



SEMI-ANNUAL FINANCIAL REPORT

**OF THE GROUP AND EYDAP SA (COMPANY)
FOR THE 1ST HALF OF 2014**

**IN ACCORDANCE WITH LAW 3556/2007 AND THE RELEVANT DECISIONS OF THE BOARD OF DIRECTORS
OF THE CAPITAL MARKET COMMISSION**

Athens Water Supply and Sewerage Company S.A.

GEMI NO. 121578960000

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Semi-Annual Financial Report

Period from 1st January – 30th June 2014

The current Semi-Annual Financial Report was prepared according to Law 3556/2007 and the relevant decisions of the Board of Directors of the Capital Market Commission and includes the following:

- a) Statements of the Members of the Board of Directors
- b) Semi-Annual Board of Directors Management Report
- c) Interim Financial Statements for the period 01.01.2014 to 30.06.2014
- d) Independent Auditor's Report
- e) Data and Information for the period 01.01.2014 to 30.06.2014

It is declared that the current Semi-Annual Financial Report is the one which has been approved by the Board of Directors of **"Athens Water Supply and Sewerage Company S.A."** on 27.08.2014 and is available on the internet at the web site address <http://www.eydap.gr>.

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1. STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

(according to article 5, paragraph 2 of Law 3556/2007)

The following Members:

1. Antonios Vartholomaios, Chairman of the Board of Directors & Chief Executive Officer,
2. Ioannis Hondrogiannos, Board Member and
3. Lambros Zografos, Board Member, specially designated by the Board of Directors

According to what is specified in the paragraph 2 of article 4 of Law 3556/2007, we hereby declare that according to our knowledge:

- a. The Semi-Annual Financial Statements for the period 01.01.2014 – 30.06.2014 of EYDAP S.A. were prepared according to the International Financial Reporting Standards in effect, depict in a true manner the accounts of assets and liabilities, the net worth and the results for the period of EYDAP SA and the companies included in the consolidation, which are regarded as a whole, in accordance with the provisions of paragraphs 3 – 5, article 5 of Law 3556/2007, and
- b. The Semi-Annual Consolidated Management Report of the Board of Directors, depict in a true manner the information required based on paragraph 6, article 5 of Law 3556/2007.

Athens, 27 August 2014

The Chairman of the Board and Chief
Executive Officer

The Board Member

The Board Member

Antonios Vartholomaios
ID No. AK 543580

Ioannis Hondrogiannos
ID No. AI 094411

Lambros Zografos
ID No. AB 390968

2. SEMI-ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT

Dear Shareholders,

In accordance with paragraph 6 of the article 5 of law 3556/2007 and the delegated resolutions of the BoD and the Hellenic Capital Market Committee of the same Law, we hereby submit the Report of the Board of Directors for the period from 01/01/2014 to 30/06/2014.

The report presents an overview of the financial results of the Athens Water Supply and Sewerage Company S.A., under the title EYDAP S.A. (hereinafter referred to as the "Company " or " EYDAP ") and the Group, it provides an overview of the significant events that took place during the first half of 2014 and their affect on the financial statements of the same period, it describes the potential risks and uncertainties for the second half of 2014 and describes the significant transactions between the Company, the Group and related parties.

OPERATIONS AND FINANCIAL REVIEW FOR THE PERIOD STARTING AT THE 1ST JANUARY UNTIL 30TH OF JUNE 2014

I. Operations Overview- Progress of consumption and of water and sewerage sales income.

In the first half of 2014 the billed water consumption was formed to 145.374.693 m3, increased by 3.8% compared to 140.080.729 m3 in H1 2013.

In H1 2014 total water consumption (billed or not) decreased by 1.6% compared to last year's same period, and was shaped at 196.240.187 m3 in relation to 199.354.816 m3 of the previous year.

The non-billed consumption in H1 2014 was shaped at 50.861.441 m3 compared to 59.270.544 m3 in the respective period of 2013, decreased by 14.2%.

As a result, the non-billed to total consumption ratio decreased by 3.8% compared to H1 2013 and was shaped at 25.9% in H1 2014.

More precisely, the consumption progress described above is summarized in the table 1:

1. Water Consumption Breakdown				
Consumption Class	2014	2013	Change	% Change
Billed Consumption (m3 – Mandatory Consumption is not included)	145,374,693	140,080,729	5,293,964	3.8%
Free Consumption (m3)	4,053	3,543	510	14.4%
Non- Billed Consumption (m3)	50,861,441	59,270,544	-8,409,103	-14.2%
Total Consumption (m3)	196,240,187	199,354,816	-3,114,629	-1.6%
Non-Billed Consumption to Total Consumption Ratio (%)	25.9%	29.7%	-3.8%	-
Mandatory Consumption (Common and Industrial/Corporate Class) (m3)	5,614,327	5,384,219	230,108	4.3%

Regarding the main customer classes, the consumption of the class of common consumers - which represents the overwhelming majority of customers – increased slightly by 0.4% in H1 2014, compared to H1 2013.

Specifically, water consumption in common consumers' class in H1 2014 reached 91.365.852 m³, compared to 91.022.945 m³ in H1 2013.

Bulk Water Supply to municipal networks, including the Aegean islands, which represents the second biggest class, decreased by 2.1% in H1 2014 compared to H1 2013.

More specifically, bulk water supply to municipal networks and the islands was shaped at 25.072.684 m³ in H1 2014 compared to 25.611.683 m³ in H1 2013.

The industrial consumers' class consumption decreased by 3.2% in H1 2014 compared to H1 2013. Moreover, the class of State-Local Authorities decreased by 10.3% in H1 2014, compared to H1 2013.

More precisely, the consumption for each customer class is summarized in table 2:

2. Billed Water Consumption Breakdown per Customer Class				
(in m3 – Mandatory Consumption is not included)				
Customer Class	2014	2013	Change (m3)	% Change
Common	91,365,852	91,022,945	342,907	0.4%
Industrial/Corporate	9,518,833	9,833,772	-314,939	-3.2%
Bulk Water Supply to Local Networks	25,072,684	25,611,683	-538,999	-2.1%
State-Local Authorities	7,365,246	8,214,212	-848,966	-10.3%
Other	12,052,078	5,398,117	6,653,961	123.3%
Total Water Consumption	145,374,693	140,080,729	5,293,964	3.8%

Table 3 presents the water sales revenue for H1 of 2014 and 2013 and the change for the main customer classes:

3.H1 Water Sales Income per Customer Class				
(in € – mandatory consumption fee included)				
Customer Class	2014	2013	Change (€)	% Change
Common	68,494,050	68,012,033	482,017	0.7%
Industrial/Corporate	7,701,110	9,765,274	-2,064,164	-21.1%
Bulk Water Supply to Local Networks	12,282,375	12,558,554	-276,179	-2.2%
State-Local Authorities	7,442,799	8,400,368	-957,569	-11.4%
Other	2,890,634	2,113,490	777,144	36.8%
Total Water Consumption	98,810,968	100,849,719	-2,038,751	-2.0%

In table 4, the revenue from sewerage usage and the respective change for the main customer classes for H1 2014 and H1 2013 is presented:

4. H1 Income from Sewerage per Customer Class				
(in € – mandatory consumption fee included)				
Customer Class	2014	2013	Change (€)	% Change
Common	39,000,179	41,002,561	-2,002,382	-4.9%
Industrial/Corporate	2,993,455	3,145,457	-152,002	-4.8%
Bulk Water Supply to Local Networks	0	0	0	-
State-Local Authorities	3,150,408	3,206,556	-56,148	-1.8%
Other	23,764	46,292	-22,528	-48.7%
Total Water Consumption	45,167,806	47,400,866	-2,233,060	-4.7%

The combination of table 3 and 4 results to table 5, which includes the total income of water supply and sewerage services sales for the first half of 2014 and 2013 for the main customer classes:

5. H1 Total Income of Water Supply and Sewerage Sales				
(in € – mandatory consumption fee included)				
Customer Class	2014	2013	Change (€)	% Change
Common	107,494,229	109,014,594	-1,520,365	-1.4%
Industrial/Corporate	10,694,565	12,910,731	-2,216,166	-17.2%
Bulk Water Supply to Local Networks	12,282,375	12,558,554	-276,179	-2.2%
State-Local Authorities	10,593,207	11,606,924	-1,013,717	-8.7%
Other	2,914,398	2,159,782	754,616	34.9%
Total Water Consumption	143,978,774	148,250,585	-4,271,811	-2.9%

Finally, table 6 depicts the average revenue per cubic meter of billed consumption in H1 2014 and 2013, separately for the water sales and the total of water supply and sewerage services, corresponding to each of the customer classes:

6. Average Revenue per cubic meter of Billed Consumption of Water Supply and Sewerage per Customer Class									
(in € – income from mandatory consumption fee is included – mandatory consumption fee is not included in billed water consumption)									
Customer Class	2014		2013		Change		Change (%)		
	Water sales	Water sales & sewerage	Water sales	Water sales & sewerage	Water sales	Water sales & sewerage	Water sales	Water sales & sewerage	
Common	0.75	1.18	0.75	1.20	0.00	-0.02	0.3%	-1.8%	
Industrial/Corporate	0.81	1.12	0.99	1.31	-0.18	-0.19	-18.5%	-14.4%	
Bulk Water Supply to Local Networks	0.49	0.49	0.49	0.49	0.00	0.00	-0.1%	-0.1%	
State-Local Authorities	1.01	1.44	1.02	1.41	-0.01	0.03	-1.2%	1.8%	
Other	0.24	0.24	0.39	0.40	-0.15	-0.16	-38.7%	-39.6%	
Total Water Consumption	0.68	0.99	0.72	1.06	-0.04	-0.07	-5.6%	-6.4%	

The average revenue from water sales decreased by 5.6% in H1 2014 compared to the H1 2013. Specifically, from € 0.72 in 2013 it was shaped at € 0.68 per cubic meter in 2014.

Also, there has been a decrease in the average revenue from the water sale and sewerage usage by 6.4% in H1 2014 compared to H1 2013. Specifically, from €1.06 in 2013 it was formed at €0.99 in 2014.

II. Presentation of the Company's Major Financial Results

Due to the limited effect of the subsidiary "ISLANDS' EYDAP SA" and the related company "EAP SA" (which was previously included in the consolidation while it has now been resolved) on the financial performance of the Group, the analysis of the financial results concerns the parent company.

During the first half of 2014, revenues settled at € 151.8 million from € 161 million in the same period of 2013 posting a decline of 5.7% (€ -9.2 million). The decline was mainly a result of the reduction by € 5.8 million of the water supply revenues and the related works (-5.4%).

Likewise, revenues from sewerage services declined by € 3.7 million (-7.0%), whereas revenues from construction for third parties followed an upward trend increasing by € 165 thousand (+32%) and revenues from electric power sale increased by 18% or € 148 thousand.

With regard to the revenues from water supply and related services, revenues from water supply posted a reduction of € 5.4 million (-5.2%), whereas the decline in the revenues from new water supply connections continued, by € 305 thousand (-24.5%). Revenues from restoration works declined by € 346 thousand (-56.3%), while other revenues (mainly reconnections) increased by € 303 thousand or +35.8%.

It should be also noted that the revenues from water consumption (as well as the revenues from sewerage usage rights) includes, apart from the invoiced income that is depicted in the issued water supply statements, the provision of it on accrued basis. For the first half of 2014, these amounts settled at € 98,812 thousand and € 233 thousand respectively.

<i>In € thousand</i>	1H 2012	1H 2013	1H 2014
Revenues from water consumption	104,257	104,466	99,045
New water supply connections	1,716	1,247	941
Connection fees and contributions	132	95	72
Restoration works	422	615	268
Other revenues	541	846	1,148
Revenues from water supply and related services	107,067	107,267	101,475

Revenues from sewerage services declined posting decreases in almost all categories.

<i>In € thousand</i>	1H 2012	1H 2013	1H 2014
Revenues from sewerage usage	52,357	51,236	47,313
Connection fees	450	329	638
Sewage charges	734	731	686
Sewerage works	22	24	32
Revenues from sewerage services	53,562	52,320	48,669

The main category of sewerage revenue, which is the sewerage usage, posted a decline by € 3.9 million (-7.7%) whereas connection fees posted an increase by € 309 thousand (+94%). The invoiced revenues for sewerage usage amounted to € 45,168 thousand, whereas the corresponding budgeted revenues to € 2,145 thousand.

The operating cost settled at € 137.9 million posting an increase of 1.2% compared to the same period of 2013. Specifically, the cost of sales during the first half of 2014 decreased by € 6.1 million (-6.3%) and accounted for € 91.6 million from € 97.7 million in the same period of 2013. On contrary, administration expenses increased by € 4.9 million or +19.5% and distribution expenses rose by € 2.9 million (+21.7%).

The above developments resulted to a contraction of Gross Profit Margin by € 3 million (-4.8%) which settled at € 60.2 million from € 63.2 million in the first half of 2013. Gross profit margin as percentage of sales settled at 39.7% from 39.3% in the first half of 2013.

The gross balance of trade receivables during the first half of 2014 amounted to € 232 million from € 358.6 million in the corresponding half of 2013 posting a decline of 35.3%. The Company reduced the balance of doubtful customers by 65% to € 31.1 million from € 88.8 million in the first half of 2013.

In € thousand	Allowance for Bad Debt	Trade Receivables before Allowance for Bad Debt	Percentage
	(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%
2013	25,710	228,891	11%
1H 2011	50,689	366,511	14%
1H 2012	64,846	389,478	17%
1H 2013	88,790	358,576	25%
1H 2014	31,099	231,982	13%

The provision for bad debt receivables (doubtful customers) during the first half 2014 amounted to € 5.4 million versus € 3.1 million in the corresponding period of 2013. Historically, the percentage of allowance for bad debt to the gross trade receivables balance during 2004-2010 was between 10-22%, while during H1 2014 reached 13%.

In total, the provisions during the first half of 2014 declined by € 7.2 million (-60%) compared to the first half of 2013 amounting to € 4.8 million versus € 12 million in the corresponding period of 2013. These provisions include mainly the provisions for bad debt and litigation cases.

In € thousand	Provisions for Doubtful Customers	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
2013	-59,953	31,025
1H 2011	2,578	5,475
1H 2012	7,316	2,760
1H 2013	3,127	6,715
1H 2014	5,389	-890

Provisions for litigation cases cover 21% of the total claims. With regard to labor cases, the coverage rate is 14% (compared with a coverage rate in H1 2013 of 72%) while with regard to civil cases the rate settles at 22% (24% in H1 2013).

	Provisions Percentage of litigation cases on the total amount of claims		
	Labor Cases	Civil Cases	Total Cases
2005	100%	44%	63%
2006	100%	35%	57%
2007	82%	27%	47%
2008	65%	23%	41%
2009	65%	17%	37%
2010	75%	22%	42%
2011	77%	22%	44%
2012	68%	27%	47%
2013	14%	23%	22%
1H2011	79%	23%	45%
1H2012	69%	22%	43%
1H2013	72%	24%	45%
1H2014	14%	22%	21%

Earnings before interest, taxes, depreciation and amortization (EBITDA) posted a decline of 16.6% or by € 6.5 million amounting to € 32.6 million from € 39.1 million in the first half of 2013, whereas EBITDA margin settled at 21.5% from 24.3% previously.

Earnings before interest and taxes (EBIT) posted a decline amounting to € 13.6 million from € 22.6 million in the first half of 2013. EBIT margin settled at 8.9% from 14.1% previously.

Financial expenses decreased by 95% to € 0.3 million from € 5.8 million in the first half of 2013 whereas financial income increased by € 4.6 million and reached € 9.4 million from € 4.7 million in the first half of 2013.

Short-term borrowings on 30.06.2014 settled at zero versus € 123.7 million on 30.06.2013. The reduction resulted from the settlement of the Company's receivables from the Greek State and the Local Government Authorities (OTA) during the year 2013.

Earnings before taxes amounted to € 22.6 million from € 21.6 million in the first half of 2013 posting an increase of 4.9%.

Earnings after taxes contracted to € 15.6 million from € 33.4 million in the first half of 2013, posting a decline of 53%. It is noted that during 2013, the increase in tax rate from 20% to 26% resulted into the significant increase of the deferred tax assets by € 22.6 million and in combination with the corresponding income tax of € 10.6 million led to an income tax of € -11.8 million or to a tax benefit. Net profit margin settled at 10.3% from 20.7% in the first half of 2013.

Operating cash flows amounted to € -68.6 million from € 80.9 million in the same period of 2013. These figures were affected, with regard to 2014, from the settlement of legal cases involving the Company's personnel and pensioners based on the decision 18275/22.1.2014 of the BoD, and with regard to 2013 from the receipt of a significant part of payments due, from the Greek State and OTA.

Cash flows from investing activities declined to € -1.7 million from € -1.8 million in the first half of 2013 affected by the payment of dividend for the year 2013, whereas cash flows from financing activities declined to € 39 million from € 61 million in the first half of 2013 following the significant initial reduction of bank debt in 2013.

SIGNIFICANT EVENTS OF FIRST HALF 2014

Private Settlement Agreement of Legal Cases

EYDAP SA, since the end of 2013, has started an effort to reconcile legal cases of civil actions pending for several years, which were forcing the company to formulate predictions about large sums of money to cover them. A Private Settlement Agreement was signed on 16/01/2014, according to which, the pending for several years categories of civil actions brought by employees and retired employees – about 2,500 cases - for which favorable decisions have been issued, many of which have become final and irrevocable, amounting to euro 134 million, finally reconciled to the amount of euro 64 million. On 31.12.2013, the Company has made a provision with a value of approximately € 73 million of which € 9 million for approximately associated costs. From the aforementioned amount of € 73 million, the € 66 million have already been paid and therefore the obligation on 30/6/2014 is formed to € 7 million.

OTA (LOCAL GOVERNMENT AUTHORITIES)

The Management of EYDAP in co-operation with Relation Development with Local Authorities Division proceeded with the strict application of the BoD Decision No. 18294/29-1-2014, via which the Company updated the action framework towards a more efficient collection of receivables from OTA. The Company managed to achieve the highest percentage of collectability since the year 1999, via the release of out-of-court calls, confiscation of bank accounts, rejection of requests made on behalf of OTA for the granting of new connections and through the signing of settlement agreements with regard to OTA's payment obligations.

Preparation of Business Plan and Investment Plan

Based on a contest based process according to the Invitation Announcement no. 2369, the Board of Directors of EYDAP SA appointed the General Bank of Greece SA jointly with the law firm "BAHAS GRAMMATIDIS AND PARTNERS" and the technical

company «BATTUS ASSOCIATES LIMITED» as Business Strategic Advisor for the provision of consulting services to the Board of Directors of EYDAP SA with regard to various complicated, important and/or strategic decisions.

The Business Strategic Advisor possesses strong and diversified experience in financial, technical and legal matters and has been already appointed since May 6th, 2014 to support the Board of Directors with regard to business, technical and specialized regulatory, legal and financial matters.

Based on priority and at an initial phase, the Advisor deals with matters related to the strategy, investments and the definition of the Company's capital structure. In this context, during the first 4 months of the project, the following have been undertaken:

- i. The preparation of an Investment Master Plan.
- ii. The compilation of a Business Plan for EYDAP.

Annual General Shareholders' Meeting

The 31st Annual General Shareholders' Meeting convened on 30 April 2014 in a central Athens hotel. Among others, the Meeting approved the distribution of a dividend to the shareholders for year 2013 equivalent with 50% of the net earnings of the same year, amounting to Euro 38 million (or Euro 0.36 per share on gross basis) as well as the distribution of reserves from tax free revenues amounting to Euro 2 million (or Euro 0.02 per share). The total dividend distributed to the Company's shareholders amounted to Euro 40.5 million (or Euro 0.38 per share on gross basis).

Changes in Voting Rights

Piraeus Bank announced to EYDAP, on 02/05/2014, that the percentage of voting rights held by the Bank in the Company on 30/04/2014 settled below the minimum threshold, whereas on 29 April 2014 the percentage of direct and indirect voting rights had accounted for 9.9989% and 0.0368% respectively.

Furthermore, on 6/05/2014 "Paulson & Co. Inc." announced to EYDAP that from 30.04.2014 it held (indirectly) 10,648,800 voting rights corresponding to an equivalent number of common registered shares of the Company (9.99% of the Company's total voting rights), whereas on the same date Mr. John Paulson announced to EYDAP that from 30.04.2014 he held (indirectly) 10,648,800 voting rights corresponding to an equivalent number of common registered shares of the Company (9.99% of the Company's total voting rights)

Mr. John Paulson controls "Paulson & Co. Inc." which is an asset management company. Under such capacity, the company exercises its voting rights in EYDAP SA. All shares which are the subject of the current disclosure are held by investment funds administered and controlled by "Paulson & Co. Inc."

On 23 May 2014, the decision no. 1906/2014 of the Plenary Session of the Council of State was released, according to which the Council of State accepted the cancellation request of the decision of the Inter-ministerial Committee for Asset Restructuring 206/25.04.2012 (GOV. GAZ. B 1363/26.04.2012) regarding the section of the decision with which 36,245,240 shares of EYDAP SA (percentage of 34.033% of its share capital) were transferred from the Greek State to the Hellenic Republic Asset Development Fund S.A. («HRADF»). HRADF announced to EYDAP on 24/6/2014 that the percentage of voting rights held by HRADF in the Company had settled on 23/6/2014 to 27,3% (29,074,500 direct voting rights) from 61,333% previously (65,319,740 direct voting rights).

The above change in the voting rights was implemented via an over-the-counter transaction which did not include any consideration.

ISLANDS' EYDAP S.A.

The scope of ISLANDS' EYDAP SA is to provide consulting services in the areas of water services, drainage and rainwater collection as well as a variety of activities related to the above, in the Greek islands territory.

The company is currently in the final phase for the completion of its first development stage which concerns the analytical research and definition of the needs of the market which the company will activate in, as well as the definition of solutions which the company will offer to its customers.

Indicatively, during the first half of 2014, ISLANDS' EYDAP SA has activated in the following areas:

MILOS Island

The company appointed a special team for the cleaning and remote inspection of a sewage network of total length of 1,800 meters with a water recycling truck Super 2000. Cleaning of three (3) sewage pump tanks.

CHIOS Island

The company appointed a special team that will proceed with the remote inspection of the rain water collection network in the port of Chios. Cleaning of five (5) sewage pump tanks with the proper mechanical equipment and signing of agreement for the preparation of study concerning the formation of pressure zones in the city's amphitheatric area.

Furthermore there have been contacts with the representatives of islands of Kea, Naxos, Mykonos, Andros and N. Kynouria for the potential resolution by the company of structural issues concerning the water supply and sewerage infrastructure of these areas.

On 29 January 2014, EYDAP SA following the decision no. 18290 of its Board of Directors, approved the payment in cash of the share capital increase of "ISLANDS' EYDAP" SA by an amount of Euro 150,000.00, which in turn was approved via a voting process by the Extraordinary Shareholders' Meeting of "ISLANDS' EYDAP" SA on 7 February 2014.

Moreover in the above mentioned Extraordinary Shareholders' Meeting, Mr. Leonidas Kairis, BoD Member and General Manager of "ISLANDS' EYDAP" SA was replaced by Mr. Petros Matsoukis.

FUTURE OUTLOOK FOR THE 2ND HALF OF 2014

Having the exclusive right to provide services of water supply and distribution as well as sewerage services in the Attica region, EYDAP serves 40% of the Greek population.

The natural supply of water in Greece is abundant and the existing infrastructures, which collect and supply the Attica region with water of high quality, ensure the exceeding needs of the population served. Additionally, the excellent know-how of EYDAP of the integrated management of the water cycle, in combination with the existing expansion opportunities both by geographic expansion (Greek islands and neighboring areas of the region) and by entering new markets and complementary activities (liquid waste water management, environmental recovery of aquifers through integrated management of faulting water systems, etc.) can provide significant benefits for the Company's growth and sustainability and enhancement of the hydrological cycle.

EYDAP remains committed to the optimal customer satisfaction by maintaining excellent quality of the supplied water and by providing high quality services and also committed to undertake continuous initiatives and actions to protect the environment.

The high cash flow of EYDAP, which was a result of pending financial settlement and collection of overdue debts from the Greek State and local authorities, in conjunction with the strategic options for more effective and efficient operation, for utilization of technology, know-how and human resources, as well as modernization through implementation of innovative and new activities, the Company provides the perspective of sustainable development and sets the base for continuous growth and profitability aiming to the protection of the interests of both shareholders and customers.

Within the second half of 2014, the business and investment plan is expected to be completed, on which the further movements of the Management will be based. Moreover, the implementation of the strict framework of cooperation with local authorities is expected to be continued, in order to increase or stabilize the collectability rate of receivables from local authorities.

MAJOR RISKS AND UNCERTAINTIES FOR THE 2ND HALF 2014

As a result of its operation, the Company is not exposed to any particular financial risks such as Market risks (changes in exchange rate parities, interest rates or market prices). The Company's financial risk management plan with regard to credit risk and liquidity risk is focused on the minimization of their probable negative effects over the Company's financial performance.

Risk management is processed by the Company's central Financial Services Department which operates under certain rules which have been approved by the Board of Directors. The Board of Directors provides guidance and directions for the general and management of specific risks such as the exchange risk, the interest rates risk and the credit risk.

(a) Credit Risk

The Company's exposure with respect to the credit risk is eliminated to the financial assets.

The Company reviews its receivables on constant basis either individually or by group (invoice codes) and incorporates the respective information in the procedure of the credit audit.

Cash and cash equivalents do not bear credit risk because they mainly refer to deposits in banks with adequate credit rating. Trade and other receivables include receivables from private customers which carry the lowest level of loss risk mainly because of the extensive dispersion of claims, while for the receivables from Local Governments, the Company examines the possibility of collecting the respective due amounts through contract agreements (management of networks and settlements).

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 which is their stock market value and thus there are categorized at level 1, according to the clauses of IFRS 7, par. 27B.

(b) Liquidity Risk

The liquidity risk is been managed by the preservation of sufficient cash available and the assurance of bank credits for use .The existing available, unused and approved bank credit of the Company are adequate in order to confront any potential shortage of cash.

(c) Relations with Greek State

The signing of a written agreement - as it is defined in the article 15 of the agreement on 9.12.1999 between the Greek State and the Company - which will determine the price paid to "L.E.P.L. EYDAP Fixed Assets" for the crude water collected from 1.7.2013 is pending from the year 2004 (Note 27). In absence of a written agreement, the Company continues from 25.10.2004 and onwards to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by "L.E.P.L. EYDAP Fixed Assets", burdening its financial results.

More analytically, with joint ministerial decision of 3.12.2013 which was issued according to the above law provisions, it was defined that the overdue amounts payable to the Company from the Greek State concerning investment plan's subsidized expenditures of € 294 million for the decade 2000 – 2010 as stipulated from the agreement of 9.12.1999 between the Greek and the Company, are offset with equivalent in value non tax related overdue amounts payable to the Greek State from the Company, until 30.6.2013, concerning the cost of the collected crude water for the period 25.10.2004 – 30.6.2013.

With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted.

RELATED PARTY TRANSACTIONS

There are no essential changes in the nature of transactions regarding the related parties as compared to the annual financial statements.

A) Transactions and Amounts Outstanding with Members of the Board

<i>Amounts in € thousands</i>	30.06.2014	30.06.2013
Fees (Chairman & CEO, and Executive Directors)	28	28
Fees & attendance expenses of BoD members	39	40
Total	67	68

B) Transactions and Amounts Outstanding with Greek State and Municipalities

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
1) Transactions				
- Income	27,636	28,481	27,636	28,481
- Cost of Goods Sold (cost of construction works)	(641)	(485)	(641)	(485)
- Sundry provisions	1,267	(2,558)	1,267	(2,558)
2) Outstanding amounts	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Receivables (Projects for third parties)	2,826	2,147	2,826	2,147
Customer receivables (Municipalities, Greek State)	42,390	40,931	42,390	40,931

The transactions with the Greek State and Local Government Authorities concern revenues of water supply, invoiced and accrued, as well as accrued income from the construction cost for the account of Ministry of Infrastructure, Transport and Networks and “EYDAP Fixed Assets LEPL”.

Galatsi, 27 August 2014

The members of the Board of Directors

Name	Position
Antonios Vartholomaios	Chairman & Chief Executive Officer – Executive Member
Evangelos Palaiologos	Member
Grigoris Zafeiropoulos	Member
Ioannis Hondrogiannos	Member
Lambros Zografos	Member
Eleftheria Karachaliou	Member
Panteleimon Kamas	Member
Anastasios Kourtis	Member
Epameinondas Sklavenitis	Member
Panagiotis Skoularikis	Member
Christos Mistriotis	Member
Emmanuel Aggelakis	Member
Evangelos Moutafis	Member

Exact Copy of No. 1137
Minutes of the Board of Directors of 27th August 2014

The Chairman & Chief Executive Officer

Antonios Vartholomaios

3. INTERIM CONDENSED FINANCIAL STATEMENTS

**OF THE PERIOD 1 JANUARY TO 30 JUNE 2014
IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)
OF THE GROUP AND E.YD.A.P. SA (THE COMPANY)**

DOMICILE: 156 OROPOU ST. – GALATSI
SOC. ANON. REG. NO. 44724/06/B/99/52
GEMI NO. 121578960000

CONTENTS

- General Information for the Company
- Statement of Income for the period ended on 30th June 2014 & 2013
- Interim Statement of Total Comprehensive Income for the period ended on 30th June 2014 & 2013
- Interim Statement of Financial Position of 30th June 2014 & & 31st December 2013
- Interim Statement of Changes in Shareholders' Equity of 30th June 2014 & 2013
- Interim Cash Flow Statements of 30th June 2014 & 2013
- Notes on the Semi-Annual Financial Statements for the period ended on 30th June 2014

The present Condensed Interim Financial Statements of the Company, pages 15-35 were approved during the meeting of the Company's Board of Directors on 27 August 2014 and were signed, on mandate by the Board of Directors, from the following:

Athens, 27 August 2014

The Chairman & Chief Executive
Officer

The Member of the Board of
Directors

The Director of Financial Services

The Head of Accounting
Department

Antonios Vartholomaïos
ID No. AK 543580

Hondrogiannos Ioannis
ID No. AI 094411

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

GENERAL INFORMATION FOR THE COMPANY

Company Name:	Athens Water Supply and Sewerage Company S.A.
Distinctive Title:	EYDAP S.A.
Domiciliation:	156 Oropou St. – Galatsi
Date of Establishment:	25/10/1999
Company Duration:	100 years
Main Activity:	Water Supply - Sewerage
G.E.MI. (Greece's General Electronic Commercial Registry) Number	121578960000
Prefecture:	Athens
Tax Registration Number:	094079101
Members of the Board of Directors:	Ant. Vartholomaios, Evang. Palaiologos, Elefth. Karachaliou, Grig. Zafeiropoulos, Lambros Zografos, Panteleimon Kamas, Anast. Kourtis, Ioannis Hondrogiannos, Epam. Sklavenitis, Panag. Skoularikis, Christ. Mistriotis, Emman. Aggelakis, Evang. Moutafis
Ending Date of the Current Period:	30 June 2014
Duration of the Period:	6 months
Form of Financial Statements (which have been the basis in compiling the condensed financial statements):	Condensed – First Half of the Year
Date of Approval of Financial Statements (which have been the basis in compiling the condensed financial statements):	27 August 2014
Chartered Auditors Accountants:	Michael Hadjipavlou (Reg. No. SOEL 12511) Nikolaos Papadimitriou (Reg. No. SOEL 14271)
Auditing Company:	CHATZIPAVLOU, SOFIANOS & KAMPANIS SA CERTIFIED AUDITORS CONSULTANTS & BUSINESS CONSULTANTS d.t. DELOITTE
Audit Report on the Annual Financial Statements from Chartered Auditor Accountant:	Qualified Opinion – Matter of Emphasis
Internet address where the Financial Statements are registered:	www.eydap.gr

INTERIM STATEMENT OF INCOME

GROUP

<i>Amounts in € thousands</i>	NOTES	30.06.2014	30.06.2013	01.04 -30.06.2014	01.04 -30.06.2013
Turnover	5	151,794	160,955	81,134	87,834
Cost of Goods Sold	5	(91,600)	(97,733)	(45,253)	(55,243)
Gross Profit		60,194	63,222	35,881	32,591
Other Operating Income		963	1,337	538	507
General and Administration Expenses	5	(30,218)	(25,289)	(16,014)	(11,785)
Distribution and Selling Expenses	5	(16,072)	(13,210)	(8,640)	(6,712)
Operating Profit	5	14,866	26,060	11,765	14,601
Other Expenses		(1,308)	(2,945)	(838)	(1,644)
Financial Income		9,354	4,743	2,722	3,206
Financial Expenses		(299)	(5,816)	(141)	(2,727)
Profit before Taxes		22,613	22,042	13,508	13,436
Income Tax	6	(7,024)	11,826	(3,377)	(5,228)
Net Profit after Taxes for the period		15,590	33,868	10,131	8,208
Number of Shares		106,500	106,500	106,500	106,500
Earnings per Share for the Period (in €)	7	0.15	0.32	0.09	0.08

COMPANY

<i>Amounts in € thousands</i>	NOTES	30.06.2014	30.06.2013	01.04 -30.06.2014	01.04 -30.06.2013
Turnover	5	151,786	160,955	81,126	87,834
Cost of Goods Sold	5	(91,600)	(97,733)	(45,253)	(55,243)
Gross Profit		60,186	63,222	35,873	32,591
Other Operating Income		963	1,337	538	507
General and Administration Expenses	5	(30,200)	(25,280)	(16,005)	(11,779)
Distribution and Selling Expenses	5	(16,072)	(13,210)	(8,640)	(6,712)
Operating Profit	5	14,877	26,069	11,766	14,607
Other Expenses		(1,308)	(3,434)	(837)	(2,133)
Financial Income		9,354	4,743	2,722	3,206
Financial Expenses		(299)	(5,816)	(141)	(2,727)
Profit before Taxes		22,624	21,562	13,510	12,953
Income Tax	6	(7,024)	11,826	(3,377)	(5,228)
Net Profit after Taxes for the period		15,600	33,388	10,133	7,726
Number of Shares		106,500	106,500	106,500	106,500

INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

GROUP				
<i>Amounts in € thousands</i>	30.06.2014	30.06.2013	01.04 -30.06.2014	01.04 -30.06.2013
Net Profit for the Year	15,590	33,868	10,131	8,208
Valuation of portfolio's equities available for sale - Other income transferrable to following years' results	(164)	(79)	(185)	175
Total Comprehensive Income after Taxes	15,426	33,789	9,946	8,383
COMPANY				
<i>Amounts in € thousands</i>	30.06.2014	30.06.2013	01.04 -30.06.2014	01.04 -30.06.2013
Net Profit for the Year	15,600	33,388	10,133	7,726
Valuation of portfolio's equities available for sale - Other income transferrable to following years' results	(164)	(79)	(185)	175
Total Comprehensive Income after Taxes	15,436	33,309	9,948	7,901

INTERIM STATEMENT OF FINANCIAL POSITION

<i>Amounts in € thousands</i>	NOTES	GROUP		COMPANY	
		30.06.2014	31.12.2013	30.06.2014	31.12.2013
ASSETS					
NON-CURRENT ASSETS					
Goodwill		3,357	3,357	3,357	3,357
Other Intangible Assets	9	2,584	1,420	2,584	1,420
Tangible Assets	9	963,415	976,641	963,415	976,641
Investments in Subsidiaries	16	0	0	210	60
Investments Available for Sale		1,205	1,369	1,205	1,369
Long-term Assets	10	5,973	5,407	5,973	5,407
Deferred Tax Assets	17	85,838	93,593	85,838	93,593
Total Non-Current Assets		1,062,372	1,081,787	1,062,582	1,081,847
CURRENT ASSETS					
Materials and Spare Parts	11	14,742	15,798	14,742	15,798
Trade Receivables	12	200,903	203,194	200,882	203,181
Other Receivables	13	19,265	18,359	19,275	18,371
Cash and Cash Equivalents		222,793	331,967	222,640	331,941
Total Current Assets		457,703	569,318	457,539	569,291
Total Assets		1,520,075	1,651,105	1,520,121	1,651,138
LIABILITIES					
SHAREHOLDERS' EQUITY					
Share Capital	18	63,900	63,900	63,900	63,900
Share Premium		40,502	40,502	40,502	40,502
Reserves		378,099	380,302	378,099	380,302
Retained Earnings (earnings carried forward)	22	443,070	465,911	443,118	465,949
Total Shareholders' Equity		925,571	950,615	925,619	950,653
LONG TERM LIABILITIES					
Liabilities for Employee Benefits	20	255,968	252,609	255,968	252,609
Provisions	23	24,964	25,854	24,964	25,854
Investment Subsidies and Customer Contributions		204,573	204,598	204,573	204,598
Consumers' Guarantees		18,090	18,042	18,090	18,042
Total Long-Term Liabilities		503,595	501,103	503,595	501,103
SHORT-TERM LIABILITIES					
Operating Short Term Liabilities	14	45,929	82,490	45,923	82,484
Current Tax Liabilities	21	2,993	11,935	2,993	11,935
Short Term Loans	19	0	3,142	0	3,142
Other Short Term Liabilities	15	41,987	101,820	41,991	101,821
Total Short-Term Liabilities		90,909	199,387	90,907	199,382
Total Equity & Liabilities		1,520,075	1,651,105	1,520,121	1,651,138

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

GROUP

2014	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
Equity Balance at 1st January 2014	63,900	40,502	21,547	357,805	950	465,911	950,615
Net Profit for the Period						15,590	15,590
Net income recorded directly in Equity					(164)		(164)
Dividends				(2,039)		(38,431)	(40,470)
Equity Balance at 30 JUNE 2014	63,900	40,502	21,547	355,766	786	443,070	925,571

2013	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
Equity Balance at 1st January 2013	63,900	40,502	21,547	358,283	1,183	358,248	843,663
Net Profit for the Period						33,868	33,868
Net income recorded directly in Equity					(79)		(79)
Dividends						(15,975)	(15,975)
Equity Balance at 30 JUNE 2013	63,900	40,502	21,547	358,283	1,104	376,141	861,477

COMPANY

2014	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
Equity Balance at 1st January 2014	63,900	40,502	21,547	357,805	950	465,949	950,653
Net Profit for the Period						15,600	15,600
Net income recorded directly in Equity					(164)		(164)
Dividends				(2,039)		(38,431)	(40,470)
Equity Balance at 30 JUNE 2014	63,900	40,502	21,547	355,766	786	443,118	925,619

2013	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
Equity Balance at 1st January 2013	63,900	40,502	21,547	358,283	1,183	358,759	844,174
Net Profit for the Period						33,388	33,388
Net income recorded directly in Equity					(79)		(79)
Dividends						(15,975)	(15,975)
Equity Balance at 30 JUNE 2013	63,900	40,502	21,547	358,283	1,104	376,172	861,508

INTERIM CASH FLOW STATEMENT

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	1.1-30.06.2014	1.1-30.06.2013	1.1-30.06.2014	1.1-30.06.2013
Cash Flows from operating activities				
Profit before tax	22,613	22,042	22,624	21,562
Plus / minus adjustments for:				
Depreciation and amortization	20,833	20,672	20,833	20,672
Amortization of customer contributions and investment subsidies	(1,820)	(4,245)	(1,820)	(4,245)
Income from securities	(75)	(43)	(75)	(43)
Impairment of investments	0	5	0	494
Provisions for personnel compensation	2,435	2,900	2,435	2,900
Other provisions	4,834	12,017	4,834	12,017
Interest and related income	(9,279)	(4,700)	(9,279)	(4,700)
Interest and related expense	299	5,816	299	5,816
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables	(3,489)	37,822	(3,480)	37,825
Materials and spare parts	721	1,311	721	1,311
Increase (Decrease)				
Operating short term liabilities	(97,433)	(6,788)	(97,430)	(6,800)
Customers' guarantees	48	64	48	64
Obligations for employees benefits	924	309	924	309
<i>Minus:</i>				
Interest and related expenses paid	(19)	(6,188)	(19)	(6,188)
Income tax paid	(9,241)	(79)	(9,241)	(79)
Net Cash Flows from Operating Activities (a)	(68,649)	80,915	(68,626)	80,915
Cash flows from investing activities				
Dividends received	75	43	75	43
Interest and related income received	5,354	2,573	5,354	2,573
Purchases of tangible assets	(6,963)	(5,051)	(6,963)	(5,051)
Purchases of intangible assets	(1,807)	(329)	(1,807)	(329)
Proceeds from customer contributions and subsidies	1,795	945	1,795	945
Participation in subsidiaries	0	48	(150)	48
Net Cash Flows from Investing Activities (b)	(1,546)	(1,771)	(1,696)	(1,771)
Cash flows from financing activities				
Loan repayments	0	(60,993)	0	(60,993)
Dividends paid	(38,979)	(28)	(38,979)	(28)
Net Cash Flows from Financing Activities (c)	(38,979)	(61,021)	(38,979)	(61,021)
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	(109,174)	18,123	(109,301)	18,123
Cash and Cash Equivalents at the beginning of period	331,967	43,106	331,941	43,072
Cash and Cash Equivalents at the end of period	222,793	61,229	222,640	61,195

NOTES ON THE INTERIM CONDENSED SEMI-ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

“Athens Water Supply and Sewerage Company” (“EYDAP” or “Company”) was established in 1980 following the merger between the Hellenic Water Company and the Sewerage Organization of Athens.

The Company’s Headquarters are located at 156 Oropou Street, Galatsi, pc 111 46, Athens.

The Company operates in the sector of supply and refinement of water, providing as well sewerages services and waste management in region of Attica. In accordance with its Articles of Association, where the operation clauses are referred, EYDAP is responsible for the analysis, construction, establishment, operation, exploitation, maintenance, expansion and renewal of water supply and sewerage installations and networks, within its area of responsibility.

EYDAP has the exclusive right to provide supply and distribution of water and sewerage services in the Attica region for 20 years commencing as of date of which the L 2744/1999 was published in the Government Gazette. This exclusive right is not transferable and it can be renewed following a written agreement between the Greek State and the Company.

By the article 35 par.2 of the law 4053/2012, EYDAP is enabled through its subsidiaries to undertake as well activities outside of its jurisdiction, as effective by the Law 1068/80 as effective through programmatic contracts of the article 100 of the law 3852/2010. At this case the subsidiaries are governed by the same legal and regulatory framework as effective for EYDAP with the exception of the tariffs policy which is defined by the programmatic contracts.

The Company’s shares are listed on the Athens Exchange.

2. BASIS OF PREPARATION

The semi-annual financial statements are condensed and have been prepared in accordance with the International Accounting Standard (IAS) 34, “Interim Financial Reporting”.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

New standards, amendments to standards and interpretations: 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. If not stated differently, the amendments are not expected to have material effect on the consolidated financial statements.

- IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014). This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.
- IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets" (effective for annual periods beginning on or after 1 January 2014). This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognized or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed. Also, it removes the requirement to disclose the recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.
- IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after 1 January 2014). This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

- IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date and Transition Disclosures” and IFRS 9 “Hedge Accounting” and amendments to IFRS 9, IFRS 7 and IAS 39. IFRS 9 replaces part of IAS 39 which deals with the classification and measurement of financial assets and financial liabilities. The IASB has also published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model of IAS 39. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Entity cannot currently early adopt IFRS 9 as it has not been endorsed by the EU.
- IFRIC 21 "Levies" (effective for annual periods beginning on or after 17 June 2014). This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date.
- Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2014):

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). 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.

– IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance". The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

– IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities". The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

– 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.

- IAS 19R (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 July 2014). These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU.

- Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after 1 July 2014):

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

– IFRS 2 "Share-based payment". The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

– IFRS 3 "Business combinations". The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

– IFRS 8 "Operating segments". The amendment requires disclosure of the judgments made by management in aggregating operating segments.

– IFRS 13 "Fair value measurement". The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

– IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets". Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

– IAS 24 "Related party disclosures". The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

- Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after 1 July 2014):

The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

– IFRS 3 "Business combinations". This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

– IFRS 13 "Fair value measurement". The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

– IAS 40 “Investment property”. The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

- IFRS 11 (Amendment) “Joint Arrangements” (effective for annual periods beginning on or after 1 January 2016). This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a ‘business’. This amendment has not yet been endorsed by the EU.
- IAS 16 and IAS 38 (Amendments) “Clarification of Acceptable Methods of Depreciation and Amortization” (effective for annual periods beginning on or after 1 January 2016). This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments have not yet been endorsed by the EU.
- IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 1 January 2017). IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard has not yet been endorsed by the EU.

4. ACCOUNTING PRINCIPLES

The interim condensed semi-annual financial statements have been prepared according to the historical cost principle, with the exception of the revaluation of certain financial assets.

The basic accounting principles and the important accounting judgments made by the Management are the same to the ones applied for the annual financial statements of the Company on 31 December 2013.

The interim condensed semi-annual financial statements of the Company do not include all the information required in the case of the annual financial statements, and therefore should be examined in conjunction with the annual audited, by the Certified Auditors Accountants, financial statements of 31 December 2013, which are available at the Company’s website www.eydap.gr.

Basis of Consolidation

The interim condensed semi-annual financial statements of the current period as well as of the previous period include the Parent Company and its subsidiary company “ISLANDS’ EYDAP SA”.

Subsidiaries are all the companies which are managed and controlled directly or indirectly by the parent company either through the majority holding of the companies’ shares to which the investment has been made or through their dependency on the know-how which is provided to them by the Group. Subsidiaries’ financial statements are included in the consolidated financial statements from the date of control accession until the date that the control ceases to exist.

During the acquisition of the subsidiary the respective receivables, liabilities as well as any potential liabilities are assessed at their fair value. In case that the cost value is greater than the fair value, the respective difference is recognized as goodwill. At the opposite case, where the cost value is lower than the fair value, the respective difference is credited in the financial results of the acquisition year. Minority interests are displayed at the proportion of the minority at the fair value of the assets and liabilities at which they have been recognized.

Subsidiaries' acquisitions are recognized under the purchase method. The subsidiaries' financial results which are either acquired or sold during the fiscal year, they are included in the respective consolidated statements from their acquisition date or the date of their disposal, respectively.

When is deemed necessary, subsidiaries' financial statements are restated in order for the data to be homogeneous and comparable with the respective data of the remaining companies of the Group. During the consolidation all the intra-group transactions and balances as well as the losses and gains between the companies of the Group are eliminated.

In the Company's financial statements, participations in subsidiaries and affiliates are displayed at their cost value deducted by any impairment of their value. The Company examines on a yearly basis or whenever there is any indication for impairment occurrence the accounting value of the aforementioned participations compared to the retrieval value on the basis of the higher value between fair value less cost to sell and the value in use.

5. RESULTS FOR THE PERIOD

REVENUES

Revenues of the Company decreased by € 9.2 million due to the reduction of water consumption in conjunction with price adjustments in the rendered water supply and sewerage services on 16/12/13 (GOV. GAZ. 3188).

COST OF GOODS SOLD

The cost of goods sold decreased by € 6.1 million approximately. This change is mainly due to the following:

The reduction of:

- Provisions for legal cases by an amount of € 7.5 million approximately
- Utility expenses by an amount of € 1.4 million approximately

The increase of:

- Personnel's non-utilized leave by € 0.6 million approximately
- Third party fees and expenses by an amount of € 2.2 million approximately

GENERAL AND ADMINISTRATION EXPENSES

The general and administration expenses of the Company increased by € 4.9 million approximately. This change is mainly due to the following:

The increase of:

- Third party fees and expenses by € 2.8 million approximately
- Personnel's benefits by € 0.9 million approximately
- Utility expenses by € 0.7 million approximately
- Taxes and duties by € 0.2 million approximately
- Other expenses by € 0.3 million approximately

DISTRIBUTION AND SELLING EXPENSES

The distribution and selling expenses of the Company increased by € 2.9 million approximately. This change is mainly due to the following:

The increase of:

- Third party fees and expenses by € 1.4 million approximately
- Utility expenses by € 0.2 million approximately
- Other expenses by € 1.3 million approximately

OPERATING PROFIT

The operating profit declined by € 11.2 million approximately, as it is analyzed above.

PROFIT BEFORE TAXES

The profit before taxes of the Company was positively affected by an amount of € 12.3 million approximately mainly due to effect of financial results.

NET PROFIT AFTER TAXES

The net profit after taxes of the Company was negatively affected by income tax of € 7.0 million approximately and amounted to € 15.6 million approximately versus € 33.4 million approximately in the corresponding period of the previous year. The significant change is due to the recognition, during the first half of 2013, of a deferred tax asset of € 19.9 million approximately, due to the change in the applicable tax rates (from 20% to 26% due to Law 4110/2013).

BUSINESS SEGMENTS

The major business activities of the Company (water supply services, sewerage services and other services), are not subject to different risks and returns. Therefore, the Company did not proceed with any disclosures concerning the business segments. Following the approval, through voting, of Law 4053/2012, EYDAP is able to render the full range of services defined in law 2744/1999 in areas beyond the Company's jurisdiction, via subsidiary companies and through programmatic agreements with local government authorities. In the context of the above, new growth prospects arise for the Company, since the target market in which EYDAP can activate and further grow has expanded.

6. INCOME TAX

It is analyzed as follows :

<i>Amounts in € thousands</i>	30.06.2014	30.06.2013
Income Tax	0	10,555
Previous year's tax audit differences and provision for unaudited period's tax	(731)	222
Deferred Taxation	7,755	(22,603)
Total	7,024	(11,826)

The income tax for the current period was derived as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Profit before taxes	22,613	22,042	22,624	21,562
Income tax calculated with the tax rate in effect	5,879	5,731	5,882	5,606
Previous year's tax audit differences and provision for unaudited period's tax	(731)	222	(731)	222
Tax on non deductible expenses	1,876	2,153	1,873	2,278
Deferred tax due to change in tax rate	0	(19,932)	0	(19,932)
Total	7,024	(11,826)	7,024	(11,826)

7. EARNINGS PER SHARE FOR THE PERIOD

The calculation of the basic earnings per share is analyzed as follows:

<i>Amounts in € thousands</i>	GROUP	
	30.06.2014	30.06.2013
Net profit for the period	15,590	33,868
Number of shares	106,500	106,500
Earnings per share (in €)	0.15	0.32

8. DIVIDENDS

The Annual General Meeting of Shareholders on 30.4.2014 approved:

- the distribution of a gross dividend from the profit of the year 2013 amounting to 36 cents (Euro 0.36) per share (or total amount of Euro 38,340 thousands). Correspondingly, during the financial year 2013, the shareholders meeting had approved a gross dividend of 20 cents (Euro 0.20) per share (or total amount of Euro 21,300 thousands).
- the distribution of a tax free reserve amounting to two cents (Euro 0.02) per share (or total amount of Euro 2,130 thousands).

9. OTHER INTANGIBLE AND TANGIBLE ASSETS

In the context of the strategic development of EYDAP, the Company proceeds each year with investments targeting the modernization of its operation segments and the coverage of the constantly rising water supply and sewerage needs of the capital's broader geographic area, as well as the maintenance of an exceptional quality of the water supplied and the services rendered. During the period 01.01.2014-30.06.2014, the Company implemented investments of Euro 3.0 million approximately concerning the water supply and sewage network, as well as of Euro 3.9 million approximately for the purchase of other fixed assets (machinery equipment, furniture and other equipment), and Euro 1.8 million approximately for the purchase of software. The total depreciation of tangible assets during the first half of the year amounted to Euro 20.2 million approximately, whereas the total amortization of the intangible assets over the same period amounted to 0.6 million approximately.

10. LONG-TERM ASSETS

The account "long-term assets" includes:

- Receivables (invoiced and non-invoiced) from the Greek State concerning expenses for the construction and maintenance of works under state ownership, amounting to Euro 2.8 million approximately (31.12.2013: amount of Euro 2.1 million approximately).
- Loans granted to personnel, amounting to Euro 2.5 million approximately (31.12.2013: amount of Euro 2.2 million approximately).
- Other receivables from the personnel (amounts withheld from payroll), amounting to Euro 0.1 million approximately (31.12.2013: amount of Euro 0.3 million approximately).
- Guarantees granted of Euro 0.6 million (31.12.2013: amount of Euro 0.7 million approximately).

11. MATERIALS, SPARE PARTS & CONSUMABLES

Inventories include provisions for inventory impairment of Euro 2.6 million, which are recorded as a deduction from their acquisition value.

12. RECEIVABLES FROM CUSTOMERS

The balance of customers after impairment due to doubtful receivables was down by Euro 2.3 million during the current period as compared to 31.12.2013. The balance of customers before the impairment due to doubtful receivables increased by Euro 3.1 million approximately.

With regard to its credit risk, the Company created on 30.06.2014 provisions for doubtful receivables of a total amount of Euro 31.1 million approximately. Due to the large number of customers (2,050,399 approximately on 30.06.2014), the credit risk of the Company is relatively limited. At the same time, the terms of the agreement concerning the water supply and sewerage services are such that they ensure to a large extent the collection of the receivables from customers. The provision for doubtful receivables that has been formed is mainly based on statistical evidence concerning the collectability of the water supply and sewerage services accounts per pricing category, as well as on the Management's estimates with regard to the amount which will be probably collected from customer receivables settled at a future time.

13. OTHER RECEIVABLES

The balance of other receivables recorded no significant change (on 30.06.2014, the balance was at Euro 19.3 million and on 31.12.2013 the balance was at Euro 18.4 million approximately). It is noted that other receivables include a receivable from the

Greek State for withheld tax following the relevant opinion of the Ministry of Finance with protocol number Δ12Α 1090523 ΕΞ2014, amounting to Euro 1.6 million approximately (the amount is also included in the short-term liabilities).

14. OPERATING SHORT-TERM LIABILITIES

The Company's operating short-term liabilities in the current period declined by Euro 36.6 million as compared to the corresponding level on 31.12.2013. This change was mainly due to:

The decrease of:

- The withheld taxes by Euro 36.1 million approximately, mainly due to an invoice on 30/12/2013 concerning provision of services towards to the Ministry of Infrastructure, Transport and Networks (services rendered to "EYDAP Fixed Assets") and the subsequent payment of the relevant VAT in January 2014,
- The pension contributions by Euro 1.0 million approximately
- The other liabilities by Euro 0.4 million approximately

The increase of:

- The suppliers by Euro 0.9 million approximately

15. OTHER SHORT-TERM LIABILITIES

Other short-term liabilities decreased by Euro 59.8 million. This significant change was mainly due to:

- The execution of the decision no. 18275/22.1.14 of Board of Directors, according to which the historical claims of employees and pensioners that had reached a court of law, amounting to € 134 million, were reduced following a settlement to approximately € 73.2 million on 31.12.2013. During the first half of the year, an amount of € 66.2 million was paid. The outstanding amount of the liability accounted for € 7.0 million on 30.06.2014.
- The increase of other short-term liabilities towards third parties and former employees by € 4.7 million approximately.
- The increase of the provision concerning the personnel's leave that was not utilized by € 2.7 million approximately.
- The decrease of the unpaid check receivables by € 1.0 million approximately.

16. INVESTMENTS IN SUBSIDIARIES

On 18th July 2011, with the Board of Directors decision 17241/13.05.2011, EYDAP SA established a company under the name "Islands Water Supply and Sewerage S.A." with distinctive title "Islands' EYDAP SA", which is fully owned (100%) by EYDAP SA. The subsidiary plans to activate in the areas of water supply, sewerage, irrigation, and rain water collection in Greek islands. The subsidiary possesses limited business activity until today.

THE Board of Directors of "Islands' EYDAP SA" unanimously approved on 07.02.2014, the company's share capital by Euro 150 thousands.

The payment of the amount was realized on 14.03.2014 from EYDAP S.A., through deposit in the subsidiary's bank account.

17. DEFERRED TAX ASSET

The deferred tax asset on 30.06.2014 accounted for Euro 85.8 million approximately. The corresponding deferred tax asset on 31.12.2013 had accounted for Euro 93.6 million approximately.

The Company utilized a provision concerning labor cases under litigation of a total amount of Euro 66.2 million approximately, which reduced the deferred tax asset by Euro 17.4 million approximately.

Contrary to the above, during the estimation of the income tax for the first half of 2014, temporary accounting differences emerged leading to a deferred tax asset of Euro 8.6 million approximately.

18. SHARE CAPITAL

EYDAP was established in 1980 pursuant to Law 1068/1980 and following the merger of the two water and sewerage utilities of Athens at the time, with the company names Hellenic Water Supply Company and the Sewerage Organization of Athens LEPL.

The initial share capital of the Company settled at € 130,502 and was based on the valuation of assets and liabilities of the merged entities according to the clauses of Law 1068/1980.

In 1992, the share capital amounted to € 1,253,507 consisting of 213,566,282 common shares with a nominal value of € 5.87 per share. The share capital increase took place pursuant to Law 1914/1990 following a new valuation of the Company's net worth in view of significant number installations, which were contributed by the Greek State to the Company at the time, and following the capitalization of liabilities towards the State.

The Shareholders General Meeting on 30 June 1998 approved an additional increase of the Company's share capital by € 6,845 via the capitalization of investment subsidies that had been collected up to 31 December 1997. Following the above increase, the Company's share capital amounted to € 1,260,352 consisting of 214,732,544 common shares with a nominal value of €5.87 (two thousands drachmas) per share.

In 1999, due to the Company's listing on the Athens Exchange and according to Law 2744/1999, its share capital was set at € 58,694 consisting of 100,000,000 common shares with a nominal value of € 0.59 (two hundred drachmas) per share. According to the same Law, the remaining amount of € 1,201,658 of the share capital was converted to a "Special Non Taxable Reserve", which was among others decreased by the net amount of fixed assets, which were transferred to «EYDAP Fixed Assets» at no cost. In December 1999, 6,500,000 new ordinary shares were issued at a nominal value of € 0.59 (two hundred drachmas) per share and were allocated through an initial public offering for the Company's listing on the Athens Exchange.

As a result, the Company's share capital as of December 31, 2000 had amounted to € 62,509 thousands consisting of 106,500,000 common shares with a nominal value of € 0.59 (two hundred drachmas) per share.

In May 2001, EYDAP decided to denominate its share capital into Euro, through the increase of the nominal value per share from € 0.59 to € 0.60, and the amount of € 1,391 of the above share capital increase was transferred from the "Share Premium Account". Thus, the share capital of the Company on 31 December 2012 and 31 December 2011 was equivalent to € 63,900 thousands consisting of 106,500,000 common shares with a nominal value of € 0.60 per share.

No change occurred in the Company's share capital during the current as well as the previous period.

19. SHORT-TERM BANK LOANS (GROUP & COMPANY)

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	30/6/2014	31/12/2013
Bank Loans	-	-
Greek State Loans	-	3,142
Total	-	3,142

1. The Company has fully repaid its debt obligations.
2. A debt obligation towards the Greek State amounting to Euro 3.1 million approximately was eliminated against the results of the period and is included in the account "Credit Interest & related income" (Financial income).

20. LIABILITIES FOR EMPLOYEE BENEFITS (GROUP & COMPANY)

The account is analyzed as follows:

<i>Amounts in € thousands</i>	30.06.2014	31.12.2013
Provision for staff indemnity due to retirement	27,130	26,424
Healthcare coverage of personnel	162,878	161,937
Special one-off indemnity (personnel hired prior to and after 25-10-1999)	65,960	64,248
Total	255,968	252,609

The change in the account is attributed to the burden on the results of the period amounting to Euro 3.4 million approximately which was based on the estimation of cost on 30.06.2014 for each plan separately and in accordance with the actuarial study on 31.12.2013.

21. CURRENT TAX LIABILITIES (GROUP & COMPANY)

The movement of the payable income tax is depicted as follows:

<i>Amounts in € thousands</i>	
Balance at 01.01.2014	11,935
Current Income Tax for the first half of the year	0
Income tax payments and tax advances for the current year	(8,435)
Withheld taxes	(507)
Total Current Tax Liabilities 30.06.2014	2,993

The following are noted:

Tax unaudited years: The Company has not been tax audited for the financial years 2008, 2009 and 2010. For the years 2011, 2012 and 2013 the Company was audited by its legal auditors, in accordance with the article 82 of L. 2238/1994, and a relevant tax compliance certificate with agreement was issued.

The financial statements include an adequate provision for additional taxes as well as incremental charges of € 5.2 million approximately that may be charged at the time of completion of the audit for the tax unaudited years 2008 – 2010 and the first half of 2014.

ISLANDS' EYDAP has not been tax audited since its establishment for the years 2011-2013 and has not formed any provision due to its limited transactions.

22. RETAINED EARNINGS

<i>Amounts in € thousands</i>	GROUP	COMPANY
Balance at 01.01.2013	358,248	358,759
Dividends approved	(15,975)	(15,975)
Net profit for the period	33,868	33,388
Balance at 30.06.2013	376,141	376,172
Balance at 01.01.2014	465,911	465,949
Dividends approved	(38,431)	(38,431)
Net profit for the period	15,590	15,600
Balance at 30.06.2014	443,070	443,118

23. PROVISIONS

As of 30.06.2014, the lawsuits for civil cases against the Company accounted for € 97.8 million. The lawsuits concern indemnities for damages from flooding (due to pipeline fractures or rainfalls), as well as cases involving various counterparty suppliers and sub-contractors with regard to violation of contractual terms. Furthermore, there are pending legal cases for labor differences of € 22.6 million approximately.

With regard to contingent losses from the above legal cases, provided that these cases become irrevocably resolved, the Company has formed provisions of € 24.9 million on 30.06.2014 (€ 25.9 million on 31.12.2013). The provisions are deemed as adequate.

The provisions concerning the above legal cases are based on the Management's estimates, which are performed in co-operation with the Legal Services Department, with regard to the amount that is likely to be paid.

24. COMMITMENTS AND CONTINGENT LIABILITIES – ASSETS

Contingent liabilities are not recorded in the financial statements but they are disclosed, provided that the possibility of an outflow of resources incorporating financial benefits is minimal.

24.1 RELATIONS WITH GREEK STATE

The signing of a written agreement - as it is defined in the article 15 of the agreement on 9.12.1999 between the Greek State and the Company - which will determine the price paid to "L.E.P.L. EYDAP Fixed Assets" for the crude water collected from 1.7.2013 is pending from the year 2004 (Note 27). In absence of a written agreement, the Company continues from 25.10.2004 and onwards to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by "L.E.P.L. EYDAP Fixed Assets", burdening its financial results.

More analytically, with joint ministerial decision of 3.12.2013 which was issued according to the above law provisions, it was defined that the overdue amounts payable to the Company from the Greek State concerning investment plan's subsidized expenditures of € 294 million for the decade 2000 – 2010 as stipulated from the agreement of 9.12.1999 between the Greek and the Company, are offset with equivalent in value non tax related overdue amounts payable to the Greek State from the Company, until 30.6.2013, concerning the cost of the collected crude water for the period 25.10.2004 – 30.6.2013.

With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted.

24.2 COMMITMENTS CONCERNING NON-EXECUTED CONTRACTS

The Company's commitments which concern expansions, improvements and maintenance of networks and installations, electrical and thermal energy production unit installations, etc., accounted for € 113 million approximately on 30.06.2014 versus € 118 million approximately on 31.12.2013.

24.3 LETTERS OF GUARANTEE

The Company has issued letters of guarantee for liability insurance of € 634 thousands on 30.06.2014.

25. EVENTS AFTER THE BALANCE SHEET DATE

From 30.06.2014 and until the approval date of the financial statements by the Board of Directors, there is no significant event which may materially affect the financial structure or the business course of the Company and the Group.

26. RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

There are no essential changes in the nature of transactions regarding the related parties as compared to the annual financial statements.

A) Transactions and Amounts Outstanding with Members of the Board

<i>Amounts in € thousands</i>	30.06.2014	30.06.2013
Fees (Chairman & CEO, and Executive Directors)	28	28
Fees & attendance expenses of BoD members	39	40
Total	67	68

B) Transactions and Amounts Outstanding with Greek State and Municipalities

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
1) Transactions				
- Income	27,636	28,481	27,636	28,481
- Cost of Goods Sold (cost of construction works)	(641)	(485)	(641)	(485)
- Sundry provisions	1,267	(2,558)	1,267	(2,558)
2) Outstanding amounts	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Receivables (Projects for third parties)	2,826	2,147	2,826	2,147
Customer receivables (Municipalities, Greek State)	42,390	40,931	42,390	40,931

The transactions with the Greek State and Local Government Authorities concern revenues of water supply, invoiced and accrued, as well as accrued income from the construction cost for the account of Ministry of Infrastructure, Transport and Networks and “EYDAP Fixed Assets LEPL”.

27. EYDAP FIXED ASSETS «EYDAP L.E.P.L.»

“EYDAP Fixed Assets Legal Entity of Public Law L.E.P.L.” was established at the time of the Company’s public listing (IPO) aiming at transferring the ownership of the water dams and basins of Marathon, Mornos, Yliki and Evinos. Apart from the constructions and the expansions of the facilities which are connected to the above dams and basins, the Greek State through “EYDAP Fixed Assets L.E.P.L.” supplies the Company with crude water so that the Company is in position to fulfill its obligations with regard to the provision of water supply services.

It is noted that until the approval date of the financial statements by the Board of Directors, the total ceded assets have not been transferred to EYDAP L.E.P.L., which have a total net book value of € 657 million approximately.

4. INDEPENDENT AUDITOR'S REPORT

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of "Athens Water Supply and Sewerage S.A" (E.YD.A.P. S.A.)

Introduction

We have reviewed the accompanying condensed stand – alone and consolidated statement of financial position of Athens Water Supply and Sewerage S.A. (the Company) and the Group "Athens Water Supply and Sewerage " as of June 30, 2014, and the related condensed stand – alone and consolidated income statement, comprehensive income, changes in equity and cash flows for the six-month period then ended, and selective explanatory notes which comprise the condensed interim financial information, which represents an integral part of the half year financial report as provided by article 5 of Law 3556/2007. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

We draw your attention to the fact that as it is further explained in note 24.1 of the interim financial statements, an agreement on the cost of the unprocessed water supply to the Company after June, 30 2013 is still pending. The Company continues to offset the cost of the unprocessed water supply against the cost of services that the Company provides for the maintenance and operation of the water saving and water transfer fixed assets owned by the State Entity "Fixed Assets E.YD.A.P Company". Our conclusion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or mismatch in the content of the half year financial report as provided by article 5 of Law 3556/2007 with the accompanying condensed interim financial information.

Athens, August 27, 2014

The Certified Public Accountants

Michael Hadjipavlou
Reg. No SOEL: 12511

Nicos Papadimitriou
Reg.No SOEL: 14271

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

