

ECONOMIC REPORT

First Half 2010

According to the Law 3556/2007

August 2010

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**STATEMENTS OF THE MANAGEMENT BOARD MEMBERS
(according to the article 5 par.2 of the Law 3556/2007)**

The Following Members :

1.Lekas Themistoklis ,Chairman of the Management Board

2.Bardis Nikolaos ,C.E.O

3.Antonopoulos Antonios , member of the Management Board specially designated for this.

According to what is specified in the paragraph 2 of the article 5 of the Law 3556/2007 we hereby declare that from what we know :

a.The Financial Statements of 2010 first half which conducted according to the valid Accounting Standards , trully illustrate Assets and Liabilities figures , Net Worth and Income Statement of E.YD.A.P S.A. , in accordance with the descriptions of the paragraphs 3 to 5 of the article 5 of the Law 3556/2007 and

b.The Six months Report of the Management Board ,trully illustrates the necessary information according to the paragraph 6 of the article 5 of the Law 3556/2007.

Athens , 30 August 2010

The Chairman of the
Management Board

Lekas Themistoklis
ID no. AE 144774

The C.E.O

Bardis Nikolaos
ID no. Φ 472635

The Member of the
Management Board

Antonopoulos Antonios
ID no.N329504

REPORT OF THE BOARD OF DIRECTORS FOR THE FIRST HALF OF 2009

Dear Shareholders,

The present report provides an overview of the financial results, and significant corporate events carried out in the first half of 2010, an analysis of the perspectives and potential risks for the second half of 2010, and significant transactions between the Company and the related parties.

The report is written in accordance with the clauses of paragraph 6 of the article 5 of law 3556/2007 and the relevant decisions 1/434/2007 and 7/448/2007 of the Hellenic Capital Market Committee.

OPERATIONS AND FINANCIAL REVIEW FOR THE PERIOD STARTING AT THE 1ST JANUARY UNTIL 30TH OF JUNE 2010

Water Consumption Progress for the first half of 2010

The **total water consumption** (billed or not) for the first half of 2010 increased by 0.2% compared to the first half of last year. Average annual increase of total water consumption among the first halves of the years 2006-2010 was formed at 0.9%

Billed consumption decreased by 2.3%. The fall of billed consumption, together with the slight increase in total consumption, led to a rise in the ratio of non-billed to total consumption, from 21.9% in the first half of 2009 to 24.0% in the first half of 2010.

During the first half of 2009 there has been supplied 3 mn m³ of treated water to Cyprus. This extraordinary event influenced the total water consumption evolution, which otherwise would have been increased by 1.7%, instead of 0.2%, as well as the evolution of the billed consumption, which would have been at steady levels in comparison with last year (instead of a decrease by 2.3%).

With respect to main consumer classes, the class of common consumers – which represents the overwhelming majority of customers – fell by 3.0% during the first half of current year. The second biggest class, that of Bulk Water Supply to Municipal Networks fell marginally by 0.7%. As far as the rest significant consumer classes are concerned, the class of industrial consumers fell by 5.2% and the class of State-Local Authorities surged by 1.3%.

The fall in total billed consumption by 4.0 mn m³ was mainly an outcome of the consumption decrease in the common consumers class (-3.2 mn m³), while the remaining consumer classes (industrial consumers, -0.5 mn m³, bulk water, -0.5 mn m³) marginally influenced the respective figure. As far as the rest of the consumer classes are concerned, those in total have marginally influenced total billed consumption (+0.2 mn m³).

The distribution of consumption during the first half of 2010 didn't indicate significant changes in relation with the respective halves of previous years. Common consumers' share was shaped at 66.3% (compared to a 3-year average share of 66.2%), Bulk Water Supply to Municipal Networks occupied 18.4% (compared to a 3-year average share of 18.2%), while State-Local Authorities reached 5.3% (compared to a 3-year average share of 5.5%), and last but not least industrial consumers obtained 6.0% (compared to a 3-year average share of 6.3%).

Billed water consumption reached € 111.4 mn during the first half of 2010 vis a vis € 113.9 mn during the respective half of 2009, indicating a fall of 2.3%.

In terms of consumer classes, during the first half of 2010:

- revenues from common consumers decreased by 2.4% to € 78 mn
- revenues from Bulk Water Supply to Municipal Networks fell by 3.7% to € 14.0 mn
- revenues from industrial consumers fell by 5.1% to € 8.5 mn.
- revenues from State-Local Authorities increased by 4.1% to € 8.4 mn

The average price for water supplied by EYDAP (consumption charge plus standard fee) stayed almost unchanged at €0.72 per m³. The average price per consumer class remained equally steady. The average price for the main consumer class - that of common consumers - was formed at € 0.76. The lowest average price among the biggest consumer classes (excluding untreated water) remains that for Bulk Water Supply to Municipal Networks at €0.49 per m³ (almost 64% of the average price for common consumers).

Nevertheless, Bulk Water Supply to Municipal Networks, which derives from the needs of citizens (i.e. of common consumers) that reside outside the Company's network, continues to generate small profits in relation to its consumption share. More specifically, while it accounts for 18% of billed consumption, it merely corresponds to 12.5% of revenues from water supply, let alone their slow collection rate.

Revenues from sewer usage charges during the first half of 2010 reached €54.8 mn, increased by 2.2% compared to the first half of 2009. Average annual growth during the last five years was shaped at 8.1%.

Total revenue from water supply services and sewer usage charges during the first half of 2010 summed up to € 166.2 mn, showing a decrease of 0.8% compared to the correspondent half of 2009. Average first half growth during the last five years was shaped at 5.9%.

Key Financial Data for the first half of 2010

Revenues amounted to € 181.9 mn from € 184.1 mn the respective half of 2009, down € 2.2 mn (-1.2%). This fall is mainly due to decreased income from third party constructions by € 2.4 mn (-81%) and relate to the significant Yliki water pumping expenses decrease during 2010. Revenues from water services and related works climbed down by € 2.7 mn (-2.2%), mainly due to the decrease in water sales to Cyprus by € 2.3 mn. On the contrary, there has been noted an increase in the revenues from sewerage services by 2.9% (or + € 1.7 mn) as well as in the revenues from electric power sales by € 1.2 mn.

Cost of sales fell by € 2.4 mn (-2.0%) and reached € 115.5 mn from € 117.8 mn the respective half of 2009. This fall was mainly due to the decrease in third-party allowances by € 3.3 mn, although the gas supply expenses rose by almost € 1 mn. Furthermore, this fall went along with a drop in the Psyttalia Wastewater Treatment Plant and the Water Supply Network operation contracts. Incremental impact to the cost of sales was noticed by the growth of pending litigations by € 3.5 mn, the increase of taxes and fees by € 1.1 mn and other expenses by € 0.9 mn.

As a result of all the above, Gross Profit Margin remained at the same levels vis-a-vis the respective half of 2009, reaching € 67.7 mn to € 66,2 mn the respective half of 2009 (+0.3%). Gross Profit Margin as percentage of revenues was formed at 36.5% from 36% last year's first half. Administrative expenses dropped by € 6.3 mn (-15.8%) and were shaped at € 34 mn mainly due to the decrease in the wages and salaries by € 2.8 mn, the third-party expenses and fees by € 1.3 mn and the third-party allowances by € 2.2 mn.

Selling expenses grew by 9.2% reaching € 22.2 mn. This growth is mainly due to the increase in the provisions for bad debt by € 1.4 mn.

In total, operational expenses before depreciation during the first half of 2010 fell by 4.7% and reached € 158.4 mn from € 166.2 mn the respective half of 2009. Operational expenses as percentage of revenues was limited at 87.1% from 90.3% last year's first half.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) increased by € 3.3 mn (+ 17.2%), while EBITDA margin was formed at 12.3% from 10.4% the respective half of 2009. Similar progress was noticed in the Earnings before Interest and Taxes (EBIT) which rose by 34.7%, and were formed at € 9.1 mn from € 6.8 on 2009. EBIT margin as percentage of revenues was formed at 5% from 3.7% the respective period of 2009.

All the above contributed to an increase in pre-tax profits by 34.8%, reaching € 7.6 mn from € 5.6 mn the respective half of 2009. After-tax profits were formed at € 3.02 mn from € 2.97 mn the first half of 2009, up 1.4%. Net Profit Margin after tax was shaped at 1.7%.

Cash flows from operating activities were negative and were limited to € -5.4 mn from € -12.8 mn the respective half of 2009. Cash flows from investing activities rose marginally and were shaped at € -15 mn from € -13.2 mn the respective half of 2009. Free Cash Flows were shaped in negative levels, at € -20.4 mn from € -26 mn the respective half of 2009. All the above, have impacted the short-term loans and borrowings which at the end of the first half of 2010 increased to € 209.5 mn from € 188.6 mn the respective period last year.

Last but not least, short-term loans and borrowings as percentage of total equity reached 13.2% from 12.2 the respective half of 2009.

BUSINESS HIGHLIGHTS FOR THE FIRST HALF OF 2010

Application of the Law regarding the “Protection of the Greek economy – Urgent measures against the financial crisis”

Following the voting of Law 3833/2010 regarding the “Protection of the Greek economy – Urgent measures against the financial crisis”, the Company has applied the clauses referring to the employees' salaries cut, since the Company is excluded from the provisions of par. 8, article 1 of the Law, according to which the regulations set are not applied to those Companies where the Greek State possesses less than the 50 per cent of their share capital. Additionally, the Company has further applied art. 3 of Law 3845/2010, since June 1st 2010, according to which an additional 3% cut is effective in the Company's payroll.

Repeat Extraordinary Meeting of Shareholders

On May 4th 2010, was held the Repeat Extraordinary Meeting of Shareholders, during which, the new top management of the Company was appointed. During its inaugural meeting, the BoD elected Prof. Themistoklis Lekkas as Chairman and Mr. Nikolaos Bardis as Chief Executive Officer.

Annual General Meeting of Shareholders

The Annual General Meeting approved dividend distribution to the Shareholders of the Company for the fiscal year 2009, amounting € 2,131,000.00, namely € 0.02 per share.

PERSPECTIVES – RISKS & UNCERTAINTIES FOR THE SECOND HALF OF 2010

Perspectives

The Company continues to pursue its business strategy which is oriented towards the enhancement of the water supply and sewerage services, the environmental protection and modernization of business functions to improve customer service.

Within the second half of 2010, the operation license of the new hydroelectric power station (820 KW capacity) in Evinos is anticipated to be issued, leading to its full commercial exploitation.

Positively is expected to influence the Company's results, the focused efforts of the Top Management for arrangement of the long-term receivables (debt of municipal authorities) in combination with the expansion of the customer base due to acquisition and operation of municipal networks. Currently, there has been underway the acquisition and operation of the municipal networks of Megara, Keratea, Anoixi, Agios Stefanos, Ampelakia Salaminas and the Community of Kryoneri, while further negotiations for the acquisition of other municipal networks are under discussion.

Last, but not least, the acquisition of the municipal network of Agios Panteleimonas (constructed by the municipal authorities of N. Peramos) in combination with the above mentioned perspectives is anticipated to effect positively the financial results of the Company for the second half of 2010.

Risks and Uncertainties for the Second Half of 2010

Financial Risks

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

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

(a) Market Risk

Exchange rate risk

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

Interest rates variability risk

The Company doesn't possess any substantial interest financial items. Thus its operating revenues and cash flows are independent from changes in interest rates. Loan liabilities are based on variable interest rates which are in accordance with market conditions, thus they could either remain variable or convert to fixed.

The Company doesn't use financial derivatives. Loans under variable rate result in cash flow risk for the Company while loans under fixed rates, result in changes in fair value risk. The Company doesn't possess fixed rate loans.

(b) Credit Risk

The Company's exposure to credit risk is confined on its financial Assets.

The Company checks its claims on an ongoing basis either separately or by grouping the respective items, and incorporates these data in credit control procedures. The Company's long-term claims are derive by the State. Consequently, credit risk is immaterial.

Cash flows and cash equivalents do not involve credit risk because they mainly concern deposits in banks with adequate credit rating. Commercial and other claims involve receivables from common consumers, which have the lowest degree of loss mainly because of the extensive dispersion of claims, while for Municipality claims the Company examines the potential to resort to article 16 par.2 of Law 2307/1995 which provides for the collection of municipal debt to EYDAP S.A. through earmarked funds.

None of the Company's financial assets is insured by mortgage or any other form of collateral.

(c) Liquidity Risk

Liquidity risk is managed through sufficient cash reserves and line of credit. The approved line of credit suffices for the company to cover any possible shortage in cash.

Key sources of estimation uncertainty

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

Litigations and claims

Lawsuits for civil law cases with claims of an amount of € 71.7 mn have been raised against the Company as at 30 June 2010. These lawsuits are mainly related with damages caused by floods (either because of broken mains or from rainfalls) or they are lawsuits of various trade creditors and subcontractors for violation of contractual terms. There are also pending litigations with employees of around €47.0 mn. Against all these potential losses, when the pending litigation will be finalized, EYDAP has formed a provision of €40.3 mn as at 31.12.2009 and of € 43.4 mn as at 30.06.2010, which is considered as sufficient.

Insurance coverage

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

Unaudited By Tax Authorities Fiscal Years

The tax authorities had audited the Company, until the fiscal period ended as at 31 December 2007. The accompanying financial statements include a related provision for the additional taxes and fees that are probable to be levied at the finalization of the unaudited financial years 2008, 2009 and the first half of 2010.

RELATED PARTY TRANSACTIONS

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

There are no changes in the nature of the related party transactions.

| | 30th of June <u>2010</u> | 30th of June <u>2009</u> |
|--|--|--|
| - Salaries (Chairman & CEO and Executive Directors) | 75 | 98 |
| - Salaries & participation fees of the Members of the Board of Directors | 32 | 80 |
| | <u>107</u> | <u>178</u> |

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

| 1) Transactions | 30th of June <u>2010</u> | 30th of June <u>2009</u> |
|---|--|--|
| - Revenues | 30,992 | 34,283 |
| - Cost of sales (construction contracts) | (540) | (2,227) |
| - Provisions | (1,137) | - |
| 2) Outstanding amounts | 30th of June <u>2010</u> | 31st of Dec. <u>2009</u> |
| - Long term receivables (construction contracts) | 106,638 | 106,067 |
| - Long term receivables (Arrangements of Municipalities) | 20,702 | 20,284 |
| - Trade receivables | 163,706 | 153,839 |
| - Other receivables (coverage of Employees' end-of service indemnity) | 33,397 | 22,625 |
| | | |

The transactions with the Greek State and the Municipalities concern billed and accrued revenues from water supply services, as well as accrued revenues from construction contracts with Ministry of Public Works and EYDAP NPDD.

Outstanding amounts of Greek State and Municipalities receivables have risen during the current period due to a) the delay in the decision publication on behalf of the Greek State concerning the coverage of Employees' end-of-service indemnity and b) the non-collection of trade receivables and construction and maintenance contract receivables.

Galatsi, August 30th, 2010

THE MEMBERS OF THE BOARD OF DIRECTORS

| <i>Name</i> | <i>Position</i> |
|--------------------------------|---|
| Lekkas Themistoklis | Chairman – Executive Member |
| Bardis Nikolaos | Chief Executive Officer – Executive Member |
| Antonopoulos Antonios | Member |
| Tzikas Nikolaos | Member |
| Kotsonis Antonios | Member |
| Asimakopoulos Dionysios | Member |
| Beis Panagiotis | Member |
| Kogioumtzis Nikolaos | Member |
| Kontoroupis Georgios | Member |
| Skoularikis Panagiotis | Member |
| Mistriotis Christos | Member |
| Aggelakis Emmanouel | Member |
| Moutafis Evangelos | Member |

Exact Copy of No 987
Minutes of the Board of Directors of 30th August 2010
The Chief Executive Officer
Nikolaos Bardis

**ATHENS WATER AND SEWERAGE COMPANY S.A.
(E.Y.D.A.P)**

FIRST HALF CONDENSED FINANCIAL STATEMENTS

ACCORDING TO IFRS

ON 30 JUNE 2010

**DOMICILIATION
ORPOU 156
GALATSI**

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The Condensed Financial Statements, page 1 to 21, were approved by the Board of Directors on 30 August 2010. Under the permission of the Board of Directors the following officers named below sign the Financial Statements:

Athens , 30 August 2010,

| | | | |
|--------------------------------------|-----------------------------|--------------------------------|--------------------------------------|
| The Chairman of the Management Board | The Chief Executive Officer | The Economic Services Director | The Accounting Department Supervisor |
| Lekas Themistoklis | Bardis Nikolaos | Leventi Maria | Spyropoulou Eleni |

1. GENERAL INFORMATION FOR THE COMPANY

| | |
|--|--|
| Name: | EYDAP SA |
| Domiciliation: | Oropou 156 – Galatsi |
| Date of Establishment: | 25/10/1999 |
| Duration: | 100 years |
| Main Activity: | Water Supply - Sewerage |
| Registration Number of S.A.: | 44724/06/B/99/52 |
| Prefecture: | Athens |
| Tax Number: | 094079101 |
| Members of the Board of Directors: | Th. Lekkas , N.Bardis , G.Kontoroupis , P .Beis, D.Asimakopoulos A.Kotsonis , N.Tzikas , N. Kogioumstsis E.Agelakis, , Ch. Mistriotis, E.Moutafis, P.Skoularikis , A.Antonopoulos. |
| Ending Day of the Period: | 30 June 2010 |
| Period: | 6 months |
| Form of Financial Statements: | Interim Condensed – First Half |
| Date of Approval of Financial Statements: | 30 August 2010 |
| Chartered Public Accountants: | Vasilios Papageorgakopoulos (Reg.num. soel 11681) George Spanoudakis (Reg.num.soel 14721) |
| Auditing Company: | <<SOL >> S.A.CERTIFIED AUDITORS –ACCOUNTANTS.SOEL ID No 125 |
| Internet address where the Financial Statements are registered: | www.eydap.gr |

All amounts in the Interim Condensed Financial Statements and Notes are in euro thousands unless otherwise stated

2. CONDENSED TOTAL REVENUES STATEMENT FOR PERIOD ENDED 30 JUNE 2010 & 2009

| Amounts in Thousands of € | NOTES | 30.06.2010 | 30.06.2009 | 01.04-30.06.10 | 1.04-30.06.09 |
|--|----------|---------------|---------------|----------------|---------------|
| Revenue from services rendered | 4 | 181.892 | 184.092 | 97.935 | 98.683 |
| Cost of Services | 4 | (115.458) | (117.847) | (59.815) | (62.547) |
| Gross Profit | | 66.434 | 66.245 | 38.120 | 36.136 |
| Other Operating Income | | 1.771 | 1.908 | 747 | 1.011 |
| General and administration expenses | 4 | (34.006) | (40.379) | (17.605) | (22.371) |
| Distribution and selling expenses | 4 | (22.217) | (20.337) | (11.750) | (9.993) |
| Profit from operating activities | | 11.982 | 7.437 | 9.512 | 4.783 |
| Other operating expenses | | (2.859) | (666) | (2.625) | (349) |
| Finance income net | | 2.671 | 2.459 | 1.402 | 1.354 |
| Finance costs net | | (4.214) | (3.605) | (2.020) | (1.793) |
| Profit from ordinary activities before income taxes | | 7.580 | 5.625 | 6.269 | 3.995 |
| Income tax expense | 5 | (4.565) | (2.653) | (3.397) | (2.175) |
| Net profit for the year | | 3.015 | 2.972 | 2.872 | 1.820 |
| Shares outstanding | | 106.500 | 106.500 | 106.500 | 106.500 |
| Earnings per share (in €) | 6 | 0,03 | 0,03 | 0,03 | 0,02 |

The notes referred to the pages 7-21 form an integral part of the condensed first half financial statements.

3.CONDENSED STATEMENT OF TOTAL INCOME FOR PERIOD ENDED 30 JUNE 2010 & 2009

| Amounts in Thousands of € | 30.06.2010 | 30.06.2009 | 1.04-30.06.10 | 1.04-30.06.09 |
|------------------------------------|-------------------|-------------------|----------------------|----------------------|
| Profit after taxes | 3.015 | 2.972 | 2.872 | 1.820 |
| Portfolio valuation | (220) | 713 | (77) | 532 |
| Aggregate total income after taxes | 2.795 | 3.685 | 2.795 | 2.352 |

The notes referred to the pages 7-21 form an integral part of the condensed first half financial statements .

4.CONDENSED STATEMENT OF FINANCIAL POSITION ON 30 JUNE 2010 AND 31 DECEMBER 2009

| | NOTES | 30.06.2010 | 31.12.2009 |
|---|-------|-------------------------------------|------------------|
| ASSETS | | | |
| | | <i>Amounts in thousands of Euro</i> | |
| Non-current assets | | | |
| Goodwill | | 3.357 | 3.357 |
| Other Intangible assets | 8 | 5.413 | 6.254 |
| Property, plant and equipment, net | 8 | 1.004.144 | 1.004.440 |
| Investment in associates | 15 | 275 | 383 |
| Available-for-sale Investments | | 1.046 | 1.266 |
| Long-term receivables | 9 | 130.374 | 129.566 |
| Deferred tax assets | 16 | 53.132 | 48.343 |
| Total non-current assets | | 1.197.741 | 1.193.609 |
| Current assets | | | |
| Materials and spare parts | 10 | 20.547 | 20.528 |
| Trade receivables | 11 | 299.055 | 277.967 |
| Other receivables | 12 | 53.050 | 41.063 |
| Cash and cash equivalents | | 17.892 | 22.624 |
| Total Current assets | | 390.544 | 362.182 |
| Total Assets | | 1.588.285 | 1.555.791 |
| LIABILITIES AND SHAREHOLDER'S EQUITY | | | |
| Share Capital | 17 | 63.900 | 63.900 |
| Share Premium | | 40.502 | 40.502 |
| Reserves | | 379.356 | 379.576 |
| Retained Earnings | 21 | 338.418 | 337.533 |
| Total Equity | | 822.176 | 821.511 |
| Non-current liabilities | | | |
| Reserve for employees benefits | 19 | 212.279 | 204.702 |
| Provisions | 22 | 43.422 | 40.295 |
| Investment subsidies and customer contributions | | 198.699 | 201.192 |
| Consumers' guarantees | | 17.361 | 17.132 |
| Total non-current liabilities | | 471.761 | 463.321 |
| Current Liabilities | | | |
| Operating Current Liabilities | 13 | 44.942 | 49.249 |
| Current tax liabilities | 20 | 8.209 | 2.406 |
| Short term loans and borrowings | 18 | 209.463 | 192.804 |
| Other current liabilities | 14 | 31.734 | 26.500 |
| Total Current Liabilities | | 294.348 | 270.959 |
| Liabilities and Shareholder's Equity | | 1.588.285 | 1.555.791 |

The notes referred to the pages 7-21 form an integral part of the condensed first half financial statements.

**5.CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
JUNE 30 2010 & 2009**

| 2010 | Share Capital | Share Premium | Legal reserve | Other non-taxable reserves | Other reserves | Retained Earnings | Total Equity |
|--|----------------------|----------------------|----------------------|-----------------------------------|-----------------------|--------------------------|---------------------|
| Equity Balance on 1/1/2010 | 63.900 | 40.502 | 20.513 | 358.283 | 780 | 337.533 | 821.511 |
| Net Profit / (Losses) | | | | | (220) | 3.015 | 2.795 |
| Dividends | | | | | | (2.130) | (2.130) |
| | | | | | | | |
| Equity Balance on the end of 30 June 2010 | 63.900 | 40.502 | 20.513 | 358.283 | 560 | 338.418 | 822.176 |

| 2009 | Share Capital | Share Premium | Legal reserve | Other non-taxable reserves | Other reserves | Retained Earnings | Total Equity |
|--|----------------------|----------------------|----------------------|-----------------------------------|-----------------------|--------------------------|---------------------|
| Equity Balance on 1/1/2009 | 63.900 | 40.502 | 20.226 | 358.283 | 653 | 345.925 | 829.489 |
| Net Profit / (Losses) | | | | | 713 | 2.972 | 3.685 |
| Dividends | | | | | | (13.845) | (13.845) |
| | | | | | | | |
| Equity Balance on the end of 30 June 2009 | 63.900 | 40.502 | 20.226 | 358.283 | 1.366 | 335.052 | 819.329 |

The notes referred to the pages 7-21 form an integral part of the condensed first half financial statements.

6. CONDENSED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2010 & 2009

| | 1.01-30.06-2010 | 1.01-30.06-2009 |
|---|------------------------|------------------------|
| Cash Flows from operating activities | | |
| Profit before tax | 7.580 | 5.625 |
| Adjustments for: | | |
| Depreciation and amortization | 17.769 | 16.803 |
| Amortization of customers' contributions and subsidies | (4.452) | (4.428) |
| Revenues from securities | (35) | (37) |
| Impairment of participating interests | 108 | 10 |
| Provisions | 4.575 | (426) |
| Interest and related income | (2.635) | (2.432) |
| Interest and related expense | 4.105 | 3.605 |
| Operating income before working capital changes / changes in operating assets and liabilities | | |
| (Decrease in) Increase in | | |
| Trade receivables | (22.536) | (17.164) |
| Other receivables | (10.927) | (8.267) |
| Long-term receivables | (808) | 30 |
| Materials and spare parts | (19) | (2.055) |
| Increase in (Decrease in) | | |
| Operating Current Liabilities | (4.356) | (13.270) |
| Other current liabilities | 5.233 | 11.128 |
| Consumers' guarantees | 228 | 270 |
| Reserve for employees benefits | 7.577 | 6.963 |
| Minus: | | |
| Interest and related expenses paid | (3.678) | (4.474) |
| Income Tax paid | (3.122) | (4.699) |
| Net cash from operating activities (a) | (5.393) | (12.818) |
| Cash Flows from investing activities | | |
| Purchases of property, plant, and equipment | (16.254) | (19.843) |
| Purchases of intangible assets | (2.124) | (303) |
| Proceeds from customers' contributions and subsidies | 1.959 | 5.645 |
| Interest and related income collected | 1.369 | 1.250 |
| Collected Dividends | 35 | 37 |
| Net cash from investing activities (b) | (15.015) | (13.214) |
| Cash Flows from financing activities | | |
| Proceeds from borrowings | 24.800 | 29.000 |
| Repayments of borrowings | (8.500) | 0 |
| Dividends paid | (624) | (171) |
| Net cash from investing activities (c) | 15.676 | 28.829 |
| | | |
| Net (decrease) increase in cash and cash equivalents (a) + (b) + (c) | (4.732) | 2.797 |
| Cash and cash equivalents, beginning of period | 22.624 | 17.780 |
| Cash and cash equivalents, end of period | 17.892 | 20.577 |

The notes referred to the pages 7-21 form an integral part of the condensed first half financial statements.

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

1. BASIS OF CONDUCTION

The condensed first half financial statements have been conducted in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

2. New accounting standards, amendments to existing standards and IFRIC interpretations

Until the date of approval of the financial statements, new Standards, Interpretations and Amendments to existing Standards were issued, which are mandatory for accounting periods beginning on or after 1 January 2010.

Standards mandatory for the year beginning on 1 January 2010

IFRS 1, First-time adoption of International Financial Reporting Standards - Amendment

(Applicable for annual accounting periods beginning on or after 1 January 2010)

The amendment of the standard provides additional explanations to the entities that adopt IFRSs for the first time regarding the use of the deemed cost of oil and gas assets, determining whether an arrangement contains a lease and the decommissioning liabilities included in the cost of property, plant and equipment. This amendment shall have no impact on the financial statements of the Company since the Company has already made its transition to IFRS.

IFRS 2, Share-based payment - Amendment

(Applicable for annual accounting periods beginning on or after 1 January 2010)

Purpose of the amendment is to clarify the scope of IFRS 2 and the accounting treatment for the cash-settled share-based payment transactions in the consolidated or separate financial statements of the entity receiving the goods or services, when the entity has no obligation to settle the share-based payment transactions. This amendment is not expected to have an impact on the financial statements of the Company.

IAS 32, Financial Instruments: Presentation (Amendment)

(Applicable for annual accounting periods beginning on or after 1 February 2010)

The amendment to IAS 32 provides clarification as regards the classification of rights issues. In particular, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to have an impact on the financial statements of the Company.

Standards mandatory for the year after 31 December 2010

IFRS 9 "Financial Instruments"

(Applicable for annual accounting periods beginning on or after 1 January 2013)

IFRS 9 is the first part of Phase 1 of the IASB's (International Accounting Standards Board) project to replace IAS 39. The IASB aims to extend IFRS 9 over the year 2010 so as new requirements to be added for the classification and measurement of financial assets, de-recognition of financial instruments, the impairment methodology, and the hedge accounting.

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

2. New accounting standards, amendments to existing standards and IFRIC interpretations (continued)

In accordance with IFRS 9, all financial assets at initial recognition are measured at their fair value, in the case of a financial asset not at fair value through profit or loss, they are increased with certain transaction costs. The subsequent measurement of financial assets is carried at amortised cost or fair value and depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 does not permit reclassification unless when and only when, an entity changes its business model and in this case the entity is required to reclassify in the future all affected financial assets. Within the scope of IFRS 9, all investments in equity instruments shall be measured at fair value. However, management may make an election to present in other comprehensive income the realised and unrealised gains and losses in the fair value of an investment in an equity instrument that is not held for trading. This election is made at initial recognition on an instrument -by-instrument basis and is irrevocable. Gains and losses shall not be subsequently transferred to profit or loss, while dividends on such investments shall continue to be recognised in profit or loss. IFRS 9 abolishes the exception of fair value measurement at cost for investments in unquoted shares and derivatives on unquoted shares but provides guidance as to when cost may be a representative estimate of fair value. IFRS 9 cannot be earlier applied by the Company since it has not yet been adopted by the European Union. Only when adopted, the Company will decide, whether to apply IFRS 9 earlier than 1 January 2013.

IAS 24 (Amendment) "Related Party Disclosures"

(Applicable for annual accounting periods beginning on or after 1 January 2011) According to IAS 24, entities are obliged to disclose details for their transactions with related parties. In government-related entities the collection of information for all transactions with the government and all government-related parties is often difficult and requires a high cost. This amendment attempts to reduce some of the disclosures required until now without, however, affecting the information which is sufficient for financial information users. The company shall apply the standard from the date of its effect.

Interpretations mandatory for the year beginning on 1 January 2010

IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments

(Applicable for annual accounting periods beginning on or after 1 July 2010)

Interpretation 19 addresses the matter of accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. These transactions are often referred to as debt for equity swaps and they are more frequent during the economic crisis.

Prior to the publication of IFRIC 19, there was significant diversity in the accounting treatment of these transactions. The new Interpretation is applicable for accounting periods beginning on or after 1 July 2010 and earlier adoption is permitted.

Interpretation 19 concerns only the accounting by a debtor in these transactions. It does not apply when the creditor is also a direct or indirect shareholder and is acting in its capacity as a direct or indirect existing shareholder or when the creditor and the entity are controlled by the same party or parties before and after the transaction and the substance of the transaction includes an equity distribution by or contribution to the entity.

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

2. New accounting standards, amendments to existing standards and IFRIC interpretations (continued)

Financial liabilities extinguished by issuing equity shares in accordance with the original terms of the liability also fall outside the scope of the Interpretation. Interpretation 19 requires from the debtor the accounting treatment of a financial liability extinguished with equity instruments to be made as follows:

- the issue of equity instruments to a debtor to extinguish all or part of a financial liability is the "consideration paid" in accordance with paragraph 41 of IAS 39. The equity instruments issued are measured by the entity at fair value, except if it cannot be reliably measured.
 - if the fair value of equity instruments cannot be reliably measured, then the fair value of the financial liability extinguished should be measured.
 - the difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss.
- This interpretation is not applicable to the Company.

Interpretations mandatory after 31 December 2010

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

The Amendment was made in order to remove the limitation of the entity to recognize as an asset some voluntary prepayments to a benefit plan for covering its minimum funding contributions. The amendment is effective for annual accounting periods beginning on or after 1 July 2011. The interpretation is not applicable to the Company.

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

3. ACCOUNTING PRINCIPLES

The condensed first half financial statements have been conducted under the historical cost convention, except for the revaluation of certain properties and financial instruments.

The basic accounting principles ,estimations and computations followed ,remain unchanged in relation with the company's financial statements of 31 December 2009.

The condensed first half financial statements must be examined in relation with the annual ones which are available in the company's internet adress www.eydap.gr

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

4.RESULTS FOR THE PERIOD

TURNOVER

The company's sales fell -compared with the first half of the previous year - by € 2,2 m mainly due to the decrease in Cyprus water supply.

COST OF GOODS SOLD

The cost of goods sold drop by € 2,4 m.This increase can be attributed to:

The increase:

- in cases under sub judice by € 3,5 m.
- in taxes and rates by € 1,1 m.
- in other expenses by € 0,9 m.

The decrease:

- in third party providings (mainly of electrical power used for the operation of the waste treatment in Psytallia work) by € 3,3 m.
- in third party fees by € 4,6 m.

ADMINISTRATIVE COSTS

The administrative costs decreased by € 6,3 m.This decrease can be attributed to:

The decrease :

- In personnel's fees and expenses by € 2,8 m.
- In third party fees and expenses by € 1,3 m.
- In third party providings by € 2,2 m.

Part of this decrease is due to a more accurate allocation of expenses as a result of the new cost system implemantation as it refers in paragraph 3 "Accounting Principles".

DISTRIBUTION COSTS

Distribution costs increased by € 1,8 m.This change is mainly due to the increase in the provision of bad and doubtful debts by € 1,4 m.

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

5. INCOME TAX

Income tax for the current period was assessed as follows:

| | 30.06.2010 | 30.06.2009 |
|---|-------------------|-------------------|
| Profit before tax | 10.328 | 5.625 |
| Income tax assessed based on the current tax rate (24%) | 2.479 | 1.406 |
| Special charge of the Law 3808/09 | 2.261 | - |
| Unaudited fiscal years (by public revenue authorities) | 434 | 516 |
| Tax over non-deductible final tax differences | 228 | 282 |
| Impact from tax rates differences between current income tax and deferred tax rates in the time of temporary differences reconciliation | - | 160 |
| Deferred tax claim / liability recognised from tax differences | (837) | 289 |
| | 4.565 | 2.653 |

The liability's amount comes from income tax numbers € 8.209 th on 30 June 2010 (involving 2008 special charge's balance plus 2009 special charge). On 31 December 2009 the respective liability's amount was € 2.406 th.

6. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings per share is based on the following data:

| | 30.06.2010 | 30.06.2009 |
|--------------------|-------------------|-------------------|
| Earnings | 3.015 | 2.972 |
| Number of shares | 106.500 | 106.500 |
| Earnings per share | 0,028 | 0,028 |

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

7. DIVIDENDS

During the first half of the current use the General Shareholders Meeting approved a dividend distribution for 2009 of 2 cents per share (€0,02) , while the corresponding dividend for 2008 was 0,13 € per share .

8.INTANGIBLE AND TANGIBLE ASSETS

During the period 01/01/2010-30/06/2010,the company accomplished investments of € 12,7 m. in order to improve and expand the water supply and sewerage networks as well as it spent € 4,5 m for the acquisition of other fixed assets like machinery ,furnitures and fixtures and other equipment.First half depreciation concerning tangible assets were approximately € 17,5 m.

The company also spent approximately € 0,6 m.for the acquisition of software mainly for the improvement and modernization of its Information Technology system.The depreciation of intangible assets for the period were € 1,5 m.approximately.

9.LONG TERM RECEIVABLES

Long Term receivables includes:

- Municipalities debt settlements of € 20,7 m. approximately (€ 20,3 m. on 31/12/2009)
- Personnel's long term loans of approximately € 2,4 m.(€ 2,6 m.on 31/12/2009).
- Claims against the Greek State for the construction and maintenance expenditures of its possession works of approximately € 106,6 m.(€ 106,0m.on 31/12/2009).
- Given Guarantees of € 0,6 m.

10. MATERIALS AND SPARE PARTS (STOCK)

Stock includes provisions of € 2,1 m.for stock depreciation. The provisons have been formulated for the accurate representation of the stocks account ,which are show up subtractive to their value .

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

11. CUSTOMERS

The customers balance increased in the current period by approximately € 21,1 m because of :

- an increase in claims towards private customers by approximately € 11,2 m as a result of the growth in due claims.
- an increase in claims towards the Greek State ,and Municipalities by approximately € 9,9 m.As a result of the increase in due claims towards Municipalities the Company has proceeded various efforts concerning the collection of these claims.

Trade Debtors account involves an amount of € 1,67m that has to do with a claim from the Municipality of New Peramos.This claim, that concerns with the trasferment of the respect water supply network will offset,according to the 5/4/2007 contract terms

a) with the value (up to an amount of € 1,25m) of Agios Panteleimonas settlement which will deliver after its comletion and b) with the value that incur after the valuation of fixed assets (lands ,water reservoirs etc) which will tranfer to the company according to the aforementioned contract. The objective value of these assets was at 5/4/2007 € 18,5 th .

The company in order to confront credit risk concerning its failing to collect its claims has formed provisions for doubtful debts,the amount of which was approximately € 37,3 m at 30/6/2010.

The Direction of Economic Programing and Audit periodically audits and reexamines the company's exposition to credit risk .

Because of the great spreading of its clients (approximately 2.018.855 on 30/6/2010) credit risk is relatively low.

Simultaneously ,the contract terms of water supply and sewerage services are such giving the company the maximum possible degree of collecting its claims from the owners of water supplies.

The provision for doubtful debts that has been formed is mainly based on statistical figures concerning the collection of water supply and sewerage bills per category of billing and furthermore,on Management projections about the possible amount that will collect from claims that will settle in a future period.

12.OTHER CLAIMS

The balance of other claims increased in the current period by approximately € 12,0 m.due to the rise in the claims against the State by € 10,0 m (Law 2939 / 6-8-2001 article 26).

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

13. OPERATING CURRENT LIABILITIES

The operating current liabilities fell by € 4,3 m comparing with those of 31/12/2009. This fall is due to the:

- Increase in dividends payable by approximately € 1,3 m .
- Decrease in the social security contributions by € 3,8 m because of the Christmas benefit contributions which were included in the use of 2009 .
- Decrease in suppliers balance by € 1,8 m.

14. OTHER CURRENT LIABILITIES

The other current liabilities increased substantially by € 5,2 m mainly due to:

- the imputation of the accrued expenses refer to the analogy of the personnel's holiday allowances and vacation leave benefits amounts € 5,8 m. approximately. It must be noted that on 31/12/2009 there are no provisions for personnel's payroll, allowances and vacation benefits.
- a drop in the amount of unsettled payable checks by € 4,4 m.
- an increase in the provision of vacation leave by approximately € 1,6 m.
- an increase of other current liabilities by approximately € 2,2 m.

15. INVESTMENTS IN ASSOCIATES

Investments in associates of € 275 th. include the Participation of the Company at the "Suburbs Gas Company S.A." (E.P.A). On February 2003 the joint-venture of EYDAP S.A., ELLINIKI TECHNODOMIKI-TEV S.A. and AKTOR S.A. was chosen, by EPA Attikis, to promote the project of natural gas connections for households and small professional customers in the north part of Attica basin, as well as a part of the Athens Municipality. For this reason was established the " Suburbs Gas Company S.A." and EYDAP participates with a share of 35%.

During the first half of 2010 after the dissolution of the above mentioned establishment contract ,a new contract signed under the name "CONTRACT OF PROMOTION OF CONNECTION SALES TO HOUSEHOLDS ,SMALL ,MEDIUM AND SPECIAL PROFESSIONAL CONSUMERS WITH THE NATURAL GAS NETWORK IN ATTICA REGION (S02/012010)" between " ATTICA NATURAL GAS SUPPLY COMPANY S.A." AND " SUBURBS GAS COMPANY S.A.".

On 30 June 2010 the acquisition cost of E.P.A climb to € 542 th. while the loss from the participation in this investment was € 267 th.

Because the company participates only in associate enterprises, the financial statements under IFRS are them where the associate is accounted ,with the equity method.

In this case the preparation of individual financial statements , where information about the impact of the method of cost or fair value on the balance sheet and income statement accounts , is not obligatory.(Decision 39 -10/2/2005 Greek Accounting Standards).

The information provided in balance sheet accounts and the statement of income on 30 June 2010 will not be materially differentiated if individual financial statements were prepared, as far as there is no significant difference between the acquisition cost (impairments included) and the equity of the associate as these are presented in the current financial statements .

**NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 30 JUNE 2010**

16. DEFERRED TAXATION

| | 2009 | | | 2010 | |
|--|-----------------|-------------------------------------|----------------|-------------------------------------|----------------|
| | Opening Balance | Credit to profit/loss of the period | Ending Balance | Credit to profit/loss of the period | Ending Balance |
| Expensing of intangible assets | 149 | (48) | 101 | (22) | 79 |
| Slow moving Inventory | 520 | (51) | 469 | - | 469 |
| Employee Benefits liabilities | 21.592 | 2.580 | 24.172 | 1.463 | 25.635 |
| Provisions for Bad Debt | 3.122 | (14) | 3.108 | 3.649 | 6.757 |
| Other Provisions | 7.082 | 117 | 7.199 | 742 | 7.941 |
| Customer Contributions | 13.345 | 120 | 13.465 | (91) | 13.374 |
| Depreciation difference as a result of useful life revaluation | (2.907) | (780) | (3.687) | (195) | (3.882) |
| Revenues and Expenses accruals | (1.497) | (299) | (1.796) | (610) | (2.406) |
| Deffered tax.because of fixed assets readjustment | 3.265 | 0 | 3.265 | - | 3.265 |
| Other Deferred tax assets | 1.734 | 313 | 2.047 | (147) | 1.900 |
| | 46.405 | 1.938 | 48.343 | 4.789 | 53.132 |

The claim coming from deffered taxation on 30/6/2010 and 31/12/2009 was € 52.543 th.and € 48.343 th.respectively .As a result financial statements improved by € 4.200 th.

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

17. SHARE CAPITAL

The share capital of the Company on 30 June 2010 was equal to €63,9m consisting of 106.500.000 ordinary shares of €0,60 par value. There were no movements in the share capital of the Company in either the current or the prior interim reporting period.

18. SHORT TERM LIABILITIES

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

| | 30 June | 31 |
|-------------------|----------------|-----------------|
| | 2010 | December |
| | | 2009 |
| Bank Loans | 206.321 | 189.662 |
| Greek State Loans | 3.142 | 3.142 |
| TOTAL | 209.463 | 192.804 |

Borrowings are payable on demand or within a year and they are included in short term borrowings .

During the current period the Company's short-term borrowings increased totally by € 16,7 m according to the disclosed bank agreements because its liquidity was not sufficient enough for repayment. In the current period there were loan repayments.

The Company's bank borrowings are denominated in € and consequently are not subject to foreign currency risk. Bank borrowings are subject to floating interest rates and consequently the Company is subject to the risk of future cash flows but not on the risk of the fair value of the debt.

The Company does not utilize derivative financial instruments in order to reduce its risk exposure, as at the balance sheet date, because management is of the opinion that there are no significant risks from interest rates changes.

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

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

19. LIABILITIES FOR EMPLOYEES BENEFITS

The account is analyzed as follows:

| | 30 June | 31 December |
|---|-----------------------|-----------------------|
| | 2010 | 2009 |
| Employees' end-of-service indemnities | 25.261 | 26.470 |
| Employees healthcare scheme | 182.925 | 174.476 |
| Special Employees' end-of-service indemnity | 4.093 | 3.756 |
| | <u>212.279</u> | <u>204.702</u> |

Income charges concerning each of the previous mentioned liabilities programmes separately are based on costs estimation resulted from the actuarial study of 31/12/2009.

20. CURRENT TAX LIABILITIES

Income tax movement shows up on the following table :

| | |
|--|--------------|
| Balance on 1-1-2010 | 2.406 |
| First half instalments payment | -3.104 |
| Income tax assessed on the the current tax profits | 6.646 |
| Special Charge of the Law 3808/09 | 2.261 |
| Total tax liabilities on 30 June 2010 | 8.209 |

Provisions of € 2,5 m. for unaudited (by Public Revenue Services) tax uses concerning the period up to 30/06/2010 .

21. RETAINED EARNINGS

| | |
|-----------------------------------|-----------------------|
| Balance at 01.01.2009 | 345.925 |
| Dividends payable | (13.845) |
| Profit after taxes for the period | <u>2.972</u> |
| Balance at 30.06.2009 | <u>335.052</u> |
| Balance at 01.01.2010 | 337.533 |
| Dividends payable | (2.130) |
| Profit after taxes for the period | <u>3.015</u> |
| Balance at 30.06.2010 | <u>338.418</u> |

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

22. PROVISIONS

The Provisions formed up to 30 June 2010 concern:

Provisions for litigations and claims amounting approximately € 43,4 m. More specific ,Lawsuits for civil law cases with claims of an amount of € 71,7 m have been raised against the Company These lawsuits are mainly related with damages caused by floods (either because of broken mains or from rainfalls) or they are lawsuits of various trade creditors and contractors for violation of contractual terms. There are also pending litigations with employees of around €47,0 m

Against all these potential losses, if the pending litigation will be finalized, EYDAP has formed a provision of € 43,4 m. as on 30 June 2010 and of € 40,3 m as on 31st December 2009, which are considered as sufficient.

23. COMMITMENTS AND CONTINGENT LIABILITIES –ASSETS

LIABILITIES

Contingent liabilities are not recorded in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is minimal.

Insurance coverage

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

Commitments from unexecuted contracts :

The company's commitments concerning with expansions ,improvements, and conservation of networks and installations as also supply works of electrical and thermal co-production units are € 165 mil. on 30 June 2010.

ASSETS

Investment program:

a)The Company according to its establishment Law 2744/99, has signed a contract with the Greek State, according to which the Greek State undertakes the commitment for the subsidization of EYDAP either from the Community Funds or from the Program of Public Investments for the coverage of the 60% of the capital expenditure, which EYDAP pays for the maintenance, restoration, improvement or the expansion of the water supply and sewerage network system for the 8 years period 2000-2008. Against the aforementioned investment program of around €1,22 billion, that includes, also the maintenances, the Company has spent for capital expenditures until December 31 2008 an amount of € approximately 432,49 millions, for which it has the right to receive a subsidy of around €259,49 millions (432,49*60%), while for the maintenance expenditures the Company claims the corresponding subsidy.

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

23. Commitments and contingent liabilities –assets (continued)

The Company against the subsidy that has the right to receive has received until 30 June 2010 an amount of €9,08 millions. On the basis of the above the claim of the Company from the Greek State is raised to at least €250,41 millions (259,49-9,08).

Therefore this amount has not recorded in the accounts receivables with an equal debit of the long-term liabilities accounts, the carrying amount of which is gradually transferred in the profit/loss of the period in proportion to the depreciation rate of the subsidized water supply and sewerage network system.

If the aforementioned entries were carried out then the profit/loss account of the current period would be improved by around €2,60 m while the previous period by € 2,40 m approximately and the net equity would be improved by around € 42,4 m.

It must noted that under a decision taken by the special shareholders meeting of August 10 2004 ,the company's investment program amended, however without affecting the company's claim against the Greek State.

It must be noted that after the company's prompt to the Greek State ,which is anticipated in the supplement 4 of the aforementioned contract between the company and the State the company is eligible for a subsidy of approximately € 10,8 m. for all the capital expenditures accomplished during the period 1/1/2010 to 30/6/2010 which amount approximately € 18,0 m (18,0*60%) and € 28 m.approximately (47*60%) for 2009.

b)In addition to these claims the Company has a claim for a subsidy relates to the maintenance expenditures according to the contract with the Greek State. From the total amount of expenditures concerning operation and maintenance of installations which is € 704,43 millions it is not feasible to extract the exact amount corresponding to maintenance thus the subsidy amount corresponding to maintenance expenses has not been finalized between the company and the State until the conduction date of these financial statements.

24. EVENTS AFTER THE BALANCE SHEET DATE

Hydroelectric Works The operation's licence issuance of the small hydroelectric power work of Evinos (820KW) is expected during the first quarter of 2010 thus implying its full commercial use.

Other Energy Works E.YD.A.P has recorded in August 2007 a complete file about the construction of a photovoltaic park at the company's installations in Acharnes the power of which would be of 1,971 MW .During 2010 the issuance of the respective production licence is expected according to the L 3734/2009 .

In the contex of the New Waste Treatment Centre in Triasio ,a small co-production unit of electrical and thermal energy (power 250 KW) is under construction.

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

24. Events after the balance sheet date (continued)

Networks taking over

E.YD.A.P has already run take over and embodiment of the following Municipality water supply networks : Megara ,Keratea, Anixi, Agios Stefanos ,Ampelakia Salaminos together with Krioneri community ,as discussions for further network co-optations continue.

In the section of its operations development, EYDAP has set as a priority its geographical expansion .In the beginning of May 2007 the company incorporated the water supply network of New Peramos Municipality in its network apart from the network of Agios Panteleimonas settlement which will take over based on a reparative delivery agreement with a minimum agreed in advance price of € 1,25m.

25. RELATED PARTY TRANSACTIONS

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

| | 30th June 2010 | 30th June 2009 |
|--|--|--|
| - Salaries (Chairman & CEO and Executive Consulants) | 75 | 98 |
| - Salaries & participation fees of the Members of the Board of Directors | 32 | 80 |
| | <u>107</u> | <u>178</u> |

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

| 1) Transactions | 30th June 2010 | 30th June 2009 |
|--|--|--------------------------------------|
| Revenues | 30.992 | 32.146 |
| Cost of sales (construction works cost) | (540) | (2.824) |
| Provisions | (1.137) | - |
| 2) Outstanding amounts | 30th June 2010 | 31st Dec.2009 |
| Long term receivables (Works(construction contracts) for third parties)) | 106.638 | 106.067 |
| Long term receivables (Arrangements of Municipalities) | 20.702 | 20.284 |
| Trade receivables | 163.706 | 153.839 |
| Other receivables (coverage of Employees' end-of-service indemnity) | 33.397 | 22.625 |

NOTES TO THE CONDENSED FIRST HALF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

25. RELATED PARTY TRANSACTIONS (continued)

The transactions with the Greek State concern priced and accrued water supply revenues as well as accrued revenues coming from the construction cost of works towards the Ministry of Environment, Planning and Public Works and the Public Entity << E.YD.AP Fixed Assets Company >>. The balance of other claims (for the coverage of the personnel's compensation deficit) increased as a result of the delay in the State's will towards the personnel's end of service lump sum coverage .

The increase in claims from related parties is due to the delay of their debts repayments.

26. PUBLIC ENTITY EYDAP FIXED ASSETS (PE)

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

ATHENS WATER AND SEWERAGE COMPANY S.A. (E.Y.D.A.P)
Company's No 44724/06/B/99/52 in the register of Societes Anonymes
Oropou 156 -11156 Galatsi
FINANCIAL STATEMENTS INFORMATION FOR THE PERIOD from 01st January 2010 to 30th June 2010
(according to the Rule 4/507/28.04.2009 of the Capital Market Commission)

The figures illustrated below provide summary information about the financial position of E.Y.D.A.P. S.A. We advise the reader before taking any investment decision or other transaction concerning the company, to visit the Company's web site where the financial statements are presented according to International Financial Reporting Standards together with the auditor's report, whenever it is required.

| COMPANY'S STATUTORY INFORMATION | | STATEMENT OF CHANGES IN EQUITY | |
|--|------------------------------|---|---|
| Company's web Site www.evdap.gr | | Amounts in thousands of Euro | |
| Date of Approval of by the Board of Directors of the interim financial information for the period ended as at June 30 th, 2010 August 30 th, 2010 | | 30.06.2010 | 30.06.2009 |
| Chartered Public Accountants: B Pappageorgakopoulos & G Spanoudakis | | Equity opening balance (01.01.2010 and 01.01.2009 respectively) | |
| Auditing Company: S.O.L. SA | | 821.511 | 829.489 |
| Type of Auditor's Report: Public Accountants SA Unqualified Opinion -Emphasis of matter | | Profit of the year, after tax | 3.015 |
| | | Net income directly charged to equity | (220) |
| | | Comprehensive income after taxes | 2.795 |
| | | Distributed Dividends (30.06.2010 and 30.06.2009 respectively) | (13.845) |
| | | 822.176 | 819.339 |
| STATEMENT OF FINANCIAL POSITION | | STATEMENT OF CASH FLOWS | |
| Amounts in thousands of Euro | | Amounts in thousands of Euro | |
| | 30.06.2010 | 31.12.2009 | 1.01.30.06.2010 |
| | | | 1.01.30.06.2009 |
| ASSETS | | | Cash Flows from operating activities |
| Tangible assets | 1.004.144 | 1.004.440 | Profit before taxes |
| Intangible assets | 5.413 | 6.254 | Adjustments for: |
| Other non current assets | 188.184 | 182.915 | Depreciation and amortization |
| Inventories | 20.547 | 20.528 | Amortization of customers' contributions and subsidies |
| Trade receivables | 299.055 | 277.966 | Investment income |
| Other current assets | 70.942 | 63.688 | Impairment of investments |
| TOTAL ASSETS | 1.588.285 | 1.555.791 | Provisions |
| TOTAL EQUITY AND LIABILITIES | | | Credit Interest and related income |
| Share capital | 63.900 | 63.900 | Debit Interest and related expense |
| Other items of Shareholders' Equity | 758.276 | 757.611 | Operating income before working capital changes |
| Total Shareholders' Equity (a) | 822.176 | 821.511 | / changes in operating assets and liabilities |
| Minority interests (b) | 0 | 0 | (Decrease in) Increase in |
| Total Equity (c)=(a)+(b) | 822.176 | 821.511 | Trade receivables |
| Reserves for employee benefits | 212.279 | 204.702 | Other receivables |
| Deferred subsidies and customer contributions | 198.699 | 201.192 | Long-term receivables |
| Provisions and other long-term liabilities | 60.783 | 57.427 | Materials and spare parts |
| Short-term borrowings | 209.463 | 192.804 | Increase in (Decrease in) |
| Other Short-term borrowings | 84.885 | 78.155 | Operating Current Liabilities |
| Total liabilities (d) | 766.109 | 734.280 | Other current liabilities |
| TOTAL EQUITY AND LIABILITIES (e)+ (d) | 1.588.285 | 1.555.791 | Consumers' guarantees |
| | | | Reserve for employees benefits |
| | | | Minus: |
| | | | Interest and related expenses paid |
| | | | Income Tax paid |
| | | | Net cash from operating activities (a) |
| | | | (5.393) |
| | | | (12.818) |
| | | | Cash Flows from investing activities |
| | | | Purchases of property, plant, and equipment |
| | | | Purchases of intangible assets |
| | | | Proceeds from customers' contributions and subsidies |
| | | | Interest and related income received |
| | | | Dividends received |
| | | | Net cash from investing activities (b) |
| | | | (15.015) |
| | | | (13.214) |
| | | | Cash Flows from financing activities |
| | | | Proceeds from borrowings |
| | | | Repayments of borrowings |
| | | | Dividends paid |
| | | | Net cash from financing activities (c) |
| | | | 15.676 |
| | | | 28.829 |
| | | | Net (decrease) increase in cash and cash equivalents |
| | | | (4.732) |
| | | | 2.797 |
| | | | Cash and cash equivalents, beginning of period |
| | | | 22.624 |
| | | | 17.780 |
| | | | Cash and cash equivalents, end of period |
| | | | 17.892 |
| | | | 20.577 |
| STATEMENT OF COMPREHENSIVE INCOME | | | |
| | Amounts in thousands of Euro | | |
| | 1.01.30.06.2010 | 1.01.30.06.2009 | 1.04.30.06.2010 |
| | 1.01.30.06.2009 | 1.04.30.06.2009 | |
| Turnover | 181.892 | 184.092 | 97.935 |
| Gross profit | 66.434 | 66.245 | 38.120 |
| Earnings before tax, financial, and investment results | 9.123 | 6.771 | 6.888 |
| Profit before tax | 7.580 | 5.625 | 6.269 |
| Profit after tax (A) | 3.015 | 2.972 | 1.820 |
| Other comprehensive income, net of tax (B) | (220) | 713 | (77) |
| Total Comprehensive income for the period (A+B) | 2.795 | 3.685 | 2.795 |
| Attributable to: | | | |
| Shareholders | 2.795 | 3.685 | 2.795 |
| Earnings per share after tax (in euro) - basic | 0.03 | 0.03 | 0.02 |
| Earnings before tax, financial, investment results and depreciation and amortization | 22.440 | 19.146 | 13.509 |
| | 10.655 | | |
| ADDITIONAL DATA AND INFORMATION | | | |
| 1. The Company has been audited by the tax authorities up to 2007 (included). | | | |
| 2. There is no burden on the Company's fixed assets. | | | |
| 3. The number of employees as at 30 June 2010 and 30 June 2009 was 3.178 and 3.386 respectively. | | | |
| 4. The Provisions formed up to June 30 2010 concern: a)Provisions for litigations and claims amounting approximately Euro 43,4 m. More specific, Lawsuits for civil law cases with claims of an amount of Euro 71,7 m. have been raised against the Company. These lawsuits are mainly related with damages caused by floods (either because of broken mains or from rainfalls) or they are lawsuits of various trade creditors and contractors for violation of contractual terms. There are also pending litigations with employees of around Euro 47m. Against all these potential losses, if the pending litigation will be finalized, EYDAP has formed a provision of Euro 43,4m. as at 30 June 2010 and of Euro 40,3m. as at 31 December 2009, which are considered as sufficient b) Provisions of Euro 2,5 m. for unaided (by Public Revenue Services) tax uses and c) Other provisions of Euro 39,4 m. | | | |
| 5. The Company according to its establishment Law 2744/99, has signed a contract with the Greek State, according to which the Greek State undertakes the commitment for the subsidization of EYDAP either from the Community Funds or from the Program of Public Investments for the coverage of the 60% of the capital expenditure, which EYDAP pays for the maintenance, restoration, improvement or the expansion of the water supply and sewerage network system for the 8years period 2000-2008. Against the aforementioned investment program of around Euro 1,22 billion, that includes, as already mentioned, also the maintenances, the Company has spent for capital expenditures as at 31 December 2008 an amount of Euro 432,49 millions, for which it has the right to receive a subsidy of around Euro 259,49 millions (432,49*60%), while for the maintenance expenditures the Company claims the corresponding subsidy. The Company against the subsidy that has the right to receive has received as at 30 June 2010 an amount of Euro 9,08 millions. On the basis of the above the claim of the Company from the Greek State has been raised to Euro 250,41 millions (259,49 - 9,08). Therefore this amount has not recorded in accounts receivables with an equal credit in long-term liabilities, the carrying amount of which is gradually transferred in the profit/loss account of the period according to the depreciation rate of the subsidized water supply and sewerage network system. If the aforementioned journals were carried out then the profit/loss of the current would have been improved by around Euro 2,6m and the previous period would have been improved by around Euro 2,4m and the net equity would have been improved by around Euro 42,4 millions. It must be clarified that the company's Investment program modified as a result of a decision taken by the 10-8-2004's Extraordinary Shareholders General Meeting. However this doesn't affect the company's claim towards the Greek state. It is worth noting that after the company's request towards the Greek State which is provided in the annex 4 of the aforementioned contract between the two parties the company for 1/1/2010-30/6/2010 capital expenditures that amount 18mil approximately is eligible for a € 10,8 mil subsidy (18*60%) and € 28 mil subsidy (47*60%) for 1/1/2009-31/12/2009. | | | |
| 6. In addition the Company has a claim concerning a subsidy for the maintenance expenditures according to the contract with the Greek State. However, since it is not feasible to extract the amount that corresponds to maintenance from the total amount of expenditures that are related with the operation and maintenance of installations that is Euro 704,43 millions the corresponding subsidy has not been finalized between the company and the State until the conclusion of the present financial statements. In parallel with the aforementioned contract the Company concerning the supply of raw water is pending from 2004 use. According to contract which was valid until 31 December 2004 the supply of raw water compensates with the operation and conservation costs of the water supply fixed assets that belong to the State. | | | |
| 7. The total landed property of the State entity "Eydap fixed Assets Company" has not been transcribed from Eydap S.A until the issuance of the current Auditors Report. The underpriced value of the respective property is approximately € 657 mil. | | | |
| 8. Transactions with related parties (Amounts in thousands of Euro) | | | |
| Cumulative amounts from the beginning of the current period concerning purchases and sales together with the company's claims and liabilities at the end of the current period that have been resulted from its transactions with related parties in the sense of the IAS 24 are as follows: | | | |
| | 2010 | 2009 | |
| i) Revenues (1/1-30/06/2010 km 1/1-30/06/2009 respectively). | 30.992 | 32.146 | |
| ii) Claims (30/06/10 and 31/12/2009 respectively). | 324.443 | 302.815 | |
| iii) Transactions and Payrolls of Directors and Members of the Administration (1/1-30/06/2010 km 1/1-30/06/2009 respectively). | 107 | 178 | |
| 9. Total Comprehensive income of 220th. at 30 June 2010, concerns non current assets appropriated for sale (profilo revaluation). | | | |
| 10. Until the approval date of the condensed financial statements events that could substantially affect its assets structure or its activities process have not been occurred. | | | |
| 11. The social responsibility tax, according to the Law 3845/2010, amounted to € 2,3 m. | | | |
| Athens, August 30th, 2010 | | | |
| The Chairman of the Board of Directors | The Chief Executive Officer | The Chief Financial Officer | The Chief Accounting Officer |
| Lekkas Themistoklis | Nikolaos Bardis | Leventi Maria | Spyropoulou Eleni |
| I.D. No AE 144774 | I.D. No Φ-472635 | I.D. No Σ 099991 | I.D. No AI 060168 |

Review Report on Interim Financial Information

To the Shareholders of ATHENS WATER SUPPLY AND SEWERAGE S.A. (EYDAP S.A.)

Introduction

We have reviewed the accompanying condensed statement of financial position of ATHENS WATER SUPPLY AND SEWERAGE S.A. (EYDAP S.A.) (the “Company”) as at 30 June 2010 and the relative condensed income statement and statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the interim financial information, which is an integral part of the six-month financial report under the article 5 of L. 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard “IAS 34”.

Without qualifying our review conclusion, we draw your attention to the following:

1. The Company according to its establishment Law 2744/99, signed a contract with the Greek State, according to which the Greek State undertook the commitment for the subsidization of EYDAP either from the Community Funds or from the Program of Public Investments for covering the 60% of the capital expenditure, that EYDAP shall pay for the maintenance, restoration, improvement or and the expansion of the water supply and sewerage network system for the eight-year period from 2000 to 2008. Against the aforementioned Investment Program of approximately Euro 1,22 billion, that includes as already mentioned, also the maintenance, the Company has spent for capital expenditures until 31/12/2008 amount approximately Euro 432 million, for which it is entitled to receive a subsidy of approximately Euro 259 million ($432 \times 60\%$), while for the maintenance expenditures the Company claims the corresponding subsidy.

The Company against the subsidy it is entitled to receive, has received until 30.06.2010 amount of approximately Euro 9 million. Based on the above the claim of the Company from the Greek State amounts to approximately Euro 250 million ($259 - 9$). According to the conservatism principle, it has not been recorded in Receivable accounts with an equal credit of the long-term liabilities, the balance of which is gradually transferred to the results according to the depreciation rate of the subsidized water supply and sewerage network system. Had the aforementioned entries been performed, the results for the current period would have been shown improved by approximately Euro 2,6 million and the results for the respective previous period by approximately Euro 2,4 million and the net equity by approximately Euro 42,4 million.

It is clarified that upon resolution of the Extraordinary General Meeting of Shareholders held on 10/08/2004 modification was made to the Company's Investment Program, which does not affect the above claim from the Greek State.

It is pointed out that following the filing of the Company's application to the Greek State, which is provided for in the Notes to the financial statements 4 of the aforementioned Contract between the Company and the Greek State, the Company for the capital expenditures it incurred during the period 01.01.2010 – 30.06.2010 amounting approximately Euro 18 million, shall be entitled to receive a subsidy of

approximately Euro 10,8 million (18 X 60%) and Euro 28 million (47 X 60%) for the year 2009.

The Company claims also a subsidy (60%) for maintenance expenditures according to the contract with the Greek State. From the total expenditures concerning the operation and maintenance of installations of approximately Euro 704 million incurred until 31.12.2008, it is not possible to determine the amount corresponding only to maintenance. Until the date of completion of our audit, it has not been finalized between the Company and the Greek State the amount of the subsidy that concerns the maintenance expenditures.

Simultaneously, from the year 2004 is pending the conclusion of a contract between the Greek State and the company, concerning the procurement of raw water from the Greek State to the company the price of which, based on the contract in effect until 31.12.2004, is offset with the cost of services provided by the company for the maintenance and operation of the water saving and water transfer fixed assets that belong to the Greek State.

2. Until the date of issue of the Review Report, had not been registered the total of the property assets assigned to the Legal Person of Public Law “Athens Water Resources Company” of total undepreciated value approximately Euro 657 million.

Report on Other Legal and Regulatory Requirements

Our review did not identify any inconsistency or mismatching of the other data of the provided by the article 5 of L. 3556/2007 six-month financial report with the accompanying financial information.

Athens, 30 August 2010

VASILIOS D. PAPAGEORGAKOPOULOS

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 11681

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