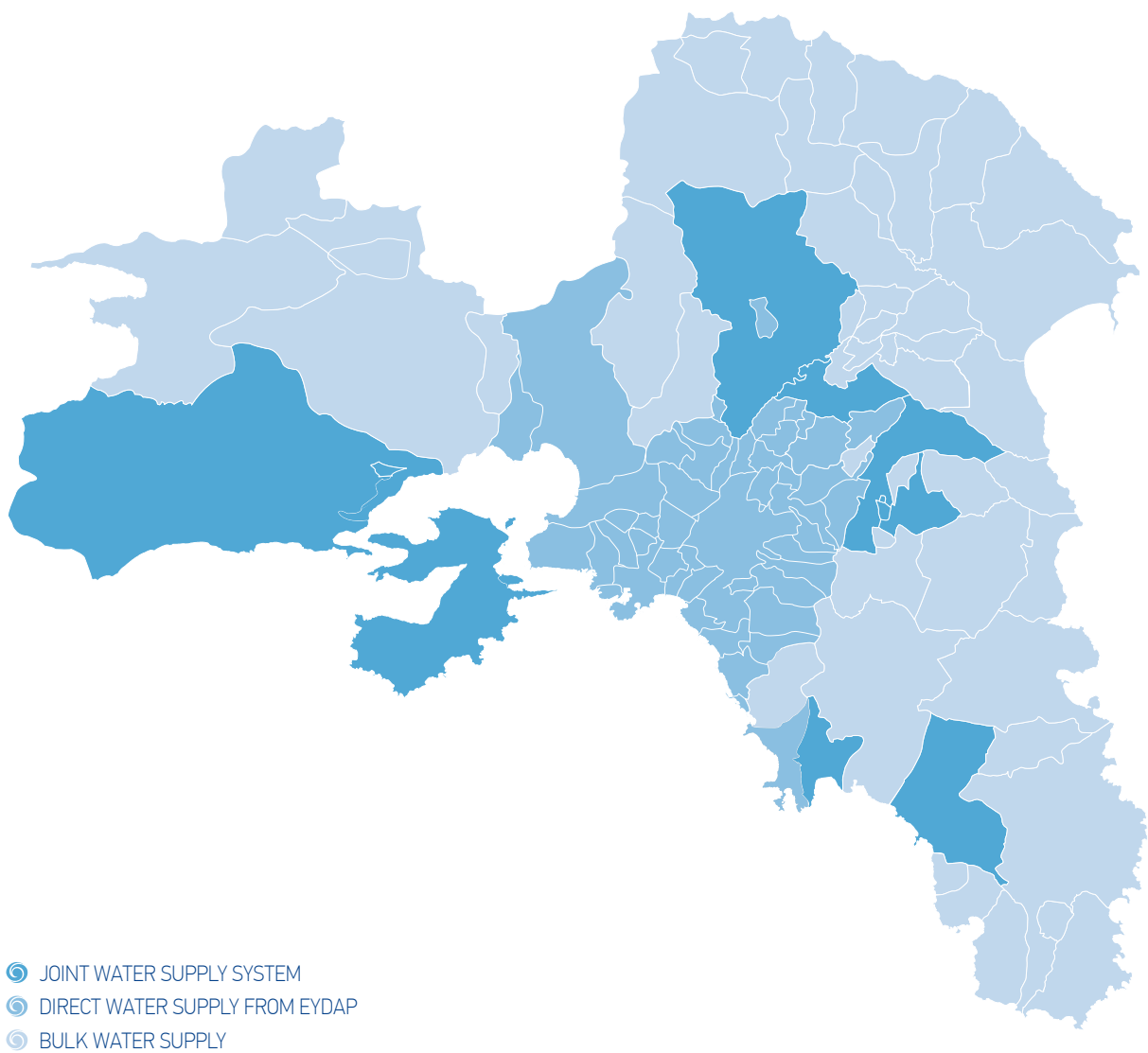
Also in October of 2014, the Business Plan of EYDAP NISON SA was completed.

1.7 Area of Service

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

Agreement was signed in December 1999. Recently the article 68 of Law 4313/17-12-2014 amended the article 8 of Law 2744/1999 resulting to the expansion of the company's area of service through all the municipalities of the Attica region, as they are defined in section h', paragraph 3 of article 3 of Law 3852/2010, except from the municipalities of Egina, Troizinia, Kithira, Agistri, Spetses, Idra and Poros of the regional island unity of Attica.

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
- Amaroussion
- Aspropyrgos
- Athens
- Dafni - Ymittos
- Egaleo
- Elefsina (Elefsina)
- Elliniko - Argiroupoli
- Filothei - Psychiko
- Galatsi
- Haidari
- Halandri
- Ilion
- Ilioupoli
- Iraklio
- Kallithea
- Keratsini - Drapetsona
- Kessariani
- Korydallos
- Lykovrisi - Pefki
- Melissa, N. Penteli (Penteli)
- Metamorphosis
- Moschato - Tavros

- N. Ionia
- 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 Dionisos, Ag. Stefanos, Kryoneri, Stamata, Drosia, Rodopoli (Dionisos)
- Ano Liosia, Fyli (Fyli)
- Ekali, N. Erythrea (Kifisia)
- Keratea, Lavreotiki Ag. Konstantinos (Lavreotiki)
- Kouvaras, Anavissos, Palea Fokea, Saronida (Saronikos)
- Kropia

- Mandra, Villia, Erythres, Inoi (Mandra-Eidyllia)
- Marathon, N. Makri, Varnavas, Grammatiko (Marathon)
- Markopoulo Mesogaia
- Peania (Peania)
- Spata - Artemida
- Vrilissia
- Magoula (Elefsina)
- Rafina (Pikermi)
- Oropos-Malakasa-Kalamos-Afidnes-Kapandriti-Markopoulo Oropos-Polidendri-Sikaminos (Oropos)

Joint Water Supply System (**)

- Acharnes (Acharnes)
- Gerakas, Pallini, Anthousa (Pallini)
- Gluka Nera (Peania)
- Glyfada
- Kalyvia Thorikou (Saronikos)
- Kifisia (Kifisia)
- Megara
- N. Peramos (Megareon)
- Penteli (Penteli)
- Salamina, Ampelakia (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	
Agistri	Egina

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

It should be also noted that under L.2744/1999 and its recent amendment of article 8, gives EYDAP the possibility to expand its operations to other areas other than those specified in paragraph 1 of the amended Article 8 of Law. 2744/1999. Precondition for the attempted each time extension of activities, is for EYDAP to examine and ensure both fair return on investment, and also the means of corporate financing by own or private funds for the proper performance of its obligations.

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

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

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, 2013 ends on June 28th 2018. 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 2014, the Board of Directors met 24 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:

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;

- 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;
- On the approval of the annual financial statements of the Company;
- On the appropriation of the annual profits and the approval of the emoluments to members of the Board of Directors;
- On the discharge of the members of the Board of Directors and Auditors from any personal liability;
- On the issue of bond loans of any type, subject to para. 4 of article 9 of the Articles of Association;

- On the merger, division, conversion, revival, extension of the term and dissolution of the Company;
- 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 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 April 2014 agreed to assign the regular audit of the 2014 financial statements to the auditing firm DELOITTE S.A.

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

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 Plants 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.
- Investments in more efficient – hence less energy consuming – equipment and facilities.

Protection of marine life

- Treatment of Athens sewage as well as wastewater and construction of new waste treatment plants.
- 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.
- Research and planning for reuse of treated water from WWTP in Psytalia for irrigation and other secondary uses.

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 environmental benefits.

Environmental sensitivity and awareness

- Environmental seminars organized by EYDAP for pupils and students. The seminars are attended by approximately 20,000 pupils and students every year and educational material is given to attendants.
- Website section about environment to inform the citizens of the need to protect water resources.
- Free brochures are given to the customers with their bills containing useful 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.

3.2 Human Resources

EYDAP safeguards the best working environment for its employees and aims to maintain the high levels of their qualification and the continuous improvement of their 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 to be educated in the Company training centers or institutions outside EYDAP.
- Financial support to employees to cover medical expenses.
- Loans to employees for financial support or buying 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, health and education services with recognized social action.
- Provides its employees' know - how in areas affected by natural phenomena.
- 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.

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 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.
- EYDAP research file creation by Research & Development Service for the diffusion of scientific knowledge.
- Participation of EYDAP in funded research projects covering the fields of its interest.

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.

The background is a collage of financial and medical-related images. It includes a green bar chart, a white calculator, a green line graph with hexagonal markers, and a white line graph with square markers. Several colorful pills (pink, yellow, white, and brown) are scattered across the charts. A blue geometric shape, resembling a stylized 'L' or a corner bracket, frames the text on the left and right sides.

4. KEY FINANCIALS





4.1 Key Financials (for the Group)

<i>amounts in thousands €</i>	2010	2011	2012	2013	2014
TOTAL ASSETS	1.623.931	1.657.737	1.677.283	1.651.105	1.541.945
INVESTED CAPITAL (1)	1.006.834	1.031.796	986.038	621.790	687.996
EQUITY CAPITAL	830.512	852.097	843.663	950.615	921.310
REVENUE	378.965	358.550	353.344	336.165	326.387
OPERATING INCOME (EBITDA)	63.186	77.564	114.170	84.077	87.597
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	34.699	46.628	79.960	54.072	49.383
PRE-TAX PROFIT	29.828	35.578	68.006	61.740	63.497
AFTER TAX PROFIT	11.341	26.050	51.624	78.160	41.923

<i>amounts in thousands €</i>	2010	2011	2012	2013	2014
AFTER TAX PROFIT PER SHARE	0,11	0,24	0,48	0,73	0,39
DIVIDEND	4.260.000	18.105.000	15.975.000	38.340.000	21.300.000
DIVIDEND PER SHARE (4)	0,04	0,17	0,15	0,36	0,2
NUMBER OF SHARES	106.500.000	106.500.000	106.500.000	106.500.000	106.500.000

	2010	2011	2012	2013	2014
COVERAGE OF FINANCIAL EXPENSES (2)	3,27	2,94	4,64	6,36	88,34
NET DEBT TO EQUITY	0,21	0,21	0,17	-0,35	-0,25
NET DEBT TO OPERATING INCOME (EDITDA)	2,79	2,32	1,25	-3,91	-2,66
RETURN ON INVESTED CAPITAL (3)	2,6%	3,6%	6,5%	6,4%	5,3%

Σημειώσεις:

(1) Invested Capital = Equity plus Invested Loans.

(2) EBIT to Financial Expenses.

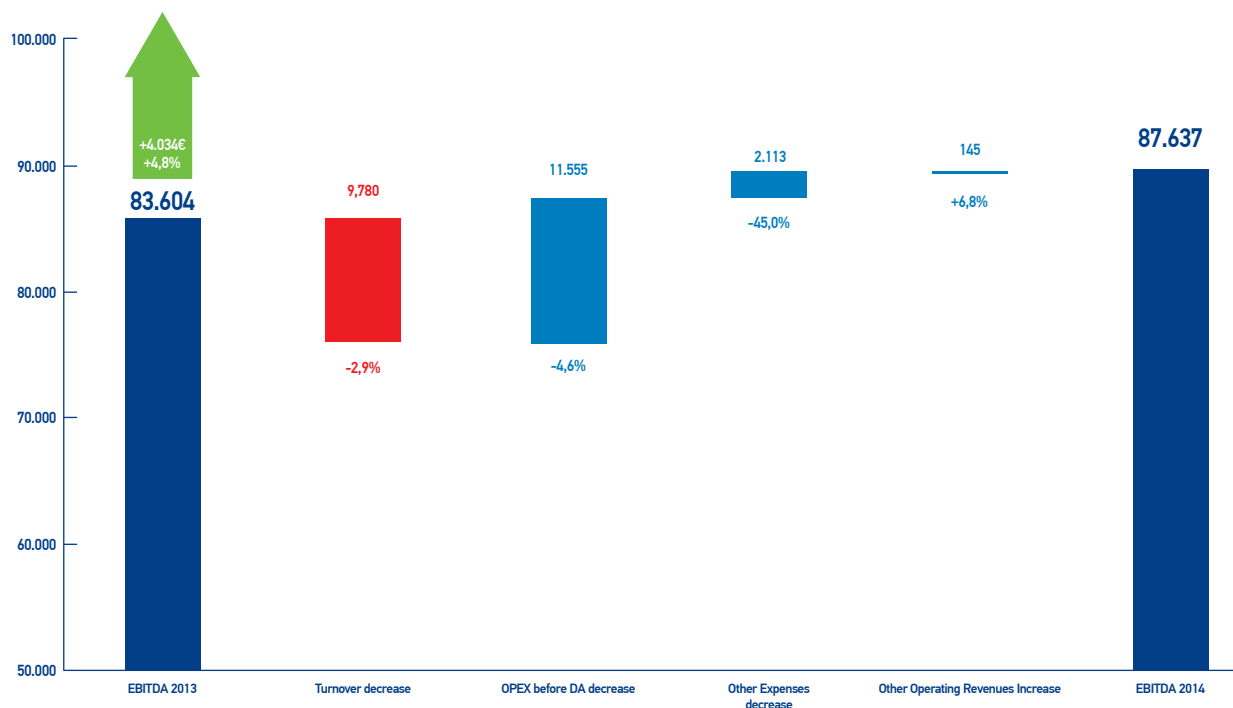
(3) $EBIT \cdot (1 - T) / \text{Invested Capital}$.

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

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

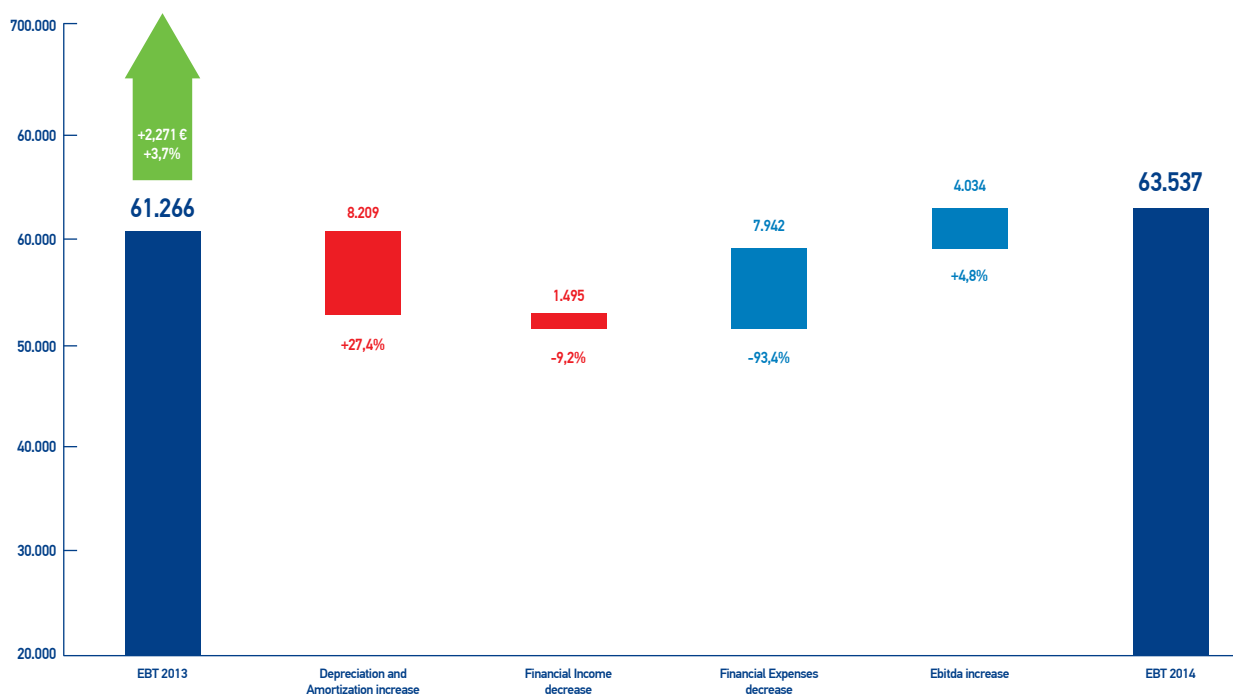
EBITDA 2014 (Company)

(in thousands €)



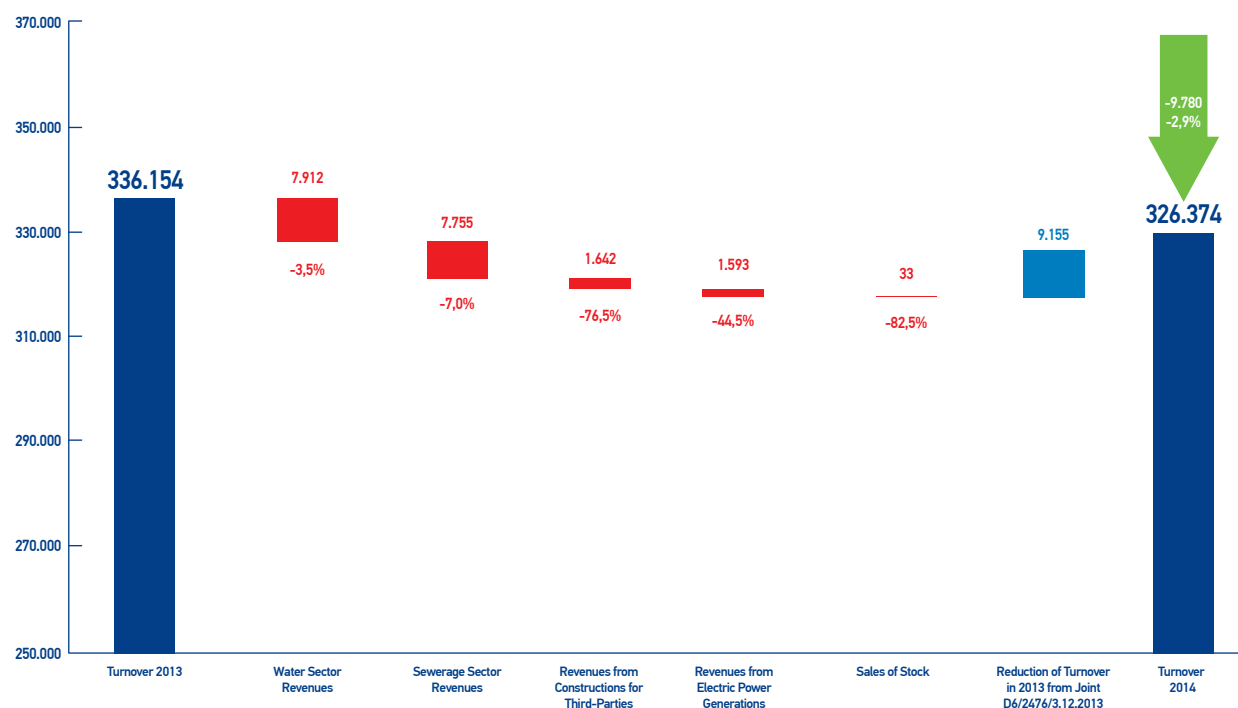
Earnings Before Taxes 2014 (Company)

(in thousands €)



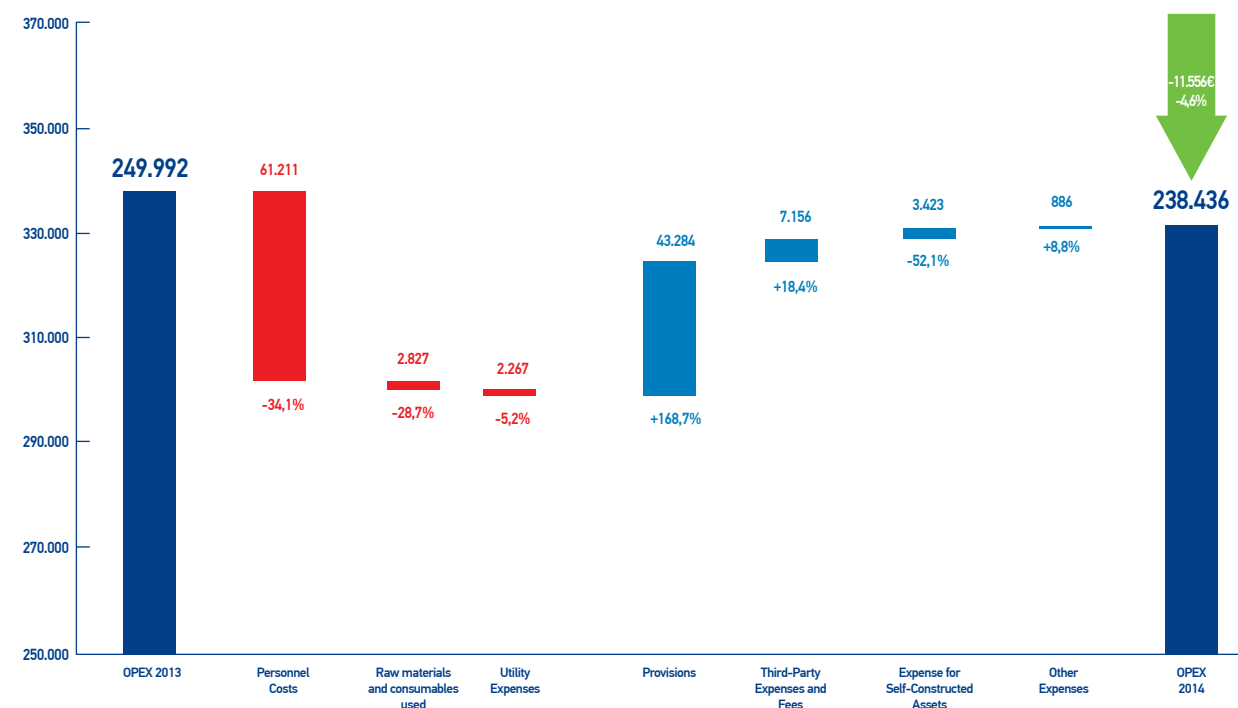
Turnover 2014 (Company)

(in thousands €)



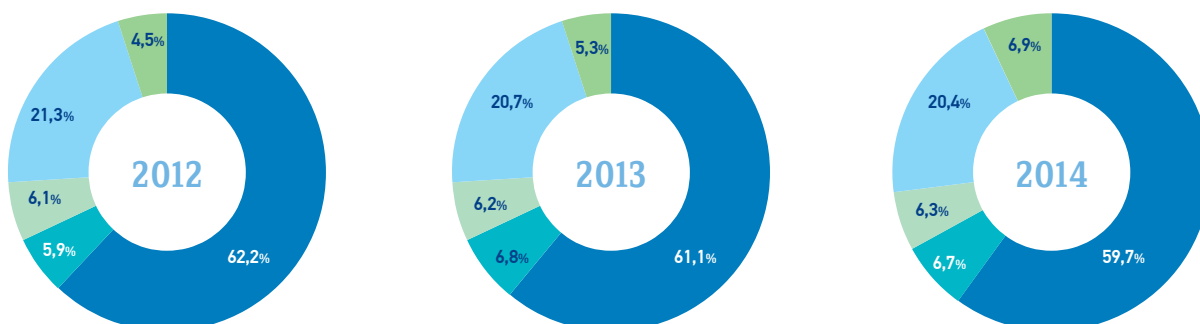
Operating Expenses 2014 (Company)

(in thousands €)

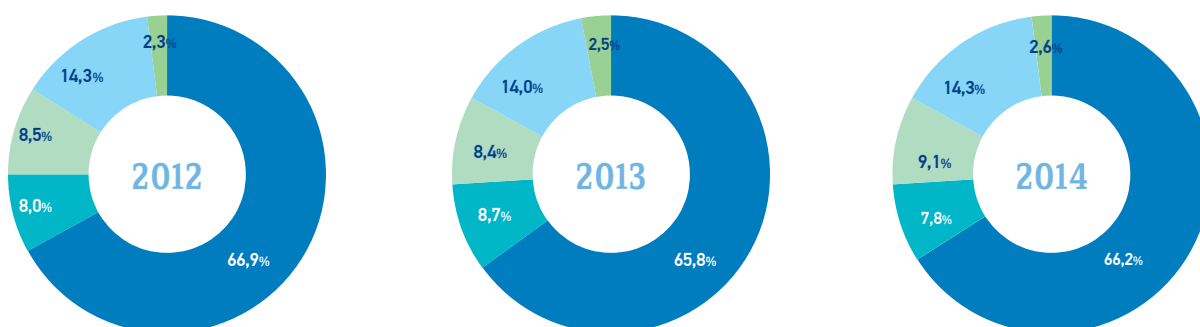


4.2 Consumption Evolution & Breakdown

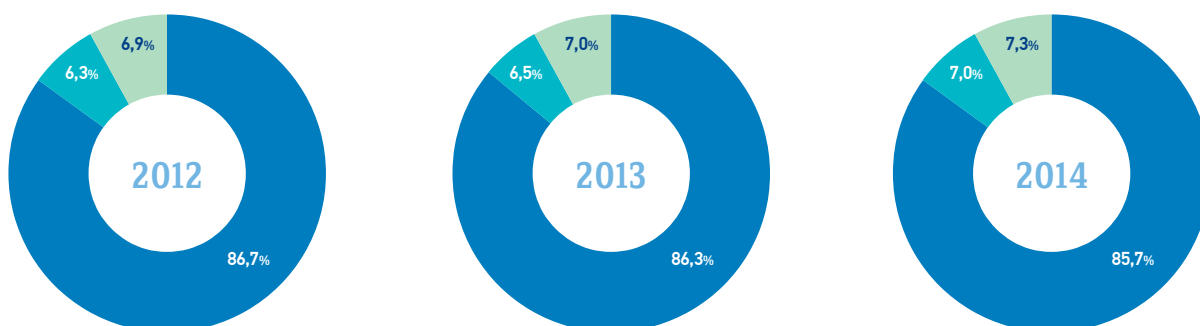
BREAKDOWN OF BILLED CONSUMPTION PER CUSTOMER CLASS



BREAKDOWN OF WATER SALES INCOME PER CUSTOMER CLASS

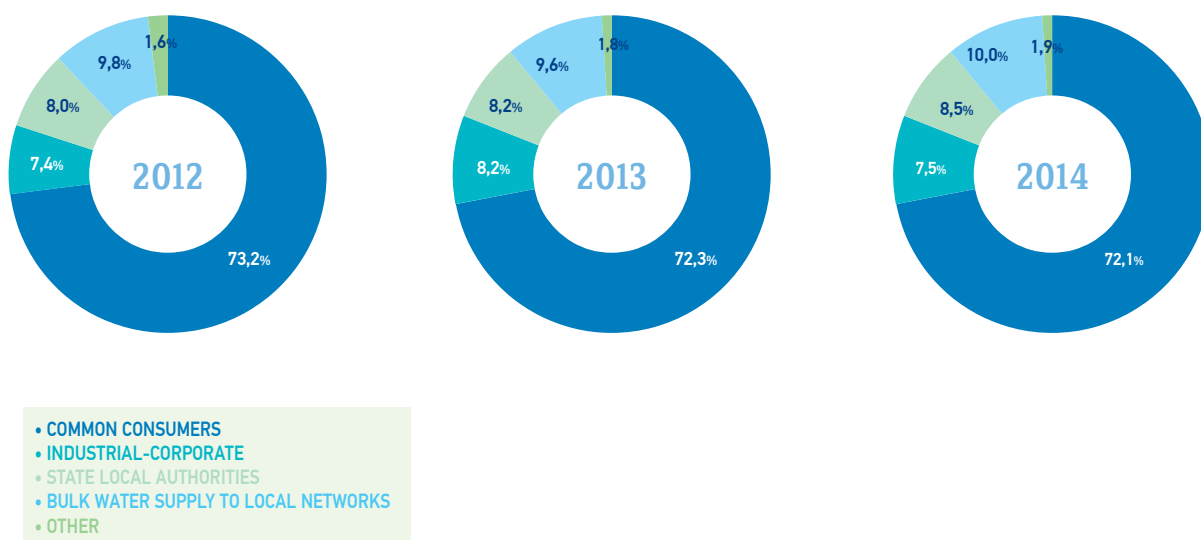


BREAKDOWN OF SEWERAGE SERVICES INCOME PER CUSTOMER CLASS

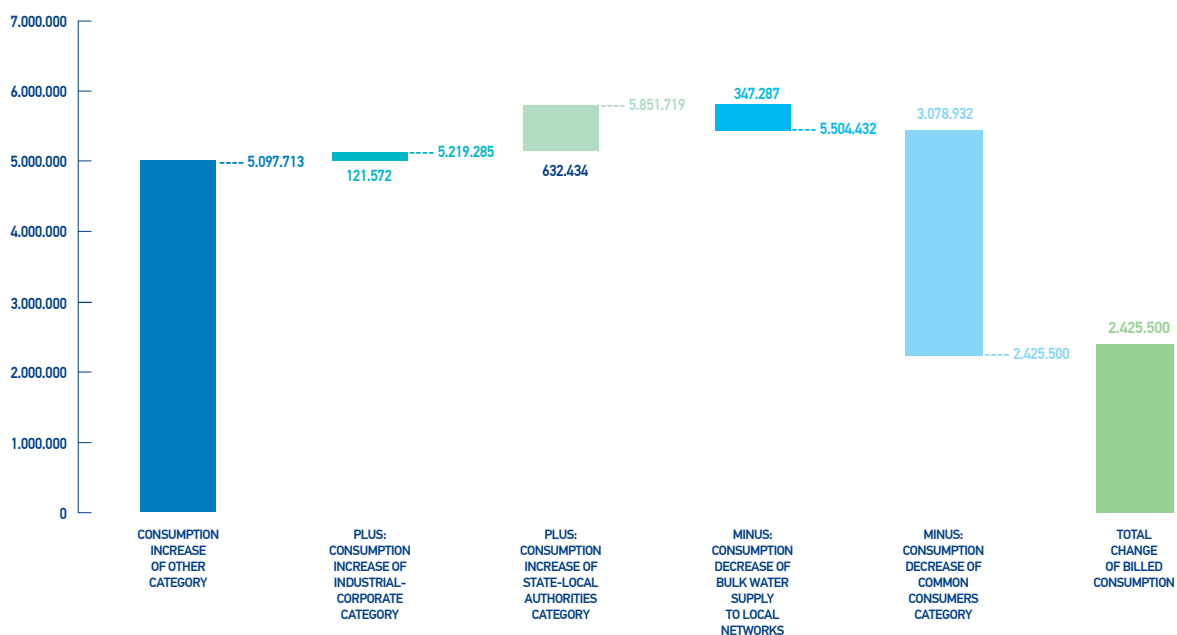


- COMMON CONSUMERS
- INDUSTRIAL-CORPORATE
- STATE LOCAL AUTHORITIES
- BULK WATER SUPPLY TO LOCAL NETWORKS
- OTHER

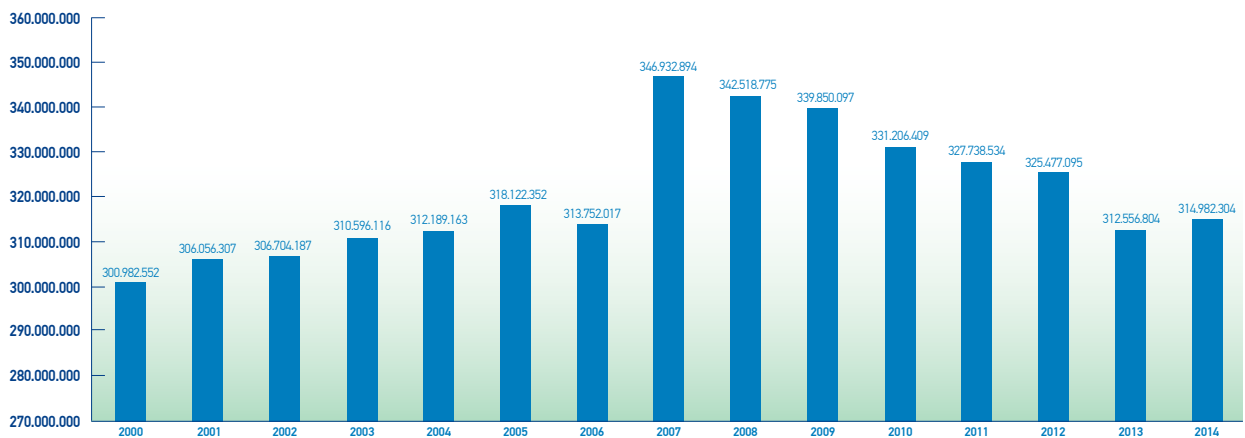
BREAKDOWN OF WATER SUPPLY AND SEWERAGE SERVICES INCOME PER CUSTOMER CLASS



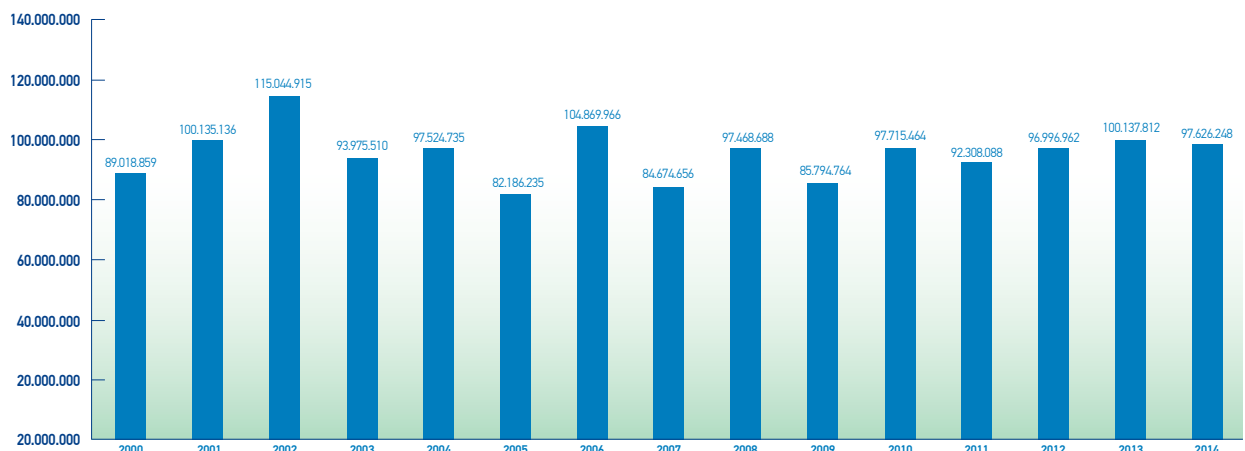
ANALYSIS OF ANNUAL CHANGE IN BILLED CONSUMPTION PER CUSTOMER CLASS THE CHANGE REFERS TO 2012-2013 (IN CM3)



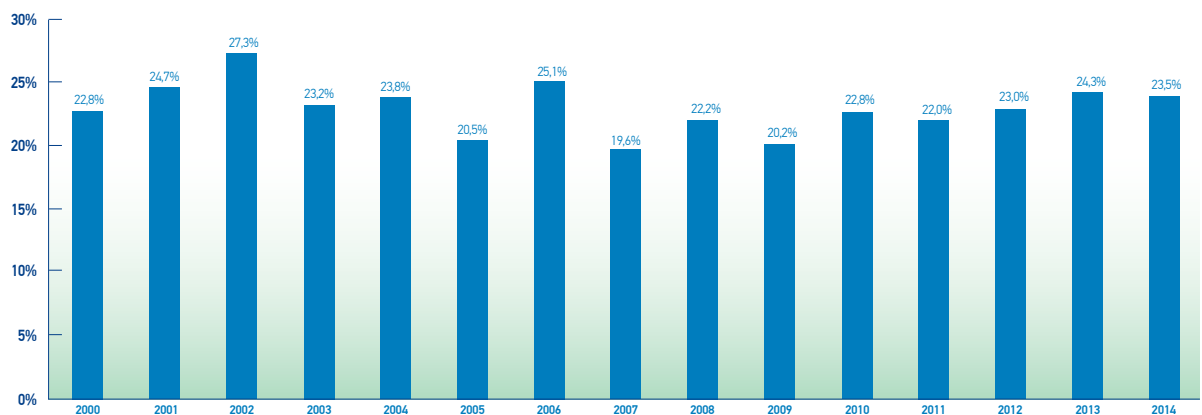
BILLED WATER CONSUMPTION PROGRESS (IN M3)



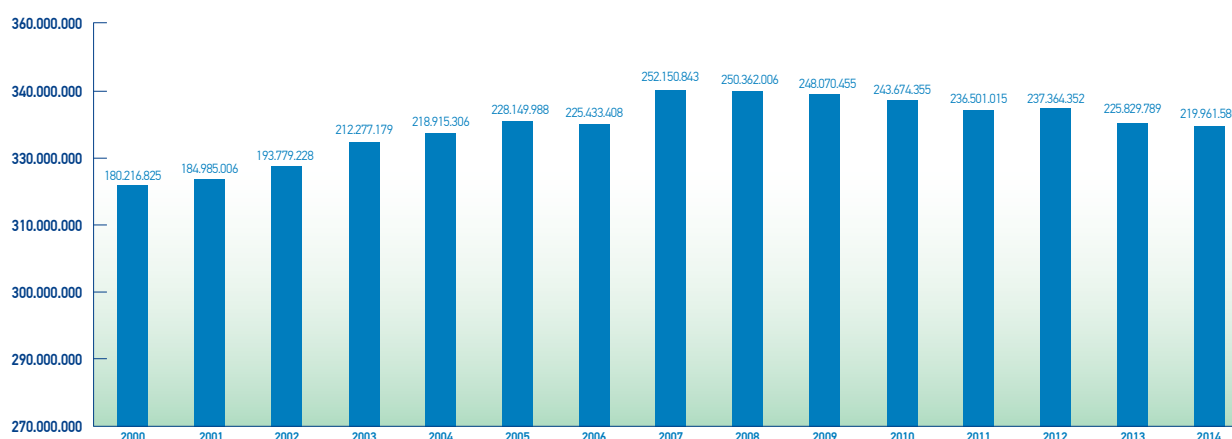
NON-BILLED WATER CONSUMPTION PROGRESS (IN M3)



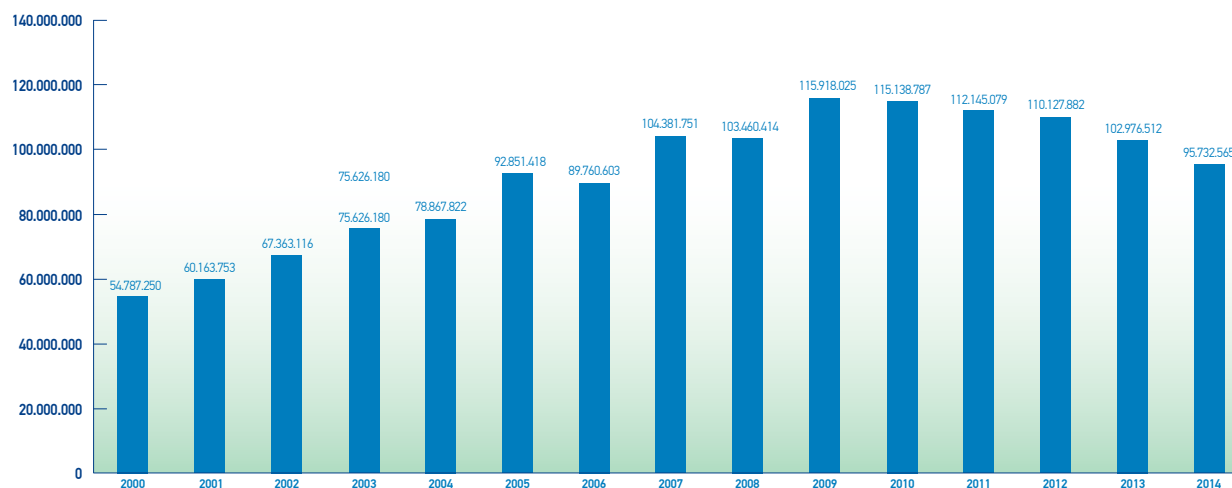
PERCENTAGE OF NON-BILLED CONSUMPTION PROGRESS (%)



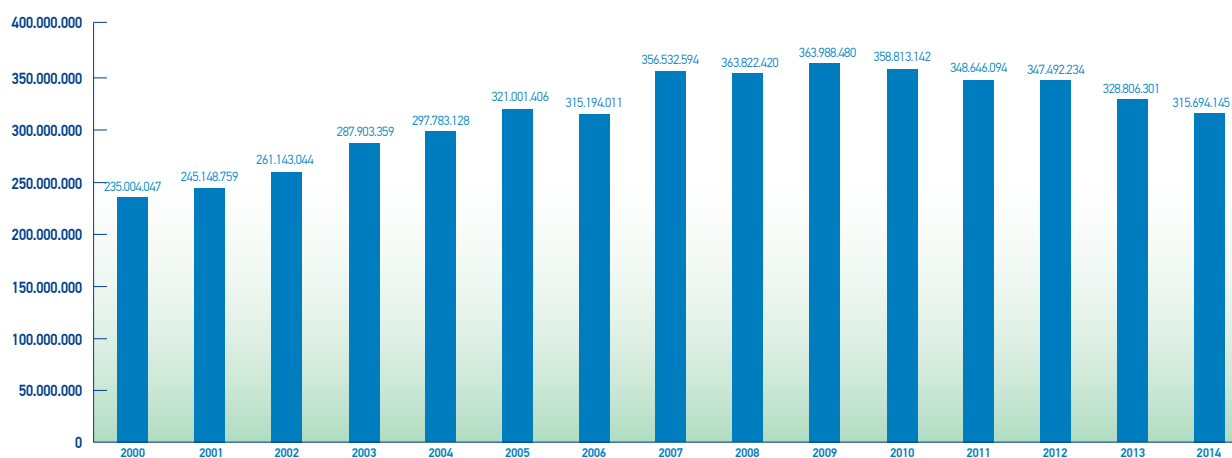
WATER SUPPLY REVENUE PROGRESS (IN €)



SEWERAGE REVENUE PROGRESS (IN €)



WATER SALES AND SEWERAGE SERVICES REVENUE PROGRESS IN €



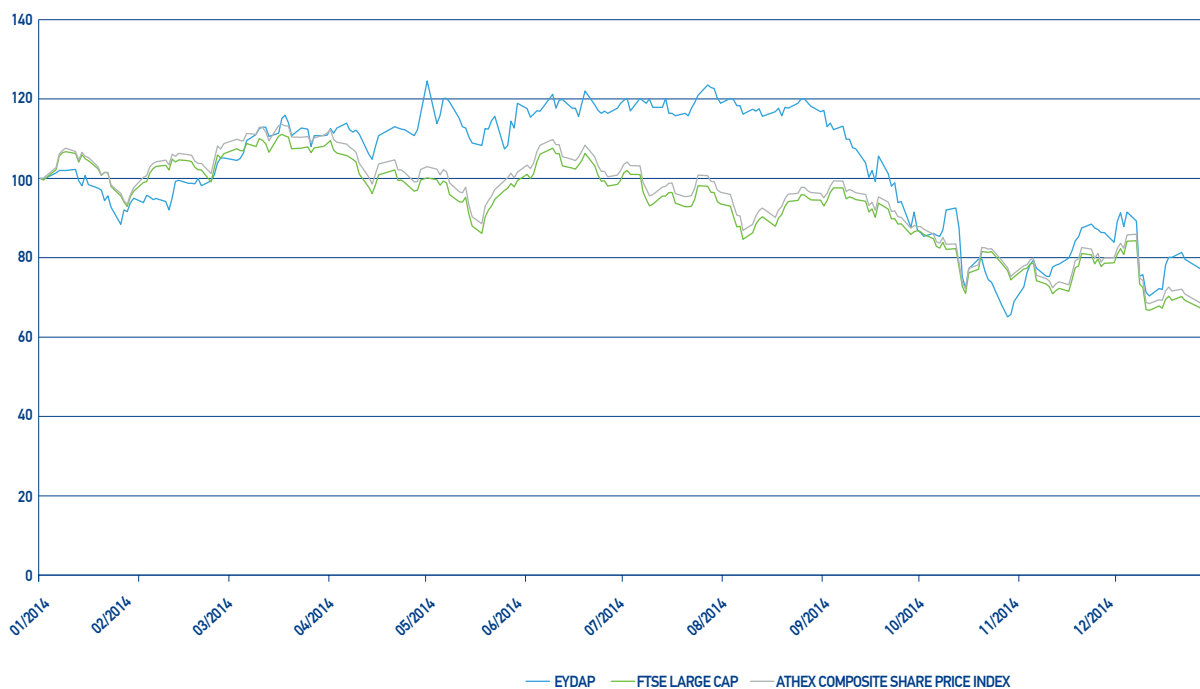
4.3 Share Information

EYDAP's shares trade in the Athens Stock Exchange.

Ticker	EYDAP
Bloomberg	EYDAP:GA
Reuters	EYDR.AT

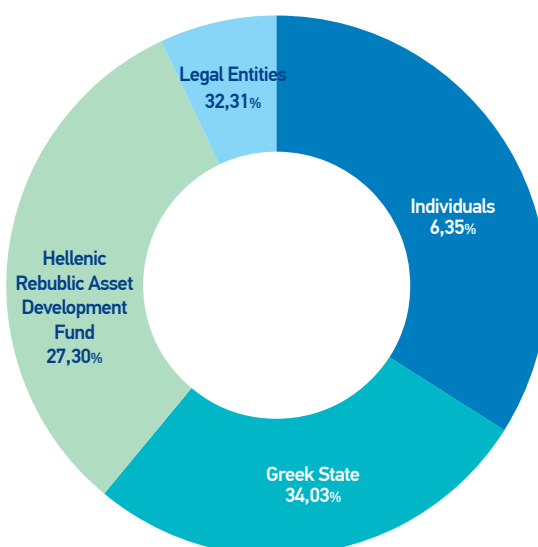
Shares Outstanding	106.500.000 €
Market Capitalization	665.625.000 € (December 31, 2014)
Closing Price	6,25 € (December 31, 2014)
Annual High	9,95 € (02/05/2014)
Annual Low	5,20 € (29/10/2014)

EYDAP Stock performance vs Athex Composite Share price index & FTSE Large Cap in 2014



Shareholders' Structure, as of December 31, 2014

Shareholder	% Shares	Number of Shares	Entities
Greek State	34,03%	36.245.240	1
Hellenic Republic Asset Development Fund	27,30%	29.074.500	1
Legal Entities	32,31%	34.414.505	320
Individuals	6,35%	6.765.755	24.560
Total	100,00%	106.500.000	24.882



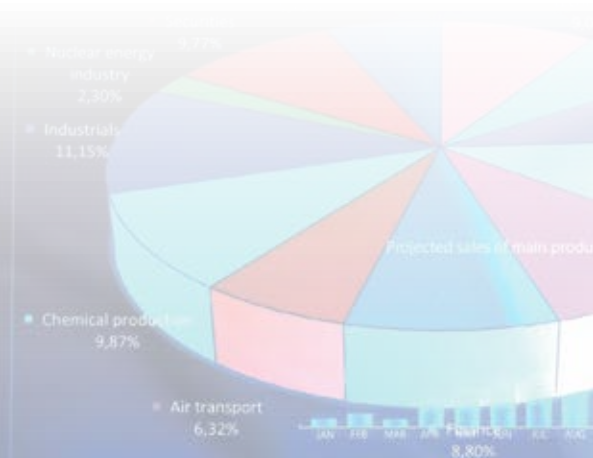
Historical Dividends and Earnings per Share

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	0,48	0,20 ⁽¹⁾
2013	0,73	0,38 ⁽²⁾
2014	0,39	0,20 ⁽³⁾

⁽¹⁾ Ordinary dividend 0.15 € for fiscal year 2012 & 0.05 € extra dividend prior years' earnings

⁽²⁾ Ordinary dividend 0.36 € for fiscal year 2013 & 0.02 € distribution of tax free reserve

⁽³⁾ Ordinary dividend 0.20 € for fiscal year 2014 (as proposed at Annual General Meeting)



5. ANNUAL FINANCIAL REPORT

For the Period from January 1, 2014
to December 31, 2014

In accordance with IFRS & Law 3556/2007

Athens Water & Wastewater Services S.A.

REG. No.G.E.M.H. 121578960000

156 Oropou str. Galatsi

	TYU division		FRT division	
GHT	254	350	254	274
RDW	550	320	754	224
TBC	241	400	184	
BFI	234	800	811	
WWT	25			
HRT				



Annual Financial Report

For the Period from January 1, 2014 to December 31, 2014

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, 2014 to December 31, 2014
- 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, 2014 to December 31, 2014

It is declared that the attached Annual Financial Report is the one that has been approved by the Board of Directors of **“Athens Water & Wastewater Services S.A.”** on March 27th, 2015, and is available on the internet, at the web site address www.eydap.gr.



INDEX

5.1 Statement of Members of the board of directors	47
5.2 Annual Board Of Directors Management Report.....	48
5.3 Annual financial statements	84
General Information For The Company	85
Statement of Income For The Financial Years Ended On 31St December 2014 & 2013.....	86
Statement of Total Comprehensive Income For The Financial Years Ended On 31St December 2014 & 2013	86
Statement of Financial Position of 31st December 2014 & 31st December 2013	87
Statement of Changes in Shareholders' Equity 1St January – 31St December 2014 & 2013.....	88
Cash Flow Statements Of 1St January - 31St December 2014 & 2013	89
Notes on The Annual Financial Statements of 31St December 2014.....	90
1. Establishment, Operations and Legal Framework of The Company	90
2. New Standards, Interpretations and Amendments to Existing Standards.....	92
3. Significant Accounting Policies.....	96
4. Critical Accounting Treatments and Important Sources of Estimation Uncertainty	106
5. Revenues	107
6. Allocation of Expenses in the Operations	108
7. Depreciation Expenses	110
8. Personnel Fees & Expenses (Group & Company).....	111
9. Financial Income (Group & Company)	111
10. Financial Expenses (Group & Company)	111
11. Income Tax.....	111
12. Earnings Per Share	113
13. Goodwill.....	113
14. Other Intangibles Assets (Group & Company)	114
15. Tangible Assets	114
16. Investments In Subsidiaries	116
17. Investments Available For Sale.....	116
18. Long-Term Receivables (Group & Company).....	110
19. Deferred Taxation (Group & Company)	117
20. Materials, Spare Parts & Consumables (Group & Company)	118
21. Receivables from Customers, Consumers (Group & Company)	118
22. Other Receivables (Group & Company)	119
23. Cash and Cash Equivalents	120

24. Share Capital.....	120
25. Reserves.....	121
26. Retained Earnings	122
27. Bank Loans (Group & Company)	123
28. Liabilities for Employee Benefits (Group & Company).....	123
29. Provisions for Pending Litigation (Group & Company)	131
30. Investment Subsidies and Customer Contributions (Group And Company).....	132
31. Consumers' Guarantees.....	132
32. Operating and Other Current Liabilities.....	133
33. Events after the Balance Sheet Date	133
34. Commitments and Contingent Liabilities – Assets.....	134
35. Related Party Transactions (Group & Company)	134
36. Auditors' Remuneration	135
37. Eydap Fixed Assets «EYDAP L.E.P.L.»	135
38. Risk Management of Capital	136
39. Financial Risk Management.....	136
40. Fair Value Assesement.....	138
5.4 Independent Auditor's Report.....	139
5.5 Information According to Article 10 of Law 3401/2005.....	141
5.6 Financial Data & Information	142

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 Vartholomaios, 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 fiscal year 2014 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 evolution, 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, 27 March 2015

The Chairman of the Management
Board & the Executive Officer

Antonios Vartholomaios
ID no AK 543580

The Board Member

Ioannis Chondrogiannos
ID no AI 094411

The Board Member

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 01/01/2014 to 31/12/2014.

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 2014 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 2014.

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 2014 ended with very positive results for EYDAP as the Company has reinforced further its growth, reassuring its dominant position in the Greek water supply and sewerage market, while the company's' philosophy was focused on contemporary, targeted and rational management, on using the best technology, on the financial payback of the projects, on human centric 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 2014

I. Review of Operations – Progress of water consumption and billed income of water and sewerage usage

In 2014 total water consumption (billed or not) increased by 0.7% compared to 2013, in relation to the 2.3% decrease, from 2012 to 2013.

Total water consumption in the years 2012, 2013 and 2014 was 422,491,445 m³, 412,703,967 m³ and 415,633,652 m³ respectively.

In 2014 billed consumption increased by 0.8% over 2013, compared with a 4.0% decrease in 2013 compared to 2012.

Billed water consumption for the years 2012, 2013 and 2014 was 325,477,095 m³, 312,556,804 m³ and 314,982,304 m³ respectively.

As a result of the largest growth rate of billed consumption compared to the growth rate of total consumption was the relative reduction of the non-billed consumption, ie the difference between total consumption and billed consumption. Specifically, in 2014 the non-billed consumption decreased by 2.5% over the previous year, while in 2013 the non-billed consumption was increased by 3.2% in relation to 2012.

During the years 2012, 2013 and 2014 the non-billed consumption was 96,996,962 m³, 100,137,812 m³ and 97,626,248 m³ respectively.

Additionally, the non-billed to total consumption ratio decreased marginally. More specifically, in 2012, 2013 and 2014 the non-billed to total consumption ratio was formed at 23.0%, 24.3% and 23.5% respectively.

Regarding the main consumer classes, the billed consumption of the class of **common consumers** -

which represents the overwhelming majority of customers, and mainly residential customers, decreased by 1.6% compared to 2013, versus 5.7% fall in 2013 compared to 2012. Water consumption of **common consumers** in the years 2012, 2013 and 2014 was 202,484,911 m³, 191,018,069 m³ and 187,939,137 m³ respectively.

Bulk Water Supply to municipal networks, which represents the second biggest customer class, in 2014 decreased by 0.5% compared to 2013, versus a 6.9% decrease in 2013 compared to 2012.

Billed bulk water supply to municipal networks in the years 2012, 2013 and 2014 was 69,357,487 m³, 64,549,037 m³ and 64,201,750 m³ respectively.

The **industrial consumers'** class billed consumption in 2014 increased by 0.6% compared to 2013, versus a 10.1% increase in 2013 compared to 2012. The industrial consumers' class billed consumption in the years 2012, 2013 and 2014 was 19,188,857 m³, 21,131,244 m³ and 21,252,816 m³ respectively.

The billed consumption of the **State-Local Authorities** class in 2014 increased by 3.3% compared to 2013, versus a 3.0% decrease in 2013 compared to 2012. The State-Local Authorities billed consumption in the years 2012, 2013 and 2014 was 19,811,928 m³, 19,227,425 m³ and 19,859,859 m³ respectively.

Finally, the billed consumption of the **other** consumer classes in 2014, increased by 30.7% compared to 2013, versus a 13.6% increase in 2013 compared to 2012. The billed consumption of other consumer classes in the years 2012, 2013 and 2014 was 14,633,912 m³, 16,631,029 m³ and 21,728,742 m³ respectively.

The impact of billed consumption change in each consumer class to the total billed consumption change, which is positive and shaped at 2,425,500 m³, is summarized in the following table:

1. Change in billed consumption from 2013 to 2014

Consumer Class	Change (in m3)
Common Consumers	-3.078.932
Industries – Corporate Customers	121.572
State – Local Authorities	632.434
Bulk water supply to local networks	-347.287
Other	5.097.713
Total change in billed consumption	2.425.500

During 2012, 2013 and 2014 the billed consumption classes' absolute breakdown is shown below:

2. Billed consumption volume breakdown (in m3)

Consumer Class	2014	2013	2012
Common Consumers	187.939.137	191.018.069	202.484.911
Industries – Corporate Customers	21.252.816	21.131.244	19.188.857
State – Local Authorities	19.859.859	19.227.425	19.811.928
Bulk water supply to local networks	64.201.750	64.549.037	69.357.487
Other	21.728.742	16.631.029	14.633.912
Total	314.982.304	312.556.804	325.477.095

During 2012, 2013 and 2014 the billed consumption classes' ratio breakdown is shown below:

3. Billed consumption volume percentages

Consumer Class	2014	2013	2012
Common Consumers	59,67%	61,11%	62,21%
Industries – Corporate Customers	6,75%	6,76%	5,90%
State – Local Authorities	6,31%	6,15%	6,09%
Bulk water supply to local networks	20,38%	20,65%	21,30%
Other	6,90%	5,32%	4,50%
Total	100%	100%	100%

The following table presents the nominal annual billed water sales revenue in each consumer class for the years 2012, 2013 and 2014:

4. Billed water sales income breakdown (€)

Consumer Class	2014	2013	2012
Common Consumers	145.668.127	148.658.184	158.865.400
Industries – Corporate Customers	17.137.251	20.238.961	18.941.604
State – Local Authorities	19.923.024	19.597.560	20.192.403
Bulk water supply to local networks	31.432.971	31.631.158	33.988.101
Other	5.800.207	5.703.926	5.376.844
Total	219.961.580	225.829.789	237.364.352

The following table presents the nominal annual billed water sales and sewerage usage revenue in each consumer class for the years 2012, 2013 and 2014:

5. Billed water supply and sewerage services income breakdown

Consumer Class	2014	2013	2012
Common Consumers	227.673.815	237.573.217	254.315.452
Industries – Corporate Customers	23.802.250	26.962.229	25.847.296
State – Local Authorities	26.931.989	26.824.251	27.835.786
Bulk water supply to local networks	31.432.971	31.631.158	33.988.101
Other	5.853.120	5.815.446	5.505.599
Total	315.694.145	328.806.301	347.492.234

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

6. Tariff breakdown at the Common Consumers class

Billing Scale (Common Consumers class)	2014	2013	2012
1st Billing scale (1-15 m3 / quarter)	49,70%	49,21%	48,19%
2nd Billing scale (16-60 m3 / quarter)	43,86%	44,06%	44,45%
3rd Billing scale (61-81 m3 / quarter)	2,46%	2,61%	2,83%
4th Billing scale (82-105 m3 / quarter)	1,08%	1,16%	1,30%
5th Billing scale (>105 m3 / quarter)	2,90%	2,96%	3,23%

Table 6 shows that only the share of the first billing scale increased marginally. The shares of all other billing scales fell marginally. Therefore, the billed consumption share of common consumers' class billed at the minimum billing scale, that is the first billing scale price, increased. On the contrary, the billed 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 billed consumption in the same consumers class (-3,078,932 m3 see table 1), led to a decrease in the revenue from water supply in the common consumers class by € 2,990,057 or -2.0% (see table 4).

Finally, table 7 presents the average revenue per billed cubic meter – either for water supply or for water supply and sewerage services – for the years 2014 and 2013, for the main consumer classes:

7. Average billed Income per cubic meter (Amounts in €)

Consumer Class	2014		2013	
	Water sales	Water sales & Sewerage services	Water sales	Water sales & Sewerage services
Common Consumers	0,78	1,21	0,78	1,24
Industries–Corporate Customers	0,81	1,12	0,96	1,28
State – Local Authorities	1,00	1,36	1,02	1,40
Bulk water supply to local networks	0,49	0,49	0,49	0,49
Other	0,27	0,27	0,34	0,35
Total average income	0,70	1,00	0,72	1,05

Regarding 2014, It is worth noting that while the 20.38% of the billed water is billed as Bulk Water Supply to Local Networks (see table 3), the water sales income from this particular consumer class comes up to 14.29% of the total water sales (see table 4). This is due to the fact that the average revenue per cubic meter of the bulk water supply tariff (€ 0.49 - see Table 7), is 29.89% lower than the average revenue per cubic meter of water sales (€ 0.70 - see. table 7).

II. Presentation of the Company's Major Financial Results

The Company's turnover settled at 326.4 million € from 336.2 million € in 2013, posting a decrease of 2.9% (-9.8 million €). In total, with regard to its main businesses (water supply and sewerage services), the Company posted a decrease of 15.7 million € (-4.6%), which was mainly due to the adoption of a lower pricing policy during the year 2014 according to the Joint Ministerial Decision 3188/16-12-2013 of the Ministers of Finance, Infrastructure, Transportation and Networks and of Environment, Energy and Climate Change.

Revenues from water supply and related services posted a drop by 7.9 million € (-3.5%), whereas revenues from sewerage services a drop by 7.8 million € (-7%). Revenues from the sale of electric energy declined by 1.6 million € (-44.5%), even though the particular revenues had increased during the previous year by 1.3 million € due to the pricing of revenues from the hydroelectric project of Evinos (within the year 2013) concerning sales of previous years. If the above revenues were not included, there would be a decrease from sale of electric energy by 275 thousand € (-12.2%). Revenues from construction works for third parties posted an increase by 7.5 million € (+107.2%). However it must be noted that revenues, amounting to 9.2 million €, from construction works for third parties were written-off during the previous year, due to a settlement that was based on the joint ministerial decision D6/2476/3.12.2013 (Gov. Gaz. 3065) of the Ministers of Finance and of Infrastructure, Transportation and Networks. Without the above elimination, revenues from construction works for third parties would decrease by 1.6 million € (-76.5%). On aggregate basis, by excluding the effect on the turnover of 2013 of the above mentioned two extraordinary factors (-9.2 million € and +1.3 mil-

lion €), the turnover in 2014 would have declined by 17.6 million € or -5.1%.

Total operating expenses of the Company were reduced to 276.7 million from 280.0 million € in 2013, posting a decline by 3.3 million € (-1.2%) as compared to the year 2013. Specifically, cost of goods sold declined by 5.5 million € and settled at 185.0 million € from 190.6 million € in 2013, distribution expenses were reduced by 3.9 million € (-11.8%), whereas the administrative expenses posted an increase by 6.1 million € (+10.9%).

The above developments resulted into the reduction of the Gross Profit of the Company by 4.2 million € (-2.9%) settling at 141.4 million € in 2014 from 145.6 million € in 2013. The gross profit margin remained almost unchanged to 43.3% versus the year 2013 (42.6% in 2012).

The operating expenses of the Company, depending on each category, posted significant changes such as in the personnel fees and expenses (-34.1%), sundry provisions (+168.7%) as well as third party fees and expenses (+18.4%).

More specifically, personnel fees and expenses declined by 61.2 million € in total, settling at 118.4 million € versus 179.6 million € in 2013. The largest part of the above reduction was due to the formation, during the previous year, of a provision (in the statement of financial position) for 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, amounting to € 60 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, therefore affecting the Company's results during the year 2013 by 60.4 million €.

As regards to the sub-categories of the personnel fees and expenses, salaries and wages declined by 2 million € (-2.4%) and settled at 81.7 million € from 83.8 million € in 2013, whereas employer contributions declined by 1.5 million € (-7.2%). Other employee benefits (apart from the special lump sum indemnity to the employees hired by the Company until 25/10/1999 which affected the year with 3 million € versus 60.4 million € last year) posted a decrease of 2% (or -0.3 million €).

With regard to the expense with the second largest change, the sundry provisions, these settled at 17.6 million € in 2014 versus -25.7 € million in 2013. Sundry provisions include provisions for doubtful receivables (15 million € in 2014 from -56.7 mil. € in 2013), provisions for litigations (3 million € in 2014 versus 31.0 mil. € in 2013) and provisions for obsolete inventories (-362 thousand € in 2014 versus -24 thousand € in 2013).

<i>in thous. €</i>	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
2014	13.866	3.008

As far as the provisions for doubtful receivables are concerned, the provisions for doubtful customers (expense) accounted for 13.9 million € versus -59.9 million € in 2013. Moreover, during the year 2014, the Company proceeded with the elimination of previous years' provisions amounting to 1,991 thousand € resulting into the settlement of a balance of doubtful customers (in the statement of financial position) of 37.6 million € versus 25.7 million € in 2013. It is noted that the provision of -59.9 million € of 2013 was due to the repayment of obligations from local government authorities and other public entities for which a relevant provision had been formed in the past.

<i>in thous. €</i>	Balance of Doubtful Customers	Balance of Customers prior to Provision for Doubtful Receivables	Share
	(1)	(2)	(3)=(1)/(2)
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	228.891	11%
2014	37.585	240.699	16%

The ratio “balance of doubtful customers” over “balance of customer prior to provisions” increased to 16% in 2014 from 11% previously.

The provisions for litigation cases (recorded as liability in the statement of financial position) posted an increase by 8.2 million € and amounted to 34 million € in 2014 from 25.9 million € in 2013. It is noted that with the execution of the BoD decision no. 18275/22.01.14, the long-term claims of employees - pensioners of 134 million € approximately were reduced via a settlement agreement with the Company to € 64 million approximately. Since the above settlement would materialize within the year 2014, part of the total provision of 99.0 million € was transferred to the other short-term liabilities (amounting to 73.2 million € including the labor cost of 9 million € approximately) whereas the remaining amount was maintained in the provisions for pending litigations (amounting to 25.9 million €). Of the total amount of 73.2 million €, only a small part was not paid (5.2 million €) and therefore the new provision for litigation cases settled (in the results) at only 3 million €.

With regard to the other categories of expenses, third party fees and expenses posted an increase by 7.2 million € (+18.4%) mostly due to the increase of the relevant expenses in the Psitalia WMC (+8.1 million € or +38.2%) and settled at 46.0 million € from 38.9 million € in 2013. Instead, third party benefits posted a decrease by 2.3 million € (-5.2%) due to the lower expense for electric energy production by 1.9 million € (-8.6%), such as the consumption of materials which declined by 2.8 million € (-28.7%). Also, the cost for self-constructed projects (item that is deducted from the expenses) posted a decrease of 3.4 million € (-52.1%).

Other expenses declined significantly by 45% (-2.1 million €) settling at 2.6 million € in 2014 versus 4.7 million in 2013. These expenses include various other expenses non classified into the operations, such as indemnities for network damages, various tax charges, other surcharges and fines, impairment of interests in associates, etc.

The above changes resulted into the improvement of the earnings before interest, taxes, depreciation &

amortization (EBITDA) of the Company. EBITDA increased by 4.0 million € (+4.8%) and settled at 87.6 million € from 83.6 million € in 2013. EBITDA margin increased from 24.9% in 2013 to 26.9% in 2014.

Depreciation charges for the year posted an increase by 27.4% or 8.2 million € and settled at 38.2 million € from 30 million € in 2013. The increase was attributed to the higher depreciation and amortization of assets by 4.3 million € and to the decrease of the amortization of grants and customer contributions by 3.9 million €.

The significant increase of depreciation and amortization affected the Company's earnings before interest and taxes (EBIT), which declined by 4.2 million € (-7.8%) and settled at 49.4 million € from 53.6 million € in 2013. EBIT margin settled at 15.1% from 15.9% in 2013.

The financial expenses posted a decrease of 93.4% and settled at 0.6 million € from 8.5 million € in 2013, whereas financial income decreased by 1.5 million € dropping to 14.7 million € from 16.2 million € in 2013. Profit before taxes for the Company accounted for 63.5 million € versus 61.3 million € in 2013 posting an increase of 3.7%.

During the year 2013, the increase of the tax rate from 20% to 26% resulted into the significant increase of the deferred tax receivable settling the income tax to -16.4 million €, thus generating a tax benefit. During the year 2014, the income tax settled at 21.6 million € resulting into an increase by 231% of the income tax versus the previous year. As result, the Company's net profit after taxes settled at 42.0 million € versus 77.7 million € in 2013, posting a decrease by 46%. Net profit margin dropped to 12.9% in 2014 versus 23.1% in 2013.

Net operating cash inflows for the Group contracted significantly and settled at -46.4 million € in 2014 from 497.7 million € in 2013. The net investing cash outflows of the Group increased to 13.3 million € in 2014 from 10.3 million € in 2013.

Finally, Free Cash Flows to the Firm settled for the Group at -59.7 million € from 495.6 million € in 2013.

Analysis of the Return on Equity in 5 factors (for the Group)			
	2014	2013	2012
ROE	4,48%	8,71%	6,25%
Tax Burden	0,66	1,27	0,76
Interest Burden	1,29	1,14	0,85
EBIT Margin	15,13%	16,08%	22,63%
Asset Turnover	0,20	0,20	0,21
Leverage	1,71	1,86	2,02

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 of the subsidiary and associate company in the consolidated items is negligible and no further analysis is required.

Business Highlights During Fiscal Year 2014

Private Settlement Agreement of Legal Cases

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. A 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 € 134 million, finally reconciled to the amount of € 64 million. 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. From the aforementioned amount of € 73 million, the € 68 million have already been paid resulting to the completion of the out of court agreement by approximately 95%.

Local Authorities

During 2014, the Company continued with undiminished intensity its efforts for a second year, to strictly implement the decisions 18227 / 11.13.2013 and 18294 / 01.29.2014 taken by the Board of Directors of EYDAP SA, combined always with previous decisions taken by the Company such as to categorize overdue debts (16926 / 07.14.2010), approving of the plan for the network management contract (17909 / 02.06.13) and the payment in full of the outstanding debt of municipalities and without

setting off these overdue debts (18045 / 30.04.2013).

These efforts resulted in the containing of the increases in Municipalities overdue liabilities to EYDAP SA, despite the fact that 2014 was an election year for the municipalities, resulting to the replacing of more than 60% of Mayors, creating a gap period between the beginning of the municipal elections and the inauguration of the new administration since 09.01.2014. The Company re-attempted to inform the new municipal authorities for their debts.

EYDAP S.A., via BoD decision no 18448/24-9-2014, transferred the water supply jurisdiction of municipalities and Public Entities located outside the geographical area of service along the exterior water supply system, except for the Camp Maxairas and the Hellenic Aerospace Industry, to EYDAP Fixed Assets (Public Entity). These municipalities are: Delphi, Livadia, Thebes, Tanagra, Halkida, Distomo-Arachova. It is noted that the corresponding annual income for 2013, amounted to € 3 million approximately. EYDAP will be entitled to 10% of the billed value (before taxes) from EYDAP Fixed Assets, plus the cost of materials and energy.

The overdue debts of the Municipalities at 31.12.2014, amounted to 25.7 mil. euro, of which an amount of 5.1 million euro is in a regulatory regime and an amount of 3.0 mil. euro regards the debt of six municipalities, which, from 01.10.2014, are managed by the public entity “EYDAP Fixed Assets Company”. Three Municipalities (Megara, Fili and Salamina) have overdue debts amounting to 10.7 mil. euro corresponding to 41.5% of total debt.

During 2014, a legislative intervention led to the enactment of Law 4313 (Government Gazette A 261/ 17.12.2014, in which Article 68 amended Article 8 of Law. 2744/1999, namely:

a. EYDAP is permitted to expand its activities in the Municipalities of Attica Region as defined in section h' of paragraph 3 of Article 3 of Law. 3852/2010 except for the Municipalities of Aegina, Trizinia, Kythira, Agistri, Spetses, Hydra and Poros of the Regional Unity Islands of Attica Region.

b. It is envisaged that via the contract that will be reached between EYDAP and the concerned local authority which is within the jurisdiction area of paragraph 1 of Article 68 of Law. 4313/2014, a no cost possession of already constructed network either owned or managed by the EYDAP may be agreed. The management of the network does not oblige EYDAP to invest on the network which remains property of the Municipality.

As part of the development of relations with the local authorities and the further expansion of the activities of EYDAP, the following took place:

1. The administration of EYDAP with the no. 18490 / 26.11.2014 decision, accepted the **concession by ownership** without payment of fee from the **Municipality of Maroussi** of the municipal network of sites Agios Thomas, Labour Residences, Polydroso and Soros, consisting of about 610 water meters.
2. The Court of Appeals with the decision no. 1210 / 25.02.2014, rejected the appeal of **Maroussi Municipality** and recognized the ownership in EYDAP of the water supply of Sismanogleiou areas (New Maroussi) and Psalidi, consisting of about 1,500 water meters.
3. The **municipality of Megara** and EYDAP signed a contract for the expansion of EYDAP's activity in the following regions: Agia Triada, Iremono, Kima, Perama, Koumindri, Kandili, and Ano Glyfada of Municipal Unit of Megara of the Municipality of Megara.
4. The Board of the **Municipality of Salamina** (decision no.6 / 24.1.2014) approved the conclusion of a program contract between the City and EYDAP for the construction and management of Sewage Works in Abelakia

and Selinia. Also the BoD of EYDAP (decision no. 18319 / 27.02.2014) approved the program contract with the Municipality of Salamina, for the management of the Municipal Water Supply Network.

5. The BoD of EYDAP (decision no. 18370 / 14.05.2014), approved the concession by ownership and without payment of fee from the **Aspropyrgos Municipality** of municipal water supply areas of Agios Georgios and Mavri Ora. The relative contract of the network concession to EYDAP was signed on July 10, 2014.

Ordinary General Shareholders Meeting

The 32nd Annual General Shareholders' Meeting convened on 30 April 2014 in a central Athens hotel. Among others, the Meeting approved the distribution of a dividend to the shareholders for year 2013 equivalent with 50% of the net earnings of the same year, amounting to Euro 38 million (or Euro 0.36 per share on gross basis) as well as the distribution of reserves from tax free revenues amounting to Euro 2 million (or Euro 0.02 per share). The total dividend distributed to the Company's shareholders amounted to Euro 40.5 million (or Euro 0.38 per share on gross basis).

Social Tariff

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, decided the an extension of the social tariff until September 2015.

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.

Changes in Voting Rights

Piraeus Bank announced to EYDAP, on 02/05/2014, that the percentage of voting rights held by the Bank in the Company on 30/04/2014 settled below the minimum threshold, whereas on 29 April 2014 the percentage of direct and indirect voting rights had accounted for 9.9989% and 0.0368% respectively.

Furthermore, on 6/05/2014 "Paulson & Co. Inc." announced to EYDAP that from 30.04.2014 it held

(indirectly) 10,648,800 voting rights corresponding to an equivalent number of common registered shares of the Company (9.99% of the Company's total voting rights), whereas on the same date Mr. John Paulson announced to EYDAP that from 30.04.2014 he held (indirectly) 10,648,800 voting rights corresponding to an equivalent number of common registered shares of the Company (9.99% of the Company's total voting rights). *Mr. John Paulson controls "Paulson & Co. Inc." which is an asset management company. Under such capacity, the company exercises its voting rights in EYDAP SA. All shares which are the subject of the current disclosure are held by investment funds administered and controlled by "Paulson & Co. Inc."*

On 23 May 2014, the decision no. 1906/2014 of the Plenary Session of the Council of State was released, according to which the Council of State accepted the cancellation request of the decision of the Inter-ministerial Committee for Asset Restructuring 206/25.04.2012 (GOV. GAZ. B 1363/26.04.2012) regarding the section of the decision with which 36,245,240 shares of EYDAP SA (percentage of 34.033% of its share capital) were transferred from the Greek State to the Hellenic Republic Asset Development Fund S.A. («HRADF»). HRADF announced to EYDAP on 24/6/2014 that the percentage of voting rights held by HRADF in the Company had settled on 23/6/2014 to 27,3% (29,074,500 direct voting rights) from 61,333% previously (65,319,740 direct voting rights).

The above change in the voting rights was implemented via an over-the-counter transaction which did not include any consideration.

Tariff fixing of EYDAP-Law 4258/2014

For the period 2000 up to 2014 the tariffs of water supply and sewerage services were 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.

With the article 33 of Law 4258/2014, the paragraphs 1 and 2 of article 3 of Law 2744/1999 were replaced. In synopsis, until the end of June 2015, the pricing policy with regard to the water supply and sewerage services are under the approval of the Minister of

Finance following a relevant proposal from the Special Secretariat for Water. From 1st July 2015, the pricing policy with regard to water supply and sewerage services are placed under the decisions of the Special Secretariat for Water in consultation with the Minister of Finance and other pertinent bodies. Moreover, the decisions related to the above pricing policy for the different categories of consumers and users are in effect for five years and are issued at the end of each period for the following five-year period. With the decision of the Board of Directors of EYDAP S.A., which is approved by the Minister of Finance following a relevant proposal from the Special Secretariat for Water, special pricing rates for water supply and sewerage services can be defined, addressing the needs of inhabitants, companies and general users that are serviced by their own water supply and sewage network, independently of the Company's unified water supply and sewage network.

Development of Business and Investment Framework of Strategic Initiatives

Based on a contest process according to the Invitation Announcement no. 2369, the Board of Directors of EYDAP SA appointed the "General Bank of Greece SA" jointly with the law firm "Bahas Grammatidis and partners" and the technical company "Battus Associates Limited" as Business Strategic Advisor for the provision of consulting services to the Board of Directors of EYDAP SA with regard to various complicated, important and/or strategic decisions on business techniques and specialized regulatory and financial issues.

The Business and Investment Framework of Strategic Initiatives for the period 2015-2019, was completed in November and approved by the Board of Directors, at its meeting on 26.11.2014.

As part of developing this project, all aspects were considered as well as the financial, technical and legal parameters of the initiatives to be undertaken by EYDAP, so as to meet the challenges that will face the next five years, which will enable the Company to succeed with an efficient and functionally balanced way its mission, along with the demanding financial and quality objectives inherent in the strategy. During the drafting of the business and investment plan, international practices of other similar companies

were taken into account, on the recommendation of consultants.

The main results of this pioneering work, undertaken for the first time since 1999, are summarized below:

Projects and operational initiatives of strategic importance to be implemented in the next five years were established, that will contribute to the upgrading of the company aiming to:

- Increase the adaptability and operational safety.
- Improve the environmental performance.
- Increase the operational and technical performance and efficiency.
- Improve customer service
- Upgrade assets to the standards required.
- Develop and strengthen the financial stability and operational performance

The Company identified its funding needs and opportunities for extraordinary distribution of profits to the shareholders and ascertained that for the implementation of various investment scenarios, corporate lending is not required, while in case of major investment opportunities there is the possibility of raising long-term debt capital.

The framework of a series of strategic growth initiatives was set, which will gradually be taken over for the next five years in order for EYDAP to play a wider national role (EYDAP NISON, geographic expansion, industrial waste management, energy production, etc.).

EYDAP determined the actions of modernization that will need to be pursued, in the management of human resources, by promoting and reclaiming the considerable skills of the existing staff and by investing in recruiting qualified personnel with high education and training so as to continue its progress with efficiency with the objective of maximum contribution to society.

Finally, it was ascertained, once again, that the strength of the Company's technical background and its people continue to be the driving force for the successful operational and financial effectiveness, whereas in conjunction with the current financial strength it is proven that the Company is able to cope with contemporary technical and

environmental challenges, to improve further its efficiency in all sectors, to undertake strategic initiatives and potentially play a key role at national level, contributing to saving resources and the development of Greek economy

Amendment of article 8 Law 2744/1999

Article 68 of N.4313 / 2014 (Government Gazette A 261 / 17.12.2014) amended the Article 8 of Law. 2744/1999, so that EYDAP can expand its activity in all municipalities of the Attica Region, except for the municipalities of Aegina, Trizina, Kythira, Agistri, Spetses, Hydra and Poros, as well as in municipalities of other regions with the approval of the competent ministers. In addition, it could be conceded without any cost in EYDAP any already constructed municipality network in the Attica region, either by ownership or by management, except for the above excluding municipalities. The concession of the network by management from EYDAP, does not imply any obligation for investments on the network which remains the property of the Local Authorities. The sewerage networks that will be constructed in the municipalities of the Attica Region, apart from the above excluding municipalities, following the enforcement of Law 4313/2014, are automatically becoming assets of the EYDAP.

Finally, EYDAP can invest in these conceded networks outside of the Attica region with private and own funding. The tariff policy to such networks will be agreed in each contract.

EYDAP NISON S.A.

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

The company completed its development study, concerning the strategic plan that will be applied. The forming of the pricing methodology of services provided, is defined as next action.

Detailed actions of EYDAP NISON during 2014 are presented below:

Andros Island

After visiting and meeting with the Mayor of Andros, the following needs were identified:

1. Consolidation study of the electromechanical sewerage installations of the island.
2. Water supply study of Gavrio.

Naxos Island

EYDAP NISON conducted a visit in Naxos Island, where a meeting was held with the Mayor and Deputy Mayors. Following their request, a technical and financial offer for the elaboration of a pricing policy study for Naxos & M.Kyklades was subjected.

Milos Island

During 2014 and following the request of the municipality to solve chronic problems, the Company appointed a special team for the cleaning and remote inspection of a sewage network of total length of 1,800 meters with a water recycling truck Super 2000 and the cleaning of three (3) sewage pump tanks. Also a study for the installation of Wastewater Treatment Plant in Pollonia of Milos is considered.

Sikinos Island

At the request of the Municipality of Sikinos, the need for a study concerning the installment of Wastewater Treatment Plant in the town of Sikinos, was revealed.

Kea Island

The Mayor and Deputy Mayor of Finance of Kea island, had a meeting at the headquarters of EYDAP NISON and submitted the following demands in order to fulfill chronic needs:

1. Provision of consultant services for water & wastewater treatment (desalination, drilling, biological compact).
2. Review of the study concerning the construction of wastewater treatment plant.
3. Planning of wastewater works at the estates of Otzias and Koundouros.
4. Review of studies concerning sewerage network and wastewater treatment plant, in order to ensure the financial operation of the project.
5. Editing and submission of tender for counseling for the subsequent review of wastewater treatment plant study.

Poros Island

A meeting was held with the deputy district commissioner of Attica Islands in order for EYDAP ISLANDS to assist with its know-how in solving serious problems in the sewerage network and in the wastewater treatment plant of Poros. Moreover, the deputy district commissioner proposed the conduct of a program contract between EYDAP ISLANDS & Regional Unity of Attica Islands.

Chios Island

EYDAP NISON, following the request of the municipality of Chios island, appointed a special team that will proceed with the remote inspection of the rain water collection network in the port of Chios and cleaning of five (5) pumping sewage tanks with suitable machinery to resolve chronic problems mainly at the shores part of the city of Chios. Also, the Company signed an ongoing work- study for the creating of pressure zones in water supply network of the city of Chios.

Finally, in a meeting with the Secretary General of the Aegean and Island Policy, mr. Zoidi, the need to reform and enrich with binding conditions and implementation procedures of the contract of the memorandum - framework for cooperation with the Ministry of Mercantile Marine and Island Policy, was investigated.

Share Capital Increase EYDAP Nison S.A.

On 29 January 2014, EYDAP SA following the decision no. 18290 of its Board of Directors, approved the payment in cash of the share capital increase of EYDAP NISON S.A. by an amount of euro 150,000.00, which in turn was approved via a voting process by the Extraordinary Shareholders' Meeting of EYDAP NISON S.A. on 7 February 2014.

On October 22, 2014, EYDAP SA, following the decision of the Board of Directors (18460 / 22.10.14), approved the share capital increase for EYDAP NISON S.A by 1.000.000 euro, through payment in cash in two equal installments of 500,000 euro, at November 1st, 2014 and July 1st, 2015. The share capital increase by 500.000 €, was ratified in the Extraordinary General Meeting of EYDAP NISON S.A. on Oktober 31st 2014.

Also in October of 2014, the Business Plan of EYDAP NISON SA was completed.

Composition of the Board of Directors

On July 11th, 2014, the Board the EYDAP NISON SA was as follows:

1. Antonios Vartholomaïos Chairman of the Board and CEO of the company.
2. Konstantinos Vougiouklakis, Member.
3. Georgios Karagiannis, Member.
4. Georgios Chavakis, Member and Deputy Chairman of the Board
5. Petros Matsoukis, Member

Mr. Matsoukis Peter, since February 2014, acts also as Executive Director of EYDAP NISON S.A.

Modernization of the Operation Sectors

Within 2014 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 bellow per sector:

Development of New Activities

- Amendment of Article 8 the N.2744 / 99 for the extension of the jurisdiction of EYDAP to municipalities of the Attica Region and for the contracts that EYDAP may conclude with the local authorities
- Following the amendment of Article 8 of N.2744 / 99, the procedures for the concession of the water supply network of the Municipal Unity Magoula at Elefsina Municipality to EYDAP are expected to be completed.
- Municipality of Aspropyrgos signed the contract for transferring and handing over to EYDAP the water supply network in the areas of Agios Georgios and Mavri Ora.
- Maroussi Municipality completed and signed the contract for transferring and handing over to EYDAP the water supply network in the areas "Agios Thomas", "Labour Residences", "Soros" and "Polydroso".
- EYDAP continues the negotiations for the receipt by ownership and at no cost, of parts of the water

supply network of the Municipality Vari-Voulas-Vouliagmenis and the Municipality of Megara.

- Under the responsibility of the Attica Prefecture and the municipalities involved, the implementation of sewerage projects is progressing, according to the planning of EYDAP, in areas of northern and eastern Attica as Dionysos, Koropi and Peania and the licensing for the implementation of projects at the areas of Pallini and the Saronic Gulf is promoted. In the implementation phase are the works of sewerage networks in the areas of Abelakia, Selinia and Aiantio Salaminas. These projects have a total budget of approximately 350 mil. euro and are fully funded by the EU and the state. These networks, as mentioned in Article 8 of Law. 2744/99, are placed directly under the ownership of EYDAP following their completion.
- EYDAP signed a contract with EYDAP Fixed Assets Company, which provides for the determination of rent at the rate of 7.50% and 1.50% of undefined revenue from electricity sales, plus VAT, for the existing small hydroelectric plants, operating for more than ten (10) years and less than ten (10) years respectively, as well as for the lease of installation and operating premises under the same terms, of all new energy projects, which EYDAP will select in the future and will be constructed at the property of EYDAP Fixed Assets Company.
- The Financial Control Committee of the Ministry of Finance / General State Accounting Office / General Fiscal Division (EDEL) concluded the audits on 29/09/2014 at the premises of the Division of Infrastructure of EYDAP firstly and on 01/10/2014 and 2/10 /2014 the on-site audits on projects executed by EYDAP at Thriasio, with contract works A431-A431N (main sewage collectors at the west sector of Thriasio), A432 (main sewage collectors at the eastern sector of Thriasio) and A433 (treatment plants and sewage disposal at Thriasio). The conclusion of the audits (619 / 16.12.2014 Report) results:

Based on the results of the audit work performed by EDEL, it is ascertained that the audited project "Basic collectors and treatment plants and sewage disposal in Thriassio" has been completed as described in the co-financing request and in the approval decision, in

which the specific requirements are met, it is fully functional and serves its objectives. Furthermore it was ascertained that the project of EYDAP SA and the project of the Regional Unity of West Attica (sewerage at eastern and western sector of Thriasio) is fully connected, fully functional and form an integral and functional whole.

- Implementation of an energy program that focuses on two (2) lines:
 - Reduce of electricity consumption on the premises of EYDAP
 - Production and distribution of electricity

As far as **the IT & Technology** are concerned, EYDAP in 2014 has proceeded in the implementation of the following activities:

In Business and Finance Sector

- In October 2014 started the gradual operation of the new Human Resources Management System (SAP-HR). The new system includes several functions of existing software ORAMA-HR as well as new without replacing all the necessary functions to replace the previous system.

The new information system includes functions such as:

- Management of personal data of employees
- Management of grade and salary evolution of employees
- Follow up of the qualifications of employees
- Management of all employees' activities (recruitment, position change, withdrawal, etc.).

Also the project includes the interconnection with the existing system of health care (SAP / R3) in order to synchronize the two systems. The objective is to integrate all the necessary operations of human resources into the new system (SAP-HR) within 2015, in order to replace the existing system "ORAMA-HR".

- In September 2014 EYDAP began the implementation of the new payroll system that will replace the existing "ORAMA-PAYROLL".

The new system will be integrated into the platform of SAP Business One.

The project includes along with the reporting of payroll for EYDAP employees, also connections used in order to synchronize data with the following systems:

- Central ERP
- Human resources system
- Secretarial and extraordinary payments systems

The new software is already operating since 26.01.2015 and the next payroll will be issued by the new "SAP-Business One- Payroll".

- Since November 2014, the development process began for functionality of the IAS (International Accounting Standards) through the platform of SAP Business One in order to be completed in the early months of 2015.
- On December 2014 the procedure for replacing the secretarial system and extraordinary payments (ORAMA-GRAM) began. The new software will be integrated into the platform of SAP Business One and interconnected with the systems of Payroll and Human Resources Management (HR). The new system is expected to be operational within 2015.

Customer Applications

- Since the beginning of 2014 the new tariffs of water and sewerage were implemented, effective since 25.12.2013.
- The decision of the BoD 18294-29/01/2014 was implemented, which includes debt management of Local Authorities.
- There were significant improvements in the interconnection of BCC systems (customer service system) and GIS.
- The arrangements for payment in various cases were implemented, the message to the accounts for water supply disconnection was abolished whilst allowing the payment to all collection canals.
- The information systems of the Company were aligned to Regulation 260/2012 of the European Parliament on the exchange way of direct debit accounts of Water and Sewerage to and from Banks.

- The upgrade of customer service system (BCC) was completed, with regard to the display of the necessary data on the regional branches screens.
- The decision of the BoD 18419-2014 was implemented for the provision of financial incentives to residents of Thriasio.
- The necessary adjustments were made, so that the new regional branch in Salamina will operate.
- The upgrade of the software “PRINTBOSS” for the formatting of the invoices, took place.
- The BoD decision 18138 was implemented, for establishing Fee for Quality Override.

In the sector of infrastructure & technology

- The teleconference system in Laodikias building was installed in the meeting room of the BoD.
- The new central storage system “Storage” was installed, while forming and transitioning of applications and data, ensuring uninterrupted operation.
- The datacenter in Perissos was upgraded, via the acquisition of new network equipment (central switch, top rack switches).
- The new version of the company's website www.eydap.gr was implemented.
- A new application for mobile and tablets (mobile application EydApp) was carried out, offering information and services to consumers.
- An integrated solution for keeping basic infrastructure backup (Exchange Server, Portal) was implemented.
- The Microsoft's SCOM and SCCM technologies were integrated for proper central monitoring of the operation of servers and for the possibility of mass distribution and updates to decentralized users.
- A study for network extension with wireless nodes and integration of cloud application was conducted.
- New Backup policies were developed for all supported infrastructure.
- The IT equipment maintenance services were upgraded, via available online submission of failure statements through the portal of EYDAP.

In the telecommunications sector

- There was a full transition of the mean of communication of the Water Supply Network Remote Control System from leased circuits M1020 to SDS messages via network TETRA, resulting in a reduction of operating expenses to 1/5 of the old.
- A software upgrade for four major telecommunication hubs of the company's integrated network (affecting more than half of the company's users).
- The application Voice Portal was implemented.

Geographic Information System (GIS) Sector

- An application for the calculation networks length (water and sewerage) along the the road network was developed.
- The existing application Water Incidens was expanded.
- An SMS application to inform customers regarding the progress of water supply works was developed.
- The formation - adaptation - enrichment of the application “Introduction of Details Sketch of Pipelines” was implemented, in order to cover the requirements of the related work of the department of technical studies principles and standards, but also the daily work of the relevant departments of Water Divisions.
- A new functionality “coffer dam detection” was added in the application for network analysis in sewerage, buildings and consumption.
- An application providing map services through the Protocol WMS was implemented. The application's goal is to support the implementation of the Emergency Response Vehicles Management.
- An application for a Web Service provider was implemented, in order to normalize the database of Sewerage Division, with that of the BCC and GIS. The GSS program was bought to support Web Services.
- An application for the connection and locating of buildings bearing many Sewerage failures (from the calls of 1022) for the period from 1/1/2008 to the end of 2013 was developed.

- An application for the searching of buildings per construction section in sewerage, was implemented for the sewerage division.
- A GIS application on tablets was developed, for the sewerage studies. All functionalities of the basic applications of GIS are offered for the tablets
- An application was developed for importing scanned sewerage designs scale 1: 500 for the Department of Piraeus
- An application was developed for importing scanned sewerage designs scale 1: 2000, by georeference for the technical studies department

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 2014 as well, was the fulfillment of the three main dimensions of market success: quality, time, cost. More specifically, the Division of Customer Service:

- Utilises 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.
- Ensures the implementation of alternative water – sewerage bill collection. A recent example is the launch of Automatic Payment Systems (APS), the cooperation with the Association of Professional Lottery Agents and the installation of web application to agency offices.
- Continues the cooperation with the Citizen Service Centres (KEP), which are an additional channel for customer requests.
- Utilises Collections System for liquidation of customer debts.
- Ensures the configuration of a friendly environment at the Customer Service Center (recent

example is the opening of a new Customer Service Center at Salamina).

- Continues to work effectively with the authorities “Greek Ombudsman” and “Consumer’s Counsel”.
- Finally, it is worth noting that the Customer Service Department satisfies the requirements of procedures standardization, as set in the ISO 9001:2008 certificate of TÜV HELLAS SA certification body.

The Operations Center – 1022 consists of:

- a. The call center 1022,
- b. The “Technology and Documentation Office”,
- c. The “Operations Center Supervisors Body”.

A. 1022

The Operation Center – 1022 includes two customer service phases, basic service and specialized service. The purpose of the basic service is to record customers’ requests and directs them to the appropriate sector of EYDAP. The basic service 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 almost completely (90%) by the external associate MEDIATEL. 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.

Since March 2014, 1022 took over the telephone services regarding bills issues, which until then were performed from the eleven customer centers of EYDAP (now twelve). Employees of 1022 (EYDAP and MEDIATEL) are trained to meet the new tasks and are constantly updated.

B. Technology and Documentation Office of the Operational Centre

Within 2014 the Technology and Documentation Office consistently pursued the operations of improving digital tools of the Operation Centre.

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 absent, 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).

Specifically, the Technology and Documentation Office of the Operational Centre monitors and continually updates the following digital tools:

- 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.

C. 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 by using the digital tools of the Operation Centre. During 2014 the department operated in a morning and afternoon shift on holidays to support the operation of water supply and sewerage sectors.

Intergrated Operations Centre

EYDAP, within the framework of its development and modernization, has scheduled specific actions aiming

at the transformation of the current Operational Centre @ 1022 to an Integrated Operational Center (Operation Center), in order to convert it to a strategic junction for the management of its operations.

The strategy of the new Operation Center focuses:

- On the actual and functional upgrade of the existing unit to a coordination body with advisory role and responsible for the management of networks and facilities.
- On a delimited cooperation with every operation unit that either directly manages company's networks and facilities or interacts with customers.

The basic guidelines that will lead to the realization of the vision are:

- Efficient resource management, with respect to the principles of Sustainable Development.
- High degree of satisfaction deriving from the immediate respond to the needs and demands of both external (citizens) and internal (company's employees) customers.
- Application of innovative Information and Communication Technologies.
- Systematic exploitation of the expertise of the company's executive.

The strategic objectives of the Operation Center, as defined, are:

- Improving the organization and function of the operational units managing networks and facilities.
- Improving the decision-making procedures followed by the senior executives staff and the implementation of such decisions by the operational mechanism.
- Improving the quality and quantity of delivered services.
- Documenting the internal organizational and operational system.
- Using new systems and applications for improving company operation - Best practices exploitation.
- Developing Human resource.
- Efficient resource management.

The operational model of the developing Integrated Operational Centre consists of the following key components:

- Focusing on customer's (or consumer or citizen) needs and demands in order to continuously improve the quality and efficiency of delivered services.
- Creating an integrated structure for all communication channels with the consumers.
- Supporting every phase in the procedure of confronting a problem and/or a crisis which consists of three stages: (a) prevention (before the event of an incident), (b) treatment (when the incident occurred) and (c) consequences recording and rehabilitation (after the event of the incident).
- Real time monitoring of the action progress in the event of incidents, in order to support both coordinators-constructors (developing business plans, efficient use of the available forces, estimation of crisis evolution and expansion, etc.) and workers (optimal transition routing from point to point, visualization of the position of other crews involved in tackling the incident, visualization of the action plan and forecasted moves as designed by the coordinator, etc.). Collection, organization and combined management of multi-level geographical data and detailed information to support decision making process for managing incidents and crises.
- Focusing on preventing and/or achieving a more financial efficient way of operation through an integrated network and facilities management system.
- Documenting the internal organizational and operational system and focusing on the efficient management of technical personnel.
- Integrated managing the applications and systems and adapting modern software technologies.

E-Government

EYDAP, within the framework of its customer-centered strategy, has clearly defined its objectives in the field of e-government, which are:

- Customer service provision through the use of online services with the establishment of electronic transactions.

- Complete exploitation of ICT in order to reduce drastically bureaucracy
- Simplification of the procedures and minimization of the required documents
- Improvement of working conditions for employees while increasing their efficiency and achieving the triple goal of flexibility, speed and quality ensuring safety in EYDAP's internal communication and function.

EYDAP, with complete commitment to the above objectives, has proceeded during the last two years in targeted actions, like:

- The website upgrade through which customers may have on line access to a range of services offered.
- Creation of a special mobile application (eydaApp), so that EYDAP's customers may be serviced free of charge via their mobile, wherever they are, easily and safely,
- Automation of basic internal procedures by using information technologies (especially in the field of Customer Service)
- Restructuring of Human Resource Management System (HRMS),
- ERP Projects
- Integration of the digital signature,
- Electronic production of corporate document models,
- Electronic distribution and management of corporate documents
- Creation of digital databases and corporate documents in order to ensure the optimal level of internal communication by reducing its costs.

Although EYDAP may be proud of the work already done in the field of e-government it cannot be complacent. A team of qualified executives, with expertise and experience, plan and implement restructuring projects in managing customer requirements, in organizing and monitoring Legal Affairs, in creating network mapping systems and applications for customers' remote access to services and information (mobile applications) and many other important projects for the operation of the Company.

Whereas developments in technology arise, EYDAP's obligation is not only to follow them but also to predict them in order to meet customers' high requirements.

EYDAP's strategic planning consists mainly of the adoption of innovative and flexible applications and of a further development of the e-government principles. EYDAP moves dynamically to every necessary administrative and technological reform in order to respond always, in the best possible way, to the demands of modern forms of administration.

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:

<i>Amounts in € thousands</i>		GROUP		COMPANY	
Financial Assets categories	31/12/2014	31/12/2013	31/12/2014	31/12/2013	
Available for sale financial assets	691	1.369	691	1.369	
Cash and cash equivalents	233.314	331.967	232.664	331.941	
Trade and other receivables	220.109	221.553	220.123	221.552	
Long-term receivables	6.135	5.407	6.124	5.407	
Investments in subsidiaries	0	0	710	60	
Total	460.249	560.296	460.312	560.329	

The Company reviews its receivables on constant basis either individually or by group (code of invoice, customer category) and incorporates the respective information in the 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 a relatively low level of loss risk mainly because of the extensive dispersion of claims, while for the receivables from Local Governments (OTA), the Company examines the possibility of collecting the respective due amounts through contract agreements (management of networks and settlements) or based on legislative arrangements.

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 overdue claims based on their maturity:

<i>Amounts in € thousands</i>		TIME ANALYSIS OF OVERDUE CLAIMS						
2014	Not due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total	
Private Customers	19.207	11.011	28.558	37.130	25.193	19.236	140.335	
State	2.358	1.146	1.966	1.936	1.806	3.093	12.305	
Local Government	8.135	2.831	8.583	12.555	820	790	33.714	
Total	29.700	14.988	39.107	51.621	27.819	23.119	186.354	

<i>Amounts in € thousands</i>		TIME ANALYSIS OF OVERDUE CLAIMS					
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

With regard to credit risk management, the Department of Collection Enforcement of the Legal Services Division reviews on constant basis and settles via judicial procedures (LD 356/1974 «Code for the Collection of Public Revenues») 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.

<i>Amounts in € thousands</i>		TIME ANALYSIS OF LIABILITIES					
2014	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	1- 5 years	Total
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	34.172	20.722	8.319	1.913	41.110	313.624	419.860
Total	34.172	20.722	8.319	1.913	41.110	313.624	419.860

2013	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	1- 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

(c) Relations with the Greek State

With a 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 State and the Company, were offset with equivalent in value non tax related 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. With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted.

On the other hand, the signing of a written agreement - as it is defined in the 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 from the year 2004 (Note 37). In absence of a written agreement, the Company continues 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", affecting accordingly its financial results.

Related Party Transactions

A) Transactions with Members of the Board

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Fees (Chairman & CEO, and Executive Directors)	57	57
Fees & attendance expenses of BoD members	78	79
Total	135	136

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

	GROUP		COMPANY	
<i>Amounts in € thousands</i>	31/12/2014	31/12/2013	31/12/2014	31/12/2013
1) Transactions				
- Income	55.661	66.151	55.661	66.151
- Cost of Goods Sold (cost of construction works)	(505)	(2.147)	(505)	(2.147)
- Income from non utilized provisions / (Various provisions)	-	59.396	-	59.396
2) Outstanding amounts				
- Long-term receivables (Projects for the Greek State)	2.652	2.147	2.652	2.147
- Trade receivables (Local authorities, Greek State)	48.107	40.931	48.107	40.931
- - Other receivables (from the Greek State for coverage of deficit concerning staff indemnities)	258	258	258	258

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 Economy, Infrastructure, Shipping and Tourism, and of “EYDAP Fixed Assets LEPL”.

Dividend Policy

The Board of Directors of the Company in its convection on March 27th 2015 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 twenty cents (€ 0.20) per share (a total gross amount of Euro 21,300 million) for the year 2014. 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 water, 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 intercompany 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 2014 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 e-Government 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 131 while those conducted by internal partners were 2. The total number of programs realized in 2014 was 138. The total man-hours of training rose to 41,538 and the total number of trainees was 958.

In conclusion, the educational sector of EYDAP in 2014, expresses the company’s will to enhance training, aiming at achieving direct and tangible results, which every education and training program attributes, and also at knowing that the results of these actions are long term and impressive. Thus, by developing its human resource, EYDAP will be able to face market competition.

Environment

Ever since 1999 EYDAP has taken initiatives to reduce its environmental footprint and together with those already realized, new initiatives are planned and implemented.

The realized initiatives refer to a) the exploitation of biogas produced at Wastewater Treatment Plants for the production of electrical and thermal energy, b) the exploitation of hydraulic energy which is converted into electricity in small hydropower stations along the aqueducts, c) the investments in the electromechanical installations of EYDAP for efficient operation and therefore less energy consumption, d) the replacement of oil systems with natural gas systems and e) the conducting of energy inspections in buildings and the submission of concrete proposals.

The planned initiatives refer to a) the implementation of part or all of the submitted proposals of energy inspections in buildings, ie actions in lighting and/or installing building and electromechanical energy saving devices, b) detailed energy saving actions (more effective lubrication and preventive maintenance) in pumping stations and Water Treatment & Wastewater Facilities), c) the installment of energy metering systems in every necessary building or facility.

EYDAP also contributes to the protection of the marine environment through the operation of the wastewater treatment plants and the controls of the discharges made into sewers, specifically by the industries, conducted. 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

Research and Development activities of EYDAP for 2014:

Water and sewage service providers, should identify the challenges that are likely to face over the next 10-20 years and take actions to exploit the opportunities - in particular, those presented by new technological possibilities.

One of the key actions to modernize a water and sewage service provider is investing (with its own funding and/or public co-financing) in research activities, technological development and innovation.

The Research and Development Department (R&D), created in early 2011, consists of EYDAP's highly competent scientists, and has as a primary and main purpose the development and dissemination of know-how, innovation as well as the consolidation of an extrovert perspective. The aim of the R&D department is the enhancement of the applied research, in order to improve and resolve issues that concern the operation of the company while promoting proposals for:

- Acquiring new knowledge which can be integrated into corporate productive functions.
- Service quality improvement through new technology utilization e.g. environmental and energy footprint reduction.
- Development and provision of new services that benefit consumers and entrepreneurship.
- Utilization of tools and methodologies derived from open innovation.
- Operational cost reduction (e.g. through procedure automation).
- Research Center infrastructure development (e.g. modernization and laboratory accreditation).
- Establishment of hard copy and digital research archives with access to the company Intranet that enable scientific knowledge dissemination.
- The R&D Department paves the way for a substantial contribution to the company's research and development needs in order to maintain a high level of expertise and implement innovative ideas and cutting-edge technologies.

During 2014, EYDAP took the following steps regarding R&D:

1. *Research activity:*

- Searching for EU-funded research proposals (HORIZON 2020, NSRF 2014-2020) and internal research projects.
- Participating in the following funded research projects within the framework of the Seventh European Funding Program (FP7):

I. DESSIN project, intended to demonstrate new technologies for the implementation of the Water Framework Directive (60/2000). The Athens pilot plant is one of the five pilot applications implemented in Germany, Norway, the Netherlands and Spain where innovative technologies for water reuse aimed mainly to irrigation of green urban areas are demonstrated.

In this way, EYDAP contributes to one of the main objectives of DESSIN, the effective demonstration of technologies in practice not referring to “theoretical solutions” but immediately applicable practices, providing additional motivation and reasoning for their market acceptability.

A project meeting of the DESSIN partners took place at EYDAP facilities, on 3 and 4 November 2014. The meeting was attended by representatives from seven European countries from a total of 20 distinguished project partners (6 research institutes, 11 SMEs and three water-sewerage companies). The aim of the seminar was:

a. The presentation of the progress achieved in each of the five pilot sites and the exchange of knowledge and experience which have been acquired since January 2014, ten months from the official launch of the project.

b. The participants guided tour to the project infrastructure site (EYDAP facilities at KEREFT) and their briefing on the operation and the capabilities of the automated compact sewage treatment plant that have been developed there.

II. MARSOL project intended to demonstrate the enrichment of aquifers with treated wastewater and the halting of sea water inflow. In the project, four universities, four research institutes, six SMEs, three local authorities and four water-sewerage companies from various European countries participate.

The pilot applications include:

- a. Replenishment of overexploited aquifers (Lavrio, Arenales-Spain, Llobregat-Spain, Brenta-Italy).
- b. Interception of seawater intrusion (Lavrio, South Malta).
- c. Improvement of the ecological and chemical status of groundwater aquifers (Campina de Faro-Portugal, Llobregat- Spain, Brenta- Italy).
- d. Treatment of water through the soil penetration (Lavrio, Arenales-Spain).
- e. Temporary storage and recovery of surplus water (Menashe-Israel).

As for her role in the project, EYDAP has undertaken the following:

- a. Supply of infiltration basins in the Technological Park of Lavrio with treated wastewater from KELM.
- b. Pilot simulation of lithostromatic columns in KEREFT facilities.
- c. Utilization of existing KEREFT facilities (Taking advantage of part of the existing installation in order to implement the project).

III. “DAIAD” project, concerning the innovative approach to water management through household consumption monitoring in real time. In the “DAIAD” project three research institutes, one consulting company, one SME and one water supply and sewerage company are participating.

IV. Participation in the COST project and specifically in the action ES1105 / CYANOCOST based on addressing the algae growth in reservoirs. More than 40 scientific institutions and companies are participating.

- Participation in the TRUST program that aims at the development of studies and proposals about optimizing the management of all activities related to the “urban water”. The program involves thirty scientific institutions and companies.
- Running of two self-funded research projects related to the study of alternative water treatment methods and to improving the efficiency of its stages.

2. Upgrading of EYDAP research center in KEREFT:

Completion of the building infrastructure renovation which was necessary for the modernization of the research center in order to transform it into a demonstration center that will operate through ICT systems. The renovated facilities include:

- Pilot testing building.
- Research project archives building.

3. Management of EU funded research projects

The year 2014 marked the beginning of the FP7 EU funded projects in which EYDAP participates. The basic need was the recruitment and support of these projects with technical and administrative-financial staff. To this end, close cooperation with several departments of EYDAP was developed and special effort was made in order to harmonize the processes of monitoring the EU procedures through the costing, accounting, budgeting and remuneration system of EYDAP.

4. R&D Department Laboratories

Extension of the accreditation field according to ISO 17025. The accreditation of laboratories ensures the reliability and validity of the analyses.

More than 25,000 determinations of physico-chemical, microbiological and biological parameters were performed in the research center laboratories during 2014. The analyses were carried out for:

- Internal needs of the Company (Operations Divisions).
- External agencies (Environmental Inspectors, EARTH / Ministry of Environment, Energy and Climate Change, and Regional Divisions), acting as reference laboratories.
- Ongoing EYDAP research projects.

5. Objectives and planned activities

- Successful implementation of the ongoing research projects.
- Preparation and submission of targeted project proposals funded within the framework of EU programs (HORIZON 2020, NSRF etc.).
- Development of internal network process establishment, utilizing the employees’ scientific

knowledge and experience, with a view to evaluating the needs of EYDAP regarding its participation in R&D plans and the exploitation of innovative ideas and state-of-the-art technologies.

- Enrichment of research archives with scientific material related to new company activities and establishment of electronic access to the aforementioned archives for knowledge sharing purposes.
- Bridging research and entrepreneurship through projects that are implemented by EYDAP in collaboration with young students and scientists from Universities.

Post Balance Sheet Events

There is no other important event from the end of fiscal year 2014 up to the date of this report.

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:

- a. Code of Corporate Governance.
- b. Internal Rules of Corporate Governance and Operation.
- c. Board of Directors and Audit Committee.
- d. Shareholders' Meeting and Rights.
- e. Internal Audit and Risk Management.
- f. 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 Ilisia 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:

- Two (2) representatives of Company employees elected (along with an equal number of alternate representatives) by direct and universal vote;
- Two (2) members representing minority shareholders, elected as provided for in article 36 of the Company's Articles of Association;
- 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 twice 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 01/01/2014 to 31/12/2014 were as follows:

Members of the Board of Directors	
Antonios Vartholomeos	Chairman & CEO, executive Member
Evaggelos Palaialogos	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
Anastasios Kourtis	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
Ioannis Hondrogiannos	Non-executive Member

Resolutions of General Meeting and BoD for the election of BoD Members

The composition of the above mentioned Board of Directors of the Company resulted from the following resolutions of General Meetings and Board of Directors Meetings:

Resolutions of General Meetings

1. 31st Ordinary General Meeting of 28th/06/13, election of Antonios Vartholomeos, Evaggelos Palaialogos, Lambros Zografos (independent Member), Eleftheria Karahaliou, Panteleimon Kamas, Anastasios Kourtis, Epameinondas Sklavenitis, Grigorios Zafeiropoulos and Ioannis Hondrogiannos.
2. Special General Meeting of 28th/06/13, election of Panagiotis Skoularikis and Christos Mistriotis.

Resolutions of BoD

1. 18104/28.06.2013 election of Antonios Vartholomeos as Chairman of the BoD and CEO.
2. 18105/28.06.2013 election of Evaggelos Palaialogos as Deputy BoD Chairman.

Number of BoD meetings from 01/01/2014 to 31/12/2014

During the above mentioned time period the BoD held thirty two (24) meetings (1123/15.01.2014 to 1146/17.12.2014)

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:

- 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;
- 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;
- On the approval of the annual financial statements of the Company;
- On the appropriation of the annual profits and the approval of the emoluments to members of the Board of Directors;
- On the discharge of the members of the Board of Directors and Auditors from any personal liability;
- On the issue of bond loans of any type, subject to para. 4 of article 9 of the Articles of Association;

- On the merger, division, conversion, revival, extension of the term and dissolution of the Company;
- On the appointment of liquidators.
- iAs 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 and Audit Committee.

Composition of the Audit Committee from 01/01/2014 to 31/12/2014

From 01/01/2014 to 12/03/2014

Lambros Zografos, Chairman

Epaminondas Sklavenitis, Member

Christos Mistriotis, Member

From 12/03/2014 to 31/12/2014

Lambros Zografos, Chairman

Epaminondas Sklavenitis, Member

Grigorios Zafeiropoulos, Member

Resolutions of General Meeting and BoD for the election of Audit Committee Members

The composition of the above mentioned Audit Committee of the Company resulted from the following resolutions of General Meetings and Board of Directors Meetings:

Resolutions of General Meetings

1. 31st Ordinary General Meeting of 28/06/2013, election of Lambros Zografos (independent Member), Grigorios Zafeiropoulos and Epaminondas Sklavenitis

2. Special Minority Shareholders Meeting of 28/06/2013, election of Christos Mistriotis

3. Extraordinary General Meeting of 26/07/2013, ratification of the Audit Committee Members

Resolution of BoD

1. 18107/28.06.2013 designation of Lambros Zografos, Epaminondas Sklavenitis and Christos Mistriotis

2. 18323/12.03.2014 designation of Grigorios Zafeiropoulos in replacement of the resigned Member Christos Mistriotis

Number of Audit Committee meetings from 01/01/2014 to 31/12/2014

During the above mentioned time period the Audit Committee held fifteen (15) 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

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

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 cannot, among other things, own shares by more than 0.5% of the paid up share capital.

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

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

The Hellenic Republic holds 36,245,240 voting rights, corresponding to 34.03 % of the total voting rights of the Company.

The Hellenic Republic Asset Development Fund holds directly 29,074,500 voting rights, corresponding to 27.3 % of the total voting rights of the Company.

Paulson & Co. Inc. holds (indirectly) 10.648.800 voting rights corresponding to 9.99% of the total voting rights of the Company.

John Paulson holds (indirectly) 10.648.800 voting rights corresponding to 9.99% of the total voting rights of the Company.

**John Paulson controls Paulson & Co. Inc. which manages investment funds. In this role it exercises the voting rights in the Company.*

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 cannot 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 (article 16 , Law 2190/1920)

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, 27 March 2015

The Members of the Board of Directors

Name	Position
Antonios Vartholomeos	Chairman & CEO
Evangelos Palaialogos	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 1152

Minutes of the Board of Directors of 27th of March 2015

The Chairman and CEO

Antonios Vartholomaaios

5.3 Annual Financial Statements

Of the Financial year 1 January to 31 December 2014 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.MI. (Greece's General Electronic Commercial Registry) NUMBER 121578960000

CONTENTS

- General Information for the Company
- Statement of Income for the Financial Years ended on 31st December 2014 & 2013
- Statement of Total Comprehensive Income for the Financial Years ended on 31st December 2014 & 2013
- Statement of Financial Position of 31st December 2014 & 2013
- Statements of Changes in Shareholders' Equity of 1st January – 31st December 2014 & 2013
- Cash Flow Statements of 1st January – 31st December 2014 & 2013
- Notes on the Annual Financial Statements for the period ended on 31st December 2014

The present Financial Statements, pages 84-138 were approved by the Board of Directors on 27 March 2015 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, 27 March 2015

The Chairman & Chief
Executive Officer

Antonios Vartholomaïos
ID No. AK 543580

The Member of the Board
of Directors

Hondrogiannos Ioannis
ID No. AI 094411

The Director of Financial
Services

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

The Head of Accounting
Department

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
Pertinent Ministry:	Ministry of Economy, Infrastructure, Shipping and Tourism
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 2014
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):	27 March 2015
Chartered Auditors Accountants:	Michalis Hatzipavlou Reg. No. SOEL 12511 Nikolaos Papadimitriou Reg. No. SOEL 14271
Auditing Firm:	CHATZIPAVLOU, SOFIANOS & KAMPANIS SA CERTIFIED AUDITORS CONSULTANTS & BUSINESS CONSULTANTS d.t. DELOITTE
Audit Report on the Annual Financial Statements from Chartered Auditor Accountant:	Unqualified Opinion-Emphasis of matter
Web site address where the Annual Financial Statements are available:	www.eydap.gr

Statement of Income for the Financial Years Ended on 31st December 2014 & 2013

<i>Amounts in € thousands</i>	<i>Note</i>	GROUP		COMPANY	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
Turnover	5	326.387	336.165	326.374	336.154
Cost of Goods Sold	6	(185.022)	(190.570)	(185.022)	(190.569)
Gross Profit		141.365	145.595	141.352	145.585
Other Operating Income	5	2.276	2.131	2.276	2.131
General and Administration Expenses	6	(62.395)	(56.258)	(62.342)	(56.232)
Distribution and Selling Expenses	6	(29.286)	(33.196)	(29.286)	(33.196)
Operating Profit		51.960	58.272	52.000	58.288
Other Expenses		(2.577)	(4.200)	(2.577)	(4.689)
Financial Income	9	14.673	16.169	14.673	16.169
Financial Expenses	10	(559)	(8.501)	(559)	(8.501)
Profit before Taxes		63.497	61.740	63.537	61.267
Income Tax	11	(21.574)	16.420	(21.580)	16.420
Net Profit after Taxes		41.923	78.160	41.957	77.687
Earnings per Share (in €)	12	0,39	0,73		
Proposed Dividend (in €)			-	0,20	0,36
Proposed Dividend from Tax Free Reserve (in €)			-	-	0,02

Statement of Total Comprehensive Income for the Financial Years Ended on 31st December 2014 & 2013

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Net Profit for the Year	41.923	78.160	41.957	77.687
Valuation of portfolio's equities available for sale - Other income transferrable to following years' results	(678)	(233)	(678)	(233)
Actuarial profit-losses of defined benefit plans – Other income non transferrable to following years' results	(30.080)	50.325	(30.080)	50.325
Total Comprehensive Income after Taxes	11.165	128.252	11.199	127.779

Statement of Financial Position of 31st December 2014 & 31st December 2013

		GROUP		COMPANY	
Amounts in € thousands	NOTES	31.12.2014	31.12.2013	31.12.2014	31.12.2013
ASSETS					
NON-CURRENT ASSETS					
Goodwill	13	3.357	3.357	3.357	3.357
Other Intangible Assets	14	2.054	1.420	2.054	1.420
Tangible Assets	15	957.138	976.641	957.138	976.641
Investments in Subsidiaries	16	0	0	710	60
Investments Available for Sale	17	691	1.369	691	1.369
Long-term Receivables	18	6.135	5.407	6.124	5.407
Deferred Tax Assets	19	87.228	93.593	87.228	93.593
Total Non-Current Assets		1.056.603	1.081.787	1.057.302	1.081.847
CURRENT ASSETS					
Materials and Spare Parts	20	14.371	15.798	14.371	15.798
Trade Receivables	21	203.114	203.194	203.114	203.181
Other Receivables	22	16.996	18.359	17.009	18.371
Current tax receivables	11	17.547	-	17.541	-
Cash and Cash Equivalents	23	233.314	331.967	232.664	331.941
Total Current Assets		485.342	569.318	484.699	569.291
Total Assets		1.541.945	1.651.105	1.542.001	1.651.138
LIABILITIES					
SHAREHOLDERS' EQUITY					
Share Capital	24	63.900	63.900	63.900	63.900
Share Premium		40.502	40.502	40.502	40.502
Reserves	25	377.584	380.302	377.584	380.302
Retained Earnings (earnings carried forward)	26	439.324	465.911	439.396	465.949
Total Shareholders' Equity		921.310	950.615	921.382	950.653
LONG TERM LIABILITIES					
Liabilities for Employee Benefits	28	298.213	252.609	298.213	252.609
Provisions	29	34.046	25.854	34.046	25.854
Investment Subsidies and Customer Contributions	30	200.760	204.598	200.760	204.598
Consumers' Guarantees	31	18.128	18.042	18.128	18.042
Total Long-Term Liabilities		551.147	501.103	551.147	501.103
SHORT-TERM LIABILITIES					
Operating Short Term Liabilities	32	45.476	82.490	45.471	82.484
Current Tax Liabilities	11	0	11.935	0	11.935
Short Term Loans	27	0	3.142	0	3.142
Other Short Term Liabilities	32	24.012	101.820	24.001	101.821
Total Short-Term Liabilities		69.488	199.387	69.472	199.382
Total Liabilities		1.541.945	1.651.105	1.542.001	1.651.138

Statement of Changes in Shareholders' Equity 1st January 31st December 2014 & 2013

GROUP

2014	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
Equity Balance at 1st January 2014	63.900	40.502	21.547	357.805	950	465.911	950.615
Net Profit for the Period						41.923	41.923
Tax on reserve of tax free income				(2.040)		2.040	
Net income recorded directly in Equity					(678)	(30.080)	(30.758)
Dividends						(40.470)	(40.470)
Equity Balance at 31st December 2014	63.900	40.502	21.547	355.765	272	439.324	921.310

2013	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
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 31st December 2014	63.900	40.502	21.547	357.805	950	465.911	950.615

COMPANY

2014	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
Equity Balance at 1st January 2014	63.900	40.502	21.547	357.805	950	465.949	950.653
Net Profit for the Period						41.957	41.957
Tax on reserve of tax free income				(2.040)		2.040	
Net income recorded directly in Equity					(678)	(30.080)	(30.758)
Dividends						(40.470)	(40.470)
Equity Balance at 31st December 2014	63.900	40.502	21.547	355.765	272	439.396	921.382

2013	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
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 2014	63.900	40.502	21.547	357.805	950	465.949	950.653

Cash Flow Statements of 1st January - 31st December 2014 & 2013

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	1.1-31.12.2014	1.1-31.12.2013	1.1-31.12.2014	1.1-31.12.2013
Cash Flows from operating activities				
Profit before tax	63.497	61.740	63.537	61.267
Plus / minus adjustments for:				
Depreciation and amortization	43.934	39.642	43.934	39.642
Amortization of customer contributions and investment subsidies	(5.720)	(9.637)	(5.720)	(9.637)
Income from securities	(75)	(43)	(75)	(43)
Loss from liquidation of associate company	0	5	0	495
Provisions for personnel compensation	3.197	61.040	3.197	61.040
Other provisions	17.627	(25.656)	17.627	(25.656)
Interest and related income	(14.598)	(16.126)	(14.598)	(16.126)
Interest and related expense	559	8.501	559	8.501
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables	(12.686)	375.065	(12.685)	375.083
Materials and spare parts	1.789	1.842	1.789	1.842
Increase (Decrease)				
Operating short term liabilities	(111.401)	35.537	(111.416)	35.510
Customers' guarantees	87	115	87	115
Obligations for employees benefits	1.758	1.164	1.758	1.164
<i>Minus:</i>				
Interest and related expenses paid	(29)	(11.103)	(29)	(11.103)
Income tax paid	(34.292)	(24.398)	(34.292)	(24.398)
Net Cash Flows from Operating Activities (a)	(46.353)	497.688	(46.327)	497.696
Cash flows from investing activities				
Dividends received	75	43	75	43
Interest and related income received	9.789	7.494	9.789	7.494
Purchases of tangible assets	(20.919)	(20.028)	(20.919)	(20.028)
Purchases of intangible assets	(4.147)	(725)	(4.147)	(725)
Proceeds from customer contributions and subsidies	1.882	2.856	1.882	2.856
Subsidiarys' capital increase/ Collection from liquidation of associate company	0	48	(650)	48
Net Cash Flows from Investing Activities (b)	(13.320)	(10.312)	(13.970)	(10.312)
Cash flows from financing activities				
Loan repayments	0	(178.993)	0	(178.993)
Dividends paid	(38.980)	(19.522)	(38.980)	(19.522)
Net Cash Flows from Financing Activities (c)	(38.980)	(198.515)	(38.980)	(198.515)
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	(98.653)	288.861	(99.277)	288.869
Cash and Cash Equivalents at the beginning of period	331.967	43.106	331.941	43.072
Cash and Cash Equivalents at the end of period	233.314	331.967	232.664	331.941

Notes on the Annual Financial Statements of 31st December 2014

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.

The business activity of EYDAP is extended into the municipalities of the Attica Periphery, as these are defined in the field h’ of paragraph 3 of article 3 of Law 3852/2010, apart from the municipalities of Aigina, Troizinia, Kythira, Spetses, Hydra and Poros of the Peripheral Unity of Islands of the Attica Periphery.

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 management center (WMC) of Psitalia, the waste management centre 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 (the current Ministry of Economy, Infrastructure, Shipping and Tourism) 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). EYDAP has also the responsibility and management cost (transfer and energy development) of the desiccated product.

The Waste Management Center (WMC) 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 Management Center (WMC) in Psitalia, EYDAP has been incorporated in the System of Greenhouse Gas Emission Allowance Trading (December 2012).

EYDAP has also installed and operate five small hydroelectric stations in the locations Kirphi, Eliconas, Kithaironas, Mandra of Mornos Aqueduct, and the small hydroelectric power station in Evinos.

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.

The Company operates under the authority of the Ministry of Economy, Infrastructure, Shipping and Tourism 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.

According to article 4 of the L 2744/1999, the Legal Entity of Public Law (L.E.P.L.) under the name “EYDAP Fixed Assets L.E.P.L.” (“EYDAP L.E.P.L.”) has been established with purpose mainly the management of the operation and maintenance of the dams, the reservoirs and the main transfer channel of water. In October 1999, the dams, reservoirs and the water supply channels of Marathona and Iliki lakes as well as that of Mornos river which are the main infrastructure installations for the water supply of the Attica region were transferred to EYDAP L.E.P.L..

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.

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 (according to Law 1068/80) as effective through programmatic contracts of the article 100 of 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.

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. The Greek State, by controlling 100% of the Hellenic Republic Asset Development Fund SA, controls indirectly the above voting rights. On 23/6/2014, according to the decision no. 1906/2014, the Hellenic Council of State accepted the application for cancellation of the transfer of 36,245,240 shares of EYDAP (or 34.033% of its share capital) from the Greek State to the HRADF, which was based on the decision no. 206/25.04.2012 (Gov. Gaz. B 1363/26.04.2012) of the Restructuring and Privatization Inter-ministerial Committee.

Following the above decision, the percentage of voting rights held by HRADF in the Company was reduced to 27.3% (29,074,500 direct voting rights), whereas the equity stake held by the Greek State

in the share capital of EYDAP settled at 34.033% (36,245,240 direct voting rights).

The Greek State, by controlling 100% of the Hellenic Republic Asset Development Fund SA, controls indirectly the above voting rights.

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

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 Shipping & 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 2014 the tariffs of water supply and sewerage services were 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.

With the article 33 of Law 4258/2014, the paragraphs 1 and 2 of article 3 of Law 2744/1999 were replaced. In synopsis, until the end of June 2015, the pricing policy with regard to the water supply and sewerage services are under the approval of the Minister of Finance following a relevant proposal from the Special Secretariat for Water. From 1st July 2015, the pricing policy with regard to water supply and sewerage services are placed under the decisions of

the Special Secretariat for Water in consultation with the Minister of Finance and other pertinent bodies. Moreover, the decisions related to the above pricing policy for the different categories of consumers and users are in effect for five years and are issued at the end of each period for the following five-year period. With the decision of the Board of Directors of EYDAP S.A., which is approved by the Minister of Finance following a relevant proposal from the Special Secretariat for Water, special pricing rates for water supply and sewerage services can be defined, addressing the needs of inhabitants, companies and general users that are serviced by their own water supply and sewage network, independently of the Company’s unified water supply and sewage network.

2. New Standards, Interpretations and Amendments to Existing Standards

New standards, amendments of existing standards and interpretations: Specifically new standards, amendment to existing standards and interpretations have been issued, which are obligatory for accounting periods beginning during the present fiscal year or at a future time, and have no significant impact in the Group’s financial data.

New Standards amendments and IFRICs effective for periods beginning on or after January 1st 2014. All the new standards, amendments and IFRICs have been endorsed by the European Union.

IFRS 10 “Consolidated Financial Statements”

IFRS 10 replaces in full the instructions related on control and consolidation, as provided in IAS 27 and SIC 12. The new standard is based on the concept of control as a key factor in deciding whether an entity should be consolidated. The standard provides extensive guidance on the three elements that define the concept of control over an entity, and the different ways in which one entity (investor) can control another entity (investment). It also sets out the principles for the preparation of consolidated financial statements.

On June 2012 IFRS 10 was amended in order to provide additional transition relief in, by limiting the requirement to provide adjusted comparative information to only the preceding comparative period.

IFRS 11 “Joint Arrangements”

IFRS 11 replaces IAS 31 ‘Interests in Joint Ventures’.

It requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement (Joint arrangements are either joint operations or joint ventures). A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 Investments in Associates and Joint Ventures (2011). Unlike IAS 31, the use of ‘proportionate consolidation’ to account for joint ventures is not permitted.

On June 2012 IFRS 11 was amended in order to provide additional transition relief in, by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Further to this the amendment eliminates the requirement to provide comparative information for periods prior to the immediately preceding period. The standard has been endorsed by the European Union.

IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 focuses on the necessary disclosures of a financial entity, including significant judgmental and hypothetical decisions, that will allow the readers of the financial statements to evaluate the nature, the risks and the consequences, from a financial point of view, that relate with the participation of the financial entity in subsidiaries, associates, joint ventures and non consolidated financial entities.

On June 2012 IFRS 12 was amended in order to provide additional transition relief in, by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Further to this the amendment eliminates the requirement to provide comparative information for periods prior to the immediately preceding period.

IAS 27 (Amendment) “Separate Financial Statements (2011)”

This standard was published at the same time with IFRS 10, and in conjunction these two standards will replace IAS 27 ‘Consolidated and Separate Financial Statements’. The amended IAS 27 defines the accounting treatment and the necessary disclosures that entity must include when preparing separate financial statements, relating with its participation in subsidiaries, associates and joint ventures.

Requirements necessary for consolidated financial statements are now included in IFRS 10 ‘Consolidated Financial Statements’. The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 ‘Financial Instruments’ and IAS 39 ‘Financial Instruments: Recognition and Measurement’. The amended standard has been endorsed by the European Union.

IAS 28 (Amendment) “Investments in Associates and Joint Ventures” (2011)

This Standard supersedes IAS 28 ‘Investments in Associates’ and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Standard defines ‘significant influence’ and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

IFRS 10, IFRS 12, IAS 27 “Investment Entities” (Amendment)

The amendment provides to ‘Investment Entities’ (as defined in the standards) an exemption from the consolidation of particular subsidiaries and instead requires that an investment entity measures the investment in each eligible subsidiary at fair value through profit and loss in accordance with IFRS 9 or IAS 39. Further to this the amendment requires additional disclosures about the reasons that the entity is considered an investment entity, details of the entity’s unconsolidated subsidiaries and also the nature of the relationship and certain transactions between the investment entity and its subsidiaries. The amendment also requires an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. The standard has been endorsed by the European Union.

IAS 32 (Amendment) “Financial Instruments: Presentation”

The amendment to IAS 32 ‘Financial Instruments’, settles inconsistencies in practice when applying the criteria for offsetting financial assets and liabilities

in IAS 32 'Financial Instruments: Presentation'. The amendment has been endorsed by the European Union.

IAS 36 (Amendment) "Impairment of Assets"

Amends IAS 36 "Impairment of Assets" in order to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, to clarify the disclosures required, and to introduce an explicit requirement in the case of the recognition or a reversal of an impairment loss if the recoverable amount is based on fair value to disclose the hierarchy level and if the hierarchy level is 2 or 3 to disclose the valuation model and the significant assumptions used. The amendment has been endorsed by the European Union.

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement"

Amends IAS 39 "Financial Instruments: Recognition and Measurement" so as to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations. The amendment has been endorsed by the European Union.

IFRIC 21 "Levies"

Provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- a) The liability is recognized progressively if the obligating event occurs over a period of time & b)
- If an obligation is triggered on reaching a minimum

threshold, the liability is recognized when that minimum threshold is reached. The interpretation has been endorsed by the European Union.

Amendments to Standards effective for periods beginning on or after July 1st 2014. All the amendments have been endorsed by the European Union and are not expected to have any significant effect on the either the Group or the Company.

IAS 19 (Amendment) "Employee Benefits (2011)"

IAS 19 is amended so as to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that, contributions can but are not required, to be recognized as a reduction in the service cost in the period in which they are due.

Amendments to standards being part of the annual improvement program of 2013 of the IASB (International Accounting Standards Board) 2010 – 2012 Cycle.

The following amendments describe the most important changes brought to the IFRS due to the results of the annual improvement program of the IASB published in December 2013. The amendments have not yet been endorsed by the E.U.

IFRS 2 "Share Based Payments"

Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'.

IFRS 3 "Business Combinations"

The amendment requires contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

IFRS 8 "Operating Segments"

The amendment requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments. Further to this the amendment clarifies that reconciliations of segment assets to total assets are only required if segment assets are reported regularly to the CODM.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the

ability to measure certain short-term receivables and payables on an undiscounted basis.

IAS 16 and IAS 38 “Property Plant & Equipment” & “Intangible Assets”

These standards are amended so as to clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

IAS 24 “Related Party Disclosures”

Clarifies that payments to entities providing key management personnel services are to be disclosed as transactions with related parties.

Amendments to standards being part of the annual improvement program of 2013 of the IASB (International Accounting Standards Board) 2010 – 2012 Cycle.

The following amendments describe the most important changes brought to the IFRS due to the results of the annual improvement program of the IASB published in December 2013. The amendments have not yet been endorsed by the E.U.

IFRS 1 “First Time Adoption of International Financial Reporting Standards”

Clarifies that first time adopters are allowed to apply new IFRSs that are not yet mandatory if the IFRSs permit early application.

IFRS 3 “Business Combinations”

Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13 “Fair Value Measurement”

Clarify the scope of the portfolio exception in paragraph 52, so that it can be applied to all contracts under the scope of IAS 39 even if the definitions of financial assets and financial liabilities are not met.

IAS 40 “Investment Property”

Clarifies that IAS 40 and IFRS 3 are not mutually exclusive and that application of both standards may be required. New Standards and Amendments to Standards effective for periods beginning on or after January 1st 2016. *The new standards and the amendments have not been endorsed yet by the European Union and are not expected to have any significant effect on either the Group or the Company.*

IFRS 14 Regulatory Deferral Accounts

Permits an entity which is a first-time adopter of to continue to account, with some limited changes, for “regulatory deferral account balances” in accordance with the previous Generally Admitted Accounting Policies, both in initial adoption of IFRS and in subsequent financial statements.

IFRS 11 (Amendment) “Joint Arrangements”

Amends IFRS 11 to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations), to apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11 and also disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured). The amendment has not yet been endorsed by the European Union.

IAS 16 “Property Plant & Equipment” and IAS 38 “Intangible Assets” (amendment)

Amends IAS 16 & IAS 38 so as to clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. Also the amendment introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that the amendment adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. The amendment has not yet been endorsed by the European Union.

IAS 27 “Separate Financial Statements” (amendment)

Amends IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using

the equity method in separate financial statements. This amendment has not yet been endorsed by the EU.

Amendments to standards being part of the annual improvement program of 2014 of the IASB (International Accounting Standards Board) 2012 – 2014 Cycle.

The amendments set out below describe the key changes to four IFRSs. The improvements have not yet been endorsed by the EU.

IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”

Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7 “Financial Instruments – Disclosures”

Provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

IAS 19 “Employee benefits”

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 “Interim Financial Reporting”

Clarifies the meaning of ‘elsewhere in the interim report’ and requires a cross-reference.

IAS 1 “Presentation OF Financial Statements” (amendment)

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception” (amendment)

Amends IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and

IAS 28 Investments in Associates and Joint Ventures (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities.

New Standards effective for periods beginning on or after January 1st 2017 that have not been endorsed yet by the European Union. Their effect on either the Group or the Company has not been estimated yet by the Management Board.

IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

Identify the contract with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contracts, recognise revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The standard has not yet been endorsed by the European Union.

New Standards effective for periods beginning on or after January 1st 2018. Their effect on either the Group or the Company has not been estimated yet by the Management Board.

IFRS 9 “Financial Instruments” (applies to annual periods beginning on or after 1 January 2018)

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, impairment of financial assets, hedge accounting, derecognition of financial assets and liabilities. IFRS 9 Hedge Accounting establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model of IAS 39. The standard has not yet been endorsed by the European Union.

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 “Islands’ EYDAP SA.”.

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 dependence 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 reporting 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 affect 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 reporting 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 acquisition cost and net liquidation value. The acquisition cost is calculated via the weighted average cost method. The cost incorporates all respective materials and whenever is required it also includes direct labor costs and the respective general industrial expenses incurred for the processing of inventories to their final condition. The net liquidation value represents the estimated selling price less the estimated costs necessary for the completion of the sale.

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 reporting 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 includes 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 into 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.

4. Critical Accounting Treatments and Important 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 (retail customers, Greek State, public utilities).
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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
REVENUES				
Revenues from water supply and related services	221.326	229.248	221.326	229.238
Revenues from sewerage services	102.563	110.305	102.550	110.305
Revenues from constructions for the Greek State	505	2.147	505	2.147
Turnover reduction due to sale of projects to the Greek State	-	(9.155)	-	(9.155)
Revenues from electric power sale	1.986	3.579	1.986	3.579
Inventory Sales	7	40	7	40
Total Turnover	326.387	336.165	326.374	336.154
Other Operating Revenues	2.276	2.131	2.276	2.131
Financial Income	14.673	16.169	14.673	16.169
Total Revenues	343.336	354.465	343.323	354.454

The reduction in turnover by € 9.8 million approximately is due to the lower revenues from water consumption and sewerage services, new connections and related water supply and sewage infrastructure works by € 15.6 million approximately. The above reduction is due to the reduced pricing policy with regard to the water supply services which was in effect from 16/12/2013. The reduction was offset by the elimination of revenues, during the previous year, concerning construction works for the Greek State, amounting to € 9.2 million, following an arrangement based on the joint ministerial decision D6/2476/3.12.2013 (Gov. Gaz. 3065) of the Ministers of Finance and of Infrastructure, Transportation and Networks.

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

31/12/2014	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
<i>Amounts in € thousands</i>				
Third-party expenses and fees	44.239	1.733	7.093	53.065
Cost of Self-Constructed Assets	(6.994)	-	-	(6.994)
Total A	37.245	1.733	7.093	46.071
Personnel Fees & Expenses	64.831	17.893	35.710	118.434
Third-party provisions	25.275	6.007	10.255	41.537
Depreciation and amortization	32.927	606	4.681	38.214
Various Provisions	17.627	-	-	17.627
Various Expenses	4.715	2.732	3.478	10.925
Raw materials and consumables	5.543	315	1.178	7.036
Cost of Self-Constructed Assets	(3.141)	-	-	(3.141)
Total B	147.777	27.553	55.302	230.632
Total (A + B)	185.022	29.286	62.395	276.703

31/12/2013	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
<i>Amounts in € thousands</i>				
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)
Various 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

COMPANY

31/12/2014	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
<i>Amounts in € thousands</i>				
Third-party expenses and fees	44.239	1.733	7.051	53.023
Cost of Self-Constructed Assets	(6.994)	-	-	(6.994)
Total A	37.245	1.733	7.051	46.029
Personnel Fees & Expenses	64.831	17.893	35.710	118.434
Third-party provisions	25.275	6.007	10.255	41.537
Depreciation and amortization	32.927	606	4.681	38.214
Various Provisions	17.627	-	-	17.627
Various Expenses	4.715	2.732	3.467	10.914
Raw materials and consumables	5.543	315	1.178	7.036
Cost of Self-Constructed Assets	(3.141)	-	-	(3.141)
Total B	147.777	27.553	55.291	230.621
Total (A + B)	185.022	29.286	62.342	276.650

31/12/2014	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
<i>Amounts in € thousands</i>				
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
Perso	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)
Various 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

The significant fluctuation of expenses compared to the previous year is due to the following categories of expenses:

- Personnel fees and expenses: During the previous year, the Company formed for the first time a provision 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, amounting to € 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.
- Various provisions that include:
 1. The provision for litigation cases, amounting to € 3 million in year 2014 versus € 31 million in the previous period. It is noted that during the current year an out-of-court arrangement was agreed and realized, based on the decision 18275/22.01.14 of the Board of Directors for legal claims made by the personnel. The Company had formed a relevant provision as of 31/12/2013.
 2. The provision for doubtful receivables amounting to € 15 million approximately versus a zero level in the previous year. It is noted that in the previous financial year there was a positive effect of € 56.7 million from a reverse entry recorded, following the repayment of obligations on behalf of the local government authorities (OTA) and other state entities. The Company had formed a respective provision for the above obligations in the past.
- Third party fees and expenses which posted an increase of € 7.2 million approximately due to the operation and maintenance of the Waste Management Center (WMC) of Psitalia.

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
Primary Water Supply Pipelines	30-45
Secondary Water Supply Pipelines	12-45
Distribution Networks, External and Internal Pumping Stations	10-45
Storage tanks – Water Treatment Plants	10-50
II. SEWERAGE NETWORKS	
Heavy Infrastructure and Primary Collection Units	25-50
Secondary Pipelines	28-50
External Branches	25-50
Electromechanical Installations	20-30
III. Waste Water Treatment Plants and r&d Centers	
Waste Water Treatment R&D Centers	10-50
Waste Water Treatment Plants	10-40
IV. OTHER	
Furniture & Fixture	5
Computer Hardware	1-4
Transportation Vehicles	6-16
Mechanical Equipment	15-35
Buildings	25-50

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

	GROUP		COMPANY	
<i>Amounts in € thousands</i>	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Depreciation of tangible assets	40.421	38.565	40.421	38.565
Amortization of software & first installation expenses	3.513	1.077	3.513	1.077
Amortization of intangible assets	(5.720)	(9.637)	(5.720)	(9.637)
Total	38.214	30.005	38.214	30.005

8. Personnel Fees & Expenses (Group & Company)

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Salaries and Wages	81.743	83.763
Social Security Contributions	19.806	21.350
Provision for staff indemnity L. 2112	2.086	2.269
Provision for Special One-Off Indemnity for employees hired up to the date 25/11/1999	3.044	60.412
Provision for Special One-Off Indemnity for employees hired after the date 25/11/1999	99	235
Provisions for Healthcare Beneficiaries	7.842	10.619
Other Provisions & Benefits	3.814	997
Total (Note 6)	118.434	179.645

The Company, applying the clauses of Law 4024/2011, aligns accordingly the personnel fees with the requirements of the above mentioned law.

9. Financial Income (Group & Company)

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Interest from Customers	5.509	6.376
Dividends	75	43
Interest earned on times deposits	5.758	1.696
Other Income	3.331	8.054
Total	14.673	16.169

The change in other income is mainly due to payment of settlements from municipal authorities to the Company during the previous financial year, in combination with the elimination of a Company's liability towards the Greek State.

10. Financial Expenses (Group & Company)

The financial expenses of the Company amounting to € 559 thousand and € 8,501 thousand as of 31st December 2014 and 2013 respectively, were significantly reduced due to the full repayment of the Company's bank obligations during the previous financial year.

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:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Corresponding Income Tax	4.899	27.405	4.899	27.405
Provision for additional tax for the year	889	1.533	895	1.533
Minus: Utilization of previous year's provision	(1.532)	(748)	(1.532)	(748)
Tax audit / compliance differences of article 65a, L. 4174/2013	385	214	385	214
Deferred Taxation	16.933	(44.824)	16.933	(44.824)
Total	21.574	(16.420)	21.580	(16.420)

The income tax for the current period derived as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Corresponding Income Tax	63.497	61.740	63.537	61.267
Income tax calculated with the tax rate in effect (26%)	16.509	16.052	16.520	15.929
Provision for additional tax for the year	889	1.533	895	1.533
Minus: Utilization of previous year's provision	(1.532)	(748)	(1.532)	(748)
Tax audit / compliance differences of article 65a, L. 4174/2013	385	214	385	214
Change in tax rate from 20% to 26%		(19.935)		(19.935)
Additional tax (from tax free reserve and income from leases)	43	483	43	483
Tax on non deductible expenses	5.280	(14.019)	5.269	(13.896)
Total	21.574	(16.420)	21.580	(16.420)

It is noted that in the previous financial year 2013, with the clauses of L. 4110/23.01.2013, an increased income tax rate was placed in effect. The higher tax rate positively affected the results of the previous year.

In the current financial year, the offsetting entries of tax receivables and tax liabilities with regard to the Company's income tax resulted into a tax receivable of € 17,541 thousand versus a tax liability of € 11,935 thousand on 31/12/2013.

The amounts are analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Prepayment of income tax	22.440	15.470
Income tax liability	(4.899)	(27.405)
Total	17.541	(11.935)

The ordinary audit of the tax unaudited financial years 2008, 2009 and 2010 is conducted since 3/11/2014 when the Company was granted with the tax audit invitation no. 29964 from the Large Corporations Tax Audit Center. For the financial years 2011, 2012 and 2013, the Company was tax audited with regard to its tax compliance from its legal auditors, according to the article 82 of Law 2238/1994 and a relevant tax compliance certificate was issued (opinion: in agreement).

A respective tax audit for the financial year of 2014 is under progress in accordance with the article 65a of Law 4174/2013.

The financial statements include a relevant adequate provision, amounting to € 5.8 million, for the additional taxes and incremental charges which may be possibly charged with the tax audit completion of the unaudited financial years 2008-2010, and with the completion of the audit for tax compliance for the year 2014. Islands' 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/ 2014	31/12/ 2013
Earnings attributable to ordinary shareholders (in € '000)	41.923	78.160
Weighted Average of outstanding shares	106.500.000	106.500.000
Earnings per share – Basic in €	0,39	0,73

The Board of Directors of the Company in its convection on March 27th 2015 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 twenty cents (€ 0.20) per share (a total gross amount of Euro 21,300 million) for the year 2014. The dividend is subject to approval by the Annual General Meeting of Shareholders and is included in the account “Retained earnings”.

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 2014 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 2014.

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 2013	21.655
Additions	4.147
Balance on 31st December 2014	25.802
DEPRECIATION	
31 st December 2013	(20.235)
Depreciation for the Year	(3.513)
Total Depreciation on 31 st December 2014	(23.748)
Net Value	
31 st December 2013	1.420
31 st December 2014	2.054

Other intangible assets concern expenses for the purchase of software and other intangible fixed assets, which are expected to generate future benefits to the Company. These expenses are recorded as intangible assets. Software assets are depreciated over a five-year period whereas with regard to the other intangible fixed assets, the Company reviews their economic life on regular basis.

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 valutors. 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 2014 and 2013 are presented in the table below:

2014	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network & consumption meters	Sewerage Networks & Biological Treatment	Motor Vehicles & Furniture	Prepayments & Constructions in Progress	Total
<i>Amounts in € thousands</i>							
Non-Depreciated Value on 1st January 2014	273.363	2.304	277.906	340.599	3.416	79.053	976.641
Additions	4.519	630	7.148	65.682	8.923	277	87.179
Reductions/Transfers	-	-	-	-	(696)	(66.261)	(66.957)
Deprecation Reverse Entry	-	-	-	-	696	-	696
Depreciation of the Year	(2.892)	(768)	(18.206)	(16.373)	(2.182)		(40.420)
Non-Depreciated Value on 31/12/2014	274.990	2.166	266.848	389.908	10.157	13.069	957.138
1/1/2014:							
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
31/12/2014							
Cost	301.349	20.040	479.156	551.230	57.040	13.069	1.421.884
Accumulated Depreciation	(26.359)	(17.872)	(212.308)	(161.324)	(46.883)	-	(464.746)
Net Non-Depreciated Value	274.990	2.168	266.848	389.906	10.157	13.069	957.138
2013							
<i>Amounts in € thousands</i>							
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)
Deprecation 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 31/12/2014	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)
Net Non-Depreciated Value	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

The additions of the category “Sewerage Networks & Biological Treatment” are mainly due to the capitalization by an amount of € 42.8 million of waste treatment and management works in Thrasio Field which services the municipalities of Elefsina, Aspropyrgos in Magoula, and Mandra. Also, under the same category, works amounting to € 21.7 million and concerning the Waste Management Center in Psitalia were capitalized. The above additions resulted into the decrease of the category “Prepayments & Constructions in Progress”.

The addition in “Motor Vehicles – Furniture” concern the renewal and expansion of the Company’s fleet by an amount of € 4.9 million.

16. Investments In Subsidiaries

On 18th July 2011, with the BoD decision 17241/13.05.2011, EYDAP SA established a company under the name “Islands Water Supply and Sewerage S.A.” with distinctive title “ISLANDS’ EYDAP SA”, which is fully owned (100%) by EYDAP SA. “ISLANDS’ EYDAP SA” activates in the areas of water supply, sewerage, irrigation, and rain water collection in Greece’s islands. The subsidiary possesses limited business activity until today.

With the decisions of the extraordinary Shareholders’ Meetings on 7/2/2014 and 31/10/2014, the paid-up share capital of “ISLANDS’ EYDAP SA” increased by the amounts of € 150 thousand and € 500 thousand respectively.

17. Investments Available For Sale

	31/12/2014	31/12/2013
Fair Value (EYATH)	691	1.369

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. The change affected the results in the Statement of Total Comprehensive Income for the financial year 2014.

18. Long-term receivables (Group & Company)

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

Amounts in € thousands	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Personnel Loans (Note 22)	2.902	2.248	2.902	2.248
Payroll Deductions	7	317	7	317
Third Party Works	2.652	2.147	2.652	2.147
Guarantees (Public Power Corp., Real Estate)	574	695	563	695
Total	6.135	5.407	6.124	5.407

Construction Works for Third Parties (Group and Company)

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

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Ministry of Economy, Infrastructure, Shipping and Tourism	1.505	936
"EYDAP Fixed Assets" L.E.P.L.	1.147	1.211
Total	2.652	2.147

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 Economy, Infrastructure, Shipping 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". Until 31/12/2012, the entire claims with regard to the above entities had been invoiced and collected.

19. Deferred Taxation (Group & Company)

<i>Amounts in € thousands</i>	2013				2014		
Description	Opening Balance 01.01.2013	(Burden)/ Benefit in Period's Results	(Burden)/ Benefit in Equity	Ending Balance 31.12.2013	(Burden)/ Benefit in Period's Results	(Burden)/ Benefit in Equity	Ending Balance 31.12.2014
Expensing of intangible assets	26	8		35			35
Inventory impairment	458	131		589	(94)		495
Obligation for employee benefits	34.339	26.321	(17.681)	42.978	466	10.569	54.013
Provisions for doubtful receivables	3.108	933		4.041	746		4.787
Other provisions for risks and expenses	11.634	11.556		23.190	(16.895)		6.295
Customer and municipalities contributions	12.759	3.405		16.164	(671)		15.493
Depreciation differences due to adjustment of economic life	(4.375)	(1.484)		(5.859)	(187)		(6.046)
Income and expenses accrued	(1.886)	1.835		(51)	(7)		(58)
Deferred tax in Tax Reserve due to revaluation of real estate assets	6.208	1.863		8.071	-		8.071
Other deferred taxation items	4.179	255		4.434	(291)		4.143
	66.450	44.824	(17.681)	93.593	(16.933)	10.569	87.228

The debit entry for deferred income taxes (expenses for the year – deferred tax liability) in the accounts of results, includes the fulfillment of temporary tax differences deriving from accounting expenses that were recorded in previous years. 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 subsequent time periods.

20. Materials, Spare Parts & Consumables (Group & Company)

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

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Consumables and Spare Parts	16.277	18.065
Provision for Obsolete Inventory (reverse entry)	(1.906)	(2.267)
Total	14.371	15.798

Inventories are utilized in the Company's networks (maintenance and expansion). Inventories amounting to € 9.2 million approximately are expected to be recovered after 12 months (versus an amount of € 8.1 million in the previous year).

The provision for obsolete consumables and spare parts that has been formed for estimated non-recoverable amounts is analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Opening Balance	2.267	2.291
Provision for the Year	(361)	(24)
Ending Balance	1.906	2.267

21. Receivables from customers, consumers (Group & Company)

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

	GROUP		COMPANY	
<i>Amounts in € thousands</i>	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Retail customers and users	137.487	130.688	137.487	130.675
Municipalities, Greek State, Public Utilities	46.018	41.635	46.018	41.635
	183.505	172.323	183.505	172.310
Accrued, Non-Invoiced, Income	57.194	56.581	57.194	56.581
	240.699	228.904	240.699	228.891
<i>Minus: Provision for doubtful receivables</i>	(37.585)	(25.710)	(37.585)	(25.710)
	203.114	203.194	203.114	203.181

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 31/12/2014.

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:

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Opening Balance	25.710	85.663
Provisions for the Period	13.866	(59.953)
Doubtful receivables written-off	(1.991)	-
Ending Balance	37.585	25.710

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.

22. Other Receivables (Group & Company)

The account is analyzed as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Loans and advances to Personnel	4.044	5.349	4.044	5.349
Advances to subcontractors and suppliers	401	538	401	538
Receivable concerning Greek State's participation in the mandatory coverage of the deficit of the special lump sum account	258	258	258	258
Various advances	2.575	2.719	2.575	2.719
Receivables due to refund of social security contributions	0	1.100	0	1.100
Receivables due to Personnel's Training Programs	1.315	1.354	1.315	1.354
Receivables from the Greek State concerning property tax return	1.137		1.137	
Receivables from the Greek State concerning healthcare contributions from new-entry employees (from 1/1/1993) to the Social Security Fund (IKA)	1.687	1.390	1.687	1.390
Other receivables	4.249	2.152	4.262	2.164
Receivables concerning retention amounts from pensioners' health care contributions	1.330	3.499	1.330	3.499
Total	16.996	18.359	17.009	18.371

The outstanding amounts of other receivables include provision for doubtful receivables of € 5,277 thous. on 31/12/2014 and € 4,162 thous. on 31/12/2013.

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. The amount of € 4,044 thous. is not included in the long-term part of the loans granted to personnel, which at 31 December 2014 amounted to € 2,902 thous.

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 Balance of € 258 thous. resulted as follows:

Accumulated deficit opening balance	68.844
Compensation settlements	1.922
Employees' retentions	(769)
Receipt for the Greek State (article 52, L. 4186/2013)	(58.351)
Offsetting entry / Greek State's dividend with the Account (decision issued by the Greek State)	(11.388)
Accumulated deficit receivable from the Greek State closing balance	258

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).

23. Cash And Cash Equivalents

The account is analyzed as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Cash at hand	969	389	319	363
Sight and time deposits	232.345	331.578	232.345	331.578
Total	233.314	331.967	232.664	331.941

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 € 1,732 thous. and € 5,058 thous. of overdue check payables on 31 December 2014 and 2013 respectively, which have been recorded in the account of other short-term liabilities (Note 32). Interest income from bank deposits is recognized via the principle of accrued income, and is included in the financial income.

24. 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 213,566,232 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.

25. Reserves

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
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
Reserve from Specially Taxed Income	3.687	3.687
Other reserves	272	950
Total	377.584	380.302

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

The Company proceeded with the distribution of a tax free reserve on 31/12/2013 based on the decision of the Ordinary General Shareholders' Meeting of 30.04.2013, in accordance with the tax provisions of article 72, L.4179/2013.

Other Reserves

The decrease in the market capitalization of EYATH on 31/12/2014 (portfolio available for sale), resulted to the corresponding decrease of other reserves.

26. Retained Earnings

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	GROUP	COMPANY
Balance at 01.01.2013	358.248	358.759
Dividends Paid	(21.300)	(21.300)
Net Income directly recorded in Equity	50.325	50.325
Net Profit for the Year 2013	78.160	77.687
Tax on reserve created from tax-free income	478	478
Balance at 01.01.2014	465.911	465.949
Dividends Paid	(40.470)	(40.470)
Net Profit for the Year 2014	41.923	41.957
Distribution of tax free reserve	2.040	2.040
Net Income directly recorded in Equity	(30.080)	(30.080)
Balance at 31.12.2014	439.324	439.396

27. Bank Loans (Group & Company)

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Greek State Loans	0	3.142
Total	0	3.142

1. The Company has fully repaid its bank obligations.
2. An obligation towards the Greek State which was not verified by its issuer (the Greek State), amounting to € 3.1 million approximately, was written-off affecting positively the results of the financial year 2014, and is included in the account “ Financial Income”.

28. Liabilities For Employee Benefits (Group & Company)

The Company and the Group apply from 01.01.2013 the revised IAS 19 “Employee Benefits” with retroactive application 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:

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Provision for staff indemnity due to retirement	31.285	26.424
Healthcare coverage of personnel	186.045	161.937
Special one-off indemnity (personnel hired prior to and after 25-10-1999)	80.883	64.248
Total	298.213	252.609

The Company has the obligation to cover the respective healthcare benefits for 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.

The significant change is due to the alteration of financial assumptions (mainly due to the change of discount rates).

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 2014 and 2013 is the following:

PERIOD	1/1/-31/12/14	1/1/-31/12/13
Amounts recognized in the balance sheet		
Present value of liabilities	31.285	26.424
Fair value of the plan's assets	-	-
Net liability recognized in the balance sheet	31.285	26.424
Amounts recognized in the results		
Cost of current employment	1.235	1.401
Net interest on the liability / (asset)	852	869
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	2.087	2.269
Recognition of prior service cost	-	-
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	2.087	2.269
Change in the present value of the liability		
Present value of liability at the beginning of period	26.424	28.757
Cost of current employment	1.235	1.401
Interest cost	852	869
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	(879)	(2.306)
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	-
Actuarial loss / (profit) – financial assumptions	3.932	(1.551)
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	(279)	(746)
Present value of liability at the end of period	31.285	26.424
Adjustments		
Adjustments in liabilities due to change of assumptions	(3.932)	1.551
Empirical adjustments in liabilities	279	745
Empirical adjustments in assets	-	-
Total actuarial gain / (loss) in the Equity	(3.653)	2.296
Other adjustments made in the Equity	-	-
Total amount recognized in the Equity	(3.653)	2.296
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	26.424	28.757
Contributions from Employer	-	-
Benefits paid by the employer	(879)	(2.306)
Total expenditure recognized in the results	2.086	2.269
Change in Equity	3.653	(2.296)
Net Liability at the end of year	31.285	26.424

The expected benefits (not discounted) from the plan over the following year are estimated at € 3,470 thous.

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

Actuarial assumptions	2014	2013
Discount rate	1,72%	3,39%
Inflation	2015-19: 0,30%-1,65%, 2020+: 1,75%	1,75%
Future salary increases	2015-19: ~ 0,82%, 2020+: 1,75%	2014-16: 0%, 2017+: 1,75%
Duration of obligations	10,29	10,50

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 2014 and 2013.

The statement of the provision for medical and healthcare benefits during the financial years 2014 and 2013 is the following:

PERIOD	1/1-31/12/14	1/1-31/12/13
Amounts recognized in the balance sheet		
Present value of liabilities	186.045	161.937
Fair value of the plan's assets	-	-
Net liability recognized in the balance sheet	186.045	161.937
Amounts recognized in the results		
Cost of current employment	1.986	2.873
Net interest on the liability / (asset)	5.856	7.746
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	7.842	10.619
Recognition of prior service cost	-	-
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	7.842	10.619
Change in the present value of the liability		
Present value of liability at the beginning of period	161.937	224.147
Cost of current employment	1.986	2.873
Interest cost	5.856	7.746
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	(7.025)	(7.161)

Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	-
Actuarial loss / (profit) – financial assumptions	27.775	(10.112)
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	(4.484)	(55.556)
Present value of liability at the end of period	186.045	161.937
Adjustments		
Adjustments in liabilities due to change of assumptions	(27.775)	10.112
Empirical adjustments in liabilities	4.484	55.556
Empirical adjustments in assets	-	-
Total actuarial gain / (loss) in the Equity	(23.291)	65.668
Other adjustments made in the Equity	-	-
Total amount recognized in the Equity	(23.291)	65.668
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	161.937	224.147
Contributions from Employer	-	-
Benefits paid by the employer	(7.025)	(7.161)
Total expenditure recognized in the results	7.842	10.619
Change in Equity	23.291	(65.668)
Net Liability at the end of year	186.045	161.937

The expected benefits (not discounted) from the plan over the following year are estimated at € 7,162 thousand.

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

Actuarial assumptions	2014	2013
Discount rate	2,05%	3,70%
Medical Care Inflation	2015-19: 0,30%-1,65%, 2020+: 1,75%	2,10%
Future salary increases	2015-19: ~ 0,82%, 2020+: 1,75%	2014-16: 0%, 2017+: 1,75%
Duration of obligations	17,15	15,82

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	1/1-31/12/14	1/1-31/12/13
Amounts recognized in the balance sheet		
Present value of liabilities	6.642	4.266
Fair value of the plan's assets	(5.495)	(5.083)
Net liability recognized in the balance sheet	1.147	(816)
Amounts recognized in the results		
Cost of current employment	36	203
Net interest on the liability / (asset)	(37)	32
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	(1)	235
Recognition of prior service cost	100	-
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	99	235
Change in the present value of the liability		
Present value of liability at the beginning of period	4.266	5.508
Cost of current employment	36	203
Interest cost	157	194
Employee contributions	333	374
Benefits paid from the plan	(13)	-
Benefits paid from the employer	-	-
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	100	-
Actuarial loss / (profit) – financial assumptions	1.513	(2.024)
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	250	11
Present value of liability at the end of period	6.642	4.266
Change in the value of assets		
Value of plan's assets at beginning of period	5.083	4.434
Expected return on assets	194	162
Contributions from the employer	-	-
Contributions from employees	333	374
Benefits paid from the plan	(13)	-
Expenses	-	-
Asset adjustment (via Equity)	-	-
Actuarial (loss) / gain	(102)	112
Value of plan's assets at the end of the period	5.495	5.083

It is noted that the fair value of the plan's assets noted above, amounting to € 5,495 thousand and € 5,083 thousand on 31/12/2014 and 31/12/2013 respectively, is included in the assets of EYDAP (cash and cash equivalents) and is under a separate time deposit account.

PERIOD	1/1-31/12/14	1/1-31/12/13
Adjustments		
Adjustments in liabilities due to change of assumptions	(1.513)	2.024
Empirical adjustments in liabilities	(249)	(11)
Empirical adjustments in assets	(102)	112
Total actuarial gain / (loss) in the Equity	(1.864)	2.125
Other adjustments made in the Equity	-	-
Total amount recognized in the Equity	(1.864)	2.125

Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	(816)	1.074
Contributions from Employer	-	-
Benefits paid by the employer	-	-
Total expenditure recognized in the results	99	235
Change in Equity	1.864	(2.125)
Net Liability at the end of year	1.147	(816)

The expected contributions and benefits (not discounted) from the plan over the following year are estimated at € 2 thous. and € 121 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	2014	2013
Discount rate	1,97%	3,72%
Inflation	2015-19: 0,30%1,65%,\n2020+:1,75%	1,75%
Future salary increases	2015-19: ~ 0,82%,\n2020+:1,75%	2014-16: 0%,\n2017+:1,75%
Duration of obligations	15,93	15,75

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	1/1-31/12/14	1/1-31/12/13
Amounts recognized in the balance sheet		
Present value of liabilities 74,241	74.241	59.982
Fair value of the plan's assets (1,861)	(1.861)	(515)
Net liability recognized in the balance sheet 72,380	72.380	59.467
Amounts recognized in the results		
Cost of current employment 1,062	1.062	375
Net interest on the liability / (asset) 1,839	1.839	719
Total admin. cost recognized in the account of results -	-	-
Ordinary expense in the account of results 2,901	2.901	1.094
Recognition of prior service cost 143	143	59.319
Cost of curtailment / settlements / service termination -	-	-
Total expense in the account of results 3,044	3.044	60.413
Change in the present value of the liability		
Present value of liability at the beginning of period 59,982	59.982	-
Cost of current employment 1,062	1.062	375
Interest cost	1.847	719
Employee contributions	1.377	525
Benefits paid from the plan	(2.001)	(3.039)
Benefits paid from the employer	-	-
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	143	59.319
Actuarial loss / (profit) – financial assumptions	9.814	2.997
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	2.017	(914)
Present value of liability at the end of period	74.241	59.982
Change in the value of assets 1/1-31/12/14		
Value of plan's assets at beginning of period	515	-
Expected return on assets	8	-
Contributions from the employer	1.970	3.029
Contributions from employees	1.377	525
Benefits paid from the plan	(2.001)	(3.039)
Expenses	-	-
Asset adjustment (via Equity)	-	-
Actuarial (loss) / gain	(8)	-
Value of plan's assets at the end of the period	1.861	515

It is noted that the fair value of the plan's assets noted above, amounting to € 1,861 thousand and € 515 thousand on 31/12/2014 and 31/12/2013 respectively, is included in the assets of EYDAP (cash and cash equivalents) and is under a separate time deposit account.

PERIOD	1/1-31/12/14	1/1-31/12/13
Adjustments		
Adjustments in liabilities due to change of assumptions	(9.814)	(2.997)
Empirical adjustments in liabilities	(2.017)	914
Empirical adjustments in assets	(8)	-
Total actuarial gain / (loss) in the Equity	(11.839)	(2.083)
Other adjustments made in the Equity	-	-
Total amount recognized in the Equity	(11.839)	(2.083)
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	59.467	-
Contributions from Employer	(1.970)	(3.029)
Benefits paid by the employer	-	-
Total expenditure recognized in the results	3.044	60.413
Change in Equity	11.839	2.083
Net Liability at the end of year	72.380	59.467

The expected contributions and benefits (not discounted) from the plan over the following year are estimated at € 9,116 thous. and € 7,744 thous. respectively.

The major actuarial assumptions utilized for the calculation of the relevant provisions for the special lump sum account for employees hired until 25/10/1999, are the following:

Actuarial assumptions 2014	2014	2013
Discount rate	1,59%	3,22%
Inflation	2015-19: 0,30%-1,65% 2020+: 1,75%	1,75%
Future salary increases	2015-19: ~ 0,82%, 2020+: 1,75%	2014-16: 0%, 2017+: 1,75%
Duration of obligations	9,33	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 31/12/2014 for each plan based on the following sensitivity analysis scenarios is presented below:

Actuarial liability (in €)

Scenario	L. 2112/20	Special Account	Health Care	Special Provision
Discount rate +0,5%	29.790.374	6.158.103	172.342.396	70.997.954
Discount rate -0,5%	32.894.492	7.173.630	201.558.008	77.712.489
Inflation +0,5%	32.736.551	6.434.979	202.162.552	72.995.957
Inflation -0,5%	29.861.991	6.865.986	171.778.509	75.439.510
Remuneration increase +0,5%	31.359.386	7.307.889	185.384.608	78.036.654
Remuneration increase -0,5%	31.168.327	6.050.325	186.709.178	70.658.466
Life expectancy +1 year	31.314.523	6.638.064	192.172.337	74.338.761
Life expectancy -1 year	31.251.962	6.646.775	180.128.515	74.133.533

Actuarial liability (change)

Scenario	L. 2112/20	Special Account	Health Care	Special Provision
Discount rate +0,5%	-4,8%	-7,3%	-7,4%	-4,4%
Discount rate -0,5%	5,1%	8,0%	8,3%	4,7%
Inflation +0,5%	4,6%	-3,1%	8,7%	-1,7%
Inflation -0,5%	-4,5%	3,4%	-7,7%	1,6%
Remuneration increase +0,5%	0,2%	10,0%	-0,4%	5,1%
Remuneration increase -0,5%	-0,4%	-8,9%	0,4%	-4,8%
Life expectancy +1 year	0,1%	-0,1%	3,3%	0,1%
Life expectancy -1 year	-0,1%	0,1%	-3,2%	-0,1%

e. EYDAP Employees' Auxiliary Pension Fund (TEAP EYDAP)

The Company's personnel was 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.

29. Provisions for pending litigation (Group & Company)

The account in the financial statements is analyzed as follows

Amounts in € thousands	31/12/2014	31/12/2013
Provisions for pending litigations with employees - pensioners	10.044	3.197
Provisions for civil litigations	24.002	22.657
Total	34.046	25.854

As of 31.12.2014, the lawsuits for civil cases against the Company accounted for € 187 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 € 27.7 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 € 34.0 million on 31.12.2014 (€ 25.9 million on 31.12.2013). The provisions are deemed as adequate.

The provision for litigation cases is based on the Management's estimates in collaboration with the Legal Services Division and concerns the amount that is likely to be paid.

30. Investment Subsidies And Customer Contributions (Group And Company)

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2014	31/12/2013
Opening Value:		
Investment Subsidies	229.341	227.500
Customer Contributions	102.959	102.918
	332.300	330.418
Accumulated Depreciation		
Investment Subsidies	(88.172)	(85.076)
Customer Contributions	(43.368)	(40.744)
	(131.540)	(125.820)
Net (Non Depreciated) Value		
Investment Subsidies	141.169	142.424
Customer Contributions	59.591	62.174
	200.760	204.598

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.

31. Consumers' Guarantees

The amounts of € 18,128 thous. on 31/12/2014 and of € 18,042 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.

32. Operating And Other Current Liabilities

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Suppliers	27.276	28.934	27.271	28.926
Withheld Taxes Payable	11.998	46.860	11.998	46.860
Social Security Contributions and Other Items	3.884	3.976	3.884	3.976
Customer Advances	2.104	2.586	2.104	2.586
Dividends Payable	214	136	214	136
Operating Short-Term Liabilities	45.476	82.492	45.471	82.484
Pending Litigations with Employees and Pensioners	-	73.173	-	73.173
Checks Payable	1.732	5.058	1.732	5.058
Collections for Third Parties	939	1.171	939	1.171
Provision for Non-Utilized Vacation Leave	4.463	5.861	4.463	5.861
Personnel Compensation	624	1.330	624	1.330
Other Short-Term Liabilities	10.833	9.823	10.822	9.824
Short-Term Customer Guarantees	5.421	5.404	5.421	5.404
Other Short-Term Liabilities	24.012	101.820	24.001	101.821

Operating current liabilities decreased by € 37,013 thousand mainly due to the following factors:

- The decrease of the withheld taxes by € 34.9 million approximately due to the invoicing, on 30/12/2013, of a service to the Ministry of Economy, Infrastructure, Shipping and Tourism (services rendered to "EYDAP Fixed Assets L.E.P.L.") amounting to € 158 million approximately and the payment of the respective VAT of the above invoices in January 2014.

Other current liabilities decreased by € 77,820 thousand approximately. This significant development is due to the following factor:

- The execution of the BoD decision no. 18275/22.01.14, according to which the long-term claims from employees of € 134 million approximately were reduced via a settlement agreement to € 73.2 million approximately on 31.12.2013. During the current year, an amount of € 68 million was paid and therefore the out-of-court settlement was finally fulfilled by a percentage of 95%.

33. Events After The Balance Sheet Date

There is no other event which significantly affects the financial structure or the business course of the Company from 31/12/2014 until the approval date of the financial statements from the Company's Board of Directors.

34. 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

With a 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 State and the Company, were offset with equivalent in value non tax related 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. With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted.

On the other hand, the signing of a written agreement - as it is defined in the 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 from the year 2004 (Note 27). In absence of a written agreement, the Company continues 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", affecting accordingly its financial results.

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 € 109 million approximately on 31.12.2014 (versus € 118 million on 31.12.2013).

3. Letters of Guarantee

The Company has issued letters of guarantee for liability insurance of € 384 thous. on 31/12/2014.

35. Related Party Transactions (Group & Company)

A) Transactions with Members of the Board

Amounts in € thousands	31/12/2014	31/12/2013
Fees (Chairman & CEO, and Executive Directors)	57	57
Fees & attendance expenses of BoD members	78	79
Total	135	136

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

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
1) Transactions				
- Income	55.661	66.151	55.661	66.151
- Cost of Goods Sold (cost of construction works)	(505)	(2.147)	(505)	(2.147)
- Income from non utilized provisions / (Various provisions)	-	59.396	-	59.396
2) Outstanding amounts				
- Long-term receivables (Projects for the Greek State)	2.652	2.147	2.652	2.147
- Trade receivables (Local authorities, Greek State)	48.107	40.931	48.107	40.931
- - Other receivables (from the Greek State for coverage of deficit concerning staff indemnities)	258	258	258	258

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 Economy, Infrastructure, Shipping and Tourism, and of “EYDAP Fixed Assets LEPL”.

36. Auditors' Remuneration

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Auditors remuneration for auditing the annual accounts	95	78	90	78
Other fees	110	135	110	132
Total fees	205	213	200	210

37. Eydap Fixed Assets «Eydap L.e.p.l.»

1. “EYDAP Fixed Assets Legal Entity of Public Law L.E.P.L.” was established at the time of the Company’s public listing (IPO) aiming at transferring the ownership of the water dams and basins of Marathon, Mornos, Yliki and Evinos. Apart from the constructions and the expansions of the facilities which are connected to the above dams and basins, the Greek State through “EYDAP Fixed Assets L.E.P.L.” supplies the Company with crude water so that the Company is in position to fulfill its obligations with regard to the provision of water supply services.
2. 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. More specifically the transferring of the following assets is pending:
 - The Water Reservoir of Iliki extending up to Viliza of Thiva
 - The work station in Amfissa and Hrisos of Delfoi.
 - It is noted that the above fixed assets are not included in the Company’s assets and therefore have not been recorded in the Financial Statements of EYDAP.
3. The Board of Directors of “EYDAP S.A.” with the decision 18448/ 24.09.2014 approved the signing of an agreement between “EYDAP Fixed Assets Legal Entity of Public Law L.E.P.L.” and “EYDAP S.A.” concerning the water supply and invoicing, since 1/10/2014, of the local government authorities and other legal entities

of public law from “EYDAP Fixed Assets L.E.P.L.” along the External Water Supply System which concerns geographic areas beyond the jurisdiction of “EYDAP S.A.”. Particularly, the above decision concerned the following Municipalities:

- Delfoi
- Leivadia (and of DEYAL)
- Thiva (and of DEYATH)
- Tanagra
- Chalkida (and of DEYACH)
- Distomo - Arachova

38. 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

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Borrowings	-	3.142	-	3.142
Cash and cash equivalents	(233.314)	(331.967)	(232.664)	(331.941)
Total Equity	921.310	950.615	921.382	950.653
Net Debt to Equity Ratio	0	0	0	0

39. 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:

	GROUP		COMPANY	
<i>Amounts in € thousands</i>				
Financial Assets categories	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Available for sale financial assets	691	1.369	691	1.369
Cash and cash equivalents	233.314	331.967	232.664	331.941
Trade and other receivables	220.109	221.553	220.123	221.552
Long-term receivables	6.135	5.407	6.124	5.407
Investments in subsidiaries	0	0	710	60
Total	460.249	560.296	460.312	560.329

The Company reviews its receivables on constant basis either individually or by group (code of invoice, customer category) and incorporates the respective information in the 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 a relatively low level of loss risk mainly because of the extensive dispersion of claims, while for the receivables from Local Governments (OTA), the Company examines the possibility of collecting the respective due amounts through contract agreements (management of networks and settlements) or based on legislative arrangements.

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 overdue claims based on their maturity:

<i>Amounts in € thousands</i>							
TIME ANALYSIS OF OVERDUE CLAIM							
2014	Not due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
Private Customers	19.207	11.011	28.558	37.130	25.193	19.236	140.335
State	2.358	1.146	1.966	1.936	1.806	3.093	12.305
Local Government	8.135	2.831	8.583	12.555	820	790	33.714
Total	29.700	14.988	39.107	51.621	27.819	23.119	186.354

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

With regard to credit risk management, the Department of Collection Enforcement of the Legal Services Division reviews on constant basis and settles via judicial procedures (LD 356/1974 «Code for the Collection of Public Revenues») 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

<i>Amounts in € thousands</i>							
TIME ANALYSIS OF LIABILITIES							
2014	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	34.172	20.722	8.319	1.913	41.110	313.624	419.860
Total	34.172	20.722	8.319	1.913	41.110	313.624	419.860

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

40. 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.

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, 2014, 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, 2014, 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 34.1 of the financial statements, 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 27, 2015

The Certified Public Accountants

Michael Hadjipavlou

Reg. No SOEL: 12511

Nicos Papadimitriou

Reg. No SOEL: 14271

Deloitte.

Deloitte.

Hadjipavlou Sofianos & Cambanis S.A.

Assurance & Advisory Services

Fragoklissias 3a & Granikou Str,

151 25 Maroussi

Reg. No (ICPA (GR): E 120

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.

27/01/2014	Corporate Announcement
07/02/2014	Placements
07/02/2014	Share Capital Increase of EYDAP NISON S.A.
11/03/2014	Corporate Announcement
12/03/2014	2014 Financial Calendar
14/03/2014	Corporate Announcement
28/03/2014	FY 2013 Financial Results
01/04/2014	Corporate Announcement
07/04/2014	Company presentation to representatives of the capital market
08/04/2014	Invitation
30/04/2014	Resolutions of the Ordinary Shareholders General Meeting 2014
30/04/2014	2013 Dividend Payment
05/05/2014	Voting Results
06/05/2014	Announcement pursuant to Law 3556/2007 Disclosure of change in voting rights
27/05/2014	Corporate Announcement
30/05/2014	Q1 2014 Financial Results
12/06/2014	Corporate Announcement
25/06/2014	Announcement pursuant to Law 3556/2007
17/07/2014	Corporate Announcement
29/08/2014	First half of 2014 Financial Results
12/09/2014	Corporate Announcement - Answer to question from HCMC
15/09/2014	Corporate Announcement - Placements
20/10/2014	Corporate Announcement - Placements
24/10/2014	Share Capital Increase of EYDAP NISON S.A.
28/11/2014	9 month 2014 Financial Results

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 2014 to 31 December 2014 (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

Pertinent Ministry

Ministry of Economy, Infrastructure, Shipping and Tourism

Company's web Site

www.eydap.gr

Members of the Board of Directors:

A. Vartholomaios, E. Palaiologos, L. Zografos, E. Karachaliou, P. Kamas, A. Kourtis, I. Chondrogiannos, E. Sklavenitis, P. Skoularikis, C.Mistriotis, E.Aggelakis, E. Moutafis, G. Zafeiropoulos.

Date of Approval of Financial Statements:

March 27, 2015

The Certified Auditors:

Michael Hadjipavlou Reg. No SOEL 12511,

N. Papadimitriou Reg. No SOEL 14271

Auditing Company:

Deloitte Hatzipaulou, Sofianos & Kampanis

Public Accountants and Business

Consultants SA D No 120

Type of Auditor's Report Unqualified Opinion-Emphasis of matter

STATEMENT OF FINANCIAL POSITION

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
ASSETS				
Tangible assets	957.138	976.641	957.138	976.641
Intangible assets	2.054	1.420	2.054	1.420
Other non current assets	97.418	103.726	98.110	103.786
Inventories	14.371	15.798	14.371	15.798
Trade Receivables	203.114	203.194	203.114	203.181
Other current assets	267.850	350.326	267.214	350.312
TOTAL ASSETS	1.541.945	1.651.105	1.542.001	1.651.138
EQUITY AND LIABILITIES				
Share capital	63.900	63.900	63.900	63.900
Other Equity Items	857.410	886.715	857.482	886.753
Total Equity (a)	921.310	950.615	921.382	950.653
Liabilities for employee benefits	298.213	252.609	298.213	252.609
Investment subsidies and Consumers' participation	200.760	204.598	200.760	204.598
Provisions/Other long-term liabilities	52.174	43.896	52.174	43.896
Short- term Loans	0	3.142	0	3.142
Other Short- term liabilities	69.488	196.245	69.472	196.240
Total liabilities (b)	620.635	700.490	620.619	700.485
TOTAL EQUITY AND LIABILITIES (a)+(b)	1.541.945	1.651.105	1.542.001	1.651.138

STATEMENT OF TOTAL COMPREHENSIVE INCOME

<i>Amounts in € thousand</i>	GROUP	
	1.01-31.12.2014	1.01-31.12.2013
Turnover	326.387	336.165
Gross profit	141.365	145.595
Profit before tax, financial, and investment results	49.383	54.072
Profit before tax	63.497	61.740
Profit after tax (A)	41.923	78.160
Other comprehensive income, net of tax (B)	(30.758)	50.092
Total Comprehensive income for the period (A+B)	11.165	128.252
Attributable to:		
Shareholders	41.923	78.160
Diluted earnings per issued share (in €)	0,39	0,73
Profit before tax, financial, investment results and depreciation and amortization	87.597	84.077

STATEMENT OF TOTAL COMPREHENSIVE INCOME

<i>Amounts in € thousand</i>	COMPANY	
	1.01-31.12.2014	1.01-31.12.2013
Turnover	326.374	336.154
Gross profit	141.352	145.585
Profit before tax, financial, and investment results	49.423	53.599
Profit before tax	63.537	61.267
Profit after tax (A)	41.957	77.687
Other comprehensive income, net of tax (B)	(30.758)	50.092
Total Comprehensive income for the period (A+B)	11.199	127.779
Attributable to:		
Shareholders	41.957	77.687
Proposed dividend per share (in €)	0,20	0,36
Proposed Dividend from Tax Free Reserve per share (in €)	-	0,02
Profit before tax, financial, investment results and depreciation and amortization	87.637	83.604

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Equity balance at the beginning of the year (01.01.2014 and 01.01.2013)	950.615	843.663	950.653	844.174
Profit of the year, after tax	41.923	78.160	41.957	77.687
Net income directly charged to equity	(30.758)	50.092	(30.758)	50.092
Comprehensive income after tax	11.165	128.252	11.199	127.779
Distributed Dividends	(40.470)	(21.300)	(40.470)	(21.300)
Equity balance at the end of the year (31.12.2014 and 31.12.2013)	921.310	950.615	921.382	950.653

CASH FLOW STATEMENT

Amounts in € thousand	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Cash Flows from operating activities				
Profit before tax	63.497	61.740	63.537	61.267
Plus / minus adjustments for:				
Depreciation and amortization	43.934	39.642	43.934	39.642
Amortization of customers' contributions and subsidies	(5.720)	(9.637)	(5.720)	(9.637)
Investment income	(75)	(43)	(75)	(43)
Loss from liquidation of associate company	0	5	0	495
Provisions for personnel compensation	3.197	61.040	3.197	61.040
Other Provisions	17.627	(25.656)	17.627	(25.656)
Interest and related income	(14.598)	(16.126)	(14.598)	(16.126)
Interest and related expense	559	8.501	559	8.501
Plus / minus adjustments for changes in working capital accounts or related to operating activities				
Decrease (Increase) in:				
Trade Receivables	(12.686)	375.065	(12.685)	375.083
Materials and spare parts	1.789	1.842	1.789	1.842
Increase (Decrease) in:				
Liabilities	(111.401)	35.537	(111.416)	35.510
Consumers' guarantees	87	115	87	115
Liabilities for employees benefits	1.758	1.164	1.758	1.164
Minus:				
Interest and related expenses paid	(29)	(11.103)	(29)	(11.103)
Income tax paid	(34.292)	(24.398)	(34.292)	(24.398)
Net cash flows from operating activities (a)	(46.353)	497.688	(46.327)	497.696
Cash Flows from investing activities				
Purchase of tangible assets	(20.919)	(20.028)	(20.919)	(20.028)
Purchase of intangible assets	(4.147)	(725)	(4.147)	(725)
Proceeds from customers' contributions and subsidies	1.882	2.856	1.882	2.856
Interest and related income received	9.789	7.494	9.789	7.494
Dividends received	75	43	75	43
Subsidiaries' capital increase/ Collection from liquidation of associate company	0	48	(650)	48
Net cash flows from investing activities (b)	(13.320)	(10.312)	(13.970)	(10.312)
Cash Flows from financing activities				
Loans repayments	0	(178.993)	0	(178.993)
Dividends paid	(38.980)	(19.522)	(38.980)	(19.522)
Net cash flows from financing activities (c)	(38.980)	(198.515)	(38.980)	(198.515)
Net (decrease) increase in cash and cash equivalents (a) + (b) + (c)	(98.653)	288.861	(99.277)	288.869
Cash and cash equivalents, at the beginning of the year	331.967	43.106	331.941	43.072
Cash and cash equivalents, at the end of the year	233.314	331.967	232.664	331.941

ADDITIONAL DATA AND INFORMATION

1. The number of employees, for Group and Company, at 31 December 2014 was 2,350 (31 December 2013: 2,477).
2. The unaudited by the tax authorities fiscal years for the Company and the Group's subsidiary are presented in detail in the note 11 of the annual financial statement.
3. The provisions formed by the Company until 31 December 2014 concern:
 - a) Lawsuits for civil cases against the Company of a total amount € 187 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 € 27.7 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 € 34 million on 31 December 2014 versus € 25.9 million on 31 December 2013, which are deemed as adequate.
 - c) Tax unaudited years € 5.8 million on 31 December 2014 versus € 6.1 million on 31 December 2013 and
 - d) Other provisions for doubtful receivables and obsolete inventories of € 39.5million on 31 December 2014 versus € 27.9 million on 31 December 2013.»
4. 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. During 2014 an amount of € 68 million approximately paid resulting the private settlement eventually completed by 95%.
5. a) As mentioning in the note 34 of the annual financial statement, the signing of a written agreement - as it is defined in the article 15 of the agreement on 9.12.1999 between the Greek State and the Company - which will determine the price paid to for the crude water collected is pending from the year 2004. In absence of a written agreement, the Company continues 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 financial results. b) Until the approval date of the financial statements by the Board of Directors, the total ceded property assets have not been transferred to “EYDAP Fixed Assets L.E.P.L.”, which have a total net book value of € 657 million approximately (note 37).
6. Transactions during the fiscal year 2014 and balances as of 31 December 2014 with related parties, as defined in IAS 24, are as follows (amounts in € thousands):

	GROUP		COMPANY	
	2014	2013	2014	2013
i) Income	55.661	66.151	55.661	66.151
ii) Expenses	505	2.147	505	2.147
iii) Receivables	51.017	40.931	51.017	40.931
iv) Remuneration and compensation of Board Members and senior executives	135	136	135	136

7. In current year, an expense of € 678 thous. concerning the change in the fair value of assets available for sale and actuarial losses of € 30,080 thous. after taxes from defined benefit plans in accordance with the revised IAS 19, were recorded in the statement of total comprehensive income.
8. Until the approval date of the annual financial statements, 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 31.12.2014.
9. Apart from EYDAP, the consolidated financial statements include NISONEYDAP 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.
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 34.1 of the financial statements, 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 27, 2015

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 VARTHOLOMAIOS
ID no AK 543580

CHONDROGIANNOS 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



156 Oropou St. – Galatsi

T: +30 210 2144 444

F: +30 210 2144 159

E: grammateia@eydap.gr

www.eydap.gr