

SIX MONTHS ECONOMIC REPORT

First Half 2008

According to the Law 3556/2007

August 2008

TABLE OF CONTENTS

Statements of Administration Board Members (article 5 of the Law 3556/2007)

First Half Report of the Administration Board (Law 3556/2007)

SUPPLEMENTS

Interim Condensed Financial Information (Independent Auditors Report is included)

Financial Figures and Information of the period 1st January 2008 to 30th June 2008
(According to the decisions 6/448/11.10.2007 and 1/480/24.7.2008 of the Hellenic
Capital Market Committee Administration Board)

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

The Following Members :

1.Konstantinos Kostoulas ,Chairman of the Administration Board

2.Antonios Vartholomaïos ,C.E.O

3.Alexios Spiropoulos , member of the Administration Board specially designated for this during its session of 16th July 2008.

WE HEREBY DECLARE THAT :

From what we Know :

a.The Financial Statements of the first half of 2008, conducted according to the valid International Accounting Standards trully illustrates Assets and Liabilities figures , Net Worth and Income Statement of E.YD.A.P S.A. ,according to 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 Administration Board ,trully illustrates the necessary information according to the paragraph 6 of the article 5 of the Law 3556/2007.

The Chairman of the Board of Directors

The C.E.O

The Member of the Administration Board

Konstantinos Kostoulas
ID No AE 043716

Antonios Vartholomaïos
ID No X 666882

Alexios Spyropoulos
ID No Σ 691380

FIRST HALF MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF EYDAP S.A. CONCERNING THE FINANCIAL STATEMENTS OF THE PERIOD 1st JANUARY TO 30th JUNE 2008

(According to the provisions of the par.6 of the article 5 of the Law 3556/2007)

Dear Shareholders ,

The current report contains the report of the financial results ,the reference of the important facts and events of the first half of 2008 , analysis of the perspectives and risks expected during the second half of 2008 ,as also the company's transactions with related parties.

The report is conducted according to the provisions of the Law 3556/2007 and the relating decisions of the Hellenic Capital Market Committee.

Report of the period 1st January to 30th June 2008

Water consumption evolution during the first half of 2008

The total water consumption (priced or not) did not changed substantially during the first half of 2008 in relation with the same period last year.

With reference to the basic clients categories ,the category of the common clients –which remains the biggest one- showed a decrease of the priced cubic metres by 3,9% during the first half of the year.

On the contrary ,the second important category ,that of the Municipalities network empowerment showed an increase of 4,5% in priced cubic metres,while that of the Greek Public-Municipalities showed a small increase of 1,6%.

The greater percentage increase of 5,2% marked in the category of industrial clients.

The total priced consumption fall by 3 million cubic metres was the result of the combination of the decrease in priced consumption in the category of the common clients (-4,1 mil.c.m.),the increase in the categories of Municipalities Network empowerment (1,2 mil.c.m.) and industrial clients (0,5 mil.c.m.) plus the decrease of other categories (-0,6 mil.c.m.).

The priced consumption structure (obligatory consumption not included) during the first half of 2008 indicated small changes in relation with the respective half of the previous year.The share of the common clients category was 65,68 % compared with that of 67,08% last year , implying a share fall of 1,40% ,while the share of Municipalities Network empowerment was 17,79 % in relation with that of 16,71% last year , resulting in a share increase of 1,08%.The Greek Public –Municipalities share was 6,27% compared with that of 6,06% last year ,resulting in a share increase of 0,22% .Finally the share of the industrial clients increased by 0,45% ,from 6,25% last year to 6,70% in the first half of the current year.

The priced water consumption expressed in € during the first half of 2008 was € 109,80 mil. compared with € 110,10 mil. of the respective half last year, remaining in the same levels.

The average price of the selling water by the company (cost plus fixed price) remained stable at € 0,72. The same stability had also the average price in every main client category. The average price of the common clients category (the basic one) was € 0,76. The Municipalities Network empowerment continues to have the lowest price within the basic clients categories (not refined water excluded). Its average price was € 0,4756 per c.m. (corresponding in 62% of the common clients average price).

Financial Results analysis for the first half of 2008

The turnover decreased by € 1,4 mil. or -0,8% mainly because of the fall in the revenues coming from new supplies connections. Simultaneously the cost of sales increased by € 3,8 mil. as a result of the rise:

- in operation and conservation expenses (b' phase of Psytallia) by € 3,0 m.
- in third party providings (mainly of electrical power-b' phase of Psytallia - Iliki lake and Viliza as a result of water pumping) by € 4,5 m.

These developments led gross profit margin to decrease by 6,6% in relation with that of the respective period last year. As a percentage of sales gross profit margin fall to 41,2% from 43,7% the same period last year.

EBITDA decreased by 11,2% to € 26,1 mil. from € 29,5 mil. last year. EBIT also showed the same worsening as they diminished by 22,6% falling to € 14,8 mil. from € 19,1 mil. in the same period last year. EBITDA margin as a percentage of sales shaped at 14,7%, while EBIT margin at 8,3%.

EBT fall by 34,0% to € 11,6 mil. from € 17,7 mil. the same period last year. EAT shaped at € 8,1 mil. from € 12,6 mil. the first half of 2007, thus diminishing by 35,6%. Net profit margin after taxes shaped at 4,5%.

IMPORTANT EVENTS FROM 1st JANUARY TO JUNE 30 2008 THAT AFFECTED THE FIRST HALF FINANCIAL STATEMENTS.

Phase B' in the operation of the waste treatment plant in Psytallia

At the end of December 2007 EYDAP received from the Ministry of Environment ,Planning and Public Works ,the works concerning phase B' of the waste treatment plant in Psytallia ,thus taking the responsibility and the cost of their operation.These works include the advanced secondary treatment of wastes (removal of organic freight and azote) plus the treatment of the coming mud (fattening ,anaerobic digestion and dehydration).The dry of the dehydrated mud started in June 2007 is still under the responsibility of the Ministry of Environment ,Planning and Public Works, however EYDAP has taken the responsibility and the hundling cost (transportation and power development) of the dry product.

The operation of phase B' of the waste treatment plant in Psytallia led to the increase in operation and maintenace expenditures thus substantially affecting the first half financial results.As the cost of the plant in Psytallia is expected to affect the cost of sales during the current economic use and hereafter,the company is going to incese the sewerage tariffs gradually (first increase from 1st September 2008 and second from 1st March 2009) according to the relative proposal of the company's Board of Directors to the proper public bodies. In addition the increase in third party providings mainly because of the increase in the use of electrical power for the operation of the phase b' plant in Psytallia and the water pumping in Yliki for the coverage of Attica region needs in water ,influenced the cost of sales ,rising it by € 3,8 mil.

Annual General Shareholders Meeting

In June 2 2008 ,the Annual Shareholders Meeting took place.The representatives of 80,06 % of the company's shareholders who were present decided unanimously the following :

- 1) Approval of 2007's Financial Statements together with the Management Report of the Board of Directors and the Audiding report .
- 2) Dismissal of the members of the Board of Directors from any responsibility concerning compensations for the use 1-1-2007 to 31-12-2007.
- 3) Approval for a dividnt distribution of € 0,14 per share together with the determination of payees and the way of payment.
- 4) Approval of the President's of the Board of directors and the C.E.O 's payrolls for the year 2007 together with the approval of their payrolls for 2008.
- 5) Approval concerning the payrolls and compensations of the membres of the Board of Directors for 2007 and the respective approval for 2008.
- 6) Election of two tactical Auditors :Mr Michalis Hatzipavlou and Mr.Epam.Giouroukos together with the same number of substitutes for 2008 plus their payroll.

A special minority's shareholders meeting took place concerning the election of the minority's members in the company's Board of Directors.George Mastragelopoulos (ATE Bank) and Christos Mistriotis (EFG Private Luxemburg) elected by the minority's shareholders .

At June 25 2008 a special General Shareholders Meeting took place .The Meeting decided the election of nine members who represent the Greek Public with a service of five years .More specific the following elected :

1. Konstantinos Kostoulas
2. Antonios Vartholomaios
3. Evangelos Baltas
4. Nikolaos Sigalas
5. Filipos Georgakelos
6. Alexis Spiropoulos
7. Grigoris Zafiropoulos
8. Dimosthenis Anagnostopoulos
9. Georgios Mitsioulis

D.Anagnostopoulos (General Secretary of Information Technology Systems in the Ministry of Economics) and G.Mitsioulis are the new members in EYDAP'S Board of Directors.The new Board formed in body which elected Konstantinos Kostoulas as President and Antonis Vartholomaios as C.E.O both executive members of the Board of Directors.Finally ,as mentioned before the company's Board of Directors is supplemented by Georgios Mastragelopoulos and Christos Mistriotis who represent minority's shareholders and Kostas Galanis and Evangelos Moutafis who represent the company's working staff.

Perspectives –Risks and Uncertainties for the second half of 2008's financial use

The Company's commitment towards the realization of its strategic targets concerning the improvement of its water supply and sewerage services ,environmental protection and business modernization remain stable.

During the second half of 2008 the rise water supply and sewerage tariffs from 1st September 2008 is expected to contribute in the increase of the company's revenues.

The continuous effort of the Administration towards the collection of Municipalities overdue debts in combination with the increase of the customers base as a result of the receive and incorporation of new water supply networks (Municipality of Megara,Municipality of New Erithrea ,Municipality of Keratea ,Municipality of Vriliesia,Municipality of Vari ,Municipality of Kalivia and Municipality of Anixi)are expected to influence positively the company's revenues.

Finally ,the commercial use together with the development in 2008 of the hydroelectric stations of Kithaironas and Mandra in combination with the previous mentioned events will affect positively the financial results for the rest of 2008.

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 their probable 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 its Administrative Council.

Administrative Council provides guidance and directions for general and specific risk management problems such as exchange risk ,interest rates 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 cashflows are independent from changes in interest rates.Loan liabilities are based on variable interest rates which are in accordance with market conditions.thus could be either remain variable or it may convert in fixed.

The Company doesn't use financial derivatives.As a result interest rates risk mainly concerns long term loans.Loans under variable rate result in cash flow risk for the Company while loans under fixed rates result in changes in fair value risk which is immaterial as these loans are short termed.

b) Credit Risk

The Company's exposition in 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 concern with the State ,Municipalities .As a result credit risk is immaterial.

Cash flows and cash equivalents do not involve credit risk because they mainly concern with deposits in banks with adequate credit rating.Commercial and other claims involve receivables from private customers which have the lowest degree of loss mainly because of the extensive dispersion of claims,while for Municipalities claims the Company examines the potential to activate the article 16 par.2 of the Law 2307/1995 which concerns the collection of Municipalities due debt to Athens Water Supply and Sewerage SA.from Central Self contained funds.

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

c) Liquidity Risk

Liquidity risk is confronted by the preservation of sufficient cash for the reassurance of bank credits. The existing available and approved to the Company bank credits are enough for the purpose of confronting any probable shortage of cash.

Important sources of uncertainties assessment

Important cases concerning the future and other substantial sources of uncertainties assessment at the Balansheet date, which include the risk of a significant arrangement in the book values of assets and liabilities within the next financial year are discussed below.

Litigations and claims

Lawsuits for civil law cases with claims of an amount of € 55,08 millions have been raised against the Company as at 30 June 2008. 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 € 47,4 millions. Against all these potential losses, when the pending litigation will be finalized, EYDAP has formed a provision of € 40,1 millions as at 31 December 2007 and of € 38,8 millions as at 30 June 2008, which are 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 Public Revenues Service (tax authorities) have audited the Company, until the fiscal period ended at 31 December 2004.

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 tax years 2005, 2006 and 2007 and the first half of 2008.

RELATED PARTY TRANSACTIONS

Transactions with related parties are as of the following tables :

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

	30th June 2008	30th June 2007
– Salaries (Chairman & CEO and Executive Consultants)	99	100
– Salaries & participation fees of the Members of the Board of Directors	72	70
	<u>171</u>	<u>170</u>

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

1) Transactions	30th June 2008	30th June 2007
– Revenues	34.283	30.326
– Cost of sales (construction works cost)	(2.227)	(552)
– Provisions	(82)	(89)
2) Outstanding amounts	30th June 2008	30th June 2007
– Long term receivables (Works(construction contracts) for third parties)	95.486	92.124
– Long term receivables (Arrangements of Municipalities)	13.532	2.919
– Trade receivables	142.308	135.633
– Other receivables (coverage of Employees' end-of-service indemnity)	6.176	4.532
	<u>257.502</u>	<u>235.208</u>

SUPPLEMENTS

INTERIM CONDENSED FINANCIAL INFORMATION
30 JUNE 2008

According to International Financial Reporting Standards

According to the Law 3556/2008

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

*INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE
PERIOD 1ST JANUARY TO THE 30TH OF JUNE 2008*

*ACCORDING TO IFRS ADOPTED BY THE
EUROPEAN UNION*

*DOMICILIATION
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GALATSI*

TABLE OF CONTENTS

	Σελίδα
GENERAL INFORMATION FOR THE COMPANY	1
CONDENSED INTERIM INCOME STATEMENTS FOR THE SIX MONTHS PERIOD ENDED THE 30th OF JUNE 2008 & 2007	2
CONDENSED BALANCE SHEETS AT JUNE 30 2008 AND DECEMBER 31st 2007	3
CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD 1st OF JANUARY TO THE 30th OF JUNE 2008 & 2007	4
CONDENSED CASH FLOW STATEMENTS FOR THE PERIOD 1st OF JANUARY TO THE 30th OF JUNE 2008 & 2007	5
NOTES TO THE CONDENSED FINANCIAL STATEMENTS	6-16

The Condensed Financial Statements, page 1 to 17, were approved by the Board of Directors on 27th of August 2008. Under the permission of the Board of Directors the following officers named below sign the Financial Statements:

Athens , August 27th 2008,

The Chairman of the
Board of Directors
Kostoulas
Konstantinos

The Chief Executive
Officer
Vartholomeos Antonios

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:	K.Kostoulas, A.Vartholomeos, Th.Georgakelos, E.Baltas, G.Mitsioulis, G.Zafiroopoulos, A.Spiropoulos, N.Sigalas, D.Anagnostopoulos, G.Mastraggelopoulos, Ch. Mistriotis, K.Galanis, E.Moutafis
Ending Day of the Period:	30 th June 2008
Period:	6 months
Form of Financial Statements:	Interim Condensed – First Half
Date of Approval of Financial Statements:	27 August 2008
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 INTERIM INCOME STATEMENTS FOR THE SIX MONTHS PERIODS
ENDED AT 30th JUNE 2008 & 2007**

Amounts in Thousands of €	NOTES	30.06.2008	30.06.2007	1.04-30.06.08	1.04-30.06.07
Revenue from services rendered	3	178.134	179.572	93.978	96.371
Cost of Services	3	(104.817)	(101.062)	(55.764)	(52.666)
Gross Profit		73.317	78.510	38.214	43.705
Other Operating Income		871	1.167	496	421
General and administration expenses	3	(41.198)	(41.743)	(21.782)	(22.038)
Distribution and selling expenses	3	(17.492)	(16.609)	(8.512)	(7.397)
Profit from operating activities		15.498	21.325	8.416	14.691
Other operating expenses		(707)	(2.227)	(292)	(2.012)
Finance income net		1.529	1.435	888	731
Finance costs net		(4.680)	(2.891)	(2.556)	(1.518)
Profit from ordinary activities before income taxes		11.640	17.642	6.456	11.892
Income tax expense	4	(3.568)	(5.109)	(1.963)	(2.444)
Net profit for the year		8.072	12.533	4.493	9.448
Earnings per share (in €)	5	0,08	0,12	0,04	0,09

The accompanying notes on pages 6-15 form an integral part of these condensed interim income statements

3. CONDENSED BALANCE SHEETS AT 30th JUNE 2008 AND AT 31st DECEMBER 2007

	NOTES	31.03.2008	31.12.2007
ASSETS			
<i>Amounts in thousands of Euro</i>			
Non-current assets			
Goodwill		3.357	3.357
Other Intangible assets		3.124	3.260
Property, plant and equipment, net	7	976.853	976.255
Investment in associates	11	479	347
Available-for-sale Investments		1.631	1.669
Long-term receivables		111.824	103.205
Deferred tax assets	12	49.070	49.664
Total non-current assets		1.146.338	1.137.757
Current assets			
Materials and spare parts	17	20.468	19.263
Trade receivables	8, 17	260.342	246.434
Other receivables		26.235	26.298
Cash and cash equivalents		14.534	14.486
Total Current assets		321.579	306.481
Total Assets		1.467.917	1.444.238
LIABILITIES AND SHAREHOLDER'S EQUITY			
Equity			
Share Capital	15	63.900	63.900
Share Premium		40.502	40.502
Reserves		378.093	378.130
Retained Earnings	16	324.328	331.166
Total Equity		806.823	813.698
Non-current liabilities			
Reserve for employees benefits	14	184.297	179.025
Provisions	17	38.957	40.198
Investment subsidies and customer contributions		203.172	204.731
Consumers' guarantees		16.251	15.864
Total non-current liabilities		442.677	439.818
Current Liabilities			
Operating Current Liabilities	9, 17	27.010	38.379
Current tax liabilities		2.880	4.186
Short term loans and borrowings	13	152.278	115.840
Other current liabilities	10	36.249	32.317
Total Current Liabilities		218.417	190.722
Liabilities and Shareholder's Equity		1.467.917	1.444.238

The accompanying notes on pages 6-15 form an integral part of these condensed balance sheets

**4. CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD
1st JANUARY -30th OF JUNE 2008 & 2007**

2007	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other reserves	Retained Earnings	Total Equity
Equity Balance at 1/1/2007	63.900	40.502	16.500	358.283	377	301.763	781.325
Profit / (Losses) of the year, after tax						12.533	12.533
Dividends						(11.715)	(11.715)
Net Profit from portfolio revaluation available for sale					168		168
Other							
Equity Balance at the end of 30th of June 2007	63.900	40.502	16.500	358.283	545	302.581	782.311

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
Profit / (Losses) of the year, after tax						8.072	8.072
Dividends						(14.710)	(14.710)
Net Profit from portfolio revaluation available for sale					(37)		(37)
Net Profit/Losses arising from participations impairment							
Equity Balance at the end of 30th of June 2008	63.900	40.502	18.664	358.283	1.146	324.328	806.823

The accompanying notes on pages 6-15 form an integral part of these Condensed Statements of Changes in Shareholders' Equity

5. CONDENSED CASH FLOW STATEMENT FOR THE PERIOD 1st JANUARY TO 30th JUNE 2008 & 2007

	<u>1.01-30.06-2008</u>	<u>1.01-30.06-2007</u>
<u>Cash Flows from operating activities</u>		
Profit before tax	11.640	17.642
Adjustments for:		
Depreciation and amortization	15.672	14.598
Amortization of customers' contributions and subsidies	(4.314)	(4.238)
Impairment of participating interests	(132)	(48)
Provisions	(1.151)	1.344
Interest and related income	(1.397)	(1.387)
Interest and related expense	4.680	2.891
Operating income before working capital changes / changes in operating assets and liabilities		
(Decrease in) Increase in		
Trade receivables	(13.998)	(12.518)
Other receivables	(8.964)	(6.299)
Long-term receivables	(8.619)	(183)
Materials and spare parts	(1.205)	(1.018)
Increase in (Decrease in)		
Operating Current Liabilities	(14.238)	(10.059)
Other current liabilities	3.933	8.479
Consumers' guarantees	388	525
Reserve for employees benefits	5.272	4.747
Minus:		
Interest and related expenses paid	(3.319)	(2.651)
Income Tax paid	(3.804)	(4.676)
Net cash from operating activities (a)	<u>(19.556)</u>	<u>7.149</u>
<u>Cash Flows from investing activities</u>		
Interest and related income received	1.330	922
Purchases of property, plant, and equipment	(14.142)	(12.552)
Purchases of intangible assets	(777)	(1.030)
Proceeds from customers' contributions and subsidies	2.755	4.631
Investments in associates	0	(105)
Net cash from investing activities (b)	<u>(10.834)</u>	<u>(8.134)</u>
<u>Cash Flows from financing activities</u>		
Proceeds from borrowings	53.200	38.994
Repayments of borrowings	(16.833)	(24.833)
Dividends paid	(5.928)	(7.631)
Net cash from investing activities (c)	<u>30.439</u>	<u>6.530</u>
Net (decrease) increase in cash and cash equivalents		
(a) + (b) + (c)	<u>49</u>	<u>5.545</u>
Cash and cash equivalents, beginning of period	14.486	14.018
Cash and cash equivalents, end of period	<u>14.535</u>	<u>19.563</u>

The accompanying notes on pages 6-15 form an integral part of these condensed cash flows

Notes to the condensed financial statements for the period ended 30th June 2008

1. BASIS OF PREPARATION

The condensed financial statements have been conducted using Accounting policies in accordance with IFRS and International Accounting Standard (IAS) 34, Interim Financial Reporting.

2. SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies, the presentation and the methods of calculation adopted in the conduction of the condensed financial statements are consistent with those followed in the preparation of the Company's Annual statements for the year ended 31st December 2007.

New Standards, interpretations and revision in existing Standards

A) The new Standards, interpretations and revisions in existing Standards which have been issued however not yet adopted are as follows:

a) **IAS 23- Borrowing Costs – Revised**. A revised IAS 23 Borrowing costs was issued in March 2007 and becomes effective for financial years beginning on or after 1 January 2009. The standard has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. The revisions to the Standard have not yet been endorsed by the EU.

b) **IFRS 3- Business Combinations and IAS 27 Consolidated and Special Financial Statements**.

The revision of IFRS 3 and IAS 27 issued in January 2008. However is going to become effective for the financial years beginning on or after 1 July 2009. IFRS 3 mainly concerns the accounting handle of combinations emerging during these periods and its area of implementation has been revised to include combinations which are under common control and combinations without payment (parallel flotation). IFRS 3 AND IAS 27 require among others the greater use of fair value through the Profit and Loss account and the economic empowerment of the referred entity. Furthermore these Standards introduce the following requirements:

1) Reassessment of the participation part has to be made when the control is recover or lose 2) the effect of all transactions between the controlled and not controlled parts when the control has not been lost, must be recognised in Equity 3) the focus is more on what has been given to the seller as price rather than the acquisition expense. More specific figures that relate with the acquisition, changes in the value of the potential price, benefits relate with shares value and preexisting contracts repayments will be accounted for separately from the companies combinations, thus affecting the Profit and Loss Account. The revision in these Standards has not yet been endorsed by the E.U.

c) **IAS 1- Presentation of Financial Statements – Revised**

A revised IAS 1 Presentation of Financial Statements was issued in September 2007 and becomes effective for financial years beginning on or after January 2009. The standard was revised to require statement of changes in equity to include only transactions with shareholders. A new statement of comprehensive income is introduced and dividends to equity holders are shown only in the statement of changes of equity or notes to the financial statements.

The company is under the procedure of evaluating the revision effect upon its Financial Statements. The Standard's revision has not yet been endorsed by the E.U.

Notes to the condensed financial statements for the period ended 30th June 2008

d) **IFRS 8 Operating Segments** (effective for financial years beginning on or after 1 January 2009)

It specifies how the company must present information regarding the operating segments, replacing requirements concerning determination of the basic and secondary relative areas of the company. The company is in the procedure of evaluating the effect of the revised standard's implementation upon the Financial Statements.

e) **Interpretation 13, - Customer loyalty programs** (effective for financial years beginning on or after 1 July 2008). This Interpretation is not valid for the company's operations.

f) **Amendment to IFRS 2 - 'Share based payment: vesting conditions and cancellations** (effective for financial years beginning on or after 1 January 2009). The revision to the Standard has not yet been endorsed by the EU.

g) **Revisions in IAS 32 and IAS 1- Financial Instruments available from the occupant or puttable instrument.** (effective for financial years beginning on or after 1 January 2009). The revised IAS 32 requires that some financial instruments available from the occupant (or puttable instruments) and obligations coming from an entity's liquidation must be classified as Equity if met certain criteria. The revision of IAS 1 requires the disclosure of information concerning the puttable instruments which are classified as Equity. The company expects that these revisions will not affect its Financial Statements.

h) **Interpretation 15, - Contracts for Real Estate Construction.** Issued in July 3 2008. It is effective for the financial years beginning on 1 January 2009 and after. It is retroactive. Interpretation 15, includes directions concerning the determination if a contract for real estate construction is under the implementation of IAS 11 (Contractual Agreements) or IAS 18 (Revenues) and regarding with this Standard, when it has to be recognised as construction revenue. The company is under the procedure of evaluating the revision effect upon its Financial Statements.

i) **Interpretation 16, - Net Investment Hedging in Operations Abroad.** Issued in July 3 2008. It is effective for the financial years beginning on 1 October 2008. It can be implemented in the future. It can be also retroactive. Interpretation 16, clears up three points: a) The Financial Statements currency does not lead to risk exposure for which hedge accounting must be applied. As a result the mother company can define as risk for hedging only the foreign exchange differences coming from the currency of operation and the currency of operations abroad b) Any company of the group can possess hedge means c) Although IAS 39 (Financial Instruments: Recognition and measurement) is applied for the determination of the amount that has to transfer in the Profit and Loss Account from the reserve for foreign exchange differences relative to the hedge mean, IAS 21 (Effects of the Exchange Rates Changes) is applied relative to the hedging element.

None of the Standards and Interpretations has any effect in the Financial Statements

B) Standards and Revisions which are valid for the financial year ending in December 31st 2008. The following Standards and Interpretations are valid for the current period ..

a) **Interpretation 11, IFRS 2 – Transactions with same Shares and Group Share Transactions** (effective for financial years beginning on or after 1 March 2007). The standard requires transactions whereby an employee is granted rights to an economic entity's participating titles to be accounted for as common shares. The implementation of the Interpretation had not affected Financial Statements

Notes to the condensed financial statements for the period ended 30th of June 2008

as the the accounting manipulation implemented by the company did not differ from the Interpretation procedure.

b) **Interpretation 12- Service Concession Arrangements** (effective for financial years beginning on or after 1 January 2008).

c) **Interpretation 14 IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction.** (effective for financial years beginning on or after 1 January 2008).

3.RESULTS FOR THE PERIOD

REVENUES

The company's revenues dropped by € 1,4 m mainly due to the decrease in income coming from water supply and sewerage services.

COST OF GOODS SOLD

The cost of goods sold increased by € 3,8 m. This increase was caused mainly by:

The increase:

- in operation and conservation expenses (b' phase of Psytallia) by € 3,0 m.
- in third party providings (mainly of electrical power-b' phase of Psytallia - Iliki lake and Viliza as a result of water pumping) by € 4,5 m.
- in fixed assets depreciation by € 0,9 m.

The decrease:

- in the transportation and deposition of dehydrated sludge by € 2,1 m.
- in the provision concerning litigations and claims by € 2,3 m.
- in other expenses by € 0,3m

ADMINISTRATIVE COSTS

The administrative costs decreased by € 0,5 m mainly due to the decrease in third party expenses.

DISTRIBUTION COSTS

The distribution costs increased by € 0,9 m mainly due to:

The increase :

- in advertising and promotion expenses by € 0,5 m.
- in others by € 0,4 m.

4. INCOME TAX

Income tax for the current period was assessed as follows:

	30.06.2008	30.06.2007
Profit before tax	11.640	17.642
Income tax assessed based on the current tax rate (25%)	2.493	4.410
Unaudited fiscal years (by public revenue authorities)	480	500
Tax over non-deductible tax expenses	595	199
	3.568	5.109

Notes to the condensed financial statements for the period ended 30th June 2008

5. EARNINGS (LOSS) PER SHARE

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

	30.06.2008	30.06.2007
Earnings	8.072	12.533
Number of shares	106.500	106.500
Earnings per share	0,08	0,12

6. DIVIDENDS

During the first half of the current use the General Shareholders Meeting approved a dividend distribution for 2007 of 14 cents per share (€0,14) , while the dividend for 2006 was 0,11 € per share .

7.TANGIBLE ASSETS

During the period 01/01/2008-31/03/2008, the company spent € 10,6 m for investments in order to improve and expand the water supply and sewerage networks plus € 3,3 m for the acquisition of other fixed assets like software,machinery ,furnitures and fixtures and other equipment.

8. CUSTOMERS

The customers balance increased in the current period by approximately € 13,9 m because of :

- an increase in claims towards the Greek State ,and Municipalities by € 8,2 m.
- an increase in claims coming from private customers by € 4,5 m. mainly because of a rise in overdue debts.
- an increase in accrued not priced revenues until June 30 2008 by € 1,2 m.

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 completion (not after 31/12/2008),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 € 29,8 m at 30/6/2008.

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 1.963.671 at 30/6/2008) credit risk is relatively low.

Notes to the condensed financial statements for the period ended 30th June 2008

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.

9. OPERATING CURRENT LIABILITIES

The operating current liabilities decreased substantially by €11,4 m comparing with those of 31/12/2007. The decrease is due to the:

- Decrease in dividends payable by approximately € 0,1 m .
- Decrease in the social security contributions by €3,5 m because of the Christmas benefit contributions which were included in 2007 use .
- Decrease in suppliers balance by € 6,2 m.
- Decrease in other taxes-charges by € 1,6 m.

10. OTHER CURRENT LIABILITIES

The other current liabilities increased by € 3,9 m mainly due to:

- the increase in the provision for payroll benefits, holiday allowances, and for not taking (vacations) leave which amounts approximately € 9,4 m.
- an increase in the provision for Contractors payments by € 1,5 m for works that had already completed however not priced until 30/6/2008.
- a decrease in the provision for transportation and deposition of dehydrated sludge from Psytallia Island by €7,6m. because of a decrease in indisposed tons from 90 thousands in 31/12/2007 to 5 thousands in 30/6/2008.
- an increase in the amount of unpaid checks payable by € 1,7 m.
- a decrease in sundry current liabilities by 1,1 m.

11. INVESTMENTS IN ASSOCIATES

Investments in associates of € 479 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%.

At June 30 2008 the acquisition cost of E.P.A climb to € 542 th. while accumulated losses from the acquisition date to June 30 2008 was € 63 th. It must be noted that the profits for the current period increased to € 132 th..

Notes to the condensed financial statements for the period ended 30th June 2008

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 at June 30 2008 will not be materially differentiated if individual financial statements were prepared, as far as the 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 .

12. DEFERRED TAXATION

Below are the main assets and liabilities from deferred taxation recorded by the Company and their movements for the period ended at 31.03.2008 and the year ended at 31.12.2007

Deferred Assets

	31/12/2007			30/06/2008	
	Opening Balance	Credit to profit/loss of the period	Ending Balance	Credit to profit/loss of the period	Ending Balance
Expensing of intangible assets	289	(62)	227	(38)	189
Slow moving Inventory	481	17	498	0	498
Employee Benefits liabilities	18.290	4.456	22.746	1.979	24.725
Provisions for Bad Debt	3.448	123	3.571	(339)	3.232
Other Provisions	7.287	304	7.591	(310)	7.281
Customer Contributions	14.741	1.387	16.128	375	16.503
Depreciation difference from revaluation of useful life	(1.310)	(1.212)	(2.522)	(579)	(3.101)
Accrual revenues	2.441	(2.522)	(81)	(1.941)	(2.022)
Other Deferred tax assets	1.250	256	1.506	259	1.765
	46.917	2.747	49.664	(594)	49.070

Notes to the condensed financial statements for the period ended 30th June 2008

The charge for deferred income taxes (deferred tax liability) in the accompanying income statements include the temporary tax differences arising from recorded revenues-profits that will be taxed in future time. The credit for deferred taxes (deferred tax assets) includes mainly temporary tax differences arising from specific provisions that are tax deductible at the time of the realization of the corresponding expenditure.

13. BORROWINGS

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

	30 June 2008	31 December 2007
Bank Loans	149.136	112.698
Greek State Loans	3.142	3.142
	152.278	115.840
The borrowings are repayable as follows:		
On demand or within on year	152.278	115.840
In the second year		
Between the third and the fifth year		
After five years		
	152.278	115.840
Less: Amount due for settlement within 12 months (shown under current liabilities)	152.278	115.840
Amount due to settlement after 12 months	<u>0</u>	<u>0</u>

During the current period the Company's short-term borrowings increased totally by € 36,4 m according to the disclosed bank agreements because its liquidity was not sufficient enough for repayment. Both long-term and short-term bank loans repayments were made in line with previous disclosed terms.

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 variable exchange rates.

Notes to the condensed financial statements for the period ended 30th June 2008

14. LIABILITIES FOR EMPLOYEES BENEFITS

The account is analyzed as follows:

	30 June 2008	31 December 2007
Employees' end-of-service indemnities	26.604	26.977
Employees healthcare scheme	156.822	151.266
Special Employees' end-of-service indemnity	871	782
	<u>184.297</u>	<u>179.025</u>

Income charges concerning each of the previous mentioned liabilities programmes separately are based on costs estimation resulted from the actuarial study of 31/12/2007.

15. SHARE CAPITAL

The share capital of the Company at June 30 2008 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.

16. RETAINED EARNINGS

Balance at 01.01.2007	301.763
Dividends payable	(11.715)
Profit after taxes for the period	12.533
Balance at 30.06.2007	<u>302.581</u>

Balance at 01.01.2008	331.166
Dividends payable	(14.910)
Profit after taxes for the period	8.072
Balance at 30.06.2008	<u>324.328</u>

17. PROVISIONS

The Provisions formed up to June 30 2008 concern:

a) Provisions for litigations and claims amounting approximately € 38,9 m. More specific , Lawsuits for civil law cases with claims of an amount of € 55,08m have been raised against the Company These lawsuits are mainly related with damages caused by floods (either because of broken mains of from rainfalls) or they are lawsuits of various trade creditors and contractors for violation of contractual

Notes to the condensed financial statements for the period ended 30th June 2008

terms. There are also pending litigations with employees of around €47,40 m. Against all these potential losses, if the pending litigation will be finalized, EYDAP has formed a provision of € 38,90 m. as at June 30 2008 and of € 40,20 m as at 31st December 2007, which are considered as sufficient.

b) Provisions of € 3,47 m. for unaudited (by Public Revenue Services) tax uses concerning the period 1/1/2005 to 30/06/2008 .

c) Provisions of € 29,48 m. for bad debts. The provision has formulated for the accurate representation of the receivables account ,which are show up subtractive to their value .

d) Provisions of € 2,0 m. for stock depreciation. The provision has formulated for the accurate representation of the stocks account ,which are show up subtractive to their value .

18. 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 € 107 mil. at June 30 2008.

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 June 30 2008 an amount of € approximately 399,46 millions, for which it has the right to receive a subsidy of around €239,68 millions (399,46*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 until 30th June 2008 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 €230,60 millions (239,68-9,08).

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

Notes to the condensed financial statements for the period ended 30th June 2008

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 €2,40 m while the previous period by € 2,40 m approximately and the net equity at 31st March 2008 would be improved by around € 31,80 m.

(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. Since it is not feasible to extract the exact amount corresponding to maintenance from the total amount of expenditures concerning operation and maintenance of installations which is €636,11 millions ,the proportional subsidy of € 381,67m must be finalized between the company and the Greek State.

19. EVENTS AFTER THE BALANCE SHEET DATE

The construction of two new hydroelectric power stations in Mandra (630KW) and Kartala –Kithaironas (1200KW) has been completed. Their commercial use will start within the current year .

Three works are under construction :

- New hydroelectric power station of 820 KW in Evinos place.
- Expansion of the Electrical and Thermal energy coproduction station (4,25 MW) with the firing of biogas in the island of Psytallia.
- New Electrical and Thermal Energy coproduction station (12,9 MW) with the firing of natural gas.

The commercial use of the above mentioned works is estimated to begin in 2009.

An application has been submitted concerning the permission of a 2mwp photovoltaic production station in the company's installations in Menidi.

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 the 31st of December 2008 with a minimum agreed in advance price of € 1,25m.

E.YD.A.P has already run the taking over and embodiment of the water supply networks of Megara ,New Erithrea,Keratea,Vrilisia,Vari,Kalivia Municipalities and Anixi community ,as discussions for further network co-optations continue.

Notes to the condensed financial statements for the period ended 30th June 2008

20. RELATED PARTY TRANSACTIONS

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

	30th June 2008	30th June 2007
- Salaries (Chairman & CEO and Executive Consultants)	99	100
- Salaries & participation fees of the Members of the Board of Directors	72	70
	<u>171</u>	<u>170</u>

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

1) Transactions	30th June 2008	30th June 2007
- Revenues	34.283	30.326
- Cost of sales (construction works cost)	(2.227)	(552)
- Provisions	(82)	(89)
2) Outstanding amounts	30th June 2008	30th June 2007
- Long term receivables (Works(construction contracts) for third parties))	95.486	92.124
- Long term receivables (Arrangements of Municipalities)	13.532	2.919
- Trade receivables	142.308	135.633
- Other receivables (coverage of Employees' end-of-service indemnity)	6.176	4.532
	<u>257.502</u>	<u>235.208</u>

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
Figures and information for the period of 1 January 2008 until 30 June 2008
According to 6/448/11.10.2007 and 1/480/24.7.2008 resolutions of Greek Capital Committee

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				
Company's web Site	www.eydap.gr			
Date of Approval of Financial Statements:	27 August 2008			
Chartered Public Accountants:	M. Hatzipaulou and E.Giouroukos			
Auditing Company:	Deloitte Hatzipaulou, Sofianos & Kampanis Public Accountants and Business Consultants SA			
Type of Auditor's Report	Unqualified Opinion -Emphasis of matter			
BALANCE SHEET				
Amounts in thousands of Euro				
	30/6/2008			31/12/2007
<u>ASSETS</u>				
Tangible assets	976.853			976.255
Intangible assets	3.124			3.260
Other non current assets	166.361			158.242
Inventories	20.468			19.263
Trade receivables	260.342			246.434
Other current assets	40.769			40.784
TOTAL ASSETS	<u>1.467.917</u>			<u>1.444.238</u>
<u>LIABILITIES</u>				
Share capital	63.900			63.900
Other items of Shareholders' Equity	<u>742.923</u>			<u>749.798</u>
Total Shareholders' Equity (a)	806.823			813.698
Minority interests (b)	0			0
Total Equity (c)=(a)+(b)	<u>806.823</u>			<u>813.698</u>
Long- term borrowings	0			0
Reserves for employee benefits	184.297			179.025
Deferred subsidies and customer contributions	203.172			204.731
Provisions and other long-term liabilities	55.208			56.062
Short- term borrowings	152.278			115.840
Other Short- term borrowings	<u>66.139</u>			<u>74.882</u>
Total liabilities (d)	<u>661.094</u>			<u>630.540</u>
TOTAL EQUITY AND LIABILITIES (c)+ (d)	<u>1.467.917</u>			<u>1.444.238</u>
INCOME STATEMENT				
Amounts in thousands of Euro				
	1/1-30/6/2008	1/1-30/6/2007	1/4-30/6/2008	1/4-30/6/2007
Turnover	178.134	179.572	93.978	96.371
Gross profit (loss)	73.317	78.510	38.214	43.705
Earnings before tax, financial, and investment results	14.791	19.098	8.124	12.679
Profit (loss) before tax	11.640	17.642	6.456	11.892
Less: taxes	3.568	5.109	1.963	2.444
Profit (loss) after tax	<u>8.072</u>	<u>12.533</u>	<u>4.493</u>	<u>9.448</u>
<u>Attributable to</u>				
Shareholders	8.072	12.533	4.493	9.448
Earnings per share after tax (in euro) - basic	0,08	0,12	0,04	0,09
Earnings before tax, financial, investment results and depreciation and amortization	26.149	29.458	13.792	17.771

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Amounts in thousands of Euro

	<u>30/6/2008</u>	<u>30/6/2007</u>
Equity Balance at the beginning of the year (1/1/2008 and 1/1/2007 respectively)	813.698	781.325
Profit / (Losses) of the year, after tax	8.072	12.533
Increase/ (Decrease) of Share Capital		0
Distributed Dividends	(14.910)	(11.715)
Net income directly charged to equity	(37)	168
Purchase / (sales) of own shares	<u>0</u>	<u>0</u>
Equity Balance at the end of the year (30/6/2008 and 30/6/2007 respectively)	<u>806.823</u>	<u>782.311</u>

CASH FLOW STATEMENT

Amounts in thousands of Euro

	<u>1/1-30/6/2008</u>	<u>1/1-30/6/2007</u>
<u>Cash Flows from operating activities</u>		
Profit before taxes	11.640	17.642
Adjustments for:		
Depreciation and amortization	15.672	14.598
Amortization of customers' contributions and subsidies	(4.314)	(4.238)
Impairment of investments	(132)	(48)
Provisions	(1.151)	1.344
Credit Interest and related income	(1.397)	(1.387)
Debit Interest and related expense	4.680	2.891
Operating income before working capital changes / changes in operating assets and liabilities (Decrease in) Increase in		
Trade receivables	(13.998)	(12.518)
Other receivables	(8.964)	(6.299)
Long-term receivables	(8.619)	(183)
Materials and spare parts	(1.205)	(1.018)
Increase in (Decrease in)		
Operating Current Liabilities	(14.238)	(10.059)
Other current liabilities	3.933	8.479
Consumers' guarantees	388	525
Reserve for employees benefits	5.272	4.747
Minus:		
Interest and related expenses paid	(3.319)	(2.651)
Income Tax paid	<u>(3.804)</u>	<u>(4.676)</u>
Net cash from operating activities (a)	<u>(19.556)</u>	<u>7.149</u>
	-	
<u>Cash Flows from investing activities</u>		
Purchases of property, plant, and equipment	(14.142)	(12.552)
Purchases of intangible assets	(777)	(1.030)
Proceeds from customers' contributions and subsidies	2.755	4.631
Interest and related income received	1.330	922
Investments in associates	<u>0</u>	<u>(105)</u>
Net cash from investing activities (b)	<u>(10.834)</u>	<u>(8.134)</u>
	-	
<u>Cash Flows from financing activities</u>		
Proceeds from borrowings	53.200	38.994
Repayments of borrowings	(16.833)	(24.833)
Dividends paid	<u>(5.928)</u>	<u>(7.631)</u>
Net cash from investing activities (c)	<u>30.439</u>	<u>6.530</u>
Net (decrease) increase in cash and cash equivalents (a) + (b) + (c)	<u>49</u>	<u>5.545</u>
Cash and cash equivalents, beginning of year	<u>14.486</u>	<u>14.018</u>
Cash and cash equivalents, end of period	<u>14.535</u>	<u>19.563</u>

ADDITIONAL DATA AND INFORMATION

1. The Company has been audited by the tax authorities up to 2004 (included).
2. There are no burden on the Company's fixed assets.
3. The number of employees as at 31-12-2007 and 30-06-2008 was 3.677 and 3.568 respectively.
4. The Provisions formed up to June 30 2008 concern: a)Provisions for litigations and claims amounting approximately Euro 38,9 m. More specific, Lawsuits for civil law cases with claims of an amount of Euro 55,08 m. have been raised against the Company. These lawsuits are mainly related with damages caused by floods (either because of broken mains of 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 47,40 m. Against all these potential losses, if the pending litigation will be finalized, EYDAP has formed a provision of Euro 38,90 m. as at June 30 2008 and of Euro 40,20 m. as at 31st December 2007, which are considered as sufficient. b) Provisions of Euro 3,47 m. for unaudited (by Public Revenue Services) tax uses concernig the period 1/1/2005 to 30/06/2008 and c) Other provisions of Euro 31,48 m.
5. According to the statistical classifications of the branches of economic activity the turnover breakdown STAKOD 03 is 410.0 (NACE Rev 1.1 is 41.00 -ISIC Rev 3.1 is 4100): Water supply sales amount Euro 178.133.974,95 (Sewerage sales are included in this amount) .
6. 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 million, that includes, as already mentioned, also the maintenances, the Company has spent for capital expenditures as at 30 June 2008 an amount of Euro 399,46 millions, for which it has the right to receive a subsidy of around Euro 239,68 millions (399,46 *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 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 230,60 millions (239,68 - 9,08). Therefore this amount has not recorded in the accounts receivables with an equal credit 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 journals were carried out then the profit/loss of the current and the previous year period will be improved by around Euro 2,40 m and 2,40 m respectively and the net equity will be improved by around Euro 31,80 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.

7.In addition the Company has a claim concerning a subsidy for the maintenance expenditures according to the contract with the Greek State. However 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 636,11 millions.Thus the corresponding subsidy has not been finalized between the company and the State until the conduction of the present financial statements .

8.Transactions with related parties

Cumulative amounts from the beginning of the current economic use concerning purchases and sales together with the company's claims and liabilities at the end of the current economic use that have been resulted from its transactions with related parties in the sense of the IAS 24 are as follows :

	2008	2007
Revenues	34.283	30.326
Claims	257.502	235.208
Transactions and Payrolls of Directors and Members of the Administration.	171	170

9.Certain Items of the 2007 Financial Statements reclassified to conform with those of the current use,however not affecting the already published financial statements of the previous economic use. More specific, during the period 1/1/2007 to 30/6/2007 amount of Euro 93,1 th. transferred from "Cost of Sales" to "Selling expenses".As a result Gross profit increased by the same amount.

10. Net income of Euro 37 th. which has been charged directly to equity as an expense at 6/30/2008, concerns non current assets appropriated for sale(portfolio revaluation).

Athens 27 August 2008

The chairman of the Administration Board	The C.E.O	The Chief Financial Officer	The Supervisor of the Accounting Department
Konstantinos Kostoulas ID No ae 043716	Antonios Vartholomaios ID No X 666882	Maria Leventi ID No Σ 099991	Eleni Spiropoulou ID No Σ 194321

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholder's of the Athens Water Supply and Sewerage SA (E.YD.A.P. S.A.)

Introduction

We have reviewed the accompanying condensed balance sheet of the "Athens Water Supply and Sewerage S.A. (E.YD.A.P. S.A.)" (the "Company") as of 30 June, 2008 and the related condensed interim income statements, cash flow statements and statements of changes in equity of the Company for the six-month period then ended, as well as the condensed interim explanatory notes which comprise the interim financial information, which represents an integral part of the six month financial report of article 5 of L.3556/2007. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", to which the Greek Auditing Standards refer. 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 Greek Auditing Standards 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 IAS 34.

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

1. The Company according to its establishment Law 2744/99, signed an Agreement with the Greek State whereby the State committed to granting E.YD.A.P. S.A. either from European Union's financial resources or from the State's Programme of Public Investments funds to cover 60% of the capital expenditure that E.YD.A.P. S.A. will spend for the maintenance, renovation, improvement and or the expansion of the water supply and sewerage system for the eight year period from 2000 to 2008. Against the above mentioned Investment Programme, amounting to approximately Euro 1,22 billion, which includes maintenance expenses, the Company as of 30.06.2008 has incurred expenses for capital expenditure amounting to approximately Euro 399,5 million for which it should receive a subsidy amounting to approximately Euro 239,7 million (ie $399,5 * 60\%$) while in accordance with the aforementioned contract the Company claims is also a subsidy for maintenance expenses. The Company against the subsidy to which it is entitled to, has received as of 30.06.2008 an amount of approximately Euro 9,1 million. In accordance with the principle of prudence, the above receivable of the Company from the Greek State amounting to Euro 230,6 million approximately (239,7 million – 9,1 million) has not been accounted for as a receivable and as a long term liability, from which it would be gradually transferred to the income statement in accordance with the depreciation rate of the subsidised water supply and sewerage system. If the aforementioned accounting entries had been

included, then the current's period financial results as well as those of the previous period would have been improved (profit) by Euro 2,4 million approximately and Shareholders Equity increased by Euro 31,8 million approximately.

It is clarified that based on the decision of 10.08.2004 of the Extraordinary General Assembly of shareholders the Investment program of company was modified; however such modification does not affect the above company's claim against the Greek State.

2. As already mentioned in our above matter of emphasis number 1, the amount of approximately Euro 230,6 million does not include the receivable arising from the subsidisation of maintenance expenses, because from the total expenses relating to operations and maintenance amounting to Euro 636 million approximately, it was not possible to isolate the amount related to maintenance expenses. Even though in the relevant contract signed by the Company and the Greek State (Appendix 4 – Financial commitments under the title “Subsidies for capital expenditure guaranteed by the State”) it is mentioned that the State guarantees the granting to E.YD.AP S.A. of a subsidy amount representing 60% of the capital expenditure incurred by the Company relating to maintenance, renovation, improvement or expansion of the water supply and sewerage system for any year from 2000 to 2008, as of the date of completion of our review, the amount due by the State relating to the subsidy for maintenance expenses had not been agreed upon between the Company and the State.
3. As of the date of the issue of this review report, the legal transfer of the ownership of the assets to the Company “Fixed Assets E.YD.A.P S.A.”, amounting to Euro 657 million approximately, had not been completed.

Report on Other Legal and Regulatory Requirements

In addition to the interim financial information above we have reviewed the additional information of the six month report provided by article 5 of Law.3556/2007 and the Decisions 1/434/3.7.2007 and 7/448/11.10.2007 law of the Capital Markets Commission, approved by the abovementioned law. Our review has indicated that the Directors Report includes all the data and information stipulated by the above mentioned law and decisions and is consistent with the accompanying financial information.

Athens, 28 August 2008

The Certified Public Accountants

Michael Hadjipavlou
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