EYDAP

ANNUAL REPORT

2016

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MESSAGE
FROM THE CHAIRMAN OF THE BoD

Dear Shareholders,

A public utility company is not an ordinary business entity. We have the most important and basic responsibility, to provide our customers with safe and reliable services. In addition, like any other corporation, we make sure to create value for our stockholders. Our strategy is based on the achievement of a balanced, sustainable development to the benefit of society as a whole, our customers, our employees, our stockholders and to any party involved, which has legal interest.

2016 was a year of consolidating Management's strategy, and the systematic implementation of all the planned actions necessary to maintain and improve the reliability of the Company's operations. The new organizational structure was approved, and it was delegated with a smoother and more efficient operation of the Company, always aiming at optimum performance for the benefit of the customers, the stockholders and the employees.

Regarding Company's basic financial results for 2016, EYDAP continued its steady profitable performance and its reliable operating profitability, as Company's turnover increased by 1.4% (+4.6 million) and amounted to 328.8 million, while revenues from our main activities (water supply – sewerage) increased by 1.7% (+5.5 million). Company's gross earnings amounted to 146.2 million, increased by 5.6%, while after taxes earnings amounted to 24.1 million. There was a sharp decrease in customers' debt due to the fact that the company has implemented a favorable settlement program.

Regarding the Business Plan, it will be completed during the first half of 2017, and it will reflect the Company's exact investment needs.

EYDAP has planned for 2017 all necessary investments to meet today's challenges, aiming to achieve results on improved functional and environmental performance, better functional and technical efficiency and effectiveness, and improved customer services.

Throughout 2016, the Company continued the implementation of actions undertaken during previous years regarding the modernization of its functionality, always aiming at improving efficiency, as well as improving customer service. EYDAP is contributing in environment improvement and transferring its knowhow. Within this context EYDAP is cooperating with the Ministry of Environment and Energy and the Municipality of Tanagra in the project "Integrated Management of Water Systems in Asopos Area" targeting to solve the severe environmental problem in that area.

The implementation of its energy program, its sustainable development, research and development programs and innovation in optimizing processes and methods, are priorities in all of our corporate actions.

Particular emphasis was given in 2016, on the plan and its implementation of the construction of the Wastewater Treatment Plants in eastern Attica, in an effort to solve a long outstanding problem, which has led to our country's conviction by the European Court of Justice. EYDAP initiated planning and construction of all necessary works, aiming to solve the sewage management issue in eastern Attica, with an environment friendly approach, using best practices. These works will solve the problem of sewage management in eastern Attica permanently, with the collection and treatment of wastewater as well as the reuse of the treated wastewater by the state-of-the-art technology Wastewater Treatment Plants in eastern Attica.

EYDAP's employees with their experience and knowhow are a crucial asset of the Company, which determines the successful and effective, technical and economical operation. Employees' devotion, all day, all year round, is the driving force of EYDAP's operation, while being a determining factor for its development.

Our country is in an economic crisis which is undoubtedly affecting our customers. The Company is keeping affordable rates, the increases of which, during these last few years, were below the average increase of the Consumer Price Index. Due to the citizens' current difficult financial situation, there was a favorable debt repayment program put in place. EYDAP feels a special responsibility, committed to its social role, implementing a series of Board of Directors decisions, and it applies lower rates to vulnerable social groups so they will not be deprived of water.

EYDAP has incorporated social projects into its overall business activity, motivated by a desire to foster social solidarity, growth and prosperity. Acknowledging therefore the value of fulfilling its social role, aiming to improve society's social and cultural living, the Company supports education, health, vulnerable social groups, arts, sports, through sponsorships, donations, systematically cooperating with social and educational entities.

Responsibly planning tomorrow's opportunities, on behalf of all EYDAP employees we thank you for your trust and support.

The Chairman of the BoD
Konstantinos Papadopoulos

MESSAGE
FROM THE CEO

Ladies and Gentlemen,

The results of 2016 confirmed yet another year, the steady and profitable growth of the Company, while it was characterized by the essential support on economically sensitive groups affected by the economic crisis. Based on our solid financial environment, our high level of know-how and our well-trained Human Resources, we have managed to offer high quality services once again.

As a Company that manages the most valuable natural resource, EYDAP sensitively and consistently ensures that its operations meet the needs and requirements of contemporary consumers while protecting in every possible way the natural environment.

Towards this direction, and among other social initiatives, the Company's Administration applied the special social tariff in 2016 as well as a favorable program of settlements that provided incentives to customers to settle their debts to the Company. This initiative provided an opportunity for interested parties to respond better to their family budget obligations and was highly responsive to consumers, as approximately 50,000 debt cases were settled, while the objective of reducing outstanding claims from private clients was met, reinforcing the financial soundness of the Company.

Alongside its social profile, EYDAP's primary objective is to safeguard the interests of all Shareholders and Customers through further rationalization of costs, reduction of operating expenses, continuous improvement and simplification of corporate processes, and targeted investments. In 2016, the Company's turnover was formed at € 328.8 million, increased by 1.4% (€ +4.6 million), while revenues from our main activities (water - sewerage) increased by 1.7% (+ € 5.5 million) confirming its reliable operating efficiency.

An important part of the investment program concerns sewerage and biological treatment in Eastern Attica. After many years, the projects will provide a definitive solution to the problem of urban waste water disposal in Eastern

Attica and simultaneously they will upgrade the area. The works are related to wastewater collection and treatment as well as the disposal / reuse of the treated outflows from East-Attica Wastewater Treatment Plants, which will operate with state-of-the-art technology.

The particular and non-elastic nature of the product, the natural monopoly market, where EYDAP is operating, the high cash liquidity and zero debt, in combination with the Company's strategic choices for effective and efficient operation, the use of new technologies, know-how and human recourses, as well as the modernization through the implementation of innovative and new activities secures for the Company the perspective of sustainable development and sets the grounds for further growth and profitability.

The driving force of EYDAP, the human capital, via its know-how and love for the Company, acts as a catalyst for its growth. During the difficult economic conditions that our country is experiencing, we face challenges that only with the help of our People can manage, in order to fulfill our vision, which is nothing more than our maximum contribution to society.

Ladies and Gentlemen,

As the largest water supply and sewerage company in Greece, EYDAP, always consistent to its Shareholders, will propose to the General Meeting following the decision of the Board of Directors, a dividend of € 0.11 per share increased amounting to 11.715 mil. euro gross.

Thank you very much for your full support and your trust towards the Management and the People of EYDAP.

Ioannis Benisis,
CEO

VISION – MISSION – STRATEGY

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, 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

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

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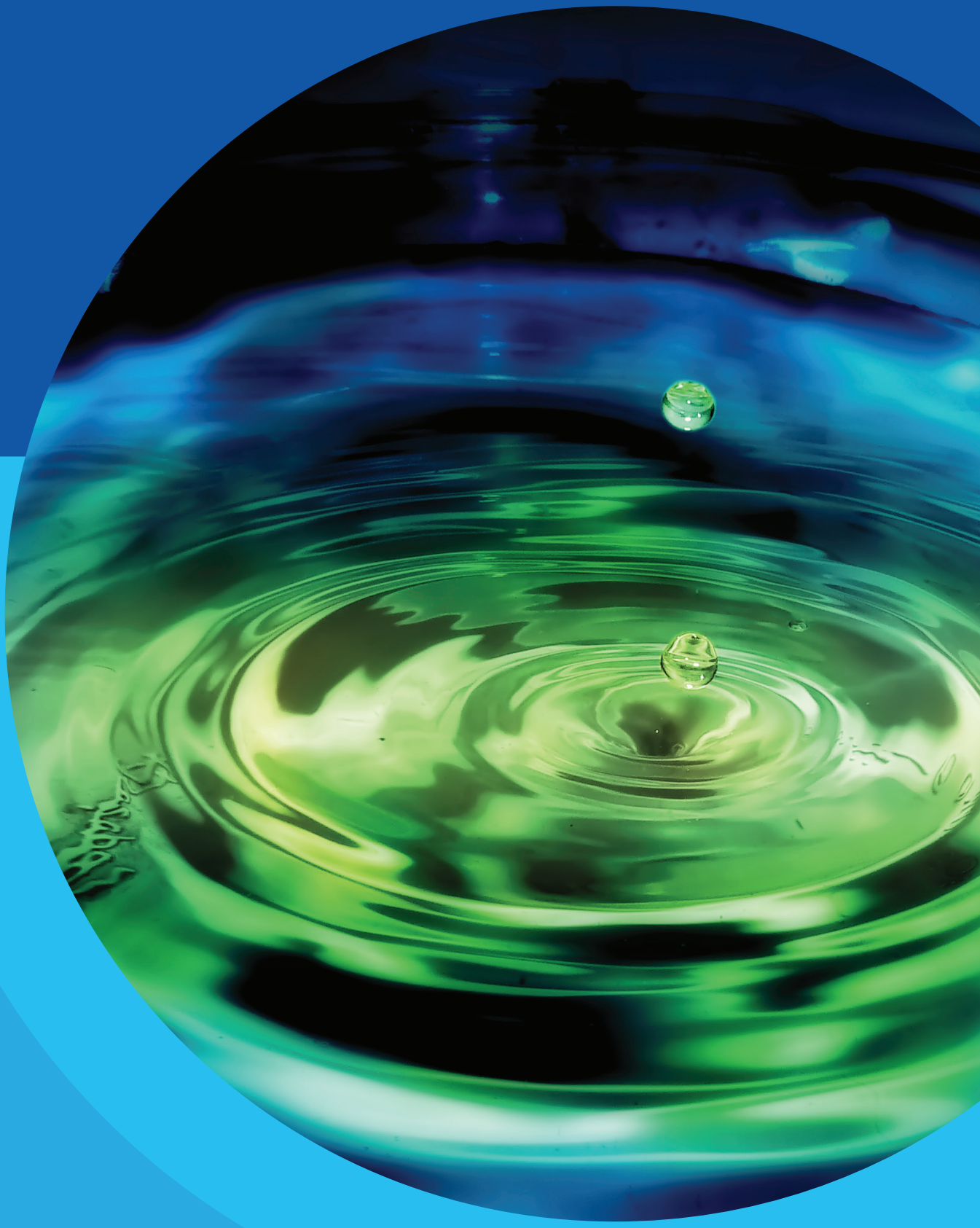
EYDAP

COMPANY'S PRESENTATION



www.eydap.gr

1.1 BOARD OF DIRECTORS

Name	Position
Konstantinos Papadopoulos	Chairman
Ioannis Benisis	Chief Executive Officer, Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Member
Georgios Makrynos	Member
Alexandros Pouliasis	Member
Nikolaos Sarantis	Member
Michail Stavroulakis	Independent Member
Georgios Chalambalakis	Member
Christos Mistriotis	Member
Panayotis Skoularikis	Member
Emmanouel Aggelakis	Member
Evaggelos Moutafis	Member

1.2 PRESENTATION OF THE BOARD OF DIRECTORS

Konstantinos Papadopoulos
Chairman

Konstantinos Papadopoulos is Dr. Hydrogeologist, who was born in Thessaloniki in 1952 with the following studies:
1978: Degree in Geology (Laurea in Scienze Geologiche) from the Physics & Mathematics School of the University of Parma (Universita degli Studi di Parma - Italia)
1982: Diploma in Advanced studies [Diplôme d 'Études Approfondies (DEA)] in Water Science [(Sciences de L'Eau) with specialization in Hydrology - Hydrogeology - Hydrochemistry and in Management of Water Resources] from Pierre et Marie Curie University in Paris (Paris VI)
2004: PhD in Hydrogeology from the University of Patra.
In 1983, he worked as a Research Consultant at the Agricultural University of Athens for the project «Effects of air pollution on the environment - Attica» of the Ministry of Regional Planning and Environment.
From 1984 to 1997, he worked at the Institute of Geology and Mineral Exploration (I.G.M.E.), in the department of basic research and study of small and wider areas in an integrated hydrogeological systems and the quantitative and qualitative investigation of the Cycle water as a unit (Meteorology, Hydrology, Hydrochemistry and Hydrodynamics).
From 1997 to 2004, he worked as an Expert in Water Resources Management in the Ministry of Development, in order to support all regional units of Water Resources Management by writing the specifications, the competition invitation, the evaluation, the assigning (1997-2003), and supervising and collection (2004-2008) of the Water Resources Management Plans for all water districts of Greece.
During the period 1998-2003, he was also acting as a representative of the country in the European Commission on issues of groundwater in the compilation of Directive 2000/60 and of documentation supporting the implementation of the Directive to determine the qualitative and quantitative degradation trends in groundwater as an affiliate program (Project partner).
From 2004 to 2011, he worked in project management of the Management Organization Unit of Development Programs from the integration process in a Financial Instrument until the completion of operations. At the same time, he worked as a Consultant to the President of the Management Organization Unit of Development Programs in matters of Management Development Programs (3rd CSF - NSRF)
From 2011 to 2014, he worked at the National Center for the Environment & Sustainable Development - Institute of Geology and Mineral Exploration in basic research and study of small and wider areas with specific task in hydrogeological research projects.
He has 19 Publications - Presentations in Conferences and Seminars, 27 Studies - Research papers and 34 Official Reports in hydrology, hydrogeology and environment.

Ioannis Benisis
CEO

Ioannis Benisis was born and raised in Athens. He was admitted with a scholarship to the Department of Mathematics of National and Kapodistrian University of Athens, during which he maintained the scholarship. After the end of his military service, from 1978 to 2000, he worked as a professors and partner in several educational institutions and for several years he was CEO of one of them. Since 2000, he was managerially involved with several small business enterprises focusing on food and beverage and he also owned an energy consulting company. He is one of the first operators who worked on photovoltaic systems (PV Systems) and he was owner of a small solar park. During his professional career he was CEO of an S.A. company, administrator in four Ltd companies and partner in about fifteen General Partnership companies of educational institutions, catering services, constructions and energy systems. He took part in a competition launched by the Ministry of Tourism and together with other successful candidates recruited as contract staff under fixed-term contracts. He left after the expiration of his contract, even though many of the recruited demanded and were granted a permanent position. Since 1972, he actively participated in the ranks of the left and anti-dictatorial movement. He is the one of the founding members of Synaspismos and he had several executive positions of responsibility even in the Central Committee of SYRIZA. Since July 2015, he is CEO of EYDAP.

Konstantinos Vafeiadis
Executive Member
Responsible for International Affairs

Konstantinos Vafeiadis was born in Athens in 1975. He is married with two children. He graduated from the School of Chemical Engineering of the National Technical University of Athens (NTUA) in 1997. He holds a M.Sc. in Advanced Chemical Engineering from Imperial College (1998) and a Ph.D. in Control Engineering from City University London (2003). During his studies he gained extensive research and teaching experience. He specializes in the design & implementation of complex software, IT & consulting projects with an emphasis in the financial sector as well as in the design and implementation of large investment, research and development projects. Furthermore, he has significant experience in business development activities in Greece and abroad. During his studies he was active in the student movement being a Member of the Board of Students and acting as representative in various bodies. He has been elected for four consecutive terms (2005 - present) as Member of the Board of the Hellenic Association of Chemical Engineers (PSXM) serving as Vice President (2007-2010) and President (2010 - present). He was elected in the General Assembly of the Technical Chamber of Greece (TEE -TCG) in 2013. He has served as a Member in the Permanent Committee for Research, Technology and Innovation and the Permanent Committee for Issues regarding the Ministry of Development and

Competitiveness of the Technical Chamber of Greece. He was a Member of the Board of Directors of the Hellenic Horse Racing Organization (ODIE) (2010 - 2014). In 2014 he was elected as a Counselor for the Municipality of Vrilissia where he is currently Vice President of the Organization of Social Protection and Solidarity. Since July 2015, he is Deputy Mayor responsible for Human and Financial Resources.

Ioannis Kardaras
Non-Executive Member
Member of the Audit Committee

Ioannis Kardaras was born in Piraeus in 1948. He is a graduate of Athens Law School (1974), with postgraduate studies at the University of London, specializing in European Union Law and "Comparative European Law" (1976). He works as a lawyer in Piraeus since 1977 and is a lawyer in the Supreme Court. He served for 2 mandates as a Board Member at the "Piraeus Bar Association" and publisher of "Bar Association News." In 2014 he was candidate for chairman of Piraeus Bar Association and he was elected Member of the Board, a position that he still retains. He is actively involved in defending social and political rights. From 2002 to 2014 he has been elected as a Counselor in the Municipality of Piraeus, being involved in many aspects of local government as well as in EYDAP's Psitallia (Wastewater Treatment Plant) and its public character. From 2013 to 2014 he participated in the legal team who voluntarily engaged in the Asset Development Fund of the Annual Financial Report 2015 13 State (HRADF), in order to dispute cases in the Supreme Administrative and Civil Courts.

Georgios Makrinos
Non-Executive Member

George Makrinos, hygienist - public health supervisor was born in 1959 in Piraeus. He is graduate of the Department of Public Health (1982) of the School of Health and Welfare of the Athens, with further training in "Management and Environmental Technology" and a Master of Science in Public Health (2007-09) of the National School of Public Health (National School). He has a professional - educational - scientific experience as a lab assistant-professor of applications section at Public Health Institution of Athens (1985-2002), in the following fields: a) Environmental Hygiene and Sanitary Engineering (Healthy Water & Sewerage Water Supply-Hygiene, treatment and management of solid and liquid waste), b) Health and Safety in work. He has also training experience in technical education in health & welfare and professional training in public health and environmental issues. He is particularly involved in the field of Health and Safety at Work as a member of Health & Safety at Work Council of Ministry of Labor (2001-05, 2007-09) and he was Head of the secretariat of Health and Safety of the Municipalities Association (2007-10). He is an external collaborator of the National School of Public Health sector in the Professional & Industrial Hygiene. He has rich social and political activity from student days to nowdays on the fields of: technological education, public health and the environment, sports, cultural and social rights. He is Councilor of Korydallos Municipality since 2010 and Chairman of the Organization for Sports & Culture of the same Municipality. He is also Chairman of National Union of Public Health Supervisors, Vice Chairman of National Inter-Municipality Health Cities Network and Health Promotion. He is an elected member of the Regional Association of Municipalities of Attica and member of the Social Protection Committee for Health and Solidarity. He served as Vice Chairman of General Hospital at West. Attica "Agia Varvara" (2010) and Deputy Vice Chairman of the BoD of Athens Eye Clinic (2010). He is a Member of Greek Association of Business and Commerce, Secretary of the federation of temporary teaching staff of Technological Institutions and Chairman of Greek Boxing Federation.

Alexandros Pouliasis
Non-Executive Member
Member of the Audit Committee

Alexandros Pouliasis was born in Athens on 1977. He grew up in Peristeri and finished the 2nd High School. He entered the Department of Business Administration of the Economic University of Athens. He accomplished his studies following the direction of Accounting and Financial Management. By finishing high school Alexandros Pouliasis run the family business, operating in the clothing area until 2005, when the business stopped operating. From 2006 to 2015 he worked as a salesman in door production companies. At the present time he works as a consultant in the Ministry of Finance. He has served as a City Counselor, as a member of the Committee for the Quality of Life and as a member of the Centre for Family Care of the Municipality of Peristeri. He is an elected member of the Council of the Delegation of the Economic Chamber of Greece and a member of the Center for Persons with Special Needs 'Xara'.

Nikolaos Sarantis
Non-Executive Member

Nikolaos Sarantis, Mayor of Municipality Agioi Anargyroi - Kamatero, was born from Euboian parents in 1957 to the town of Agioi Anargyroi where he resides. He is married with two children. He is a graphic designer, professor at the Graphic Design Department of Technological Educational Institute of Athens. He holds a Master entitled «European Union and Developing Countries» by the Department of International Relations at Panteion University of Social and Political Sciences.
He was first elected Mayor of Agioi Anargyroi in the municipal elections of 2006. He was elected Mayor during the 2010 municipal elections of the common «Kallikrates» Municipality Agioi Anargyroi - Kamatero and was re-elected during the 2014 municipal elections. From October 2011 until October 2014, he serves President of the Regional Association of Municipalities of Attica (PEDA). Since October 2014 he has been General Secretary Regional Association of Municipalities of Attica (PEDA).
During his social participation has been President of the Development Association of West Athens (2009 - 2011), Member of the Board of the Local Union of Municipalities and Town Councils of Attica (TEDKNA) (2006 - 2010), Member of the Municipal Council of Agioi Anargyroi (1986-2002), Deputy Mayor of the Municipality of Agioi Anargyroi (1988-1990), City Council President of the Municipality of Agioi Anargyroi (1991-2000), Founder and President of the Sports Organization of the Municipality Agioi Anargyroi (1986-1988) and the Cultural Center (1986 - 1988),
Member of the Board of the Association of Municipalities Communities of Attica (ESDKNA) (1998-2002), Chairman of the Board of the Gymnastics Association of Agioi Anargyroi (1990-1997), Member of the Board of the Association of Attica Basketball Clubs - The Hellenic Basketball Federation (ESKA - EOK) (1993-1997), Board Member of the Committee of Democratic Residents and Cultural Club in Agioi Anargyroi (1974).

Michail Stavroulakis
Independent Non-Executive Member
Chairman of the Audit Committee

Michail Stavroulakis is an economist, accountant – tax consultant and studied at the Technological Educational Institute (TEI) of Crete Heraklion, in Business

Administration faculty, in Accounting department (1981) and the Higher Industrial School of Piraeus (AVSP) (1986). Accountant holds professional license - tax consultant first grade. He has worked as an accountant and financial advisor to various companies and has experience in international and financial transactions. From 1992 to 2010 he was CFO in company TRANSDON INC. He has been working as a freelance accountant - tax consultant adviser. He speaks English fluently.

Georgios Halambalakis
Non-Executive Member

Georgios Halambalakis was born in Heraklion – Crete in 1977. He received his BSc (Hons) degree in Physics of Laser Science from Heriot-Watt University of Edinburgh in Scotland in 2000 and his Ph.D. degree in Condensed Matter Physics & Nanotechnology from University of Montpellier in France, in 2005. He has been honoured with the "Best Paper for Young Researcher" Award from the E-MRS Conference in Strasburg in France, in 2004. He is author and co-author of 12 papers in international and national journals and conferences. He was working as Laser Physicist at IESLFORTH University of Crete and as a research assistant in Bio-Metical Nanotechnology at Biozentrum of University of Basel in Switzerland, in 2001. After his Ph.D., he continued his research as research scientist at Research Centre of Royal Philips Ltd in Eindhoven in The Netherlands in 2005 and in 2007 he returned in Athens Greece, where he worked as research scientist at National Centre for Research "DEMOKRITOS". Since 2009, he is working as senior researcher Scientist in Photovoltaic Systems and Distributed Generation department at Centre of Renewable Energy Sources (C.R.E.S.) in Athens. Since 2013, he is co-founder of "ETEO" G.P. Company, which is specialized in production and exportation of Organic Extra Virgin Olive Oil Premium Category.

Christos Mistriotis
Non-Executive Member
Minority Shareholder's 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.

Panayotis Skoularikis
Non-Executive Member
Minority Shareholder's 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.

Emmanouel Aggelakis
Non-Executive Member
Personnel's 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
Non-Executive Member
Personnel's 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.

Ioannis Moutzouridis
Director of Legal Services

Christina Kontaratou
BoD Secretary

1.3 COMPANY'S **EXECUTIVES PROFILE**

Konstantinos Vougiouklakis
Executive Director, Wastewater Services

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). Until October 2016, he held 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. Today, he holds the post of Executive Director of Wastewater services.

Christos Iliopoulos
Executive Director of Human Resourses

He was born in the Paradisia of Arcadia in July 1956 and he is married and father of a child.
He studied Political Sciences at the Panteion University of Social and Political Sciences, Law at the Law School of University of Athens and he has postgraduate education in special Administrative Law issues.
He has also participated in several educational programs concerning management, human resources management, communications, crisis management, financial issues etc.
From 1976 to 1984 he was working as a business executive in commercial delegations and since 1984 he has been working at EYDAP.
As EYDAP executive has worked to the Revenue Service Sewer, to the Consumer Control Service, to the Central Accounting Office, as Head of Customer Centers, Director of Education and Apprenticeship School of EYDAP and Deputy Director of Human Resourses.
In addition, he has been President and member of several Company's committees.
He is an authorized teacher of LAEK-OAED educational programs and he has written a book entitled «Legislation - Regulatory Framework for Customer Service of EYDAP».
He has been a regular member of the Board of Directors of Supplementary Insurance Fund for Teachers of Private General Education and deputy member of the Board of Directors of Engineers' and Public Contractors' Pension Fund
His social activity includes, among others, the term of two years as Secretary-General and for ten years as President of EYDAP's Employees Cultural Center and for 32 years a member of EYDAP's Scientific Association.
Since October 2016, he holds the position of Executive Director Human Resources, having the competence of the Human Resources Department, the Department of Education and Human Resources Development and Facility Security Division and Logistics Policy Planning.

Georgios Karagiannis
Executive Director, Water supply

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. Until October 2016, he held the position of General Director of Networks and Facilities Operation, where he coordinated 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. Today, he holds the post of Executive Director of Water Supply. He has been elected as a member of The Technical Chamber of Greece, from 2006 to 2009.

Spiridon Kiriakis
Executive Director, Financial Services

He was born in Amfissa in April 1962 and graduated from the local High School. He has a degree of the Supreme School of Economics and Business (Athens University of Economics and Business-AUEB), Business Administration Department. He is married and father of three children. He's a licensed Economics Professional and Tax Consultant Accountant, grade A. He has had working experience as an accountant in private sector companies. He has been working in EYDAP since 1990, where he has held various posts, including Head of the Office of Economic Research and Implementation of Accounting Systems, Deputy Director in the Department of Financial Planning and Control, Assistant Customer Service Manager, Deputy Director of Education and Human Resource Development and Director of Internal Audit. Until October 2016, he held the post of Executive Director of Human Resources and Organizational Functions, having the responsibility of the Department of Human Resources, the Department of Operations and Administration Support, the Department of Education and Human Resource Development, the Department of Customer Service and the Department of Information and Technology. Today, he holds the post of CFO.

Eftichia-Myrta Nestorides
Executive Director of Coordination and Supportive Operations

Eftichia-Myrta Nestorides, was born in 1961 in New York, USA. She graduated with honors from a high school in Athens, attending a US education program. She studied at the Massachusetts Institute of Technology in Boston, where she graduated in 1983 with BSCE and specialization in structural engineering. During her studies, she worked as an Assistant Professor in a research project on upgrading the Spanish railway network, in the context of Spain's EU integration. In 1985, she acquired a master's degree (MSCE) in Construction Management from NORTHEASTERN Boston University while working as an Assistant Professor in the Building Management course.
From 1985 to 1987, she worked as a Civil Engineer of the U.S. Department of Studies CORPS OF ENGINEERS in the United States, responsible for structural studies of hydraulic and other projects (such as large dams and other flood protection projects and coastal and port protection projects). She joined EYDAP's human resources in 1988 at the Waterworks Department, where she later served as Head Officer. From 2003 to 2007, she was appointed Director of the newly established Business Analysis and Planning Division where she was involved in strategic planning and development of the company, investor information, corporate governance, and successfully implemented the Company's first benchmarking program with operational performance indicators. She then served as Director of the Energy and Design & Development Divisions, as Deputy Director of Infrastructure, and from October 2016 she was appointed as Executive Director of Coordination and Support Operations.
She is an active member of the community, having been active in various Municipal Committees of the Municipality of Filothei - Psychiko since 1995. She was elected for three consecutive terms Municipal Councilor of the Municipality of Psychiko (2002-2014), and from 2013 until today is Secretary General of Athletic Association of Psychiko. She is a Founding Member of the MIT Club of Greece, member of the American Water Works Association (AWWA) and the Technical Chamber of Greece (TEE). During her studies she was President of the Students American Society of Civil Engineers (ASCE) and a representative of the students (with the right to vote) at the Academic Committee of MIT, for educational policy issues.
In 1983, she was awarded the Howe-Walker Award from the American Society of Civil Engineers (ASCE) and in 2013 the World Bank awarded her for her contribution to improving the Bank's annual report "Doing Business in Greece".
She speaks fluent English, French and very good Italian.
She is married with two children

Stylliani Politaki
Executive Director of Customers

Stylliani Politaki was born in July 1959 in Vyronas, Attica and graduated from the 4th Lyceum of Athens in Pagrati. She began her studies at the Department of Electrical Engineering of the Polytechnic School of the University of Patras and continued in the Department of Organization and Business Administration of the University of Piraeus. She holds a postgraduate degree from the National Technical University of Athens in Water Resources Science and Technology in Hydrology.
She has been working in EYDAP in various sectors since 1983, taking over different positions, including Head of External Aqueduct Department at the Water Supply Division, Head of Water Services and then Deputy Director of the Water Supply Division, Deputy Director of the Sewerage Network Division, Deputy Director and afterwards Director in the Customer Services Division.
Thence, she joined the Internal Audit Division as Auditor and in July 2015 she was appointed the duties of the Director of Internal Audit Division until September 2016, whereby the BoD of EYDAP appointed her as Executive Director of Customer Services.
She is married and mother of two children

1.4 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 serves approximately.

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 Fixed Assets» (Legal Entity under Public Law), thus remaining the property of the State. «EYDAP Fixed 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 Fixed 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.

1.5 OBJECTS

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.

1.6 OPERATIONS

Water Supply

EYDAP supplies Attica with one of the highest quality water in the world. The main raw water sources and reservoirs are located in pure regions, free from agricultural and industrial activities.
The artificial lakes of Mornos, Evinos, Marathonas and the natural lake of Yliki, with a total capacity of 1,500 m3, are the 4 reservoirs of raw water supply.
Into water sources used by EYDAP are also included the underground water resources, which are exploited by 100 boreholes.
Based on EYDAP's current operating conditions, Evinos River & Mornos Lake are the main water sources.
The transfer of raw water sources (reservoirs and boreholes) to Water Treatment Plants (WTP) of Attica is accomplished via an extensive external aqueduct system with total length 495km. Despite the long distance of the main water sources from Attica, the largest amount of water is being carried via gravity without the financial and environmental burden that the energy-intensive pumps cause, which are activated only in case of emergency.
The water is being treated at the four WTP of Attica - located in Galatsi, Acharnes, Polydendri and Aspropyrgos - that have a total water treatment capacity of 1,900,000 m3 daily and a very crucial role to the water we consume. Then through a complex water network it reaches every home.
Apart from the areas that EYDAP operates door to door, the Company also supplies Municipalities via bulk water services. In that case the water supply network is managed by the Municipalities.
The daily quality control tests of raw and drinking water that are conducted in the chemical and microbiological laboratories of EYDAP are designed to ensure and certify the excellent quality of water that EYDAP provides to the citizens of Athens.
For this reason, the water quality of four reservoirs (Marathon, Yliki, Mornos and Evinos) is closely monitored, as well as the quality of drinking water in the water supply network, in case of any problem that may arise to be noticed and treated promptly.

Sewerage and Wastewater Treatment

EYDAP has designed and implemented an integrated sewerage management system, designed to a proper, efficient and uninterrupted operation with the ultimate goal of protecting and ensuring public health.
The collection and transport of waste water to the Wastewater Treatment Plant (WWTP) is done with the wastewater network, a total length of about 8,300 km.
Only 250km of the total drainage system reach central wastewater system and cover the needs of the center of Athens. A separate system with separate storm water and wastewater networks applied on the rest length of the sewerage network.
The maintenance of the sewerage network is aimed at its rational function, as it is maintained and checked 24/7 to avert problems that create damage to the roadway and minimizing any malfunctions that may arise, through the required actions in each case, such as obstruction and cleaning of pipelines, their camera inspection, the implementation of an annual replacement program, proper maintenance of the electromechanical equipment, achieved with the help of trained personnel and the use of the required equipment constantly updated according to the new technologies.

The treatment of waste water in Attica region is occurred:

- **The Psyttalia Wastewater Treatment Plant**
  The Psyttalia WWT is one of the biggest WWTPs in Europe and worldwide with a total capacity about 3,500,000 p.e. The processed outflow of WWTP is diffused through pipelines in the Saronic Gulf with reduced organic load of wastewater at a rate of 90% - 95%.

- **The Metamorfosis Wastewater Treatment Plant**
  The Metamorfosis WWTP is the only plant in Attica Prefecture that can receive and treat septic sewage generated from areas without sewerage system.

- **The Thriassio Pedio Wastewater Treatment Plant**
  The project of Thriassio Pedio serves the residential areas of Eleusina, Aspropyrgos, Magoula and Mandra, as well as industrial and commercial areas and is a complete solution to a chronic problem of the residents and professionals who are active in the region. Moreover, most of the collectors and central sewer system has been completed in collaboration with the competent Region, restoring the balance of the ecosystem of the sea of Eleusina and generally contributing to the sustainable development of the region.

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

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 nontransferable 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 S.A.
• Ag. Anargiri - Kamatero • Ag. Dimitrios • Ag. Paraskevi • Ag. Varvara • Alimos • Aspropyrgos • Athens • Dafni - Ymittos • Egaleo • Elefsina (Elefsina) • Elliniko - Argiroupoli • Filothei - Psychiko • Galatsi • Haidari • Halandri • Ilion • Ilioupoli • Iraklio • Kallithea • Keratsini - Drapetsona • Kessariani • Korydallos • Lykovrisi - Pefki • Melissia (Penteli) 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 •Amaroussion

Bulk Water Supply to Municipal Networks (*)
• Anixi, Dionysos, Ag. Stefanos, Kryoneri, Stamata, Drosia, Rodopoli (Dionysos) • Ano Liosia (Fyli) • Ekali, N. Erythrea (Kifisia) • Keratea, Lavreaotiki, Ag. Konstantinos (Lavreotiki) • Kouvaras, Anavisos, P. Fokea, Saronida (Saronikos) • Kropia • Mandra, Villia, Erythres, Inoi, (Mandra-Eidyllia) • Marathon, N. Makri, Varnavas, Grammatiko (Marathonas) • Markopoulo Mesogaias • Peania (Peania) • Spata - Artemida • Vrilissia • Magoula (Elefsina) • Megara • Rafina (Pikermi) • Oropos – Malakasa – Kalamos – Afidnes – Kapandriti – Markopoulos Oropos – Polidendri – Sikaminos (Oropos)

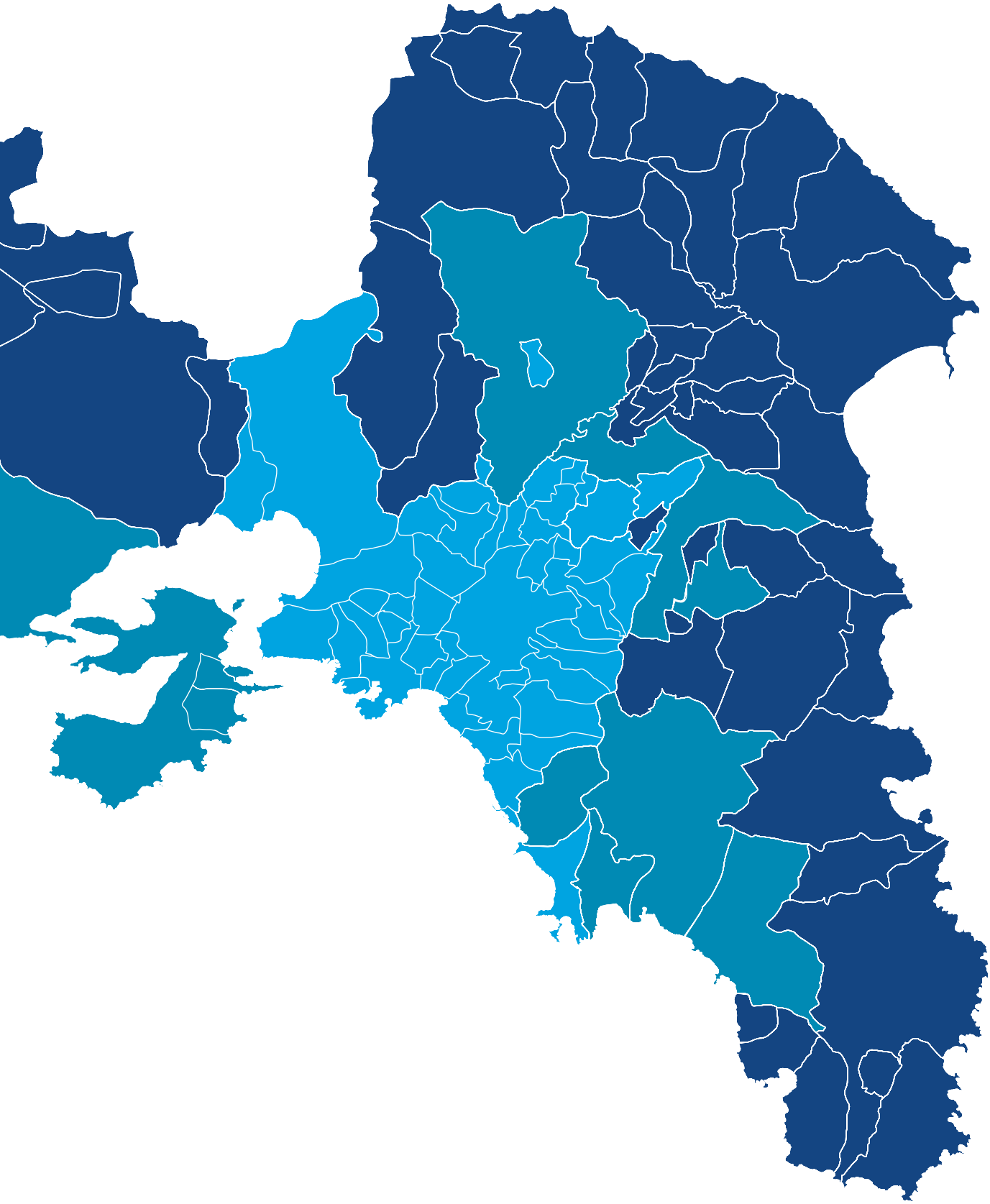
Joint Water Supply System (**)
• Acharnes (Acharnes) • Anthousa, Gerakas, Pallini (Pallini) • Gluka Nera (Peania) • Glyfada • Kalyvia Thorikou (Saronikos) • Kifisia (Kifisia) • N. Peramos (Megareon) • Penteli (Penteli) • Salamina, (Salamina) • Vari (Vari – Voula – Vouliagmeni) • Glyka Nera (Paiania)
Moreover, there is a number of Municipalities, Municipal Groups and Regions along the Mornos and Yliki reservoirs, outside EYDAP's geographical jurisdiction, yet serviced by EYDAP with treated water through installed small water treatment plants or by EYDAP Fixed Assets with raw water. The water supply in both cases occurs through special water supply connections provided to each Local Municipality, without the participation of the Company in the operation of the local network. Also, EYDAP SA supplies water to islands of Cyclades & Dodecanese with treated water through special water supply connections. Finally, it supplies water with raw water, via special water supply connections, to some important productive private infrastructures that operate in areas along the main external aqueducts.

Water supply from EYDAP SA with treated water, through small water treatment plants and special water supply connections:
• From the Municipality of Distomo – Arahova, Distomo and Steri • From the Municipality of Livadeon Kyriaki, Tarsos - Kariotas and Panagia Kalamiotisa • From the Municipality of Thiva Prodromos, Domvraina, Ellopia, Dryromeno, Lefktra, Kapareli, Dafni and Plataea • From the Municipality of Mandra - Idylia, Erythres, Villias and Oinoi • Municipality of Oropos (feeding the Municipality through Boreholes of Mavrosouvalas)

Water supply from EYDAP FIXED ASSETS with raw water, technically and operationally supported by EYDAP S.A., via special water supply connections:
• From the Municipality Delphi Amfissa and Desfina • From the Municipality of Thiva Thiva and Thisvi • From the Municipality of Tanagra, Tanagra, Inofyta, Schimatari and Aghios Thomas • From the Municipality of Halkideon Avlida

*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.

JOINT WATER SUPPLY SYSTEM DIRECT WATER SUPPLY FROM EYDAP BULK WATER SUPPLY



1.8 EASTERN ATTICA WASTEWATER WORKS

The absence of a proper sewage system in the area of Eastern Attica is a serious problem for many years. The existing practice of wastewater management, through sewage in cesspits, consists an important parameter of ongoing environmental deterioration.
The Court of Justice of the European Union (CJEU) in its October 15, 2015 decision imposed a fine against the Greek State for not complying with Directive 91/271 / EEC. The settlements for which the fine was imposed included the Eastern Attica settlements of Rafina, Artemida and Nea Makri, due to a total lack of appropriate wastewater collection and treatment system.
The main target of the Division is the proper design, planning and implementation of the wastewater treatment projects, in order to ensure compliance with Directive 91/271 / EEC and successfully operate the whole infrastructure. Projects will be funded through NSRF 2014-2020 and attention should be paid to properly take advantage of the available funds.
In particular, EYDAP plans to implement three major sewerage projects in the region of Eastern Attica:
PROJECT 1: Collection, Urban Wastewater Treatment of Municipalities Rafina - Pikermi and Spata - Artemida and Reuse - Disposal of treated outflows
PROJECT 2: Collection, Urban Wastewater Treatment of the Municipality Marathon and Disposal - Reuse of Processed Outputs
PROJECT 3: Wastewater Treatment Plant at South-East gulf of Saronikos- Kalivia Eco-area
These projects are intended to provide a definitive solution to the problem of urban wastewater management in these areas, which include the collection, treatment of wastewater and the disposal and re-use of the effluent treatment of the Wastewater Treatment Plant (WWTP).
The WWTPs are designed to operate with latest technology to ensure compliance with European Legislation as well as the environmentally optimal wastewater management method, which will make it possible to re-use the treated outputs for the irrigation needs of the area during the summer period as well as for urban - suburban use during the winter period (Municipalities of Rafina - Pikermi and Spata - Artemida), in accordance with the existing legislation framework for reuse (Joint Ministerial Decision 142116/2011 & Ministerial Decision 191002/2013). This will ensure complete protection against contamination of the wider area and shores.
In the facilities of WWTP, that will serve the Municipalities of Rafina-Pikermi and Spata-Artemida, an Environmental Awareness Center is also planned to inform the public about the uses of recovered water.
EYDAP is in constant cooperation with the Municipal Authorities, in order to ensure their active contribution to the projects' implementation and successful completion.

1.9 PRICING POLICY

For the period 2000-2014 the water supply tariff and sewerage services were defined after joint decision of the Ministries of Economy, Finance and Environment, Planning and Public Works, having taken into account the recommendations of the Board of Directors.
Article 33 of L.4258 / 2014 amended the Article 3 of L. 2744/1999 concerning the tariff and states:

(1) By the end of June 2015, the tariffs for water and sewage services are approved by the Finance Minister's decisions based on the proposal of the Special Secretary for Water. Decisions of the Ministry of Finance as well as the recommendation of the Special Secretary for Water are published in the Official Government Gazette.
(2) From July 1st, 2015 the tariffs of water and sewerage services are approved by decisions of the Special Secretary for Water after consultation with the Minister of Finance and other parties involved, which are published in the Government Gazette. If the decision of the Special Secretary for Water has deviations from the Minister of Finance proposals such as those made during the consultation, they should be justified and published together with the publication of the decision in the Official Gazette.
(3) Decisions concerning the tariffs of water and sewerage services, have five years duration and are issued at the end of each period for each subsequent five years.
(4) By decision of EYDAP's Board of Directors, approved by the Minister of Finance on the proposal of the Special Water Secretary, a special water supply or sewer bill for residents, businesses and general users who are served on the same network or irrigation or drainage regardless of the single Company network, may be fixed.

Following the Framework Directive on water (2000/60 / EC, Article 9) and national legislation (Law. 3199/2003 as amended by Law no. 4117/2013 and the N.4315 / 2014 and in force, P. D. 51/2007 and 322/2013 JMD), the Special Secretariat for Water (EGY) of the Ministry of Productive Reconstruction, Environment and Energy, is responsible for the strategic planning, development and evaluation of policy for the rational and sustainable management of services water, the rational management of water resources and the sustainability of water services.
The Special Secretariat for Water (EGY) set in July 2015 for public consultation, a draft proposal for formulating institutional framework pricing of water services, which set out:

- The procedures, methods and levels of recovery of costs of water services, in order to boost the economy,
- The general pricing rules and pricing water services to ensure the provision of affordable water of adequate quality and quantity to consumer.

Within 2016, the Special Secretariat for Water is expected to issue its decision by the National Water Commission on "General costing and pricing rules for water services. Procedures and methods for the recovery of costs of water services under its various uses. "

EYDAP S.A. WATER RATES

TARIFF CATEGORIES	MONTHLY CONSUMPTION (m^3)	€/m^3
WATER SUPPLY SERVICES (effective since 16.12.2013 - Gove.gaz.3188B/16.12.2013		
Category 1.		
DOMESTIC	0 - 5	0.3500
	5 - 20	0.6400
	20 - 27	1.8300
	27 - 35	2.5600
	over 35	3.200
	*Impleementation of minimum consumption 2 m^3/ month, suspended in case of water meter removal	
Category II.		
INDUSTRIAL	up to 1.000	0.8300
	over 1.000	0.9800
	* Mandatory minimum consumption 100m^3/month	
Category III.		
GOVERMENT BUILDINGS	Regardless of consumption	0.9800
Category IV.		
CHARITY	Regardless of consumption	0.2300
Category V.		
LOCAL AUTHORITY - ISLANDS	Regardless of consumption for the areas outside the city plan until the complection of the Urban Restructicturing Program (U.R.P.) and for islands water supply after agreement with the competent Ministry	0.4880
Category VI.		
SHIPS	Regardless of consumption	2.400
Category VII.		
FIRE PROTECTION	Regardless of building volume (m^3) and traffic category	11.0100
Category VIII.		
RAW WATER	For the total consumption by all customers of this category	0.1804

STANDING CHARGE		€/μήνα
water meter up to 5/8" and 3/4"	up to 30 m^3/ Q	1.00
	30 to 60 m^3/Q	1.00
	over 60 m^3/Q	1.00
water meter up to 1"	monthly - mainly for industrial and local authority	4.50
water meter up to 1 1/2"		4.50
water meter up to 2"		13.00
water meter up to 3"		13.00
water meter up to 4"		35.00
water meter up to 6"		35.00

SEWERAGE CHARGE	
Domestic	75% x water price (52.5% for gardens exceeding 200m^2)
Goverment	75% x water price
Charity	75% x water price
Industrial	75% x water price
	37.5% over the water price for distillery, ice industry, paper making industry, artificial sil industry, construction sites

VAT	
VAT 13%	Since 17.12.2010 13% over the water (L.E.3899/2010 Gov.gaz 212A/17.12.2010)
VAT 24%	Since 01.06.2016 24% over standing charge + Sewerage charge (L.E.4389/2016 Gov.gaz. 94A/27.05.2016)

1.10 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 supply, 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. in order to ensure affordable and affluent water supply for residents and visitors of the Greek islands.

In 2015, EYDAP ISLANDS was active in the Municipalities of Istiaias –Edipsos, Astypalaia, North Kynouria, Kea, Naxos, Samos and Chios, contributing to the solutions of chronic problems.

Board of Directors

On October 16, 2015, the Board of Directors of "EYDAP NISON S.A." was as follows:

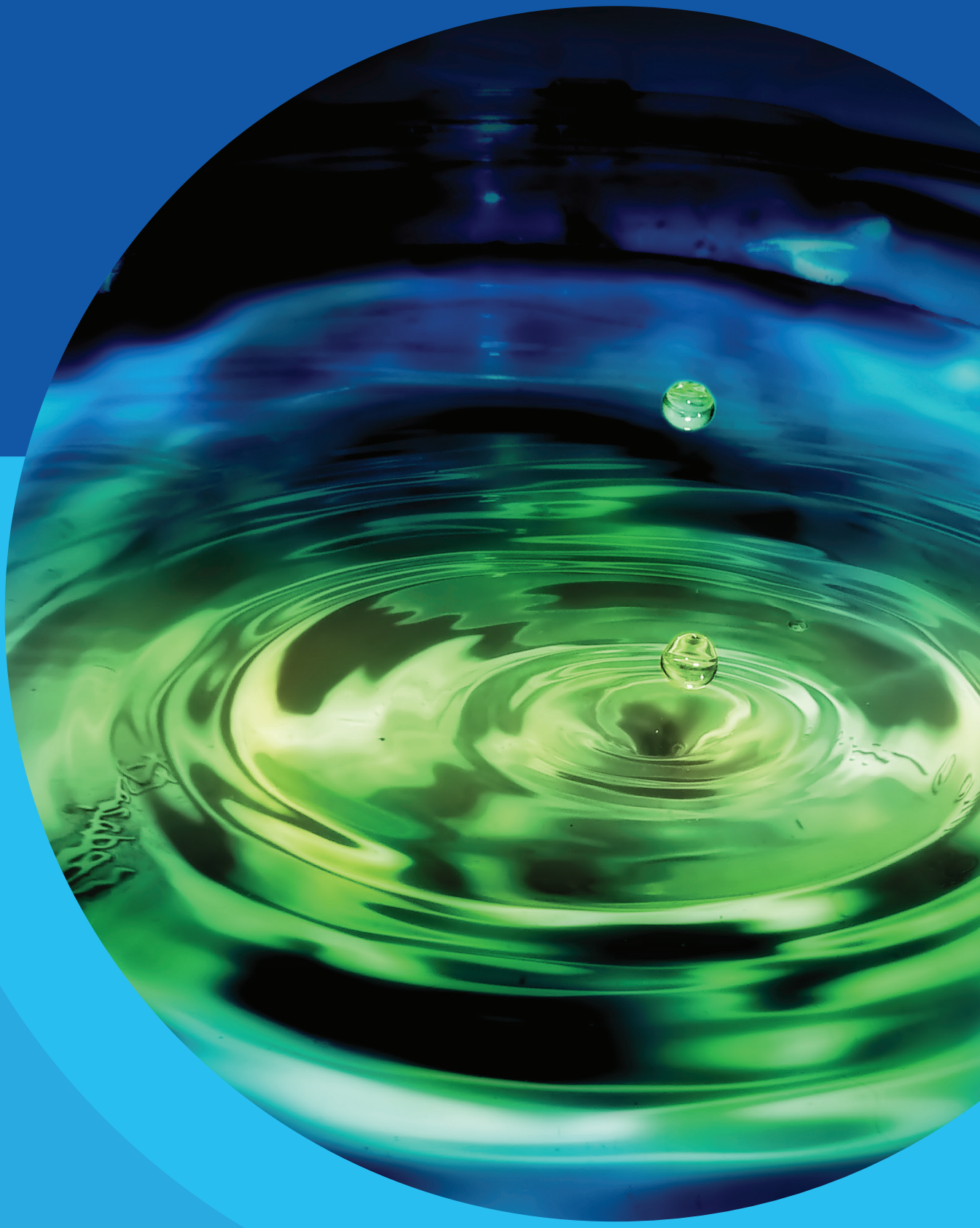
1. Ioannis Emmanouil Benisis, Chairman of the Board and Managing Director of the Company,
2. Constantinos Vafeiadis, Member
3. Constantinos Vougiouklakis, Member
4. Georgios Karagiannis, Member
5. Petros Matsoukis, Member

Mr. Peter Matsoukis performs as Executive Director "EYDAP NISON S.A." while Mr. Konstantinos Papadakis, acts as Deputy Executive Director of "EYDAP NISON S.A."

2

EYDAP

KEY FINANCIAL



www.eydap.gr

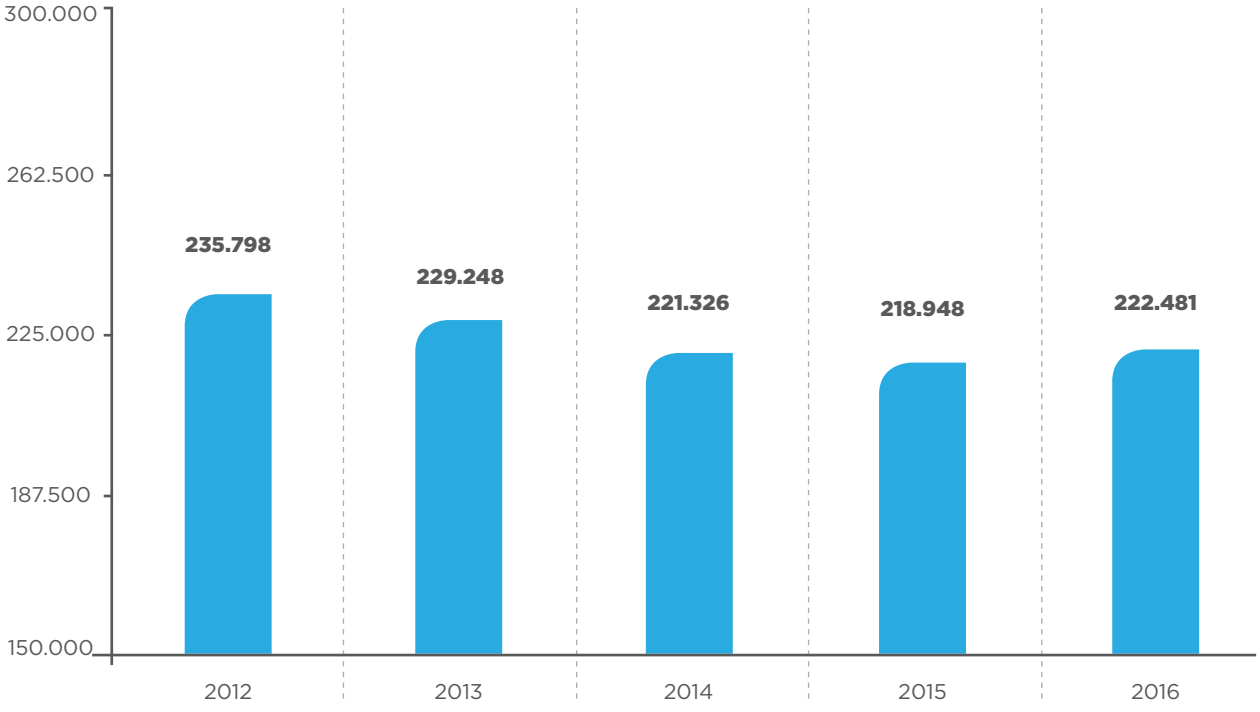
2.1 KEY FINANCIALS (GROUP)

A. Key Financial Figures	(amounts in thousands €)		
	2014	2015	2016
Total Assets	1.541.945	1.577.096	1.551.840
Tangible Assets	957.138	916.555	881.337
Cash and cash equivalents	233.314	260.419	280.544
Equity	921.310	966.940	904.766
Total Inputs / (Outflows) from Operating Activities	-46.353	64.408	48.522
Total Inputs / (Outflows) from Investment Activities	-13.320	-16.725	3.457
Free cash Flows *	-59.673	47.683	51.979
Turnover	326.387	324.268	328.851
Gross Profit	141.365	138.410	146.214
(EBITDA) *	87.597	83.731	87.279
(EBIT)*	49.383	43.708	49.908
EBT	63.497	56.315	41.324
Earnings after Taxes	41.923	43.657	24.049
Earnings per Share in €	0,39	0,41	0,23

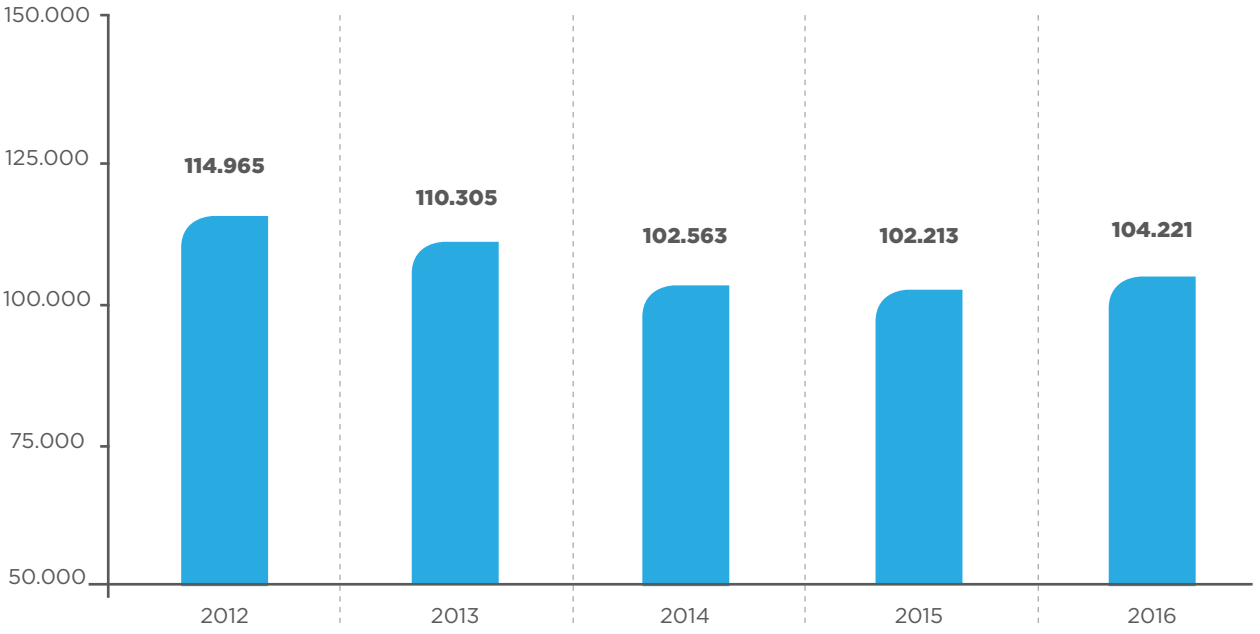
B. Key Ratios			
Gross Profit Margin (%) *	43,3%	42,7%	44,5%
EBITDA Margin *	26,8%	25,8%	26,5%
EBIT Margin *	15,1%	13,5%	15,2%
Tax Burden *	0,66	0,78	0,58
Interest Burden *	1,29	1,29	0,83
Asset Turnover *	0,20	0,21	0,21
Leverage *	1,71	1,65	1,67
ROE *	4,48%	4,62%	2,57%

Note:
* Alternative Performance Measures (APM): for information and calculations of the measures please go to: «Alternative Performance Measures (APM)» Annual Financial Report of Fiscal year 2016.

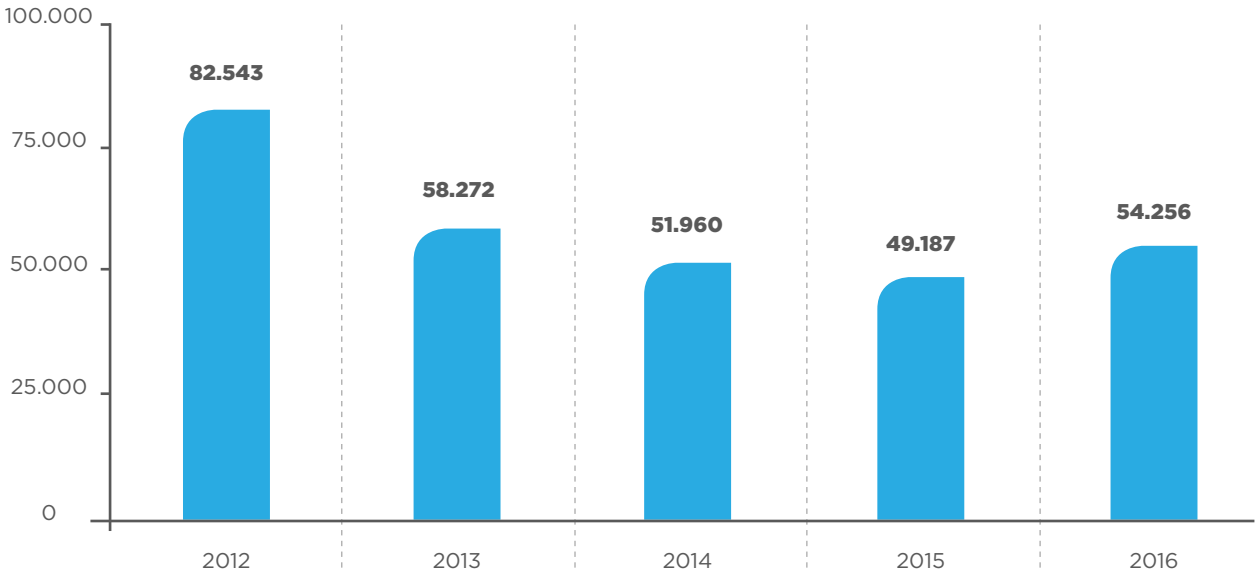
Income from water supply and relative services (Group-in thousands €)



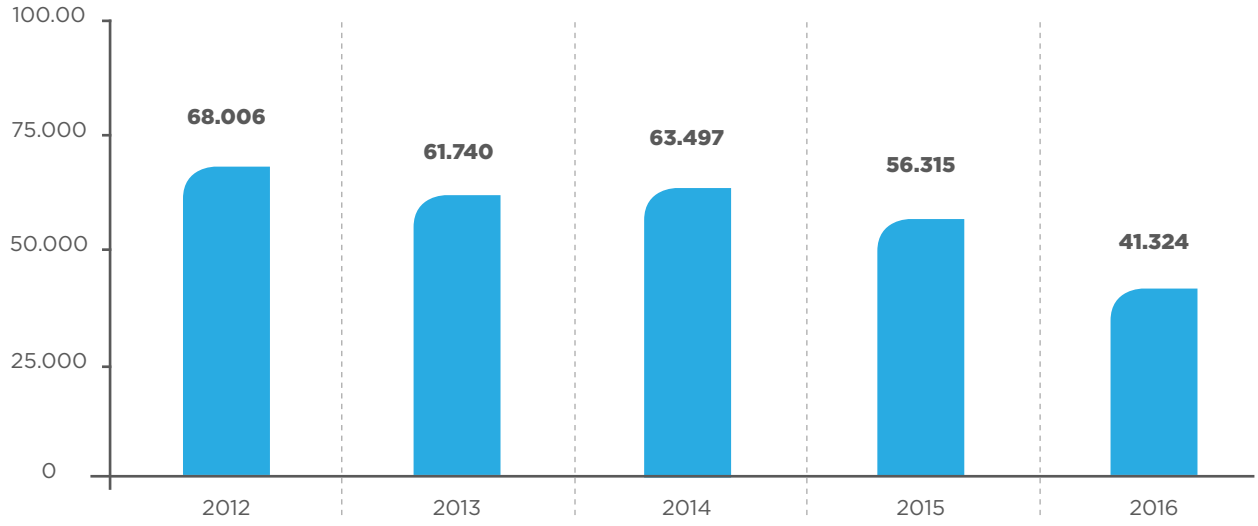
Income from sewerage services (Group-in thousands €)



Operating Profit (Group-in thousands €)

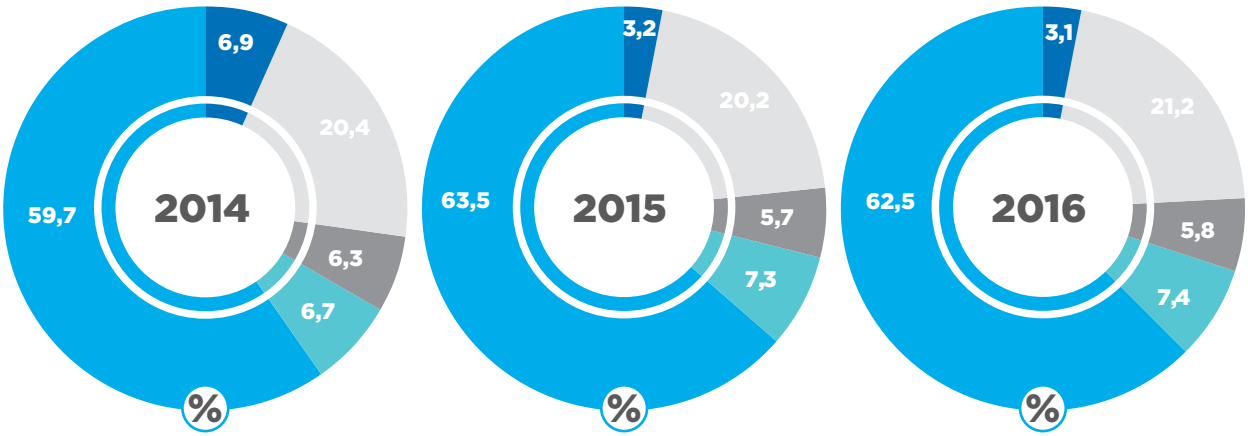


Profit before Taxes (Group-in thousands €)

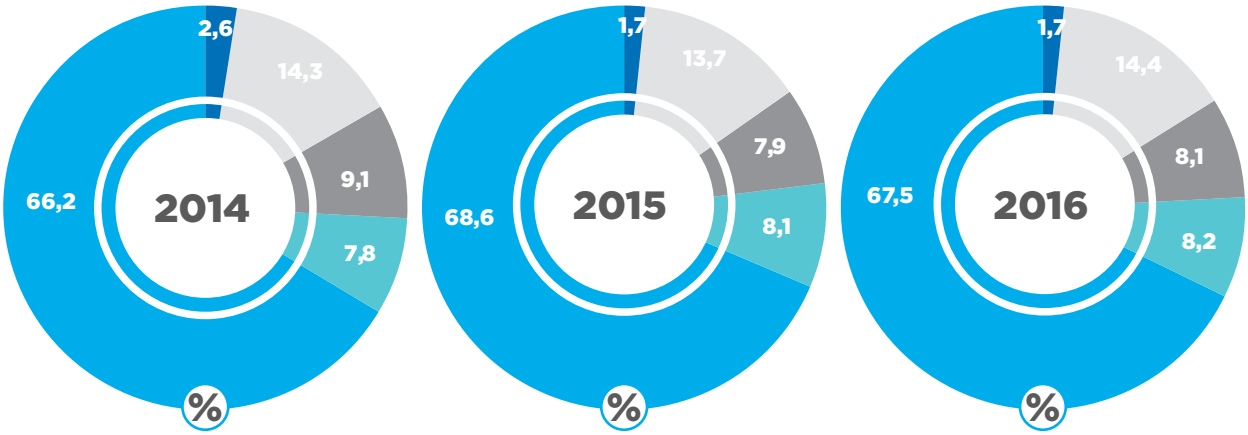


2.2 CONSUMPTION
EVOLUTION & BREAKDOWN

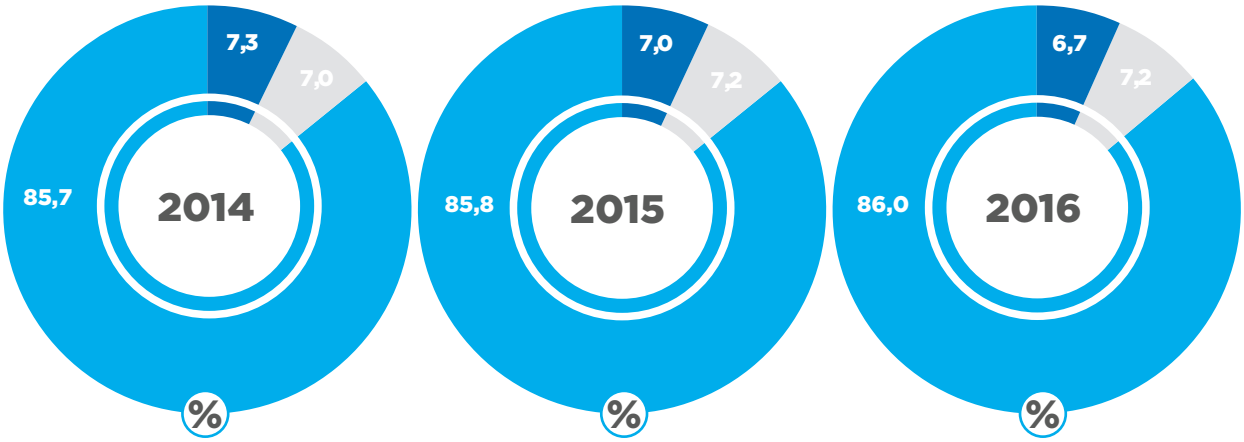
BREAKDOWN OF BILLED CONSUMPTION PER CUSTOMER CLASS



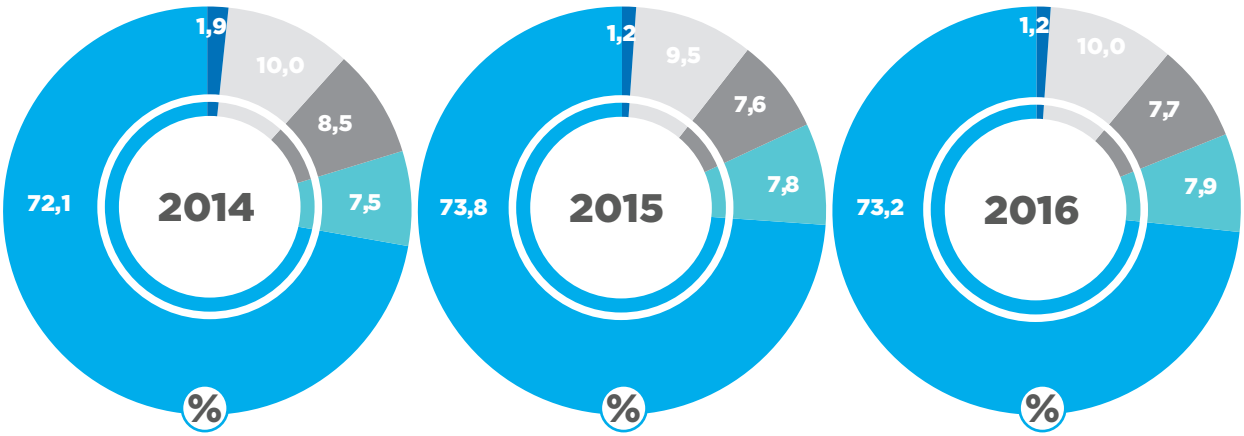
BREAKDOWN OF WATER SALES INCOME PER CUSTOMER CLASS



BREAKDOWN OF SEWERAGE SERVICES INCOME PER CUSTOMER CLASS

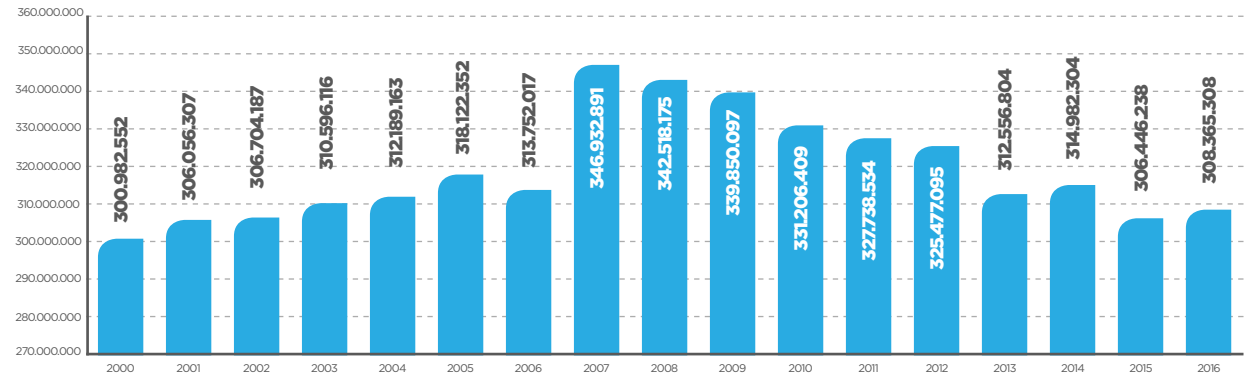


BREAKDOWN OF WATER SUPPLY AND SEWERAGE SERVICES PER CUSTOMER CLASS

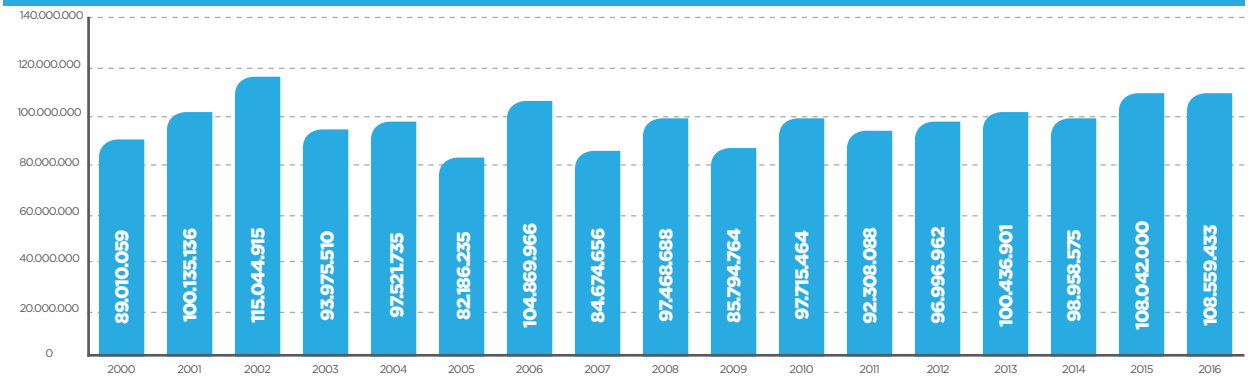


- Common consumers
- Industrial-corporate
- State-Local authorities
- Bulk water supply to local networks
- Other

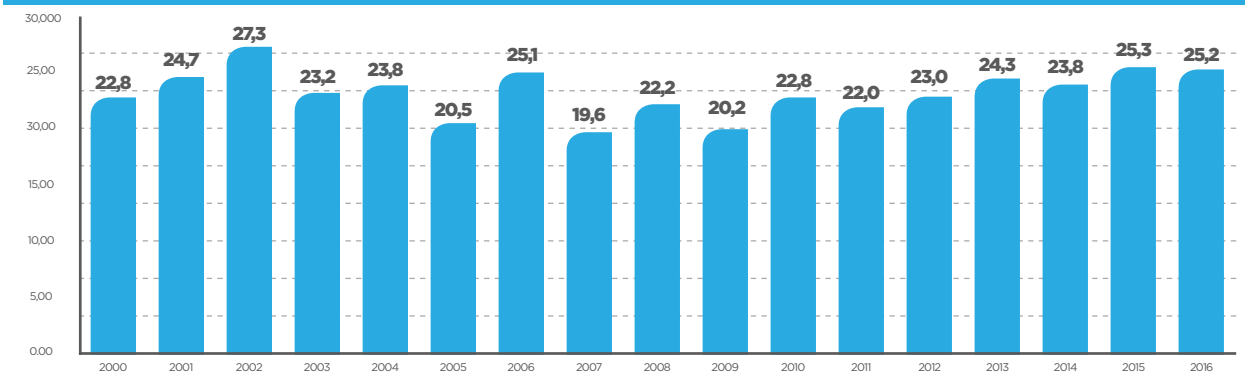
Billed water consumption progress (in m3)



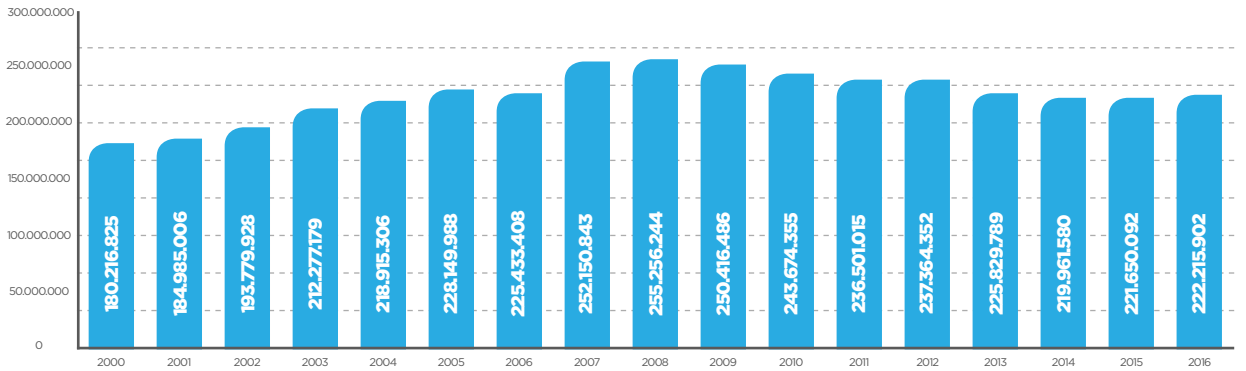
Non-billed water consumption progress (in m3)



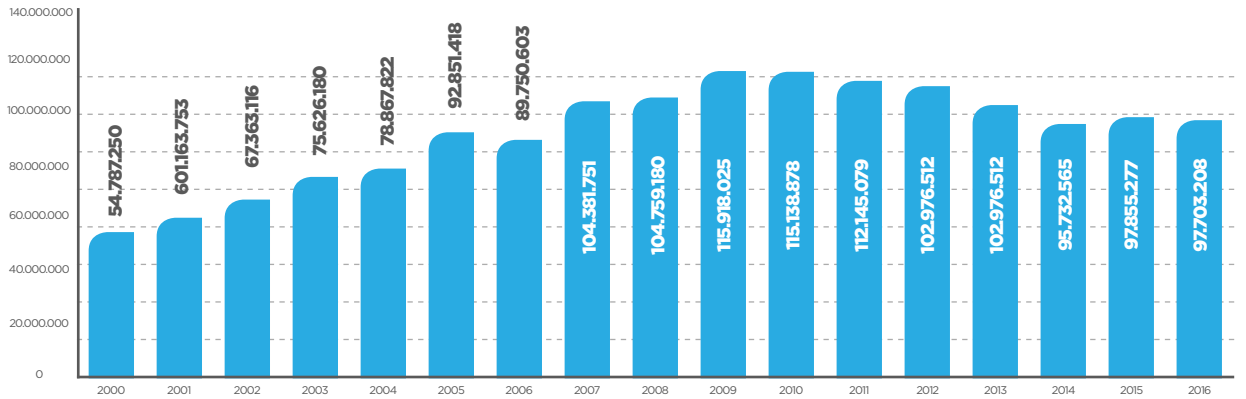
Percentage of non-billed consumption progress (%)



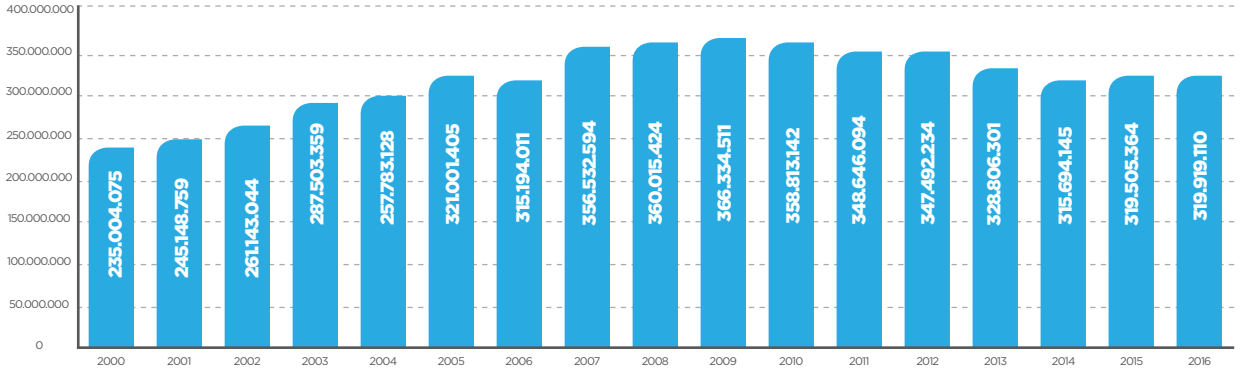
Water supply revenue progress (in €)



Sewerage revenue progress (in €)



Water sales and sewerage services revenue progress in €

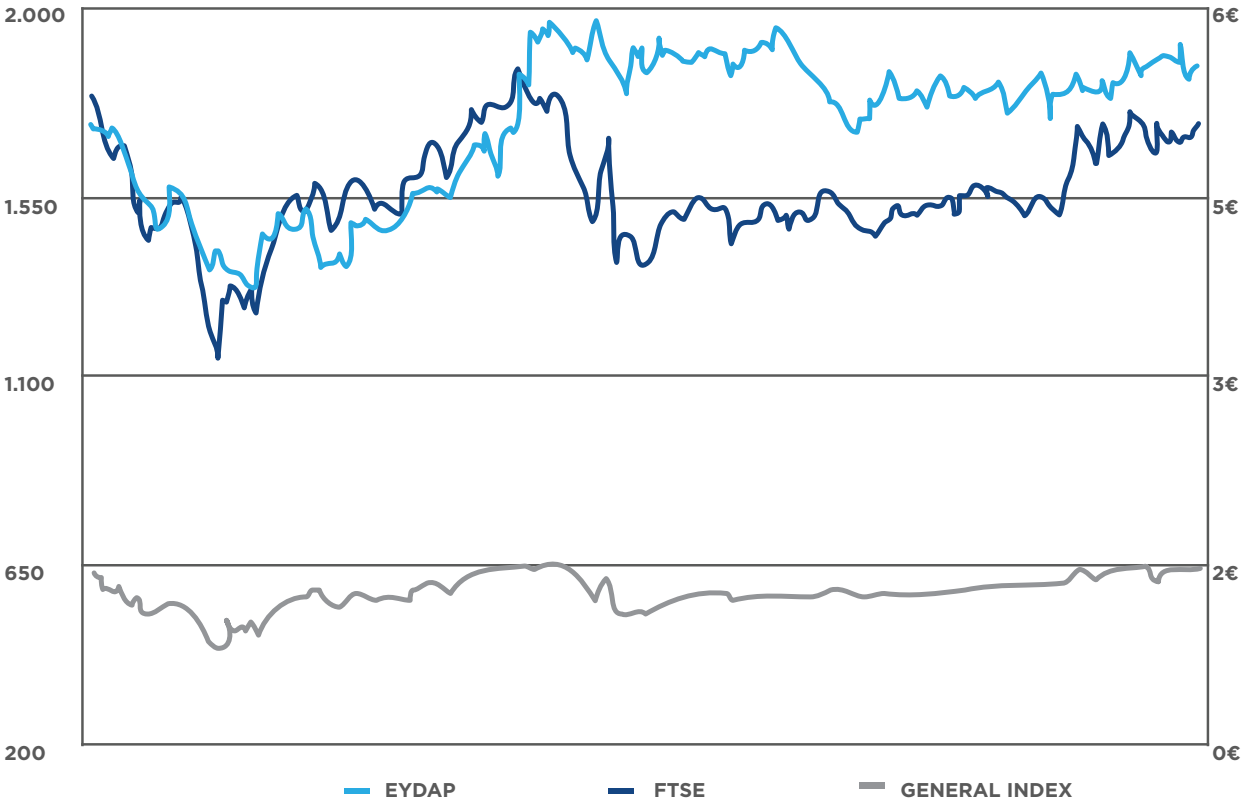


2.3 SHARE INFORMATION

EYDAP'S SHARES TRADE IN THE ATHENS STOCK EXCHANGE.

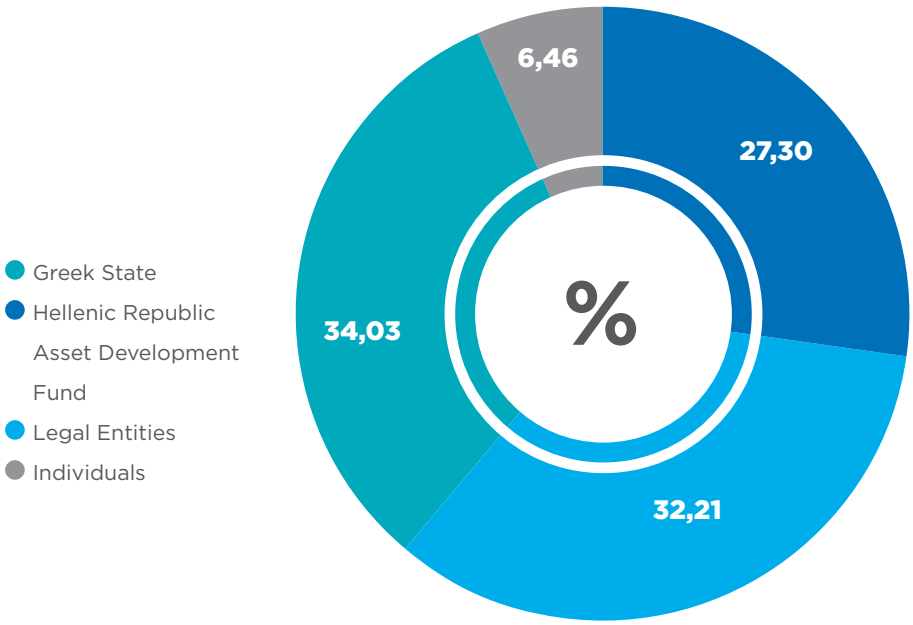
Ticker	EYDAP
Bloomberg	EYDAP:GA
Reuters	EYDR.AT
Shares Outstanding	106,500,000
Market capitalization	594.270.000€ (December 30, 2016)
Closing price	5.58€ (December 30, 2016)
Annual High	6.10 € (16/8/2016)
Annual Low	3.60 € (11/2/2016)

EYDAP STOCK PERFORMANCE VS ATHEX COMPOSITE SHARE PRICE INDEX & FTSE LARGE CAP IN 2016



SHAREHOLDERS' STRUCTURE, AS OF DECEMBER 31, 2016

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	32,21%	34.307.213	259
Individuals	6,46%	6.873.047	24.192
Total	**100,00%**	**106.500.000**	**24.453**



HISTORICAL DIVIDENDS AND EARNINGS PER SHARE

Fiscal Year	Earnings per share (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
2015	0,41	0,31 -0.38[3]
2016	0.23	0.11[4]

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. 0.38 dividend for past years earnings (2012 & 2013)
4. Ordinary dividend 0,11 for 2016 FY (as proposed at Annual General Meeting)

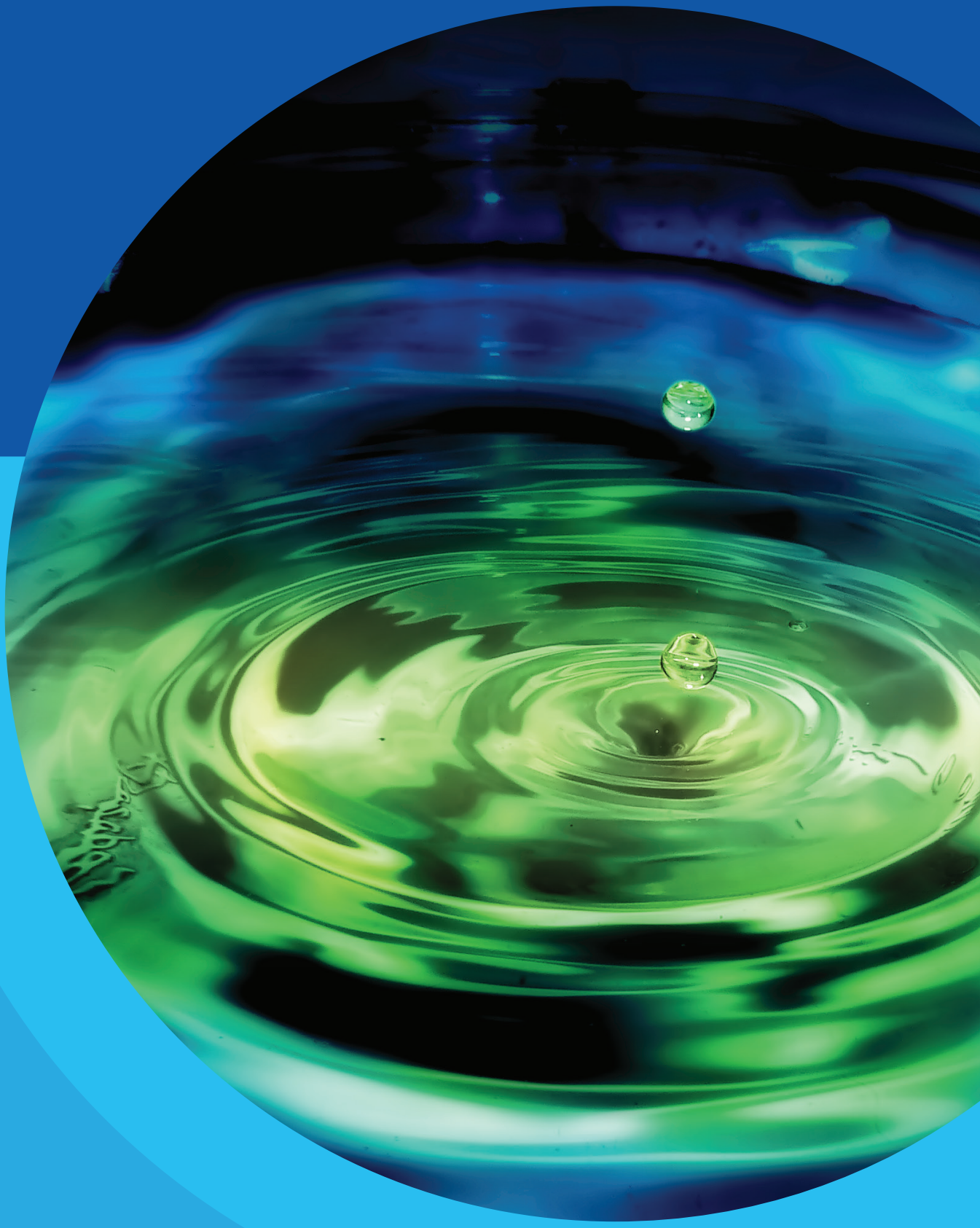
3

ΕΥΔΑΠ

ANNUAL REPORT

For the Period from January 1, 2016
to December 31, 2016
In accordance with IFRS & Law 3556/2007

Athens Water Supply & Sewerage Company S.A.
G.E.MI. (GREECE'S GENERAL ELECTRONIC COMMERCIAL REGISTRY) NUMBER
121578960000
156 OROPOU STR GALATSI
ATHENS, GREECE



www.eydap.gr

The attached Annual Financial Report has been compiled according to Law 3556/2007 as amended and currently in force and its relevant decisions of the Board of Directors of Hellenic Capital Market Commission and includes:

a) Statements of members of the Board of Directors
b) Annual Board of Directors Management Report
c) Non-Financial Statement Based on Law 4403 / 07.07.2016
d) Annual Financial Statements for the period from January 1, 2016 to December 31, 2016
e) Independent Auditors' Report
f) Information according to article 10 of Law 3401/2005
g) Financial Data and Information for the period from January 1, 2016 to December 31, 2016

It is declared that the attached Annual Financial Report is the one that has been approved by the Board of Directors of "**Athens Water Supply & Sewerage Company S.A.**" on April 5th, 2016 and is available at company's official website **www.eydap.gr** .

3.1 STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

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

The Following Members:

1. Konstantinos Ant. Papadopoulos, Chairman of Board of Directors and

2. Ioannis Emm. Benisis, Chief Executive Officer.

3 Michael Ad. Stavroulakis, Independent 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 2016 which were conducted according to the valid International Financial Reporting Standards truly illustrate Assets and Liabilities figures, Net Worth and Income Statement of EYDAP S.A. and all the companies included in the consolidation regarded as total.

b. The Annual Report of the Board of Directors, truly presents the development, position and performance of EYDAP S.A. and all the companies included in the consolidation regarded as total, together with all risks and uncertainties.

GALATSI, 5 APRIL 2017

The Chairman of the Board
Konstantinos Ant. Papadopoulos
ID No. Π 720446

The Chief Executive Officer
Ioannis Emm. Benisis
ID No. AB 521661

The Board Member
Michael Ad. Stavroulakis
ID No. AK 231180

ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT

Dear Shareholders,

In accordance with article 4 of Law 3556/2007, as amended and currently in force, 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 Report of Board of Directors for the financial year from 01/01/2016 to 31/12/2016.

The report presents the performance, the development, 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 2016 and their effect 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 2016.
Moreover, the Report of the Board of Directors includes the explanatory report of paragraph 7, of article 4 of the Law 3556/2007, as amended and currently in force and the Corporate Governance Statement. In addition, the Report of the BoD includes the Non – Financial Statement based on Law 4403/07.07.2016.

The fiscal year of 2016 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 available technology, on the financial payback of the projects, on human-centered 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 for their relief .
The driving force of EYDAP, is its human resources· With their experience, knowledge and the love that they have embraced the Company, they contribute to EYDAP's to growth.

BACKGROUND, INCORPORATIONS AND STRATEGY

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 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 Fixed Assets» (Legal Entity under Public Law), thus remaining the property of the State. «EYDAP Fixed 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 Fixed Assets».
In January 2000, EYDAP S.A. was listed in the Market of the Athens Stock Exchange. 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 the date on 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.
The business activity of EYDAP (according to the amendment of article 68 of Law 4313/2010) 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 supplies water to approximately 4,300,000 customers (2,100,000 water meters) through a network of approximately 8,500 km. The sewerage sector serves with sewers spreading at almost 6,000 km serves approximately.
EYDAP supplies Attica with one of the highest quality waters in the world. The main raw water sources and reservoirs used, are pure regions, free from agricultural and industrial activities, resulting to the supply of Attica with high quality water, while the transfer is done naturally by gravity, with minimum energy consumption. 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, shareholders and for parties involved.

PERFORMANCE & FINANCIAL HIGHLIGHTS FOR THE PERIOD OF 2016

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

In 2016, total water consumption (billed or not) increased by 3.593.057 m3 (0.8%) compared to 2015, in relation to the 11.748.899 m3 (2.8%) increase, from 2014 to 2015. Total water consumption in the years 2014, 2015 and 2016 was 415.926.575 m3, 427.675.474 m3 and 431.268.531 m3 respectively.

In 2016 billed consumption increased by 1.919.070 m3 (0.6%) over 2015, compared to 8.536.066 m3 (2.7%) decrease in 2015 compared to 2014. Billed water consumption for the years 2014, 2015 and 2016 was 314.982.304 m3, 306.446.238 m3and 308.365.308 m3, respectively.

Alongside with the increase of billed consumption and increase in total consumption, there was increase in the non-billed consumption, namely the difference between total and billed consumption.

Specifically in 2016, the non-billed consumption was increased by 517.433 m3 (0.5%) of the non-billed compared to 2015. Excluding extraordinary billings of 2014, the increase of the non-billed consumption in 2015 compared to 2014 would be 9.083.425 m3 (9.2%).

During the years 2014, 2015 and 2016 the non-billed consumption was 98.958.575 m3, 108.042.000 m3 and 108.559.433 m3, respectively.
Additionally, the non-billed to total consumption ratio slightly decreased by 0.1%. More specifically, in 2014, 2015 and 2016 the non-billed to total consumption ratio was formed at 23,8%, 25,3% and 25,2%, 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 1.828.761 m3 (0.9%) compared to 2015, versus increase of 6.690.578 m3 (3,6%) of 2015 compared to 2014. Water consumption of common consumers in the years 2014, 2015 and 2016 was 187.939.137 m3, 194.629.715 m3 and 192.800.954 m3, respectively.

Bulk Water Supply to municipal networks, which represents the second biggest customer class, in 2015 increased by 3.514.205 m3 (5.7%) compared to 2015, versus a 2.201.046 m3 (3.4%) decrease in 2015 compared to 2014.
Billed bulk water supply to municipal networks in the years 2014, 2015 and 2016 was 64.201.750 m3, 62.007.000 m3 and 65.514.909 m3, respectively.

The industrial consumers' class billed consumption in 2015 increased by 273.864 m3 (1,2%) compared to 2015, versus a 1.152.236 m3 (5,4%) increase in 2015 compared to 2014. The industrial consumers' class billed consumption in the years 2014, 2015 and 2016 21.252.816 m3, 22.405.052 m3 and 22.678.916 m3, respectively.

The billed consumption of the State-Local Authorities class increased by 468.729 m3 (2,7%) compared to 2015, versus a 2.368.082 m3 (11,9%) decrease in 2015 compared to 2014. The State-Local Authorities billed consumption in the years 2014, 2015 and 2016 was 19.859.859 m3, 17.491.777 m3 και 17.960.506 m3 respectively.

Finally, the billed consumption of the other consumer

classes, decreased by 508.967 m3 (5,1%) compared to 2015, versus a 11.809.752 m3 (54,4%) decreased in 2015 compared to 2014. The billed consumption of other consumer classes in the years 2014, 2015 and 2016 was 21.728.742 m3, 9.918.990 m3 and 9.410.023 m3, respectively.

The impact of billed consumption change in each consumer class to the total billed consumption change, which is 1.919.070 m3, is summarized in the following table:

1. Change in billed consumption from 2014 to 2015

Consumer Class	Change (in m3)
Common Consumers	-1.828.761
Industries – Corporate Customers	273.864
State – Local Authorities	468.729
Bulk water supply to local networks	3.514.205
Other	-508.967
Total change in billed consumption	**1.919.070**

During 2014, 2015 and 2016 the billed consumption classes' absolute breakdown is shown below:

2. Billed consumption volume breakdown (in m3)

Consumer Class	2014	2015	2016
Common Consumers	187.939.137	194.629.715	192.800.954
Industries – Corporate Customers	21.252.816	22.405.052	22.678.916
State – Local Authorities	19.859.859	17.491.777	17.960.506
Bulk water supply to local networks	64.201.750	62.000.704	65.514.909
Other	21.728.742	9.918.990	9.410.023
Total	**314.982.304**	**306.446.238**	**308.365.308**

During 2014, 2015 and 2016 the billed consumption classes' ratio breakdown is shown below

3. Billed consumption volume percentages

Consumer Class	2014	2015	2016
Common Consumers	60%	64%	63%
Industries – Corporate Customers	7%	7%	7%
State – Local Authorities	6%	6%	6%
Bulk water supply to local networks	20%	20%	21%
Other	7%	3%	3%
Total	**100,00%**	**100,00%**	**100,00%**

The following table presents the nominal annual billed water sales revenue in each consumer class for the years 2014, 2015 and 2016:

4. Billed water sales income breakdown (€)

Consumer Class	2014	2015	2016
Common Consumers	145.668.127	151.968.242	150.064.348
Industries – Corporate Customers	17.137.251	17.944.439	18.207.752
State – Local Authorities	19.923.024	17.566.014	18.009.818
Bulk water supply to local networks	31.432.971	30.372.004	32.068.997
Other	5.800.207	3.799.393	3.864.987
Total	**219.961.580**	**221.650.092**	**222.215.902**

The following table presents the nominal annual billed water sales and sewerage usage revenue in each consumer class for the years 2014, 2015 and 2016:

5. Billed water supply and sewerage services income breakdown (€)

Consumer Class	2014	2015	2016
Common Consumers	227.673.815	235.899.318	234.126.560
Industries – Corporate Customers	23.802.250	24.990.736	25.258.298
State – Local Authorities	26.931.989	24.402.726	24.561.369
Bulk water supply to local networks	31.432.971	30.372.004	32.068.997
Other	5.853.120	3.840.580	3.903.886
Total	**315.694.145**	**319.505.364**	**319.919.110**

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	2015	2016
1st Billing scale (1-15 m3 / quarter)	49,70%	49,75%	49,28%
2nd Billing scale (16-60 m3 / quarter)	43,86%	43,70%	43,89%
3rd Billing scale (61-81 m3 / quarter)	2,46%	2,53%	2,74%
4th Billing scale (82-105 m3 / quarter)	1,08%	1,11%	1,16%
5th Billing scale (>105 m3 / quarter)	2,90%	2,92%	2,93%

Table 6 represents the percentage of the billed consumption under common consumer's tariff category throught every billing scale.
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 2015, for the main consumer classes:

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

Tariff Category	2014	2015	2016
Common Consumers	0,78	0,78	0,78
Industries – Corporate Customers	0,81	0,80	0,80
State – Local Authorities	1,00	1,00	1,00
Bulk water supply to local networks	0,49	0,49	0,49
Other	0,27	0,38	0,41
Total	**0,70**	**0,72**	**0,72**

Regarding 2016, and especially for the bulk water supply to municipal networks It is worth noting that while the 21% of the billed water is billed as Bulk Water Supply to Local Networks, the water sales income from this particular consumer class comes up to 14% of the total water sales. This is due to the fact that the average revenue per cubic meter of the bulk water supply tariff (€ 0.49), is 32% lower than the average revenue per cubic meter of water sales (€ 0.72).

II. Presentation of the Company's Major Financial Results

The Company's turnover settled at 328.8 million € from 324.2 million € in 2015 posting an increase of 1.4% (+4.6 million €). In total, with regard to its main businesses (water supply and sewerage services), the Company posted an increase of 5.5 million € (+1.7%) in revenues.

Specifically, revenues from water supply and related services posted an increase of 3.5 million € (+1.6%), whereas revenues from sewerage services increased by 2 million € (+2.0%). Revenues from the sale of electric energy posted a small increase of 43 thousand € (+2.1%), whereas revenues from construction works for third parties declined by 986 thousand € (-94%).

Total operating expenses of the Company (meaning the sum of Cost of Goods Sold, Administrative Expenses and Distribution Expenses) posted a small increase by 0.6% or 1.5 million € and settled at 278.3 million € from 276.8 million € in 2015. Specifically, cost of goods sold posted a small decrease by 3.2 million € (-1.7%) settling at 182.6 million € from 185.9 million € in 2015 and distribution expenses decreased by 2.5 million € (-8.5%). The administrative expenses moved in opposite direction and posted an increase by 7.3 million € (+11.8%).

The above developments resulted into the increase of the Gross Profit of the Company by 7.8 million € (+5.6%) which settled at 146.2 million € from 138.4 million € in 2015. The gross profit margin increased to 44.5% in 2016 from 42.7% in 2015.

The other operating income posted a significant increase

by 115% or 2 million € settling at 3.8 million € from 1.8 million € in 2015. The above increase was mainly due to the higher subsidies and grants collected from the Greek Manpower Employment Organization (OAED) by 687 thousand €, to the grants concerning various research programs by 346 thousand €, to the higher forfeitures of guarantees and penalties by 256 thousand €, to the higher income for the provision of services to third parties by 164 thousand €, etc.

With regard to the course of the total operating expenses of the Company (meaning the sum of Cost of Goods Sold, Administrative Expenses and Distribution Expenses) depending on each category, there were increases in the personnel fees and expenses (+5%), and in the sundry expenses (+53%), whereas there were reductions in all other categories of expenses such as in the third party fees and expenses (-5%), the Utility Expenses(-4%), Provisions(-5%) but also in the materials consumable (-12%).

Specifically with regard to the personnel fees and expenses, the total increase amounted to 6.1 million € as they settled at 119.7 million € versus 113.6 million € in 2015.

As regards to the sub-categories of the personnel fees and expenses, salaries and wages increased by 1.5 million € (+1.8%) settling at 81.3 million € from 79.8 million € in 2015. Employer contributions also posted an increase of 1.1 million € (+5.7%) and other personnel expenses increased by 3.8 million (+83%). Provisions for employee benefits posted small changes: -305 thousand € (-4.9%) concerning the provisions for health care and +27 thousand € (+0.6%) concerning all other provisions for benefits.

With regard to the expense with the second largest change, the sundry expenses, it should be noted that they consist of taxes and duties (apart from income tax), materials for immediate consumption, promotion and advertising expenses, transport expenses, sponsoring expenses, grants and other various expenses. The latter are mainly related to interest charges validated by courts (with regard to litigation cases) as well as costs for deposition of materials from the Waste Management & Treatment Plants toward ESDNA (which is a Special Institutional Body for Waste Management in the County of Attica, Greece). The aggregate sum of the sundry expenses posted an increase by 4.8 million € (+53%) mainly due to the higher taxes and duties by 2.4 million €, the other various expenses by 830 thousand € (+73%) and the promotion and advertising expenses by 953 thousand € (+120%).
Third party fees and expenses moved downward by -2.4 million € (-5%) mainly due to the lower expenses realized in the Wastewater Treatment Plant of Psytallia (-2.9 million € or -9%) and settled at 45.5 million € from 47.9 million € in 2015. Third party fees and expenses with regard to the Water Supply Network also posted a decline by 1.5 million € (-31%), whereas other third party fees and expenses increased by 2.3 million € (+24%).

Utility Expenses also moved lower as they were reduced to 39.8 million € from 41.4 million € in 2015 with the expenses for electricity and natural gas decreasing by -12% and -43% respectively, whereas the expenses for repairs and maintenance increased by +6%. Lower increases were realized in the rental expenses (306 thousand € or +4%) and the other Utility Expenses (+281 thousand € or +15%), whereas postal and telecommunication expenses remained essentially unchanged. It is noted that in 2013, the expenses for electricity and natural gas had accounted for 25 million € approximately, whereas at the end of 2016 had been reduced by 7.3 million € (-30%) to the level of 17.6 million €.

Sundry provisions followed the same downward course and settled at 18.9 million in 2016 from 19.8 million € in 2015. Sundry provisions include the provisions for doubtful receivables (5.4 million € in 2016 from 8.7 million € in 2015), the provisions for litigation cases (13.5 million € in 2016 versus 11.1 million € in 2015) and the provisions for obsolete inventories (1,137 € in 2016 versus 34 thousand € in 2015).

In thousand €	Provisions for Doubtful Receivables for the Year	Provisions for Litigations for the Year
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
2015	7.708	11.117
2016	6.313	13.515

As far as the provisions for doubtful receivables are concerned, the provisions for doubtful customers (expense) accounted for 6.3 million € from 7.7 million € in 2015 whereas provisions for other debtors (expense) amounted to 1 million € versus also 1 million € in 2015.
The share of the balance of doubtful customers over the balance of customers prior to the provision for doubtful receivables increased to 20% versus 17% in 2015. Historically, during the past decade, the above share ranged between 11% and 22%.

In thousand €	Balance of Doubtful Customers	Balance of Customers prior to Provision for Doubtful Receivables	Share
	(1)	(2)	(3)=(1)/(2)
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%
2015	45.293	269.794	17%
2016	51.606	259.045	20%

With regard to the provisions for litigation cases (expense), these posted an increase by 13.5 million € and as result in the statement of financial position they reached initially the level of 58.7 million € in 2016 versus 45.2 million € in 2015. However with the decision numbered 19105/ 21.12.2016 of the Board of Directors, the Company proceeded with a settlement agreement concerning collective labor differences of € 17 million approximately. Since it is estimated that the above settlement will materialize within the year 2017, part of the total provision of 58.7 million € has been transferred to the short-term liabilities (17 million €), whereas the remaining part is recorded in the provisions for pending litigation cases (41.7 million €).

Finally, in the remaining categories of expenses, consumption of materials declined by 899 thousand € (-12%) whereas self-construction cost (item that reduces the expenses) posted an increase of 765 thousand € (+33%).

With regard to the other expenses (meaning all expenses which are not allocated into the operations, in other words expenses apart from Cost of Goods Sold, Administrative Expenses and Distribution Expenses), there was a reduction by 1.1 million € (-20.6%) as they settled at 4.3 million € from 5.5 million € in 2015. These expenses usually include indemnities due to accidents and network damages, various tax charges, other surcharges and penalties, etc. They also include expenses with regard to studies and / or projects of previous periods. During the current fiscal year, the expensing items settled at 2.4 million € versus 3.2 million € in 2015.

The aggregate effect of the above changes was the increase of the earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company by 3.5 million € (+4.2%) as they settled at 87.3 million € from 83.8 million € in 2015. The EBITDA margin increased to 26.6% from 25.8% in 2015.

Depreciation charges for the year posted a decrease by -6.6% or -2.7 million € and settled 37.4 million € from 40 million € in 2015. The increase was exclusively attributed to the lower depreciation and amortization of assets as the amortization of grants and customer contributions remained essentially unchanged.

The decrease of depreciation and amortization affected the Company's earnings before interest and taxes (EBIT) which increased by 6.2 million € (+14.2%) and settled at 49.9 million € from 43.7 million € in 2015. EBIT margin settled at 15.2 % from 13.5% in 2015.

The financial expenses posted an increase of 257% and settled at 4.4 million € from 1.2 million € in 2015 mostly due to the significantly increased settlements concerning overdue payments of the local authorities (OTA). This increase is due to the initial discounting of the installments, which are agreed with the local authorities, from their nominal value in accordance with the IAS 39. The difference between the present value and the nominal value is transferred to the financial expenses at the time of the settlement, whereas with the gradual repayment of the installments a financial income is gradually recorded which is equal with the above difference.

The financial income posted a small increase by 0.4% settling at 13.9 million € from 13.8 million € in 2015. The financial income mainly consists of the surcharges of overdue payments from customers and of the interest / financial income generated by the placement of the cash and cash equivalents (cash management account of Bank of Greece and time deposits in credit institutions).

Following the significant depreciation of the Company's investment in shares of Bank of Attica, the recognition of an impairment loss of 18.1 million € affected significantly the financial result.

Therefore, despite the increase observed in the earnings before interest, taxes, depreciation and amortization (EBITDA) and the earnings before interest and taxes (EBIT), the Company's profit before taxes declined to 41.3 million € from 56.3 million € in 2015 thus posting a drop of 26.6%.

The income tax settled at 17.3 million € from 12.7 million € in 2015 higher by 4.6 million € or 36.5%. It is worth noting that during the previous fiscal year 2015, the increase of the tax rate from 26% to 29% affected favorably the results of the year 2015 due to the deferred tax item amounting to 10.8 million € approximately.

On the other hand, both the impairment loss from the shares held in the Bank of Attica as well as the higher income tax, resulted into the significant decrease by

-44.9% of the Company's profit after taxes as it settled at 24.1 million € from 43.7 million € in 2015. The net profit margin declined notably to 7.3% from 13.5% in 2015.

The Net Operating Cash inflows for the Group declined from the level of 64.4 million € in 2015 to 48.5 million € in 2016. It should be noted however that the paid-up taxes accounted for 52.6 million € versus only 0.6 million € in 2015.

The Net Investment Cash flows for the Group reversed from outflows of 16.7 million € in 2015 to inflows of 3.5 million €. We note that the outflows of the Group during the year 2015 were high due to the purchase of securities for an amount of 20 million € (shares in Attica Bank). With regard to the interest received, it posted an increase from 8.9 million € in 2015 to 11.5 million € in 2016, whereas the acquisition of tangible assets also posted an increase from 3 million € in 2015 to 8.4 million € in 2016, while it was accompanied by lower intangible assets from 3.7 million € in 2015 to approximately 1 million € in 2016.

Finally, Free Cash Flows to the Firm settled for the Group at 52 million € from 47.7 million € in 2015.

Analysis of the Return on Equity in 5 factors (for the Group)

	2016	2015	2014
ROE	2,57%	4,62%	4,48%
Tax Burden	0,58	0,78	0,66
Interest Burden	0,83	1,29	1,29
EBIT Margin	15,18%	13,48%	15,13%
Asset Turnover	0,21	0,21	0,20
Leverage	1,67	1,65	1,71

ROE=Profit after taxes / Average Shareholders' Equity
Tax Burden = Profit after Taxes / Profit before Taxes
Interest Burden = Profit before Taxes / EBIT
EBIT Margin
Asset Turnover
Leverage

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

ALTERNATIVE PERFORMANCE MEASURES ("APM")

The Group in the Management Report as well as in the disclosures towards the investors' community utilizes Alternative Performance Measures (APM) apart from the financial figures depicted in its financial statements which are prepared according to the framework of financial information currently in effect.
The purpose of the presentation of these measures is that both the Management of the Company and the investors obtain a more complete view of the efficiency, capital structure, business activity and liquidity of the Group and in no case should be taken into consideration independently of the measurement ratios deriving directly from the financial statements.
The Alternative Performance Measures utilized by the Group are the following:

- **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**
  The particular indicator is widely known within the investors' community and is classified under the general section of profitability ratios, possessing the advantage that it isolates the effect from the financial and investment results, the income tax and the main category of non-cash expenses which concern the depreciation and amortization.

  The Indicator is calculated by subtracting the cost of goods sold, the distribution expenses, the administrative expenses and the other expenses from the turnover and also by adding back the other operating income and the total depreciation and amortization. These figures are used without any adjustment made from the financial statements and exist in their entirety in note 1, apart from the depreciation and amortization which are presented in note 7 (and note 6).

Table of EBITDA Reconciliation

	GROUP		COMPANY	
Amounts in EUR thousand	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Turnover	328.851	324.268	328.821	324.248
Cost of goods sold	(182.637)	(185.858)	(182.637)	(185.858)
Administrative expenses	(68.750)	(61.482)	(68.697)	(61.434)
Distribution expenses	(26.991)	(29.498)	(26.991)	(29.498)
Other expenses	(4.348)	(5.479)	(4.348)	(5.479)
Other operating income	3.783	1.757	3.783	1.757
Depreciation and amortization	37.371	40.023	37.371	40.023
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	**87.279**	**83.731**	**87.302**	**83.759**

- **EBITDA Margin**

The EBITDA Margin derives from the above presented table if the EBITDA is divided by the Turnover. It expresses the percentage of Turnover that is possessed by the EBITDA or alternatively it demonstrates "how much" EBITDA earnings correspond to one unit of sales. The Management of the Company utilizes the particular Indicator in the context of the broader evaluation of the enterprise's operating profitability.

Table of EBITDA Margin Reconciliation

	GROUP		COMPANY	
Amounts in EUR thousand	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Turnover	328.851	324.268	328.821	324.248
EBITDA	87.279	83.731	87.302	83.759
EBITDA Margin	**26,5%**	**25,8%**	**26,6%**	**25,8%**

• **Earnings before Taxes, Financial and Investment Results or Earnings before Interest and Taxes (EBIT)**

This Indicator, as in the case of the previous one (EBITDA) is widely known within the investors' community and is classified under the general section of profitability ratios, possessing the advantage that it isolates the effect from the financial and investment results as well as the income tax.
The Indicator is calculated by subtracting the cost of goods sold, the distribution expenses, the administrative expenses and the other expenses from the turnover and also by adding back the other operating income. These figures are used without any adjustment made from the financial statements and exist in their entirety in note 1.

Table of EBIT Reconciliation

	GROUP		COMPANY	
Amounts in EUR thousand	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Turnover	328.851	324.268	328.821	324.248
Cost of goods sold	(182.637)	(185.858)	(182.637)	(185.858)
Administrative expenses	(68.750)	(61.482)	(68.697)	(61.434)
Distribution expenses	(26.991)	(29.498)	(26.991)	(29.498)
Other expenses	(4.348)	(5.479)	(4.348)	(5.479)
Other operating income	3.783	1.757	3.783	1.757
Earnings before Taxes, Financial and Investment Results or Earnings before Interest and Taxes (EBIT)	**49.908**	**43.708**	**49.931**	**43.736**

EBIT Margin

The EBIT Margin derives from the above presented table if the EBIT is divided by the Turnover. It expresses the percentage of Turnover possessed by the EBIT. The Management of the Company utilizes the particular Indicator in the context of the broader evaluation of the enterprise's operating profitability.

Table of EBIT Margin Reconciliation

	ΟΜΙΛΟΣ		ΕΤΑΙΡΕΙΑ	
Amounts in EUR thousand	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Turnover	328.851	324.268	328.821	324.248
EBIT	49.908	43.708	49.931	43.736
EBIT Margin	**15,2%**	**13,5%**	**15,2%**	**13,5%**

• **Free Cash Flows to the Firm**

This Indicator is classified under the general section of profitability ratios as it demonstrates the amount of cash that is available for distribution to the shareholders and the debtors of the enterprise. It is also one of the major indicators of financial strength.
The Indicator is calculated by adding the total inflows / (outflows) from investment activities to the total inflows / (outflows) from operating activities at the statement of cash flows (Note 1 of the Financial Statements).

Table of Reconciliation of the Free Cash Flows to the Firm - FCFF

	GROUP		COMPANY	
Amounts in EUR thousand	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Total inflows / (outflows) from operating activities	48.522	64.408	48.536	64.481
Total inflows / (outflows) from investment activities	3.457	(16.725)	3.447	(17.225)
Free Cash Flows to the Firm (FCFF)	**51.979**	**47.683**	**51.983**	**47.256**

• **Return on Equity / ROE**

In general, the return on equity indicates the part of profit which corresponds to the investment made by the shareholders of a company. It belongs to the general group of profitability ratios and is also widely known and used for comparison of similar companies and for the evaluation of a company's management.
The indicator is calculated if the net income is divided by the average shareholders' funds at the beginning and the end of period.
It can be also expressed as the product of five factors, with each one corresponding to one separate financial ratio.

The separate financial ratios are the following:

1. **Tax Burden:** equals with the Net Income over the Earnings before taxes
2. **Interest Burden:** equals with the Earnings before taxes over the Earnings before Taxes, Financial and Investment Results (EBIT)
3. **EBIT Margin:** equals with EBIT over Turnover
4. **Assets Turnover:** equals with Turnover over Total Assets (average of total assets at the beginning and the end of period)
5. **Leverage:** equals with Total Assets (average of total assets at the beginning and the end of period) over Shareholders' Funds (average of shareholders' funds at the beginning and the end of period)

Table of ROE Reconciliation on GROUP Level

Amounts in EUR thousand	31.12.2016	31.12.2015	31.12.2014	31.12.2013
Turnover (a)	328.851	324.268	326.387	336.165
Earnings after Taxes (b)	24.049	43.657	41.923	78.160
Earnings before Taxes (c)	41.324	56.315	63.497	61.740
EBIT (d)	49.908	43.708	49.383	54.072
Total Assets (e)	1.551.840	1.577.096	1.541.945	1.651.105
Average of Assets at beginning and end of period (f)	1.564.468	1.559.521	1.596.525	
Total Shareholders' Funds (g)	904.766	966.940	921.310	950.615
Average of Shareholders' Funds at beginning and end of period (h)	935.853	944.125	935.963	
Tax Burden =(b)/(c)	**0,58**	**0,78**	**0,66**	
Interest Burden =(c)/(d)	**0,83**	**1,29**	**1,29**	
EBIT Margin =(d)/(a)	**15,18%**	**13,48%**	**15,13%**	
Asset Turnover =(a)/(f)	**0,21**	**0,21**	**0,20**	
Leverage =(f)/(h)	**1,67**	**1,65**	**1,71**	
ROE=(b)/(h)	**2,57%**	**4,62%**	**4,48%**	

With the analysis of the Indicator "Return on Equity" into five separate factors, the Management of the Company as well as any other interested party may possess the knowledge of what part of the net income is affected by taxation (Tax Burden), what part is affected positively or negatively by the financial or investment activity (Interest Burden), which is the contribution of the profit margin of the operating earnings (on EBIT level – the EBIT margin), which is the utilization of the assets (Asset Turnover), and finally which is the contribution of the Leverage.

- **Operating Cost before Depreciation (OPEX)**

The Indicator is used by the Management of the Company in the decision making as well as in the communication with investors as it includes all the categories of expenses which are allocated into different operations, meaning the cost of goods sold, the administrative expenses and the distribution expenses after the deduction of the depreciation. Other operating expenses which cannot be allocated into different operations are excluded from this indicator.

Table of Reconciliation of Operating Cost before Depreciation

	GROUP		COMPANY	
Amounts in EUR thousand	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Cost of goods sold	182.637	185.858	182.637	185.858
Administrative expenses	68.750	61.482	68.697	61.434
Distribution expenses	26.991	29.498	26.991	29.498
Depreciation	(37.371)	(40.023)	(37.371)	(40.023)
Operating Cost before Depreciation	**241.007**	**236.815**	**240.954**	**236.767**

- **Gross Profit Margin (%)**

This Indicator derives from division of the Gross Profit by the Turnover as exactly these two figures are depicted in the financial statements. It is utilized by the Management of the company on complementary basis with the Gross Profit in terms of value.

Table of Gross Profit Margin Reconciliation

	GROUP		COMPANY	
Amounts in EUR thousand	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Turnover	328.851	324.268	328.821	324.248
Gross Profit	146.214	138.410	146.184	138.390
Gross Profit Margin %	**44,5%**	**42,7%**	**44,5%**	**42,7%**

BUSINESS HIGHLIGHTS DURING FISCAL YEAR 2016

Extraordinary General Shareholders' Meeting
The Extraordinary Shareholders' Meeting was held on January 15th 2016, where among other issues, the election of the BoD Members Messrs.' Konstantinos Papadopoulos as Chairman of the Board and Ioannis Benisis as CEO was ratified as well as the BoD resolution regarding the participation of EYDAP S.A. in the Share Capital Increase of ATTICA BANK with the amount of 20 million euro. Also Mr. Alexandros Pouliasis was elected as the new Member of the BoD in replacement of the resigned Member Mr. Eleftherios Magiakis.

Inauguration of the BoD
Under the rest restruction of organizational structure of the Company, on the BoD convention on January 19th 2016, Chief Executive Officer Mr. Ioannis Benisis undertook the executive powers which were entrusted to the Chairman of the Company Mr. Konstantinos Papadopoulos. The Chairman retains the responsibilities defined in the Articles of Association of the Company for the Chairman of the Board. The new BoD after the election of Mr. Alaxandros Pouliasis was formed as follows:

Konstantinos Papadopoulos	Chairman of the BoD – Non-Executive Member
Ioannis Benisis	Chief Executive Officer – Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Non-Executive Member
Georgios Makrinos	Non-Executive Member
Alexandros Pouliasis	Non-Executive Member
Nikolaos Sarantis	Non-Executive Member
Michail Stavroulakis	Independent, Non-Executive Member
Georgios Chalabalakis	Non-Executive Member
Christos Mistriotis	Non-Executive Member
Panagiotis Skoularikis	Non-Executive Member
Emmanuel Aggelakis	Non-Executive Member
Evangelos Moutafis	Non-Executive Member

Annual General Shareholders' Meeting
The Annual General Shareholders' Meeting convened on June 22nd 2016 at the Company's headquarters at Galatsi. Among others, the Meeting approved the distribution of a dividend to the shareholders for year 2015 equivalent with 76% of the net earnings of the same year, amounting to Euro 0.31 per share.
Also, the remunerations paid and compensations for the BoD members, the Secretary of the BoD, the Director of Legal Services Division and the Members of the Audit Committee, for the financial year 2015. Finally, selected the audit firm "SOL S.A. Certified Public Accountants" and elected the ordinary auditors, Mr. Efstratios Paparidis, Chartered Accountant (SOEL num. 14351) and Dimitrios Stavrou Chartered Accountant (SOEL num. 14791)

Extraordinary General Shareholders' Meeting

On December 1st 2016, the planned Extraordinary General Shareholders' Meeting, with only agenda issue, the «Profit Distribution prior years» was cancelled. Then the BoD of EYDAP met urgently and decided again to hold an Extraordinary General Meeting of Shareholders with the same above subject (Distribution of prior years' profit) on December 23, 2016.
On December 23, 2016, the Extraordinary General Meeting approved the distribution of extraordinary dividend from previous years of euro 0.38 gross per share. The amount of dividends distributed to shareholders amounted to 40.47 million euro.

New organizational structure

Following the BoD decision 18982 / 07.20.2016, the new organizational structure of the Company was approved, which will apply from October 1st 2016. The aim of the new organization chart is the even and efficient operation of the company always aiming towards optimum efficiency for consumers, shareholders and employees. Therefore, six more specialized Executive Divisions were formed against four that existed in the previous organizational structure:
- Water Supply Executive Division
- Waste Water Services Executive Division
- Human Resources Executive Division
- Coordination and Supportive Operations Executive Division
- Financial Executive Division
- Customer Executive Division

Set of New General Managers
Within the context of developing the new organization structure of the Company, the BoD of EYDAP decided (resolution 19003/9-14-2016) the appointment of the new Executive Directors who will be assigned to their duties on October 1st, 2016. For the first time, the Company used "Stanton Chase», one of the largest and most prestigious firms in the human resources consulting both internationally and domestically, in order to make a thorough evaluation of executives and subsequently to attain the best options:
- Mr. Georgios Karagiannis, Executive Director of Water Supply
- Mr. Konstantinos Vougiouklakis, Executive Director of Wastewater
- Mrs. Eftichia Nestorides, Executive Director of Coordination and Supportive Operations
- Mr. Christos Iliopoulos, Executive Director of Human Resources
- Mrs. Stiliani Politaki, Executive Director of Customers
- Mr. Spyridon Kiriakis, Executive Director Financial Services

Favorable adjusting Debt Program

By the decision of the BoD of EYDAP 18785 / 12.30.2015, created a favorable adjusting debt program, due to the current difficult of financial condition of the citizens.
The program foresaw:
a) Exemption from all non-amounts established as surcharges / interest on lump sum payment of arrears.
b) Exemption of 50% of all non-amounts established as surcharges / interest, if the debt is adjusted up to 6 interest bearing monthly installments.
c) Exemption of all non-amounts established as surcharges / interest for EYDAP beneficiaries, if the debt is adjusted up to 36 interest free monthly installments.
d) Exemption of all non-amounts established as surcharges / interest for EYDAP beneficiaries, if the debt is adjusted at most to 12 interest free monthly installments.
e) Adjustable of the debt at maximum of 36 interest bearing monthly installments, for those borrowers not covered or not choose any of the above cases
f) Examination of specific cases of debt by competent committee or the BoD of EYDAP.

Executive Division of Customer Service

On the basis of the decision of the BoD of EYDAP (19056/16.11.2016) for the approval and immediate implementation of the Internal Regulation of Operation and of the reformed Organization Chart, the company administration aiming at enhancing its customer-oriented culture, created the Executive Customer Division. Company's goal Is to offer the best service to its customers and general public, as well as the realization of the directives and policies of the administration.
In the field of customer service, services are provided in the prospect of optimum quality, the satisfaction of the customers' requirements and the mitigation of the speed of response, maintaining the quality standards and achieving the optimal economic effect for the company, the indoor and outdoor costumers. The General Directorate of Customer Service also have the responsibility and the function of 13 customer service centers.
Basic target for 2016 was to fill in the three main dimensions of success in the market: quality, time and cost.

Local Authorities (OTA)

During 2016, EYDAP intensively continued its efforts to adjust the overdue debts of the Local Authorities and to avert the formation of new ones. Result of these efforts was the signing of 19 contracts that regulate the overdue debts, totaling 23,7 million euros, applying to the BoD decisions 18747/25-11-2015, 18801/28-1-2016, and 18840/24-2-2016 . On the basis of these decisions, it was necessary to update the setting conditions of overdue debts for the benefit of both parties.
On December 31 2016 ,the overdue debts from OTA to EYDAP, amounted to 35,7 million euros. From this amount ,23.7 million euros have already signed via payment of installments. Respectively, on December 31 2015 the overdue debts of Local Authorities amounted to 32.8 million euros, 9.7 million euros of these correspond to amounts that are already under debt settlement.
From the above overdue payments, 3 municipalities (Megara,Fili and Salamina) owe 17,6 euro millions, a 49.29% percentage of the overall dept.
For Megara municipality forced recovery actions have already started.
Total proceeds from Local Authoties in 2016 amounted to 46,3 million euros. In 2015 they were 40,5 million euros.
Due to extension activities, the BoD of EYDAP on 11/1/16, accepted the concession, by ownership and without payment, of the Association Upper Vlychada «PLATO» network at the Municipality of Megara. The papers were signed on 8/9/16 and the network delivery took place on 20/9/16 , after the successful five (5) month trial operation of functional adequacy of the water supply network.

DIVISION OF EASTERN ATTICA WASTEWATER WORKS

Purpose of the Division

The Division of Eastern Attica Wastewater Works was established in October 2016 with a view of implementing the necessary wastewater projects in the area.
The absence of a proper sewage system in the area of Eastern Attica is a serious problem for many years. The existing practice of wastewater management through sewage in cesspits, consists an important parameter of ongoing environmental deterioration.
The Court of Justice of the European Union (CJEU) in its October 15, 2015 decision, imposed a fine against

the Greek State for not complying with Directive 91/271 / EEC. The settlements for which the fine was imposed included the Eastern Attica settlements of Rafina, Artemida and Nea Makri, due to a total lack of appropriate wastewater collection and treatment system.

Objectives of the Division

The main target of the Division is the proper design, planning and implementation of the wastewater treatment projects, in order to ensure compliance with Directive 91/271 / EEC and successfully operate the whole infrastructure. Projects will be funded through NSRF 2014-2020 and attention should be paid to properly take advantage of the available funds.

Projects brief description and status

The wastewater treatment projects are going to give a definitive solution to the problem of disposal of urban waste water in the region of eastern Attica. Projects include collection and treatment of wastewater and disposal /reuse of treated effluents of the Wastewater Treatment Plants (WWTPs) which will operate with innovative technology.
EYDAP is in constant cooperation with the Municipal Authorities, in order to ensure their active contribution to the projects' implementation and successful completion.
The construction will be financed by the Cohesion Fund through the NSRF 2014-2020 and in particular through the Operational Program for Transport Infrastructure, Environment and Sustainable Development.
Regarding the project in the area of the municipalities of Rafina-Pikermi and Spata-Artemida, the environmental permit procedure is in progress by the Ministry of Environment and Energy. Final design is also under completion.
Concerning Marathonas Municipality (including Nea Makri) project, environmental permit has been achieved on 7th February 2017. Preliminary and final project design is currently under implementation under the supervision of Marathonas Municipality.
In addition to the above projects, Division of Eastern Attica is also at the stage of the preliminary planning for the sewage collection and treatment project of Saronikos Municipality.

Social Tariff

From February 1st 2016, EYDAP implements the new social tariff (Special Extraordinary Tariff), which is more responsive to current needs of vulnerable social groups. Specifically, for beneficiaries under L.4320 / 2015 there would be provided free of charge (100% discount) a total of 6 cubic meters per quarter to each household with one or two members, while for each additional member beyond two, there would be provided free of charge additional 3 cubic meters of water.
In discharging of EYDAP social policy, granted discounts to increased accounts due to leaks in the internal plumbing of its customers, taking into consideration economic and social criteria.
By the decision of the BoD of EYDAP 19102 / 21.12.2016, the penalties and interest exemption was abolished, but maintained the interest-free as arrangements for their beneficiaries. In addition, it established an advance of 10% of the debt in order to examine the request for the approval of the new arrangement after two canceled arrangements.

EYDAP NISON S.A

EYDAP NISON SA is a subsidiary of EYDAP SA aiming at providing consulting services, as well as a numerous of other services
concerning to water supply and drainage, to the Greek islands.
During the first semester of 2016 EYDAP NISON SA has developed the following activities:

Astypalaia Island
The operations that determine pump stations and plant networks were completed, after signing a contract between EYDAP Nison S.A. and municipality of Astypalaia. The municipality of Astypalaia is interested in the cooperation that regards the maintenance and upgrading of water management and infrastructure of water supply and sewerage of the island and the control and upgrading of KEL.

Kalymnos Island
Three offers were submitted in Kalymnos Island. Specifically, a feasibility proposal for imprinting infrastructure of water supply, a feasibility proposal that includes collecting and evaluating operational and financial data from municipal services and providing maintenance services for the sewage.

Kasos Island
After municipality request, technical step visited Kasos and a feasibility proposal for imprinting infrastructure of water supply was submitted.

Kea Island
EYDAP NISON SA, completed and delivered the evaluate and recording of water infrastructure, to plan upgrading works and to conduct alternative operating scenarios.

Naxos Island
EYDAP NISON SA carried out a study on the integration of pricing of water supply and sewerage services in the Municipality of Naxos and Small Cyclades and proposed savings measures.

Milos Island
Eydap Nison S.A due to the interest of municipality submitted feasibility proposal for surveillance operation of the desalination plant and surveillance operation of the mains supply water network.

Mykonos Island
Eydap Nison S.A submitted a program contract plan with Eydap of Mykonos aiming to survey the current situation and with scope taking up operation of Mykonos KEL.

Argosaronikos Islands
Eydap Nison S.A due to the interest of municipality and successor meetings with the deputy District Commissioner of Attikis Islands, necessities were expressed for consultancy in the islands of Argosaronikos, Aigina, Agistri, Spetses, Kithura .

Board of Directors of 'EYDAP NISON» SA

1. Ioannis Emmanouil Benisis, Chairman of the Board and the company's CEO,
2. Konstantinos Vafeiadis, Member,
3. Konstantinos Vougiouklakis, Member,
4. Georgios Karagiannis, Member,
5. Petros Matsoukis, Member.

Mr. Petros Matsoukis acts also as Director General of «EYDAP NISON» SA while Mr. Konstantinos Papadakis, acts as Deputy General Director of «EYDAP NISON» SA.

Modernization of the Operating Sections

Within 2016 the company continued to implement ac-

tivities which were undertaken in previous years on the modernization of its operation with a view both to enhance efficiency and improve the quality of customer service. The activities, per Section, are listed below:

Section of Development of new Activities of EYDAP SA

1. The recording of the municipal water supply network of the Municipality of Pallini has been finished and procedures continue for acquiring the ownership by EYDAP.
2. Discussions are underway for acquiring the ownership, free of charge, of parts of the water supply network of the Municipality of Vari-Voula-Vouliagmeni, the Municipality of Megara and the Municipality of Penteli.
3. Procedures regarding Municipalities of Salamis, Marathon and Markopoulo Mesogeas are under way, in order for EYDAP to obtain the ownership of their municipal water systems.
4. The construction of sewerage works in parts of northern and eastern Attica such as Dionysus, Koropi and Peania, and in Western Attica, in the regions of Ampelakia, Selinia and Aianteion of Salamis is underway, under the responsibility of the Attica Region Directorate, and relevant Municipalities, according to the planning of EYDAP.
5. The planning of sewerage projects in all regions of Eastern Attica is approved and the implementation of related studies by EYDAP, the Attica Region Directorate, and the Municipalities is ongoing.
6. The location of the Wastewater Treatment Plant for the Sewerage of North Mesogia Municipalities: Rafina-Pikermi and Spata-Artemis is finalized at the region "Plati Chorafi". The relevant studies of the sewerage network, together with the processing and disposing of wastewater are assigned and completed. The Study of Environmental impact of those works has been submitted to the Ministry of Environment and Energy for the issuing of environmental terms.
7. Participation of EYDAP, in cooperation with the Ministry and the Municipality of Tanagra, in the project «Integrated Water Management Systems Asopos region» in order to resolve the serious environmental problem of the region.
8. Implementation of the 2016-2018 investment program, the largest program that EYDAP has set.
9. EYDAP continues to implement its energy program based both on upgrading existing facilities to reduce energy consumption and on production of electricity by using its infrastructure.
10. The decision of the economic incentives' program, to the residents of Thriasio region regarding the connection to the sewerage network, has been reformed, resulting to extremely great response.
11. EYDAP tendered two construction projects regarding connections to the sewage system in the area of Aspropyrgos, Mandra, Elefsis, so as to increase the served population and, in parallel, the wastewater volume into Thriasio Wastewater Treatment Plant.
12. EYDAP participates in research projects funded by the EU, while, in parallel, implements internal research projects. The EYDAP's research field is focused in activities targeting the:
    - Optimization of processes and methods with the use of innovative technologies in the global water cycle, to enhance the quality of services provided to citizens.
    - Protection of the environment and reduction of its carbon footprint.
    - Interconnection between research, entrepreneurship and exploitation of country's new scientific potential.

Information Technology Division actions in 2016
Customer applications sector

1. Addition of installment plan for paying at external channels beside cash desk.
2. Review & change of water abstraction interruption scenarios.
3. Assist & monitor in the deployment of the new survey application system.
4. Upgrade the customer notification e-system with new reporting capabilities towards client satisfaction.
5. Release the collection of expired accounts from external partners.
6. Complied with the 260/2012 Regulation of the European Parliament (SEPA) regarding the exchange of direct charges of water - sewage accounts from or towards the Banks.
7. Application of "Special Discount Invoice (SCF) and Social Awareness in Settlements" program.
8. Reconfiguration of credit and discount charges
9. Installation & operation of POS devices across the whole cash desk offices
10. Upgrade the "Customer's debt letters" application.
11. Proceed with the necessary supporting actions for the change of the mailing distributor.

Management & economics applications Sector

1. Integration of CPV codes (Common Procurement Vocabulary) and NORS (Number Online Registration Suspension) in all processes of the company's IT ERP system based on the application of law 4412/2016.
2. Integration of the new corporate organization structure to all information systems that make use of cost centers variables (ERP, Personnel, Payroll, etc.).

GIS Sector

1. Import of new spatial data, update and maintenance of existing data of underlying infrastructure and networks.
2. Compute measurements and perform spatial analysis and cartographic performance reviews, to support internal divisions.
3. Support external bodies and any interested parties by granting digital data.
4. Provide data and information resources, for the implementation of the Customer Support Division's, "SMART ROUTINE" program.
5. Transfer of EKCHA data into the GIS system, which was granted under the EYDAP SA - E.K.CHA. SA cooperation treaty.
6. Beyond the responsibility to supervise and control all licenses of General Electric Small world software, used for the operation of the company's central GIS application, took over the responsibility for AutoCAD software, Autodesk's AutoMap , ESRI's ArcGIS software and Meridian's BlueCielo software, used for digitizing and managing design files. The GIS Service is responsible for the centralized management of the installation and distribution of the above software along with the requests for the upgrade, maintenance and support of the previous versions of the software, in order to address the needs of the whole company.

Infrastructure & Central Systems Management Sector

1. Upgrade the OS of all corporate PC's from Windows XP to Windows 7.
2. Develop Incident Report application for the internal portal
3. Implement a digital signature management system in cooperation with the national portal "HERMES", to provision and safeguard digital signatures, to meet the needs for digital signing of documents handled by the company.
4. Upgrade the infrastructure used for remote access to corporate applications.
5. Implementation of a new integration, collection and storing system of the signals from the whole telemetry

and SCADA systems, across the company.
6. Participation in the establishment of Information Systems & Network infrastructure security policies.

Telecommunications Sector

1. Upgrade the central active network infrastructure in the central data center.
2. Install fifteen satellite communication channels for the remote monitoring needs of the remote Mornos - Evinos aqueduct.
3. Consolidate eight telecommunications node into two central ones.
4. Participation in the establishment of Information Systems & Network infrastructure security policies.

Customer Contact Center

The customer contact center refers administrative and functional to the address customer service of the general customer address.
The center manages the phone services and emails of the customers of EYDAP (from individual customer complaints to greater scale crisis). It provides combinatorial information and a comprehensive picture for each incident, working in a 24 hour basis, to be in the position to ensure the direct service of citizenships and the safe functioning of water and abstinence networks.
The center structure includes :
• "Agent host & costumer service"
• "Agent specialized service"
The powers of the center include:
1. Collect dynamic information from:
• The costumers (1022)
• The technical departments of water and abstinence of EYDAP
• Regional centers
2. Phone services on:
• Water and sewage damage (ducts, valves, overflows, fillings, isolations, deprivations).
• Quality issues
• Software issues (invoices, name changes, error counts, depts , payment methods , tional settings, large consumptions etc.)
• Visiting hours ,addresses of regional centers that belong to the company and phonebook information (people-services)
• The site of EYDAP
3. Electronic services on:
• Receipting and managing of all emails from the website and the mobile application of EYDAP
4. Informing technical services on:
• Extended costumer complaints
• Serious technical problems on networks
5. Producing statistics and forwarding them to the authorities
6. EYDAPS application updates
• Updating in real time the website and answering machine (IVR) with the isolates of water supply network and the restorations of them
7. Informing third parties-services
• Transmitting citizen complaints to third parties (municipality ,region of Athens)
• Informing Civil Protection in matters of emergency that need immediate attention
8. Registering costumer suggestions and complaints in order to upgrade the services of the company
9. Registering in files the costumers (letters, e-mails, telephone prompts for damages or accounts)

E –Government
EYDAP reaffirms its commitment to achieve the objectives set out in the e-Government Framework. These objectives concern the use of Information and Communication Technologies, for the upgrade of services and internal operations in order to obtain:

• Customer satisfaction and community satisfaction in general
• Equal opportunities for everyone that transacts with EYDAP
• Transparency in corporate procedures
• Effective management
• Employee satisfaction via active participation

For this purpose, the policy-making body in an e-Government issues was upgraded to committee, consisting of members from all Divisions involved in a e-Government object aspects. More specifically, the Commission is called to combine views regarding Customer Service, Relations with Suppliers, Corporate affairs, Operational Center, Processes and Information Technology by planning specific and targeted actions with respect to e-government goals.
EYDAP endorses the view that e-Government is primarily in an institutionalization processes. For this reason, the Company proceeds to the establishment of a task-approach regarding e-Government by instituting study practices of the relevant procedures. The beginning is made by recording and documenting them, while the ultimate goal is the complete measurement analysis and improvement of business processes especially those related to the objectives of e-Government.
Within this framework, we continue the development and improvement of applications related to:

• Company's website
• Customer service information systems
• ERP Projects
• Internal production and distribution of corporate documents
The website of EYDAP (www.eydap.gr) is updated so as to include a full list of services offered to customers in all possible ways of handling each service as well as complete, valid list required documentation via:
• EYDAP's customer service regional offices
• Citizen Service Centers
• Website
• Telephone
The internal communication of organizational units is reorganized, aiming at their effective cooperation as well as at an efficient administration. On this purpose the internal website (portal) which operates within the EYDAP corporate data network, will be implemented and developed. The organizational structure is based on logic of «internal services» and the corresponding procedures so that there is communication immediacy, transparency and minimization of duplication in corporate processes..
EYDAP, with particular emphasis on the utilization of Information and Communications Technologies for providing high quality services to customers and citizens in general, is committed to the continuous improvement of services provided online and in ongoing research to develop new innovative services by monitoring and using modern technology trends.

FUTURE OUTLOOK

EYDAP's strategy is based on the achievement of a balanced and continuous growth in favor of the community, the customers, the employees, the shareholders and all those that have legitimate interest in the Company. EYDAP, the largest water services and sewerage provider in Greece and one of the largest in Europe, ensures consistently with responsibility and sensitivity the delivery of

the highest quality water alongside with a contemporary and seamless sewerage and biological treatment services to the population served in Attica, while respecting the natural environment.
A primary objective remains the further rationalization of expenditure and the reduction in operating costs through continuous improvement and simplification of corporate processes that enhance the operational efficiency of the Company.
During 2017, the company will continue to meet the critical needs of eastern Athens sewage with the use of new technologies, financed by ESPA 2014-2020.
The Company is expected to continue the effective support to vulnerable social groups, applying reduced pricing and favorable arrangements with special social tariff. Moreover, the implementation of the strict framework of cooperation with local authorities is expected to be continued, in order to increase further the collectability rate of receivables from local authorities.
The natural monopoly that EYDAP has, the high cash flow, the zero borrowing in conjunction with the strategic options for effective and efficient operation, the use of new technologies, of know-how and of human resources, as well as the modernization through the implementation of innovative and new operations, provides the Company the perspective of sustainable development and sets the foundation for continuous growth and profitability in order to ensure the interests of both shareholders and customers.

RISKS AND UNCERTAINTIES

The Company manages its capital in such way in order to meet its objectives as these are mentioned in paragraph 4a of article 1 of Law 2744/99. In addition according to paragraph 8 of the same article the placement of its fixed real estate assets used for water supply and sewerage purposes as collateral is prohibited. It is noted that according to article 5 of the same law there is no provision for compulsory administration of the assets of EYDAP used for water supply and sewerage purposes.
In the current period, the Company has not proceeded with the signing of any bank liability either long-term or short-term. Following its listing on the Athens Exchange in 2000 and until 2013, the Company held mainly short-term debt, in order to meet its operating needs due to the fact that it had not collected payments for water supply bills from certain municipalities and other public entities. The Company maintains sufficient capital in order to serve its business objectives and to apply the appropriate dividend policy.

Leverage ratio

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Borrowings	-	-	-	-
Cash and cash equivalents	(280.544)	(260.419)	(279.471)	(259.342)
Total Equity	904.766	966.940	904.879	967.040
Net Debt to Equity Ratio	**0**	**0**	**0**	**0**

Financial Risk Management

Risk management is processed by the Company's pertinent Departments which operate under certain rules which have been approved by the Board of Directors.

(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	
Financial Assets categories	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Available for sale financial assets	2.855	19.395	2.855	19.395
Cash and cash equivalents	280.544	260.419	279.471	259.342
Trade and other receivables	224.766	240.862	224.742	240.829
Long-term receivables	22.598	12.905	22.598	12.905
Investments in subsidiaries	-	-	1.210	1.210
Total	**530.763**	**533.581**	**530.876**	**533.681**

Cash and cash equivalents bear credit risk. The management of credit risk is conducted with the aggregation of the largest part of the Company's cash reserves in the Bank of Greece and via the containment of the Company's exposure to domestic banking institutions.

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.
Below the analysis of the Company's receivables based on their maturity is displayed:

TIME ANALYSIS OF OVERDUE CLAIMS — **Amounts in € thousand**

2016	**Non due**	**0-1 month**	**1-6 months**	**6 months-2 years**	**2-5 years**	**> 5 years**	**Total**
PRIVATE CUSTOMERS	29.133	10.680	30.976	45.590	30.947	27.615	**174.940**
STATE	2.615	970	2.110	1.754	4.884	3.177	**15.509**
LOCAL GOVERNMENT	7.215	2.093	5.479	17.256	10.067	928	**43.038**
Total	**38.963**	**13.742**	**38.564**	**64.599**	**45.899**	**31.270**	**233.487**

2015	**Non due**	**0-1 month**	**1-6 months**	**6 months-2 years**	**2-5 years**	**> 5 years**	**Total**
PRIVATE CUSTOMERS	29.333	10.629	34.403	43.126	31.535	23.869	**172.895**
STATE	2.094	45	1.848	5.814	1.806	3.002	**14.610**
LOCAL GOVERNMENT	5.326	727	9.229	19.946	4.147	740	**40.115**
Total	**36.753**	**11.401**	**45.481**	**68.886**	**37.488**	**27.611**	**227.620**

It is noted that the repaid amount of the installments, the settlements of the private customers on 31.12.2016 amounted to 10,035 thousand Euro versus 6,033 thousand Euro in the corresponding previous period. The table of analysis based on maturity does not include the repaid amount in the balance of the private customers.
The Department of Revenue & Trade Receivables Management, as well as the Department of Special Customers Management, continuously monitor the requirements of the Company, either separately or based on groups (invoice codes, customer categories) and incorporate this information into the credit risk control procedure.
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).
None of the financial assets has been placed as collateral or in any other form of credit insurance.

(b) Liquidity Risk

The liquidity risk is been managed by the preservation of sufficient cash available for the assurance of bank credits for use. There is no liquidity risk due to the existence of sufficient cash reserves which can cover the current operating and investment needs.
The following table analyses the Company's financial liabilities which are classified in groups according to their expiration date which are calculated according to the time balance from the balance sheet date until the contractual arrangement expiration date in non-discounted figures.

TIME ANALYSIS OF LIABILITIES — **Amounts in € thousand**

2016	**0-1 month**	**2-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**	**Total**
Debt liabilities	-	-	-	-	-	-	**-**
Suppliers and other liabilities	65.529	27.527	13.220	4.734	41.136	308.191	**460.337**
Total	**65.529**	**27.527**	**13.220**	**4.734**	**41.136**	**308.191**	**460.337**

2015	**0-1 month**	**2-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**	**Total**
Debt liabilities	-	-	-	-	-	-	**-**
Suppliers and other liabilities	28.775	19.587	7.803	25.334	41.371	293.633	**416.503**
Total	**28.775**	**19.587**	**7.803**	**25.334**	**41.371**	**293.633**	**416.503**

c) Market Risk
The market risk is related to the Company's equity portfolio which constitutes a long-term strategic investment and as result is confined to certain position limits.

(d) Risks due to capital controls in Greece
With the Act of Legislative Content on 28th June 2015, Greek banks were placed in a holiday status and capital controls were imposed. The bank holiday ended on 20th July 2015 whereas part of the capital controls remain in effect. Due to the special nature and inelasticity of the product, its demand is not affected by the imposed capital controls, therefore the relevant financial developments in Greece have not affected the cash collections, payments and turnover of the Company.

e) 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 same joint ministerial decision, the other claims until 30.06.2013 between the Greek State and EYDAP SA were also amortized. 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 36). In absence of a written agreement, the Company continues, after 30/06/2013, 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 (GROUP & COMPANY)				Amounts in € thousand
A) Transactions with Members of the Board			**31/12/2016**	**31/12/2015**
Fees (Chairman & CEO, and Executive Directors)			114	77
Fees & attendance expenses of BoD members			81	76
Total			**195**	**153**
B) Transactions and amounts outstanding with the Greek State and the Municipalities	**GROUP**		**GROUP**	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
1) Transactions				
- Income	58.459	57.720	58.459	57.720
- Cost of Goods Sold (cost of construction works)	(66)	(1.051)	(66)	(1.051)
- Income from non utilized provisions / (Various provisions)	-	-	-	-
2) Outstanding amounts				
- Long-term receivables (Projects for the Greek State)	3.769	3.703	3.769	3.703
- Long-term trade receivables (settlements with Municipalities)	21.038	5.623	21.038	5.623
- Trade receivables (Local authorities, Greek State)	38.964	51.488	38.964	51.488
- Trade receivable ISLANDS' EYDAP	-	-	24	24
- 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 and Transport, and of "EYDAP Fixed Assets".

DIVIDEND POLICY

The Board of Directors of the Company in its convection on June 22th 2016 approved the submitting of the proposal to the Annual Ordinary General Shareholders Meeting, of a dividend, by Article 45 of the Code. Law 2190/1920, of the amount of thirty one cents (€ 0.31) per share (a total gross amount of Euro 33,015 million) for the fiscal year 2015.

The Extraordinary Ordinary General Shareholders Meeting in its convection on December 23th 2016 approved of an extraordinary dividend of 0.38 euro per share gross, from the profits of financial years 2012 and 2013.
After the imposition of a 10% tax (euro 0.038 per share, according to article 44 L.4389/2016 as it is currently effective) the net dividend will amount to 0.342 euro per share.

The Board of Directors of the Company in its convection on April 5th 2017 approved the submitting of the proposal to the Annual Ordinary General Shareholders Meeting, of a dividend, by Article 45 of the Code. Law 2190/1920, of the amount of eleven cents (€ 0.11 gross) per share (a total gross amount of Euro 11.715 million) for the fiscal year 2016. The dividend is subject to approval by the Annual General Meeting of Shareholders and is included in the account «Retained earnings».

HUMAN RESOURCES

The Division of Education & Human Resources Development handles the task of developing and implementing educational programs of specialized knowledge throughout the company's human resources within a particularly challenging domestic and international environment. The educational material, which covers a wide range of the company's activities, is constantly enriched by new courses aimed at educating, training and acquiring expertise by its employees in the fields of new technologies, research, development, modern managing practices, IT applications etc. A thorough lesson plan is configured in advance giving information about the objectives pursued, the skills acquired by attending, the presentation methods, the recipients to whom it is addressed and finally data regarding the subject. The annual educational program is based on company demands and covers the immediate needs targeted by both administration and employees. Highly qualified scientists in their field of expertise are selected to teach each course as well as a significant number of company employees with a similar scientific level of education and specialization. Finally, a crucial factor of the whole enterprise success is the company employees who seek for personal development within the corporate environment and support this effort by responding, participating and making useful suggestions.

Environment

EYDAP'S actions for the reduction of its environmental footprint are dating back to 1999 and beyond the ones that have already been implemented, there are always new ones being designed and implemented. Since October 2016, along with the rearrangement of the organizational structure, the company established a specific structural basis in actions with regard to energy and the environment. The aim is to design and implement an energy and environmentally integrated and policy.
The following have already been implemented within the past few years: a) the exploitation of biogas being produced in sewage treatment plants for the production of electrical and thermal energy, with regard to economic and environmental concerns b) the exploitation of hydraulic energy across the transmission aqueducts for its conversion to electrical energy through small hydroelectric power stations c) investments in EYDAP's electromechanical facilities for more efficient operation and thus less energy consumption d) replacement of oil related systems with gas ones e)conduction of energy audit in privately owned buildings and submission of specific proposals.
In addition to the above, EYDAP SA contributes to the protection of the marine environment through its operating wastewater treatment plants and via waste disposal testing carried out in the sewage network and especially in industries. For this purpose, EYDAP operates the Central Water Resources Management System and the Geographic Information System & Network Administration aiming at their preventive maintenance and for effectively addressing damages and leakages.
EYDAP also participates in environmentally oriented research projects that are funded by the European Union. Therefore, a pilot sewage treatment plant has already been set to operation for onsite water reclamation and use of the retrieved water for irrigation, thus providing the capability of fresh water saving while managing a consequent decrease in the local temperature. For this action, EYDAP was rewarded by PASEPPE and received a European Business Award for the Environment. Furthermore, EYDAP participates in a research program targeting the recovery of the environmentally important elements of nitrogen and phosphorus from the discharges of the Waste Water Treatment Plants. The aforementioned research projects are on during the year 2017.
The projects planned for the year 2017 concern the following: a) specific actions for energy saving in buildings, based on proposals submitted by the energy auditors b) continuation of energy inspections in other privately owned buildings in order to comply with the legislative imperatives and undertaking tasks leading to energy saving c) investigation of the implementation of new compact hydroelectric power stations and other projects in regard to renewable energy sources, in financially feasible cases d) further upgrade of energy efficiency of the existing facilities, taking into account the specificities of each one e) taking actions concerning the Corporate Social Responsibility f) considering the possibility of participating in research projects involving innovating ideas relative to energy saving, that are currently at research level.
EYDAP is also planning for 2017 the modernization of two water refining facilities, with the addition of sludge treatment processing. The treated sludge is going to be utilized a fertilizer in green areas and will also be allocated through partnerships in horticultural producers and plant nurseries , as well as ceramics and cement industries, hence drastically reducing the environmental burden.
Another significant element is the contribution of the Company to the growth of environmental consciousness and public awareness via educational programs that approximately 20000 students are attending annually.
Last but not least, EYDAP is planning for the year 2017, in the context of promoting Athens' water supply history, the utilization of old water supply projects and creation of environmental pathways in order to highlight the need of rational and therefore environmental management of potable water by citizens.

RESEARCH & DEVELOPMENT

Research and Development activities of EYDAP for 2016:

Research and development is undoubtedly one of the most critical areas for modernization and progress of a water and sewerage company. Modern similar service providers, should first identify the challenges that will face the next 10-20 years and then undertake actions to exploit the opportunities and in particular the new technological opportunities, investing either through its own resources or through public and European cofinancing in such activities of research, technological development - innovation.
EYDAP, having well trained scientific personnel, has created, since the beginning of 2011, the Research and Development Department (R&D), with the primary aim of developing and disseminating knowledge, innovation and establish an outward perspective. The aim is to strengthen the applied research, to improve and resolve issues concerning the Company operation, by promoting proposals for:

- Acquisition of new know-how which can be used by the productive functions
- Improving service quality through the use of new technologies (e.g. reducing the environmental and carbon footprint).
- Develop and provide new services for citizens and businesses.
- Exploitation of tools and open innovation processes.
- Reduction of operating costs (e.g., through the automation of procedures).
- Improving the infrastructures research center and exploit them with pilots applications
- Organization of research file for diffusion of scientific knowledge throughout the Company and dissemination of know-how acquired.

In the Research and Development field lays the foun-

dations for a significant contribution towards research and development needs of EYDAP, the maintenance of high expertise and the exploitation of innovative ideas and cutting-edge technologies. Investing in this area is a means of knowledge conquest of new technologies and their application in the production, use and reuse of water and in sewage treatment. In the above context, and for the implementation of its objectives, the Research and Development explores in general:

- Alternative water and wastewater treatment processes and improving its efficiency.
- Proposals for research projects funded by the EU (HORIZON 2020, ESPA), and for internal research projects

while at the same time:

- prepare and submit new proposals under the EU funding programs (HORIZON 2020, ECAC) and others.
- Manages ongoing funded projects and ensures compliance schedules and their smooth implementation.

For 2016, EYDAP initiated the following lines of action for the 'Research and Development:

A. Research Activity

Participation of EYDAP in the following funded research projects under the European program FP7:

1. «MARSOL», intended to demonstrate the enrichment of aquifers with treated wastewater and halting sea water inflow. In «MARSOL» four universities, four research institutes, 6 SMEs, 3 local authorities and 4 water supply and sewerage companies are involved. In the pilot program applications the following are included:

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

EYDAP's role in the program, has undertaken the following tasks:

a) Supply of infiltration basins in the Technological Park of Lavrio with treated wastewater from KELM.
b) Chemical analysis
c) Pilot simulation of lithostromatic columns (taking place at the upgraded pilot testing facilities of the Metamorphosis research center). This project is going to be completed.

2. «DESSIN»'s aim is the demonstration of new technologies for the implementation of the Water Framework Directive (60/2000). 20 partners participate in DESSIN and 5 pilot implementations are carried out in Germany, Norway, Holland, Spain and Greece. In the pilot program of Athens innovative technologies are demonstrated for the reuse of the water mainly aimed at irrigation of the green urban regions.

In this way, EYDAP contributes to one of the main targets of DESSIN, the practical hands-on implementation and not the theoretical "solutions", supplying additional motives and arguments for their acceptance at the market.

As far as the research center is concerned a pilot operation unit has been installed.

3. «SMART-PLANT», aimed at developing and demonstrating innovative solutions for upgrading sewage treatment plants. These solutions will be characterized by low running cost while achieving the required quality of the treated waste water, recovery of materials (struvite, biopolymers, stabilized sludge, cellulose) and energy (biogas), with obvious economic benefits. These technologies will be applied to existing wastewater treatment plants on a pilot scale. SMART-PLANT will highlight through the development and implementation of these systems their economic, environmental and technological sustainability. In Greece will be developed and implemented an innovative wastewater treatment system at Psytallia's Wastewater treatment plant. The pilot system consisting of a batch reactor (sequencing batch reactor SBR) for the biological removal of nitrogen and phosphorus via nitrite is combined with the reactor for the hydrolysis / fermentation of the sludge to provide the required organic matter. 27 partners participate in SMART-PLANT. EYDAP's participation lies in the following activities:

a) Installation and operation of the pilot plant in Psyttalia Wastewater treatment plant (along with NTUA and the joint venture)
b) Development of an innovative wastewater treatment system (along with NTUA)
c) Operation of the innovative system (along with the joint venture)
d) Laboratory analyses of conventional parameters to support the operation of the innovative pilot system
e) Participation in the project partners meetings
f) Dissemination of project results to stakeholders

4. «INTCATCH», intended to focus on better water management with innovative and efficient systems, technologies and techniques for water monitoring at the watershed level. Specifically, robotic vessels will be developed, equipped with appropriate sensors for the measurement of selected parameters in real time. The robotic vessels will provide real-time data for conventional and non-conventional pollutants minimizing the time required to monitor the quality of lakes and rivers. Also, in the context of INTCATCH, mathematical modelling will be performed for the simulation of Garda lake in Italy. This model will be also applied to Yliki Lake. Moreover, innovative sensors for measuring significant parameters in waters, innovative biological parameter measurement techniques (microbiological phyla) and processing technologies of rainwater will be implemented. These tools will be applied on Lake Garda (Italy) as well as in urban London rivers. Demonstrative actions of the innovative systems will be held in Yliki Lake (Greece), River Ter (Spain) and the Danube (Austria).

The total number of partners in INTCATCH rises to 20. The EYDAP participation lies in the following activities:

a) Providing data on the quality of Yliki Lake and other elements in the region
b) Sampling from Yliki Lake and conventional laboratory parameters analysis
c) Integration and operation (along with NTUA) of the robotic vessels at Yliki Lake
d) Evaluation of robotic vessels (along with NTUA)
e) Participation in the partner meetings
f) Dissemination of project results to stakeholders

5. «ES1105/ CYANOCOST»: EYDAP participates (without contractual obligations / subsidy) in COST Program and specifically the ES1105 / CYANOCOST effect on facing of blue-green algae growth in ponds. The program involved more than 40 scientific institutions and companies and relates to networking and knowledge transfer.

6. Internal Research Programs: From Research and Development Department planned to conduct internal research programs to improve and resolve issues concerning the operation of the Company based on high expertise and the application of innovative ideas and cutting-edge technologies. The staffing and support of projects will be done by technical and administrative-financial staff of EYDAP and close cooperation between EYDAP organizational units.

B. Operation of pilot/demonstration plants at the upgraded research center of EYDAP:

In the renovated building infrastructure of the research center, the pilot applications for the on-going research projects are being demonstrated.

C. R&D Laboratories

Until November of 2016 the research center operated laboratories accredited to ISO 17025. The accreditation of laboratories ensures the reliability and validity of the analyses.
During 2016, tens of thousands physico-chemical, microbiological and biological parameters were determined. The analyses were carried out for:
a. Internal "needs" of the Company
b. External agencies (Environmental Inspectors, EARTH / Ministry of Environment, Energy and Climate Change, and Regional Divisions), acting as reference laboratories.
c. Ongoing EYDAP research projects.

D. Informational - Communication actions

- On October 18, 2016, EYDAP S.A. won the European Business Awards for the Environment organized by the PanHellenic Association of Environmental Protection Companies and the Department of Environment, European Commission in the categories «Product & Service Award and Entrepreneurship & Biodiversity Award". The award ceremony was held at the Eugenide's Foundation. This contest is open to companies, organizations, public and private entities based in Greece that successfully combine innovation, economic viability, sustainable development, environmental protection and the commitment to circular economy. The European Business Awards for the Environment are organized, since 2005, every two years under the responsibility of PASEPPE and under the strict guidelines and instructions of the European Commission.
- At the research center facilities of Metamorphosis was held in 2016, meetings with representatives of Universities, private organizations, partners on current research projects and personnel from other organizational units regarding the role and the participation of EYDAP in research and development programs. The progress achieved under these meetings relates:

a) Presentation of FP7 research projects, in which the company participates (DESSIN and MARSOL) and COST, by their representatives.
b) Presentation and discussion on internal research projects.
c) Analysis of EYDAP's issues of interest for possible involvement in research and development projects.
d) New opportunities for participation in the HORIZON 2020 program.
e) Discussion regarding seizing the possibilities offered in research and development sector.
f) Tour of invitees to the research center facilities and informing about the function and capabilities of the installed pilot wastewater treatment plants.

- Participation at the invitation of Greek-French Commerce and Industry, in Forum on Energy and Environment, during which presented the Cooperation Agreement and the Operational Programs "Energy-Environment" between Greece and the European Commission 2014-2020. New production and distribution technologies are also presented as well as the Greek-French innovation network plan and ''makers-space'' in Athens.
- Presentation at the IWA conference, on 15 September, about research results of DESSIN activity.
- Publication at the scientific journal "Desalination and Water Treatment" which entitled '' Promoting on-site urban wastewater reuse through MBR- RO treatment'

E. Objectives and planned activities for 2017

- Successful implementation of the on-going FP7 research projects (DESSIN, INTCATCH, SMARTPLANT).
- Searching for new research projects proposals funded by the EU financing framework (HORIZON 2020, NSRF etc.) in the areas of company interest.
- 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
- Further expansion of research archives with scientific material related to company activities and establishment of electronic access to the aforementioned archives for knowledge sharing purposes. Examination of interconnection with EYDAP's department of Studies & Specifications Archive.
- Bridging research and entrepreneurship through projects that are implemented by EYDAP in collaboration with young students and scientists from Universities
- Development and implementation of quality parameters laboratory analysis which are essential for the research projects and not made so far by the EYDAP laboratories.

POST BALANCE SHEET EVENTS

Change of Audit Committee

Following the BoD Decision no 19124/8-2-17, the BoD Member Mr. Alexanter Pouliasis was appointed as a Member in the Audit Committee, in replacement of the resigned Member of the Audit Committee Mr. Nikolaos Sarantis.
Following the same Decision, the BoD approved the composition of the Audit Committee of EYDAP S.A. by Messrs. Michael Stauroulakis as Chairman, Alexanter Pouliasis as Member and Ioannis Kardaras as Member, acting Secretary of the Committee.
The new composition of the Audit Committee shall be ratified at the next Annual General Meeting of the Shareholders.

NON-FINANCIAL STATEMENT

1. BRIEF DESCRIPTION OF THE COMPANY'S BUSINESS MODEL

The description of EYDAP S.A.'s business model, as well as a detailed description of EYDAP NISON SA's activities, are reported in the Annual Financial Report.

2. EMPLOYEE MATTERS & RESPECT FOR HUMAN RIGHTS

2.1 PRINCIPAL RISKS/ IMPACTS RELATED TO EMPLOYEE AND HUMAN RIGHTS MATTERS LINKED TO THE COMPANY'S OPERATIONS

EMPLOYMENT

Concerning employment, EYDAP S.A. has repeatedly showcased how important and essential the hiring of employees under both permanent and fixed term contracts is, in many of the Company's operations, for the proper provision of its services and its contribution to Society.
EYDAP S.A., in order to cover all of its operations (water supply, sewerage, metering, etc.), has occasionally proclaimed, through the Supreme Council for Civil Person-

nel Selection (ASEP), 8 month fixed contract positions, thusly avoiding the risk of failing to meet the pressing demand for the provision of clean drinking water, sewerage services etc. during periods of increased demand.

TRAINING & EDUCATION

EYDAP S.A.'s constant employee training and development in new technologies and new knowledge in general constitutes an important asset for the Company, since the acquired knowledge will be utilized for the Company's improved operation, for staying up to date with changes in legislation, for the development of its employees, for its customer service, for communication needs, etc. For this reason, training and education is an essential priority for the Company.

EMPLOYEE HEALTH AND SAFETY

EYDAP S.A. is a company operating in sectors that involve employee health and safety risks (water supply, sewerage system, wastewater treatment plants etc.). For this reason, the Company considers the protection of its employees' health and safety as an important and essential issue for the avoidance and prevention of possible occupational accidents, which could result in significant losses, including losses for the Company itself.

HUMAN RIGHTS IN THE WORKPLACE - DIVERSITY AND EQUAL OPPORTUNITIES

In the context of the social responsibility that defines the company, as well as in the context of its obligations, EYDAP S.A places special attention to the protection of human rights in the workplace and the elimination of any form of discrimination.

2.2. CORPORATE POLICIES

EMPLOYMENT

At EYDAP S.A., the recruitment process for covering the Company's needs is always performed according to legislation and through ASEP, which ensures the objectivity and transparency of the process. At the same time, the Company offers noteworthy benefits that constitute an incentive for its permanent employees. EYDAP S.A. has its own Division that is involved with the medical and health care coverage of its employees by enrolling them with private insurance and offering them severance grants when they are about to get retired.
EYDAP S.A. has set a target to proceed with the recruitment of both permanent staff and contractors, in order to fulfill its mission, which is the provision of clean water and the offering of quality water supply and sewerage services to its customers.

TRAINING & EDUCATION

EYDAP S.A. offers the opportunity to its employees to obtain a bachelor or postgraduate degree or a qualification from Universities, by funding the courses as long as the object of study is related with the Company's primary or supporting activities. Moreover, the Company encourages employee participation in targeted and non-targeted seminars, conferences, staff training in new technologies, self-defense and security tactics (armed guards).

EMPLOYEE HEALTH AND SAFETY

EYDAP S.A., in compliance with Law 3850/2010 (Codification of Labor Legislation), has established an Employee Health & Safety Committee, which consists of elected Company representatives. The Committee's aim is to implement measures that promote employee health and safety at the workplace. Further information on the topic will be available in the 2016 Sustainability Report.
In the context of managing this material issue, EYDAP S.A. has a division, which consists of safety technicians and occupational physicians, and oversees the suitability of workplaces to ensure their appropriateness and safety (Internal Safety and Prevention Department - ISPD, Codification of Labor Legislation). Furthermore, the necessary equipment is provided to all personnel depending on their specialty, in order to minimize the chances of work related accidents. In 2016, 18 accidents took place, one of which was fatal and occurred while the employee was commuting to work.

HUMAN RIGHTS IN THE WORKPLACE - DIVERSITY AND EQUAL OPPORTUNITIES

Workers' rights are safeguarded through collective bargaining agreements and compliance with the law, like for example respect of annual leave, good building facilities, ergonomic desks, technological equipment and an overall decent work environment for all. Further information on the topic will be available in the 2016 Sustainability Report.
Meanwhile, EYDAP S.A. proves in practice its social sensitivity towards people with disabilities, large families, and other vulnerable groups, by hiring 232 employees in accordance with the provisions of Law 1648/1986 (Law 2643/98) that refers to people with disabilities, large families, children from war-disabled parents etc.

2.3. OUTCOMES OF THESE POLICIES AND NON-FINANCIAL KEY PERFORMANCE INDICATORS

EMPLOYMENT

In 2016, EYDAP S.A., proclaimed 8 month fixed contracts for 175 contract workers, drivers and meter readers, while after the Board of Directors' decision and in the context of supporting the new generation, the Company employed 396 university students (both undergraduate and postgraduate), during July and August 2016, in order to help them acquire knowledge and work experience in a real work environment.

NEW EMPLOYEE HIRES IN 2016		RATE OF NEW EMPLOYEE HIRES	EMPLOYEE TURNOVER IN 2016		TURNOVER RATE
BY GENDER					
Male	126	7%	Male	35	2%
Female	68	10%	Female	6	1%
TOTAL	**194**	**8%**	**TOTAL**	**41**	**2%**
BY REGION					
Attica	188	8%	Attica	38	2%
Boeotia	4	4%	Boeotia	2	2%
Phocis	2	6%	Phocis	1	3%
Etoloakarnania	0	0%	Etoloakarnania	0	0%
BY AGE GROUP					
Under 30 years old	8	-	Under 30 years old	0	-
30-50 years old	133	-	30-50 years old	4	-
Over 50 years old	53	-	Over 50 years old	37	-

Permanent employees from all operational divisions enjoy the following benefits: insurance, payroll PAYCHECK every 15 days, private insurance for employees and their children in Metlife, pension insurance that covers doctors, engineers and lawyers (on request), as well as covering the expenses of employees for learning a foreign language, for summer camps, for attending undergraduate or postgraduate courses, school and student loans for employees' children, 9-month leave for the upbringing of newborns, which can be administered to either of the two parents.

TRAINING & EDUCATION

The Company has a Human Resources Training & Development department, which in 2016 offered 73 cognitive education subjects (technical, administrative, financial, information systems, etc.). These subjects were implemented in 106 seminars, while 634 employees were trained who then became able to put their knowledge directly into practice. Moreover, in 2016, 36 employees requested and they now receive part or the entirety of the tuition fees for their studies.

The Human Resources Training & Development department and its Services are certified with ISO 9001: 2015.

Human Resources Training

		2016		
By Employee Category		**Male**	**Female**	**Total**
Managers and above	Average training hours	21	37	30
Rest of employees	Average training hours	6	18	9
By Function		**Male**	**Female**	**Total**
Technical personnel	Average training hours	6	26	9
Administrative personnel	Average training hours	7	20	14
Support personnel	Average training hours	6	13	9
TOTAL	Average training hours	7	21	11

EMPLOYEE HEALTH AND SAFETY

EYDAP S.A. has its own Medical and Administrative Health Care Services, which are certified with ISO 9001:2008 and deal with health care issues of employees and their families.

Injuries, Occupational Diseases, Lost days, Absenteeism and Fatalities

	Male	Female	Total
Non-fatal accidents	14	3	17
Fatal accidents	1	0	1
TOTAL			18
Accidents rate	0,000794635	0,000440301	
Occupational Disease Rate (ODR)	0	0	
Lost Day Rate (LDR)	0,000211233	0,000126369	
Absentee Rate (AR)	0,55%	0,13%	

At EYDAP S.A., during 2016, there was no occupational disease incident and no loss of life (employee fatality) resulting from occupational disease was recorded.

For groups of workers, whose job specialty has a risk of occupational disease, such as workers in the Sewerage Departments, Internal Safety and Prevention Department - ISPD / EYDAP S.A. proposed and EYDAP S.A.'s Board of Directors adopted the necessary preventive and precautionary measures:

- preventive vaccination against hepatitis B.
- provision of personal protective equipment
- annual medical checkups.

In addition, Internal Safety and Prevention Department - ISPD's Safety Technicians organize seminars, through which workers who perform heavy manual labor, are informed about the correct use of personal protective equipment and the proper way they need to move, in order to avoid fatigue of their musculoskeletal system while performing their duties.

HUMAN RIGHTS IN THE WORKPLACE - DIVERSITY AND EQUAL OPPORTUNITIES

Out of the Company's 2,457 employees in 2016, 705 are women, with 121 of them holding managerial positions (Head of departments, Directors etc).

Board of Directors

	2016	
	Male	Female
30 years old	0,00%	0,00%
30-50 years old	38,50%	0,00%
Over 50 years old	61,50%	0,00%
Employees		
Managers and above		
30 years old	0,00%	0,00%
30-50 years old	2,01%	3,29%
Over 50 years old	2,83%	2,27%
Rest of employees		
30 years old	0,16%	0,23%
30-50 years old	30,76%	13,68%
Over 50 years old	35,68%	9,10%

The percentages of the "Employees" category in the table above, have been calculated using the total number of EYDAP S.A.'s employees.
The basic salary and allowances for all of the Company's employees, are formed according to the Collective Bargaining Agreement that applies to all employees and there is no differentiation in terms of gender or age.
In 2016, there was no incident of discrimination against any of EYDAP S.A.'s employees.

3. ENVIRONMENT

3.1 PRINCIPAL RISKS/IMPACTS RELATED TO ENVIROMENTAL MATTERS LINKED TO THE COMPANY'S OPERATIONS

SOLID WASTE MANAGEMENT (CIRCULAR ECONOMY)

The process of wastewater treatment produces solid waste that essentially consist of the byproducts of wastewater pre-processing and sludge, which are non-hazardous waste. These must be disposed – managed in an environmentally acceptable way taking seriously into account their large annual quantities.
Nowadays, the dried sludge that is produced in Psyttalia WWTP, is thermally treated by the cement sector by applying a technologically modern, environmentally acceptable and sustainable solution for its management.

PROTECTION OF THE MARINE ENVIRONMENT (WASTEWATER TREATMENT)

The water (treated effluent) that is produced through the wastewater treatment, is freed from the pollution load by approximately 95% and ends up in the sea without adverse effects on the ecological balance of the marine ecosystem. Specifically, Psyttalia WWTP's treated effluent ends up directly in the Saronikos' Gulf, Thriasio WWTP's treated effluent ends up directly in Eleusina's Gulf, while Metamorfosis WWTP's treated effluent goes through Pyrnas and Kifissos streams and then ends up in Saronikos' Gulf.

ENVIRONMENTAL COMPLIANCE

Environmental compliance is the Company's minimum obligation and is based on the preparation and compliance with the procedures of the environmental licensing and relates to the following topics:

- Environmental Licensing of Facilities and activities
- Compliance with Environmental Terms

• Monitoring of compliance with Environmental Terms

DEVELOPMENT OF ENVIRONMENTAL AWARENESS & SENSITIVITY

In recent years, at a global level, there is increasing environmental awareness and effort to maintain nature's balance. It becomes clearer that human activity disrupts and destroys the natural environment. The threat of climate change, water scarcity and the increasing frequency of natural disasters has accentuated the need of a wake-up call to the global community.

Water, as a natural resource, is one of the dominant elements in the world, a source of life, development and culture. With the belief that environmental consciousness is cultured and taught alongside with the fact that education is the most dynamic way of knowledge transfer and strengthening of an active environmental culture, EYDAP S.A., as the largest operator of water and sewerage management of the metropolitan area of Athens, focuses its efforts on the awareness of younger generations for a more sustainable management and use of water.

3.2 CORPORATE POLICIES

SOLID WASTE MANAGEMENT (CIRCULAR ECONOMY)

The solid waste derived through the production process during the stage of pre-treating waste water (screenings, sand and heavy solids), as well as primary sludge (screenings of thin screen sludge) are sent to sanitary landfills. The sludge, which is produced during wastewater treatment, is dehydrated and then completely dried. The whole quantity of the dried product is provided to cement companies as an alternative fuel.

The drying process of the dehydrated sludge, which is produced from the three Wastewater Treatment Plants, takes place at Psyttalia's Wastewater Treatment Plant.

MARINE ENVIRONMENT PROTECTION (WASTEWATER TREATMENT)

A continuous and systematic sampling of outputs is performed at Wastewater Treatment Plants, in order to monitor the effectiveness of the treatment process and compliance with the Environmental Terms. It is noted that the disclosure of qualitative and quantitative results of wastewater treatment is available at the Ministry of Environment, Energy and Climate Change's National Data Base.

EYDAP S.A.'s Wastewater Treatment Plants operation is an integral part of the integrated water management for serving the population of the wider area of Athens, Attica and other regions. Among the key lines of action of EYDAP S.A.'s Investment Programs, a predominant position is held by environmental protection through the improvement of water and sewerage infrastructure, including the management and disposal of products produced during the wastewater treatment. Further information on the topic will be available in the Company's 2016 Sustainability Report.

ENVIRONMENTAL COMPLIANCE

The process of assessing the potential environmental impacts from the implementation of the Company's projects and activities is adhered in the context of the prevention and precaution principles. With the approval of environmental terms (by ministerial decisions) the necessary measures, terms and restrictions, through which the Company's project / activity or facility will be carried out or operate according to sustainable development principles, are ensured.

This process, which aims to evaluate the environmental impacts as early as possible in the design of the Company's projects, includes the conduction of Environmental Impact Assessment (EIA) studies, engagement with relevant bodies and the public, integration of compliance with the construction and operation terms of the project and finally controlling and monitoring the compliance with the Environmental Terms.

DEVELOPMENT OF ENVIRONMENTAL AWARENESS & SENSITIVITY

EYDAP S.A.'s aim is to actively contribute into shaping environmentally responsible citizens through the following actions:

- Creation of a wider scope of Environmental Educational Programs, which target all levels of education, with appropriate modifications for each, as well as clubs and associations. The programs are the result of collaboration among company's members and are held in EYDAP S.A. facilities. Their objective is directly related to the activities of the specific facility.
- On the occasion of the Water Day on March 22, EYDAP S.A. organized at Zappeion a great celebration for water, with the participation of primary schools from all over Attica, and through experiential manner, projections and games, children learned about the value of water for both their lives, and the sustainability of the planet.
- In the context of the active participation in the development of environmental awareness, EYDAP S.A. offers grants to organizations that aim to create an environmental awakening, perform environmental actions and diffusion of that knowledge in the wider society.
- EYDAP S.A. acts as a guardian of the history of water and seeks to preserve its Historic Archive, by digitalizing, documenting and maintaining the photographic and audiovisual material. The reformulation of this archive highlights the importance of water supply for the capital and enhances the recognition and the awareness regarding its work.

3.3. OUTCOME OF THESE POLICIES AND NON-FINANCIAL KEY PERFORMANCE INDICATORS

SOLID WASTE MANAGEMENT (CIRCULAR ECONOMY)

The following table shows the mean daily produced quantity of screenings per Wastewater Treatment Plant (Psyttalias, Metamorfosis and Thriasio).

Screenings and others (tn/d)			
2016	Psyttalia WWTP	Metamorfosis WWTP	Thriasio WWTP
	22	2,3	0,05
	Total (screenings sent to sanitary landfill) tn/y: 8,887.75		

The average daily amount of dried product derived from the three Wastewater Treatment Center (Psyttalias, Metamorfosis, Thriasio) amounts to a total of 115 tn.

Dried Sludge reused (fuel for cement companies) tn/y 2016
41,975

In 2016, 100% of the produced dried sludge was utilized by the cement sector as an alternative fuel.

PROTECTION OF THE MARINE ENVIRONMENT (WASTEWATER TREATMENT)
The overall improvement, not only in the systematically examined characteristics of the marine ecosystem of the Internal Saronic Gulf, but also of the social acceptance and use of the Saronic coast by the residents of Attica, confirm the catalytic role of wastewater treatment and the effectiveness of the WWTP, especially the one in Psytalia, being the larger facility out of the three and having an immediate effect on the Saronic Gulf.
It is also noted that part of the treated effluent from the Wastewater Treatment Plants (Psyttalia and Metamorfosis) is used in facilities for industrial use (industrial water). The following table shows the average daily amount of water (from the treated effluent) used per Wastewater Treatment Plant (Psyttalia and Metamorfosis).

Daily average quantity of water
(from the treated effluent) used per Wastewater Treatment Plant (Psyttalia's and Metamorfosi's)

	Psyttalia WWTP	Metamorfosis WWTP
Industrial water (m^3/d)	15.000	2.000

This amount is used within EYDAP S.A.'s facilities and is not yet available to third parties.

ENVIRONMENTAL COMPLIANCE
The Company complies fully with the environmental legislation by having approved environmental terms for all facilities (Wastewater Treatment Plants and Water Treatment Plants). For each of the Wastewater Treatment Plants (WWTP), the Water Treatment Plants (WTP) and for their accompanying works there is an Environmental Assessment Approval (EAA). Moreover, for every new project or modification of an existing one, the relative environmental licensing process is followed.

Non-compliance with the environmental laws and regulations
During the reporting period there was no incident of non-compliance with environmental laws and regulations.

DEVELOPMENT OF ENVIRONMENTAL AWARENESS & SENSITIVITY

In 2016, 16,079 people attended EYDAP S.A.'s education program. Namely:

- About 500 children attended the event at Zappeion.
- 8,250 pupils (150 schools) attended the educational program, «Stagonoulis» in EYDAP S.A.'s Water Treatment Plant at Galatsi,
- In 2016 5,476 students and 1,223 people from various bodies visited EYDAP S.A.'s facilities at the Marathon Dam.
- In 2016 in Psyttalias' WWTP the following visits took place:
- 4 visits of Greek higher education institutions (Universities) (about 200 people)
- 3 visits of secondary schools (about 200 people)
-3 visits of teachers and professors groups (about 100 persons),
- 6 visits from international bodies, authorities and partners (about 130 people).

Our objective is the renewal of the «Stagonoulis» educational program, alongside with the renewal of text and graphics and the development of the interactive part of the presentation.

4. SOCIETY

4.1 PRINCIPAL RISKS / IMPACTS RELATED TO SOCIAL MATTERS LINKED TO THE COMPANY'S OPERATIONS

AFFORDABLE PRICING
EYDAP S.A. respects the UN's 6th Sustainable Development Goal, which refers to access to clean water and sanitation to all citizens, and in order to address the major risk associated with this issue, the Company maintains a tiered tariff that serves two purposes. Firstly, to ensure access to all citizens to affordable water in order to meet their basic needs and secondly to avoid wastage of the resource. In order to adjust the tariff, more factors are taken into consideration than just those two, such as the coverage of the Company's operating costs, the costs of new investments as well as the stakeholders' satisfaction.
EYDAP S.A.'s clients in the drinking water section, include approximately 4.3 million customers (2.1 million connections), while the sewerage system section serves nearly 3.5 million customers. The annual billed water consumption amounts to approximately 320 million cubic meters (2016 data). Out of these, 202 million cubic meters (63.1%) are under the General Tariff (B1-domestic use-common consumers), including compulsory consumption (9.6 million m3).
Until 2014 the tariff for the water supply and sewerage services was determined by a Joint Ministerial Decision (J.M.D.), while also the Board of Directors' recom-

mendations were taken into account. The article 33 of Law 4258 / 2014 amended Article 3 of Law 2744/1999, which relates to EYDAP S.A.'s pricing policy, and it states that from July 1, 2015 the water and sewerage services tariffs will be approved by decisions of the Special Secretariat for Water (S.S.W.) after consultations with the Minister of Finance and other stakeholders, and published in the Government Gazette.
Following the Water Framework Directive (2000/60 / EC, Article 9) and national legislation (Law 3199/2003 as amended by Law 4117/2013 and Law 4315 / 2014 applies, Presidential Decree 51/2007 and J.M.D. 322/2013), the Special Secretariat for Water (S.S.W.) of the Ministry of environment, energy and climate change are responsible for strategic planning, formulation and evaluation of the policy for the rational and sustainable management of water services. However, no decision on pricing rules and water services pricing has been published yet.

CONSUMER HEALTH AND SAFETY - WATER QUALITY (WATER SUPPLY)

Water is a fundamental resource, essential to sustain life and for the societal development and prosperity. Access to safe water is a fundamental right of every citizen, in accordance with the 17 Sustainable Development Goals as defined by the United Nations and specifically Goals 3 «GOOD
HEALTH AND WELL BEING» and 6 «CLEAN WATER AND SANITATION».
EYDAP S.A.'s key concern is the continuous supply of excellent quality, healthy and clean drinking water. With a sense of responsibility towards millions of customers and with continuous investments in technology and training of its employees, EYDAP S.A. ensures on a daily basis that the water we and our children drink is not only in full compliance with existing legislation but also one of the purest waters in the world!

ENSURING RESOURCE SUPPLY/ ACCESS TO CLEAN WATER/ NETWORK COVERAGE (WATER SUPPLY)

EYDAP S.A.'s main activities include constant safeguarding of the necessary water resources, ensuring their adequate treatment in order to offer excellent quality drinking water and the ability to distribute it through its water supply network to its customers. Any obstruction in the quantitative assurance of resources results in direct economic impacts, scalable by size. Moreover EYDAP S.A., by properly managing the issue, contributes to the achievement of the 6th Sustainable Development Goal, as defined by the United Nations.
EYDAP S.A. acquires the untreated water required in order to ensure reasonable levels of water consumption by its customers and thus to meet the overall obligations of providing water supply services, entirely by the Greek State at the entrance of its Water Treatment Plants, with the only exception being the Mavrosouvala's boreholes which are EYDAP S.A.'s property.

RELIABLE NETWORK & WATER EFFICIENCY (WATER SUPPLY)

There is an unbreakable bond between human life and water. Water is not only an essential commodity for human survival on the planet, but it is also an eternal ally in the fight for continuous improvement of the quality of life. By properly managing the topic, the Company contributes to the achievement of the Sustainable Development Goals as they have been defined by the United Nations and in particular Goals 6 «CLEAN WATER AND SANITATION», 8 «DECENT WORK AND ECONOMIC GROWTH» and 12 « RESPONSIBLE CONSUMPTION AND PRODUCTION». The main concern for any drinking water management company - and consequently EYDAP S.A.'s - is to ensure a sufficient amount of drinking water that is of adequate pressure and of high-quality, throughout the water supply system. By securing these three factors, consumers' confidence increases and so does consumption. On the contrary, the improper management of these issues involves significant risks that are connected with the Company's operation.

CONSUMER HEALTH AND SAFETY (SEWERAGE SYSTEM)

EYDAP S.A. is always oriented to protect the environment and consumers' health and safety, while constantly ensures the proper and uninterrupted operation, maintenance and upgrading of the collection transmission and wastewater treatment system in Attica's basin.
According to the main sewerage system design, EYDAP S.A. ensures any type of risk mitigation for the public health that may be caused during the effluents' collection-transmission phase, due to blockages of the pipes or branches (links) or due to the defective operation of pump stations. Also, the protection of water recipients can be ensured through proper management of the operation and the maintenance of the sewerage system and the Wastewater Treatment Plants (WWTP).
Regarding the sewerage system in eastern Attica, EYDAP S.A. aims to an integrated and environmentally optimal waste management approach, and plans to implement all the necessary sewerage works, which will ensure the protection of terrestrial and marine ecosystems and public health, while promoting sustainable development in the region. Lack of sewerage system in parts of eastern Attica has been a major problem for decades, while the existing management practices of municipal wastewater through disposal in cesspits is an important factor of environmental degradation. The European Court, in October 15, 2015, imposed a fine on the Greek State for not complying with the Directive 91/271/ EEC regarding the requirement of the existence of urban waste water collection and treatment system. The penalty regarded, among others, the Nea Makri, Rafina and Artemida regions. The sewerage projects in eastern Attica will provide a definite solution to the problem of waste water management with the best and most modern, on this field, service for the local residents.

4.2 CORPORATE POLICIES

AFFORDABLE PRICING

EYDAP S.A., in the context of its continuous endeavor to contribute to public welfare, and recognizing the economic recession experienced by the Greek society, has already taken initiatives to relieve the groups of people that have been affected the most.
It should be noted that for particular categories of consumers (businesses, charities, Hellenic Petroleum, ships supply service providers), there is a legislative provision granting special tariffs (OGG 552B '/ 03.26.2009, article 3.2.3, OGG 3188B; / 16.12.2013, OGG 2221B; / 09.09.2013).
Furthermore, the Company is administering the special extraordinary water tariff (SEWT) to benefit-recipients of Law 4320/15, which provides a discount to accounts of large families and the elderly. It is also noted that the Charity tariff is provided not only to institutions and associations according to Legislative Decree 1111 8 / 2/11/72 and Compulsory Law 2039/1939, but by de-

cision of the Board of Directors it is also granted to more institutions-entities that exercise charity- charitable work.
EYDAP S.A. also grants discounts, through specific decisions that follow the Board of Directors' processes, to the increased consumption accounts and in unauthorized consumption accounts, taking into account social and income criteria.
Finally, EYDAP S.A. has established specific procedures on the basis of Board of Directors' decision on repayment / settlement of debts in installments, by providing convenient ways of payment for beneficiaries of invoice for social vulnerable groups.

CONSUMER HEALTH AND SAFETY - WATER QUALITY (WATER SUPPLY)

EYDAP S.A.'s management ensures:

- That Legislation and the Customers' requirements are met.
- The application of good laboratory practices and appropriate methods in order to ensure the reliability of the measurements.
- The provision of appropriate and adequate resources (human resources, equipment and information) for the delivery of quality functions, so that these are used in a way to ensure the reliability and overall efficiency of all measures that are planned and implemented.
- That the quality, impartiality and integrity of the measurements that are being performed during the quality audits are not to be influenced by any commercial, financial and other pressures.
- That all relevant staff is trained and assessed in order to know and implement with high efficiency the tasks that has committed to fulfill.

Control Framework

EYDAP S.A. has set the appropriate control framework to ensure that the water supplied to consumers is safe. For this reason, it has ensured that all possible points where quality of water entering its treatment facilities, but especially of water that reaches consumer's tap is monitored and adequately controlled through:

- Monitoring of activities in Basins
- Protection of hydrant network
- Continuous quality checks:
- Of raw material used for water treatment, in order to make it potable. EYDAP S.A. is supplied with raw materials that are specified to follow internationally set standards relating to the chemical substances for the water treatment intended for human consumption. For each substance there is a quality plan under which the inappropriateness for the intended use is ensured.
- Of untreated water and drinking water supplied to consumers.

The daily quality controls of untreated and drinking water are performed seven days a week in EYDAP S.A.'s chemical and microbiological laboratories. They aim to guarantee and certify the excellent quality of water that EYDAP S.A. offers to Athens' residents. For this reason, the water quality of four reservoirs Marathon, Iliki, Mornos and Evinos is closely monitored, as well as the drinking water quality in the water supply network so any possible problems that may arise can be understood quickly and treated in time.

ENSURING RESOURCE SUPPLY / ACCESS TO CLEAN WATER / NETWORK COVERAGE (WATER SUPPLY)

According to Law 2744/1999 and the 20-year contract between the Greek State and EYDAP S.A. - as occurred in implementation of this law, which is valid from 25.10.1999 while the renewal is expected to occur in 2019 - the Greek State maintains the responsibility to research and collect untreated water, as well as to construct the necessary projects in order to ensure that there is no shortage of drinking water and that EYDAP S.A. is sufficiently supplied with the quantities of untreated water. EYDAP S.A.'s sole responsibility regards the treatment process of the untreated water, the operation and maintenance of its owned water supply network, so to cover qualitative and quantitative water needs of all consumers regardless, within the area of responsibility.
Under the same contract, EYDAP S.A. has undertaken, for a price, the operation and maintenance of all the collection and transmission facilities of untreated water, which are owned by the Greek State alongside with the establishment of designing projects that can ensure the safe conditions of facilities and an alternative water supply in cases of malfunctions. EYDAP S.A. is able to control, solely and completely, technical projects of untreated water transfer from water sources, to its Processing Units.
In addition, EYDAP S.A. has accepted the responsibility of preparing and drafting the Management Plan of the available untreated water supply systems, as well as of maintaining a continuous update of the Greek State authorities, on the untreated water supply data, on outputs from water sources and inputs to the Water Processing Units.
The Decision Support System, which is used operationally by EYDAP S.A. for the supervision and the management of the water supply system, includes the following components (subsystems): a) geographical information system for displaying and monitoring the water supply system, b) Measuring system of Athens' resources for drinking water, c) Evaluation and forecasting system of Athens' water resources for drinking water, d) Support system for the management of Athens' water resources for drinking water.
All water supply facilities can ensure the successful network coverage with drinking water. The water supply network consists of 9,500 km of pipelines. Part of it, specifically 1,300 km, are the main supply network, with pipelines of less than 300mm diameter, while the remaining 8,200 km is the distribution network, with pipes of smaller diameter carrying drinking water to consumers. 55 tanks of total capacity of 885,000 m3, 81 pumping stations of total combined installed power of 30,000 HP, 618 pressure reducing valves of 80mm to 600mm diameter, about 90,000 isolation valves, 100 telemonitoring points (SCADA), 739 recording and remote data transmission (SMS) points, and 247 quality control points are scattered within the area of responsibility. All of these facilities ensure uninterrupted continuous supply of drinking water and the ability to cover consumers' daily needs under all circumstances regardless of the seasonal demand. The total number of operational water meters is close to 2,100,000. The average daily consumption is 1,050,000 m3 / day (from 950,000 to 1,250,000 m3 / day).

RELIABLE NETWORK & WATER EFFICIENCY (WATER SUPPLY)

A region's water supply system, through which a safe supply of drinking water is ensured, includes a system of tanks, (main) feeder pipes and distribution pipes. So when we use the term «water supply network» we mean all the pipelines that carry refined water from the local Water Treatment Plants to the consumers' water meters. It is a main part of a water company's facili-

ties and for the most part it is located underground. The water supply network provides pressurized water suitable for drinking, according to current standards in Greece, to all consumers.
EYDAP S.A.'s area of responsibility was defined as the major area of the Capital, as it is defined in the establishment Law 1068/1980, while in the founding Act of EYDAP Law 2744/1999 provides the possibility for the provisional extension of its activities in other areas, inside and outside of the Attica Basin (which is further analyzed in EYDAP's S.A.'s 2016 Sustainability Report) with the administrative boundaries of municipalities and communities, which are supplied with water either directly or with great supplies (network reinforcement), where the network is managed by individual Local Authorities. With the ultimate aim, of a more rational water management and better quality of the supplied drinking water, the gradual acceptance of water-supply systems of all municipalities of Attica, is a strategic objective of EYDAP S.A.
Currently, the total length of the network is approximately 9,500 km. It consists of 1,300 km. main feeder pipes (from diameter of 300 mm or more) and 8,200 km secondary distribution pipes, meanwhile for areas where EYDAP S.A. provides water services the ground elevation ranges between 0 and 600 meters from sea level. Territories per 30 meters height difference constitute drinking water zones.
The last link that connects the entire water supply system with the consumer is the water meters. All customers of the water supply network are equipped with a water meter, the total number of which reaches 2,100,000.
EYDAP S.A.'s objective is the proper functioning, maintenance and improvement of the drinking water distribution network (main feeder pipes, distribution pipes, supplies, tanks, pumps and their equipment) across the geographically extensive area of responsibility. EYDAP's S.A. aim is to ensure the water supply with high-quality water, sufficient quantity and pressure within acceptable limits for the consumers.
To achieve this goal the completion of three main categories of activity are required:

- Monitoring and improving the water supply operation (demand monitoring, pressure monitoring, pressure zone changes, etc.).
- Network Maintenance- preventive and emergency (maintenance of pumping stations, valves - fire hydrants, cleaning tanks, repairs in leaking pipeline - suppliers, etc.).
- New supplies (new house supplies, special supplies, new networks delivery etc.).

In 2009, the new Regulation for Water Supply Network Operations was adopted, which deals in detail with the Company's most important operational issues. The consumer directly joins this regulation by signing the water supply contract with EYDAP S.A.
Finally, with EYDAP S.A. Board of Directors' decision no. 15 858 / 4.4.2007 and accordant to the obligation laid down in Articles 7 par. 3 of Law 3429/2005 for all State Enterprises and Organizations, the Consumers Liability Map (CLM) was approved. It includes the basic obligations of the Company to Consumers, their satisfaction times, and how Consumers can claim such rights. The consumers' liability map text is short, concise and understandable.

CONSUMER HEALTH AND SAFETY (SEWERAGE SYSTEM)

EYDAP S.A. has designed and implemented a comprehensive sewerage network management system and Wastewater Treatment Plant aiming to have a proper and uninterrupted operation with an ultimate goal to protect public health.
The sewerage network maintenance aims at the continuous and uninterrupted operation, solving problems and minimizing any malfunctions arising at a time, by taking the necessary, in each case, actions for unclogging or cleaning the drainage pipes etc., with proper maintenance of the electromechanical equipment, which can be achieved by trained personnel's help and the use of appropriate equipment that is constantly modernized according to new technologies.
The effluents treatment in Attica and Thriasio takes places in the following Wastewater Treatment Plants:

- Psyttalia Wastewater Treatment Plant (Psyttalia WWTP)

It is one of the largest Wastewater Treatment Plants in Europe and internationally. It serves approximately 3,500,000 residents. In this plant, all the effluents from Attica's sewerage system end up. With complete wastewater treatment, the produced water is free of the pollution load by 90% -95%, and ends up in Saronikos waters, completely harmless for the marine ecosystem balance.

- Metamorfosis Wastewater Treatment Plant (Metamorfosis WWTP)

The only reception and treatment facility -besides the municipal- and domestic septic sewage in Attica, serves municipalities and Communities lacking sewerage network.

- Thriasio Wastewater Treatment Plant (Thriasio WWTP)

It serves the residential areas of Eleusis, Aspropyrgos and Mandra Municipalities and the Municipality of Mandra-Idilias, as well as industrial and commercial areas, and is a complete solution to a long-lasting problem of the residents, and professionals who operate in the greater area, while it helps to restore the Eleusis Gulf ecosystem balance.
EYDAP S.A. ensures the proper and optimal functioning and the continuous maintenance of the Wastewater treatment plants while modernizing them with the required improvement projects, as well as complying with the approved environmental terms in order to keep quality output within the acceptable limits at water bodies for environmental protection.
EYDAP S.A. plans, develops and implements the control disposal methods of industrial effluents in the sewerage network. Also, the Company is planning to expand the sewerage network to new areas based on ever-growing needs through optimization of the existing network.

EYDAP S.A.'s planning for the sewerage system in Eastern Attica region

The Eastern Attica Projects Department was established in October 2016 aiming to manage the implementation of sewerage system projects in Eastern Attica.
EYDAP S.A.'s aim is the integrated and environmentally optimal wastewater management in Eastern Attica, which will ensure the protection of terrestrial and marine ecosystems of the region while promoting sustainable development. Specifically, EYDAP S.A. is planning the implementation of three major sewage system projects in Eastern Attica region:

- PROJECT 1:

Collection and urban wastewater treatment from Rafina-Pikermi and Spata-Artemida municipalities and Reuse-Disposal of treated effluent

- PROJECT 2:

Collection and urban wastewater treatment from Marathona municipality and Reuse/Disposal of treated effluent

• PROJECT 3:
Sewerage system works in Saronic South Coast in Kalyvia Industrial Park WWTP
These projects will give a definitive solution to the management of municipal wastewater problem in these areas and include the collection, wastewater treatment and disposal / reuse of treated effluent from Wastewater Treatment Plants. The Wastewater Treatment Plants have been designed in order to operate with cutting edge technology, which will ensure compliance with European legislation and environmentally optimal wastewater management process. This will enable the reuse of treated effluent for irrigation needs of Mesogeia region, as well as urban –suburban use by the involved municipalities. In this way, the complete protection of the wider region and bathing beaches from any infection will be ensured. In addition, the project implementation will result into a major boost towards the development efforts in the region. For this purpose, EYDAP S.A. is in constant cooperation with the involved Local Authorities, to keep them informed and to ensure their active contribution towards a smooth progress and completion of sewerage projects.

Social Activities

EYDAP S.A. has integrated social actions in its business activities, motivated by social solidarity, development and prosperity.
Thus it recognizes the value of fulfilling its social role and in order to promote social and cultural life of society as a whole, the company supports education, health, vulnerable social groups, arts and athletics through sponsorships, donations and systematic cooperation with social and educational institutions.
EYDAP S.A. provides constantly every year:

- financial support to the activities of various associations in Attica area
- support for social solidarity projects
- promotion of human resources with educational and cultural initiatives
- financial support to infrastructure projects that have social implications

More specifically, EYDAP's S.A. social activities include:

- resources and technical support for the education through specific donations to schools and universities
- financial support to sports and cultural associations
- assistance in the social and cultural work of Municipalities of Attica
- financial support towards the work or organizations with social work, such as the "The Smile of the Child" and "Ark of the World", as well as institutions related to health and the environment

4.3. OUTCOMES OF THESE POLICIES AND NON-FINANCIAL KEY PERFORMANCE INDICATORS

AFFORDABLE PRICING

The Company retains a highly affordable tariff, whose price increases during the last two decades fell short of the weighted average of the corresponding increase of the Overall Consumer Price Index. 49.28% of the General Tariff is charged with 0.35 € / m3 and 43.89% with 0.64 € / m3. Finally, it is worth mentioning that 93.17% of the General tariff consumption is charged on average according to the price per cubic meter, which is lower than the value of a 0.5 lt of bottled water.
Also, for the evaluation of our approach, we use the requests satisfaction for bill reductions index, which has as a denominator the annual number of received requests for bill reduction and as the numerator the annual number of the corresponding requests that were satisfied by the Company.

REQUESTS SATISFACTION INDEX 2016

Requests satisfaction for bill reductions index	=	Number of requests that were satisfied / Number of received requests for bill reduction	=	7.269 / 7.481	=	**0,9717**

CONSUMER HEALTH AND SAFETY - QUALITY WATER (WATER SUPPLY)

Certifications

Galatsi and Acharnon chemical laboratories, as well as the Microbiology Laboratory are accredited by the National Accreditation System (E.S.Y.D.) to ISO EN 17025 since 2005, for testing to identify 44 chemicals and 5 microbiological parameters in untreated and in drinking water (Certificate Nr. 192). EYDAP S.A.'s laboratories systematically follow international developments and trends in the water analysis field. There is a continuous development and improvement of their operation, which is reflected by the continuous expansion of the scope of accreditations that the laboratories have collected, which means the continuous increase in the number of substances that can be determined in the laboratories by the use of accredited methods.

Complaints management

EYDAP S.A. gives absolute priority to the assurance of a high level of satisfaction for all of its consumers. It has introduced a four-digit hotline (1022) for the needs of recording and responding promptly to any quality issues that may be reported by consumers. Further information on the topic will be available in the 2016 Sustainable Development Report.

Incidents of non-compliance in product and services that impact health and safety: no incidents of non-compliance with regulations and voluntary standards were identified.

Analysis Results

As documented by results of about 130,000 determinations in approximately 10,000 samples of drinking and 2,000 samples of untreated water per year, EYDAP constantly certifies that the water of Athens is of excellent quality and one of the best in Europe. The analyses' results certify that the quality of EYDAP's S.A. drinking water meet the legislative requirements of J.M.D. Y2 / 2600/2001 «Quality of water for human consumption» (as amended and is in force) and complies with the requirements of Joint Ministerial Decision Reference No. 46399/1352/1986 «Required quality for surface water intended for drinking, bathing, living fish in freshwater and shellfish farming". The average values of all parameters are specified by EYDAP S.A.'s laboratories and are exported on an annual basis. These values are published at the Company's website in order to be accessible to the public. In addition, every three years, EYDAP S.A. is required by law to report to the Ministry of Health, the data regarding quality that have been collected.

Beyond the above, internal, self-assessing inspections

are conducted for individual processes of the Quality Control of Water Department on an annual basis and all operations related to Quality Control are reviewed. It is thus possible to identify any deviations from established procedures and to record possible opportunities for improvement, which are then planned and implemented. The 2016 drinking water quality control data from EYDAP S.A.'s water supply network will be available at the Company's 2016 Sustainable Development Report.

ENSURING RESOURCES SUPPLY / ACCESS TO CLEAN WATER / NETWORK COVERAGE (WATER SUPPLY)

The desired methods of water resources management are characterized by

- Rationality: scientifically grounded,
- Efficiency: utilizing water resources to the maximum extent possible
- Sustainability: they do not create water depletion problems for the future to meet the needs of today.

The demand is covered in a way which is reliable and is reducing the probability of failing to cover with the required amount of water to extremely low and acceptable levels. The concept of reliability refers primarily to the uncertainty reduction caused by the variability of the natural supply of water resources (drought), but includes more sources of uncertainty such as unfavorable emergencies (failures/breakdowns) during work on the supply network. Also, demand is covered with water of safe quality and without causing problems to the environment (ecosystems) due to excessive water deprivation in order to be used as drinking water. Finally, the demand is covered always at a cost-effective manner.

Currently, EYDAP S.A. and its water supply network, provide drinking water of high quality and adequate quantity pressure to approximately 90% of Attica residents in the Company's area of responsibility, while the remaining 10% is supplied with water from private or municipal networks. A 5-year investment program has been planned, to get hold of these networks as well as to expand and undertake the management of water supply networks in the municipalities of Attica, which were previously either outside of its area of responsibility or the municipalities had exclusivity on their management.

The distribution of available water resources is broken down by the use of the past year (2016) as follows:

DISTRIBUTION OF WATER RESOURCES

Surface Water	Annual withdrawals (mil cubic meters)	Participation (percentage of total)
Evinos	231,6	50,0%
Mornos	202,3	43,7%
Iliki	5,9	1,3%
Marathonas	19,5	4,2%
Underground water	**Annual withdrawals (mil cubic meters)**	**Participation (percentage of total)**
Mavrosouvala's boreholes	3,7	0,8%
Total withdrawal	463,0	100,0%

The above allocation refers to the optimal management of water resources for the specific year. All withdrawals are measured by flow meters and the time series are recorded in a relational database.

RELIABLE NETWORK & WATER EFFICIENCY (WATER SUPPLY)

The rapid international developments in the business field, the responsibility of drinking water supply of approximately 40% of the Greek population, the urban expansion and of course the liability to the Company's clients makes EYDAP S.A.'s growth imperative, in order to implement projects of crucial importance and increased performance.

For EYDAP S.A.'s success, the basic conditions that have to be met are the focus on customer satisfaction, the rational management and protection of water resources and the preservation of an interactive and constructive relationship between the Company and the Customer, with the aim to improve the Company's services. For this purpose, the Company has included the following in its strategic actions for the optimal management of its network:

- Application of modern pressure management technologies in the drinking water network (pressure management), which can result in avoidance of unnecessary stresses on the grid pipes by excessive pressure, and thereby prevent breakage of the network, thus achieving an increase in life span in a great extent of the supply network with significant financial benefits.
- A prerequisite for this, is the reliable and organized collection of data from malfunctions, operation, etc. and through structured and collaborative applications to achieve further processing and the meaningful use of the collected statistical data.
- The main objective in the maintenance procedure is the detection of damage occurrence rate, the speed and quality of repairs, the determination of their geographical dispersion, the reasons that cause them etc. in order to establish an integrated and systematic maintenance program of the drinking water supply network.
- This is part of the Company's five-year investment program to implement a targeted, with documented priority water supply network replacement, program which includes the replacement of about 450 km pipelines representing approximately 1.5% of the total network length, following and in compliance with global best practices.

- As a result of the above, we estimate that an effective operation of the drinking water supply network, consistent and reliable continuous supply of water, improvement of the level of services to customers and improvement of the corporate image regarding the performance of the Company's services will be achieved.

CONSUMER HEALTH AND SAFETY (SEWERAGE SYSTEM)

The evaluation of the effectiveness of sewerage system management is performed through the development of the following applications and practices:

- Use of Information systems for sewerage :
- Input, edit, and spatial data network analysis (GIS).
- Introduction and data processing from interventions of the Sewerage Network Division teams, into the portal application.
- Preparation and study of statistical analyses based on the data that were inserted in the portal application and

on data from the Complaint Center hotline 1022.

- Continuous sampling of inputs and outputs in Wastewater treatment plants, to determine processing quality.
- Conducting chemical analyses in wastewater and industrial wastes, as well as microbiological analyses in treated wastewater to the accredited by the Hellenic Accreditation System (ESYD), Executive Division of Sewerage Network' laboratories.
- Disclosure of the wastewater treatment qualitative results, in the National Database at the Ministry of Infrastructure, Transport and Networks.
- Control check of the Saronic's and Elefsina's Gulf marine ecosystem and evaluation of the results in collaboration with an independent research institution.

During the reporting period no incidents of non-compliance with regulations and voluntary codes, which can relate to EYDAP's S.A. services that effect health and safety were identified.

5. ANTI-CORRUPTION AND BRIBERY

5.1. PRINCIPAL RISKS / IMPACTS RELATED TO ANTI-CORRUPTION AND BRIBERY MATTERS LINKED TO THE COMPANY'S OPERATIONS

The management of the material issue of Anti-corruption and Bribery requires preventive measures, as it affects the Company's as well as the shareholders' and third parties' finances, the relationship of trust between society and the Company, the incentive for investments and the Company's reputation and credibility. Moreover, by managing the issue properly, the Company contributes towards the achievement of the 16th Sustainable Development Goal «PEACE, JUSTICE AND STRONG INSTITUTIONS», as defined by the United Nations.

The main risks associated with anti-corruption and bribery, which can be potentially connected to all of EYDAP S.A.'s activities are:

1. Bribery of an employee in order to speed up or to process a case or to achieve a cooperation with our Company.
2. Cases of embezzlement by employees working at the Company's Finance Departments or fraud.
3. Misuse of power.
4. Ignore illegal behaviors and activities.
5. More specifically, the public contracts for goods supply, services and execution of works, entail the following risks in corruption practices: formulating the version of the specifications in a manner that favors certain economic operators, conflict of interest that can affect various stages of competitive procedures, use of direct assignments to avoid the obligations of the tender process, partnering with untrusted or insolvent economic operators.

5.2 CORPORATE POLICIES

EYDAP S.A. places particular emphasis on the effective monitoring and management of potential risks and commits to perform the entire range of its activities with transparency, ethics and integrity, ensuring the excellent quality of its services by focusing on the citizen. Therefore, in order to ensure the above, EYDAP S.A. strictly respects the relevant legislative and regulatory framework and specific actions and policies are followed. Namely:

- Increasing transparency by applying the relevant procedures under the existing institutional framework and in particular by the stock exchange legislation, as the disclosure process of regulated information, accurate and timely information to investors, reporting transaction processes from the Managers employees within the Company, process to prevent abuse of privileged information and publication of important corporate information in Company's website, disclosure of financial reports to the Exchange Commission web portal, submission and publication of the assets and source of "wealth declaration" from liable persons.
- Publishing and distributing of corporate brochures that support information dispersion regarding the activities, strategy, objectives and Company's performance.
- Drafting Internal Corporate Governance Rules and Operations in accordance with relevant legislation that facilitates policies and corporate governance practices formulation that meet Company's needs. This regulation clearly shows the information relating to corporate governance, internal control system and the assessment and management of operational risks.
- Drafting of EYDAP S.A.'s Internal Employees Rules of Operation, in which rights and obligations of the staff are established, especially when dealing with citizens. Inter alia, explicitly prohibited the Company's employees to ask or accept from citizens, directly or indirectly, any kind of gifts or remuneration or other benefits or related promises for themselves or for third parties.
- In the field of public procurement, the Procurement Division and its relevant services, strictly implement the new Law of 4412/2016 procedures «on public works, procurements and services», according to which the contracting entities shall treat economic operators equally and without discrimination to act transparently, respecting the principle of proportionality, the protection of the public interest, the protection of individual rights, freedom of competition, protection of the environment and sustainable development. Provisions are adopted for the obligation to effective prevention, the detection and remediation of conflicts of interest, the disclosure of public contracts as well as the procedures and elements that proceed their conclusion. Also, electronic procurement means are specified so there are additional guarantees offered in terms of prevention and detection of corrupt practices as they help to enhance transparency and facilitate the monitoring mechanisms. Furthermore, contracting entities exclude economic operators which are not reliable, especially if conviction for corruption, fraud or money laundering there is found against them.

Finally, it is noted that the staff of the Procurement and Services Department has been trained, through seminars, in the strict compliance and implementation of the above. EYDAP S.A.'s aim is the implementation of a continuous improvement and development process in order to strengthen its position and credibility through the above policies and strategies.

5.3 OUTCOMES OF THESE POLICIES AND NON-FINANCIAL KEY PERFORMANCE INDICATORS

The evaluation of our approach is performed via:

- Establishment of Control Mechanisms, such as the Internal Audit Division and the Board's Audit Committee, with main responsibilities, among others, to monitor the effective operation of the Internal Control and Risk Management Systems, the statutory audit and the reliability of the Company's financial reports, the Company's compliance with applicable legislation, the safeguarding of its assets, to update the Board of Directors on the inspections results and the appropriate recommendations for corrective adjustments. In addition, regular checks are conducted by the legal auditors.
- Disciplinary control by the Company's competent Disciplinary Board in the event of disciplinary offenses associated with the violation of EYDAP S.A.'s Personnel Regulation (P.D. 597/1985) and EYDAP S.A. 's Personnel Internal Regulation of Operation

For 2016, two corruption incidents were identified. Their disciplinary proceedings are expected to be completed in 2017.

STATEMENT OF CORPORATE GOVERNANCE

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

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

Code of Corporate Governance
• Internal Rules of Corporate Governance and Operation
• ii. Board of Directors and Audit Committee
iii. Shareholders' Meeting and Rights
iv. Internal Audit and Risk Management
v. 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, at Shareholder's Department and at the Corporate Announcements Department at 156 Oropou str Galatsi.
The Company does not apply any practices beyond the provision of the Law.

B. Board of Directors & Audit Committee

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

The General Meeting of Shareholders has authority to determine the number of members of the Board of Directors as well as to increase or decrease such number, always within the limits specified in the Company's Articles of Association.
The Board of Directors is composed of:
a. Two (2) representatives of Company employees elected (along with an equal number of alternate representatives) by direct and universal vote;
b. Two (2) members representing minority shareholders, elected as provided for in article 36 of the Company's Articles of Association;
c. Shareholder representatives, elected by the General Meeting.

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

Convocation of the Board of Directors

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

The Board of Directors holds ordinary meetings 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 01/01/2016 to 31/12/2016 were as follows:

Members of the BoD from 01/01/2016 έως 18/01/2016	
Konstantinos Papadopoulos	Chairman of the BoD , Executive Member
Ioannis Benisis	Chief Executive Officer, Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Non-Executive Member
Georgios Makrinos	Non-Executive Member
Nikolaos Sarantis	Non-Executive Member
Michail Stavroulakis	Independent, Non-Executive Member
Georgios Chalabalakis	Non-Executive Member
Panagiotis Skoularikis	Non-Executive Member
Christos Mistriotis	Non-Executive Member
Emmanuel Aggelakis	Non-Executive Member
Evangelos Moutafis	Non-Executive Member

Members of the BoD from 19/01/2016 έως 31/12/2016	
Konstantinos Papadopoulos	Chairman of the BoD , Non-Executive Member
Ioannis Benisis	Chief Executive Officer, Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Non-Executive Member
Georgios Makrinos	Non-Executive Member
Alexandros Pouliasis	Non-Executive Member
Nikolaos Sarantis	Non-Executive Member
Michail Stavroulakis	Independent, Non-Executive Member
Georgios Chalabalakis	Non-Executive Member
Panagiotis Skoularikis	Non-Executive Member
Christos Mistriotis	Non-Executive Member
Emmanuel Aggelakis	Non-Executive Member
Evangelos Moutafis	Non-Executive Member

CVs of Bod

Konstantinos Papadopoulos, Chairman

Konstantinos Papadopoulos is Dr. Hydrogeologist, who was born in Thessaloniki in 1952 with the following studies:1978: Degree in Geology (Laurea in Scienze Geologiche) from the Physics & Mathematics School of the University of Parma (Universita degli Studi di Parma - Italia)1982: Diploma in Advanced studies [Diplôme d 'Études Approfondies (DEA)] in Water Science [(Sciences de L'Eau) with specialization in Hydrology - Hydrogeology - Hydrochemistry and in Management of Water Resources] from Pierre et Marie Curie University in Paris (Paris VI), 2004: PhD in Hydrogeology from the University of Patra. In 1983, he worked as a Research Consultant at the Agricultural University of Athens. From 1984 to 1997, he worked at the Institute of Geology and Mineral Exploration (I.G.M.E.). From 1997 to 2004, he worked as an Expert in Water Resources Management in the Ministry of Development. From 2004 to 2011, he worked in project management of the Management Organization Unit of Development Programs and from 2011 to 2014, he worked at the National Center for the Environment & Sustainable Development - Institute of Geology and Mineral Exploration.

Ioannis Benisis, CEO

Ioannis Benisis was admitted with a scholarship to the Department of Mathematics of National and Kapodistrian University of Athens, during which he maintained the scholarship. From 1978 to 2000, he worked

as a professors and partner in several educational institutions and for several years he was CEO of one of them. Since 2000, he was managerially involved with several small business enterprises focusing on food and beverage and he also owned an energy consulting company. During his professional career he was CEO of an S.A. company, administrator in four Ltd companies and partner in about fifteen General Partnership companies of educational institutions, catering services, constructions and energy systems. Since July 2015, he is CEO of EYDAP.

Konstantinos Vafeiadis , Executive Member
Konstantinos Vafeiadis graduated from the School of Chemical Engineering of the National Technical University of Athens (NTUA) in 1997. He holds a M.Sc. in Advanced Chemical Engineering from Imperial College (1998) and a Ph.D. in Control Engineering from City University London (2003). He specializes in the design & implementation of complex software, IT & consulting projects with an emphasis in the financial sector as well as in the design and implementation of large investment, research and development projects. Since July 2015, he is Deputy Mayor responsible for Human and Financial Resources.

Ioannis Kardaras, Non-Executive Member
Ioannis Kardaras graduated from the law school of Athens (1974), and accomplished postgraduate studies in the University of London with specialization in European Union Law and in «Comparative European Law» (1976). He works as a lawyer in Piraeus since 1977 and he is a lawyer in the Supreme Court.

Georgios Makrinos, Non-Executive Member
Georgios Makrinos graduated from the department of Public Hygiene from the School of Health Care Professionals of Technological Educational Institute of Athens , further education in «Management and Enviromental Technology» and Master's thesis in Public Health (2007-09) from the National School of Public Health. He is alderman in Koridalos since 2010 and president of sports and cultural organization of the municipality of Koridalos.

Alexandros Pouliasis, Non-Executive Member
Alexandros Pouliasis accomplished his studies following on Accounting and Financial Management. At the present time he works as a consultant in the Ministry of Finance.

Nikolaos Sarantis, Non-Executive Member
Nikolaos Sarantis is the Mayor of Municipality Agioi Anargyroi – Kamatero. He is a graphic designer, professor at the Graphic Design Department of Technological Educational Institute of Athens. . He holds a Master entitled «European Union and Developing Countries» by the Department of International Relations at Panteion University of Social and Political Sciences. Since October 2014 he has been General Secretary Regional Association of Municipalities of Attica (PEDA).

Michail Stavroulakis, Independent Non-Executive Member
Michail Stavroulakis is an economist, accountant-tax consultant and graduated from the Accounting department from the Business School of Technological Educational Institute of Heraklion Crete and from the Higher Industrial School of Piraeus. He has worked as accountant and economic advisor to various companies and he is experienced in international financial transactions.

Georgios Halambalakis, Non-Executive Member
Georgios Halambalakis received his BSc (Hons) degree in Physics of Laser Science from Heriot-Watt University of Edinburgh in Scotland in 2000 and his Ph.D. degree in Condensed Matter Physics & Nanotechnology from University of Montpellier in France, in 2005. Since 2013, he is co-founder of «ETEO» G.P. Company, which is specialized in production and exportation of Organic Extra Virgin Olive Oil Premium Category.

Christos Mistriotis, Non-Executive Member
Christos Mistriotis 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.

Panayiotis Skoularikis, Non-Executive Member
Panayiotis Skoularikis 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. By February 2013 he was appointed Assistant General Manager of Piraeus Bank Group.

Emmanouel Aggelakis, Non-Executive Member
Emmanouel Aggelakis is a graduate of the Kapodistrian University of Athens, and works for EYDAP, as Scientific Personnel since May 1993.

Evaggelos Moutafis
Evaggelos Moutafis is an EYDAP employee since 1984.Since 2006 he holds the position of Organizing Secretary of GSEE.

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

Resignation dates of BoD Members
17/10/2015 resignation of Eleftherios Magiakis

Resolutions of General Meetings
1. Repeat after Postponement 33rd Ordinary General Meeting June 2nd 2015: election of Konstantinos Vafeiadis, Michail Stavroulakis (Independend Member), Nikolaos Sarantis, Ioannis Kardaras, Georgios Makrynos, Georgios Chalambalakis and Eleftherios Magiakis.
2. Extraordinary General Meeting January 15th 2016: ratification election of Messrs Konstantinos Papadopoulos and Ioannis Benisis and election of Mr. Alexander Pouliassis following the resignation of Board Member Mr. Eleftheriou Magiaki.
3. Special General Meeting of 28th/06/16, election of Panagiotis Skoularikis and Christos Mistriotis

* Election of EYDAP employees June 2012: election of

Evagelos Moutafis and Emmanouil Aggelakis

Resolutions of BoD

1. 18646/08.07.2015: election of Konstantinos Papadopoulos and Ioannis Benisis as Chairman and CEO respectively and their designation as the only executive Members. of the Board
2. 18648/22.07.2015: designation of Konstantinos Vafeiadis as executive Member of the Board.
3. 18790/19.01.2016: designation of Ioannis Benisis and Konstantinos Vafeiadis as the only executive Members of the Board

Number of BoD meetings from 01/01/2015 to 31/12/2015

During the above mentioned time period the BoD held thirty two (32) meetings (1175th/19.01.2016 to 1206th/21.12.2016).

C. Shareholders' General Meeting & Rights

Operation and Powers of the General Meeting

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

a. On any amendment of the Articles of Association; the increase of decrease of the capital of the Company is considered to be an amendment subject to para. 4 of article 8 and para. 5 of article 9 of the Articles of Association;
b. On the election of the members of the Board of Directors and the auditors subject to articles 11 and 13 of the Articles of Association;
c. On the approval of the annual financial statements of the Company;
d. On the appropriation of the annual profits and the approval of the emoluments to members of the Board of Directors;
e. On the discharge of the members of the Board of Directors and Auditors from any personal liability;
f. On the issue of bond loans of any type, subject to para. 4 of article 9 of the Articles of Association;
g. On the merger, division, conversion, revival, extension of the term and dissolution of the Company;
h. On the appointment of liquidators.

As to the rest, the provisions of article 34, para. 2, of C.L. 2190/20, as applicable, shall apply.

Convocation of the General Meeting

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

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

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

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

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

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

General Meeting Notice - Agenda

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

The said notice is published twenty (20) clear days in advance in the said daily or weekly political and financial newspapers and in General Electronic Commercial Registry (G.E.MI.) . 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 (General Secretariat of Public Property, Privatization Unit and management of securities) 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.

Regerding 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 (ww.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 01/01/2015 to 31/12/2015

From 01/01/2016 to 31/12/2016

Michail Stavroulakis, Chairman
Ioannis Kardaras, Member
Nikolaos Sarantis, 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) Repeat after Postponement 33rd Ordinary General Meeting June 2nd 2015: designation of the Audit Committee consisted of Michail Stavroulakis as Chairman, Ioannis Kardaras and Eleftherios Magiakis as Members
2) Extraordinary General Meeting January 15th 2016: ratification election of Nikolaos Sarantis following the resignation of Board Member Mr. Eleftheriou Magiaki

Resolution of BoD

1) 18712/11.11.2015:designation of Nikolaos Sarantis in replacement of the resigned Member Eleftherios Magiakis

Number of Audit Committee meetings from 01/01/2016 to 31/12/2016

During the above mentioned time period the Audit Committee held fourteen (14) 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 idependent 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 Corporate Governance 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
- 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.
The information required by law 4403 Article2 paragraph 1, are included in the Company's Annual Reports that are posted on the corporate website www.eydap.gr. in the section Investor Relations

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 directly 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, April 5th 2017

The Members of the Board of Directors

Name	Position
Konstantinos Papadopoulos	Chairman of the BoD, Member
Ioannis Benisis	Chief Executive Officer, Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Member
Georgios Makrynos	Member
Alexandros Pouliasis	Member
Nikolaos Sarantis	Member
Michail Stavroulakis	Independent Member
Georgios Chalambalakis	Member
Christos Mistriotis	Member
Panayotis Skoularikis	Member
Emmanouel Aggelakis	Member
Evaggelos Moutafis	Member

Exact Copy of No 1213
Minutes of the Board of Directors of 5th of April 2017

The Chief Executive Officer
Ioannis Benisis

3.3 ANNUAL FINANCIAL STATEMENTS

OF THE FINANCIAL YEAR 1 JANUARY 2016 TO 31 DECEMBER 2016 IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) OF THE GROUP AND EYDAP SA (THE COMPANY)

CONTENTS

- General Information for the Company
- Statement of Income for the Financial Years ended on 31st December 2016 & 2015
- Statement of Total Comprehensive Income for the Financial Years ended on 31st December 2016 & 2015
- Statement of Financial Position of 31st December 2016 & 2015
- Statements of Changes in Shareholders' Equity of 1st January – 31st December 2016 & 2015
- Cash Flow Statements of 1st January – 31st December 2016 & 2015
- Notes on the Annual Financial Statements for the period ended on 31st December 2016

The present Financial Statements of the Company, pages 63 – 115, were approved by the Board of Directors on 05 April 2017 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, 05 April 2017

The Chairman of the Board of Directors
Konstantinos Ant. Papadopoulos
ID No. P 720446

The Chief Executive Officer
Ioannis Emm. Benisis
ID No. AB 521661

The Director of Financial Services
Lemonia Mark. Skylaki
ID NO. Ξ 971227
Economic Chamber of Greece
Accounting License Reg. No. A/17806

The Head of Accounting Department
Dimitra Vas. Zarkadoula
ID NO. AB 253061
Economic Chamber of Greece
Accounting License Reg. No. A/112285

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, Athens, Greece
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:	Infrastructure and Transport
Tax Registration Number:	094079101
Members of the Board of Directors:	K. Papadopoulos, I. Benisis, K. Vafeiadis, I. Kardaras, G. Makrinos, G. Charalambakis, M. Stavrou-
	lakis, N. Sarantis, P. Skoularikis, Ch. Mistriotis, A. Pouliasis, Emman. Aggelakis, Evang. Moutafis
Ending Date of the Current Period:	31 December 2016
Duration of the Period:	12 months
Type 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):	05 April 2017
Chartered Auditors Accountants:	Efstratios Paparidis SOEL Reg. No. 14351
	Dimitrios Stavrou SOEL Reg. No. 14791
Auditing Firm:	«S.O.L.» S.A. CERTIFIED PUBLIC ACCOUNTANTS
	SOCIETE ANONYME, SOEL REG. NUMBER 125
Audit Report on the Annual Financial Statements from Chartered Auditors	In agreement – Matter of Emphasis
Accountants:	
Internet address where the Financial Statements are registered:	www.eydap.gr

STATEMENT OF INCOME FOR THE FINANCIAL YEARS ENDED ON 31ST DECEMBER 2016 & 2015

		GROUP		COMPANY	
Amounts in € thousand	NOTE	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Turnover	5	328.851	324.268	328.821	324.248
Cost of Goods Sold	6	(182.637)	(185.858)	(182.637)	(185.858)
Gross Profit		**146.214**	**138.410**	**146.184**	**138.390**
Other Operating Income	5	3.783	1.757	3.783	1.757
General and Administration Expenses	6	(68.750)	(61.482)	(68.697)	(61.434)
Distribution and Selling Expenses	6	(26.991)	(29.498)	(26.991)	(29.498)
Operating Profit		**54.256**	**49.187**	**54.279**	**49.215**
Other Expenses		(4.348)	(5.479)	(4.348)	(5.479)
Financial Income	9	13.914	13.847	13.904	13.847
Financial Expenses	10	(4.431)	(1.240)	(4.431)	(1.240)
Impairment of Securities	17	(18.067)	-	(18.067)	-
Profit before Taxes		**41.324**	**56.315**	**41.337**	**56.343**
Income Tax	11	(17.275)	(12.658)	(17.275)	(12.658)
Net Profit after Taxes		**24.049**	**43.657**	**24.062**	**43.685**
Earnings per Share (in €)	12	**0,23**	**0,41**		
Proposed Dividend (in €)				**0,11**	**0,21**

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR FINANCIAL YEARS ENDED ON 31st DECEMBER 2016 & 2015

	GROUP		CPMPANY	
Amounts in € thousand	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net Profit for the Year	24.049	43.657	24.062	43.685
Reclassification of impairment losses from investments available for sales in the Statement of Income	994	-	994	-
Valuation at fair of financial assets available for sale – Other income transferrable to following years' results	127	(891)	127	(891)
Actuarial profit-losses of defined benefit plans – Other income non transferrable to following years' results	(13.859)	24.164	(13.859)	24.164
Total Comprehensive Income after Taxes	**11.311**	**66.930**	**11.324**	**66.958**

STATEMENT OF FINANCIAL POSITION OF 31st DECEMBER 2016 & 31st DECEMBER 2015

	NOTES	GROUP		COMPANY	
Amounts in € thousand		31.12.2016	31.12.2015	31.12.2016	31.12.2015
ASSETS					
NON-CURRENT ASSETS					
Goodwill	13	3.357	3.357	3.357	3.357
Other Intangible Assets	14	1.284	1.327	1.284	1.327
Tangible Assets	15	881.337	916.555	881.337	916.555
Investments in Subsidiaries	16	-	-	1.210	1.210
Investments Available for Sale	17	2.855	19.395	2.855	19.395
Long-term Receivables	18	22.598	12.905	22.598	12.905
Deferred Tax Assets	19	107.588	92.213	107.588	92.213
Total Non-Current Assets		**1.019.019**	**1.045.752**	**1.020.229**	**1.046.962**
CURRENT ASSETS					
Materials and Spare Parts	20	12.387	12.509	12.387	12.509
Trade Receivables	21	207.437	224.514	207.439	224.501
Other Receivables	22	17.329	16.348	17.303	16.328
Current tax receivables	11	15.124	17.554	15.124	17.554
Cash and Cash Equivalents	23	280.544	260.419	279.471	259.342
Total Current Assets		**532.821**	**531.344**	**531.724**	**530.234**
Total Assets		**1.551.840**	**1.577.096**	**1.551.953**	**1.577.196**
LIABIITIES					
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	378.474	377.353	378.474	377.353
Retained Earnings (earnings carried forward)	26	421.890	485.185	422.003	485.285
Total Shareholders' Equity		**904.766**	**966.940**	**904.879**	**967.040**
LONG TERM LIABILITIES					
Liabilities for Employee Benefits	27	291.214	266.839	291.214	266.840
Provisions	28	41.701	45.164	41.701	45.164
Investment Subsidies and Customer	29	186.737	193.653	186.737	193.653
Contributions		18.297	18.212	18.297	18.212
Consumers' Guarantees	30	**537.949**	**523.868**	**537.949**	**523.869**
Total Long-Term Liabilities					
SHORT-TERM LIABILITIES					
Operating Short Term Liabilities	31	78.190	36.847	78.182	36.846
Current Tax Liabilities	11	-	28.277	-	28.277
Other Short Term Liabilities	31	30.935	21.164	30.943	21.164
Total Short-Term Liabilities		**109.125**	**86.288**	**109.125**	**86.287**
Total Liabilities		**1.551.840**	**1.577.096**	**1.551.953**	**1.577.196**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1st JANUARY – 31st DECEMBER 2016 & 2015

GROUP

2016	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
Amounts in € thousand							
Equity Balance at 1st January 2016	**63.900**	**40.502**	**22.207**	**355.765**	**(619)**	**485.185**	**966.940**
Net Profit for the Year						24.049	24.049
Other changes through the statement of total comprehensive income					1.121	(13.859)	(12.738)
Dividends						(73.485)	(73.485)
Equity Balance at 31st December 2016	**63.900**	**40.502**	**22.207**	**355.765**	**502**	**421.890**	**904.766**

2015	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
Equity Balance at 1st January 2015	**63.900**	**40.502**	**21.547**	**355.765**	**272**	**439.324**	**921.310**
Net Profit for the Year						43.657	43.657
Distribution of reserve from tax free income					(891)	24.164	23.273
Debit balance of reserves (L. 4172/13, art. 72)			660			(660)	0
Dividends						(21.300)	(21.300)
Equity Balance at 31st December 2015	**63.900**	**40.502**	**22.207**	**355.765**	**(619)**	**485.185**	**966.940**

COMPANY

2016	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
Amounts in € thousand							
Equity Balance at 1st January 2016	**63.900**	**40.502**	**22.207**	**355.765**	**(619)**	**485.285**	**967.040**
Net Profit for the Year						24.062	24.062
Other changes through the statement of total comprehensive income					1.121	(13.859)	(12.738)
Dividends						(73.485)	(73.485)
Equity Balance at 31st December 2016	**63.900**	**40.502**	**22.207**	**355.765**	**502**	**422.003**	**904.879**

2015	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
Equity Balance at 1st January 2015	**63.900**	**40.502**	**21.547**	**355.765**	**272**	**439.396**	**921.382**
Net Profit for the Year						43.685	43.685
Distribution of reserve from tax free income					(891)	24.164	23.273
Debit balance of reserves (L. 4172/13, art. 72)			660			(660)	0
Dividends						(21.300)	(21.300)
Equity Balance at 31st December 2015	**63.900**	**40.502**	**22.207**	**355.765**	**(619)**	**485.285**	**967.040**

CASH FLOW STATEMENTS OF 1ST JANUARY - 31st DECEMBER 2016 & 2015

	GROUP		COMPANY	
Amounts in € thousand	1.1-31.12.2016	1.1-31.12.2015	1.1-31.12.2016	1.1-31.12.2015
Cash Flows from operating activities				
Profit before tax	41.324	56.315	41.337	56.343
Plus / minus adjustments for:				
Depreciation and amortization	45.539	48.174	45.539	48.174
Amortization of customer contributions and investment subsidies	(8.168)	(8.151)	(8.168)	(8.151)
Reductions / transfers of tangible and intangible assets	(935)	(159)	(935)	(159)
Income from securities	(66)	(64)	(66)	(64)
Provisions for personnel indemnities	2.944	2.198	2.944	2.198
Other provisions	1.900	19.810	1.900	19.810
Interest and related income	(13.848)	(13.783)	(13.838)	(13.783)
Interest and related expense	4.431	1.240	4.431	1.240
Impairment of securities	18.067	-	18.067	-
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables	5.843	(31.283)	5.835	(31.248)
Materials and spare parts	121	1.828	121	1.828
Increase (Decrease)				
Operating short term liabilities	2.056	(12.825)	2.055	(12.815)
Customers' guarantees	85	84	85	84
Employees' contributions for compensation	1.911	1.618	1.911	1.618
Minus:				
Interest and related expenses paid	(36)	(24)	(36)	(24)
Income tax paid	(52.646)	(570)	(52.646)	(570)
Net Cash Flows from Operating Activities (a)	**48.522**	**64.408**	**48.536**	**64.481**
Cash flows from investing activities				
Purchases of tangible assets	(8.442)	(2.992)	(8.442)	(2.992)
Purchases of intangible assets	(901)	(3.714)	(901)	(3.714)
Proceeds from customer contributions and subsidies	1.253	1.044	1.253	1.044
Interest and related income received	11.481	8.873	11.471	8.873
Dividends received	66	64	66	64
Purchase of securities	0	(20.000)	0	(20.000)
Share capital increase in subsidiary / Receipt from liquid. of associate company	**0**	**0**	**0**	**(500)**
Total inflows / (outflows) from Investing Activities (b)	**3.457**	**(16.725)**	**3.447**	**(17.225)**
Cash flows from financing activities				
Dividends paid	(31.854)	(20.578)	(31.854)	(20.578)
Total inflows / (outflows) from Financing Activities (c)	**(31.854)**	**(20.578)**	**(31.854)**	**(20.578)**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**20.125**	**27.105**	**20.129**	**26.678**
Cash and Cash Equivalents at the beginning of period	**260.419**	**233.314**	**259.342**	**232.664**
Cash and Cash Equivalents at the end of period	**280.544**	**260.419**	**279.471**	**259.342**

NOTES ON THE ANNUAL FINANCIAL STATEMENTS OF 31ST DECEMBER 2016

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, postal code 111 46, Athens, Greece.

The Company operates in the sector of supply and refinement of water, providing as well sewerage 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 modernization/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 8,500 kilometers water distribution network. The Company also operates four Units of Water 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.

With regard to the waste management, EYDAP SA possesses three waste management centers (WMC), one in Psitalia (capacity for 5,630,000 equivalent residents), one in Metamorphosi (500,000) and one in Thriasio (117,000).

The Waste Management Center (WMC) in Psitalia also operates 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 power of 17.2 MWth, as well as a small-scale hydroelectric station of 489 KW capacity for the recovery of the contained energy in the wave of processed outflows prior to their disposition in Saronikos Golf.

Through the operation 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 operates 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 Infrastructure and Transportand 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 Law 2744/1999 the Company operated as wholly state-owned utility. In 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 Law 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 the date on 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 water transmission and distribution channels. In October 1999, the main infrastructure installations for the water supply of the Attica region, meaning the dams, the reservoirs of Evinos, Mornos, Marathon, Iliki lake and the transmission and distribution channels of crude water 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 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 it is in effect 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. EYDAP S.A. established on 18th July 2011 (BoD Decision no. 17241/13.05.2011), a 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.

Apart from the amendment resulted from the article 68, of L. 4313/2014, in L. 2744/1999 the following regulatory changes have been made:

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

With the article 64 of L. 4150/2013 Gov. Gaz. A 102/29.4.2013, the paragraph 5A was added to the article 1 of L. 2744/1999, according to which the following are stipulated: "With joint decision of the Ministers of Development & Competitiveness, of Infrastructure, Transport & Networks, of 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."

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 AMENDMENT OF EXISTING STANDARDS

Adoption of New and Revised International Standards

New standards, amendments to existing standards and interpretations have been issued and their application is mandatory for annual periods beginning on or after 1 January 2016. The impact of the application of these new standards, amendments and interpretations is set out below.

Standards and Interpretations mandatory for the current financial year 2016

Annual Improvements to IFRSs 2012 - 2014 Cycle
The amendments of the 2012 - 2014 Cycle were issued by the IASB on 25 September 2014, are applicable for annual periods beginning on or after 1 January 2016 and were approved by the European Union on 15 December 2015 by the regulation (EU) No. 2343/2015. The amendments below concerning the International Financial Reporting Standards 5 and 7 and the International Accounting Standards 19 and 34 are not expected to have a material impact on the financial statements of the Company (the Group), unless otherwise stated.

IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations"
The amendment clarifies that the change from one method of disposal to another (i.e. from a plan of sale to a plan of distribution to owners) should not be considered as a new plan of sale but as a continuation of the original plan of disposal. Consequently, the requirements of IFRS 5 should be applied. The amendment also clarifies that changes in methods of disposal shall not change the date of classification.

IFRS 7 "Financial Instruments: Disclosures"
Servicing contracts after the transfer of financial assets. If an entity transfers a financial asset under terms that allow to the transferor to derecognise the financial asset, the IFRS 7 requires disclosures to include all types of continuing involvement that the entity may have in the transferred financial assets. IFRS 7 provides guidance about the meaning of the term "continuing involvement". The amendment added specific guidance so as to enable managements to determine whether the terms of a servicing contract of transferred financial assets constitutes a continuing involvement. The amendment permits non-mandatory retroactive application.
Interim financial statements.
The amendment clarifies that the additional disclosures required by the IFRS 7 "Disclosure-Offsetting of financial assets and financial liabilities" are not particularly required for all the interim periods, unless required by the IAS 34. The amendment has retroactive effect.

IAS 19 "Employee Benefits - Employee Contributions"
The amendment is applicable for annual periods beginning on or after 1 February 2015. The amendment clarifies that the depth of the market for high quality

corporate bonds should be assessed at a currency level that is the currency used to determine the obligation and not a country/regional market level where the obligation is due. If there is no deep market for high quality corporate bonds in such currency, the interest rates on government bonds shall be used.

IAS 34 "Interim Financial Reporting"
The amendment clarifies that the disclosure requirements in the interim financial statements shall be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to information in another statement (such as management report). It is also clarified that the other disclosures incorporated in the interim financial report should be available to users of the financial statements on the same terms as the interim financial statements and at the same time. If users of the financial statements do not have access to the information incorporated by cross-reference on the same terms and at the same time, the interim financial report is incomplete.

IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment Companies: Applying the Consolidation Exemption"
On 18 December 2014 the IASB issued amendments to IFRS 10, IFRS 12 and IAS 28 regarding the requirements in applying the consolidation exemptions for the Investment Companies. The amendments are applicable for annual periods beginning on or after 1 January 2016, while earlier application is permitted and have not yet been approved by the European Union.

IAS 1 (Amendment) "Presentation of Financial Statements" - Disclosure Initiative
The amendments to IAS 1 issued by the IASB on 18 December 2014, clarify that the materiality guidance applies to the financial statements as a whole and that the inclusion of immaterial information may result in obscuring useful information. In addition, the amendments clarify that entities shall use their professional judgment in determining where and by which order information is presented in the financial statements disclosures. There are also clarified issues regarding the subtotals and the presentation of the data of the other comprehensive income arising from the investments that are accounted by using the equity method. The amendment is applicable for annual periods beginning on or after 1 January 2016 and were approved by the European Union on 18 December 2015.

IAS 16 and IAS 38 (Amendments) "Clarifications about Permissible Depreciation Methods"
The amendment clarifies that the use of revenue-based methods is not appropriate for the calculation of an asset's depreciation, because the revenue that is generated from an activity that includes the use of an asset generally reflects other factors but not the exhaustion of future economic benefits that are embedded in the asset.
The amendment is applicable for annual periods beginning on or after 1 January 2016 and were approved by the European Union on 2 December 2015.

IAS 27 (Amendment) "Equity method in separate Financial Statements"
The amendment to IAS 27 issued by the IASB on 12 August 2014 permits an entity to measure its investments in subsidiaries, joint-ventures and associates using the equity method in its separate financial statements. This is a choice of accounting policy for each class of investment. The amendment is applicable for annual periods beginning on or after 1 January 2016 and was approved by the European Union on 18 December 2015.

IFRS 11 (Amendment) "Joint Arrangements - Accounting of acquisition of share in a joint operation"
The amendment requires an investor to apply the method of acquisition of share in a joint operation, which constitutes an entity and clarifies the appropriate accounting for such acquisitions. The amendment is applicable for annual periods beginning on or after 1 January 2016 and was approved by the European Union on 24 November 2015.

IAS 19 (Amendment) "Employee benefits" - "Employee contributions"
The amendment is applicable for annual periods beginning on or after 1 February 2015. The amendment clarifies how contributions by employees or third parties associated with the service shall be paid in periods of service. Indeed, it permits a practical solution for accounting the contributions that are independent from the number of the years of service, e.g. the employee contributions that are calculated according to a flat rate on the salary.

Standards and Interpretations mandatory for subsequent periods that have not been earlier applied by the Company and the Group
The following new standards, amendments to existing standards and interpretations have been issued but are mandatory for subsequent periods. The Company and the Group has not earlier applied these standards and is assessing their impact on the financial statements.

IFRS 9 "Financial Instruments"
On 24 July 2014 the IASB issued the final version of the IFRS 9, which includes improvements for the classification and measurement, the impairment and the hedge accounting. The standard comes to supersede the IAS 39 and all the previous versions of the IFRS 9. The financial assets are valued at amortised cost, at fair value through profit or loss, or the fair value through other comprehensive income, based on the entity's business model for the management of the financial assets and the contractual cash flows of the financial assets. Except for the entity's credit risk, the classification and measurement of financial liabilities is not changed in relation to the existing requirements. The Company is assessing the impact of the IFRS 9 on its financial statements. The IFRS 9 is mandatory for annual periods beginning on or after 1 January 2018 and was approved by the European Union on 22 November 2016.

IFRS 15 "Revenue from Contracts with Customers"
On 28 May 2014 the IASB issued the IFRS 15 "Revenue from Contracts with Customers", which including also the amendments to the standard issued on 11 September 2015 is mandatory for annual periods beginning on or after 1 January 2018 and is the new standard referring to revenue recognition.
The IFRS 15 supersedes the IAS 18 "Revenue", IAS 11 "Construction contracts" and the interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.
The new standard establishes a single, five-step model

that shall be used for revenue arising from a contract with a customer (with limited exemptions), regardless of the nature of the revenue transaction or the sector. The requirements of the standard will be applied also for the recognition and measurement of gains and losses from the sale of certain non-financial assets that do not constitute production from the entity's usual activities (e.g. sales of property, plant and equipment or intangible assets). Further disclosures shall be required, including an analysis of the total revenue, information in relation to return obligations, changes in the balance of the contract's assets and liabilities between the periods and critical judgements and estimates. The IFRS 15 was approved by the European Union on 22 September 2016.

IFRS 16 "Leases"
On 13 January 2016 the International Accounting Standards Board (IASB) issued the IFRS 16 which supersedes the IAS 17. Purpose of the standard is to ensure that lessors and lessees provide useful information that presents fairly the substance of the transactions concerning leases. The FIRS 16 introduces a single lessee accounting model on lessee's side, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. For the accounting, on the lessor's side, the IFRS 16 substantially incorporates the requirements of the IAS 17. Consequently, lessors continue to classify leases as operating or finance, and follow different lessor accounting for each type of contract. The new standard is applicable for annual periods beginning on or after 1 January 2019 and has not yet been approved by the European Union.

IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 (Amendment) "Investments in Associates and Joint Ventures" - Sales or Contributions of Items of Assets between an Investor and the Associate or the Joint-Venture
Main consequence of this amendment issued by the IASB on 11 September 2014, is that full gain or loss is recognised when a transaction includes an entity (either housed in a subsidiary or not). Partial gain or loss is recognised when a transaction includes items of assets that do not constitute an entity, even if these assets are housed in a subsidiary. The amendment is applicable for annual periods beginning on or after 1 January 2016 and has not yet been approved by the European Union.

IAS 12 (Amendment) "Recognition of Deferred Tax Assets for Unrealised Losses"
The amendment clarifies the accounting concerning the recognition of deferred tax assets for unrealised losses incurring from debt instruments measured at fair value. The amendment is applicable for annual periods beginning on or after 1 January 2017 and has not yet been approved by the European Union.

IAS 7 Statement of Cash Flows (Amendment) "Disclosures"
The amendment introduces mandatory disclosures that enable users of financial statements to evaluate the changes in liabilities arising from financing activities. The amendments shall require entities to provide disclosures that permit investors to evaluate changes in liabilities arising from financial activities, including changes arising from cash flows and non-cash changes. The amendment is applicable for annual periods beginning on or after 1 January 2017 and has not yet been approved by the European Union.

IFRS 2 Share-based Payment (Amendment) "Classification and Measurement of Share-based Payment"
The amendment to IFRS 2 "Share-based Payment" clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRS 4 (Amendment) "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"
The Board issued on 12 September amendments to IFRS 4 to address, concerns about applying the new standard IFRS 9 Financial Instruments before the application of the new Board amended IFRS 4. The amendments introduce two approaches: overlay approach and temporary exemption. The amended standard shall:

- Allow all companies that issue insurance contracts to recognize in OCI, rather than profit or loss, the volatility that may arise when IFRS 9 is applied before the new insurance contracts.
- Provide to companies with activities predominantly connected with insurance an optional temporary exemption to defer the application of IFRS 9 until 2021.

The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

Clarifications to IFRS 15 "Revenue from Contacts with Customers"
On April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not change the basic principles of the Standard but provide clarification on how to apply these policies. The amendments clarify how to identity performance obligations recognised as a contract, how to determine whether an entity is a principal or an agent and how is determined whether the revenue from granting a licence should be recognised as transferred at a point in time or over time. The Company (The Group) will assess the impact of all the above on its financial statements, however is not expected any. The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

Annual Improvements to IFRSs 2014-2016 Cycle
The amendments of the 2014 - 2016 Cycle were issued by the IASB on 8 December 2016, are applicable for annual periods beginning on or after 1 January 2018 and have not yet been approved by the European Union. The amendments below are not expected to have a material impact on the financial statements of the Company (The Group).

IAS 28 (Amendment) "Measuring an Associate or Joint Venture at fair value"

The amendment clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment -by- investment basis, upon initial recognition.

IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of the Standard
The amendment clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10-B16, apply for an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

IAS 40 "Investment Property" Transfer of Investment Property
The amendments to IAS 40 issued by the IASB on 8 December 2016 clarify that an entity can transfer a property to, or from investment properties, when and only when, there is evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. A change in management's intentions for the use of a property, in isolation, is not evidence of a change in use to support a transfer.
The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRIC 22 Interpretation "Foreign currency transactions and Advance consideration"
The Interpretation 22 clarifies the accounting for foreign currency transactions including the receipt or the payment of consideration in advance. Specifically, it applies for the foreign currency transactions where an entity recognises a non-monetary asset or liability arising from the payment or the receipt of consideration in advance before the entity recognise the related item as expense or revenue. The interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance, the date of transition is determined for each payment or receipt.
The interpretation is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved 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 purchase 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 the 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 valuation studies being carried out on each financial position statement's date. Actuarial gains or losses are directly recognized in the total comprehensive income for the period during which they occur, and are not transferred to the income statement of a following period. Prior service cost is recognized immediately to the extent that the benefits are already vested, otherwise are amortized on a straight-line basis over the average period until the benefits become vested.

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

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

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

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

Deferred tax
Deferred tax is recognized on differences between the carrying amounts of assets and liabilities of the financial statements and the corresponding tax bases which are used for the calculation of the taxable profit. Differed tax is recorded by applying the balance sheet liability method. Liabilities from deferred tax are generally recognized for all the taxable temporary differences and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that does not affects neither the taxable profit nor the accounting profit.
Deferred tax liabilities are recognized for all the taxable temporary differences associated which arise from investments in subsidiaries and associates, and participations in joint ventures, with the exception of the cases where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and participations are only recognized to the extent that it is probable that there will be sufficient taxable profits against which they could be utilized the benefits of the temporary differences and they are expected to be reversed in the foreseeable future.

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

Deferred tax assets and liabilities are measured according to the tax rates that are expected to be effective in the period at which the asset will be liquidized or the liability will be settled, based on effective tax rates or are effective by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax results that will follow based on the way that the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority and furthermore 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 esti-

mate 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 39.

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 39. 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".
- 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 39.

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 OF UNCERTAINTITIES

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 the 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 € thousand	GROUP 31/12/2016	GROUP 31/12/2015	COMPANY 31/12/2016	COMPANY 31/12/2015
REVENUES				
Revenues from water supply and related services	222.481	218.948	222.451	218.927
Revenues from sewerage services	104.221	102.213	104.221	102.213
Revenues from constructions for the Greek State	65	1.051	65	1.051
Revenues from electric power sale	2.073	2.030	2.073	2.030
Inventory Sales	11	26	11	27
Total Turnover	**328.851**	**324.268**	**328.821**	**324.248**
Other Operating Revenues	3.783	1.757	3.783	1.757
Financial Income	13.914	13.847	13.904	13.847
Total Revenues	**346.548**	**339.872**	**346.508**	**339.852**

The increase of turnover by 4.6 million Euro approximately is attributed to the higher revenues from water consumption and the higher revenues from sewerage services.
The other operating income increased by the amount of 2 million Euro approximately mainly due to:
• the increase of grants from the Greek Manpower Employment Organization concerning the internships of students
• the activities of the department of research and development
• the forfeiture of letters of guarantee, etc.

6. ALLOCATION OF EXPENSES INTO THE OPERATIONS AND OTHER EXPENSES

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

31/12/2016				GROUP
Amounts in € thousand	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	39.288	1.061	7.586	47.935
Cost of Self-Constructed Assets	(2.405)	-	-	(2.405)
Total A	**36.883**	**1.061**	**7.586**	**45.530**
Personnel Fees & Expenses	64.230	17.537	37.927	119.694
Third-party contributions	22.503	4.802	12.483	39.788
Depreciation and amortization	32.670	1.191	3.510	37.371
Various Provisions	18.878	-	-	18.878
Various Expenses	4.945	2.215	6.584	13.744
Raw materials and consumables	5.615	185	660	6.460
Cost of Self-Constructed Assets	(3.087)	-	-	(3.087)
Total B	**145.754**	**25.930**	**61.164**	**232.848**
Total (A + B)	**182.637**	**26.991**	**68.750**	**278.378**

31/12/2015				GROUP
Amounts in € thousand				
Third-party expenses and fees	43.366	1.636	6.579	51.581
Cost of Self-Constructed Assets	(3.616)	-	-	(3.616)
Total A	**39.750**	**1.636**	**6.579**	**47.965**
Personnel Fees & Expenses	61.786	17.116	34.735	113.637
Third-party contributions	23.529	6.427	11.450	41.406
Depreciation and amortization	32.453	2.840	4.730	40.023
Various Provisions	19.810	-	-	19.810
Various Expenses	4.325	1.369	3.267	8.961
Raw materials and consumables	6.526	110	721	7.357
Cost of Self-Constructed Assets	(2.321)	-	-	(2.321)
Total B	**146.108**	**27.862**	**54.903**	**228.873**
Total (A + B)	**185.858**	**29.498**	**61.482**	**276.838**

31/12/2015				COMPANY
Amounts in € thousand				
Third-party expenses and fees	39.288	1.061	7.543	47.892
Cost of Self-Constructed Assets	(2.405)	-	-	(2.405)
Total A	**36.883**	**1.061**	**7.543**	**45.487**
Personnel Fees & Expenses	64.230	17.537	37.927	119.694
Third-party contributions	22.503	4.802	12.483	39.788
Depreciation and amortization	32.670	1.191	3.510	37.371
Various Provisions	18.878	-	-	18.878
Various Expenses	4.945	2.215	6.574	13.734
Raw materials and consumables	5.615	185	660	6.460
Cost of Self-Constructed Assets	(3.087)	-	-	(3.087)
Total B	**145.754**	**25.930**	**61.154**	**232.838**
Total (A + B)	**182.637**	**26.991**	**68.697**	**278.325**

31/12/2015				COMPANY
Amounts in € thousand				
Third-party expenses and fees	43.366	1.636	6.539	51.541
Cost of Self-Constructed Assets	(3.616)	-	-	(3.616)
Total A	**39.750**	**1.636**	**6.539**	**47.925**
Personnel Fees & Expenses	61.786	17.116	34.735	113.637
Third-party contributions	23.529	6.427	11.450	41.406
Depreciation and amortization	32.453	2.840	4.730	40.023
Various Provisions	19.810	-	-	19.810
Various Expenses	4.325	1.369	3.259	8.953
Raw materials and consumables	6.526	110	721	7.357
Cost of Self-Constructed Assets	(2.321)	-	-	(2.321)
Total B	**146.108**	**27.862**	**54.895**	**228.865**
Total (A + B)	**185.858**	**29.498**	**61.434**	**276.790**

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

a. THIRD PARTY CONTRIBUTIONS (GROUP & COMPANY)

The account is analyzed as follows:	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Electric Power	17.133	19.375	17.133	19.375
Natural Gas	461	813	461	813
Leases	8.104	7.798	8.104	7.798
Telecommunication – Postal Expenses	5.718	5.695	5.718	5.695
Maintenance and Repairs	6.277	5.911	6.277	5.911
Other Third Party Contributions	2.095	1.814	2.095	1.814
Total (Note 6)	**39.788**	**41.406**	**39.788**	**41.406**

b. VARIOUS EXPENSES (GROUP & COMPANY)

The account is analyzed as follows:	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Taxes - Duties	6.402	3.950	6.392	3.950
Materials for Immediate Consumption	2.553	2.153	2.553	2.153
Promotion and Advertising Expenses	1.747	794	1.747	794
Transport Expenses	595	597	595	597
Sponsoring Expenses - Grants	482	324	482	324
Other Expenses	1.965	1.135	1.965	1.135
Total (Note 6)	**13.744**	**8.953**	**13.734**	**8.953**

c. THIRD PARTY FEES & EXPENSES (GROUP & COMPANY)

The account is analyzed as follows:	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Fees of Sub-contractors of Psytallia WTP	28.400	31.283	28.400	31.283
Fees of Sub-contractors of Mornos WTP	2.054	2.413	2.054	2.413
Fees of Water Supply Network Sub-contractors	3.249	4.701	3.249	4.701
Other Third Party Fees	11.827	9.528	11.784	9.528
Total (Note 6)	**45.530**	**47.925**	**45.487**	**47.925**

d. VARIOUS PROVISIONS (GROUP & COMPANY)

The account is analyzed as follows:	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Provisions for Doubtful Receivables	5.362	8.658	5.362	8.658
Provisions for Litigations Cases	13.515	11.117	13.515	11.117
Provisions for Obsolete Inventories	1	34	1	34
Total (Note 6)	**18.878**	**19.810**	**18.878**	**19.810**

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	
Primary Water Supply Pipelines	33-35 years
Secondary Water Supply Pipelines	25-50 years
Distribution Networks, External and Internal Pumping Stations	10-50 years
Storage tanks – Water Treatment Plants	17-50 years
II. SEWERAGE NETWORKS	
Heavy Infrastructure and Primary Collection Units	25-50 years
Secondary Pipelines	25-50 years
External Branches	25-50 years
Electromechanical Installations	20-50 years
III. ANTI-POLLUTION PROJECTS AND Waste Water Treatment PLANTS	
Waste Water Treatment R&D Centers	10-40 years
Waste Water Treatment Plants	10-40 years
IV. OTHER	
Furniture & Fixture	5 years
Computer Hardware	3-4 years
Transportation Vehicles	5-20 years
Mechanical Equipment	7-10 years
Buildings	20-50 years

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

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Depreciation of tangible assets	44.594	43.701	44.594	43.701
Amortization of intangible assets	945	4.473	945	4.473
Amortization of customer contributions and investment subsidies	(8.168)	(8.151)	(8.168)	(8.151)
Total (Note 6)	**37.371**	**40.023**	**37.371**	**40.023**

8. PERSONNEL FEES & EXPENSES (GROUP & COMPANY)

Amounts in € thousand	31/12/2016	31/12/2015
Salaries and Wages	81.311	79.843
Social Security Contributions	19.344	18.293
Provision for staff indemnity L. 2112 (note 27a)	1.859	1.901
Provision for Special One-Off Indemnity for employees hired up to the date 25/10/1999 (note 27.d)	2.665	2.560
Provision for Special One-Off Indemnity for employees hired after the date 25/10/1999 (note 27.c)	164	199
Provisions for Healthcare Beneficiaries (note 27.b)	5.940	6.245
Other Provisions	8.411	4.596
Total (Note 6)	**119.694**	**113.637**

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)

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Interest from Customers	6.224	6.859	6.224	6.859
Dividends	66	64	66	64
Interest earned on times deposits	7.427	4.714	7.417	4.714
Other Income	197	2.210	197	2.210
Total (Note 5)	**13.914**	**13.847**	**13.904**	**13.847**

The item "Other Comprehensive Income" includes the non-utilized surcharges from the provision that was formed in previous financial years for tax differences of € 2.2 million approximately.

10. FINANCIAL EXPENSES (GROUP & cOMPANY)

The financial expenses of the Company, amounting to € 4,431 thous. and € 1,240 thous. on December 31st, 2016 and 2015 respectively, increased mainly due to signing of agreements for the arrangement of overdue amounts payable from municipalities to the Company.

11. INCOME TAX

a. Income Tax in the Statement of Income

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

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Corresponding Income Tax	26.932	28.840	26.932	28.840
Provision for additional tax for the year	463	890	463	890
Minus: Utilization of previous year's provision 2008, 2009, 2010	-	(3.010)	-	(3.010)
Tax audit / compliance differences of article 65a, L. 4174/2013	-	1.542	-	1.542
Deferred Taxation	(10.120)	(15.604)	(10.120)	(15.604)
Total	17.275	12.658	17.275	12.658

The income tax during the current period derived as follows:

	GROUP		CPMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Earnings before taxes	41.324	56.315	41.337	56.343
Income tax calculated with the tax rate in effect (29%)	11.984	16.331	11.988	16.340
Provision for additional tax for the year	463	890	463	890
Minus: Utilization of previous year's provision	-	(3.010)	-	(3.010)
Tax audit / compliance differences of article 65a, L. 4174/2013	-	1.542	-	1.542
Change in tax rate from 26% to 29%	-	(10.884)	-	(10.884)
Additional tax (from income from leases)	-	12	-	12
Tax on non deductible expenses	4.828	7.777	4.824	7.768
Total	17.275	12.658	17.275	12.658

Current Tax Asset

The liability concerning the income tax has been calculated against the earnings of the financial year in accordance with the tax legislation based on the tax rate of 29% currently in effect.

b. Income Tax in the Statement of Financial Position

Current Tax Receivable

The amount of 15.1 million Euro of the tax asset derived from:

- the settlement of the Income Tax of fiscal year 2014. The particular receivable of 13.6 million Euro was recognized from the Partial Tax Audit of the year 2014 which was conducted by the Ministry of finance and its collection is expected,
- the settlement of the Income Tax of the current fiscal year which is analyzed as follows:

Amounts in € thousand	31/12/2016	31/12/2015
Income Tax	(26.932)	(28.840)
Withheld tax / tax prepayment	28.487	563
Total	1.555	(28.277)

It is also noted:

The Company has been audited by the tax authorities until the fiscal year 2010. The fiscal years 2011 until 2013 and 2014 until 2015 are subject to the tax audit of the Certified Auditors Accountants according to the clauses of the article 82, paragraph 5 of Law 2238/1994 (as it was amended by the article 21, paragraph 10 of Law 3943/2011) and of the article 65A of Law 4174/2013 respectively. For these fiscal years, tax compliance certificates have been issued without any reservation.

The financial statements incorporate provisions of € 2.4 million approximately for the year of 2016.

ISLANDS' EYDAP SA has not been audited for tax purposes from the fiscal year 2011 and going forward and in addition it has not formed any 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.

	γροθπ	
	31/12/2016	31/12/2015
Earnings attributable to ordinary shareholders (in € '000)	24.049	43.657
Weighted Average of outstanding shares	106.500.000	106.500.000
Earnings per share – Basic in €	0,23	0,41

The Company's Board of Directors in its meeting on 05.04.2017 decided to submit a proposal to the Annual Ordinary Shareholders' Meeting with regard to the distribution of dividend, article 45 of Codified Law 2190/1920, amounting to eleven cents of Euro (or € 0.11) per share (total gross amount of € 11,715 million) for the financial year 2016.
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)".
It is noted that on 23.12.2016, with the decision of the Extraordinary General Meeting of the Company's Shareholders, a dividend of € 40,470 thousand or a dividend of € 0.38 per share was paid on 03.01.2017.

13. GOODWILL

The goodwill of € 3,357 thous. on 31st December 2016 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 Analysis Department of the Company in December 2016.

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 2015	**29.516**
Additions	**901**
Balance on 31st December 2016	**30.417**
DEPRECIATION	
31st December 2015	**(28.189)**
Depreciation for the Year	**(944)**
Total Depreciation on 31st December 2016	**(29.133)**
Net Value	
31st December 2015	**1.327**
31st December 2016	**1.284**

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 mainly depreciated over a three-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 considered 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 valuators. 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 2016 and 2015 are presented in the table below:

2016 Amounts in € thousand	**Land & Buildings**	**Machinery & Mechanical Equipment**	**Water Supply Network & consumption meters**	**Sewerage Networks & Biological Treatment**	**Motor Vehicles & Furniture**	**Prepayments & Constructions in Progress**	**Total**
Non-Depreciated Value on 1st January 2016	**273.328**	**1.826**	**252.086**	**373.689**	**9.361**	**6.265**	**916.555**
Additions	215	3.730	2.474	705	3.943	1.700	12.767
Reductions/Transfers	-	-	-	-	(1.169)	(3.155)	(4.324)
Deprecation Reverse Entry	-	-	-	-	934	-	934
Depreciation of the Year	(3.627)	(1.029)	(17.807)	(18.835)	(3.297)	-	(44.595)
Non-Depreciated Value on 31/12/2016	**269.916**	**4.527**	**236.753**	**355.559**	**9.772**	**4.810**	**881.337**
1/1/2016:							
Cost	302.965	20.419	482.224	553.720	59.283	6.265	1.424.876
Accumulated Depreciation	(29.637)	(18.593)	(230.138)	(180.031)	(49.922)	-	(508.320)
Net Non-Depreciated Value	**273.328**	**1.826**	**252.086**	**373.689**	**9.361**	**6.265**	**916.555**
31/12/2016:							
Cost	303.180	24.149	484.698	554.425	62.057	4.810	1.433.319
Accumulated Depreciation	(33.264)	(19.622)	(247.945)	(198.866)	(52.285)	-	(551.982)
Net Non-Depreciated Value	**269.916**	**4.527**	**236.753**	**355.559**	**9.772**	**4.810**	**881.337**

2015 Amounts in € thousand	Κτίρια-Γήπεδα	Μηχανήματα & Μηχαν/κός εξοπλισμός	Δίκτυο ύδρευσης & μετρητές κατανάλωσης	Δίκτυο υπονόμων-Βιολογικοί καθαρισμοί	Οχήματα Έπιπλα	Προκαταβολές & έργα υπό κατασκευή	Σύνολο
Non-Depreciated Value on 1st January 2016	**274.990**	**2.168**	**266.848**	**389.906**	**10.157**	**13.069**	**957.138**
Additions	1.615	381	3.069	3.106	2.368	-	10.539
Reductions/Transfers	-	-	-	(616)	(125)	(6.804)	(7.545)
Depreciation Reverse Entry	-	-	-	-	124	-	124
Depreciation of the Year	(3.277)	(723)	(17.831)	(18.707)	(3.163)	-	(43.701)
Non-Depreciated Value on 31/12/2016	**273.328**	**1.826**	**252.086**	**373.689**	**9.361**	**6.265**	**916.555**
1/1/2015:							
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**
31/12/2015:							
Cost	302.965	20.419	482.224	553.720	59.283	6.265	1.424.876
Accumulated Depreciation	(29.637)	(18.593)	(230.138)	(180.031)	(49.921)	-	(508.321)
Net Non-Depreciated Value	**273.328**	**1.826**	**252.086**	**373.689**	**9.362**	**6.265**	**916.555**

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% via capital deposit of 1,210 thousand Euro) 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.

17. INVESTMENTS AVAILABLE FOR SALE

The investments available for sale include the following:

- Interest in EYATH SA, a company listed on the Athens Exchange, which provides the company with the option to generate income from dividends and potentially from capital gains. The company was valued at fair according to the official price quote of the Athens Exchange on 31.12.2016 and the difference that emerged due to the change of fair value was recorded in the net worth through the Statement of Total Comprehensive Income.
- Acquisition of shares in Attica Bank. EYDAP SA, with the decision no. 18770/18.12.2015 of the Board of Directors approved its participation in the share capital increase of Attica Bank Societe Anonyme, based on an amount of € 20 million. The above decision was verified by the Extraordinary General Meeting of shareholders on 15/01/2016.

The investment of the Company in the shares of Attica Bank is considered as strategic one and therefore it has been recorded as financial assets available for sale. The particular investment was valued at fair based on the official price quote of the Athens Exchange on 31.12.2016, and according to paragraph 58 of IAS 39 the difference (loss) that derived due to the change of fair value was deemed as significant and was recorded in the Statement of Income. The difference which had emerged during the valuation of 31.12.2015, of Euro 1.4 million approximately was recorded in the statement of income in application of the above paragraph (via reclassification from the net worth to the statement of comprehensive income).

In view of the above, the Company's portfolio was formed as follows:

Amounts in € thousand	Number of Shares	Acq. Cost	Valuation 31/12/2016	Valuation 31/12/2015
Thessaloniki Water Supply & Sewerage Co. (EYATH)	264.880	485	922	795
Attica Bank SA	66.666.666	20.000	1.933	18.600
Total			**2.855**	**19.395**

18. LONG-TERM RECEIVABLES (GROUP & COMPANY)

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

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Personnel Loans (Note 22)	6.573	3.022	6.573	3.022
Settlement of overdue amounts from Municipalities	11.693	5.623	11.693	5.623
Third Party Works	3.769	3.703	3.769	3.703
Guarantees (Public Power Corp., Real Estate)	563	557	563	557
Total	**22.598**	**12.905**	**22.598**	**12.905**

Settlements of Amounts Due from Municipalities
The Company in the context of its business activity supplies with (refined or crude) water various Local Government Authorities (OTA) which operate their own networks, and invoice accordingly their own citizens. In the framework of the settlement of the liabilities of the Greek State concerning OTA, Legal Entities of Public Law and other bodies of the General Government against the Company, various overdue invoices were fully repaid in 2013. The Company, beginning from the year 2014, in order to handle cases of delay in the payment of its invoices, particularly concerning OTA, proceeded with the signing of agreements with certain OTA authorities according to which the balance of the overdue amounts were settled to be repaid in monthly installments. These long-term receivables have been recorded in the financial statements at net (not depreciated) cost.
The discount rate which was applied for the overdue receivables from the Municipalities settled at 8.76% whereas the amount recorded in the financial expenses concerning the above mentioned receivables settled at Euro 4.1 million approximately.

Construction Works for Third Parties (Group and Company)
The account in the attached financial statements is analyzed as follows:

Amounts in € thousand	31/12/2016	31/12/2015
Ministry of Infrastructure, Transport and Networks	2.238	2.104
"EYDAP Fixed Assets" L.E.P.L.	1.531	1.599
Total	**3.769**	**3.703**

The Company, in accordance with its foundation law 2744/1999, signed a contract with the Greek State in 1999 to undertake the construction of flood protection infrastructure for the account of the former Ministry for the Environment, Planning and Public Works (currently named as Ministry of Infrastructure and Transport) 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 TAX RECEIVABLE (GROUP & COMPANY)

The deferred tax receivables are offset against the deferred tax liabilities whenever there is legal right for such offsetting, whereas they are both subject to the same tax authority.

Amounts in € thousands **Description**	Opening Balance 01.01.2015	(Burden)/ Benefit in Period's Results	(Burden)/ Benefit in Equity	Ending Balance 31.12.2015	(Burden)/ Benefit in Period's Results	(Burden)/ Benefit in Equity	Ending Balance 31.12.2016
Expensing of intangible assets	35	4	-	39	-	-	39
Inventory impairment	495	67	-	562	-	-	562
Obligation for employee benefits	54.013	7.463	(11.026)	50.450	45	5.661	56.156
Provisions for doubtful receivables	4.787	553	-	5.340	-	-	5.340
Other provisions for risks and expenses	6.295	3.951	-	10.246	3.919	-	14.166
Customer and municipalities contributions	15.493	1.487	-	16.981	668	-	17.649
Depreciation differences due to adjustment of economic life	(6.046)	(229)	-	(6.275)	173	-	(6.102)
Income and expenses accrued	(58)	(22)	-	(80)	(1)	-	(81)
Deferred tax in Tax Reserve due to revaluation of real estate assets	8.071	930	-	9.001	-	-	9.001
Impairment of securities	4.143	1.400	406	406	5.239	(406)	5.239
Other deferred taxation items	87.228	15.604	- (10.620)	5.543	76	-	5.619
				92.213	10.120	5.255	107.588

The debit entry of deferred income taxes (expenses for the year – deferred tax liability) into the accounts of results, includes the fulfillment of temporary tax differences deriving from accounting expenses that were recorded in previous years. The credit entry of 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 & CONCUMABLES (GROUP & COMPANY)

The account in the financial statements is analyzed as follows:

Amounts in € thousand	31/12/2016	31/12/2015
Consumables and Spare Parts	14.328	14.449
Provision for Impairment	(1.941)	(1.940)
Total	**12.387**	**12.509**

Inventories are utilized in the Company's networks (maintenance and expansion). Inventories amounting to € 7.8 million approximately are expected to be recovered after 12 months (versus an amount of € 6.9 million in the previous year).

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

Amounts in € thousand	31/12/2016	31/12/2015
Opening Balance	1.940	1.906
Provision for the Year	1	34
Ending Balance	**1.941**	**1.940**

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

The account in the financial statements is analyzed as follows:

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Retail customers and users	161.625	169.668	161.625	169.668
Municipalities, Greek State, Public Utilities	41.571	47.375	41.573	47.362
	203.196	217.043	203.198	217.030
Accrued, Non-Invoiced, Income	55.847	52.764	55.847	52.764
	259.043	269.807	259.045	269.794
Minus: Provision for doubtful receivables	(51.606)	(45.293)	(51.606)	(45.293)
	207.437	224.514	207.439	224.501

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, which have not been invoiced until 31/12/2016.

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

Amounts in € thousand	31/12/2016	31/12/2015
Opening Balance	45.293	37.585
Provisions for the Period	6.313	7.708
Ending Balance	**51.606**	**45.293**

The provision for doubtful receivables is monitored by the Department of Revenues and Trade Receivables Management, which continuously audits the Company's receivables, either separately or based on groups (invoice codes, customer categories) and incorporates this information into the creation of the relevant provision.

In the context of procedures provided by the Public Revenue Collection Code (Law 356/1974), as it was amended with the law provisions 4174/2013, 4224/2013 & 4337/2015, the Company calculates the relevant interest charged on the overdue amounts with the payment of the amounts due.

22. OTHER RECEIVABLES (GROUP & COMPANY)

The account is analyzed as follows:

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Loans and advances to Personnel	4.196	4.374	4.196	4.374
Advances to subcontractors and suppliers	401	401	401	401
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	2.160	2.402	2.160	2.402
Receivable concerning income from Bank of Greece	2.905	1.418	2.905	1.418
Receivables due to Personnel's Training Programs	1.476	1.030	1.476	1.030
Receivables from the Greek State concerning property tax return / taxes	1.010	1.010	1.010	1.010
Receivables from the Greek State concerning healthcare contributions from new-entry employees (from 1/1/1993) to the Social Security Fund (IKA)	2.240	1.984	2.240	1.984
Other receivables	2.683	3.309	2.657	3.289
Receivables concerning retention amounts from pensioners' health care contributions	-	162	-	162
Total	**17.329**	**16.348**	**17.303**	**16.328**

The outstanding amounts of other receivables have been reduced with the formed provision for doubtful other receivables for an amount of € 5,277 thous. on 31/12/2016 and € 6,229 thous. on 31/12/2015.

Long-Term Receivables from Local Government Authorities (OTA)
The Company in the context of its business activity supplies with (refined or crude) water various Local Government Authorities (OTA) which operate their own networks, and invoice accordingly their own citizens. In the framework of the settlement of the liabilities of the Greek State concerning OTA, Legal Entities of Public Law and other bodies of the General Government against the Company, various overdue invoices were fully repaid in 2013. The Company, beginning from the year 2014, in order to handle cases of delay in the payment of its invoices, particularly concerning OTA, proceeded with the signing of agreements with certain OTA authorities according to which the balance of the overdue amounts were settled to be repaid in monthly installments. These long-term receivables have been recorded in the financial statements at net cost.
The discount rate which was applied for the overdue receivables from the municipalities settled at 8.76% whereas the amount recorded in the financial expenses concerning the above mentioned receivables settled at 4.1 million Euro approximately.

Loans and Advances to Personnel:
The Company provides the personnel with zero interest loans, short-term payroll advances free of interest, cash facilities and long-term interest bearing loans. The amount of € 4,196 thousand concerns the short-term part of the loans granted to personnel. The long-term part which at 31 December 2016 amounted to € 6,573 thousand is included in the balance of the long-term receivables (Note 18).

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, concerning employees who retired and employees who worked for the Company until 25th October 1999.

The Balance of € 258 thousand 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:

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Cash at hand	498	834	498	834
Sight and time deposits	280.046	259.585	278.973	258.508
Total	280.544	260.419	279.471	259.342

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' balance does not include amounts of € 869 thous. and € 962 thous. of overdue check payables on 31.12.2016 and 2015 respectively, which have been recorded in the account of other short-term liabilities (Note 31). 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 thousand 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 thousand 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 thousand 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 thousand 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:

Amounts in € thousand	31/12/2016	31/12/2015
Legal reserve	22.207	22.207
Special Non-Taxable Reserve of Law 2744/99	352.078	352.078
Reserve from Non-Taxable Income	-	-
Reserve from Specially Taxed Income	3.687	3.687
Other reserves	502	(619)
Total	**378.474**	**377.353**

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. During the year 2015, the Company arranged a reserve formed due to revaluation of shares amounting to € 660 thousand approximately according to article 72 of Law 4172/2013.

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.

Other Reserves:
In the closing fiscal year there was a reclassification of the valuation difference of 31.12.2015 from the Net Worth and specifically from the Account "Other Reserves" to the results of the year (see note 17). The above resulted into the increase of the balance of the particular account.

26. RETAINED EARNINGS

The account in the financial statements is analyzed as follows:

Amounts in € thousand	GROUP	COMPANY
Balance at 01.01.2015	**439.324**	**439.396**
Dividends Paid	(21.300)	(21.300)
Net Income directly recorded in Equity	24.164	24.164
Net Profit for the Year 2015	43.657	43.685
Reserve due to the revaluation of equities	(660)	(660)
Balance at 01.01.2016	**485.185**	**485.285**
Dividends Paid	(73.485)	(73.485)
Net Profit for the Year 2016	24.049	24.062
Net Income directly recorded in Equity	(13.859)	(13.859)
Balance at 31.12.2016	421.890	422.003

27. 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:

Amounts in € thousand	31/12/2016	31/12/2015
Provision for staff indemnity due to retirement	33.105	29.373
Healthcare coverage of personnel	168.168	157.053
Special one-off indemnity (personnel hired prior to and after 25-10-1999)	89.941	80.413
Total	**291.214**	**266.839**

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 valuators 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 2016 and 2015 is the following:

PERIOD	1/1/-31/12/16	1/1/-31/12/15
Amounts recognized in the balance sheet		
Present value of liabilities	33.105	29.373
Fair value of the plan's assets	-	-
Net liability recognized in the balance sheet	**33.105**	**29.373**
Amounts recognized in the results		
Cost of current employment	1.261	1.393
Net interest on the liability / (asset)	598	508
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	**1.859**	**1.901**
Recognition of prior service cost	**-**	**-**
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	**1.859**	**1.901**
Change in the present value of the liability		
Present value of liability at the beginning of period	29.373	31.285
Cost of current employment	1.261	1.393
Interest cost	598	508
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	(767)	(772)
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	-
Actuarial loss / (profit) – financial assumptions	2.389	(2.337)
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	251	(704)
Present value of liability at the end of period	**33.105**	**29.373**
Adjustments		
Adjustments in liabilities due to change of assumptions	(2.389)	2.337
Empirical adjustments in liabilities	(251)	704
Empirical adjustments in assets	-	-
Total actuarial gain / (loss) in the Equity	**(2.640)**	**3.041**
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	29.373	31.285
Contributions from Employer	-	-
Benefits paid by the employer	(767)	(772)
Total expenditure recognized in the results	1.859	1.901
Change in Equity	2.640	(3.041)
Net Liability at the end of year	**33.105**	**29.373**

The expected benefits (not discounted) from the plan over the following year are estimated at € 3,090 thous.

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

Actuarial assumptions	2016	2015
Discount rate	1.35%	2,14%
Inflation	2017-21: ~1,26%,	2016-20: ~0,70%,
	2022+: 1,80%	2021+: 1,75%
Future salary increases	2017-21: ~ 0,94%,	2016-20: ~ 0,51%,
	2022+: 1,80%	2021+: 1,75%
Duration of obligations	9,26	9,76

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 studies which were performed for the years 2016 and 2015.

The statement of the provision for medical and healthcare benefits during the financial years 2016 and 2015 is the following:

PERIOD	1/1/-31/12/16	1/1/-31/12/15
Amounts recognized in the balance sheet		
Present value of liabilities	168.168	157.053
Fair value of the plan's assets	-	-
Net liability recognized in the balance sheet	**168.168**	**157.053**
Amounts recognized in the results		
Cost of current employment	2.080	2.505
Net interest on the liability / (asset)	3.860	3.741
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	**5.940**	**6.245**
Recognition of prior service cost	-	-
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	**5.940**	**6.245**
Change in the present value of the liability		
Present value of liability at the beginning of period	157.053	186.045
Cost of current employment	2.080	2.505
Interest cost	3.860	3.741
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	(5.737)	(6.444)
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	-
Actuarial loss / (profit) – financial assumptions	22.058	(17.826)
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	(11.146)	(10.968)
Present value of liability at the end of period	**168.168**	**157.053**
Adjustments		
Adjustments in liabilities due to change of assumptions	(22.058)	17.826
Empirical adjustments in liabilities	11.146	10.968
Empirical adjustments in assets	-	-
Total actuarial gain / (loss) in the Equity	**(10.912)**	**28.794**
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	157.053	186.045
Contributions from Employer	-	-
Benefits paid by the employer	(5.737)	(6.444)
Total expenditure recognized in the results	5.940	6.245
Change in Equity	10.912	(28.794)
Net Liability at the end of year	**168.168**	**157.053**

The expected benefits (not discounted) from the plan over the following year are estimated at € 5,905 thousand.

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

Actuarial assumptions	2016	2015
Discount rate	1,74%	2,51%
Medical Care Inflation	2017-21: ~ 1,26%,	2016-20: ~ 0,70%,
	2022+: 1,80%	2021+: 1,75%
Future salary increases	2017-21: ~ 0,94%,	2016-20: ~ 0,51%,
	2022+: 1,80%	2021+: 1,75%
Duration of obligations	17,08	16,40

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/-31/12/16	1/1/-31/12/15
Amounts recognized in the balance sheet		
Present value of liabilities	8.502	6.796
Fair value of the plan's assets	(6.485)	(5.914)
Net liability recognized in the balance sheet	**2.017**	882
Amounts recognized in the results		
Cost of current employment	147	180
Net interest on the liability / (asset)	17	19
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	**164**	**199**
Recognition of prior service cost	**-**	**-**
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	**164**	**199**
Change in the present value of the liability		
Present value of liability at the beginning of period	6.796	6.642
Cost of current employment	147	180
Interest cost	165	130
Employee contributions	367	337
Benefits paid from the plan	(101)	(4)
Benefits paid from the employer	-	-
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	-
Actuarial loss / (profit) – financial assumptions	899	(782)
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	230	293
Present value of liability at the end of period	**8.502**	**6.796**
Change in the value of assets		
Value of plan's assets at beginning of period	5.914	5.495
Expected return on assets	148	111
Contributions from the employer	88	-
Contributions from employees	367	337
Benefits paid from the plan	(101)	(4)
Expenses	-	-
Asset adjustment (via Equity)	-	-
Actuarial (loss) / gain	70	(24)
Value of plan's assets at the end of the period	**6.485**	**5.914**

It is noted that the fair value of the plan's assets noted above, amounted to € 6,485 thousand and € 5,914 thousand on 31/12/2016 and 31/12/2015 respectively.

PERIOD	1/1/-31/12/16	1/1/-31/12/15
Adjustments		
Adjustments in liabilities due to change of assumptions	(899)	782
Empirical adjustments in liabilities	(230)	(293)
Empirical adjustments in assets	70	(24)
Total actuarial gain / (loss) in the Equity	**(1.060)**	**465**
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	882	1.147
Contributions from Employer	(88)	-
Benefits paid by the employer	-	-
Total expenditure recognized in the results	164	199
Change in Equity	1.060	(465)
Net Liability at the end of year	**2.017**	**882**

The expected contributions and benefits (not discounted) from the plan over the following year are estimated at € 374 thous. and € 166 thousand 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	2016	2015
Discount rate	1,63%	2,45%
Inflation	2017-21: ~ 1,26%,	2016-20: ~ 0,70%,
	2022+: 1,80%	2021+: 1,75%
Future salary increases	2017-21: ~ 0,94%,	2016-20: ~ 0,51%,
	2022+: 1,80%	2021+: 1,75%
Duration of obligations	14,24	14,85

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/-31/12/16	1/1/-31/12/15
Amounts recognized in the balance sheet	81.440	73.618
Present value of liabilities	(4.399)	(3.059)
Fair value of the plan's assets	77.041	70.558
Net liability recognized in the balance sheet	**1.358**	**1.482**
Amounts recognized in the results	**1.307**	**1.078**
Cost of current employment	-	-
Net interest on the liability / (asset)	2.665	2.560
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	**-**	**-**
Recognition of prior service cost	2.665	2.560
Cost of curtailment / settlements / service termination	73.618	74.241
Total expense in the account of results	**1.358**	**1.482**
Change in the present value of the liability	**1.380**	
Present value of liability at the beginning of period	1.380	1.119
Cost of current employment	1.275	1.213
Interest cost	(1.154)	(1.536)
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	-	-
Cost of curtailment / settlements / service termination	-	
Cost of prior service at the period	44	(5.165)
Actuarial loss / (profit) – financial assumptions	4.513	-
Actuarial loss / (profit) – demographic assumptions	-	2.265
Actuarial loss / (profit) – evidence from the period	450	73.618
Present value of liability at the end of period	**81.440**	
Change in the value of assets	**1/1-31/12/16**	**1/1-31/12/15**
Value of plan's assets at beginning of period	3.059	1.861
Expected return on assets	74	40
Benefits from the employer	1.091	1.491
Contributions from employees	1.275	1.212
Benefits paid from the plan	(1.154)	(1.536)
Expense	-	-
Asset adjustment (via Equity)	-	-
Actuarial (loss) / gain	54	(10)
Value of plan's assets at the end of the period	**4.399**	**3.059**

It is noted that the fair value of the plan's assets noted above, amounted to € 4,399 thousand and € 3,059 thousand on 31/12/2016 and 31/12/2015 respectively.

PERIOD	1/1-31/12/16	1/1-31/12/15
Adjustments		
Adjustments in liabilities due to change of assumptions	(4.513)	5.164
Empirical adjustments in liabilities	(450)	(2.264)
Empirical adjustments in assets	54	(10)
Total actuarial gain / (loss) in the Equity	**(4.909)**	**2.890**

Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	70.558	72.379
Contributions from Employer	(1.091)	(1.491)
Benefits paid by the employer	-	-
Total expenditure recognized in the results	2.665	2.560
Change in Equity	4.909	(2.890)
Net Liability at the end of year	**77.041**	**70.558**

The expected contributions and benefits (not discounted) from the plan over the following year are estimated at € 9,538 thousand and € 8,183 thousand 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	**2016**	**2015**
Discount rate	1,22%	1.97%
Inflation	2017-21: ~ 1,26%,	2016-20: ~ 0,70%
	2022+: 1,80%	2021+:1,75%
Future salary increases	2017-21: ~ 0,94%,	2016-20: ~ 0,51%,
	2022+: 1,80%	2020+:1,75%
Duration of obligations	8,13	8,71

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 31/12/2016 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%	31.654.959	7.940.454	155.335.910	78.282.442
Discount rate -0,5%	34.657.128	9.115.180	182.721.667	84.797.913
Inflation +0,5%	34.511.368	8.264.260	183.322.508	80.272.215
Inflation -0,5%	31.722.827	8.753.457	154.792.591	82.571.559
Remuneration increase +0,5%	33.179.275	9.378.505	167.343.711	85.946.675
Remuneration increase -0,5%	32.983.327	7.718.907	169.023.825	77.186.728
Life expectancy +1 year	33.143.211	8.501.646	174.071.673	81.555.797
Life expectancy -1 year	33.063.397	8.503.497	162.492.378	81.313.956

Actuarial liability (change)

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

28. Provisions for pending litigationS (group & company)

The account in the financial statements is analyzed as follows:

Amounts in € thousand	31/12/2016	31/12/2015
Provisions for pending litigations with employees - pensioners	18.874	21.177
Provisions for civil litigations	22.827	23.987
Total	**41.701**	**45.164**

As of 31.12.2016, the lawsuits for civil cases against the Company accounted for € 78.5 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 € 114.4 million approximately.

- With the decision numbered 19105/ 21.12.2016 of the Board of Directors, the Company proceeded with a settlement agreement concerning collective labor differences of € 17 million approximately, which will materialize in year 2017.
- As result, the Company has formed provisions of 58.7 million Euro approximately as of 31.12.2016 (versus 45.2 million Euro on 31.12.2015), of which the amount of 17 million Euro approximately of the above settlement has been recorded in the short-term liabilities.

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.

29. INVESTMENT SUBSIDIES AND CUSTOMER CONTRIBUTIONS (GROUP AND COMPANY)

The account in the financial statements is analyzed as follows:

Amounts in € thousand	31/12/2016	31/12/2015
Opening Value:		
Investment Subsidies	230.523	230.036
Customer Contributions	104.163	103.308
	334.686	**333.344**
Accumulated Depreciation		
Investment Subsidies	(99.365)	(93.723)
Customer Contributions	(48.584)	(45.968)
	(147.949)	**(139.691)**
Net (Non Depreciated) Value		
Investment Subsidies	131.158	136.313
Customer Contributions	55.579	57.340
	186.737	**193.653**

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.

30. CONSUMERS' GUARANTEES

The amounts of € 18,297 thousand on 31/12/2016 and of 18,212 thousand on 31/12/2015 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.

31. OPERATING AND OTHER CURRENT LIABILITIES

The account in the financial statements is analyzed as follows:

a. Operating Short-Term Liabilities

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Suppliers	22.276	23.562	22.268	23.562
Withheld Taxes Payable	7.937	7.543	7.937	7.543
Social Security Contributions and Other Items	4.867	3.056	4.867	3.056
Customer Advances	2.309	2.437	2.309	2.437
Dividends Payable	40.801	249	40.801	249
Operating Short-Term Liabilities	**78.190**	**36.847**	**78.182**	**36.847**

Operating current liabilities increased by € 41.3 million approximately mainly due to the decision of the Extraordinary General Meeting of shareholders on 23.12.2016 for the distribution of a dividend amounting to 40,470 thousand Euro, from the earnings of the previous years.
On 23.12.2016, with the decision of the Extraordinary General Meeting of the Company's Shareholders, a dividend of € 40,470 thousand or a dividend of € 0.38 per share was paid on 03.01.2017.

b. Other Current Liabilities

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Pending litigations with employees - pensioners	16.978	-	16.978	-
Checks Payable	869	962	869	962
Collections for Third Parties	912	948	912	948
Provision for Non-Utilized Vacation Leave	909	3.696	909	3.696
Personnel Compensation	292	485	292	485
Other Short-Term Liabilities	5.462	9.630	5.460	9.630
Short-Term Customer Guarantees	5.523	5.443	5.523	5.443
Other Short-Term Liabilities	30.935	21.164	30.943	21.164

Other current liabilities increased by € 9.8 million approximately mainly due to the reduction of the non-collected leave from the work as well as due to the provision of € 17 million approximately with regard to the settlement of labor differences.

32. EVENTS AFTER THE BALANCE SHEET DATE

No event has occurred which may significantly affect the financial structure or the business performance of the Company and the Group from 31.12.2016 and until the approval date of the financial statements by the Board of Directors.

33. 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 same joint ministerial decision, the other claims until 30.06.2013 between the Greek State and EYDAP SA were also amortized. 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 36). In absence of a written agreement, the Company continues, after 30/06/2013, 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 € 69 million approximately on 31.12.2016 (versus € 99 million on 31.12.2015).

3. Letters of Guarantee

The Company has issued letters of guarantee for liability insurance of € 284 thousand on 31/12/2016.

34. RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

A) Transactions with Members of the Board

Amounts in € thousand	31/12/2016	31/12/2015
Fees (Chairman & CEO, and Executive Directors)	114	77
Fees & attendance expenses of BoD members	81	76
Total	**195**	**153**

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

	GROUP		COMPANY	
Amounts in € thousand	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
1) Transactions				
- Income	58.459	57.720	58.459	57.720
- Cost of Goods Sold (cost of construction works)	(66)	(1.051)	(66)	(1.051)
- Income from non utilized provisions / (Various provisions)	-	-	-	-
2) Outstanding amounts				
- Long-term receivables (Projects for the Greek State)	3.769	3.703	3.769	3.703
- Long-term trade receivables (settlements with Municipalities)	21.038	5.623	21.038	5.623
- Trade receivables (Local authorities, Greek State)	38.964	51.488	38.964	51.488
- Trade receivable ISLANDS' EYDAP	-	-	24	24
- 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 and Transport, and of "EYDAP Fixed Assets".

35. AUDITORS' REMUNERATION

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Auditors remuneration for auditing the annual accounts	51	53	48	50
Other fees	25	31	25	31
Total fees	**76**	**84**	**73**	**81**

36. 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 Hrissos 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

37. MANAGEMENT OF CAPITAL

The Company manages its capital in such way in order to meet its objectives as these are mentioned in paragraph 4a of article 1 of Law 2744/99. In addition according to paragraph 8 of the same article the placement of its fixed real estate assets used for water supply and sewerage purposes as collateral is prohibited. It is noted that according to article 5 of the same law there is no provision for compulsory administration of the assets of EYDAP used for water supply and sewerage purposes.

In the current period, the Company has not proceeded with the signing of any bank liability either long-term or short-term. Following its listing on the Athens Exchange in 2000 and until 2013, the Company held mainly short-term debt, in order to meet its operating needs due to the fact that it had not collected payments for water supply bills from certain municipalities and other public entities.
The Company maintains sufficient capital in order to serve its business objectives and to apply the appropriate dividend policy.

Leverage ratio

	GROUP		COMPANY	
Amounts in € thousand	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Borrowings	-	-	-	-
Cash and cash equivalents	(280.544)	(260.419)	(279.471)	(259.342)
Total Equity	904.766	966.940	904.879	967.040
Net Debt to Equity Ratio	**0**	**0**	**0**	**0**

38. Financial Risk Management

Risk management is processed by the Company's pertinent Departments which operate under certain rules which have been approved by the Board of Directors.

(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	
Financial Assets categories	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Available for sale financial assets	2.855	19.395	2.855	19.395
Cash and cash equivalents	280.544	260.419	279.471	259.342
Trade and other receivables	224.766	240.862	224.742	240.829
Long-term receivables	22.598	12.905	22.598	12.905
Investments in subsidiaries	-	-	1.210	1.210
Total	**530.763**	**533.581**	**530.876**	**533.681**

Cash and cash equivalents bear credit risk. The management of credit risk is conducted with the aggregation of the largest part of the Company's cash reserves in the Bank of Greece and via the containment of the Company's exposure to domestic banking institutions.
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.
Below the analysis of the Company's receivables based on their maturity is displayed:

TIME ANALYSIS OF OVERDUE CLAIMS							
Amounts in € thousand **2016**	Non due	0-1 month	1-6 months	6 months-2 years	2-5 years	> 5 years	Total
PRIVATE CUSTOMERS	29.133	10.680	30.976	45.590	30.947	27.615	**174.940**
STATE	2.615	970	2.110	1.754	4.884	3.177	**15.509**
LOCAL GOVERNMENT	7.215	2.093	5.479	17.256	10.067	928	**43.038**
Total	**38.963**	**13.742**	**38.564**	**64.599**	**45.899**	**31.270**	**233.487**
2015							
PRIVATE CUSTOMERS	29.333	10.629	34.403	43.126	31.535	23.869	**172.895**
STATE	2.094	45	1.848	5.814	1.806	3.002	**14.610**
LOCAL GOVERNMENT	5.326	727	9.229	19.946	4.147	740	**40.115**
Total	**36.753**	**11.401**	**45.481**	**68.886**	**37.488**	**27.611**	**227.620**

It is noted that the repaid amount of the installments, the settlements of the private customers on 31.12.2016 amounted to 10,035 thousand Euro versus 6,033 thousand Euro in the corresponding previous period. The table of analysis based on maturity does not include the repaid amount in the balance of the private customers.

The Department of Revenue & Trade Receivables Management, as well as the Department of Special Customers Management, continuously monitor the requirements of the Company, either separately or based on groups (invoice codes, customer categories) and incorporate this information into the credit risk control procedure.

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).

None of the financial assets has been placed as collateral or in any other form of credit insurance.

(b) Liquidity Risk

The liquidity risk is been managed by the preservation of sufficient cash available for the assurance of bank credits for use. There is no liquidity risk due to the existence of sufficient cash reserves which can cover the current operating and investment needs.

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

TIME ANALYSIS OF LIABILITIES							
Amounts in € thousand **2016**	0-1 month	2-3 months	3-6 months	6-12 months	1- 5 years	> 5 year	Total
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	65.529	27.527	13.220	4.734	41.136	308.191	**460.337**
Total	**65.529**	**27.527**	**13.220**	**4.734**	**41.136**	**308.191**	**460.337**
2015							
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	28.775	19.587	7.803	25.334	41.371	293.633	**416.503**
Total	**28.775**	**19.587**	**7.803**	**25.334**	**41.371**	**293.633**	**416.503**

c) Market Risk
The market risk is related to the Company's equity portfolio which constitutes a long-term strategic investment and as result is confined to certain position limits.

(d) Risks due to capital controls in Greece
With the Act of Legislative Content on 28th June 2015, Greek banks were placed in a holiday status and capital controls were imposed. The bank holiday ended on 20th July 2015 whereas part of the capital controls remain in effect. Due to the special nature and inelasticity of the product, its demand is not affected by the imposed capital controls, therefore the relevant financial developments in Greece have not affected the cash collections, payments and turnover of the Company.

39. 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 available for sale financial assets are valued at fair, which is their market capitalization and therefore are classified under level 1, according to the provisions of IFRS 7, par. 27B.

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 instruments.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Athens Water Supply and Sewerage Company (EYDAP S.A.)

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Athens Water Supply and Sewerage Company (EYDAP S.A.), which comprise the separate and consolidated statement of financial position as of 31 December 2016, the separate and consolidated income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of separate 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 separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing that have been incorporated into Greek legislation (G.G./B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate 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 separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate 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 separate 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 system of 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 separate 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of the Athens Water Supply and Sewerage Company (EYDAP S.A.) and its subsidiary, as of 31 December 2016, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of Matter

We draw your attention to note 33.1 to the financial statements, where reference is made to the matter that is still pending the determination of cost, for the raw water that the Company is supplied from the Greek State after the 30.6.2013, which cost, in the absence of a written agreement, the company continues to set off against the cost of services incurred for the maintenance and operation of the assets used for saving and transferring water that belong to the Legal Entity under Public Law "EYDAP Assets" as defined in article 15 of the dated 9.12.1999 contract with the Greek State. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Whereas management is responsible for the preparation of the Report of the Board of Directors and the Corporate Governance Statement included in this report, pursuant to the provisions of paragraph 5, article 2 (part B') of L. 4336/2015, we note that:

a) The Report of the Board of Directors includes a corporate governance statement which provides all the information set out in article 43bb of cod. L. 2190/1920.
b) In our opinion the Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of the articles 43a and 107A and the paragraph 1 (cases c' and d') of the article 43bb of cod. L. 2190/1920 and its content corresponds with the accompanying separate and consolidated financial statements for the year ended 31/12/2016.
c) Based on our understanding obtained when performing our audit of the Athens Water Supply and Sewerage Company (EYDAP S.A.) and its environment, we have not identified any material misstatements in the Report of the Board of Directors.

Athens, 6 April 2017
THE CERTIFIED PUBLIC ACCOUNTANTS AUDITORS

EFSTRATIOS G. PAPARIDIS
Institute of CPA (SOEL) Reg. No. 14351

DIMITRIOS CH. STAVROU
Institute of CPA (SOEL) Reg. No. 14791

ΣΟΛ ΟΡΚΩΤΟΙ ΛΟΓΙΣΤΕΣ Crowe Horwath.

Associated Certified Public Accountants s.a.
member of Crowe Horwath International
3, Fok. Negri Street – 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

3. CORPORATE ANNOUNCEMENTS – RELEASES 2016

The following announcements/releases have been sent to the Daily Bulletin of Prices and are presented in the website of the Athens Exchange as well as in the Company's website www.eydap.gr .

15/01/2016	ALLOCATION OF RESPONSIBILITIES AND CAPACITIES
15/01/2016	DECISIONS OF EXTRAORDINARY GENERAL MEETING
19/01/2016	FORMATION OF BOARD OF DIRECTORS INTO BODY
20/01/2016	VOTING RESULTS OF EXTRAORDINARY GENERAL MEETING
22/01/2016	FINANCIAL CALENDAR 2016
16/03/2016	APPOINTMENT OF SENIOR STAFF
31/03/2016	ANNOUNCEMENT OF FINANCIAL RESULTS FOR THE YEAR 2015
05/04/2016	CHANGE OF SERVICE
06/04/2016	PRESENTATION OF 2015 FINANCIAL RESULTS OF EYDAP TO REPRESENTATIVES OF THE GREEK EQUITY MARKET
15/04/2016	APPOINTMENT OF TEMPORARY GENERAL MANAGER
09/05/2016	AMENDMENT OF FINANCIAL CALENDAR 2016
27/05/2016	ANNOUNCEMENT OF MEMBER STATE
22/06/2016	DIVIDEND OF FISCAL YEAR 2015
22/06/2016	DECISIONS OF ORDINARY GENERAL MEETING 2016
24/06/2016	VOTING RESULTS OF ORDINARY GENERAL MEETING 2016
15/09/2016	APPOINTMENT OF GENERAL MANAGERS
30/09/2016	COMPLETION OF TAX AUDIT FOR THE YEAR 2015 AND ISSUANCE OF TAX CERTIFICATE
	FINANCIAL RESULTS OF FIRST HALF 2016
30/09/2016	APPOINTMENT OF SENIOR STAFF
03/10/2016	APPOINTMENT OF SENIOR STAFF IN THE INTERNAL CONTROL
06/10/2016	MEETING OF BOD FOR EXTRAORDINARY GENERAL MEETING
04/11/2016	MEETING OF BOD FOR CONVOCATION OF EXTRAORDINARY GENERAL MEETING
07/11/2016	AMENDMENT OF FINANCIAL CALENDAR 2016
07/11/2016	CANCELLATION OF EXTRAORDINARY GENERAL MEETING
01/12/2016	INFORMATION DISCLOSURE TO INVESTORS WITH REGARD TO THE INTERIM FINANCIAL
19/12/2016	STATEMENTS OF THE 1ST HALF 2016
23/12/2016	DIVIDEND OF PREVIOUS YEARS

ATHENS WATER AND SEWERAGE COMPANY S.A. (E.YD.A.P.)
Company's Number in the General Electronic Commercial Registry : 121578960000
Domicile: Oropou 156 - 11146 Galatsi, Greece
FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1st January 2016 to 31 December 2016
(published in accordance with P.L. 2190/1920, article 135, for companies preparing annual financial statements, consolidated and not, according to IAS)

The information and financial data that derive from the financial statements 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 financial statements according to International Financial Reporting Standards together with the auditor's report, when needed, are presented.

COMPANY INFORMATION

Ministerial Authority:	Ministry of Infrastructure & Transport
Corporate Web Site:	www.eydap.gr
Composition of Board of Directors:	K. Papadopoulos, I. Benisis, K. Vafeiadis, I. Kardaras, G. Makrinos, N. Sarantis, M. Stavroulakis, G. Charalambakis, P. Skoularikis, Ch. Mistriotis, A. Pouliasis, Emman. Aggelakis, Evang. Moutafis
Date of Approval of Financial Statements from the Board of Directors:	05 April 2017
Chartered Auditors Accountants:	Efstratios Paparidis (Reg. No. SOEL 14351), Dimitrios Stavrou (Reg. No. SOEL 14791)
Auditing Company:	«S.O.L.» S.A. CERTIFIED PUBLIC ACCOUNTANTS SOCIETE ANONYME (SOEL Reg. Number 125)
Audit Report from Chartered Auditor Accountants:	In agreement – Matter of Emphasis

STATEMENT OF FINANCIAL POSITION

Amounts in € thousand	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
ASSETS				
Tangible assets	881.337	916.555	881.337	916.555
Intangible assets	1.284	1.327	1.284	1.327
Other noncurrent assets	136.398	127.870	137.608	129.080
Inventories	12.387	12.509	12.387	12.509
Trade Receivables	207.437	224.514	207.439	224.501
Other current assets	312.997	294.321	311.898	293.224
TOTAL ASSETS	**1.551.840**	**1.577.096**	**1.551.953**	**1.577.196**
EQUITY AND LIABILITIES				
Share capital	63.900	63.900	63.900	63.900
Other Equity items	840.866	903.040	840.979	903.140
Total Equity	**904.766**	**966.940**	**904.879**	**967.040**
Liabilities for employee benefits	291.214	266.839	291.214	266.839
Investment subsidies and Consumers' participation	186.737	193.653	186.737	193.653
Provisions/Other long-term liabilities	59.998	63.376	59.998	63.376
Other Short- term liabilities	109.125	86.288	109.125	86.288
Total liabilities	**647.074**	**610.156**	**647.074**	**610.156**
TOTAL EQUITY AND LIABILITIES	**1.551.840**	**1.577.096**	**1.551.953**	**1.577.196**

STATEMENT OF TOTAL COMPREHENSIVE INCOME

Amounts in € thousand	GROUP	
	1.01-31.12.2016	1.01-31.12.2015
Turnover	328.851	324.268
Gross profit	146.214	138.410
Profit before tax, financial and investment results	49.908	43.708
Profit before tax	**41.324**	**56.315**
Profit after tax (A)	24.049	43.657
Other comprehensive income, net of tax (B)	(12.738)	23.273
Total Comprehensive income for the period (A+B)	**11.311**	**66.930**
Attributable to :		
Shareholders	24.049	43.657
Basic earnings after taxes per share (in €)	0,23	0,41
Profit before tax, financial, investment results, depreciation and amortization	87.279	83.731

STATEMENT OF TOTAL COMPREHENSIVE INCOME

Amounts in € thousand	COMPANY	
	1.01-31.12.2016	1.01-31.12.2015
Turnover	328.821	324.248
Gross profit	146.184	138.390
Profit before tax, financial and investment results	49.931	43.736
Profit before tax	**41.337**	**56.343**
Profit after tax (A)	24.062	43.685
Other comprehensive income, net of tax (B)	(12.738)	23.273
Total Comprehensive income for the period (A+B)	**11.324**	**66.958**
Attributable to :		
Shareholders	24.062	43.685
Proposed dividend per share - (in €)	0,11	0,21
Profit before tax, financial, investment results, depreciation and amortization	87.302	83.759

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Amounts in € thousand	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Equity balance at the beginning of the period (01.01.2016 and 01.01.2015 respectively)	**966.940**	**921.310**	**967.040**	**921.382**
Profit of the year, after tax	24.049	43.657	24.062	43.685
Net income directly recorded to equity	(12.738)	23.273	(12.738)	23.273
Total comprehensive income after tax	11.311	66.930	11.324	66.958
Dividends Distributed	(73.485)	(21.300)	(73.485)	(21.300)
Equity balance at the end of the period (31.12.2016 and 31.12.2015 respectively)	**904.766**	**966.940**	**904.879**	**967.040**

CASH FLOW STATEMENT

Amounts in € thousand	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Cash Flows from operating activities				
Profit before tax (continued activities)	41.324	56.315	41.337	56.343
Plus / minus adjustments for:				
Depreciation and amortization	45.539	48.174	45.539	48.174
Amortization of customers' contributions and subsidies	(8.168)	(8.151)	(8.168)	(8.151)
Reductions / transfers of tangible and intangible assets	(935)	(159)	(935)	(159)
Impairment of securities	18.067	0	18.067	0
Income from securities	(66)	(64)	(66)	(64)
Provisions for personnel compensation	2.944	2.198	2.944	2.198
Other Provisions	1.900	19.810	1.900	19.810
Credit Interest and related income	(13.848)	(13.783)	(13.838)	(13.783)
Debit Interest and related expense	4.431	1.240	4.431	1.240
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease in :				
Trade Receivables	5.843	(31.283)	5.835	(31.248)
Consumable materials and spare parts	121	1.828	121	1.828
Increase (Decrease) in :				
Liabilities	2.056	(12.825)	2.055	(12.815)
Consumers' guarantees	85	84	85	84
Employee contribution for indemnity	1.911	1.618	1.911	1.618
Minus:				
Interest and related expenses paid	(36)	(24)	(36)	(24)
Income tax paid	(52.646)	(570)	(52.646)	(570)
Total cash inflows / (outflows) from operating activities (a)	**48.522**	**64.408**	**48.536**	**64.481**
Cash Flows from investing activities				
Purchase of tangible assets	(8.442)	(2.992)	(8.442)	(2.992)
Purchase of intangible assets	(901)	(3.714)	(901)	(3.714)
Proceeds from customers' contributions and subsidies	1.253	1.044	1.253	1.044
Interest income received	11.481	8.873	11.471	8.873
Dividends Received	66	64	66	64
Purchase of securities	0	(20.000)	0	(20.000)
Share capital increase in subsidiary / receipt from liquid. of associate company	0	0	0	(500)
Net cash inflows / (outflows) from investing activities (b)	**3.457**	**(16.725)**	**3.447**	**(17.225)**
Cash Flows from financing activities				
Dividends paid	(31.854)	(20.578)	(31.854)	(20.578)
Total cash inflows / (outflows) from financing activities (c)	**(31.854)**	**(20.578)**	**(31.854)**	**(20.578)**
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)	**20.125**	**27.105**	**20.129**	**26.678**
Cash and cash equivalents, at the beginning of the period	**260.419**	**233.314**	**259.342**	**232.664**
Cash and cash equivalents, at the end of the period	**280.544**	**260.419**	**279.471**	**259.342**

ADDITIONAL DATA AND INFORMATION

1. The number of employees of the Group and the Company as of 31 December 2016 was 2,297 (31 December 2015: 2,350).

2. The provisions formed by the Company until 31 December 2016 concern: a) Lawsuits for civil cases against the Company of a total amount € 78.5 million, mainly relating to indemnities for damages from water flooding (due to pipelines fractures and rainfalls), as well as lawsuits from various counterparty suppliers and sub-contractors for violation of contractual terms. b) There are also pending litigations for labor differences of € 114.4 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 € 41.7 million (58.7 million - 17 million) on 31 December 2016 versus € 45.2 million on 31 December 2015, which are deemed as adequate. c) With the decision numbered 19105/ 21.12.2016 of the Board of Directors, the Company proceeded with a settlement agreement concerning collective labor differences of € 17 million approximately, which will materialize in year 2017. As a result, the amount of € 17 million is recorded in the "Other Short-Term Liabilities". d) Taxes for unaudited years of 2.4 million on 31 December 2016 versus € 0.9 million on 31 December 2015 (note 11) and e) Other provisions for doubtful receivables (customers and debtors) and obsolete inventories of € 58.8 million on 31 December 2016 versus € 53.4 million on 31 December 2015.

3. a) As described in the note 33 of the annual financial statements, the signing of a written agreement - as it is defined in the article 15 of the agreement on 09.12.1999 between the Greek State and the Company - which will determine the price paid for the collected crude water 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 annual 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 36).

4. The amounts of sales and purchases cumulatively from the beginning of the current period and the balances of receivables and liabilities of the Group and the Company at the end of the current period, which have been generated from related party transactions according to the definition of IAS 24, are as follows (amounts in € thousand):

	GROUP		COMPANY	
	2016	2015	2016	2015
i.) Income	58.459	57.720	58.459	57.720
ii) Expenses	66	1.051	66	1.051
iii) Receivables	64.053	61.072	64.053	61.096
iv) Remuneration and compensation of Board Members and senior executives	195	153	195	153

5. In the current period the following were recorded: a) an income of € 127 thousand in the "Other comprehensive income after taxes" concerning a change in the fair value of assets available for sale, b) an income from reclassification in the statement of results of impairment losses concerning investments available for sale for an amount of € 994 thousand, and c) actuarial losses of € 13,869 thousand after taxes due to defined benefit plans according to the revised IAS 19.

6. On 23.12.2016, with the decision of the Extraordinary General Meeting of the Company's Shareholders, a dividend of € 40,470 thousand or a dividend of € 0.38 per share was paid on 03.01.2017.

7. No material event has occurred that could significantly affect the financial structure or the business course of the Company and the Group from 31.12.2016 until the approval date of the financial statements by the Company's Board of Directors (note 32).

8. Apart from EYDAP, the consolidated financial statements include ISLANDS' EYDAP S.A. with domicile in Athens. EYDAP holds 100% of the company's share capital. ISLANDS' EYDAP S.A. was consolidated according to the full consolidation method and as a result no minority rights were recorded.

9. The matter of emphasis of the certified auditors is the following: "We advise that you pay attention to the analytical note 33.1 of the financial statements according to which the determination of the price of the crude water supplied to the Company from the Greek State is pending after 30.06.2013. In absence of a relevant 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 (used for water collection and distribution) owned by "L.E.P.L. EYDAP Fixed Assets", as stipulated by the article 15 of the contractual agreement with the Greek State dated on 09.12.1999. In our conclusion no reservation has been expressed with regard to this matter."

Athens, 05 April 2017

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE DIRECTOR OF THE ECONOMIC DEPARTMENT	THE CHIEF ACCOUNTANT SUPERVISOR
PAPADOPOULOS KONSTANTINOS	IOANNIS EMM. BENISIS	LEMONIA MARK. SKYLAKI	DIMITRA VAS. ZARKADOULA
ID. P. 720446	ID No. AB 521661	ID No. Ξ 971227 Economic Chamber of Greece Accounting License Reg. No: A/17806	ID No. AB 253081 Economic Chamber of Greece Accounting License Reg. No. A/112285

Application EydApp