

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

CONDENSED FINANCIAL STATEMENTS

ACCORDING TO IFRS

ON 30 SEPTEMBER 2009 –NINE MONTHS PERIOD

DOMICILIATION

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The Condensed Financial Statements, page 1 to 18, were approved by the Board of Directors on 26 November 2009. Under the permission of the Board of Directors the following officers named below sign the Financial Statements:

Athens , 26 November 2009,

The Chairman of the
Management Board
& C.E.O
Vartholomeos
Antonios

The Member of
Management Board
Perdiou Nikolaos

The Director of
Economic Services
Leventi Maria

The Accounting
Department Supervisor
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:	A.Vartholomeos, , G.Mitsioulis, A.Spiropoulos, E.Agelakis, D.Anagnostopoulos, G.Mastragelopoulos, Ch. Mistriotis, E.Moutafis, K.Zivopoulos, E.Parlis, N.Perdiou
Ending Day of the Period:	30 September 2009
Period:	9 months
Form of Financial Statements:	Interim Condensed - 3 rd Quarter
Date of Approval of Financial Statements:	26 November 2009
Chartered Public Accountants:	M. Hatzipavlou and E. Giouroukos
Auditing Company:	Deloitte Hatzipavlou, Sofianos & Kampanis Public Accountants and Business Consultants SA
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 SEPTEMBER
2009 & 2008**

Amounts in Thousands of €	NOTES	30.09.2009	30.09.2008	1.07-30.09.09	1.07-30.09.08
Revenue from services rendered	4	295.682	300.054	111.591	121.919
Cost of Services	4	(177.570)	(164.656)	(59.723)	(59.839)
Gross Profit		118.112	135.398	51.868	62.080
Other Operating Income		2.154	1.872	245	1.001
General and administration expenses	4	(58.624)	(62.884)	(18.245)	(21.686)
Distribution and selling expenses	4	(30.332)	(25.599)	(9.995)	(8.106)
Profit from operating activities		31.310	48.787	23.873	33.289
Other operating expenses		(1.734)	(958)	(1.069)	(252)
Finance income net		3.339	2.345	879	816
Finance costs net		(5.392)	(6.853)	(1.786)	(2.172)
Profit from ordinary activities before income taxes		27.523	43.321	21.897	31.681
Income tax expense	5	(8.741)	(20.366)	(6.087)	(16.797)
Net profit for the year		18.782	22.955	15.810	14.884
Shares outstanding		106.500	106.500	106.500	106.500
Earnings per share (in €)	6	0,18	0,22	0,15	0,14

The notes referred to the pages 7-18 form an integral part of the condensed nine months financial statements.

3.CONDENSED STATEMENT OF TOTAL INCOME FOR PERIOD ENDED 30 SEPTEMBER 2009 & 2008

Amounts in Thousands of €	30.09.2009	30.09.2008	1.07-30.09.09	1.07-30.09.08
Profit after taxes	18.782	22.955	15.810	14.884
Other total income after taxes	238	(392)	(475)	(355)
Aggregate total income after taxes	19.020	22.563	15.335	14.529

The notes referred to the pages 7-18 form an integral part of the condensed nine months financial statements.

**4.CONDENSED STATEMENT OF FINANCIAL POSITION ON 30 SEPTEMBER 2009
AND 31 DECEMBER 2008**

	NOTES	30.09.2009	31.12.2008
ASSETS			
		<i>Amounts in thousands of Euro</i>	
Non-current assets			
Goodwill		3.357	3.357
Other Intangible assets	8	5.861	3.950
Property, plant and equipment, net	8	997.450	992.883
Investment in associates	15	434	444
Available-for-sale Investments		1.377	1.139
Long-term receivables	9	121.997	120.610
Deferred tax assets	16	45.972	46.405
Total non-current assets		1.176.448	1.168.788
Current assets			
Materials and spare parts	10	21.187	19.165
Trade receivables	11	306.477	274.848
Other receivables	12	39.314	29.700
Cash and cash equivalents		21.506	17.780
Total Current assets		388.484	341.493
Total Assets		1.564.932	1.510.281
LIABILITIES AND SHAREHOLDER'S EQUITY			
Equity			
Share Capital	17	63.900	63.900
Share Premium		40.502	40.502
Reserves		379.400	379.162
Retained Earnings	21	350.862	345.925
Total Equity		834.664	829.489
Non-current liabilities			
Reserve for employees benefits	19	201.983	191.134
Provisions	22	39.998	39.869
Investment subsidies and customer contributions		203.209	203.317
Consumers' guarantees		17.011	16.619
Total non-current liabilities		462.201	450.939
Current Liabilities			
Operating Current Liabilities	13	50.528	46.999
Current tax liabilities	20	1.516	2.273
Short term loans and borrowings	18	185.742	160.515
Other current liabilities	14	30.281	20.066
Total Current Liabilities		268.067	229.853
Liabilities and Shareholder's Equity		1.564.932	1.510.281

The notes referred to the pages 7-18 form an integral part of the condensed nine months financial statements.

**5.CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
30 SEPTEMBER 2009 & 2008**

2009	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other reserves	Retained Earnings	Total Equity
Equity Balance at 1/1/2009	63.900	40.502	20.226	358.283	653	345.925	829.489
Net Profit / (Losses)					238	18.782	19.020
Dividends						(13.845)	(13.845)
Equity Balance at the end of 30 September 2009	63.900	40.502	20.226	358.283	891	350.862	834.664

2008	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other reserves	Retained Earnings	Total Equity
Equity Balance at 1/1/2008	63.900	40.502	18.664	358.283	1.183	331.166	813.698
Net Profit / (Losses)					(392)	22.955	22.563
Dividends						(14.910)	(14.910)
Net profit/losses arising from participation impairment							
Equity Balance at the end of 30 September 2008	63.900	40.502	18.664	358.283	791	339.211	821.351

The notes referred to the pages 7-18 form an integral part of the condensed nine months financial statements.

6. CONDENSED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009 & 2008

	1.01-30.09-2009	1.01-30.09-2008
Cash Flows from operating activities		
Profit before tax	27.523	43.321
Adjustments for:		
Depreciation and amortization	25.270	23.576
Amortization of customers' contributions and subsidies	(6.660)	(6.493)
Revenues from securities	(37)	(32)
Impairment of participating interests	10	(132)
Provisions	129	(530)
Interest and related income	(3.312)	(2.182)
Interest and related expense	5.391	6.853
Operating income before working capital changes / changes in operating assets and liabilities		
(Decrease in) Increase in		
Trade receivables	(31.629)	(46.550)
Other receivables	(8.170)	(9.375)
Long-term receivables	(1.387)	(11.508)
Materials and spare parts	(2.023)	55
Increase in (Decrease in)		
Operating Current Liabilities	(11.210)	(14.460)
Other current liabilities	10.215	9.502
Consumers' guarantees	392	549
Reserve for employees benefits	10.849	6.696
Minus:		
Interest and related expenses paid	(6.963)	(5.512)
Income Tax paid	(9.623)	(9.472)
Net cash from operating activities (a)	(1.235)	(15.694)
Cash Flows from investing activities		
Interest and related income received	1.877	1.992
Purchases of property, plant, and equipment	(27.421)	(26.907)
Purchases of intangible assets	(2.784)	(1.293)
Proceeds from customers' contributions and subsidies	6.551	5.693
Dividends received	37	32
Net cash from investing activities (b)	(21.740)	(20.483)
Cash Flows from financing activities		
Proceeds from borrowings	51.000	64.000
Repayments of borrowings	(24.128)	(21.833)
Dividends paid	(171)	(5.929)
Net cash from investing activities (c)	26.701	36.238
Net (decrease) increase in cash and cash equivalents (a) + (b) + (c)	3.726	61
Cash and cash equivalents, beginning of period	17.780	14.486
Cash and cash equivalents, end of period	21.506	14.547

The notes referred to the pages 7-18 form an integral part of the condensed nine months financial statements.

NOTES TO THE CONDENSED NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

1. BASIS OF CONDUCTION

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

2. NEW STANDARDS ,INTERPRETATIONS AND REVISIONS IN EXISTING STANDARDS .

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

Standards effective from January 1st 2009

IAS 1 (Revised) "Presentation of Financial Statements"

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has elected to present two statements. The interim financial statements have been prepared under the revised disclosure requirements.

IFRS 8 "Operating Segments"

This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. Amendment to IFRS 8 does not apply to the Company.

IAS 23 (Amendment) "Borrowing Costs"

This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. This amendment does not have significant impact to the Company's financial statements.

IFRS 2 (Amendment) "Share Based Payment" – Vesting Conditions and Cancellations

The amendment clarifies the definition of "vesting condition" by introducing the term "non-vesting condition" for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment does not impact the Company's financial statements.

NOTES TO THE CONDENSED NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

2. New Standards ,interpretations ,and revision in existing standards (continued)

IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" – Puttable Financial Instruments

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. This amendment does not impact the Company's financial statements.

IAS 39 (Amended) "Financial Instruments: Recognition and Measurement" – Eligible Hedged Items

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The amendment doesn't affect the company's financial statements.

Interpretations effective from January 1st 2009

IFRIC 13 – Customer Loyalty Programmes

This interpretation clarifies the treatment of entities that grant loyalty award credits such as "points" and "travel miles" to customers who buy other goods or services. This interpretation is not relevant to the Company's operations.

IFRIC 15 - Agreements for the construction of real estate

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to a particular case. This interpretation is not relevant to the Company's operations.

IFRIC 16 - Hedges of a net investment in a foreign operation

This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Company as the Company does not apply hedge accounting for any investment in a foreign operation.

NOTES TO THE CONDENSED NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

3. ACCOUNTING PRINCIPLES

The condensed nine months 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 2008, with the exception of borrowing cost where the company implements the amendment of IAS 32 according to which the borrowing cost relates to its assets is capitalized for those assets need an important time period to operate or sold.

It must be noted that for the current period 1/1/2009 to 30/9/2009 the borrowing cost for capitalization is not substantial.

The company according to the Ministerial Decision of 7 March 1975 (Ministry of Environment, Planning and Public Works) entered an analogy of 5% as overhead industrial costs in works until 31 December 2008. From 1 January 2009 a new cost system is implemented and as a result the works burdened with the real indirect expenditures concerning every activity

However the condensed nine months financial statements must be examined in relation with the annual ones which are available in the company's internet address www.eydap.gr

4. RESULTS FOR THE PERIOD

REVENUES

The company's revenues decreased by € 4,37 m mainly because of the reduction of water consumption in the third quarter of 2009 compared with this of 2008.

COST OF GOODS SOLD

The cost of goods sold increased by € 12,9 m. This increase can be attributed to:
The increase:

- in operation and conservation expenses for the waste treatment of Psytalia by € 6,9 m.
- in third party providings (mainly natural gas for the waste treatment in Psytalia work) by € 3,1 m.
- in other third party providings by € 1,1 m.
- in the depreciation of fixed assets by € 1,2 m.
- in other expenses by € 0,6 μ.

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



**NOTES TO THE CONDENSED NINE MONTHS FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 30 SEPTEMBER 2009**

4.Results for the period (continued)

It must be noted that the company has under its pertinence the total facilities of Psitalia sewerage processing centre (Phase A ,Phase B,dessication and CETHE) The company has also the responsibility and the operation cost (transportation plus energy development) of the dessicated product.

The operation of CETHE natural gas combustion unit resulted in the rise of natural gas consumption total expense In parallel revenues coming from sales to DESMIE (Hellenic Operator of Electrical Energy) of surplus electrical energy that is self consumed in Psitalia facilities decreased.

ADMINISTRATIVE COSTS

The administrative costs fell by € 4,3 m.as because of the decrease in personnel's fees and expenses resulted from the new cost system implementation as it refers in paragraph 3 "Accounting Principles".

DISTRIBUTION COSTS

The distribution costs increased by € 4,7 m. because of the of the increase in personnel's fees and expenses resulted from the new cost system implementation as it refers in paragraph 3 "Accounting Principles".

NOTES TO THE CONDENSED NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

5. INCOME TAX

Income tax for the current period was assessed as follows:

	30.09.2009	30.09.2008
Profit before tax	27.523	43.321
Income tax assessed based on the current tax rate (25%)	6.881	10.830
Unaudited fiscal years tax	833	800
Tax over non-deductible tax expenses	550	444
Impact from tax rates differences between current income tax and deferred tax rates in the time of temporary differences reconciliation	160	8.292
Claim from Deferred taxes recognised	317	
	8.741	20.366

6. EARNINGS (LOSS) PER SHARE

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

	30.09.2009	30.09.2008
Earnings	18.782	22.955
Number of shares	106.500	106.500
Earnings per share	0,18	0,22

7. DIVIDENDS

The General Shareholders Meeting approved a dividend distribution for 2008 of 13 cents per share (€0,13) , while the corresponding dividend for 2007 was 0,14 € per share .

8. INTANGIBLE AND TANGIBLE ASSETS

During the period 01/01/2009-30/09/2009, the company accomplished investments of € 20,2 m. in order to improve and expand the water supply and sewerage networks as well as it spent € 6,46 m for the acquisition of other fixed assets like machinery ,furnitures and fixtures and other equipment. Nine months depreciation concerning tangible assets were approximately € 21,5 m.

The company also spent approximately € 3,7 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 € 1,8 m. approximately.

NOTES TO THE CONDENSED NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

9. LONG TERM RECEIVABLES

Long Term receivables includes:

- Municipalities debt settlements decreased by € 3,3 m.(approximately € 13,0 m. on 30/9/2009 relating to € 16,3 m. on 31/12/2008) because of their new classification in short term claims.
- Personnel's long term loans of approximately € 2,6 m.(€ 2,5 m.on 31/12/2008).
- Claims against the Greek State for the construction and maintenance expenditures of his possession works of approximately € 105,6 m.(€ 101,3m.on 31/12/2008).

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 .

11. CUSTOMERS

The customers balance increased in the current period by approximately € 31,6 m because of :

- an increase in claims towards private customers by aproximately € 16,7 m as a result of the growth in due claims.
- an increase in claims towards the Greek State ,and Municipalities by approximately € 14,9 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 within 2010 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 € 33,9 m at 30/9/2009.

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

Because of the great spreading of its clients (approximately 2.004.547 on 30/9/2009) 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.

NOTES TO THE CONDENSED NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

12. OTHER CLAIMS

The balance of other claims increased during the current period by approximately € 9,6 m. as a result of the increase in the company's claim against the Greek State's by € 8,1 m. (Law 2939/9-8-2001 clause 26).

13. OPERATING CURRENT LIABILITIES

The operating current liabilities increased by € 3,5 m comparing with those of 31/12/2008. The increase is due to the:

- Increase in dividends payable by approximately € 12,3 m .
- Decrease in the social security contributions by € 4,0 m because of the Christmas benefit contributions which were included in 2008 use .
- Decrease in suppliers balance by € 4,8 m.

14. OTHER CURRENT LIABILITIES

The other current liabilities increased substantially by € 10,2 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 € 9,8 m. approximately. It must be noted that on 31/12/2008 there are no provisions for personnel's payroll, allowances and vacation benefits.
- an increase in the amount of unpaid checks payable by € 2,6 m.
- a decrease in provision of not taking vacation leave by approximately € 1,3 m.
- a decrease in short term liabilities by € 0,9 m.

15. INVESTMENTS IN ASSOCIATES

Investments in associates of € 434 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 "Gas Company of the Suburbs S.A." and EYDAP participates with a share of 35%.

On September 30 2009 the acquisition cost of E.P.A climb to € 542 th. while the loss from the participation in this investment was € 108 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 September 2009 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 NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

16. DEFERRED TAXATION

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The claim coming from deferred taxation on 30/9/2009 and 31/12/2008 was € 45.972 th.and € 46.405 th.respectively .As a result the change in the financial statements was € 433 th.

17. SHARE CAPITAL

The share capital of the Company on 30 September 2009 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 September 2009	31 December 2008
Bank Loans	182.600	157.373
Greek State Loans	3.142	3.142
TOTAL	185.742	160.515

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 € 25,2 m according to the disclosed bank agreements because its liquidity was not sufficient enough for repayment.

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 NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

19. LIABILITIES FOR EMPLOYEES BENEFITS

The account is analyzed as follows:

	30 September 2009	31 December 2008
Employees' end-of-service indemnities	26.077	26.575
Employees healthcare scheme	172.315	161.419
Special Employees' end-of-service indemnity	3.590	3.140
	<u>201.983</u>	<u>191.134</u>

Income charges concerning each of the previous mentioned liabilities programmes separately are based on costs estimation resulted from the actuarial study of 31/12/2008.

20. CURRENT TAX LIABILITIES

Income tax movement shows up on the following table :

Balance on 1-1-2009	2.273
Nine months instalments payment	(8.231)
Income tax assessed on the the current tax profits	7.474
Total current tax liabilities	<u>1.516</u>

Provisions of € 1,94 m. for unaudited (by Public Revenue Services) tax uses concerning the period 1/1/2008 to 30/09/2009 .

21. RETAINED EARNINGS

Balance at 01.01.2008	331.166
Dividends payable	(14.910)
Profit after taxes for the period	<u>22.955</u>
Balance at 30.09.2008	<u>339.211</u>
Balance at 01.01.2009	345.925
Dividends payable	(13.845)
Profit after taxes for the period	<u>18.782</u>
Balance at 30.09.2009	<u>350.862</u>

NOTES TO THE CONDENSED NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

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22. PROVISIONS

The Provisions formed up to 30 September 2009 concern:

Provisions for litigations and claims amounting approximately € 40,0 m. More specific ,Lawsuits for civil law cases with claims of an amount of € 63,39 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 €45,99 m.

Against all these potential losses, if the pending litigation will be finalized, EYDAP has formed a provision of € 40,0 m. on 30 September 2009 and of € 39,9 m on 31st December 2008, which are considered to be sufficient enough.

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.

Committments from unexecuted contracts :

The company's committments concerning with expansions ,improvements, and conservation of networks and installations as also supply works of electrical and thermal coproduction units are € 193 mil. on 30 September 2009.

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 NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

23. Commitments and contingent liabilities –assets (continued)

The Company against the subsidy that has the right to receive has received until 30 September 2009 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 €3,9 m while the previous period by € 3,7 m approximately and the net equity would be improved by around € 38,5 m. It must be 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 € 18,0 m. for all the capital expenditures accomplished during the period 1/1/2009 to 30/9/2009 which amount approximately € 30,0 m (30,0*60%).

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

An application has been submitted concerning the permission of a 2 MW photovoltaic production station in the company's installations in Menidi.The production licence given by the Electricity Regulatory Authority is expected until 31st December 2009 according to the Law 3734/2009.

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 be delivered fully completed by the Municipality until 30 June 2010 based on a reparative delivery agreement with a minimum agreed in advance price of € 1,25m.

NOTES TO THE CONDENSED NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

24. EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

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

25. RELATED PARTY TRANSACTIONS

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

	30 September 2009	30 September 2008
– Salaries (Chairman & CEO and Executive Consultants)	146	146
– Salaries & participation fees of the Members of the Board of Directors	120	106
	266	252

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

1) Transactions	30 September 2009	30 September 2008
– Revenues	54.114	57.742
– Cost of sales (construction works cost)	(4.157)	(4.881)
- Other Provisions		(82)
2) Outstanding amounts		<u>Dec.2008</u>
– Long term receivables (Works(construction contracts) for third parties))	105.679	101.271
– Long term receivables (Arrangements of Municipalities)	13.048	16.255
– Trade receivables	159.237	148.253
– Other receivables (coverage of Employees' end-of-service indemnity)	20.309	12.172
	<u>298.273</u>	<u>277.951</u>

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.