ATHENS WATER SUPPLY AND SEWERAGE COMPANY S.A.

(E.YD.A.P.)

FINANCIAL STATEMENTS OF THE GROUP AND EYDAP S.A. (THE COMPANY) FOR THE ANNUAL PERIOD
1^{ST} JANUARY TO 31^{ST} DECEMBER 2012

ACCORDING TO THE LAW 3556/2007

DOMICILIATION :
OROPOU 156, GALATSI

March 2013

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STATEMENTS OF THE MANAGEMENT BOARD MEMBERS
(according to the article 4 par.2 of the Law 3556/2007)

The Following Members :

1.Stavridis Stylianos, Chairman of the Management Board and Chief Executive Officer

2.Asimakopoulos Dionysios , Vice Chairman of the Management Board

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

According to what is specified in the paragraph 2 of the article 4 of the Law 3556/2007 we hereby declare that from what we know :

a.The Annual Financial Statements of 2012 which were conducted according to the valid International Financial Reporting Standards , trully illustrate Assets and Liabilities figures , Net Worth and Income Statement of E.YD.A.P S.A. and all the companies included in the consolidation regarded as total.

b.The Annual Report of the Management Board ,trully illustrates the position and performance of E.YD.A.P S.A. and all the companies included in the consolidation regarded as total, together with all risks and uncertainties.

Athens , 28 March 2012

The Chairman of the Management Board and Chief Executive Officer	The Vice Chairman of the Management Board	The Member of the Management Board
Stavridis Stylianos ID no. AE 024725	Asimakopoulos Dionysios ID no. AK 123903	Antonopoulos Antonios ID no.N329504

BOARD OF DIRECTORS' CONSOLIDATED REPORT
For the Fiscal Year 2012

Dear Shareholders,

In accordance with article 4 of Law 3556/2007, the article 2 of the Hellenic Capital Committee Resolution 7/448/2007 and the paragraph 3 of the article 107 of the c.l. 2190/1920, we hereby submit the annual Board of Directors' Report for the financial year ended at 31 December 2012. The same report has been uploaded and is publicly available on the Company's website at www.eydap.gr.

The present report provides an overview of the strategic goals and activities of the business operations carried out in 2012, financial highlights, potential risks and uncertainties and the Corporate Governance Statement. Additionally, the Board of Directors' Report is including analytical information of paragraph 7, of article 4 of the Law 3556/2007 for the compilation of the explanatory report. In the Report are also referenced the significant transactions between the Company, the Group and related parties, according to IAS 24 as well as significant events after the end of fiscal year 2012.

As in the previous fiscal year, EYDAP posted gains for 2012, despite the adverse financial environment. The Company has reinforced further its growth, reassuring its dominant position in the Greek water supply and sewerage market, improving at the same time the levels of cash, and limiting the bank debt.

A. STRATEGIC GOALS AND ACTIONS

The extrovert strategy, towards domestic and international growth, has been a strategic pillar also for 2012. More specifically, the strategic priorities set are:

- Upgrade of provided services, preserving a low-tariff policy, due to the economies of scale exploitation in the whole range of corporate activities (water production, processing, distribution, wastewater collection and sewerage treatment).
- Added-value generation by further exploitation of existing infrastructure in Attica, including wastewater effluent reuse projects for the benefit of our customers - citizens and the environment.
- Expansion of added value services in order to resolve definitely the issues of water supply and sanitation in the islands and mainland of Greece, under the scope of sustainability and good environmental practices.
- Expansion of services abroad with the aim of establishing the Company as a key international player in the field of water and sanitation.

Moreover, in 2012, the Company continued the effort to enhance and strengthen the activities for the **protection of the environment**, the **upgrade of water and sanitation**

services, and **business modernization** in order to **improve the level of customer service**.

B. FINANCIAL HIGHLIGHTS FOR THE PERIOD OF 2012

I. Review of Operations – Water Consumption Progress

In 2012 total water consumption (billed or not) increased by 0.6% compared to 2011, in relation to the 2.1% decrease, from 2010 to 2011.

Total water consumption in the years 2009, 2010, 2011 and 2012 was 422,703,942 m^3, 428,937,600 m^3, 420,062,606 m^3 and 422,466,443 m^3, respectively.

The compound annual growth rate (CAGR) of total water consumption during the period 2000 to 2012 is 0.7%. On the contrary, during the five-year period 2007-2012 is negative and equal to -0.4% annually. Finally, during the three-year period 2009 - 2012 the CAGR is zero.

In 2012 billed consumption increased by 0.5% over 2011, compared with a 2.9% decline in 2011 compared to 2010.
Billed water consumption for the years 2009, 2010, 2011 and 2012 was 336,376,522 m^3, 334,101,899 m^3, 324,444,003 m^3 and 326,079,653 m^3, respectively.

The compound annual growth rate (CAGR) of billed water consumption during the period 2000 to 2012 is 0.7% annually. During the five-year period 2007-2012 is negative and equal to -1.3% annually. Finally, during the three-year period 2009 – 2012 is negative and equal to -1.1% annually.

Due to the fact that in 2012, as stated above, the billed consumption increased by a smaller percentage in relation to the total consumption (0.5% versus 0.6%), an increase of the non billed consumption occurred. Specifically, in 2012 the non billed consumption increased by 0.8% over the previous year, compared to the increase of 0.8%, that occurred in 2011 in relation to 2010.

During the years 2009, 2010, 2011 and 2012 the non billed consumption was 86,310,418 m^3, 94,819,974 m^3, 95,602,619 m^3 and 96,369,402 m^3, respectively.

Additionally, the non-billed to total consumption ratio increased marginally by 0.2% compared to 2011, and was formed at 22.8% in 2012. More specifically, in 2009, 2010, 2011 and 2012 the non-billed to total consumption ratio was formed at 20.4%, 22.1%, 22.8% και 22.8%, respectively.

Regarding the main consumer classes, the class of common consumers - which represents the overwhelming majority of customers, and mainly residential customers, decreased by 0.5% compared to 2011, versus 3.0% fall in 2011 compared to 2010.

Water consumption of common consumers in the years 2009, 2010, 2011 and 2012 was 214,502,278 m^3, 209,762,467 m^3, 203,477,397 m^3 and 202,484,911 m^3, respectively.
The compound annual growth rate (CAGR) of consumption in the common consumers' class in the 3-year period 2009 to 2012 is negative and equal to -1.9% annually.

Bulk Water Supply to municipal networks, which represents the second biggest customer class, in 2012 increased by 4.6% compared to 2011, versus a 2.1% decrease in 2011 compared to 2010.

Bulk water supply to municipal networks in the years 2009, 2010, 2011 and 2012 was 66,540,857 m^3, 67,741,121 m^3, 66,285,025 m^3 and 69,357,487 m^3, respectively.

The compound annual growth rate (CAGR) of consumption in the bulk water supply to municipal networks class in the 3-year period 2009 to 2012 is equal to 1.4% annually.

The industrial consumers' class consumption in 2012 increased by 8.3% compared to 2011, versus a 5.5% decline in 2011 compared to 2010.

The industrial consumers' class consumption in the years 2009, 2010, 2011 and 2012 was 20,038,933 m^3, 18,753,574 m^3, 17,714,433 m^3 and 19,188,857 m^3, respectively.

The compound annual growth rate (CAGR) of the industrial consumers' class consumption in the 3-year period 2009 to 2012 is negative and equal to -1.4% annually.

The consumption of the State-Local Authorities class in 2012 increased by 2.1% compared to 2011, versus a 5.8% decline in 2011 compared to 2010.

The State-Local Authorities consumption in the years 2009, 2010, 2011 and 2012 was 19,510,561 m^3, 20,600,941 m^3, 19,405,206 m^3 and 19,811,928 m^3, respectively.

The compound annual growth rate (CAGR) of the State-Local Authorities class consumption in the 3-year period 2009 to 2012 is 0.5% annually.

The impact of billed consumption change in each consumer class to the increased total billed consumption, which is shaped at 1,633,650 m^3, is summarized in the following table:

1. CHANGE IN BILLED CONSUMPTION FROM 2011 TO 2012	
CONSUMER CLASS	**CHANGE(IN M^3)**
COMMON CONSUMERS	-992,486
INDUSTRIES – CORPORATE CUSTOMERS	1,474,424
STATE – LOCAL AUTHORITIES	406,722
BULK WATER SUPPLY TO LOCAL NETWORKS	3,072,462
OTHER	-2,325,472
TOTAL CHANGE IN BILLED CONSUMPTION	**1,635,650**

During 2010, 2011 and 2012 the consumption classes' breakdown is shown below:

2. CONSUMPTION VOLUME PERCENTAGES			
CONSUMER CLASS	**2012**	**2011**	**2010**
COMMON CONSUMERS	62.09%	62.72%	62.78%
INDUSTRIES – CORPORATE CUSTOMERS	5.88%	5.46%	5.61%
STATE – LOCAL AUTHORITIES	6.08%	5.98%	6.17%
BULK WATER SUPPLY TO LOCAL NETWORKS	21.27%	20.43%	20.28%
OTHER	4.67%	5.41%	5.16%

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

3. TARIFF BREAKDOWN at the COMMON CONSUMERS CLASS			
BILLING SCALE (COMMON CONSUMERS CLASS)	**2012**	**2011**	**2010**
1st BILLING SCALE (1-15 m^3 / QUARTER)	48.19%	47.63%	46.67%
2nd BILLING SCALE (15-60 m^3 / QUARTER)	44.45%	44.48%	45.08%
3rd BILLING SCALE (60-81 m^3 / QUARTER)	2.83%	2.86%	3.06%
4th BILLING SCALE (81-105 m^3 / QUARTER)	1.30%	1.31%	1.43%
5th BILLING SCALE (>105 m^3 / QUARTER)	3.23%	3.72%	3.76%

The above table shows that only the share of the first billing scale increased marginally. The shares of all other billing scales fell marginally. Therefore, the consumption share of common consumers class billed at the minimum billing scale increased, while the consumption share billed at other billing scales, higher priced than the first one, decreased. Consequently, the change in the composition of billed consumption in the common consumers class, combined with reduced consumption in the same consumers class (-992,486 m^3 see table 1), led to a decrease in the revenue from water supply in the common consumers class by € 1,240,736 (see table 4).

The following table presents the annual water sales revenue and the change for the main consumer classes:

4. WATER SALES INCOME (€)				
CONSUMER CLASS	**2012**	**2011**	**CHANGE**	**RELATIVE CHANGE**
COMMON CONSUMERS	158,865,400	160,106,136	-1,240,736	-0.77%
INDUSTRIES – CORPORATE CUSTOMERS	18,941,604	17,390,566	1,551,038	8.92%
STATE – LOCAL AUTHORITIES	20,192,403	19,736,619	455,784	2.31%
BULK WATER SUPPLY TO LOCAL NETWORKS	33,988,101	32,489,278	1,498,823	4.61%
OTHER	5,376,844	6,778,416	-1,401,572	-20.68%
TOTAL	**237,364,352**	**236,501,015**	**863,337**	**0.37%**

In the following table, the annual revenue from sewerage usage and the respective change for the main consumer classes is presented:

5. INCOME FROM SEWERAGE SERVICES (€)				
CONSUMER CLASS	**2012**	**2011**	**CHANGE**	**RELATIVE CHANGE**
COMMON CONSUMERS	95,450,052	96,486,012	-1,035,960	-1.07%
INDUSTRIES – CORPORATE CUSTOMERS	6,905,692	7,575,469	-669,777	-8.84%
STATE – LOCAL AUTHORITIES	7,643,383	7,957,693	-314,310	-3.95%
BULK WATER SUPPLY TO LOCAL NETWORKS	0	0	0	-
OTHER	128,755	125,905	2,850	2.26%
TOTAL	**110,127,882**	**112,145,079**	**-2,017,197**	**-1.80%**

Similarly, the following table presents the total annual income from water sales and sewerage use, as well as the respective change for the main consumer classes:

6. TOTAL WATER SUPPLY AND SEWERAGE SERVICES INCOME (€)				
CONSUMER CLASS	**2012**	**2011**	**CHANGE**	**RELATIVE CHANGE**

COMMON CONSUMERS	254,315,452	256,592,148	-2,276,696	-0.89%
INDUSTRIES – CORPORATE CUSTOMERS	25,847,296	24,966,035	881,261	3.53%
STATE – LOCAL AUTHORITIES	27,835,786	27,694,312	141,474	0.51%
BULK WATER SUPPLY TO LOCAL NETWORKS	33,988,101	32,489,278	1,498,823	4.61%
OTHER	5,505,599	6,904,321	-1,398,722	-20.26%
TOTAL	**347,492,234**	**348,646,094**	**-1,153,860**	**-0.33%**

Finally, the following table presents the average revenue per cubic meter for the year 2012, for the main consumer classes:

7. AVERAGE INCOME per CUBIC METER 2012 (€)		
CONSUMER CLASS	**WATER SALES**	**WATER SALES & SEWERAGE SERVICES**
COMMON CONSUMERS	0.75	1.20
INDUSTRIES – CORPORATE CUSTOMERS	0.93	1.28
STATE – LOCAL AUTHORITIES	1.02	1.41
BULK WATER SUPPLY TO LOCAL NETWORKS	0.49	0.49
OTHER	0.34	0.35
TOTAL AVERAGE INCOME	**0.71**	**1.04**

It is worth noting that the Bulk Water Supply to Local Networks consumer class continues to generate disproportionately low income in relation to the quantity of water sold. Specifically, while it accounts for 21.27% of billed consumption (see table 2), it merely corresponds to 14.32% of revenues from water supply (see table 4). Finally, their collection rate is particularly slow.

II. Key Financial Data

Turnover amounted to € 353.3 mn from € 358.6 mn in 2011, marginally down by 1.5% (-5.2 mn €). This decrease is due to a drop by € 1.6 mn in revenues from water supply and related works (-0.7%) and to the corresponding decrease in revenues from sewerage services by € 1.7 mn (-1.4%). Fall was also noted in the category of revenues from third party construction projects (EYDAP Asset Company and Ministry of Infrastructure and Transport) by 55.2% (-1.8 mn €). It should be noted that revenues in this category had experienced extraordinary growth in 2011, due to the breakdown of the aqueduct in place Saranti in late March 2011, which resulted in increased expenses for water pumping from Lake Yliki and also in restoration works of the aqueduct. These expenses, together with an extra fee of 6% (reasonable fee) are claimed and burden both EYDAP Asset Company and the Ministry of Infrastructure and Transport. Revenues from electricity sale fell by 400 th. € (-31.8%).

Total operating expenses was shaped at € 278.6 mn from € 309.3 mn in 2011 falling by € 30.8 mn (-9.9%) compared with 2011. In particular the cost of sales in 2012 decreased by € 10 mn (-4.6%) and amounted to € 207.2 mn from € 217.2 mn in 2011, while towards the same direction were shaped the administration expenses, that declined by 13.6 € mn (-23%) and the distribution expenses which decreased by € 7.2 mn (-21.7%).

The result of all the above mentioned developments was the Gross Profit Margin – despite the turnover decrease - to increase by € 4.8 mn (+3.4%), reaching € 146.2 mn from € 141.4 mn in 2011 as explained in the following paragraphs. Gross Profit Margin as a percentage of turnover was shaped at 41.4% from 39.4% in 2011.

Regarding the evolution of operating expenses according to their category, the largest decrease occurred in the category of labor costs by € 55.6 mn (-33.6%). The majority of this decrease is due to reductions in salaries and wages by € 26.9 mn (-23.2%) and social security contributions by € 3.1 mn (-13.4%), following the alignment of the Company to the requirements of l.4024/2011. Significant change occurred in the provisions of health care to beneficiaries amounting to € 24.8 mn (-108.2%) because of immediate recognition of negative past service costs € -20.4 mn in period expenses resulting from actuarial study. This amount was mainly due to higher contributions for health care for retirees from 2.55% to 4%. A reduction occurred also in the headcount by 159 people, as on 31/12/2012, 2,512 employees were included in the Company's payroll compared to 2,671 employees on 31/12/2011.

An increase was noted in the category of third parties expenses and allowances, reaching € 41.7 mn in 2012 from € 41.1 mn in 2011, producing a rise by 1.5%.

Utility expenses increased by € 2.7 mn (+6.5%) and amounted to € 44.1 mn from € 41.4 mn in 2011.

Provisions for bad debt and provisions for litigation cases increased by 98.4% or € 19.1 mn..

In thousands €	*Provisions for Bad Debt*	*Provisions for Litigation cases*

2005	5,107	8,699
2006	2,689	2,033
2007	3,420	1,218
2008	4,313	-329
2009	2,958	426
2010	12,078	8,103
2011	8,481	11,021
2012	29,133	8,584

The provision of the financial use of € 29.9 mn resulted in an increase of the balance of accumulated provision for bad customers to € 85.7 mn, which represents a percentage equal to 22% of the gross customers balance (shot-term trade receivables).

Historically, this percentage from 2004 to 2009 was shaped between 10-11%, while in 2010 and 2011 adjusted to 14% and 15% respectively.

In thousands €	***Allowance for Bad Debt***	***Trade Receivables before the Allowance for Bad Debt***	***Percentage***
	(1)	(2)	(3)=(1)/(2)
2004	18,181	184,179	10%
2005	23,288	211,183	11%
2006	25,977	256,043	10%
2007	29,397	275,831	11%
2008	33,900	308,748	11%
2009	35,834	313,800	11%
2010	48,049	339,939	14%
2011	56,530	378,545	15%
2012	85,663	395,705	22%

Depreciation for 2012 increased by 10.6% or € 3.3 mn and amounted to € 34.2 mn from € 30.9 mn in 2011 due to the inclusion of more fixed assets in the productive operating procedures of the company.

Financial expenses increased by 8.7% reaching € 17.2 mn from € 15.8 mn in 2011, while financial revenues also increased by € 0.5 mn and reached € 5.3 mn from € 4.8 mn in 2011.

Short-term borrowing on 31/12/2012 was shaped at € 185.5 mn from € 201.7 mn on 31/12/2011, a decrease of € 16.2 mn (-8%).

Taking into account the above mentioned data, earnings before taxes amounted to € 61.9 mn from € 35.5 mn in 2011, increased by 74.4%. Income tax was shaped to € 15.2 mn from € 9.4 mn. in 2011 increased by 60.5%.

Earnings after taxes rose at € 46.8 mn in 2012 from € 26.1 mn in 2011, increased by 79.5%.

Operating Cash Flow increased significantly and amounted to € 61.3 mn from € 18.6 mn in 2011. The Investment Cash Flow amounted to € 8.4 mn in 2012 from € 17.8 mn in 2011.

Free Cash Flows derived from the difference between the Operating and Investment Cash Flows, amounted to € 52.8 mn, from € 0.7 mn in 2011.

The effect of the subsidiary and associate company in the consolidated accounts is negligible and does not need further analysis.

C. BUSINESS HIGHLIGHTS DURING FISCAL YEAR 2012

Transfer of 27.3% of the Company's share capital from the Hellenic State to HRADF

According to relevant notification dated 27.1.2012, 29,074,500 shares of EYDAP S.A., and the equal number of voting rights, i.e. 27.30% of the share capital of the Company, were transferred from the Hellenic State to the "Hellenic Republic Asset Development Fund''. The transfer was the result of an OTC market transaction, pursuant to paragraphs 4 and 5 of Article 2 of the Law 3986/2011 (GG 152/A) and Decision no. 195/2011 (GG 2501/B) of the Ministerial Committee for Asset Restructuring and Privatization.

It is worth noting that after the transaction, the percentage of the Hellenic government in the share capital of EYDAP S.A. was 34.03%.

Since the Hellenic government controls 100% of the "Hellenic Republic Asset Development Fund'', it indirectly controls the above voting rights.

Transfer of 34.03% of the Company's share capital from the Hellenic State to HRADF

According to relevant notification dated 11.5.2012, 36,245,240 shares of EYDAP S.A., and the equal number of voting rights, i.e. 34.033% of share capital of the Company, were transferred from the Hellenic State to the "Hellenic Republic Asset Development Fund''. The transfer was the result of an OTC market transaction, pursuant to paragraphs 4 and 5 of Article 2 of the Law 3986/2011 (GG 152/A) and Decision no. 195/2011 (GG 2501/B) of the Ministerial Committee for Asset Restructuring and Privatization.

It is worth noting that now the percentage of the Hellenic government in the share capital of EYDAP S.A. is 0%.

Since the Hellenic government controls 100% of the "Hellenic Republic Asset Development Fund'', it indirectly controls the above voting rights.

Annual General Meeting of Shareholders

According to the law and the article 27 of the Articles of Association and after the invitation of the BoD, the 30th Annual General Meeting of Shareholders, was held on June 12, 2012 at the Company's headquarters, 156 Oropou str, Galatsi.

Due to the fact that there was no legal quorum, as the attending shareholders didn't represent the 51% of the paid-up share capital, the Annual General Meeting couldn't convene validly on the issues of the agenda and aborted.

Repetitive Annual General Meeting

According to the law and the article 27 of the Articles of Association and after the invitation of the BoD, the 30th Repetitive Annual General Meeting of Shareholders, was held on June 29, 2012 approved, among other a) the approval of the financial statements for the year

2011 together with the Report of the Board and Audit Report of Certified Public Accountants and b) the dividend distribution of 0.17 € per share.

Extraordinary General Meeting

The Extraordinary General Meeting held on November 19, 2012 elected Mr. Stylianos Stavridis and Mrs. Eleftheria Karachaliou as BoD Members.

Thereafter, the Board elected Mr. Stylianos Stavridis as President and CEO of the Company with the Decision 17824/19.11.2012.

It is noted that with the Decision 17825/19.11.2012, Mr. Dionysios Asimakopoulos , Member of BoD, was appointed as Vice President.

Claims from State and Municipalities

The debts of local authorities, constitute a serious impediment to the growth of the company. Therefore, besides the extended settlement program which is applied to the municipalities, the company is aiming to come to an agreement for the debts, via the undertaking of the networks operation. On 31/12/2012, the municipalities' debt, according to the record of overdue debts , reached the amount of € 213.647 th. (without surcharges). Similarly, the State debts on 31/12/2012, amounted to € 49.743 th. (without surcharges).

EYDAP NISON

The discussions and imprinting of the current situation on the island municipalities, continued in 2012. More specifically, the imprinting of the following island municipalities: Lefkada, Ydra, Sikinos, Folegandros, Kimolos, Agistri, Elafonisos, Naxos (and Herakleia, Shoinousa, Koufonisi, Donousa), Halki, Milos, Agathonisi, Amorgos, Oinouses, Psara, Tilos and Agios Efstratios. EYDAP NISON has already submitted a proposal in five of these municipalities, Lefkada, Ydra, Sikinos, Folegandros and Kimolos and soon it is expected to submit respective proposals to the other island municipalities.

Modernization of the Operation Sectors

EYDAP, in 2012 continued the implementation of all the actions that have been undertaken during the previous years concerning the modernization of its operation both with a view to enhance efficiency and improve the quality of customer service. Specifically, the above mentioned initiatives are listed below by sector:

With respect to **new operations**, EYDAP after signing the preliminary agreement for the takeover of the management of the water supply networks of the Municipalities of Spata-Artemida, Elefsina, Saronicos, Markopoulo Mesogaias, Marathon, Peania, Amarousio, Megara and Salamina, and in order to accelerate the agreement procedures with the Municipalities of Attica, a new draft contract for long-term management was approved by the Board of Directors, which is promoted to the Municipalities of East Attica for signature.
It is also completed: a) the progressive integration of small private water supply networks throughout Attica under EYDAP's jurisdiction and b) a proposal for receiving subsidy from

EPPERAA for the project of treated wastewater reuse from Psyttaleia and Thriasio WWTP for industrial and agricultural uses, reforestation, urban green irrigation and aquifer recharge, has been submitted.

With respect to **IT & Technology**, EYDAP in 2012 has proceeded in the implementation of the following activities:

1. In the telecommunications sector

- The gradual replacement of the means of communication of voice network from conventional circuits to IP was in progress.
- Centralized management of installed systems for uninterrupted power supply UPS of the Company.

2. In the sector of infrastructure & technology

- Within the frame of supporting the operation of EYDAP's Business Operation Center, interface and events reporting applications from the Remote Control System of the company have been implemented
- EYDAP's Internal Website (thalassa) was upgraded and enriched with new areas for the organization improvement of various departments in the Company.
- The implementation of a new corporate website from an external contractor has been started.
- An infrastructure for secure access to corporate email and to business applications from the web was implemented.
- Satellite & Wireless LMDS Connections to remote and problematic facilities of EYDAP was installed.

1. <u>In Business and Finance Sector</u>

In January 2012 began the productive operation of the new ERP «SAP - Business One» that replaced the ERP "ORAMA" system. The project was part of the modernization of the information systems of the company. The ERP «SAP - Business One» system includes the subsystems:

− General and Cost Accounting
− Warehouse (accounting function).
− Asset Management
− Costing function
− Customers Management – Billing (for those not included in the customer service system-BCC)
− Banks – Loans – Securities Management.

• Since 1/1/2012 the new Procurement Management System (SAP Business One subsystem) has been put into operation and includes the following functions:

− Rules framework for suppliers selection and evaluation
− Suppliers key data management
− Items and services connection to suppliers
− Tenders preparation, execution and monitoring for the procurement of goods and services.
− Benchmark option for the evaluation of the tenders financial offers.
− Automatic transformation of a tender to order.

The new system replaced the existing Procurement Management Subsystem "ORAMA-Supplies» and its implementation on the same platform as the new centralized ERP ensures the reliability of input data and full synchronization with the ERP.

- In June 2012, the new operating system **"Automatic Electronic Order Management Applications"** started its productive operation. The new software is part of the **«SAP Business One»** platform, so as to work in harmony with the ERP and Procurement systems that are found on the same platform. The new information system includes three general categories of functions:

  a) The input function of the Application Order

  b) The approval function of the Application Order and

  c) The monitoring of the progress of each application until it is converted into an order.

  The benefits of the new system are summarized below:
  - Elimination of the traditional forms of Applications
  - Fast approvals flow through a user-friendly environment.
  - Easy access to all information and progress of each application

2. <u>Customer Applications</u>

- The capability of customer debt management and bulk sending of relative letters was included in the "Customer System" (BCC). By integrating this capability, the application «Collections» was replaced, resulting in faster, more efficient and safer notification of the customer. Moreover, the maintenance costs were nullified since it is now run from the Division of Information and Technology.
- The capability of monitoring the process for the ISO standards for the Customer Service Division, was included in the "Customer System" (BCC), resulting in the abolishment of existing independent application and zero maintenance costs.
- The integration of new contracting partners (OPAP agents) for online payment accounts in their agencies, is in constant evolution and enrichment.
- The integration of new features in electronic payment systems is in constant evolution and enrichment.
- The implementation of the "New Supply" application, completed the request for a new supply at the Water Supply Technical Departments.
- The process of updating EYDAP's website with customer data was reconstructed.

3. <u>Geographic Information System (GIS) Sector:</u>

- The buildings identification between GIS, Customer System and Sewerage Portal continued.
- An application for the management of water supply isolation was developed.
- The url of the internet application was extended.
- An application for the counting of the sewerage pipes hydraulic error was developed.

- A tool for the selective visibility of the sewerage network was developed.
- An application for the correlation of sewage damage per building was developed.
- Continuous provision of networks digital data to interested parties outside EYDAP.
- 10 licenses of Smallworld software were procured for the needs of the Operational Centre & 1022.
- Health check points were procured.

With regards to **Human Resources Development,** the Division of Professional Training and School Academy of EYDAP S.A., having as core philosophy that training and development go hand in hand, was designed to record and maintain the Company's know-how, to diffuse the accumulated expertise to all employees, to develop training programs for the needs of municipal water and wastewater operators, to reinforce the extroversion of the Company through training services provision abroad and finally to establish future cooperation with higher educational Institutions.

For this purpose, there has been developed an educational program covering the following areas: technical (water and sewage networks and facilities), management, business development, economic, public relations and communication. The entire training program is supported by the respective handbooks, which have been prepared in-house by executives and is designed to provide focused and financially rational training.

In 2012, trainings were held in two semesters, including modules for water supply and sewerage technical issues, information and technology, foreign languages, but also financial and administrative modules. In particular, during the first semester 93 modules were held with 2,968 staff participations. Also, during the second semester 54 modules were held, with 991 staff participations.

The implementation of the training program in both the two semesters was mainly based on internal lecturers (88 in the first semester and 44 in the second), with the aid of external lecturers (5 in the first semester and 10 in the second).

Using internal lecturers for the implementation of the training programs provides the opportunity to use the accumulated experience and expertise of senior managers and at the same time allows costs control. In addition, when appropriate, freelance lecturers are recruited, according to specific strict selection criteria.

Additionally, since 2011 operates on the internal portal of the Company an electronic library of the Academy School, where is posted the module guide, the schedule for every semester and all relevant notices.

Last but not least, remarkable was the publication in July 2012 of the overall educational program in an elegant book, where the training material is presented on tables by employee categories and modules and then in full expansion per lesson plan.
Finally, it should be noted that the implementation of the educational program is fully supported by a modern IT application entitled education.

With regards to **customer service**, the services provided are fully aligned not only with the excellent quality, the customer demands, the processing time of work and the optimal financial results for the company, but also with our internal and external customers. The main goal for 2012 as well was the fulfillment of the three main dimensions of market success: quality, time, cost. More specifically, the Division of Customer Service:

- Exploits all the information systems available in the Company focusing on the Billing System and Basic Customer Queries Management (BCC), in order to achieve the reduction of time needed to meet customer demands.
- Leverages the electronic communication channel with customers for information regarding the services provided by EYDAP, the processing of customer demands, as well as issues relating to their water supply meter.
- Automatic Payment Systems (APS) have been applied.
- Continues the cooperation with the Citizen Service Centres (KEP), which are an additional channel for customer requests.
- Exploits Collections System for liquidation of customer debts.
- Ensures the configuration of a friendly environment at the Customer Service Centers.
- Continues to work effectively with the authorities "Greek Ombudsman" and "Consumer's Counsel".

Finally, it is worth noting that the Customer Service Department satisfies the requirements of procedures standardization, as set in the ISO 9001:2008 certificate of TÜV HELLAS SA certification body.

The **Operations Center - 1022** consists of: a) The already operating call center 1022, b) the "Technology and Documentation Office", c) the "Operations Center Supervisors Body".

At a **first phase** (December 2011 to March 2012) 170 engineers staffed the Operations Center. The staffing was limited to the morning shift in order to allow the training of the staff of the Operational Centre and to give the opportunity to develop links between participants and create a sense of teamwork.

In April 2012, the Operations Center proceeded to the **second phase** of operation, during which 117 engineers staffed the Operations Center on a 24 hours basis.

The main responsibility of the engineers is the correlation of disparate information of function with the help of the existing digital tools of the Business Centre in order to support the individual technical departments.

Furthermore, this step is aiming to create a large number of employees with the necessary technical background, out of whom will be selected those that in the future will take over management tasks, and not just monitoring, for the operation of the company under normal but also in crisis conditions as well.

The Operations Center during the second phase of operation offers:

- Escalation of the operation alarms based on their relationship with the extended disturbances of the customers and damage/breakages - supporting technical areas & call center by providing this information, as needed.
- Escalation of customer complaints based on the frequency complaint - support of the technical divisions and call center, providing them with the required information.

- Support to the technical divisions in order to discover hidden problems at the operation (such as the pressure drop out of an isolated area).
- Maintenance of detailed relevant digital database of the operation.

The relatively simple instructions for the above issues are notified to all monitoring engineers through digital tools of the Department (announcements at the website, video) and through specific workshops held by the Training and Academy Division. In the training sector, the Operations Centre was the reason to a total of 16 workshops related to the operation of EYDAP's networks. The Centre maintains a digital library, which is useful both for education reasons (on a daily basis for the engineers' shift) and for confronting crisis situations (it summarizes the operation and does not depend on heavy network bases that may not function in a crisis incident).

The Operations Center, in 2012, has been a driving force for the innovation of centralized data collection tools, monitoring, analysis, classification (rating) and on-line reporting of operation dynamic data. The Centre in collaboration with the Department of Information and Technology, using the experience of their shift users-engineers, daily evolves digital tools for the operation monitoring. Such an example that has already been achieved is the spatial correlation of disparate incoming data (customer complaints, field operations, alarms function) and the «on-line daily operation report." In the field of tools designing, the Operations Center is preparing the Water Supply portal (Water Supply Interventions Implementation) in collaboration with the Water Supply Division and has already prepared (in an analysis stage) a new 1022 recording application.

Finally, the Centre has been the driving force behind the rapid adjustment of several technical departments in 1022, in demanding digital culture for operation monitoring, record keeping and communication (on-line reporting). Its collaboration with the Water Supply Technology Offices has dramatically enhanced the consumer information and the internal organization of water supply in dealing with everyday incidents.

In two conferences abroad (Skopje, Sofia) in 2012, the experience and data from the Operations Center were the base of presentations and discussions (WOP-SEE meetings) concerning the operation management of water supply systems.

Significant Events after the end of the fiscal year

In January 2013 a contract, according to which, the water supply network in the area of Panorama, at Acharnes was delivered to EYDAP by property, was signed.

EYDAP is also negotiating the undertaking, also by property, of parts of the water supply network of Vari - Voula - Vouliagmeni and Maroussi municipalities as well as the area of St. George at Aspropyrgos.

In February 2013, a Memorandum of Cooperation was signed between EYDAP and the Ministry of Shipping and Aegean. Under the Memorandum, EYDAP will provide technical-advisory services to the Greek State in integrated water and wastewater management at the islands. The collaboration starts with 15 islands as pilot project that will become the model for extending the solutions to all the islands in order to deal effectively with water and sanitation issues.

In the same month, a joint meeting of the President and CEO of EYDAP with 8 Mayors from Municipalities of Attica was held at the company's facilities in Galatsi, who expressed their willingness to concede the management of their municipal water supply networks to EYDAP. During the meeting, a draft contract was delivered to the Mayors, for the immediate signing.

Finally, in the beginning of March, the BoD of EYDAP decided (BoD decision 17929-18/2/2013), the cash payment over the increase of share capital of "EYDAP NISON SA", by 30,000€, by issuing 10,000 new shares of nominal value 3€ each.

D. RISKS AND UNCERTAINTIES

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 the Board of Directors. The Board of Directors 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 however 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 concerns loans. Loans under variable rate result in cash flow risk for the Company.

Sensitivity Analysis of loans under cash flow risk in Interest rate changes		
	Interest rates Variability	**Impact in EAT**
- 2012	+1%	(1,894)
	-1%	1,894

(b) Credit Risk

The Company's exposition in credit risk is confined on its financial Assets which can be analyzed as follows:

	GROUP	COMPANY

Categories of financial items	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Financial items in disposal	1,602	847	1,602	847
Cash flows and cash equivalents	43,106	21,975	43,072	21,920
Commercial and other claims	400,554	404,133	400,554	404,135
Long term claims	147,591	136,024	147,590	136,023
Investments in associates	53	130	542	542
Investments in subsidiaries	-	-	60	60
Total	592,906	563,109	593,420	563,527

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 the Company examines the potential collection of the respective due debt through contract agreements. The approximate amount of these claims is € 214 mn.

None of the Company's financial assets is insured by mortgage or any other form of credit insurance. The available for sale financial items are assessed in their fair value that is their stock market value .As a result they are attributed in the level 1, according to IFRS 7, par.27b.

The timetable of **claims on maturity** is analysed as follows:

2012	**Not due**		**0-1 Months**	**1-6 Months**	**6Months-2 Years**	**2Years-5 Years**	**>5 Years**	**Total**
Private customers	22,321		14,481	25,935	28,229	22,098	12,564	125,628
Public	2,682		1,630	3,515	6,061	10,159	25,697	49,743

Municipalities	8,359		4,741	19,564	45,461	74,677	60,845	213,647
Total	**33,362**		**20,851**	**49,014**	**79,751**	**106,934**	**99,106**	**389,018**
2011	**Not due**		**0-1 Months**	**1-6 Months**	**6Months-2 Years**	**2Years-5 Years**	**>5 Years**	**Total**
Private customers	24,730		10,746	20,690	24,126	19,130	5,398	104,820
Public	3,208		1,311	6,114	8,418	8,387	23,632	51,070
Municipalities	8,750		4,315	17,497	55,057	61,077	46,981	193,677
Total	**36,688**		**16,372**	**44,301**	**87,601**	**88,594**	**76,011**	**349,567**

The accounting value of claims which have been renegotiated was on 31 December 2012 €72.4 and on 31 December 2011 € 48.2 mn.

(c) <u>Liquidity Risk</u>

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.

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

The timetable of the **Company's liabilities on maturity** date is analysed as follows:

2012	**0-1 Months**	**2-3 Months**	**3Months -6 Months**	**6 Months-12 Months**	**1-5 Years**	**>5 Years**	**Total**
Loans	22,177	7,815	155,488		-	-	185,480
Creditors & others	53,647	17,330	6,748	14,795	91,047	205,897	389,464
Total	**75,824**	**25,145**	**162,236**	**14,795**	**91,047**	**205,897**	**574,944**
2011	**0-1 Months**	**2-3 Months**	**3Months -6 Months**	**6 Months-12 Months**	**1-5 Years**	**>5 Years**	**Total**
Loans	7,006	85,123	33,600	75,945	-	-	201,674
Creditors & others	59,735	16,876	4,992	9,960	86,218	211,869	389,650
Total	**66,741**	**101,999**	**38,592**	**85,905**	**86,218**	**211,869**	**591,324**

E. CORPORATE GOVERNANCE STATEMENT

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

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

(a) Code of Corporate Governance
(b) Board of Directors and Audit Committee
(c) Shareholders' Meeting and Rights

(d) Internal Audit and Risk Management
(e) Other managerial, supervisory bodies or Committees of the Company

i. Code of Corporate Governance

EYDAP has compiled a Corporate Governance Code, customized to the needs and obligations of the Company. This Code can be found at the corporate website: www.eydap.gr.

Apart from the website, the Code is also available to all staff via the company's intranet (THALASSA INTRANET).

Practices of Corporate Governance that the Company implements over the provisions of the law

The Company within the framework of implementing a structured and adequate corporate governance system has implemented specific practices of good corporate governance as provided by relevant laws CL 2190/1920, 3016/2002, 3693/2008 and 3873/2010, 3884/2010 and the Corporate Governance Code of the Hellenic Federation of Enterprises - SEV (www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf).

ii. Board of Directors & Audit Committee

Constitution and operation of the Board of Directors

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

The General Meeting of Shareholders has authority to determine the number of members of the Board of Directors as well as to increase or decrease such number, always within the limits specified in the Company's Articles of Association. The Board of Directors is composed of:

(a) Two (2) representatives of Company employees elected (along with an equal number of alternate representatives) by direct and universal vote;

(b) Two (2) members representing minority shareholders, elected as provided for in article 36 of the Company's Articles of Association;

(c) Shareholder representatives, elected by the General Meeting.

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

Convocation of the Board of Directors

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

The Board of Directors holds ordinary meetings once each calendar month, and also holds extraordinary meetings if so deemed necessary by the Chairman. The agenda of the Board of Directors' meetings is established by the Chairman and the agenda items are included in the notice to the meeting sent to the directors.

The notice to the meeting is advised to the members of the Board of Directors at least two (2) business days prior to the day of the meeting and shall clearly indicate the agenda items; otherwise, decisions may be adopted only if all members are present or represented at the meeting and no one objects to the passing of decisions. As to the rest, the provisions of article 20 of C.L. 2190/1920, as applicable, shall apply.

The Board of Directors may be convened upon the request of two (2) of its members, by applying to the Chairman of the Board of Directors, who is required to convene the Board of Directors within a time period of ten (10) days as of the submission of their application. In case of refusal by the Chairman to convene the Board of Directors within the said time period or in case of late convocation, the requesting members may themselves call a meeting of the Board of Directors within five (5) days as of the expiration of the said ten-day period, advising the relevant notice to the other members of the Board of Directors. The application of such requesting members must clearly indicate the agenda of the meeting, otherwise such application shall be dismissed.

The Board of Directors may also hold its meetings outside the registered office of the Company, at another place, in Greece or abroad, if all its members are present or represented at the meeting and no one objects to the holding of the meeting and the passing of decisions.

Quorum - Majority – Representation of Members

The Board of Directors is in quorum and may validly transact its business when one half plus one director are present, subject to the provisions of paragraphs 4, 4a and 5 of article 11 of the Company's Articles of Association. To find the number constituting a quorum, any resulting fraction is omitted. At no time can the number of directors attending in person be less than three. The decisions of the Board of Directors are passed by absolute majority of the members present. In case of a tie, the Chairman of the Board of Directors does not have a casting vote. In case the Chairman is absent or prevented from acting, the meeting is presided over by the Chairman's deputy. The meetings of the Board of Directors may be attended by scientific advisors, legal or otherwise, and experts, without the right to vote, as well as by the Director of the Legal Department of the Company, if invited to attend by the Chairman or the Board of Directors, and if the Director of the Legal Department is absent or prevented from acting by another lawyer as instructed by the Chairman of the Board of

Directors. All the directors have the right to be advised in writing, by the Chairman and the Managing Director, on the management of the Company and the course of the corporate affairs in general. A director who is absent may be represented by another director, by means of written authorization to this effect. Each director may represent only one absent director.

Minutes are kept for each meeting of the Board of Directors; such minutes are ratified at the same or the next meeting. Copies or extracts of the Minutes are attested by the Chairman or his deputy or by another member of the Board of Directors authorized to this effect under a decision of the Board of Directors. The Minutes of the Board of Directors are entered in a dedicated book kept in a manual or computerized system and are signed by the Chairman and the directors who attended the meeting. Any refusal by a director to sign the Minutes is entered in the minutes. All directors have the right to have their opinion entered in the Minutes.

Authority and powers of the Board of Directors

The Board of Directors is the supreme administrative body of the Company that primarily formulates the corporate growth policy and strategy while supervising and overseeing the management of the corporate property.

The Board of Directors has authority to decide on all matters with respect to the management of the corporate property, the administration and representation of the Company and the corporate business in general, and proceeds with all action and decisions aimed at the fulfillment of the Corporate object; the Board of Directors also monitors the course of the Company and the implementation of its activities. Excepted are those issues and matters which, under the provisions of the Law or the present Articles of Association, fall within the exclusive authority of the General Meeting.

Delegation of power by the Board of Directors

The Board of Directors, under the restrictions stipulated by Law and the Articles of Association, may decide to delegate the exercise of its powers or authorities in part to the Chairman or the Managing Director or a member or members of the Board of Directors or Company Managers or employees or third parties.

Information concerning the members of the Board of Directors

The members of the Board of Directors for the period from 01/01/2012 to 31/12/2012 were as follows:

1. **Board of Directors' Composition from 01/01/2012 to 31/12/2012**

a. *From 01/01/2012 to 03/07/2012*

Themistocles Lekkas, Chairman of the BoD
Nikolaos Bardis, CEO
Antonios Antonopoulos, Member
George Kontoroupis, Member
Panagiotis Beis, Member
Dionysis Asimakopoulos, Member
Antonios Kotsonis, Member
Nikolaos Kogioumtsis, Member
Epaminondas Sklavenitis, Member
Panagiotis Skoularikis, Member

Christos Mistriotis, Member
Emmanuel Aggelakis, Member
Evangelos Moutafis, Member

b. *From 04/07/2012 to19/11/2012 (resignation of Panagiotis Beis)*

Themistocles Lekkas, Chairman of the BoD
Nikolaos Bardis, CEO
Antonios Antonopoulos, Member
George Kontoroupis, Member
Dionysis Asimakopoulos, Member
Antonios Kotsonis, Member
Nikolaos Kogioumtsis, Member
Epaminondas Sklavenitis, Member
Panagiotis Skoularikis, Member
Christos Mistriotis, Member
Emmanuel Aggelakis, Member
Evangelos Moutafis, Member

c. *From 19/11/2012 to 31/12/2012 (resignations of Themistocles Lekkas and Nikolaos Bardis, election of Stylianos Stavridis and Eleftheria Karahaliou)*

Stylianos Stavridis, Chairman and CEO
Eleftheria Karahaliou, Member
Antonios Antonopoulos, Member
George Kontoroupis, Member
Dionysis Asimakopoulos, Member
Antonios Kotsonis, Member
Nikolaos Kogioumtsis, Member
Epaminondas Sklavenitis, Member
Panagiotis Skoularikis, Member
Christos Mistriotis, Member
Emmanuel Aggelakis, Member
Evangelos Moutafis, Member

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

a. Resignation dates of BoD Members

- 03/07/2012 resignation of Panagiotis Beis
- 19/11/2012 resignation of Themistocles Lekkas
- 19/11/2012 resignation of Nikolaos Bardis

b. Resolutions of General Assembly and BoD for the election of new Members

- Resolution of Extraordinary General Assembly at 19/11/2012, election of Stylianos Stavridis and Eleftheria Karahaliou. Decision of BoD 17824/19.11.2012 election of Stylianos Stavridis as Chairman of BoD and CEO.

It is noted that with the BoD Resolution no.17825/19.11.2012, Mr. Dionysis Asimakopoulos, Member of BoD, was appointed as Deputy Chairman.

3. Number of BoD meetings from 01/01/2012 to 31/12/2012

During the above mentioned time period the BoD held twenty nine (29) meetings (1061/16.01.2012-1076/27.06.2012 and 1079/23.07.2012-1091/31.12.2012). The BoD meetings no 1077/04.07.2012 and 1078/17.07.2012 were convened but were postponed.

Audit Committee

The Company in compliance with the provision of article 37 of Law 3693/2008 has established and Audit Committee.

<u>Composition of the Audit Committee from 01/01/2012 to 31/12/2012</u>

<u>BoD Resolution 17453/28.11.2011</u>
Antonios Antonopoulos, Chairman
Epaminondas Sklavenitis, Member
Christos Mistriotis, Member

<u>Number of Audit Committee meetings from 01/01/2012 to 31/12/2012</u>

During the above mentioned time period the Audit Committee held **four (4) meetings.**

The authorities and obligation of the Audit Committee are:
a) the observation of the procedure of financial information,
b) the observation of the efficient operation of the system of internal audit and the system of risk management, as well as the observation of the correct operation of the internal auditors of the company
c) the observation of the course of the obligatory check of the financial statements company
d) the observation of issues contingent to the existence and preservation of the independence of the auditor especially on what concerns the providing of other services from the auditor.
Mission of the Audit Committee is the insurance of efficiency of the company's proceedings affairs, the control of the credibility of the financial information that is provided to the investing community and the shareholders of the company, the compliance of the company with the laws, the safeguard of investments and assets of the company and the detection and confrontation of the most important risks.
The operating framework and powers of the Committee has been determined by the Board of Directors Resolution (BoD Res. 14995/2004).

(c) Shareholders' General Meeting & Rights

Operation and Powers of the General Meeting

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

a) On any amendment of the Articles of Association; the increase of decrease of the capital of the Company is considered to be an amendment subject to para. 4 of article 8 and para. 5 of article 9 of the Articles of Association;
b) On the election of the members of the Board of Directors and the auditors subject to articles 11 and 13 of the Articles of Association;
c) On the approval of the annual financial statements of the Company;
d) On the appropriation of the annual profits and the approval of the emoluments to members of the Board of Directors;

e) On the discharge of the members of the Board of Directors and Auditors from any personal liability;

f) On the issue of bond loans of any type, subject to para. 4 of article 9 of the Articles of Association;

g) On the merger, division, conversion, revival, extension of the term and dissolution of the Company;

h) On the appointment of liquidators.

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

Convocation of the General Meeting

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

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

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

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

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

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

General Meeting Notice - Agenda

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

The said notice is published ten (10) clear days in advance in Government Gazette, Bulletin of Corporations and Companies with Limited Liability and twenty (20) clear days in advance in the said daily or weekly political and financial newspapers. In the case of a repeat General Meeting the above time periods set for the publication of the notice are shortened by half and the notice is to be published as above specified. It is noted that non business days are counted in the above stipulated time periods, however the day of publication of the notice to the General Meeting and the day on which the General Meeting session is held are not counted.

Within the same twenty-day (20-day) period the notice is communicated to the Ministry of Finance and the Ministry of Infrastructure, Transport and Networks. Ten (10) days before the date set for the Ordinary General Meeting, any shareholder may obtain from the Company the annual financial statements, as well as the relevant reports by the Board of Directors and the Auditors.

Shareholders Participation at the General Meeting

Each share affords its owner the right to one vote at the General Meeting.

In the Shareholders General Meeting anyone who appears as a shareholder in the Dematerialized Securities System which is managed by Athens Stock Exchange S.A. has a right to participate. The proof of shareholders identity is established by the relevant written assurance of the above mentioned organization or by direct electronic connection of the Company with the organization. The person must be a shareholder five (5) days before the General Assembly (record date), and the relevant receipts or the electronic receipts concerning the shareholding capacity must come to the company at the latest the third (3) day before the General Assembly.

The shareholder participates in the General Meeting and votes either in person or via proxies. Each shareholder may appoint up to three (3) proxies. Legal entities may participate in the General Meeting appointing as proxies up to three natural entities. However, if the shareholder owns shares of the company that appear in more than one accounts, he may appoint different proxies. A proxy that acts on behalf of different shareholders may vote differently for each shareholder. The proxy holder is obliged to disclose to the Company, before the commencement of the General Meeting, any fact which might be useful to the shareholders in assessing whether the proxy holder might pursue any interest other than the interest of the represented shareholder. A conflict of interest within this context may in particular arise where the proxy holder:

a. Is a controlling shareholder of the Company, or is another entity controlled by such shareholder;

b. Is a member of the Board of Directors or the management of the Company, or of a controlling shareholder or an entity controlled by such shareholder;

c. Is an employee or an auditor of the company, or of a Controlling shareholder or an entity controlled by such shareholder;

d. Is a spouse or close relative (of 1st degree) with a natural person referred to in points (a) to (c).

The appointment and reverse of a proxy takes place in writing and is announced to the company at least three (3) days before the date of the General Meeting.

The forms for the appointment and revocation of a proxy holder are available on the Company's website. The appointment form of a proxy holder, completed and signed by the shareholder must be submitted to the Company at least 3 days before the date of the General Meeting. The shareholders are requested to ensure the successful dispatch of the form and receipt thereof by the Company.

The (Hellenic) State attends the General Meeting represented by the Minister of Finance or his representative authorized in writing by the Minister of Finance. The General Meeting may also be attended, without voting right, by the Minister supervising the Company or his representative authorized in writing by the said supervising Minister. Specifically for the election of the members of the Board of Directors, the State, as a shareholder, is represented at the General Meeting by the Ministers of Economy and the supervising Minister or the official authorized by them.

The fulfilling of the above mentioned rights (attendance and voting) does not require the prior bound of the shareholders΄ shares or any other procedure that limits the possibility of selling or transferring shares in the time between the record date and the date of the General Meeting.

In the General Meeting only those who are shareholders in the said date have a right to participate in the General Meeting. In case of non compliance to article 28a of the law 2190/1920, the said shareholder participates in the General Meeting only after its license.

Ordinary quorum and majority vote at the General Meeting

A quorum shall be present and the General Meeting may validly transact the business contained in its agenda, when at least fifty one per cent (51%) of the paid-in share capital is represented thereat.

If no such quorum is present at the first meeting, a reiterative meeting shall be held within twenty (20) days as of the day of the cancelled meeting, upon a prior notice of at least ten (10) days, whatever the part of the paid-in share capital represented thereat.

All resolutions of the General Meeting are passed by absolute majority of the votes represented at the Meeting.

Qualified quorum and majority vote at the General Meeting

Exceptionally, a quorum shall be present and the General Meeting may validly transact the business contained in the following agenda when two thirds (2/3) of the paid-in share capital are represented thereat:

a) Change of the nationality of the Company;

b) Change of the object of the corporate business;

c) Increase of the shareholders' obligations;

d) Share capital increase, except for increases under article 8 (paragraphs 2 and 3), of the Articles of Association or those imposed under provisions of Law or effected by means of capitalization of reserves;

e) Share capital reduction;

f) Issuance of a bond loan, subject to the provisions of article 9, para. 4, of the Articles of Association;

g) Change of the manner of appropriation of profits;

h) Merger, division, conversion, revival, term extension or dissolution of the Company;

i) Delegation or renewal of power to the Board of Directors for Share Capital increase or issuance of a bond loan pursuant to article 8, para. 2 and 3, and article 9, para. 4, of the Articles of Association;

j) In any other case for which the Law and the present Articles of Association stipulate that, for the adoption of a certain resolution by the General Meeting the special qualified quorum provided for in this paragraph is required.

If the quorum specified in the preceding paragraph is not present in the first meeting, a first reiterative meeting shall be held within twenty (20) days as of such first meeting, upon a notice of a minimum of ten (10) days in advance; such meeting shall form a quorum and may validly transact the business contained in the original agenda if at least one half (1/2) of the paid-in share capital is represented thereat.

If again no such quorum is present, then a second reiterative Meeting shall be held within twenty (20) days as per the above; such meeting shall form a quorum and may validly transact the business of the original agenda if at least one third (1/3) of the paid-in share capital is represented thereat.

All resolutions under paragraph 1 of this article are passed by a majority of two thirds (2/3) of the share capital represented in the General Meeting.

Minority Rights

On the requisition of shareholders representing one twentieth (1/20) of the paid-in share capital, the Board of Directors is required to call an Extraordinary General Meeting of shareholders and set a date for it not being more than thirty (30) days from the date such requisition was submitted to the Chairman of the Board of Directors. The requisition must accurately specify the agenda items.

On the requisition of shareholders representing one twentieth (1/20) of the paid-in share capital, the Chairman of the General Meeting shall adjourn, but only once, the adoption of a resolution by the Ordinary or Extraordinary General Meeting on all or some agenda items, and fix a new session for deciding on such resolution, on the date mentioned in the requisition of the shareholders, which may not, however, be later than thirty (30) days from the day of such adjournment. Such adjourned General Meeting is a continuation of the previous one and the publication formalities need not be observed anew; this Meeting may also be attended by new shareholders, subject to the provisions of articles 27, para. 8, and 28 of C.L. 2190/1920, as applicable, and of the present Articles of Association.

On the requisition of shareholders representing one twentieth (1/20) of the paid-in share capital, submitted to the Company five (5) clear days before the Ordinary General Meeting, the Board of Directors is required to:

a) Inform the General Meeting of the amounts which were paid during the last two-year period by the Company for whatever reason to members of the Board of Directors or to the Managers or other employees of the Company as well as of any benefit by the Company to the above persons or any agreement whatsoever existing between the Company and such persons;

b) Supply any requested information regarding the affairs of the Company insofar as such information is useful for an actual evaluation of the agenda items. The Board of Directors may refuse to supply the requested information for sufficient reasons which shall be entered in the Minutes.

On the requisition of shareholders representing one third (1/3) of the paid-in share capital, submitted to the Company within the period specified in the preceding paragraph, and provided such shareholders are not represented in the Board of Directors, the Board of Directors is required to give to them during the General Meeting or to their representative before such meeting, information with regard to the course of the corporate affairs and the status of its property. The Board of Directors may refuse to provide such information, for sufficient and substantial reasons which shall be entered in the Minutes.

In the cases mentioned in the second subparagraph of paragraph 3 and in paragraph 4 of article 35 of the Articles of Association, any dispute as to the soundness of the reasons for refusal shall be resolved by the competent One-Member Court of First Instance of the district where the company's registered office is located, in accordance with the injunction procedure. In its judgment the Court may instruct the Company to provide the denied information.

On the requisition of shareholders representing one twentieth (1/20) of the paid-in share capital, the passing of a resolution by the General Meeting on any given item of the agenda of the General Meeting shall be effected by roll call.

Shareholders of the Company representing at least 1/20 of the paid-in share capital have the right to demand an inspection of the Company by applying to the competent Court of the district where the registered office of the Company is located. In case the Company engages Certified Chartered Accountants registered with the Chartered Accountants Association pursuant to article 75 of Law 1969/1991, Presidential Decree 226/1992 and Presidential Decree 227/1992 for carrying out the audit of the Company, this right shall be reserved to shareholders representing at least 1/10 of the share capital. Such inspection shall be ordered if by the alleged acts it seems probable that the provisions of Law or the Articles of Association or the resolutions of the General Meeting have been violated and provided the alleged acts were committed within a period of time not exceeding two years from the date of approval of the annual financial statements of the year in which such acts were committed.

Shareholders of the Company representing one third (1/3) of the paid-in share capital may apply to the competent Court, as per the provisions of the preceding paragraph, for the issuance of an inspection order if from the whole course of the corporate affairs it can be assumed that the management of these affairs is not exercised as required by the principles of sound and wise administration. This provision shall not apply if the requesting minority is represented in the Board of Directors of the Company.

By application of the shareholders that represent one twentieth (1/20) of the share capital, the BoD is obliged to add additional matters in the agenda that has already convene, if the relevant application comes to the BoD at least fifteen (15) days before the General Meeting. The additional matters have to be published, under the responsibility of the BoD, according to art. 26 of the law 2190/1920, seven (7) days at least before the General Meeting. If these matters are not published, the applicants are entitled to ask the postponement of the General Meeting in accordance with paragraph 3 of Article 39 of the cl 2190/1920 and to engage themselves in the publication, as defined in the preceding paragraph, at the expense of the Company.

Upon application of the shareholders that represent one twentieth (1/20) of the share capital, the BoD gives out at least six (6) days before the date of the General Meeting, plans of decisions for matters that have been included in the initial or the revised agenda, if the relevant application has come to the BoD seven (7) days before the date of the General Meeting.

Following the request of any shareholder, communicated to the Company at least 5 full days before the General Assembly, the Board of Directors must provide to the General Assembly, the requested, specific information with respect to matters of the Company, to the extend this information is useful for the actual assessment of the items on the agenda.

In the aforementioned cases, the shareholders who are communicating a request must provide proof of their qualification as shareholders as well as the number of shares held by them at the moment of the exercise of the relevant right. The presentation of a certification of the Hellenic Exchanges S.A. or the verification of a shareholder's qualification through the direct electronic link of the Hellenic Exchanges S.A. and the Company, may be recognized as such proofs.

In line with article 27 paragraph 3, cases c, d, e of C.L. 2190/1920, all the documents, related to the exercise of voting rights, will also be available in hard copy at the Company's competent department.

Shareholders Rights and Obligations

Shareholders exercise their rights in connection with the management of the Company only through their participation at the General Meeting; outside this, only in the cases stipulated by Law. The rights and obligations under each share follow such share's legal owner and holder. Ownership of a share certificate entails the acceptance of the Articles of Association of the Company and of the resolutions of the General Meeting of shareholders, as well as the decisions of the BoD passed within the scope of their authority. The shares of the Company are indivisible as concerns the Company, with the Company recognizing only the owner for each share. Any ab indiviso co-owners of a share as well as its possessor or bare owners shall be represented at the General Meeting by only one person unanimously appointed by them. In case of failure to appoint a person who shall be the common representative of all beneficiaries, the BoD is required to suspend all rights deriving from such share. Each share affords the right to one (1) vote at the General Meeting and a right of sharing in the profits of the Company and its property in the case of liquidation.

Other Information

The information of article 27 paragraph 3 of C.L. 2190/1920 including the invitation, the forms of appointment and revocation of a proxy holder, the procedure of voting by proxy, the draft resolutions for the agenda items, as well as further information regarding the exercise of minority rights of article 39, paragraphs 2, 2a, 4 and 5 of C.L. 2190/1920 are available in electronic form on the Company's website (ww.eydap.gr).

(d) Internal Audit & Risk Management

Main characteristics of Internal Audit

The Internal Audit of the Company is conducted by the Internal Audit Division, according to the annual programme of audits.

It is noted that the control on the base of which the relevant report is drawn up within the law 3016/2002, as it stands (art. 7 & 8) as well as the Decision 5/204/2000 of the Hellenic Market Committee, as it stands after its alteration by the Decision of the BoD of the Hellenic Market Committee no 3/348/19.7.2005.

During the audit, the Internal Audit Division takes into account all the necessary books, files, bank accounts and portfolios of the company and asks for the complete and constant cooperation of the management, so that all the necessary information and data will be gathered, with the purpose to compile a Report that will include conclusions that do not entail substantial inaccuracies.

The scope of the audit is the evaluation of the general level and the procedures of the internal audit system. In any controlled period, several areas of audit are chosen, while the organization and operation of the BoD is constantly controlled as well as the Shareholders and Investor Relations Department and the Corporate Communications Department that operate under the law 3016/2002.

Risk Management related to the Financial Statements

The Company has invested in the development and maintenance of MIS infrastructure that ensure the correct display of figures. At the same time, an analysis of the results is made on a daily basis covering all the important fields of business activity. The actual, historical and budgeted figures are compared with adequate explaining of all the important deviations.

(e) Other Managerial or Supervisory Committees of the Company

No other committees exist at the time.

F. OUTLOOK

The water market attracts in recent years the interest of water management authorities, water supply corporations, and investors worldwide.
According to estimates published by international agencies, the outlook of water market is extremely positive. Many call water the “transparent gold”, since its consumption grows twice as fast world population, while its resources steadily decline.

Current reports indicate that demand expressed by almost one-third of world population is marginally covered due to restricted reserves, while 64% of world population is expected to face water shortage, to a bigger or smaller degree, by 2025.

Climate change and increasing demand for drinking water are parameters that render water as a valuable good for society and a promising commodity for corporations, setting new challenges and opportunities for further business initiatives. Nevertheless, one should also consider the adverse effects imposed by the dire financial context wherein EYDAP operates, the high amount of receivables from State and Municipal Authorities, and the absence of a tariff policy regime that would serve the company’s business plan, due to its ownership status.

It is obvious that in such a volatile financial and business context, it is hard to forecast long-term business developments. It is certain, though, that the company’s strategic choices and actions ensure its sustainable development and set the ground for further profitability and growth, upholding the interests of its customers and shareholders.

G. RELATED PARTY TRANSACTIONS

The following tables provide an overview of related-party transactions:

(a) Transactions and amounts outstanding with the Members of the Board

		31 December		31 December
		2012		**2011**
– Salaries (Chairman & CEO and Executive Directors)		116		132
– Salaries & participation fees of the Members of the Board of Directors		72		75
		188		**207**

(b) Transactions and amounts outstanding with the Greek State and the Municipalities

		GROUP			COMPANY		
		31 December		31 December	31 December		31 December
		2012		**2011**	**2012**		**2011**
1) Transactions							
– Revenues		66,961		69,320	66,961		69,323
– Cost of sales (construction contracts)		(1,382)		(3,084)	(1,382)		(3,084)
– Provisions		(23,835)		(7,288)	(23,835)		(7,288)
2) Outstanding amounts							
– Long term receivables (construction contracts)		112,063		110,598	112,063		110,598
– Long term receivables (Arrangements of Municipalities)		30,955		23,102	30,955		23,102
– Trade receivables		165,149		117,079	165,149		177,079
– Other receivables (coverage of Employees' end-of-service indemnity)		68,884		62,433	68,844		62,433
– No dividend set off liability		11,388		11,388	11,388		11,388

H. DISCLOSURES PURSUANT TO ARTICLE 4, PARAGRAPH 7 OF LAW 3556/2007 – SUPPLEMENTARY REPORT

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

a) Share Capital Structure

Pursuant to article 5 paragraph 3 of the Company's Codified Articles of Incorporation,
as approved by the 24th General Shareholders' Meeting of 30 June 2006, the Share Capital of the Company currently amounts to sixty-three million nine-hundred thousand euros (63,900,000) and is divided into 106,500,000 shares with a nominal value of sixty eurocents each (0,60).

Pursuant to article 7 paragraph 1 of the Articles of Incorporation the company's shares are registered and liability thereof is several. Each share affords its owner the right to one (1) vote in the General Meeting and pro-rata entitlement to the company's profits, as well as to the company's assets in case of liquidation.

b) Restrictions on the Transfer of the Company's Shares

The transfer of the Company's shares is carried out as provided by the effective legal framework without restrictions imposed by the articles of incorporation.

c) Major Direct or Indirect Shareholders, as Provided in Articles 9 to 11 of Law 3556/2007

Major direct or indirect shareholders, as provided in articles 9 to 11 of Law 3556/2007, whose stake exceeds directly or indirectly 5% of the total number of the company's shares are the following:

	Number of Shares	**% of Total**
Shareholders > 5%		
Hellenic Republic Asset Development Fund	65,319,740	61.33%
Piraeus Bank	10,648,800	10.00 %
Other Shareholders < 5%	**30,531,460**	**28.67 %**
TOTAL	**106,500,000**	**100.00 %**

d) Shares Conferring Special Control Rights

There are no shares that confer to their holders special control rights.

e) Restrictions on Voting Rights

The Company's Articles of Incorporation do not include restrictions on voting rights. Voting rights are regulated by articles 28 and 29 of the Company's Articles of Incorporation.

f) Agreements between Shareholders Entailing Restrictions on Share Transfer or Voting Rights

The Company is not aware of any agreements between its shareholders, which entail restrictions on the transfer of its shares or on the exercise of voting rights associated with its shares.

g) Provisions Concerning the Appointment and Replacement of the Members of the Board of Directors and the Amendment of the Articles of Incorporation

The provisions concerning the appointment and replacement of the Members of the Board of Directors are set forth in article 11 of the Company's Articles of Incorporation, which states the following:

Article 11: Composition and Term of the Board of Directors

1. The Company is managed by the Board of Directors; the number of members (Directors) is an odd number which may not exceed thirteen (13) or be less than seven (7). The General Meeting of shareholders has the authority to specify the number of Directors, as well as to increase or reduce such number, always in accordance with the provisions set forth in this paragraph.

2. The Board of Directors consists of:

(a) Two (2) representatives of the Company's employees, elected (along with their alternate members) by direct universal suffrage, in accordance with article 17, par.1, of Law 2469/ (Government Gazette A' 38), as in force from time to time.

(b) Two (2) members representing minority shareholders, in accordance with the provisions of article 18, paragraphs 3 and 5 of Codified Law 2190/1920, elected as per the provisions of article 36 hereof.

(c) Representatives of the shareholders, elected by the General Meeting; shareholders who participated in the Special Meeting provided for in article 36 hereof (concerning the election of the remaining members of the Board) may not participate in the said General Meeting.

3. The Board of Directors consists of executive, non-executive and independent non-executive members, in accordance with the provisions of articles 3 and 4 of Law 3016/2002, as in force from time to time.

4. The two (2) members elected by the Company's employees are appointed within two months of their election. Until their appointment, the Board of Directors convenes and resolves validly without these members. As of their appointment, the said members are included ipso jure in the Board of Directors; if the Board of Directors has already held its inaugural meeting, it convenes again to include the said members.

4. (a) Non-election, non-appointment or neglect on behalf of minority shareholders, for any reason whatsoever, to nominate their representatives may not prevent the Board of Directors from holding its inaugural meeting, nor from validly convening and resolving; the number of the said representatives is not taken into account in the calculation of majority and quorum.

5. In any event, the Board of Directors may convene and resolve validly without the representatives of employees, if the deadline specified in article 11, par. 4 hereof expires. In such case, their number is not taken into account in the calculation of majority and quorum.

6. Members of the Board of Directors are elected to a five-year term; this term is extended ipso jure until the nomination or election of new members (Directors), in accordance with the provisions of paragraph 2 of this article. Such extension may not exceed one (1) year.

7. Members of the Board of Directors may be freely recalled. Recall and replacement procedures are carried out by those who had the right to elect or nominate the members, in accordance with the provisions of paragraph 2 of this article. The General Meeting may replace any of the members (Directors) it had elected, as per paragraph 2, sub-paragraph (c) of this article, before their term expires.

8. The Directors may be re-appointed, re-elected or recalled for an unlimited amount of times.

9. The members of the Board of Directors may not be related with each other, by blood or marriage, up to the third degree, and may not be contractors or suppliers of the Company under any form, nor members of other Boards of Directors or employees of other companies that do business with the Company. Nevertheless, members of the Board of Directors or employees of an affiliate to the Company, as defined in article 42e of Codified Law 2190/1920, may be members of the Board of Directors of the Company.

According to article 25 hereof, the amendment of the Articles of Incorporation lies with the responsibilities of the General Meeting of shareholders.

h) Authority of the Board of Directors or Designated Members with Regard to the Issuance of New Shares or Share Repurchase

The authority of the Board of Directors with regard to the issuance of new shares is laid down in article 8 of the Articles of Incorporation, which provides for the increase, reduction and amortization of share capital. Paragraphs 1 to 4 of article 8 state the following:

1. In order for the Company to increase its share capital, a resolution of the General Meeting of shareholders which provides for the amendment of the relevant article of the Company's Articles of Incorporation is required; such resolution may only be passed by qualified quorum and majority vote, as per article 31 hereof.

2. (a) Without prejudice to par. 4 of this article, it is expressly stated that by resolution of the General Meeting, subject to the publication formalities stipulated in article 7b of Law 2190/1920, as currently in force, the Board of Directors may be authorized to decide by majority of at least 2/3 of its entire membership, to increase the Company's share capital in whole or in part, through the issuance of new shares, up to the amount of the paid-up capital at the date on which such authority was granted to the Board of Directors.

(b) The General Meeting may renew such authority to the Board of Directors for a period that does not exceed five years per renewal; every renewal is effected upon completion of the previous renewal. Such resolution of the General Meeting is subject to the publication formalities stipulated in article 7b of Law 2190/1920, as currently in force.

3. A share capital increase resolved as per the provisions of paragraph 2 of this article shall not constitute an amendment of the Articles of Incorporation.

4. As an exception to the provisions of paragraph 2 of this article, when the Company's reserves exceed 1/4 of the paid-up capital, in order for the Company to increase its share capital, a resolution of the General Meeting reached in accordance with the provisions of article 31 hereof ("Special Quorum and Majority Vote in General Meetings") is always required, pursuant to which the relevant article of the Company's Articles of Incorporation is amended.

With regard to share repurchase, the provisions of Law 2190/1920 apply without modifications.

i) Important Agreements Effected, Amended or Terminated in Case of Change of Management

There are no important Agreements effected, amended or terminated in case of change of management, pursuant to public offering.

j) Agreements with Members of the Board of Directors or with Employees

There are no agreements between the Company and members of the Board of Directors or employees concerning severance pay in case of resignation, unjustified dismissal or termination of tenure or employment due to public offering.

I. DIVIDEND POLICY

The Board of Directors intends to declare in the 31st General Meeting of Shareholders, scheduled for the 28th of June 2013, dividends for 2012 that amount to € 15,975,000.00 € (€ 0.15 per share).

The proposed dividend is 0.15 compared to the equivalent of 2011 0.17 € and is charged with tax deductions, according to Law 3943/2011, where applicable.

J. SIGNIFICANT EVENTS AFTER YEAR END

No matters or circumstances which may affect the Company's operations or financial structure have arisen since the end of the financial year (31 December 2012) and until this report was compiled.

K. RESEARCH & DEVELOPMENT

The Company has no significant activity in Research & Development.

Galatsi, 28 March 2013

THE MEMBERS OF THE BOARD OF DIRECTORS

Name	*Position*
Stylianos Stavridis	**Chairman of the BoD & CEO– Executive Member**
Antonios Antonopoulos	**Independent, Non-Executive Member**
Georgios Kontoroupis	**Non-executive Member**
Eleftheria Karahaliou	**Non-executive Member**
Dionysios Asimakopoulos	**Non-executive Member**
Antonios Kotsonis	**Non-executive Member**
Nikolaos Kogioumtsis	**Non-executive Member**
Epameinondas Sklavenitis	**Non-executive Member**
Panagiotis Skoularikis	**Non-executive Member**
Christos Mistriotis	**Non-executive Member**
Emmanouel Aggelakis	**Non-executive Member**
Evangelos Moutafis	**Non-executive Member**

Exact Copy of No 1099
Minutes of the Board of Directors
of 28th of March 2013

The Chairman and CEO

Stylianos Stavridis

ATHENS WATER SUPPLY AND SEWERAGE COMPANY S.A.

FINANCIAL STATEMENTS FOR THE ANNUAL PERIOD
1ST JANUARY TO 31ST DECEMBER 2012

ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

DOMICILIATION :

OROPOU 156, GALATSI

Co. REG. No. 44724/06/B/99/52 -

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

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The Financial Statements, pages 2-71 were approved by the Board of Directors on 28 March 2013 and are under the approval of the Annual Shareholders Meeting.
The following officers signed the Financial Statements under the permission of the Board of Directors :

Athens, 28 March 2013

The Chairman of the Management Board and Managing Director	The Vice- Chairman of the Board of Directors	The Deputy Director of the Economic Department	The Accounting Department Supervisor
Stavridis Stylianos ID.No AE 024725	Asimakopoulos Dionysios ID No AK 123903	Spyropoulou Eleni ID No AI 060168 Economic Chamber of Greece Accounting License Reg.No A/22806	Skylaki Lemonia ID No Ξ 971227 Economic Chamber of Greece Accounting License Reg.No A/17806

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
Registration Number G.E.M.H.	121578960000
Prefecture:	Athens
Tax Number:	094079101
Members of the Board of Directors:	Stelios Stavridis, G.Kontoroupis , D.Asimakopoulos El. Karachaliou, A.Kotsonis , Epam. Sklavenitis, N. Kogioumtsis, E.Agelakis, , Ch. Mistriotis, E.Moutafis, P.Skoularikis , A.Antonopoulos
Ending Day of the Period:	31 December 2012
Period:	12 months
Form of Financial Statements:	Annual
Date of Approval of Financial Statements:	28 March 2013
Chartered Public Accountants:	N.Sofianos (Reg.num. soel 12231) N. Papadimitriou (Reg.num. soel 14271)
Auditing Company:	Chatzipavlou, Sofianos & Kampanis S.A.CERTIFIED AUDITORS – CONSULTANTS d.t.DELOITTE
Type of Auditor's Report	Qualified opinion – Matter of Emphasis
Internet address where the Financial Statements are registered:	www.eydap.gr

All amounts in Financial Statements and Notes are in euro thousands unless otherwise stated.

2. STATEMENT OF INCOME FOR THE YEARS ENDED ON 31 DECEMBER 2012 & 2011

		GROUP		COMPANY	
		31.12.2012	31.12.2011	31.12.2012	31.12.2011
	Notes				
Turnover	**10**	335.344	358.550	335.344	358.550
Cost of services	**11**	(207.159)	(217.165)	(207.159)	(217.165)
Gross Profit		**146.185**	**141.3856**	**146.185**	**141.385**
Other Operating Income	**10**	1.677	1.953	1.677	1.956
General and administration expenses	**11**	(45.437)	(58.989)	(45.420)	(58.982)
Distribution and selling expenses	**11**	(25.976)	(33.186)	(25.976)	(33.185)
Profit from operating activities		**76.449**	**51.163**	**76.466**	**51.172**
Other operating expenses		(2.507)	(4.534)	(2.507)	(4.534)
Finance income net	**14**	5.275	4.788	5.275	4.788
Finance costs net	**15**	(17.229)	(15.849)	(17.229)	(15.849)
Assessment of Investment in Associates		(76)	(76)	-	
Profit from ordinary activities before income taxes		**61.912**	**35.492**	**62.005**	**35.578**
Income tax expense	**16**	(15.159)	(9.442)	(15.162)	(9.443)
Net profit for the year		**46.753**	**26.050**	**46.843**	**26.135**
Earnings per share (in €)	**17**	**0,44**	**0,24**	**0,44**	**0,25**
Proposed divident (in €)	**17**	**0,15**	**0,17**	**0,15**	**0,17**

STATEMENT OF TOTAL INCOME FOR THE YEARS ENDED ON 31 DECEMBER 2012 & 2011

	GROUP		COMPANY	
Amounts in € th.	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
EAT	46.753	26.050	46.843	26.135
Portfolio's available for sale valuation	755	(205)	755	(205)
Accumulated total revenues after taxes	47.508	25.845	47.598	25.930

The notes on pages 31-71 are an integral part of the Annual Financial Statements of both the Group and the Company.

3. STATEMENT OF ECONOMIC POSITION FOR THE YEARS ENDED ON 31 DECEMBER 2012 & 2011

		GROUP		COMPANY	
		31.12.2012	31.12.2011	31.12.2012	31.12.2011
Assets					
Non-current assets					
Goodwill	**18**	3.357	3.357	3.357	3.357
Other Intangible assets	**19**	1.772	3.185	1.772	3.185
Property, plant and equipment, net	**20**	995.178	1.017.919	995.178	1.017.919
Investment in associates	**21**	53	130	542	542
Investments in subsidiaries	**22**	0	0	60	60
Available-for-sale Investments	**23**	1.602	847	1.602	847
Long-term receivables	**24**	147.591	136.024	147.590	136.023
Deferred tax assets	**25**	56.994	53.303	56.991	53.302
Total non-current assets		**1.206.547**	**1.214.765**	**1.207.092**	**1.215.235**
Current assets					
Materials and spare parts, net	**26**	17.616	16.288	17.616	16.288
Trade receivables, net	**27**	310.042	322.012	310.042	322.015
Other receivables, net	**28**	90.513	82.120	90.512	82.120
Current tax receivables	**16**	-	577	-	577
Cash and cash equivalents	**29**	43.106	21.975	43.072	21.920
Total Current assets		**461.277**	**442.972**	**461.242**	**442.920**
Total Assets		**1.667.824**	**1.657.737**	**1.668.334**	**1.658.155**
LIABILITIES					
Equity					
Share Capital	**30**	63.900	63.900	63.900	63.900
Share Premium		40.502	40.502	40.502	40.502
Reserves	**31**	381.013	380.258	381.013	380.258
Retained Earnings	**32**	396.085	367.437	396.596	367.858
Total Equity		**881.500**	**852.097**	**882.011**	**852.518**
Long Term liabilities					
Liabilities for employees benefits	**34**	211.117	224.690	211.117	224.690
Provisions	**35**	68.022	59.418	68.002	59.418
Deferred subsidies and customer contributions	**36**	211.379	213.737	211.379	213.737
Consumers' guarantees	**37**	17.927	17.777	17.927	17.777
Total long term liabilities		**508.425**	**515.622**	**508.425**	**515.622**
Sort Term Liabilities					
Operating Current Liabilities	**38**	56.576	56.743	56.576	56.740
Income taxes payable	**16**	8.714	0	8.714	0
Short term loans	**33**	185.481	201.674	185.481	201.674
Accrued and other current liabilities	**38**	29.128	31.601	27.127	31.601
Total Short Term Liabilities		**277.899**	**290.018**	**277.898**	**290.015**
Total Liabilities		**1.667.824**	**1.657.737**	**1.668.334**	**1.658.155**

The notes on pages 31-71 are an integral part of the Annual Financial Statements of both the Group and the Company.

4.STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED ON 31 DECEMBER 2012 & 2011

GROUP

2012	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other Reserves	Results profit/loss carried forward	Total Equity
Equity Balance at the beginning of the year 2012	63.900	40.502	21.547	358.283	428	367.437	852.097
Profit / (Losses) of the year, after tax						46.753	46.753
Arrangement of non-distributed dividends							
Net Profit from evaluation of available-for-sale investments					755		755
Dividends						(18.105)	(18.105)
Equity Balance at the end of the year 2012	**63.900**	**40.502**	**21.547**	**358.283**	**1.183**	**396.085**	**881.500**

2011	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other Reserves	Results profit/loss carried forward	Total Equity
Equity Balance at the beginning of the year 2011	63.900	40.502	21.080	358.283	570	346.177	830.512
Profit / (Losses) of the year, after tax			467			25.583	26.050
Arrangement of non-distributed dividends					33	(33)	0
Net Profit from evaluation of available-for-sale investments					(205)		(205)
Dividends					30	(4.290)	(4.260)
Equity Balance at the end of the year 2011	**63.900**	**40.502**	**21.547**	**358.283**	**428**	**367.437**	**852.097**

COMPANY

2012	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other Reserves	Results profit/loss carried forward	Total Equity
Equity Balance at the beginning of the year 2012	63.900	40.502	21.547	358.283	428	367.858	852.518
Profit / (Losses) of the year, after tax						46.843	46.843
Arrangement of non-distributed dividends							
Net Profit from revaluation of available-for-sale investments					755		755
Dividends						(18.105)	(18.105)
Equity Balance at the end of the year 2012	**63.900**	**40.502**	**21.547**	**358.283**	**1.183**	**396.596**	**882.011**

2011	Share Capital	Share Premium	Legal reserve	Other non-taxable reserves	Other Reserves	Results profit/loss carried forward	Total Equity
Equity Balance at the beginning of the year 2011	63.900	40.502	21.080	358.283	570	346.513	830.848
Profit / (Losses) of the year, after tax			467			25.668	26.135
Arrangement of non-distributed dividends					33	(33)	0
Net Profit from revaluation of available-for-sale investments					(205)		(205)
Dividends					30	(4.290)	(4.260)
Equity Balance at the end of the year 2011	**63.900**	**40.502**	**21.547**	**358.283**	**428**	**367.858**	**852.518**

The notes on pages 31-71 are an integral part of the Annual Financial Statements of both the Group and the Company.

5. CASH FLOW STATEMENTS FOR THE YEARS ENDED ON 31 DECEMBER 2012 & 2011

	GROUP		COMPANY	
	01.01-31.12.2012	**01.01-31.12.2011**	**01.01-31.12.2012**	**01.01-31.12.2011**
Cash Flows from operating activities				
Profit before tax	61.912	35.492	62.005	35.578
Adjustments for:				
Provisions for personnel's compensation	(14.195)	7.955	(14.195)	7.955
Other Provisions	38.603	19.455	38.603	19.455
Depreciation and amortization	41.536	38.250	41.536	38.250
Amortization of customers' contributions and subsidies	(7.326)	(7.314)	(7.326)	(7.314)
Investment income	(50)	(30)	(12.951)	(30)
Impairment of investments	76	76	0	0
Interest and related income	(5.225)	(4.758)	(5.225)	(4.758)
Interest and related expense	17.229	15.848	17.229	15.848
Operating income before working capital changes / changes in operating assets and liabilities				
(Decrease in) Increase in				
Trade receivables	(40.564)	(51.403)	(40.566)	(51.403)
Materials and spare parts	(1.348)	2.490	(1.348)	2.490
Increase in (Decrease in)				
Operating Shortterm Liabilities	(5.409)	(227)	(5.403)	(232)
Consumers' guarantees	150	254	150	254
Obligations for employees benefits	622	611	622	611
Minus:				
Interest and related expenses paid	(14.991)	(12.131)	(14.991)	(12.131)
Income Tax paid	(9.736)	(26.017)	(9.736)	(26.017)
Net cash from operating activities (a)	**61.284**	**18.551**	**61.305**	**18.556**
Cash Flows from investing activities				
Purchases of property, plant, and equipment	(16.467)	(32.131)	(16.466)	(32.131)
Purchases of intangible assets	(915)	(640)	(915)	(640)
Proceeds from customers' contributions and subsidies	4.968	11.572	4.968	11.572
Interest and related income received	3.929	3.344	3.929	3.344
Dividends received	50	30	50	30
Subsidiaries	0	0	0	(60)
Net cash from investing activities (b)	**(8.435)**	**(17.825)**	**(8.435)**	**(17.885)**
Cash Flows from financing activities				
Proceeds from borrowings	0	0	0	0
Repayments of borrowings	(15.372)	(4.600)	(15.372)	(4.600)
Dividends paid	(16.346)	(1.993)	(16.346)	(1.993)
Net cash from financing activities (c)	**(31.718)**	**(6.593)**	**(31.718)**	**(6.593)**
Net (decrease) increase in cash and cash equivalents (a) + (b) + (c)	**21.131**	**(5.867)**	**21.152**	**(5.922)**
Cash and cash equivalents, beginning of period	**21.975**	**27.842**	**21.920**	**27.842**
Cash and cash equivalents, end of period	**43.106**	**21.975**	**43.072**	**21.920**

6.ESTABLISHMENT, OPERATIONS AND LEGAL FRAMEWORK OF THE COMPANY

GENERAL INFORMATION

''Athens Water and Sewerage Company'' (''EYDAP'' or ''Company) was established in 1980 following the merge of the two water and sewerage utilities of Athens at that time, namely Hellenic Water Company and the Sewerage Organization of Athens. The Company's Headquarters are located at 156 Oropou Street, Galatsi 111 46, Athens.

The Company is involved in water supply and refinement plus sewerage services and waste treatment in Attica region, which comprises the broader area of Athens. In accordance with its Articles of Incorporation, EYDAP is responsible fro the survey, construction, establishment, operation, exploitation, maintenance, expansion and renewal of water supply and sewerage installation and networks, within its area of responsibility.

EYDAP provides its water supply services through its 8.446 kilometers water distribution network. The Company also operates four Water Treatment Plants (WTP) with a total daily capacity of 1,8 million cubic water meters.

The sewerage network has a total length of owner 6.000 kilometers and consists of the main collector mains and the secondary sewerage network.
The company owns also the Waste Water Treatment Plants (WWTP) in Psitalia island , Metamorphosi and Thriasio areas.

From February 28 2009 when EYDAP signed a deliverance-acceptance protocol with the Ministry of Infrastructure, Transportation and Networks concerning the management of the dehydrated sludge dessication unit , the company has under its juristiction the total facilities of Psitalia sewerage processing centre (Phase A Phase B,dessication and CETHE) .
The company has also the responsibility and operation costs (transportation plus energy development) of the dessicated product.

Waste Water Treatment Plants (WWTP) in Psitalia island also own three Electrical and Thermal co-production units (CETHE). One unit operates with the combustion of natural gas of Electrical and Thermal power of 12,9 MWe and 17,3 MWth respectively.
The other two units operate with the combustion of biogas of total Electrical and Thermal power of 11,4 MWe and 17,2 MWth respectively.
Through operating Waste Water Treatment Plants (WWTP) in Psitalia island, EYDAP has been incorporated in the System of Greenhouse Gas Emission Allowance Trading.

6.ESTABLISHMENT, OPERATIONS AND LEGAL FRAMEWORK OF THE COMPANY

GENERAL INFORMATION (continued)
Operation of the waste treatment plant in Psytallia

EYDAP has also installed and operate four small hydroelectric plants in Kirphi , Eliconas, Kithaironas & Mandra of Mornos Aquadect locations.
In addition the construction of the small hydroelectric power station in Evinos (820KW) has been completed.

The Company operates under the supreme inspection of the Ministry of Infrastructure, Transportation and Networks and in accordance with the provisions of Corporate Law 2190/1920 and establishment Law 1068/1980 as amended by Law 2744/1999.
Until the enactment of L 2744/1999 the Company operated as wholly state-owned utility. On 1999 the Hellenic Republic decided to partially privatize the Company through an Initially Public Offering in Athens Stock Exchange. In this respect L 2744/1999 was enacted, the main provisions of which have as follows:
The legal duration of EYDAP was set to 100 years commencing from the date the L 2744/1999 was published in the Government Gazette, which was the 25 October 1999. The period can be expanded by a special resolution of the General Assembly.
The Greek State is not permitted to hold less than the 51% of the Company's share capital, at any time.
EYDAP has the exclusive right of providing water supply and sewerage services in the Attica region for the 20 years commencing from the date L 2744/1999 was published in the Government Gazette. This exclusive right is not transferable and may be renewed following a written agreement between the Greek State and the Company.
For the period 2000 to 2011 the tariffs of water and sewerage services are defined through common decisions of the Ministers of Infrastructure, Transportation and Networks and Finance and National Economy, after considering the Company's Board of Directors opinion.
Under article 4 of the L 2744/1999 an independent public entity ''EYDAP Fixed Assets'' (''the Public Entity'' or ''PE'') was established with the purpose of carrying out the operation and maintenance of the dams and reservoirs which where transferred to it, at no consideration. The provisions of L 2744/1999 are as follows:

6.ESTABLISHMENT, OPERATIONS AND LEGAL FRAMEWORK OF THE COMPANY

GENERAL INFORMATION (continued)

On October 1999 the dams and the reservoirs at Marathons lake and Mornos river which are the main infrastructure installations used for watering Attica region in view of the Company's privatization were transferred to the Public Entity, with an equal decrease in the Special Tax Free Reserve of Equity.

The Greek State through the Public Entity is obliged to provide adequate quantities of crude water to the Company to carry out its watering activities.

The Public Entity has the responsibility for the proper function and the maintenance of the dams and reservoirs, which were transferred to it. However, as allowed in the contract, the maintenance has been assigned and is carried out by EYDAP. Until 2004, the annual cost of the maintenance and the proper functioning of these installations will be offset against the crude water, which the Public Entity provides the company. There is no agreement on a new contract after the period where the aforementioned provision was in place.

According to the L 2939/2001, EYDAP continues to have - and after the enforcement date of L 2744/1999 - the authority to construct projects related with the water supply system of the broader area of Athens that were selected for refinancing from the European Cohesion Fund at that time and until their completion. EYDAP has the right to receive the investment grants from the ECF, in retrospect, for the amounts received or will be received after the enforcement day of L 2744/99.

The Company's revenues are cyclical (increased water consumption in summer months).As a result the reported revenues and income have significant variances from quarter to quarter.
For these reason, results of operations for interim periods are not necessarily indicative of the annual results. Results of operations for interim periods are indicative only if they are compared with the corresponding results of the previous periods.

7. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

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

Standards and Interpretations effective from periods beginning on or after 1 January 2012

IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)
The IASB issued an amendment to IFRS 7 that enhances disclosures for financial assets. These disclosures relate to assets transferred (as defined under IAS 39). If the assets transferred are not derecognised entirely in the financial statements, an entity has to disclose information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities. If those assets are derecognised entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment has only disclosure effects and does not have an impact in the financial statements of the Group.

IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2012)
The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". This amendment does not have an impact in the financial statements of the Group.

Standards and Interpretations effective from periods beginning on or after 1 January 2013

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015)
IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the FVO. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. Early application is permitted. This standard has not yet been endorsed by the EU.

IFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013)
IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. The Group is in the process if examining the impact of this standard in its financial statements.

IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012)

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 January 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits.

The amendments to IAS 19 require retrospective application. Based on the directors' preliminary assessment, when the Group applies the amendments to IAS for the first time for the year ending 31 December 2013, the respective amounts for the year ended 31 December 2012 would be changed as follows:

	Retained Earnings		**Liability**		**P&L**		**OCI**	
	New IAS 19		**New IAS 19**		**New IAS 19**		**New IAS 19**	
Employees' end-of-service indemnities (Provision)	26.155	18.516	28.757	17.285	-1.848	2.658	8.339	loss
Employees'healthca rescheme	248.187	201.048	224.147	188.110	-5.530	-3.835	-9.406	gain
Special Employees' end-of-service indemnity	3.748	5.126	5.508	5.722	83	-27	1.055	loss
Total Change (before tax)	**53.400**		**47.297**		**-6.092**		**-12**	

IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities " (effective for annual periods beginning on or after 1 January 2013)

The amendment introduces common disclosure requirements. These disclosures would provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity's financial position. The amendments to IFRS 7 are to be retrospectively applied.

IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014)

The amendment is effective for annual periods beginning on or after 1 January 2014.This amendment clarifies the meaning of "currently has a legally enforceable right to set-off" and also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to IAS 32 are to be retrospectively applied. Earlier application is permitted. However, if an entity chooses to early adopt, it must disclose that fact and also make the disclosures required by the IFRS 7 Offsetting Financial Assets and Financial Liabilities amendments. The amendmentis not expected to have a considerable effect on the Group's financial statements

IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

(effective for annual periods beginning on or after 1 January 2013).

This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine ('production stripping costs').

IFRS 1 (Amendment) "First Time Adoption of International Financial Reporting Standards" (Applicable to annual periods beginning on or after 1 January 2014)

Amends IFRS 1 First-time Adoption of International Financial Reporting Standards to address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. The amendments mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance in relation to accounting for government loans.

Group of standards on consolidation and joint arrangements(<u>effective for annual periods beginning on or after 1 January 2013</u>)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. In addition, unless otherwise stated, these amendments are not expected to have a considerable effect on the Group's financial statements. The main provisions are as follows:

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 "Joint Arrangements"

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of Financial Statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate Financial Statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate Financial Statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

IFRS 10, IFRS 12, IAS 27 (Amendment) (Applicable for periods beginning on or after 1 January 2014)

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

Amendments to standards being part of the annual improvement program of the International Accounting Standards Board for 2012

The following amendments describe the most important changes brought to the IFRS due to the results of the annual improvement program of the IASB published in May 2012. The following amendments shall apply to the annual accounting periods beginning on or after 1 January 2013, unless otherwise indicated. These amendments have not yet been adopted by the European Union.

IFRS 1 "First Time Adoption of International Financial Reporting Standards"

The amendments to IFRS 1 permit the repeated application of IFRS 1, borrowing costs on certain qualifying assets. The Group does not expect that these amendments will have an impact on the financial statements of the Group or the Company.

IAS 1 "Presentation of Financial Statements"

The amendments to IAS 1 provides clarification on the requirements of comparative information. The Group will apply these amendments at their effective date and does not expect to have material impact in the financial statements.

IAS 16 "Property Plant & Equipment"

The amendments to IAS 16 provide guidance on the classification of servicing equipment. The Group does not expect that these amendments will have an impact on the financial statements of the Group or the Company.

IAS 32 "Financial Instruments: Presentation"

The amendment clarifies that the tax effects of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 "Income Taxes". The Group does not expect that these amendments will have an impact on the financial statements of the Group or the Company.

IAS 34 "Interim Financial Reporting"

The amendment provides clarification on the interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 "Operating Segments" The Group does not expect that these amendments will have an impact on the financial statements of the Group or the Company.

8. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards.
EYDAP S.A. established on July 18 2011 (Board of directors decision 17241/13-5-2011) a company under the name "Islands Water Supply and Sewerage S.A". EYDAP participates in the new company's share capital by 100%.As a result it has been conducting consolidated financial Statements since 2011.

Basis of Consolidation
The Consolidated financial Statements of the current as well as the previous period, include the mother company, its subsidiaries and an associate one.
Subsidiaries are considered to be all those companies managed or controlled directly or indirectly by the mother company through the holding of the majority of their stocks or through their dependence on group's technological knowledge.
Subsidiaries financial Statements are included in consolidated financial statements from the date of control accession to the date that control over the subsidiary stops.
During the subsidiary's acquisition the respective claims,liabilities plus potential liabilities are assessed in their fair value.In such case that acquisition value is greater than fair value the respective difference is recognised as goodwill.
In the opposite case where acquisition value is lower than fair value the respective difference is recognised as credit in the financial results of the acquisition use.Minority interests are showed (in minority's analogy) in the fair value of the assets and liabilities where recognised.
Subsidiaries acquisitions are booked under the acquisition method.The subsidiaries Financial results which obtained or sold during the financial use are included in the respective consolidated statements from their acquisition date to their sale date.
When is being necessary subsidiaries financial statements are restated for data comparison reasons .During the consolidation all transactions among group's companies as also balances ,profits or losses between them are erased.
In the Company's financial statements participations in subsidiaries or affiliates are carried out in their acquisition cost deducted by their impairment provisions.
The company inspects in a yearly basis all impairment indications in the accounting value of the subsidiaries in relation with their retrieval value on the basis of the higher value between the fair value less cost to sell and the respective value in use.

8. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates

Associates are those companies in which the Group exercises significant influence but do not meet the requirements to qualify as affiliates. The consolidated financial statements include the Group's share of profits and losses of affiliates, based on the equity method from the date the Group obtains significant influence until the date that it ceases to exist such influence. When the Group's share in the losses of an associate exceeds the displayed book value of the investment, the carrying value of investment is reduced to nil and the recognition of further losses stops, unless the Group has incurred obligations or contingent liabilities of the associate, beyond arising from ownership. The results of transactions between group companies and associates are eliminated to the extent of the investment of the Group in associated companies.

In the separate financial statements of the Company, relatives are valued at cost and are subject to review for impairment annually or in interim periods when there are serious indications of impairment.

Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity or other business activity represents the excess of the cost of acquisition over the Company’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity or other business ctivity recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the company cash-generating units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity or other business activity the attributable amount of goodwill is included in the determination of the profit or loss on disposal.The Company’s policy for goodwill arising on the acquisition of an associate is described under ‘Investments in associates’ above.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

• the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold:

• the amount of revenue can be measured reliably

• it is probable that the economic benefits associated with the transaction will flow to the entity; and

• the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

8. SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.
Interest revenue is accrued on a time basis, by reference to the principal owing and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.
Rental income
Rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease.(see also "Leasing" below)

Construction contracts
Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity on financial statements report date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.
When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Leasing
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the economic position report.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis,except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency), which is the Euro.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. On each financial statements report date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the financial statements report date .

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

8. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

EYDAP SA obtains subsidies from the European Union (E.U.) in order to fund specific projects executed through a specific time period. Furthermore EYDAP's customers are required to participate in the initial network connection cost (metering devices, distribution network, connections, etc) or in the upgrade/expansion of the Company's networks.

Subsidies and customers' contributions are deferred and amortized into income, over the period necessary to match them with the related costs that they are intended to compensate, in the accompanying balance sheets. Amortization is included in depreciation and amortization in the accompanying statements of operations.

Government grants for the training of personnel are recognized in profit or loss in the periods required for the matching with the related expenses and they are presented as a deduction from them.

8. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit costs

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out on each financial's position statement date . Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Company's defined benefit obligation and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in financial position statement represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.
<u>Current and deferred tax for the period</u>
Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in
the net fair value of the acquired business identifiable assets, liabilities and contingent liabilities over cost.

Property, plant and equipment
Land and buildings held for use in the production or supply of goods or services, or for administrative purposes,are stated on the financial statement report at their acquisition cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees . Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.Land owned by the Company is not depreciated.

The water supply and sewerage networks as antipollution works , waste processing centres , fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss account.

8. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangibles assets

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset; how the intangible asset will generate probable future economic benefits.
- the ability of the intangible asset to create possible economic benefits in the future.
- the availability of adequate technical, financial and other resources to complete the development and to use or
- sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Impairment of tangible and intangible assets excluding goodwill

On the financial statements report date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss account.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.
Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation on the fianancial statements report date, taking into account the risks and uncertainties surrounding the obligation.Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

8. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restructurings

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Warranties

Provisions for warranty costs are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

Financial assets

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'.The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (commissions paid or received as they are an inextricable part of the effective interest ,transactions costs plus other additional fees or discounts , all invoved) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

• it has been acquired principally for the purpose of selling in the near future; or

• it is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

• the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

• it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

8. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 44.

Held-to-maturity investments
Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.
Available for sale (AFS) financial assets
Listed shares and listed redeemable notes held by the Company that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 44.
Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss.
Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.
Dividends on AFS equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate on the fianancial statements report date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.
Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment on the fianancial statements date.Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are transfered in benefit of income statement. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss tothe extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Compound Financial instruments

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At
the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the
fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

• the amount of the obligation under the contract, as determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and

• the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at Fair Value Through Profit and Loss Account (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

• it has been incurred principally for the purpose of repurchasing in the near future; or

• it is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

• it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

8. SIGNIFICANT ACCOUNTING POLICIES (continued)

• the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

• it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in note 47.

<u>Other financial liabilities</u>

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Deletion-Stop-Discontinuance of recognition

The Company deletes a financial liability only when it has been paid,cancelled or expired.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Areas of Operations

The basic company's operations (water supply and sewerage services) is not subject to different risks and returns .As a result the company did not proceed in releases concerning its activity areas.It must be clarified that the company is operative in one geographical region (Attiki Metropolitan area). There is a policy towards making decisions which is common to all the operating functions of the Company.

8. SIGNIFICANT ACCOUNTING POLICIES (continued)

Voting of Law4053/2012

The voting of Law 4053/2012, whereby EYDAP may provide the full range of services specified in the law 2744/1999 and outside area of responsibility of the Company, through subsidiaries and through the conclusion of program contracts with local government, establishes a new growth framework for the Company, expanding the market in which EYDAP. may operate and develop.

Transfer of 61.3% share of the Greek State to the "Private Property Development Fund of the State SA"

According to the notification 27.1.2012, passed by the Greek State 29,074,500 shares of EYDAP SA, and equal number of voting rights, ie 27.30% of share capital in the "Private Property Development Fund of the State SA. " The transfer was then run off-exchange transaction pursuant to paragraphs 4 and 5 of Article 2 of Law 3986/2011 (Official Gazette 152 / A) and No. 195/2011 (GG 2501 / B) of the Ministerial Decision Restructuring and Privatization Commission (DEAA). In addition, according to the notification 11.5.2012, 36.245.240 shares of EYDAP SA, and equal number of voting rights, ie 34,033% of share capital, passed by the Greek State in the "Private Property Development Fund of the State SA. " The transfer was then run off-exchange transaction pursuant to No. 206/2012 (Official Gazette 1363) Ministerial Decision of the Restructuring and Privatization Commission (DEAA).

As a result, the contribution of the Private Property Development Fund of the State SA to the share capital of the Company expanded from 27,30% to 61,33%. It must be noted that the Greek State has no participation in the share capital of EYDAP (0,00%).

The Greek government controlling 100% in "Private Property Development Fund of the State SA", indirectly controls the voting rights mentioned above.

With the exception of the above, no event has occurred which significantly affects the financial structure or business course of the Company from 31/12/2012 to the date of approval of the Board of Directors.

9. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies
The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

1) 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 8years period 2000-2008. Against the aforementioned investment program of around €1,22 billion, that includes, as already mentioned, also the maintenances, the Company has spent for capital expenditures as on 31 December 2008 an amount of € 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.

The Company against the subsidy that has received as at 31 December 2011 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 journals were carried out then the company's results of the current and the previous year would be showed improved by € 5,2 mil.and its net worth would be showed also improved by approximately € 50,2 mil. .
It must be clarified that a decision made by the Extraodinary Shareholders Meeting of August 10th 2004 modified the company's investment programme however not affecting the above mentioned claim against the Greek State.

It is worthnoting that after the company's request towards the Greek State (annex 4 of the aforementioned contract) the company for its capital expenditures during the period 1/1/2009-31/12/2010 that amount approximately € 105,3 m.is justified for a claim of € 63,2 m.(105,3*60%) .

B)The Company according to the contract with the Greek State has an additional claim concerning the maintenance expenditures subsidies . However, since the corresponding amount is not feasible to be extracted from the total amount (€ 704,43 millions) of expenditures related with operation and maintenance of installations. The related subsidy has not been finalized until the conduction of the current financial statements.

C) In parallel a contractual agreement between the Greek State and the Company regarding the supply of raw water is pending since 2004.According to the valid (until 31/12/2004) contract this claim is offset with the conservation and operating costs of the fixed assets needed for the saving and water supply that belong to the State.

2) Public Entity EYDAP Fixed Assets (PE)

The Public Entity was established at the time of the company's IPO (L.2744/99) for the management ,operation and conservation of all transferred (to it) fixed assets like dams,reservoirs,basins etc. Besides the constructions and upgrades of the installations that are related with these water dams and basins, the Greek State – through the Public Entity - has undertaken the obligation to supply the Company with raw water to meet its water supply obligations.

The price of the raw water is being offset with the cost of services that EYDAP realizes for the maintenance and operation of the fixed assets that belong by ownership to the Public Entity. A contractual agreement between the Greek State and the Company regarding the supply of raw water is pending since 2004. According to the valid (until 31/12/2004) contract this claim is offset with the conservation and operating costs of the fixed assets needed for the saving and water supply that belong to the State.

Key sources of estimation uncertainty

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

1. Litigations and claims

Lawsuits for civil law cases with claims of an amount of € 74,0 millions have been raised against the Company as at 31 December 2012. 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 €70,0 millions.

Against all these potential losses, EYDAP has formed a provision of € 68,0 millions as on 31 December 2012 and of € 59,4 millions as on 31 December 2011, which are considered as sufficient.

Pending litigations involve also the Municipality of Marathonas lawsuit of € 5,402 mil.The company hasn't formed any provision against this potential loss since it judges the case as completely baseless by Law.

2. 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.

3. Unaudited by tax authorities fiscal years

The tax authorities had not audited the Company, until the fiscal period ended as at 31 December 2007. The accompanying financial statements include a related provision for the additional taxes and fees that are probable to arise at the finalization of the anaudited financial years 2008 to 2011.

According to the article 82 of the L.2238/1994 and the Ministerial Decision 1159/22-7-2011 since the financial use of 2011 the company's legal auditors are oblidged for the issuance of its tax certificate. The Company has been audited for the financial year 2011 by its legal auditors and has been given the tax certificate.

10.NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(all amounts in euro thousands unless otherwise stated)

10. REVENUES

Sales of the Company are analyzed as follows:

	GROUP		COMPANY	
REVENUES	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Revenues from water supply and related services	235.798	237.378	235.798	237.378
Revenues from sewerage services	114.965	116.638	114.965	116.638
Revenues from constructions for third parties	1.465	3.270	1.465	3.270
Revenues from electric power sales	860	1.261	860	1.261
Inventory Sales	256	3	256	3
Total Turnover	**353.344**	**358.550**	**353.344**	**358.550**
Other operating revenues	1.677	1.953	1.677	1.956
Financial revenues	5.275	4.788	5.275	4.788
Total Revenues	**360.296**	**365.291**	**360.296**	**365.294**

The cutback of water supply revenues by 1,45% is mainly due to the decrease in new water supplies and other coherent water and sewerage works .

10.NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(all amounts in euro thousands unless otherwise stated)

11. ALLOCATION OF EXPENSES

11.1 Expenses accounts have been allocated to cost of services and Administrative and Selling operations as followς:

GROUP

31/12/2012	Cost of Goods Sold	Distribution Cost	Management Cost	Total
Third-party expenses and fees	50.298	448	2.763	53.509
Self-constructed assets	(12.041)	-	-	(12.041)
Total A	**38.257**	**448**	**2.763**	**41.468**
Wages and Salaries	58.059	16.784	34.854	109.697
Third-party allowances	34.343	7.040	2.713	44.096
Depreciation and amortization	31.093	647	2.470	34.210
Provisions	38.603	-	-	38.603
Other Expenses	5.498	748	2.170	8.416
Raw material and consumables used	6.199	309	467	6.975
Self-constructed assets	(4.893)	-	-	(4.893)
Total B	**168.902**	**25.528**	**42.674**	**237.104**
Total (A + B)	**207.159**	**25.976**	**45.437**	**278.572**

31/12/2011	Cost of Goods Sold	Distribution Cost	Management Cost	Total
Third-party expenses and fees	65.852	155	3.114	69.121
Self-constructed assets	(28.020)	-	-	(28.020)
Total A	**37.832**	**155**	**3.114**	**41.101**
Wages and Salaries	94.207	25.976	45.097	165.280
Third-party allowances	31.270	5.080	5.044	41.394
Depreciation and amortization	26.582	961	3.396	30.939
Provisions	19.455	-	-	19.455
Other Expenses	4.111	716	1.911	6.738
Raw material and consumables used	11.139	298	427	11.864
Allocation of expenses to self-constructed assets	(7.431)		-	(7.431)
Total B	**179.333**	**33.031**	**55.875**	**268.239**
Total (A + B)	**217.165**	**33.186**	**58.989**	**309.340**

10.NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(all amounts in euro thousands unless otherwise stated)

COMPANY

31/12/2012	Cost of Goods Sold	Distribution Cost	Management Cost	Total
Third-party expenses and fees	50.298	448	2.762	53.748
Self-constructed assets	(12.041)	-	-	(12.041)
Total A	**38.257**	**448**	**2.762**	**41.707**
Wages and Salaries	58.059	16.784	34.854	109.697
Third-party allowances	34.343	7.040	2.703	44.096
Depreciation and amortization	31.093	647	2.470	34.210
Provisions	38.603	-	-	38.603
Other Expenses	5.498	748	2.164	8.416
Raw material and consumables used	6.199	309	467	6.735
Self-constructed assets	(4.893)	-	-	(4.893)
Total B	**168.902**	**25.528**	**42.658**	**236.848**
Total (A + B)	**207.159**	**25.976**	**45.420**	**278.555**

31/12/2011	Cost of Goods Sold	Distribution Cost	Management Cost	Total
Third-party expenses and fees	65.852	155	3.114	69.121
Self-constructed assets	(28.020)	-	-	(28.020)
Toal A	**37.832**	**155**	**3.114**	**41.101**
Wages and Salaries	94.207	25.976	45.097	165.280
Third-party allowances	31.270	5.080	5.041	41.391
Depreciation and amortization	26.582	961	3.393	30.936
Provisions	19.455	-	-	19.455
Other Expenses	4.111	715	1.910	6.736
Raw material and consumables used	11.139	298	427	11.864
Self-constructed assets	(7.431)		-	(7.431)
Total B	**179.333**	**33.030**	**55.868**	**268.231**
Total (A + B)	**217.165**	**33.185**	**58.982**	**309.332**

The significant change of expenses by 31 m. approximately is shown in:

- Wages and Salaries
- Provisions

Wages and Salaries were reduced by approximately €29 m. mainly due to:

- the Law 4024/2011 implementation since 1/1/2012 and the significant number of retirement during 2012(159 employees).
- the employees allowances assessment according to IAS 19 which is reduced by approximately 25 m.

Provisions increased by € 19 m. compared to those of 2011 due to the deduction of trade receivables against Municipalities, The Greek State, enterprises and individuals.

(all amounts in euro thousands unless otherwise stated)

12. DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation is calculated on a straight-line basis over the average estimated economic useful life, as follows:

I. WATER SUPPLY NETWORKS	**YEARS**
1. Aquaducts	50
2. Primary Water Supply Mains	45
3. Secondary Water Supply Mains	45
4. Distribution networks, Pumping Stations	10 to 45
5. Regulating/Storage tanks – Water Treatment Plants	25 to 50
II. SEWERAGE NETWORKS AND RELATED INFRASTRUCTURE	
1. Heavy infrastructure and primary collectors mains	50
2. Secondary collector mains	40
3. Tertiary Wastewater Sewerage System	25
4. Electromechanical installations	15 to 30
III. WASTE WATER TREATMENT PLANTS AND R&D CENTERS	
1. Engineering Research & Development waste Centers	20
2. Waste Water Treatment Plants	20
Furniture and fittings	5
Computer hardware	1 to 4
Motor vehicles	5 to 7
Mechanical equipment	7
Buildings	40

The amounts are analyzed as follows:

	GROUP		**COMPANY**	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Depreciation of tangible assets	39.208	35.406	39.208	35.406
Amortization of software	2.328	2.846	2.328	2.844
Amortization of customers' contributions and subsidies for fixed assets	(7.326)	(7.314)	(7.326)	(7.314)
	34.210	**30.938**	**34.210**	**30.936**

(all amounts in euro thousands unless otherwise stated)

13. STAFF COSTS (GROUP AND COMPANY)

	Year ended on 31 December of	
	2012	**2011**
Wages and Salaries	88.959	115.868
Social Security Costs	19.989	23.087
Provisions for staff leaving indemnities	2.659	3.307
Provisions for staff leaving indemnity (special account)	(27)	90
Provisions for post-employment medical care	(1.883)	22.928
Total (Note 11)	**109.697**	**165.280**

The total number of employees as on 31 December 2012 and 2011 were 2.512 and 2.671 respectively. The company implementing the Law 4024/11 has adjusted the personnel's payroll and expenses to the afformentioned Law's requirements.

14. FINANCIAL REVENUES (GROUP & COMPANY)

	Year ended on 31 December of	
	2012	**2011**
Interest from customers	4.586	4.312
Dividends	50	30
Other revenues	639	446
Total	**5.275**	**4.788**

15. FINANCIAL EXPENSES (GROUP & COMPANY)

The financial expenses of amounts € 17.229 th.and € 15.849 th. on 31 December 2012 and 2011, respectively, mainly concern the Company's loans interests. The change arises from the repayment of long-term trade receivables at the present value.

(all amounts in euro thousands unless otherwise stated)

16. INCOME TAX

	GROUP		COMPANY	
	Year ended on 31 December of		**Year ended on 31 December of**	
	2012	**2011**	**2012**	**2011**
Current Tax	18.843	12.456	18.843	12.456
Tax of unaudited by tax authorities fiscal year 2012	748	917	748	917
Provision used for fiscal year 2011	(918)		(918)	
Audit tax differences	179		179	
Deffered Tax	(3.693)	(3.931)	(3.690)	(3.930)
	15.159	**9.442**	**15.162**	**9.443**

The financial tax burden of the period, consists of the current income tax, the deffered taxes, the anaudited financial years provision and audit differences.

The tax rate for the financial years 2012 and 2011 was 20%.

(all amounts in euro thousands unless otherwise stated)

16. INCOME TAX (continued)

The tax for the current period was calculated as follows:

	GROUP		COMPANY	
	Year ended on 31 December of		Year ended on 31 December of	
	2012	2011	2012	2011
Profit before tax	61.913	35.492	62.005	35.578
Income tax calculation based on the current tax rate 20%	12.383	7.098	12.401	7.116
Tax of unaudited by tax authorities financial year 2012	748	917	748	917
Provision used for financial year 2011	(918)		(918)	
Audit tax differences	179		179	
Tax change of audited and unaudited by tax authorities financial years	4		4	
Tax over non-deductible tax expenses	2.763	1.427	2.748	1.410
	15.159	**9.442**	**15.162**	**9.443**

Income tax obligation on 31/12/2012 was € 8.714 th. while income tax receivable on 31/12/2011 was € 577 th. respectively.
The weighted tax rate for the financial uses 2012 and 2011 was 24,45% and 26,54 % respectively.

It must be noted that:

- The tax authorities have not audited the Company for the financial years 2008, 2009 and 2010. According to the article 82 of the L.2238/1994 for the financial use of 2011 the Company has been audited by its authorized auditors. For the differences that arised after auditing and were accounted in 2012, there was a formed provision on 31/12/2011, thus the results of the current period were not affected negatively.
- The accompanying financial statements include a related sufficient provision for the additional taxes and fees that are probable to arise at the finalization of the unaudited financial years and third quarter of 2012.

(all amounts in euro thousands unless otherwise stated)

- EAP (EYDAP participates up to 35 % in its share capital), has been audited till 2009 and has not formed any provision for the next uses due to the accumulated losses showed in its financial statements.
- EYDAP ISLANDS S.A. has not formed any relevant provision as a result of its limited transactions.

17. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the net profit of the period attributable to ordinary shareholders with the weighted average number of ordinary shares in issue during the period. Profits are defined as profits/losses from continuing operations that corresponds to the entity. It must be noted that at the current year, as well as the previous, there were no discontinued operations. There are no convertible bonds or other potentially delusive convertibles securities during the periods reported in the accompanying financial statements, so there is no calculation for diluted earnings per share.

	GROUP		**COMPANY**	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Earnings attributable..to ordinary shareholders	46.753	26.050	46.843	26.135
Weighted Average of ordinary shares in issue	106.500	106.500	106.500	106.500
Basic Earnings per Share	0,44	0,24	0,44	0,25

The Board of Directors decided to propose to the General Shareholders Meeting the distribution of the obligatory based to Law 2190/1920 intended dividend of fifteen cents (€0,15) per share for the year 2012 (the total proposed dividend amount is 15.975 mil.). The dividend will be approved by the Annual Shareholders Meeting and is included in the account of "Total Results carried forward".

18. GOODWILL

The amount of goodwill of € 3.357 as on 31 December 2012 is related with the excess in the acquisition cost over the undepreciated replacement cost of Elefsina, Aspropirgos and Likovrisi water supply networks as it was estimated at the time of concession. The cash generating units and consequently the goodwill of the water supply networks are tested for impairment either annually or more frequently if the events of the changes of conditions indicate possible impairment. The impairment test performed on the end of 2012 by the Direction of Economic Programming and Audit showed that the value of the goodwill was not impaired.

More specifically:

In order to arrange its claims the Company signed a concession contract with the municipalities of Aspropyrgos and Elefsina during the 2nd half of 2003 and the municipality of Likovrisi during the 2nd half of 2006 for the transfer of ownership of their water supply networks. According to the terms of these contracts, water supply networks of 327 km were transferred to EYDAP. These networks serve, through 26.786 connections, 65.000 inhabitants of these municipalities, which are added to the customer base of the Company.

The concession of the water supply network of Aspropyrgos costed € 2.749 and has been arranged by offsetting equal debt to the Company. The appraisal of Aspropyrgos water supply network in replacement cost was performed by the technical services of the Company and conformed to the corresponding estimations of the technical services of the Municipality of Aspropyrgos and amounts to € 2.192.

The acquisition of Elefsina water supply network costed € 1.800 and arranged by offsetting a € 1.500 debt of Elefsina to EYDAP plus a company payment of € 300. The appraisal of this network in replacement cost was performed by the technical services of the Company and conformed with the corresponding appraisal of the technical services of Elefsina Municipality and amounts to € 681.

The acquisition of Likovrisi water supply network costed € 2.271 and arranged by offsetting equal debt to the company. The appraisal of this network in replacement cost was performed by the technical services of the Company and conformed with the corresponding appraisal of the technical services of Likovrisi Municipality and amounts to € 590.

(all amounts in euro thousands unless otherwise stated)

19. OTHER INTANGIBLES ASSETS (GROUP & COMPANY)

Initial cost on 31 December 2011	20.015
Additions	915
Balance on 31 December 2012	20.930
AMORTIZATIONS	
On 31 December 2011	(16.830)
Charge for the period	(2.328)
Total amortizations on 31 December 2012	(19.158)
Undepreciated value on 31 December 2011	3.185
Undepreciated value on 31 December 2012	1.772

Other intangibles assets are related with the expenditure for software purchases associated with future economic benefits for the company, which are recorded as intangible assets and amortized over a three years period.

20. TANGIBLE ASSETS

The Company under the provisions of IFRS 1 ''First Time Adoption of IFRS'' used the voluntarily exemption in relation with the presentation and valuation of property as at the balance sheet date, at the transition to the IFRS, 1 January 2004. The company considers the adjusted values of property as deemed cost for the preparation of the transition balance sheet, at the 1 January 2004. More specifically for the transition to the IFRS the company valuates the property at fair values using the estimates of an independent appraiser. These fair values formed the deemed cost at the date of the preparation of the balance sheet.

(all amounts in euro thousands unless otherwise stated)

20. TANGIBLE ASSETS (continued)

Fixed assets changes table for the financial years 2012 and 2011 :

2012	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network & consumption meters	Sewerage Networks & Biological cleaning	Motor Vehicles & Furnitures	Constructions-in-progress	Total
Carrying Amount at 1 January 2012	**277.488**	**3.192**	**303.223**	**310.531**	**4.075**	**119.410**	**1.017.919**
Additions	1.167	587	6.543	40.243	1.605	16.503	66.648
Reductions/Transfers	434	(3)	32		(121)	(50.181)	(49.839)
Disposals	(434)	3	(32)		121	-	(342)
Depreciation charge of the period	(2.934)	(872)	(18.276)	(15.032)	(2.094)	-	(39.208)
Carrying amount 31 December 2012	**275.721**	**2.907**	**291.490**	**335.742**	**3.586**	**85.732**	**995.178**
1/1/2012							
Cost	294.918	18.570	461.097	425.040	47.869	119.410	1.366.904
Accumulated Depreciation	(17.430)	(15.378)	(157.874)	(114.509)	(43.794)	-	(348.985)
Carrying Amount	**277.488**	**3.192**	**303.223**	**310.531**	**4.075**	**119.410**	**1.017.919**
31/12/2012							
Cost	296.519	19.154	467.672	465.283	49.353	85.732	1.383.713
Accumulated Depreciation	(20.798)	(16.247)	(176.182)	(129.541)	(45.767)	-	(388.535)
Carrying Amount	**275.721**	**2.907**	**291.490**	**335.742**	**3.586**	**85.732**	**995.178**

2011	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network &consumption meters	Sewerage Networks& biological cleaning	Motor Vehicles & Furnitures	Constructions-in-progress	Total
Carrying Amount at 1 January 2011	**279.908**	**2.840**	**312.793**	**314.861**	**5.707**	**105.084**	**1.021.193**
Additions	460	1.145	7.463	7.866	872	30.464	48.270
Reductions/Transfers	-	(3)	-	-	(98)	(16.138)	(16.239)
Disposals	-	3	-	-	98	-	101
Depreciation charge of the period	(2.880)	(793)	(17.033)	(12.196)	(2.504)	-	(35.406)
Carrying amount 31 December 2011	**277.488**	**3.192**	**303.223**	**310.531**	**4.075**	**119.410**	**1.017.919**
1/1/2011							
Cost	294.459	17.425	453.634	417.174	46.997	105.084	1.334.773
Accumulated Depreciation	(14.551)	(14.585)	(140.841)	(102.313)	(41.290)	-	(313.580)
Carrying Amount	**279.908**	**2.840**	**312.793**	**314.861**	**5.707**	**105.084**	**1.021.193**
31/12/2011							
Cost	294.918	18.570	461.097	425.040	47.869	119.410	1.366.904
Accumulated Depreciation	(17.430)	(15.378)	(157.874)	(114.509)	(43.794)	-	(348.985)
Carrying Amount	**277.488**	**3.192**	**303.223**	**310.531**	**4.075**	**119.410**	**1.017.919**

(all amounts in euro thousands unless otherwise stated)

21. INVESTMENTS IN ASSOCIATES

Investments in associates of € 53 th. include:
a) Participation of the Company at the "Gas Company of the Suburbs S.A." (E.A.P.). On February 2003 the joint-venture of EYDAP S.A., ELLINIKI TECHNODOMIKI-TEV S.A. and AKTOR S.A. was awarded, in an international tender offer by EPA Attikis, the project of the promotion of natural gas connections for domestic and small professional customers in the north-eastern part of Attica, as well as a part of the Athens Municipality. For this reason the "Gas Company of the Suburbs S.A." was established and EYDAP participates with a share of 35%.
On 31st December 2012 the acquisition cost of E.A.P.climbed to € 542 while the impairment losses increased to € 489.
The main figures of the afiliated EAP (Suburb Gas Company) on 31 December 2012 and 2011 are analyzed as follows:

		31st December		
		2012		**2011**
Total Assets		158		436
Total Liabilities		6		66
Sales		0		166
Profit-Loss		**(217)**		**(220)**

In the separate financial statements the investments in associates are estimated according to the acquisition cost, while in the consolidated ones they are estimated using the net equity method.

E.A.P. (Suburbs Gas Company S.A.) General Meeting on 4/5/2012 decided the dissolution of the company and its placement in liquidation since 1/6/2012. E.A.P. is under clearing until the date of the approval of EYDAP financial statements.

22.INVESTMENTS IN SUBSIDIARIES

In 18 July 2011 with the Board of directors decision 17241/13-5-2011 EYDAP S.A. established a company under the name “Islands Water Supply and Sewerage S.A.”(EYDAP ISLANDS) .EYDAP participates in its share capital by 100% with the purpose of its water supply and sewerage operations to expand in the country’s islands .The subsidiary company has shown limited activity till now.

23. INVESTMENTS AVAILABLE-FOR-SALE

		31 December 2012		31 December 2011
Fair Value (EYATH)		1.602		847
		1.602		**847**

Investments included in the Table above represent the participation of EYDAP in EYATH, a company enlisted in the Athens Stock Exchange, which provides the ability to the company to gain revenues from dividends and capital gains. The fair value of the share is based on the corresponding quoted market price in the financial statements conduction date.

(all amounts in euro thousands unless otherwise stated)

24. LONG-TERM RECEIVABLES (GROUP & COMPANY)

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

	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Long Term Receivables from Municipalities	30.955	23.102	30.955	23.102
Staff Loans (Note 28)	1.777	1.647	1.777	1.647
Payroll deductions	2.122		2.122	
Construction contracts	112.063	110.598	112.063	110.598
Guarantees (Public Power Corp., Real Estate)	674	677	673	676
Total	**147.591**	**136.024**	**147.590**	**136.023**

Long-term receivables from Municipalities : EYDAP supplies with water (distilled or raw) various Municipalities, which operate their own water supply networks and charge their citizens. The Company faces serious delays in the payments of related trade receivables from Municipalities.
From February of 2001), EYDAP went on the settlement of contracts with Municipalities, according with which the carrying amounts during the signing of the contract are arranged with monthly interest-free payments.
These long-term receivables are presented in the financial statements in their unamortized cost.

The compound interest rate implemented to mature claims represents the real interest rate that compounds their nominal amount on the settlement date .This interest rate remains 6,5% for 2012 aw well as 2011. These claims presented in the financial statements amount approximately € 2,3. m.

Payroll deductions
The account "Payroll Deductions" refers to the long- term of personnel cutback doses after the implementation of Law4024/2011.

Construction contracts (GROUP & COMPANY)

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

	31 December 2012	31 December 2011
Ministry of Environment, Physical Planning and Public Works	**66.998**	**65.995**
Paid Subsidies /Advances	(1.022)	(1.022)
	65.976	**64.973**
Public Entity EYDAP fixed Assets	**100.097**	**99.635**
Paid Subsidies /Advances	(54.010)	(54.010)
	46.087	**45.625**
	112.063	**110.598**

10. NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(all amounts in euro thousands unless otherwise stated)

The Company has been undertaken the execution of a construction program concerning anti-flooding infrastructure works for the Ministry of Transportation and Infrustructure (ex Ministry of Environment) as well as the upgrading/improvement of the technical watering installations which were transferred to the Public entity in 1999.

According to the existing legal framework the Company constructs anti-flooding projects on behalf of the ex Ministry of Environment, Physical Planning and Public Works and projects relating with the upgrade/improvement of the damns and the reservoirs that have been transferred to the Public Entity. These projects have been granted to be subsidized by the EU or/and the Greek State and after their completion they will be transferred to their owners.

The paid subsidies from the European Union or the Greek State, deriving from previous years, are subtracted from the unbilled revenues because the Greek State has the obligation to pay the difference upon their transfer. Besides that the Company has the right to receive a reasonable fee for the construction of these projects, which has been legally determined to a 6% percent on the construction cost as this is presented in the accounting books and certified by the Chartered Accountants.

It must be noted that no contracts are signing for the construction of these projects (the terms are governed by the existing legal framework) and also during the construction period no interim certificates and thus no interim billings are issued. For the purpose of preparation of financial statements according to the IFRS (revenue recognition from construction works) the IAS 11: Construction Works was applied according to which the reasonable fee that is related with the part of the projects that was constructed during the years 2012 and 2011 respectively is charged to revenues.

(all amounts in euro thousands unless otherwise stated)

25. DEFERRED TAXATION

	Opening Balance 01.01.2011	Credit to profit/loss of the period because of tax rate change	Burden/ utility because of tax rate change	Ending Balance 31.12.2011	Credit/burden to the results of the period	Ending Balance 31.12.2012
Expensing of intangible assets	49	(32)	17	17	9	26
Slow moving Inventory	463	(9)	454	454	4	458
Employee Benefits liabilities	25.943	1.666	27.609	27.609	(2.729)	24.880
Provisions for Bad Debts	3.108		3.108	3.108		3.108
Other Provisions	7.713	2.204	9.917	9.917	1.717	11.634
Customer and Municipalities Contributions	13.215	(351)	12.864	12.864	(105)	12.759
Depreciation difference as a result of useful life revaluation	(4.235)	(372)	(4.607)	(4.607)	232	(4.375)
Revenues and Expenses accruals	(1.814)	(95)	(1.909)	(1.909)	23	(1.886)
Deffered tax.because of fixed assets readjustment	3.265		3.265	3.265	2.943	6.208
Other Deferred tax assets	1.665	919	2.584	2.584	1.595	4.179
	49.372	**3.930**	**53.302**	**53.302**	**3.689**	**56.991**

The charge for deferred income taxes (expense of the year-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 (revenue of the year-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.

As a result of Law 4110/2013, the tax rate concerning fiscal year 2014 and after, raised from 20% to 26%. According to IAS 12, the deferred tax was calculated by using the tax rate 20%. If the tax rate 26% was taken into consideration as on 31/12/2012, the deferred tax receivable of both the Group and the Company would amount € 74.088 th.

(all amounts in euro thousands unless otherwise stated)

26.MATERIALS AND SPARE PARTS (GROUP & COMPANY)

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

		31 December		31 December
		2012		**2011**
Consumables and spare parts		19.908		18.560
Provision for stock obsolesence		(2.292)		(2.272)
		17.616		**16.288**

27. RECEIVABLES (GROUP & COMPANY)

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

	GROUP		COMPANY	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Domestic customers and users	121.626	108.638	121.626	108.641
Municipalities , Greek State ,Public utilities	221.171	212.938	221.171	212.938
Domestic customers and users	**342.798**	**321.576**	**342.798**	**321.579**
Accrual revenues	52.907	56.966	52.907	56.966
	395.705	**378.542**	**395.705**	**378.545**
Less: Bad debt allowances	(85.663)	(56.530)	(85.663)	(56.530)
	310.042	**322.012**	**310.042**	**322.015**

The majority of domestic customers are priced every three months according to the indications of the water meters.

Non-priced revenues arising from the supply of water and sewerage services from domestic customers, for the time between the last measuring and the pricing day and at the time of the preparation of the financial statements are recorded as accrued non-priced revenues as on 31/12/2012.

(all amounts in euro thousands unless otherwise stated)

27. TRADE RECEIVABLES GROUP & COMPANY (continued)

The provisions for bad debts that have formed for the estimated non-recoverable amounts from the water supply and sewerage services is analyzed as follows:

		31 December		31 December
		2012		**2011**
Opening Balance		56.530		48.049
Provisions of the period		29.133		8.481
Ending Balance		**85.633**		**56.530**

Provisions has been estimated on the basis of past years defaults and statistical data over the collectibility of accounts as also other parameters related to the collection of trade receivables.
The Company calculates surcharges over the mature debts with a rate of 1% per month (which is not accounted) and is equal to the rate of surcharges to mature debts to the Greek State, as specified by the Ministry of Economy.

28. OTHER RECEIVABLES (GROUP & COMPANY)

The account is analyzed as follows:

		31 December		31 December
		2012		**2011**
Loans and advances to personnel		7.165		5.063
Advances to subcontractors and suppliers		538		538
Receivable based on the participation of the Greek State for the coverage of Employees' end-of-service indemnity		68.844		62.433
Other advances		1.698		3.058
Refund of pension entity contributions		4.399		4.399
Claim from personel's training programmes		999		1.600
Other receivables		4.295		5.029
Receivable based on pensioners health care contribution		2.574		–
		90.512		**82.120**

(all amounts in euro thousands unless otherwise stated)

28. OTHER RECEIVABLES (continued)

Loans and advances to personnel*:* The Company provides both interest-bearing and interest-free loans to the personnel as well as interest-free short-term payroll advances and long-term loans with interest rates equal to the current rate of the Company's overdraft bank accounts. The amount of € 7.165 th. doesn't include the long-term portion of personnel loans on 31 December 2012 and 31 December 2011 which equals to € 1.777 th. and € 1.647 th. respectively. It doesn't include the long- term of personnel cutback doses either which amounts € 2.122 th. portion and which is included in the long-term receivables (Note 24).

Participation of the Greek State for the coverage of Employees' end-of-service indemnity*:*

This amount is related with the obligation of the Greek State according to the provisions of Law 2939/01 to participate in the coverage of the deficit of the account of special indemnity for the personnel employed before the 25 October 1999 and retires afterwards. This amount is related with indemnities already paid by the Company, which are claimed from the Greek State.

It must be noted that an increase in other claims balance takes place in every fiscal year and can be attributed in:

a)The Greek Public's luck of decision concerning the coverage of the special lump sum for the employees who are going to retire (Law 2939/6-8-01 clause 26)and b) The increasing staff's willingly departure rate.

The movement of the part of indemnities that corresponds to the Greek State has as follows:

		1.1.2012-31.12.2012		1.1.2011-31.12.2011
Accumulated surplus/(deficit) opening balance		62.433		51.383
Settled end of service indemnities		7.842		12.908
Employees' retentions		(1.431)		(1.858)
Accumulated surplus / (deficit) claimed from the Greek State closing balance		**68.844**		**62.433**

29. CASH AND CASH EQUIVALENTS

The account is analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Cash at hand	526	397	492	397
Sight and time deposits	42.580	21.578	42.580	21.523
	43.106	**21.975**	**43.072**	**21.920**

The sight and time deposits accounts are in Euros and have floating interest rates varying in relation to the amount of the deposit. The current account of thesedeposits approximate their accounting value due to the fact of their floating interest rates and short maturities. Sight deposit accounts include undeposited checks of trade creditors and other creditors, the amounts of which as on the 31 December 2012 and 2011 were € 1.677 th. and € 8.563 th. respectively (note 38) .

Interest earned from bank deposits are recognized on an accrual basis and are included in financial revenues.

30. SHARE CAPITAL

EYDAP was established in 1980 pursuant to Law 1068/1980 and following the merge of the two water and sewerage utilities of Athens at that time, namely Hellenic Water Company and the Sewerage Organization of Athens.

The initial share capital of the Company was set to € 130.502 and was determined based on the valuation of assets and liabilities of the merged entities according to the provisions of the Law 1068/1980.

Within 1992 the share capital was increased to € 1.253.507 consisting of 213.566.232 ordinary shares of € 5,87 each. The increase incurred pursuant to Law 1914/1990 following a new valuation of the Company's net equity in view of major infrastructure installations, which were contributed in kind by the Greek State at that time, capitalization of liabilities towards the State, etc.

The Shareholders General Meeting on 30 June 1998 decided the increase of the Company's share capital by € 6.845 through the capitalization of investment subsidies that had been collected up to 31 December 1997. After the increase the Company's share capital amounted to € 1.260.352 consisting of 214.732.544 ordinary shares of €5,87 each (two thousands drachmas).

In 1999, in view of the Company's listing in the Athens Stock Exchange and according to Law 2744/1999, THE Company's share capital was set at €58.694 consisting of 100.000.000 ordinary shares of €0,59 (two hundred drachmas) each. According to the same Law the remaining amount of 1.201.658 share capital was converted to a ''Special Non Taxable Reserve'', which, was among others decreased by the net amount of the fixed assets, which were conceded to the Public Entity at no consideration.

On December 1999, 6.500.000 new ordinary shares were issued of €0,59 each and were covered through the Initial Public Offering process.As a result the Company's share capital as of December 31,2000 consisted of 106.500.000 ordinary shares of €0,59 par value each (two hundred drachmas).

On May 2001 EYDAP decided to denominate its shares in Euro, through the increase of its nominal value from €0,59 to €0,60 par value. The resulting amount of this increase was €1.391 and it was transferred from the Share Premium account reserve. Thus, the share capital of the Company on 31 December 2012 and 31 December 2011 was equal to €63.900 consisting of 106.500.000 ordinary shares of €0,60 par value.

The There were no movements in the share capital of the Company in either the current or the prior interim reporting period. According to the notification 27.1.2012, 29.074.500 shares of EYDAP SA, and equal number of voting rights, ie 27,30% of share capital of the Company passed by the Greek State to the "Private Property Development Fund of the State SA. " The transfer was the run off-exchange transaction pursuant to No. 195/2011 (Official Gazette 2501 B') Ministerial Decision of the Restructuring and Privatization Commission (DEAA).

(all amounts in euro thousands unless otherwise stated)

In addition, according to the notification 11.5.2012, 36.245.240 shares of EYDAP SA, and equal number of voting rights, ie 34,033% of share capital, passed by the Greek State in the "Private Property Development Fund of the State SA. " The transfer was then run off-exchange transaction pursuant to No. 206/2012 (Official Gazette 1363) Ministerial Decision of the Restructuring and Privatization Commission (DEAA).

As a result, the contribution of the Private Property Development Fund of the State SA to the share capital of the Company expanded from 27,30% to 61,33%. It must be noted that the Greek State has no participation in the share capital of EYDAP (0,00%).

The Greek government controlling 100% in "Private Property Development Fund of the State SA", indirectly controls the voting rights mentioned above.

31. RESERVES

The account in the accompanying financial statements is as follows:

	GROUP		COMPANY	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Legal reserve	21.547	21.547	21.547	21.547
Special Non-taxable reserve of Law 2744/99	352.078	352.078	352.078	352.078
Reserve from non-taxable revenues	2.518	2.518	2.518	2.518
Reserve from special taxed revenues	3.687	3.687	3.687	3.687
Other reserves	1.183	428	1.183	428
	381.013	**380.258**	**381.013**	**380.258**

Legal reserve*:* According to the Greek corporate law (Article 44 Law 2190/1920) corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the paid –in share capital. The reserve cannot be distributed and its reason of existence is the coverage of potential future losses.

Special Non-Taxable Reserve of The Law 2744/1999*:* This Special Non-taxable Reserve was formed at the time of the Initial Public Offering in the Athens Stock Exchange in 1999, from the formation of the existing share capital to an equal amount of €58.694, and its opening balance was €1.201.658. According to the provisions of Law 2744/1999, the opening balance of this reserve had the following movements:

- It decreased with the amount of the net book value of the fixed assets that were conceded to the Public entity at no consideration.

(all amounts in euro thousands unless otherwise stated)

- It decreased with the amount of various provisions accounts that were recorded at the time of the IPO.
- It increased with the revaluation surplus from the revaluation of the technical installations and networks that remained at the ownership of the Company.
- It increased with the amount of the "Profit/Loss carry-forward" account that was present on the Balance Sheet as at 31 December 1998.

According to the Law 2744/1999, during the time of its creation this reserve was defined as a Special Non-taxable reserve and it was not subject to any taxation.

Reserves from non-taxable or taxed with a special treatment revenues*:* They are related with income from interest that are either non-taxable or tax withholded at the beginning. If they are distributed then they are taxed according to the general provisions of the income taxation. At the present time the Company has no intention to distribute these reserves and according to IAS 12 no deferred taxation has been calculated.

Other Reserves
The increase of EYATH share price on 31 December 2012 (portfolio available for sale) resulted in a respective rise of other reserves.

32. RETAINED EARNINGS

The account in the accompanying financial statements is analyzedas follows:

	GROUP	COMPANY
Balance at 01.01.2011	**346.177**	**346.513**
Dividends paid	(4.290)	(4.290)
Profit for the year 2011	26.050	26.135
Arrangement of undistributed. dividends reserve	(467)	(467)
Balance at 01.01.2012	(33)	(33)
Dividends paid	**367.437**	**367.858**
Profit for the year 2012	(18.105)	(18.105)
Transfer to Legal Reserve	46.753	46.843
Balance at 31.12.2012	**396.085**	**396.596**

(all amounts in euro thousands unless otherwise stated)

33. BORROWINGS (GROUP & COMPANY)

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

		31 December 2012		31 December 2011
Bank Loans		182.339		198.532
Greek State Loans		3.142		3.142
		185.481		**201.674**

Loans are payable immmediately or within one year and they are involved in short term liabilities.

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.

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

The Company has the following borrowing contracts :

a) Bank overdraft account with an open credit of € 21.000 and closing balance of €10.600 on 31 December 2011 and 2012 respectively. The interest rate of the loan is assessed on Euribor basis (floating on the date of interest payment and renewal) plus the respective bank's spread.The initial loan arrangement was signed on December 2004 with an option of expansion .

b) Bank overdraft account with an open credit of €40.000 and a closing balance of € 39.872 on 31 December 2011 and € 33.500 on 31 December 2012 respectively. The interest rate of the loan was assessed on Euribor basis (floating that changes every day) until 15/6/2010.From16/6/2010 is assessed also on Euribor basis (floating on the dates of interest payment and renewal) plus the respective bank's spread. The loan arrangement was signed on October 2004 with an optio of expansion.

c) Bank overdraft account with an open credit of € 40.000 on 31/12/2011 and € 37.000 on 31/12/2012 and a closing balance of € 38.500 on 31 December 2011 and € 37.000 on 31 December 2012 respectivelly. The interest rate of the loan is assessed on Euribor basis (one month floating that changes every day) plus the respective bank's spread . The initial loan arrangement was signed on March 2006 with an option of expansion .

d) Bank overdraft account with an open credit of € 40.000. The closing balance was € 40.000 on 31 December 2011 and € 36.500 on 31/12/2012 respectivelly. The interest rate of the loan is assessed on three month Euribor basis (floating rate valid in the beginning of the renewal period) plus the respective bank's spread. The initial loan arrangement was signed on December 2004.

33. BORROWINGS (continued)

e) Bank overdraft account with an open credit of € 24.000 and a closing balance of €19.000 on 31 December 2011 and €16.500 on 31 December 2012. The interest rate of the loan is assessed on a three month Euribor basis (rate valid for the next month based on the last working day of the previous month) plus the respective bank's spread. The initial loan arrangement was signed on November 2007 with an option of renewal .

f) Bank overdraft account with an open credit of € 25.000 and a closing balance of €23.400 on 31 December 2011 and € 22.400 on 31 December 2012. The interest rate of the loan is assessed on the Euribor basis (floating on the dates of interest payment and renewal). The initial loan arrangement was signed on November 2007 with an expansion option.

g) Bank overdraft account with an open credit of € 10.000 and a closing balance of € 8.000 on 31 December 2011 and 31 December 2012. respectively. The interest rate of the loan is assessed on a Euribor basis (floating rate valid on the starting and renewal dates.The rate relates to the duration of the deal). The initial loan arrangement was signed on July 2009 and it was of a sine die duration.

h) Bank overdraft account with an open credit of € 25.000 and a closing balance of € 15.000 on 31 December 2011 and € 14.500 on 31 December 2012 respectively The interest rate of the loan is assessed on a Euribor basis (floating rate that changes every day). The initial loan arrangement was signed on August 2002 and it was of a sine die duration.

Accrued interest amounted for € 215 th on 31st December 2012 and € 973 th on 31st December 2011 respectively and they are involved in the short term loans balance.

(all amounts in euro thousands unless otherwise stated)

34. LIABILITIES FOR EMPLOYEES BENEFITS

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

		31 December 2012		31 December 2011
Employees' end-of-service indemnities (Provision)		17.285		18.516
Employees healthcare scheme		188.110		201.048
Special Employees' end-of-service indemnity (hired after 26-10-99)		5.722		5.126
		211.117		**224.690**

The Company operates a medical and healthcare plan, which covers its employees, pensioners and their families and it has also a Staff Retirement Indemnities, which consists of a lump sum payment made to its employees upon dismissal or retirement.
The actuarial valuation of liabilities was prepared in accordance with the requirements of IAS 19 by independent valuers.
The principal actuarial assumptions used for the purpose of actuarial valuations (staff retirement indemnities and employees healthcare scheme) were as follows:

	2012	2011
Inflation		2%
Discount Rate	L.2112/20: 3,17% Special account: 3,55% Health care: 3,53%	L.2112/20: 4,40% Special account: 4,90% Health Care: 4,85%
Expected return on plan assets	3,55%	6%
Morbidity rates	1,7%	1,7%
Expected increase of payroll cost	2013-2015:0,0% 2016:+3,5%	2012:-18,0% 2013-2015:0,0% 2016:+3,5%
Expected increase in healthcare cost	2,4%	2,4%

(all amounts in euro thousands unless otherwise stated)

34. LIABILITIES FOR EMPLOYEES BENEFITS (continued)

a. Provision of Employees' end-of-service indemnity

The liabilities for Employees' end-of-service indemnity were calculated through a actuarial study for the period ended at 31.12.12 and 31.12.11 according to the aforementioned assumptions.

The movements of the provision for Employees' end-of-service indemnity during the years ended at 31 December 2012 and 2011 were as follows:

PERIOD	**1/1/10-31/12/12**	**1/1/10-31/12/11**
Present Value of (Liabilities not financed)	28.757	26.155
Not recognized actuarial profits / losses	(15.570)	(7.639)
Past Service cost non recognized	4.098	-
Net liability recognized in Balansheet	**17.285**	**18.516**
Amounts recognized in Profit & Loss Account	1.144	
Cost of current employment	1.106	1.255
Interest in liability	408	1.221
Actuarilal profit / loss recognized	**2.658**	407
Expense in Profit & Loss Account	-	**2.883**
Cost of abridgements / settlements /end of service	**2.658**	424
Total expense in Profit & Loss Account		**3.307**
Net liability alterations recognized in Balansheet		
Opening Net liability	18.516	20.831
Benefits payed by the employer	(3.889)	(5.622)
Total expense recognized in Profit & Loss Account	2.658	3.307
Net liability in the end of the year	**17.285**	**18.516**
Changes in the Liabilities Present value		
Present value of the liability in the beginning of the year	26.155	28.682
Cost of current employment	1.144	1.255
Interest cost	1.106	1.221
Benefits payed by the employer	(3.889)	(5.622)
Additional payments –expenses / (revenues)	-	363
Past service cost for the period	(4.098)	-
Actuarial loss / profit	8.339	256
Present value of the liability in the end of the year	**28.757**	**26.155**

(all amounts in euro thousands unless otherwise stated)

34. LIABILITIES FOR EMPLOYEES BENEFITS (continued)

b.Employees Healthcare Scheme

The Company covers the expenses of healthcare for the employees, the pensioners and their family members on specific internal regulations issued on this respect. The scheme is partly funded through payroll contributions and withholdings. The related liabilities of the Company arising from the healthcare scheme are calculated according to an actuarial study for the uses 2012 and 2011.

The movement of the provision for the healthcare scheme during the years ended on 31 December 2012 and 2011 were as follows:

PERIOD	**1/1/11-31/12/12**	**1/1/10-31/12/11**
Present Value of (Liabilities not financed)	224.147	248.187
Not recognized actuarial profits / losses	(36.038)	(47.139)
Net liability recognized in Balansheet	**188.109**	**201.048**
Amounts recognized in Profit & Loss Account		
Cost of current employment	3.115	3.914
Interest in liability	11.735	13.513
Actuarilal profit / loss recognized	1.695	4.684
Past service cost recognized	(20.380)	**-**
Expense in Profit & Loss Account	**(3.835)**	**22.111**
Total expense in Profit & Loss Account	**(3.835)**	**22.111**
Net liability alterations recognized in Balansheet		
Opening Net liability	201.048	190.868
Benefits payed by the employer	(9.103)	(11.931)
Total expense recognized in profit & loss account	(3.835)	22.111
Net liability in the end of the year	**188.110**	**201.048**
Changes in the Liabilities Present value		
Present value of the liability in the beginning of the year	248.187	281.085
Cost of current employment	3.115	3.914
Interest cost	11.735	13.513
Benefits payed by the employer	(9.103)	(11.931)
Past service cost for the period	(20.380)	-
Actuarial loss / profit	(9.407)	(38.394)
Present value of the liability in the end of the year	**224.147**	**248.187**

(all amounts in euro thousands unless otherwise stated)

34. LIABILITIES FOR EMPLOYEES BENEFITS (continued)

c. Special Account for employees' end-of-period indemnity (for employees hired after the 26.10.1999)

For the employees hired after the 25 October 1999 the Company has the obligation to fully pay the retirement indemnities according to the labor regulations and the collective labor agreements.

PERIOD	**1/1/11-31/12/12**	**1/1/10-31/12/11**
Present Value of (Liabilities not financed)	5.508	3.748
Fair value of schedule assets	(4.434)	(3.812)
	1.074	**(64)**
Not recognized actuarial profits / losses	224	1.378
Not recognized cost of past service	(11)	
Net liability recognized in Balansheet	**1.287**	**1.314**
Amounts recognized in Profit & Loss Account		
Cost of current employment	83	90
Interest in liability	181	204
Expected return on Assets	(236)	(202)
Actuarilal profit / loss recognized	(55)	(2)
Expense in Profit & Loss Account	**(27)**	**90**
Cost of abridgements / settlements /end of service	-	-
Total expense in Profit & Loss Account	**(27)**	**90**
Net liability alterations recognized in Balansheet		
Opening Net liability	1.314	1.224
Total expense recognized in Profit & Loss Account	(27)	90
Net liability in the end of the year	**1.287**	**1.314**
Changes in the Liabilities Present value		
Present value of the liability in the beginning of the year	3.748	3.989
Cost of current employment	83	90
Interest cost	181	204
Charges payed by the employees	322	373
Benefits payed by the plan		(7)
Past servoce cost for the period	11	
Actuarial loss / profit	1.163	(901)
Present value of the liability in the end of the year	**5.508**	**3.748**
Changes in the value of Assets		
Assets value in the beginning of the period	3.812	3.201
Expected return on assets	236	202
Employer's contributions	-	-
Employees contributions	322	373
Benefits payed by the plan /scheme	-	(7)
Expenses		-
Actuarial loss / profit	64	43
Assets value in the end of the period	**4.434**	**3.812**

It is worthnoting that the fair value of the aforementioned schedule which was € 4.434 th. and € 3.812 th. on 31 December 2012 and 2011 respectively, is included in the company's assets and concerns mainly the eymployees' contributions.

(all amounts in euro thousands unless otherwise stated)

34. LIABILITIES FOR EMPLOYEES BENEFITS (continued)

d.Special account of Employees' end-of-service indemnity (for employees hired until 25.10.1999)

According to the Special Collective Bargaining Agreements of 2.4.1990, 2.7.1991 and 25.5.1992 besides the indemnity of the Law 2112/20 a special indemnity is paid from the special account reserve that is formed from the staff contributions and the interest on these. According to the Law 2939/2001 the Greek State undertakes the obligation to cover the current deficit of the special indemnity account at the end of each year, for the staff at service on 25 October 1999 that has been retired or is going to retire in the future.The company has not formed any provision (note 28).

e. EYDAP Personnel Insurance Fund (TEAP EYDAP)

All the company's personnel is insured for their obligatory auxiliary pension in TEAP EYDAP which now has been merged with other auxiliary pension funds under the name TAYTEKO.

Since 1/10/2011 the sector of Auxiliary Personnel Insurance (TEAP EYDAP) has been merged with the Unified Supplementary Insurance Fund for Employees (ETEAM) (Article 44 § 3 of Law 3996/2011)

The company has no legal obligation to cover TEAP'S deficits and as a result there is no similar future obligation .

35. PROVISIONS FOR PENDING LITIGATION (GROUP & COMPANY)

	31/12/2012	**31/12/2011**
Provisions for litigations with employees	47.919	41.938
Provisions for urban litigations	20.083	17.480
	68.002	**59.418**

The Company has formed provisions for civil law pending litigations and of litigations with employees which are concerned efficient enough. The prediction was based on the best estimate of the Administration of the company in cooperation with its legal advisers who manage these affairs. This current use was charged with an amount of € 8.584 th.

(all amounts in euro thousands unless otherwise stated)

36. DEFERRED SUBSIDIES AND CUSTOMER CONTRIBUTIONS (GROUP & COMPANY)

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

	31 December 2012	31 December 2011
Cost:		
-Investment Subsidies	225.691	222.880
-Customer Contributions	101.871	99.698
	327.562	**322.578**
Accumulated Amortization		
-Investment Subsidies	(78.110)	(73.464)
-Customer Contributions	(38.073)	(35.377)
	(116.183)	**(108.841)**
Carrying Amount		
-Investment Subsidies	147.582	149.416
-Customer Contributions	63.797	64.321
	211.379	**213.737**

EYDAP obtains subsidies from the European Union through the Greek State in order to fund specific projects. In addition EYDAP's Customers (including State and Municipalities) are required to participate in the funding of the initial network connection cost (meters, substations, network connections etc) or its expansion/upgrade.

The above subsidies are recorded upon collection and are reflected on the financial position statement as deferred income. Such sums are amortized over the useful life of the related assets when these are put in operation. Subsidies amortization is recorded against depreciation charge.

According to the IFRS 18 which refers to the transfer of assets from its customers and the implementation of its respective interpretation, the company recognized in its revenues an amount of € 756 th., coming from external ramifications, sewerage connection rights and capitalizing constructions until 31/12/2012 and an amount of € 2.058 th. until 31/12/2011 respectively.

(all amounts in euro thousands unless otherwise stated)

37. CONSUMERS' GUARANTEES

The amount of € 17.927 th. on 31st December 2012 and € 17.777 th. on 31st December 2011 is related with guarantees received from customers for the use of the water meter, paid at the time of the initial connection with water supply.
These guarantees are repaid back (without interest cost) on the termination date of the connection upon customer's request. The above mentioned guarantees have been booked in their nominal value and not in their fair value because they can be demanded from the consumers at any time.

38. OPERATING AND OTHER CURRENT LIABILITIES

The account in the accompanying financial statement is analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Trade creditors	30.828	31.231	30.828	31.228
Taxes withheld	8.761	8.569	8.761	8.569
Social insurance contributions and other funds	3.430	3.348	3.430	3.348
Customer Advances	2.061	2.108	2.061	2.108
Dividends payable	11.496	11.487	11.496	11.487
Operating Current Liabilities	**56.576**	**56.743**	**56.576**	**56.740**
Payable Expenses	-	87	-	87
Outstanding Credit Accounts	1.677	8.563	1.677	8.563
Collections for third parties	1.320	1.275	1.320	1.275
Provision for vacation leave(non taken)	5.288	4.739	5.288	4.739
Personnel's compensations	4.295	3.843	4.295	3.843
Other Current liabilities	9.194	7.771	9.193	7.771
Short-term Consumers Guarantees	5.354	5.323	5.354	5.323
Other Current Liabilities	**27.128**	**31.601**	**27.127**	**31.601**

The carrying amounts of the operating and other current liabilities approximate their fair value.

39. EVENTS AFTER THE BALANCE SHEET DATE

Operations Development

Towards its operations development, the Company has signed preliminary programming contract with Saronikos, Spata-Artemida, Elefsina, Saronikos, Marathonas, Paiania, Amarousio, Markopoulo Mesogeas and Megara and Salamina Municipalities regarding the management take over of their water supply networks.
Towards its decision to accelerate the aggreement process with the Attica region Municipalities, EYDAP Board of Directors approved a new plan for long-term management of water supply networks which is being proceeded to the East Attica Municipalities in order to be signed.

Networks taking over

Under the 29th January 2013 contract, E.YD.A.P has the absolute ownership of the water supply network in the Panorama region of the Municipality of Acharnes.
The Company is under negotiations for the absolute take over and embodiment of water supply network parts in the Municipality of Vari-Voula-Bouliagmeni, the Municipality of Amarousio as well as in St George region in the Municipality of Aspropyrgos.
Furthermore, the following operations are taking place:
a) the partial embodiment of small private water supply networks in the whole Attica region is being completed and b) The company has also submitted, in the Operational Program-Environment & Sustainable Development, a proposal of financing the project of the waste reuse (waste treated in Psitalia and Thriasio waste treatment plants) for industrial and some agricultural purposes, for watering of urban green, reforestation and enrichment of the aquifer.
According to the Company's Management best knowledge, no subsequent events exist that may significantly affect the Company and the Group until the date of the approval of the financial statements.

With the exception of the above, no event has occurred which significantly affects the financial structure or business course of the Company from 31/12/2012 to the date of approval of the Board of Directors.

40. COMMITMENTS AND CONTINGENT LIABILITIES –ASSETS

40.1. 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. The Company has issued letters of guarantee to secure obligations of € 1.155 on 31/12/2012.

Litigations and claims

Lawsuits for civil law cases with claims of an amount of € 74 m. have been raised against the Company as on 31st December 2012. 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 subcontractors for violation of contractual terms.

There are also pending litigations with employees of around € 70 m. Against all these potential losses, when the pending litigation will be finalized, EYDAP has formed a provision of € 68 m. as on 31st December 2021 and of € 59,4 m. as on 31st December 2011, which are considered as sufficient.
Pending litigations involve also the lawsuit of Municipality of Marathonas of € 5.402 m.The company hasn't form any provision against this potential loss since it judges the case as "completely baseless by Law".

Unaudited by tax authorities fiscal years

The Public Revenues Service (tax authorities) have audited the Company, until the fiscal period ended on 31 December 2007. According to Article 82 of N.2238/1994 and A.Y.O. pol.1159/22-7-2011, the statutory auditors, issue tax certificate after the tax audit they carry on the books kept by the company.
The accompanying financial statements include a related sufficient provision for the additional taxes and fees that are probable to arise on the finalization of the financial years 2008-2011 and 2012 .

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 € 72 m.on 31st December 2012 and €96 m. on 31st December 2011 approximately.

40. COMMITMENTS AND CONTINGENT LIABILITIES –ASSETS *(continued)*

40.2 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 8years period 2000-2008. Against the aforementioned investment program of around €1,22 billion, that includes, as already mentioned, also the maintenances, the Company has spent for capital expenditures as on 31 December 2008 an amount of € 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. The Company against the subsidy that has the right to receive has received as on 31 December 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 journals were carried out then the profit/loss of the current and the previous year period would be improved by around € 5,2 m. and the net worth would be improved by around € 55,4 millions by 31/12/2012.
It must be clarified that a decision made by the Extraodinary Shareholders Meeting of August 10^{th} 2004 modified the company's investment programme ,however not affecting the above mentioned claim against the Greek State.

It is worthnoting that after the company's request towards the Greek State which is provided in the annex 4 of the aforementioned contract between the two parties the company for all its capital expenditures for the period 1/1/2009-31/12/2010 that amount € 105,3 mil. approximately is eligible for a € 63,2 m. subsidy.

(b) In addition to these claims the Company has a claim for a subsidy of 60% 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 only from the amount of expenditures that are related with the operation and maintenance of installations that is € 704,43 millions. The corresponding subsidy between the Company and the Greek State has not been finalized until the conduction of the current Financial Statements.

(all amounts in euro thousands unless otherwise stated)

41. RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

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

		31 December		31 December
		2012		**2011**
-Salaries (Chairman & CEO and Executive Directors)		116		132
-Salaries & participation fees of the Members of the Board of Directors		72		75
		188		**207**

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

	GROUP		COMPANY	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
1) Transactions				
-Revenues	66.961	69.320	66.961	69.323
-Cost of sales (construction contracts)	(1.382)	(3.084)	(1.382)	(3.084)
-Provisions	(23.835)	(7.288)	(23.835)	(7.288)
2) Outstanding amounts				
-Long term receivables (construction contracts)	112.063	110.598	112.063	110.598
-Long term receivables (Arrangements of Municipalities)	30.955	23.102	30.955	23.102
-Trade receivables(Greek State)	165.149	177.079	165.149	177.079
-Other receivables (coverage of Employees'end-of-service indemnity by the Greek State))	68.844	62.433	68.844	62.433
No dividend set off liability	11.388	11.388	11.388	11.388

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 till 31/12/2012.

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

(all amounts in euro thousands unless otherwise stated)

42. AUDITORS REMUNERATION

	31/12/2011	31/12/2010
Auditors remuneration for auditing the annual accounts	100	120
Auditors remuneration for auditing the cost of Public Entity "Eydap Fixed Assets Company" works & Ministry of Environment, Planning and Public Works (2008-2010)	0	25,5
Auditors remuneration for tax certificate issuance	40	

43. PUBLIC ENTITY EYDAP FIXED ASSETS (PE)

The Public Entity was established at the time of the IPO with the purpose of the ownership's transfer of the water dams and basins of Marathon, Mornos, Yliki and Evinos from EYDAP to PE. Besides the constructions and upgrades of the installations that are related with these water dams and basins, the Greek State – through the Public Entity - has undertaken the obligation to supply the Company with raw water to meet its water supply obligations. The price of the raw water until 2004 were offseting with the cost of services that EYDAP realizes for the maintenance and operation of the fixed assets that belong by ownership to the Public Entity.There is no new similar agreement thereafter.
The total landed property of the State entity "Eydap fixed Assets Company" has not been transcribed from Eydap S.A until the issuance of the current Auditors Report. The undepreciated value of the respective property is approximately € 657 m.

44. Capital risk management

The company manages its capital in a way that guarantees the continuity of its operations over time while the maximization of shareholders returns through the optimization of the relation between debt and net worth is secured.The company's Capital structure consists of debts involved in "Borrowing" (note 32),cash and equivalents and the net worth which consists of the issued capital,reserves and the carrying amount (notes 30,31,32).
The company reviews its capital structure on an ongoing basis ,the cost of capital and the risks connected with each capital category.
According to Management suggestions the company balances its total capital structure through divident payments and short term borrowing.

(all amounts in euro thousands unless otherwise stated)

44. Capital risk management (continued)

The Group's Management reviews the capital structure at regular intervals. In this review estimated the capital cost and the risk for each class of capital. This relationship is as follows:

Leverage ratio

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Borrowings	185.481	201.674	185.481	201.674
Cash flows and cash equivalents	(43.106)	(21.975)	(43.072)	(21.920)
Net Debt	142.375	179.699	142.409	179.754
Total Equity	881.500	852.097	882.011	852.518
Net debt to equity ratio	16,15%	21,09%	16,15%	21,09%

45. Financial Risk Management

As a result of its operation 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, inerest rates risk and credit risk.

a) <u>Market Risk</u>

<u>Exchange rate risk</u>
The main part of the Company's operations is processed in the Eurozone under Euro.As a result exchange rate risk is immaterial.
<u>Interest rates variability risk</u>
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 concerns loans.Loans under variable rate result in cash flow risk for the Company.

(all amounts in euro thousands unless otherwise stated)

45. Financial Risk Management (continued)

Sensitivity Analysis of loans under cash flow risk in Interest rate changes

Amounts in €	Interest rates Variability	Impact in EAT
2012	+1%	(1.894)
	-1%	1.894

b) Credit Risk

The Company's exposition in credit risk is confined on its financial Assets which can be analyzed as follows:

	GROUP		COMPANY	
Categories of financial items	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
Financial items in disposal	1.602	847	1.602	847
Cash flows and cash equivalents	43.106	21.975	43.072	21.920
Commercial and other claims	400.554	404.133	400.554	404.135
Long term claims	147.591	136.024	147.590	136.023
Investments in associates	53	130	542	542
Investments in subsidiaries	-	-	60	60
Total	**592.906**	**563.109**	**593.420**	**563.527**

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.
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 the Company examines the potential collection of the respective due debt through contract agreements.The approximate amount of these claims is € 214 m.
None of the Company's financial assets is insured by mortgage or any other form of credit insurance.The available for sale financial items are assessed in their fair value that is their stock market value .As a result they are attributed in the level 1, according to IFRS 7, par.27B

The timetable of **claims on maturity** is analysed as follows :

2012	**Not due**	**0-1 Months**	**1-6 Months**	**6Months-2 Years**	**2Years-5 Years**	**>5 Years**	**Total**
Private customers	22.321	14.481	25.935	28.229	22.098	12.564	125.628
Public	2.682	1.629	3.515	6.061	10.159	25.697	49.743
Municipalities	8.359	4.741	19.564	45.461	74.677	60.845	213.647
Total	**33.362**	**20.851**	**49.014**	**79.751**	**106.934**	**99.106**	**389.018**
2011							
Private customers	24.730	10.746	20.690	24.126	19.130	5.398	104.820
Public	3.208	1.311	6.114	8.418	8.387	23.632	51.070
Municipalities	8.750	4.315	17.497	55.057	61.077	46.981	193.677
Total	**36.688**	**16.372**	**44.301**	**87.601**	**88.594**	**76.011**	**349.567**

(all amounts in euro thousands unless otherwise stated)

45. Financial Risk Management (continued)

The accounting value of claims which have been renegotiated was on 31 December 2012 € 72,4 and on 31 December 2011 € 48,2 respectivelly.

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.
The following table analyses the Company's financial liabilities which are classified in groups according to their expiration date and calculated according to the time balance arising at the balansheet date to the contractual arrangement ending date in non discounted figures.
The timetable of the **Company's liabilities on maturity** date is analysed as follows :

2012	**0-1 Months**	**2-3 Months**	**3Months-6 Months**	**6 Months-12 Months**	**1-5 Years**	**>5 Years**	**Total**
Loans	22.177	7.815	155.488				185.480
Creditors & others	53.647	17.330	6.748	14.795	91.047	205.897	392.038
Total	**75.824**	**25.145**	**162.236**	**14.795**	**91.047**	**205.897**	**574.944**
2011	**0-1 Months**	**2-3 Months**	**3Months-6 Months**	**6 Months-12 Months**	**1-5 Years**	**>5 Years**	**Total**
Loans	7.006	85.123	33.600	75.945	-	-	201.674
Creditors & others	59.735	16.876	4.992	9.960	86.218	211.869	389.650
Total	**66.741**	**101.999**	**38.592**	**85.905**	**86.218**	**211.869**	**591.324**

46. Assession of fair values

The financial value of items bargain in active markets (stock exchanges),i.e.(derivatives,stocks,bonds,mutual funds).is assessed based on published prices that stand on the financial statements report date.

The fair value of financial items which are not bargain in active makets is assessed by the use of valuation techniques and assumptions which are based on market data on the Financial Statements Report date.

The nominal value minus provisions of bad and doubtful debts is estimated in a way that approximates its real value.
The real values of financial liabilities for the purpose of their presentation in the financial statements are calculated relied on the present value of future cash flows.
The cash flows result from specific contractual arrangements and the basis of calculation is the current available to the Company interest rate for the use of similar financial instruments .

47. Regrading Funds

Cost of goods sold and distribution costs in the Total Revenues Statement were reclassified by an amount of € 8.481, which represents bad debts provisions, without affecting the EAT of the period. This change was considered necessary for the homogeneous representation of Gross Profit account.

Specifically**:**

TOTAL REVENUES STATEMENT

	GROUP		COMPANY	
Amounts in Thousands of €	**31 December 2011 As they were published**	**31 December 2011 As they were reclassified**	**31 December 2011 As they were published**	**31 December 2011 As they were reclassified**
Revenue from services rendered	358.550	358.550	358.550	358.550
Cost of Services	(208.684)	(217.165)	(208.684)	(217.165)
Gross Profit	**149.866**	**141.385**	**149.866**	**141.385**
Other Operating Income	1.953	1.953	1.956	1.956
General and administration expenses	(58.989)	(58.989)	(58.982)	(58.982)
Distribution and selling expenses	(41.667)	(33.186)	(41.667)	(33.186)
Profit from operating activities	**51.163**	**51.163**	**51.173**	**51.173**
Other operating expenses	(4.534)	(4.534)	(4.534)	(4.534)
Finance income net	4.788	4.788	4.788	4.788
Finance costs net	(15.849)	(15.849)	(15.849)	(15.849)
Valuation of Associates	(76)	(76)	-	-
Profit from ordinary activities before income taxes	**35.492**	**35.492**	**35.578**	**35.578**
Income tax expense	(9.442)	(9.442)	(9.443)	(9.443)
Net profit for the year	**26.050**	**26.050**	**26.135**	**26.135**
Shares outstanding	106.500		106.500	
Earnings per share (in €)	**0,24**	**0,24**	**0,25**	**0,25**

(all amounts in euro thousands unless otherwise stated)

47. Regrading Funds (continued)

ALLOCATION OF EXPENSES

GROUP (As they were published)

31/12/2011	Cost of Goods Sold	Distribution Cost	Management Cost	Total
Third-party expenses and fees	65.852	155	3.114	69.121
Self-constructed assets	(28.020)	-	-	(28.020)
Total A	**37.832**	**155**	**3.114**	**41.101**
Wages and Salaries	94.207	25.976	45.097	165.280
Third-party allowances	31.270	5.080	5.044	41.394
Depreciation and amortization	26.582	961	3.396	30.939
Provisions	10.973	8.377	-	19.350
Other Expenses	4.112	820	1.911	6.843
Raw material and consumables used	11.139	298	427	11.864
Self-constructed assets	(7.431)	-	-	(7.431)
Total B	**170.852**	**41.512**	**55.875**	**268.239**
Total (A + B)	**208.684**	**41.667**	**58.989**	**309.340**

GROUP (As they were reclassified)

31/12/2011	Cost of Goods Sold	Distribution Cost	Management Cost	Total
Third-party expenses and fees	65.852	155	3.114	69.121
Self-constructed assets	(28.020)	-	-	(28.020)
Total A	**37.832**	**155**	**3.114**	**41.101**
Wages and Salaries	94.207	25.976	45.097	165.280
Third-party allowances	31.270	5.080	5.044	41.394
Depreciation and amortization	26.582	961	3.396	30.939
Provisions	19.455	0	-	19.455
Other Expenses	4.111	716	1.911	6.738
Raw material and consumables used	11.139	298	427	11.864
Self-constructed assets	(7.431)	-	-	(7.431)
Total B	**179.333**	**33.031**	**55.875**	**268.239**
Total (A + B)	**217.165**	**33.186**	**58.989**	**309.340**

(all amounts in euro thousands unless otherwise stated)

47. Regrading Funds (continued)

ALLOCATION OF EXPENSES

COMPANY (As they were published)

31/12/2011	Cost of Goods Sold	Distribution Cost	Management Cost	Total
Third-party expenses and fees	65.852	155	3.114	69.121
Self-constructed assets	(28.020)	-	-	(28.020)
Total A	**37.832**	**155**	**3.114**	**41.101**
Wages and Salaries	94.207	25.976	45.097	165.280
Third-party allowances	31.270	5.080	5.041	41.394
Depreciation and amortization	26.582	961	3.393	30.936
Provisions	10.973	8.377	-	19.350
Other Expenses	4.112	820	1.910	6.842
Raw material and consumables used	11.139	298	427	11.864
Self-constructed assets	(7.431)	-	-	(7.431)
Total B	**170.852**	**41.512**	**55.868**	**268.232**
Total (A + B)	**208.684**	**41.667**	**58.982**	**309.333**

COMPANY (As they were reclassified)

31/12/2011	Cost of Goods Sold	Distribution Cost	Management Cost	Total
Third-party expenses and fees	65.852	155	3.114	69.121
Self-constructed assets	(28.020)	-	-	(28.020)
Total A	**37.832**	**155**	**3.114**	**41.101**
Wages and Salaries	94.207	25.976	45.097	165.280
Third-party allowances	31.270	5.080	5.041	41.391
Depreciation and amortization	26.582	961	3.393	30.936
Provisions	19.455	0	-	19.455
Other Expenses	4.111	716	1.910	6.737
Raw material and consumables used	11.139	298	427	11.864
Self-constructed assets	(7.431)	-	-	(7.431)
Total B	**179.333**	**33.031**	**55.868**	**268.232**
Total (A + B)	**217.165**	**33.186**	**58.982**	**309.333**

Independent Auditor's Report

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

Report on the Company Stand-Alone and Consolidated Financial Statements

We have audited the accompanying Company stand-alone and consolidated financial statements of ATHENS WATER SUPPLY AND SEWERAGE S.A. (The Company) which comprise the Company stand-alone and consolidated statement of financial position as at December 31, 2012, and the Company stand-alone and consolidated statements of profit and loss account and comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Company Stand-Alone and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these Company stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as these have been adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of Company stand-alone and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Company stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Company stand-alone and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company stand-alone and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company stand-alone and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the company stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the company stand-alone and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying Company stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of its subsidiary as of December 31, 2012, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Matters of Emphasis

We draw your attention to the following:

1. As it is further explained in note 40.2 to the financial statements, the Company according to its establishment Law 2744/99, has entered into an Agreement with the Hellenic Republic ("the State") whereby the State has committed to granting the Company either European Union's financial resources or from the State's own programme of Public Investment, funds to cover 60% of the capital expenditure that the Company would 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 as explained above includes also maintenance expenses, the Company has spent for capital expenditure through December, 31 2008 an amount of approximately Euro 432.5 million against which it is entitled to receive a subsidy amounting to approximately Euro 259.5 million (432.5*60%) while in accordance with the aforementioned agreement the Company claims also a relevant subsidy for maintenance expenses. The Company against the above subsidy to which it is entitled to, has received through December, 31 2012 an amount of approximately Euro 9 million. Based on the principle of prudence, the above amounts receivable by the Company from the State amounting to approximately Euro 250.5 million (259.5 million – 9 million) have not been accounted for as a receivable and correspondingly as a long term liability, to be gradually amortized to income according to the depreciation charged on the corresponding subsidized water supply and sewerage system carrying amounts. Had the above treatment been followed, the current and the previous period's income would have been improved by Euro 5.2 million approximately, and the Shareholders' Equity at December, 31 2012 would have been increased by Euro 55.4 million approximately.
   Attention is drawn to the fact that based on the resolution taken of August 8, 2004 by the Extraordinary General Assembly of shareholders, the Company's Investment program was modified; however, such modification does not affect the above Company's claim against the State.
   It is also noted that, during the period 01.01.2009-31.12.2010, the Company spent for capital expenditure an amount of approximately Euro 105.3 million for which, according to Appendix 4 of the aforementioned Agreement, it is entitled to apply for a subsidy amounting to approximately Euro 63.2 (105.3 X 60%).

2. As it is explained in note 40.2 of the financial statements and as already discussed in the preceding paragraph, the above amount of approximately Euro 250.5 million does not include the subsidization of maintenance expenses, because it was not possible to isolate the amount related to maintenance expenses from the total expenses relating to both operations and maintenance incurred up to 31.12.2008 amounting to Euro 704.4 million approximately. Even though in the underlying agreement entered into by the Company and the State (Appendix 4 – Financial commitments under the title "Subsidies for capital expenditure guaranteed by the State") provides that the State guarantees the granting to the Company 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 audit, the realization of the subsidy relating to maintenance expenses has not been yet agreed between the Company and the State.

3. As it is explained in note 43 of the financial statements, the conclusion of an agreement between the State and the Company, in relation to the unprocessed water supply from the State to the Company is pending since 2004. Based on the corresponding agreement which was in effect until 31.12.2004, the cost of unprocessed water was offset against the corresponding cost of services provided by the Company for the maintenance and operation of the water saving and water transfer fixed assets that belong to the State Entity "Fixed Assets E.YD.A.P Company".

4. As it is explained in note 43, as of the date of the approval of the subject financial statements by the board of directors of the Company and the issue of this report, the legal transfer of the ownership of real property transferred to the State Entity "Fixed Assets E.YD.A.P Company", with a net book value Euro 657 million approximately, is pending.

We do not qualify our audit opinion regarding the issues above.

Report on Other Legal and Regulatory Requirements

a) The Annual Consolidated Directors' Report includes a Corporate Governance Statement which provides the information required according to the provisions of paragraph 3d of Article 43a and paragraph 3st of Article 107 of the Codified Law 2190/1920.
b) We have agreed and confirmed the content and consistency of the Annual Consolidated Directors' Report to the accompanying Company stand-alone and consolidated financial statements according to the provisions of the articles 43a, 108 and 37 of the Codified Law 2190/1920.

Athens, March 28, 2013

The Certified Public Accountants

Nicos K. Sofianos
Reg. No SOEL: 12231

Nicos A. Papadimitriou
Reg. No SOEL: 14271

Deloitte.
Hadjipavlou Sofianos & Cambanis S.A.
Assurance & Advisory Services
Fragoklisias 3a & Granikou Str,
151 25 Maroussi
Reg. No (ICPA (GR)): E 120

THIS SECTION REFERS TO THE INFORMATION PUBLISHED AND AVAILABLE TO THE INVESTORS DURING THE USE OF 2012, IN ACCORDANCE WITH THE RELEVANT REGULATION. THE FOLLOWING STATEMENTS-NOTICIFATIONS HAVE BEEN SENT TO THE DAILY PRICE BULLETIN AND ARE PRESENTED IN THE ATHENS STOCK EXCHANGE AND THE COMPANY'S WEB SITE WWW.EYDAP.GR

DATE	LAW 3401/2005 ART. 10 INFORMATION
30/1/0212	ANNOUNCEMENT ACCORDING TO LAW 3556/2007
1/3/2012	2012 FINANCIAL CALENDAR
1/3/2012	2012 FINANCIAL CALENDAR
30/3/2012	FY 2011 RESULTS
24/4/2012	FINANCIAL ANALYSTS΄ANNUAL BRIEFING
26/4/2012	COMPANY PRESENTATION TO THE REPRESENTATIVES OF THE CAPITAL MARKET
14/5/2012	ANNOUNCEMENT ACCORDING TO LAW 3556/2007
15/5/2012	ANNOUNCEMENT ACCORDING TO LAW 3556/2007-ADDITIONAL INFORMATION
18/5/2012	INVITATION TO THE ANNUAL SHAREHOLDERS' GENERAL MEETING OF THE EYDAP S.A.
31/5/2012	Q1 2012 KEY FIGURES & RESULTS
12/6/2012	POSTPONMENT NOTIFICATION
15/6/2012	INVITATION TO THE REPEAT SHAREHOLDERS΄ORDINARY GENERAL MEETING OF THE EYDAP S.A.
29/6/2012	RESOLUTIONS OF THE REPEAT SHAREHOLDERS MEETING
29/6/2012	2011 DIVIDEND PAYMENT
31/8/2012	H1 2012 RESULTS
25/9/2012	CONCLUSION OF ORDINARY TAX AUDIT FOR FISCAL YEAR 2011 AND TAX CERTIFICATE ISSUANCE
24/10/2012	ANNCOUNCEMENT IN THE CONTEXT OF THE LAW 3556/2007 - TRANSACTION ACKNOWLEDGMENT
24/10/2012	ANNCOUNCEMENT IN THE CONTEXT OF THE LAW 3556/2007 - TRANSACTION ACKNOWLEDGMENT
29/10/2012	INVITATION TO EXTRAORDINARY GENERAL MEETING OF THE EYDAP S.A.
21/11/2012	VOTING RESULTS

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

Company's No 44724/06/B/99/52 in the register of Societes Anonymes
Oropou 156 -11156 Galatsi
FINANCIAL STATEMENTS INFORMATION FOR THE PERIOD from 01st January 2012 to 31st December 2012
(in terms of article 135 of Law 2190, for companies publishing annual financial statements in accordance with IAS/IFRS)

The figures illustrated below provide summary information about the financial position of the Group and E.Y.D.A.P. S.A. (the Company). 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.

COMPANY'S STATUTORY INFORMATION

Prefecture:	Athens
Company's web Site	www.eydap.gr
Members of the Board of Directors:	St. Stavridis, A.Antonopoulos,G.Kontoroupis, E. Karachaliou D.Asimakopoulos A.Kotsonis , E. Sklavenitis, P. Skoularikis, N. Kogioumtsis, Ch. Mistriotis, E.Agelakis, E.Moutafis.
Date of Approval of Financial Statements:	March 28, 2013
Chartered Public Accountants:	N.Sofianos SA D No 12231 N.Papadimitriou SA D No 14271
Auditing Company:	Deloitte Hatzipaulou, Sofianos & Kampanis Public Accountants and Business Consultants SA D No 120
Type of Auditor's Report	Unqualified Opinion -Emphasis of matter

STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Euro

	GROUP		COMPANY	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
ASSETS				
Tangible assets	995.178	1.017.919	995.178	1.017.919
Intangible assets	1.772	3.185	1.772	3.185
Other non current assets	209.597	193.661	210.142	194.131
Inventories	17.616	16.288	17.616	16.288
Trade receivables	310.042	322.012	310.042	322.015
Other current assets	133.619	104.672	133.584	104.617
TOTAL ASSETS	**1.667.824**	**1.657.737**	**1.668.334**	**1.658.155**
TOTAL EQUITY AND LIABILITIES				
Share capital	63.900	63.900	63.900	63.900
Other items of Shareholders' Equity	817.600	788.197	818.111	788.618
Total Shareholders' Equity	**881.500**	**852.097**	**882.011**	**852.518**
Reserves for employee benefits	211.117	224.690	211.117	224.690
Deferred subsidies and customer contributions	211.379	213.737	211.379	213.737
Provisions and other long-term liabilities	85.929	77.196	85.929	77.196
Short- term borrowings	185.481	201.674	185.481	201.674
Other Short- term borrowings	92.418	88.343	92.417	88.340
Total liabilities (d)	786.324	805.640	786.323	805.637
TOTAL EQUITY AND LIABILITIES (c)+ (d)	**1.667.824**	**1.657.737**	**1.668.334**	**1.658.155**

STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands of Euro — GROUP

	1.01-31.1.2012	1.01-31.12.2011
Turnover	353.344	358.550
Gross profit	146.185	141.385
Earnings before tax, financial, and investment results	73.942	46.628
Profit before tax	**61.912**	**35.492**
Profit after tax (A)	46.753	26.050
Other comprehensive income, net of tax (B)	755	(205)
Total Comprehensive income for the period (A+B)	**47.508**	**25.845**
Attributable to		
Shareholders	47.508	25.845
Diluted earnings per issued share (in euro)	0,44	0,24
Earnings before tax, financial, investment results and depreciation and amortization	108.152	77.564

STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands of Euro — COMPANY

	1.01-31.12.2012	1.01-31.12.2011
Turnover	353.344	358.550
Gross profit	146.185	141.385
Earnings before tax, financial, and investment results	73.959	46.638
Profit before tax	**62.005**	**35.578**
Profit after tax (A)	46.843	26.135
Other comprehensive income, net of tax (B)	755	(205)
Total Comprehensive income for the period (A+B)	**47.598**	**25.930**
Attributable to		
Shareholders	47.598	25.930
Diluted earnings per issued share (in euro)	0,44	0,25
Proposed dividend per share	0,15	0,17
Earnings before tax, financial, investment results and depreciation and amortization	108.169	77.574

STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of Euro

	GROUP		COMPANY	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Equity opening balance (01.01.2012 and 01.01.2011 respectively)	852.097	830.512	852.518	830.848
Profit of the year, after tax	46.753	26.050	46.843	26.135
Net income directly charged to equity	755	(205)	755	(205)
Comprehensive income after taxes	47.508	25.845	47.598	25.930
Distributed Dividends	(18.105)	(4.260)	(18.105)	(4.260)
Equity closing balance(31.12.2011 and 31.12.2010 respectively)	**881.500**	**852.097**	**882.011**	**852.518**

STATEMENT OF CASH FLOWS

Amounts in thousands of Euro

	GROUP		COMPANY	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Cash Flows from operating activities				
Profit before taxes	61.912	35.492	62.005	35.578
Adjustments for:				
Depreciation and amortization	41.536	38.250	41.536	38.250
Amortization of customers' contributions and subsidies	(7.326)	(7.314)	(7.326)	(7.314)
Investment income	(50)	(30)	(50)	(30)
Impairment of investments	76	76	0	0
Provisions for employees' end of service compensation	(14.195)	7.955	(14.195)	7.955
Other Provisions	38.603	19.455	38.603	19.455
Credit Interest and related income	(5.225)	(4.758)	(5.225)	(4.758)
Debit Interest and related expense	17.229	15.848	17.229	15.848
Operating income before working capital changes				
/ changes in operating assets and liabilities				
(Decrease in) Increase in				
Receivables	(40.564)	(51.403)	(40.566)	(51.403)
Materials and spare parts	(1.348)	2.490	(1.348)	2.490
Increase in (Decrease in)				
Liabilities	(5.409)	(227)	(5.403)	(232)
Consumers' guarantees	150	254	150	254
Reserve for employees benefits	622	611	622	611
Minus:				
Interest and related expenses paid	(14.991)	(12.131)	(14.991)	(12.131)
Income Tax paid	(9.736)	(26.017)	(9.736)	(26.017)
Net cash from operating activities (a)	**61.284**	**18.551**	**61.305**	**18.556**
Cash Flows from investing activities				
Purchases of property, plant, and equipment	(16.467)	(32.131)	(16.466)	(32.131)
Purchases of intangible assets	(915)	(640)	(916)	(640)
Proceeds from customers' contributions and subsidies	4.968	11.572	4.968	11.572
Interest and related income received	3.929	3.344	3.929	3.344
Dividends received	50	30	50	30
Subsidiary Formation	0	0	0	(60)
Net cash from investing activities (b)	**(8.435)**	**(17.825)**	**(8.435)**	**(17.885)**
Cash Flows from financing activities				
Proceeds from borrowings	0	0	0	0
Repayments of borrowings	(15.372)	(4.600)	(15.372)	(4.600)
Dividends paid	(16.346)	(1.993)	(16.346)	(1.993)
Net cash from financing activities (c)	**(31.718)**	**(6.593)**	**(31.718)**	**(6.593)**
Net (decrease) increase in cash and cash equivalents				
(a) + (b) + (c)	**21.131**	**(5.867)**	**21.152**	**(5.922)**
Cash and cash equivalents, beginning of period	**21.975**	**27.842**	**21.920**	**27.842**
Cash and cash equivalents, end of period	**43.106**	**21.975**	**43.072**	**21.920**

ADDITIONAL DATA AND INFORMATION

1. The number of employees as at 31 December 2012 was 2.512. The number of employees as at 31 December 2011 was 2.671.
2.Unaudited (by Public Revenue Services) tax uses for both the Group and the Company are analitically shown in the note 40 of financial statements.
3. The Provisions formed up to 31 December 2012 concern: a) Lawsuits for civil law cases with claims of an amount of Euro 74,0 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. b)There are also pending litigations with employees of around Euro 70,0 m. Against all these potential losses, if the pending litigation will be finalized, EYDAP has formed a provision of Euro 68,0 m. as at 31 December 2012 and of Euro 59,4 m. as at 31 December 2011, which are considered as sufficient.c) Provisions of Euro 4,9 m. for unaudited (by Public Revenue Services) tax uses as at 31 December 2012 and of Euro 4,6 m. as at 31 December 2011 and d) Other provisions of Euro 87,9 m.as at 31 December 2012 and of Euro 58,8 m. as at 31 December 2011.
4.The matters of emphasis of the Certified Auditors are the following : 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 8years period 2000-2008. Against the aforementioned investment program of around Euro1,22 billion, that includes, as already mentioned, also the maintenances, the Company has spent for capital expenditures as at 31 December 2008 an amount of Euro 432,49 millions, for which it has the right to receive a subsidy of around Euro 259,49 millions (432,49*60%), while for the maintenance expenditures the Company claims the corresponding subsidy. The Company against the subsidy that has the right to receive has received as at 31 December 2012 an amount of Euro 9,08 millions. On the basis of the above the claim of the Company from the Greek State has been raised to Euro 250,41 millions (259,49 - 9,08). Therefore this amount has not recorded in accounts receivables with an equal credit in long-term liabilities, the carrying amount of which is gradually transferred in the profit/loss account of the period according to the depreciation rate of the subsidized water supply and sewerage network system. If the aforementioned journals were carried out then the profit/loss of the current and the previous period would have been improved by around Euro 5,2 millions and the net equity would have been improved by around Euro 55,4 millions. It must be clarified that the company's Investment programm modified as a result of a decision taken by the 10-8-2004's Extraodinary Shareholders General Meeting . However this doesn't affect the company's claim towards 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 € 63,2 m.(105,3*60%) for all the capital expenditures accomplished during the years 2009 and 2010 which amount approximately € 105,3 m.
b)In addition the Company has a claim concerning a subsidy for the maintenance expenditures according to the contract with the Greek State. However, since it is not feasible to extract the amount that corresponds to maintenance from the total amount of expenditures that are related with the operation and maintenance of installations that is Euro 704,43 millions as at 31 December 2008, the corresponding subsidy has not been finalized between the company and the State until the conduction of the present finacial statements.
c)In parallel with the aforementioned the contract between the State and the Company concerning the supply of raw water is pending from 2004 use. According to contract which was valid until 31 December 2004 the supply of raw water compensates with the operation and conservation costs of the water supply fixed assets that belong to the State.(State entity "Eydap fixed Assets Company")
d)The total landed property of the State entity "Eydap fixed Assets Company" has not been transcribed from Eydap S.A until the issuance of the current Auditors Report. The undepreciated value of the respective property is approximately € 657 mil.
5. Cumulative amounts from the beginning of the current period concerning puchases and sales together with both the Group's and the Company's claims and liabilities at the end of the current period that have been resulted from their transactions with related parties in the sense of the IAS 24 are as follows :

	GROUP		COMPANY	
	2012	2011	2012	2011
i)Revenues (1/1-31/12/2012 and 1/1-31/12/2011 respectively).	66.961	69.320	66.961	69.323
ii)Claims (31/12/2012 and 31/12/2011 respectively) .	377.011	373.212	377.011	374.212
iii)Dividend liability	11.388	11.388	11.388	11.388
iv)Transactions and Payrolls of Directors and Members of the Administration (1/1-31/12/2012 and 1/1-31/12/2011 respectively).	188	207	188	207

6. In the current period a revenue of Euro 755 th. related to changes in the fair value of assets available for sale was recorded in "Other comprehensive income after taxes" of the statement of comprehensive income.
7. Until the approval date of the condensed annual financial statements, events that could substantially affect the Group's and the Company's assets structure or their activities process have not occurred.
8. Since the 30th of September 2011, when the subsidiary (ISLANDS EYDAP S.A.) was established, the Company conducts separate as well as consolidated financial statements , revaluating its participation in associate enterprises using the net equity method (accorfing to the decision 39 -10/2/2005 Greek Accounting Standards).
9. Conlolidated financial statements include the companies shown below: a) EAP S.A. which resides in Kifissia (Eydap participates with a share of 35%) which was unified with the net equity method and is under liquidation (according to the EAP General Meeting decision of 4/5/2012) and b) ISLANDS EYDAP S.A. which resides in Piraeus (Eydap participates up to100%) which was unified with the accounting method under the name "total unification". As a result, no minority rights are taken into consideration.
10. Cost of goods sold and distribution costs figures in the Total Revenues Statement were reclassified. This change was considered necessary for the homogeneous and comparable, with the previous period, representation of Gross Profit account. The regrading of funds is available in Note 47 of the annual financial statments.

Athens, March 28th 2013

The Chairman of the Mnagement Board and Chief Executive Officer	The Vice- Chairman of the Management Board	The Deputy Director of the Economic Department	The Chief Accountant Supervisor
Stavridis Stylianos	**Asimakopoulos Dionysios**	**Spyropoulou Eleni**	**Skylaki Lemonia**
I.D. No AE 024725	I.D. No AK 123903	I.D. No AI 060168	I.D. No Ξ 971227