



ANNUAL FINANCIAL REPORT

For the Period from January 1, 2015 to December 31, 2015
In accordance with IFRS & Law 3556/2007

Athens Water & Wastewater Services S.A.
REG. No. G.E.M.H. 121578960000
156 OROPOU STR Galatsi

Annual Financial Report

For the Period from January 1, 2015 to December 31, 2015

The attached Annual Financial Report has been compiled according to Law 3556/2007 and its relevant decisions of Capital Market Commission and includes:

- a) Statement of members of the Board of Directors
- b) Annual Board of Directors Management Report
- c) Annual Financial Statements for the period from January 1, 2015 to December 31, 2015
- d) Independent Auditors' Report
- e) Information according to article 10 of Law 3401/2005
- f) Financial Data and Information for the period from January 1, 2015 to December 31, 2015

It is declared that the attached Annual Financial Report is the one that has been approved by the Board of Directors of "**Athens Water & Wastewater Services S.A.**" on March 30th, 2016, and is available on the internet, at the web site address www.eydap.gr.

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STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

(According to the article 4 par.2 of the Law 3556/2007)

The Following Members:

1. Konstantinos Ant. Papadopoulos, Chairman of Board of Directors.
2. Ioannis Emm. Benisis, The Chief Executive Officer.
3. Michael Ad.Stavroulakis , Board Member, specially designated by the Board of Directors.

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 fiscal year 2015 which were conducted according to the valid International Financial Reporting Standards truly 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 truly illustrates the evolution, 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, 30 March 2016

The Chairman of the Board of Directors

The Chief Executive Officer

The Board Member

Konstantinos Ant. Papadopoulos
ID No. Π 720446

Ioannis Emm. Benisis
ID No. AB 521661

Michael Ad.Stavroulakis
ID No. AK 231180

ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT

Dear Shareholders,

In accordance with article 4 of Law 3556/2007, the paragraph 3 of the article 107 of the c.l. 2190/1920, and the delegated resolutions of the Hellenic Capital Committee of the same Law, we hereby submit the annual Board of Directors' Report for the financial year from 01/01/2015 to 31/12/2015.

The report presents the development, the performance and the position of the 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 fiscal year 2015 and their affect on the financial statements of the same period, it describes the potential risks and uncertainties, 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 2015.

Moreover, the report includes the explanatory report of paragraph 7, of article 4 of the Law 3556/2007 and the Corporate Governance Statement.

Fiscal year of 2015 ended with positive results for EYDAP as the Company has reinforced further its growth, while the company's' orientation was focused on contemporary, targeted and rational management, on the restriction of expenses, on using the best technology, on the financial payback of the projects, on human centric and hence customer-oriented management, on the implementation of environmentally friendly processes and on supporting households affected by the economic crisis with a series of actions to their relief .

The driving force of EYDAP, is its human resources that via their know-how and their love for the Company, they force EYDAP to growth.

PERFORMANCE & FINANCIAL HIGHLIGHTS FOR THE PERIOD OF 2015

I. Review of Operations – Progress of water consumption and billed income of water and sewerage usage

In 2015, total water consumption (billed or not) increased by 2.8% compared to 2014, in relation to the 0.7% increase, from 2013 to 2014. Total water consumption in the years 2013, 2014 and 2015 was 413,003,056 m³, 415,926,575 m³ and 427,675,474 m³ respectively. It is noted that the overall consumption, includes all other consumptions such as the Fire Department and EYDAP Fixed Assets Company (Public Entity), to which the water supply competence of local authorities and public entities that are outside the geographical area of EYDAP SA along the external water supply system, was transferred on 09.18.2014. Those consumptions are not among the categories of billed and non-billed consumption.

In 2015 billed consumption decreased by 2.7% over 2014, compared with a 0.8% increase in 2014 compared to 2013. Billed water consumption for the years 2013, 2014 and 2015 was 312.556.804 m³, 314.982.304 m³ and 306.446.238 m³ respectively.

During the years 2014 and 2013 there were exceptional billings of the Municipality of Delphi, concerning 4.247.628 m³ and 2.293.360 m³ respectively. In 2015, there were no extraordinary consumption billings, resulting in an increase by 9.2% of the non-billed consumption compared to 2014. Excluding extraordinary billings of 2014, the increase of the non-billed consumption in 2015 compared to 2014 would be 4.7%.

During the years 2013, 2014 and 2015 the non-billed consumption was 100.436.901 m³, 98.958.575 m³ and 108.041.870 m³ respectively.

Additionally, the non-billed to total consumption ratio increased also. More specifically, in 2013, 2014 and 2015 the non-billed to total consumption ratio was formed at 24,3%, 23,8% and 25,3%, respectively.

Regarding the main consumer classes, the billed consumption of the class of **common consumers** - which represents the overwhelming majority of customers, and mainly residential customers, increased by 3.6% compared to 2014, versus 1.6% fall in 2014 compared to 2013. Water consumption of **common consumers** in the years 2013, 2014 and 2015 was 191.018.069 m³, 187.939.137 m³ and 194.629.715 m³ respectively.

Bulk Water Supply to municipal networks, which represents the second biggest customer class, in 2015 decreased by 3.4% compared to 2014, versus a 0.5% decrease in 2014 compared to 2013.

Billed bulk water supply to municipal networks in the years 2013, 2014 and 2015 was 64.549.037 m³, 64.201.750m³ and 62.000.704 m³ respectively.

The **industrial consumers'** class billed consumption in 2015 increased by 5.4% compared to 2014, versus a 0.6% increase in 2014 compared to 2013. The industrial consumers' class billed consumption in the years 2013, 2014 and 2015 was 21.131.244 m³, 21.252.816 m³ and 22.405.052 m³ respectively.

The billed consumption of the **State-Local Authorities** class in 2015 decreased by 11.9% compared to 2014, versus a 3.3% increase in 2014 compared to 2013. The State-Local Authorities billed consumption in the years 2013, 2014 and 2015 was 19.227.425 m³, 19.859.859 m³, and 17.491.777 m³ respectively.

Finally, the billed consumption of the **other** consumer classes in 2015, decreased by 54.4% compared to 2014, versus a 30.7% increase in 2014 compared to 2013. The billed consumption of other consumer classes in the years 2013, 2014 and 2015 was 16.631.029 m³, 21.728.742 m³ and 9.918.990 m³ respectively.

The impact of billed consumption change in each consumer class to the total billed consumption change, which is negative and shaped at 8,536,066 m³, is summarized in the following table:

1. Change in billed consumption from 2014 to 2015

Consumer Class	Change (in m ³)
Common Consumers	6.690.578
Industries – Corporate Customers	1.152.236
State – Local Authorities	-2.368.082
Bulk water supply to local networks	-2.201.046
Other	-11.809.752
Total change in billed consumption	-8.536.066

During 2013, 2014 and 2015 the billed consumption classes' absolute breakdown is shown below:

2. Billed consumption volume breakdown (in m³)

Consumer Class	2015	2014	2013
Common Consumers	194.629.715	187.939.137	191.018.069
Industries – Corporate Customers	22.405.052	21.252.816	21.131.244
State – Local Authorities	17.491.777	19.859.859	19.227.425
Bulk water supply to local networks	62.000704	64.201.750	64.549.037
Other	9.918.990	21.728.742	16.631.029
Total	306.446.238	314.982.304	312.556.804

During 2013, 2014 and 2015 the billed consumption classes' ratio breakdown is shown below

3. Billed consumption volume percentages

Consumer Class	2015	2014	2013
Common Consumers	63,51%	59,67%	61,11%
Industries – Corporate Customers	7,31%	6,75%	6,76%
State – Local Authorities	5,71%	6,31%	6,15%
Bulk water supply to local networks	20,23%	20,38%	20,65%
Other	3,24%	6,90%	5,32%
Total	100,00%	100,00%	100,00%

The following table presents the nominal annual billed water sales revenue in each consumer class for the years 2013, 2014 and 2015:

4. Billed water sales income breakdown (€)

Consumer Class	2015	2014	2013
Common Consumers	151.968.242	145.668.127	148.658.184

Industries – Corporate Customers	17.944.439	17.137.251	20.238.961
State – Local Authorities	17.566.014	19.923.024	19.597.560
Bulk water supply to local networks	30.372.004	31.432.971	31.631.158
Other	3.799.393	5.800.207	5.703.926
Total	221.650.092	219.961.580	225.829.789

The following table presents the nominal annual billed water sales and sewerage usage revenue in each consumer class for the years 2013, 2014 and 2015:

Consumer Class	2015	2014	2013
Common Consumers	235.899.318	227.673.815	237.573.217
Industries – Corporate Customers	24.990.736	23.802.250	26.962.229
State – Local Authorities	24.402.726	26.931.989	26.824.251
Bulk water supply to local networks	30.372.004	31.432.971	31.631.158
Other	3.840.580	5.853.120	5.815.446
Total	319.505.364	315.694.145	328.806.301

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

Billing Scale (Common Consumers class)	2015	2014	2013
1st Billing scale (1-15 m3 / quarter)	49,75%	49,70%	49,21%
2nd Billing scale (16-60 m3 / quarter)	43,70%	43,86%	44,06%
3rd Billing scale (61-81 m3 / quarter)	2,53%	2,46%	2,61%
4th Billing scale (82-105 m3 / quarter)	1,11%	1,08%	1,16%
5th Billing scale (>105 m3 / quarter)	2,92%	2,90%	2,96%

Table 6 represents the percentage of the billed consumption under common consumer's tariff category through every billing scale.

Finally, table 7 presents the average revenue per billed cubic meter – either for water supply or for water supply and sewerage services - for the years 2015 and 2014, for the main consumer classes:

Tariff Category	2015		2014	
	Water sales	Water sales & Sewerage services	Water sales	Water sales & Sewerage services
Common Consumers	0,78	1,21	0,78	1,21
Industries–Corporate Customers	0,80	1,12	0,81	1,12
State – Local Authorities	1,00	1,40	1,00	1,36
Bulk water supply to local networks	0,49	0,49	0,49	0,49
Other	0,38	0,39	0,27	0,27
Total average income	0,72	1,04	0,70	1,00

Regarding 2015, and especially for the bulk water supply to municipal networks It is worth noting that while the 20.23% of the billed water is billed as Bulk Water Supply to Local Networks (see table 3), the water sales income from this particular consumer class comes up to 13.7% of the total water sales (see table 4). This is due to the fact that the average revenue per

cubic meter of the bulk water supply tariff (€ 0.49 - see Table 7), is 32% lower than the average revenue per cubic meter of water sales (€ 0.72 - see . table 7).

II. Presentation of the Company's Major Financial Results

The Company's turnover settled at 324.2 million € from 326.4 million € in 2014, posting a decrease of 0.7% (-2.1 million €). In total, with regard to its main businesses (water supply and sewerage services), the Company posted a decrease of 2.7 million € (-0.8%) in revenues.

Revenues from water supply and related services posted a drop by 2.4 million € (-1.1%), whereas revenues from sewerage services a drop by 336 thous. € (-0.3%). Revenues from the sale of electric energy posted a small increase by 44 thous. € (+2.2%), whereas revenues from construction works for third parties posted an increase by 545 thous. € (+107.9%).

Total operating expenses of the Company remained almost unchanged at 276.8 million € from 276.6 million € in 2014. Specifically, cost of goods sold posted a small increase by 0.8 million € (+0.5%) and settled at 185.9 million € from 185.0 million € in 2014. Likewise, distribution expenses increased by 0.2 million € (+0.7%), whereas the administrative expenses moved in opposite direction and posted a decrease by 0.9 million € (-1.5%).

The above developments resulted into the reduction of the Gross Profit of the Company by 3.0 million € (-2.1%) settling at 138.4 million € in 2015 from 141.4 million € in 2014. The gross profit margin declined to 42.7% in 2015 from 43.3% in 2014.

The operating expenses of the Company, depending on each category, posted significant changes such as in the personnel fees and expenses (-4.0%), sundry provisions (+12.0%), third party fees and expenses (+4.0%) as well as various expenses (-18.0%).

More specifically, personnel fees and expenses declined by 4.8 million € in total, settling at 113.6 million € versus 118.4 million € in 2014.

As regards to the sub-categories of the personnel fees and expenses, salaries and wages declined by 1.9 million € (-2.3%) and settled at 79.8 million € from 81.7 million € in 2014, whereas employer contributions declined by 1.5 million € (-7.6%). Provisions for employee benefits moved downward with the largest decline to be recorded in the provisions for healthcare which declined by 1.6 million € (-20.4%).

With regard to the expense with the second largest change, the sundry provisions, these settled at 19.8 million € in 2015 versus 17.6 million € in 2014. Sundry provisions include provisions for doubtful receivables (8.7 million € in 2015 from 15 mil. € in 2014), provisions for litigations (11.1 million € in 2015 versus 3 mil. € in 2014) and provisions for obsolete inventories (34 thousand € in 2015 versus -362 thousand € in 2014).

In thous. €	Provisions for Doubtful Receivables for the		Provisions for Litigations for the Year
	Year		
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
2014	13,866		3,008
2015	7,708		11,117

As far as the provisions for doubtful receivables are concerned, the provisions for doubtful customers (expense) accounted for 7.7 million € versus 13.9 million € in 2014 whereas provisions for other debtors amounted to 1 million € versus 1.1 million € in 2014. Moreover, during the year 2015, the Company did not proceed with any elimination of previous years' provisions (whereas in 2014 it proceeded with eliminations of 1,991 thousand €) resulting into the settlement of a balance of doubtful customers (in the statement of financial position) of 45.3 million € versus 37.6 million € in 2014.

In thous. €	Balance of Doubtful Customers	Balance of Customers prior to Provision for Doubtful Receivables	Share
	(1)	(2)	(3)=(1)/(2)
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%
2014	37,585	240,699	16%
2015	45,293	269,794	17%

The ratio “balance of doubtful customers” over “balance of customer prior to provisions” increased to 17% from 16% previously. Historically the above ratio has fluctuated from 10% to 22% during the last decade.

The provisions for litigation cases (recorded as liability in the statement of financial position) posted an increase by 11.1 million € (equivalent with the provision which affected the result) and settled at 45.2 million € in 2015 from 34.0 million € in 2014. The provisions for pending litigations with employees – pensioners absorbed almost the entire amount of the new provision.

The category of various expenses despite the fact that it concerns only 4%-5% of operating expenses before depreciation posted a decline of 2 million € approximately compared to 2014 (-18%) and settled at approximately 9 million € (from 11 million € in 2014) as result of the containment of the promotion and advertising expenses by 1.3 million € or by -61%.

With regard to the other categories of expenses, third party fees and expenses posted an increase by 1.9 million € (+4%) mainly due to the increase of the relevant expenses in the Psitalia WMC (+2.1 million € or +7%) and settled at 47.9 million € from 46.0 million € in 2014. Third party fees and expenses of Water Network posted an increase of 1.3 million € (+37%), whereas other fees and expenses of third parties declined by 1.5 million € (-14%).

Third party benefits essentially remained unchanged at 41.4 million € from 41.5 million € in 2014 with the expenditures for electricity and natural gas declining by -3.4% and -27.2% respectively, whereas expenses for repair and maintenance increased by 16%. It is noted that in the year 2013, the expenditures for electricity and natural gas amounted to 25 million € whereas at the end of 2015, they dropped by 4.8 million € (-19%) to 20.2 million €.

Finally, in the remaining categories of expenses, consumption of materials declined by 0.3 million € (-5%) whereas self-construction cost (item that reduces the expenses) posted a decrease of 0.8 million € (-26%).

However, other expenses posted a significant increase of 113% (+2.9 million €) from 2.6 million € in 2014 to 5.5 million € in 2015. These expenses usually include various expenses non allocated in the operations such as the indemnities due to accidents and network damages, various tax charges, other surcharges and penalties, etc. The particular expenses were also increased during the current year with additional expenses concerning studies and projects under development amounting to 3.2 million € approximately.

The above changes resulted into the reduction of the earnings before interest, taxes, depreciation & amortization (EBITDA) of the Company. EBITDA decreased by 3.9 million € (-4.4%) and settled at 83.8 million € from 87.6 million € in 2014. EBITDA margin decreased to 25.8% from 26.9% in 2014.

Depreciation charges for the year posted an increase by 4.7% or 1.8 million € and settled at 40 million € from 38.2 million € in 2014. The increase was attributed to the higher depreciation and amortization of assets by 4.2 million € and to the increase of the amortization of grants and customer contributions by 2.4 million €.

The significant increase of depreciation and amortization affected the Company's earnings before interest and taxes (EBIT), which declined by 5.7 million € (-11.5%) and settled at 43.7 million € from 49.4 million € in 2014. EBIT margin settled at 13.5% from 15.1% in 2014.

The financial expenses posted an increase of 122% and settled at 1.2 million € from 0.6 million € in 2014, whereas financial income decreased by 0.8 million € dropping to 13.8 million € from 14.7 million € in 2014.

Profit before taxes for the Company accounted for 56.3 million € versus 63.5 million € in 2014 posting a decrease of 11.3%.

During 2015, the increase of the tax rate from 26% to 29% positively affected the results of the current financial year via the deferred tax by an amount of 10.8 million € and settled the income tax to 12.7 million € versus 21.6 million € in 2014. As result of the above, earnings after taxes of the Company posted an increase of 4.1% and settled at 43.7 million € from 42.0 million € in 2014. Net profit margin increased to 13.5% from 12.9% in 2014.

Net operating cash inflows for the Group reversed from negative to positive and settled at 64.4 million € in 2015 from -46.4 million € in 2014. The net investing cash outflows of the Group increased to 16.7 million € in 2015 from 13.3 million € in 2014 mainly due to the acquisition of securities amounting to 20 million € (shares of Attica Bank), whereas the purchase of tangible assets declined to 3 million € from 21 million € in 2014.

Finally, Free Cash Flows to the Firm settled for the Group at 47.7 million € from -59.7 million € in 2014.

Analysis of the Return on Equity in 5 factors (for the Group)

	2015	2014	2013
ROE	4.62%	4.48%	8.71%
Tax Burden	0.78	0.66	1.27
Interest Burden	1.29	1.29	1.14
EBIT Margin	13.48%	15.13%	16.08%
Asset Turnover	0.21	0.20	0.20
Leverage	1.65	1.71	1.86

ROE = Profit after taxes / Average Shareholders' Equity

Tax Burden = Profit after Taxes / Profit before Taxes

Interest Burden = Profit before Taxes / EBIT

EBIT Margin = EBIT / Turnover

Asset Turnover = Turnover / Average Assets

Leverage = Average Assets / Average Shareholders' Equity

The effect of the subsidiary and associate company in the consolidated items is negligible and no further analysis is required.

BUSINESS HIGHLIGHTS DURING FISCAL YEAR 2015

Annual General Shareholders' Meeting

The 33rd Annual General Shareholders' Meeting convened on April 29th 2015 at the Company's headquarters at Galatsi.. Among others, the Meeting approved the distribution of a dividend to the shareholders for year 2014 equivalent with 50% of the net earnings of the same year, amounting to Euro 21.3 million. Regarding the issues of the election up to nine (9) Members of the BoD by the majority shareholder, the Greek State, election of Independent Member of the BoD for the participation in the Audit Committee, according to article 37 of L.3693/2008, designation of the Audit Committee, according to article 37 of L.3693/2008- the majority Shareholder-the Greek State submitted, according to the article 39 paragraph 3 of L. 2190/1920 as in force, the request for the postponement of their discussion for the 13th of May 2015, at the Company's headquarters. The continuity of the postponed Ordinary General Meeting that was scheduled for the 13th of May 2015, did not reach a quorum and was postponed.

Repeat following the postponement Ordinary Shareholders' Meeting

The Company's Repeat following the postponement Ordinary Shareholders' Meeting was held on Tuesday, June 2nd 2015, at the Company's headquarters at Galatsi. Reaching to the following resolutions:

1. The Majority Shareholder-Greek State revoked the Members of the Board of Directors Messrs. Evaggelos Palaiologos, Grigorios Zafeiropoulos, Lambros Zografos, Panteleimonas Kamas, Eleftheria Karachaliou, Anastasios Kourtis and Ioannis Chondrogiannos and recommended for their replacement the following Messrs. Konstantinos Vafeiadis, Michail Stavroulakis, Nikolaos Sarantis, Ioannis Kardaras, Georgios Makrinos, Eleftherios Magiakis and Georgios Chalabalakis, who were also elected. The tenure of the new Members expires on June 28th 2018.
2. The General Meeting elected as an Independent Member of the BoD for the participation in the Audit Committee Mr. Michail Stavroulakis in replacement of Mr. Lambros Zografos.
3. The General Meeting designated the Audit Committee of EYDAP S.A. according to article 37 of L. 3693/2008, which consists of Messrs. Michail Stavroulakis as Chairman, Ioannis Kardaras and Eleftherios Magiakis as Members in replacement of Messrs. Lambros Zografos, Grigorios Zafeiropoulos and Epaminondas Sklavenitis.

Inauguration of the BoD

On June 9th 2015, the new Board of Directors, elected from the Repeat following the postponement Ordinary Shareholders' Meeting, held its inaugural meeting, consisting of the following members :

Anthony Vartholomeos Chairman of the BoD & Chief Executive Officer – Executive Member, Konstantinos Vafeiadis Non-Executive Member, Ioannis Kardaras Non-Executive Member, Eleftherios Mayiakis Non-Executive Member, Georgios Makrinos Non-Executive Member, Nikolaos Sarantis Non-Executive Member, Epaminondas Sklavenitis Non-Executive Member, Michail Stavroulakis Independent – Non Executive Member, Georgios Chalabalakis Non-Executive Member, Christos Mistriotis Non-Executive Member, Panayotis Skoularikis Non-Executive Member, Emmanouel Aggelakis Non-Executive Member, Evagelos Moutafis Non-Executive Member.

Management Changes

On July 8th 2015, following the resignations of the Chairman of the BoD and CEO of EYDAP S.A. Mr. Anthony Vartholomeos and the Member of the BoD Mr. Epaminondas Sklavenitis, the BoD was convened today and elected Messrs. Konstantinos Papadopoulos and Ioannis Benisis in replacement of the resigned. Subsequently, and after the election from the BoD of Mr. Konstantinos Papadopoulos as Chairman of the BoD with executive authorities and of Mr. Ioannis Benisis as CEO with executive authorities, the new BoD was formed into a body as follows:

Konstantinos Papadopoulos	Chairman of the BoD– Executive Member
Ioannis Benisis	Chief Executive Officer – Executive Member
Konstantinos Vafeiadis	Non-Executive Member
Ioannis Kardaras	Non-Executive Member
Eleftherios Magiakis	Non-Executive Member
Georgios Makrinos	Non-Executive Member

Nikolaos Sarantis	Non-Executive Member
Michail Stavroulakis	Independent, Non-Executive Member
Georgios Chalabalakis	Non-Executive Member
Panagiotis Skoularikis	Non-Executive Member
Christos Mistriotis	Non-Executive Member
Emmanuel Aggelakis	Non-Executive Member
Evangelos Moutafis	Non-Executive Member

Appointment of Executive Member

On July 22nd 2015, the BoD appointed Mr. Konstantinos Vafeiadis as executive Member. Subsequently, the BoD was formed into a body.

Resignation of a BoD Member

On October 17th 2015, Mr. Eleftherios Magiakis resigned from BoD Member and consequently from a Member of the Audit Committee.

Participation in the Share Capital Increase of Attica Bank

EYDAP S.A. informs the investment community that the Board of Directors during its convention on 18/12/2015 approved the participation of the Company in the share capital increase of Attica Bank with the amount of 20 million euro. Moreover, the BoD decided the convention of Extraordinary General Shareholders Meeting on January 15th 2016, in order to ratify the aforementioned decision.

Local Authorities (OTA)

During 2015, EYDAP intensively continued for a third year, its efforts to adjust the overdue debts of the Local Authorities and to avert the formation of new ones. The actions taken were according to the BoD decisions of the Company.

On December 2015 the overdue debts of Local Authorities amounted to 32.8 million €, 9.7 million € of these correspond to amounts that are already under debt settlement.

The capital controls that were imposed on July 2015, significantly limited the options of EYDAP SA for blocking the bank accounts of Local Authorities, where necessary. Moreover, given the difficult economic conditions, it was necessary to update the setting conditions overdue debts for the benefit of both parties. Thus the BoD Decision 18 747 / 11.25.2015, gave the opportunity to the Local Authorities to adjust the debts falling due until December 5, 2015, via payment of installments, (maximum 100) and under appropriate requirements. Within this framework, they have already been sent to 17 municipalities overdue debts regulating contracts amounting to 27.6 million €.

Moreover, the BoD of EYDAP (Decision no 18757 / 10.12.2015), accepted the concession, by ownership and without payment, of the Association Upper Vlychada "PLATO" network at the Municipality of Megara, after trial operation of five (5) months from the commencement of water supply and following control functional adequacy of a relevant committee appointed for this purpose.

Social Tariff

EYDAP SA, continued to implement its social tariff throughout the course of 2015, and introduced new protection measures for vulnerable social groups by the removal and the exception from the water supply interruption program of those families that have proven economic weakness to pay their bills or at least enter a debt settlement, for a whole year as well as by suspension of enforcement measures taken by the Company, based on the Public Revenues Collection Code, up to the amount of principal debt 3.000,00 €, for customers who are in financial weakness.

EYDAP Nison S.A.

The scope of EYDAP NISON S.A. is to provide consulting services in the areas of water services, sewerage and rainwater collection as well as a variety of activities related to the above, in the Greek islands territory.

The main goal of the EYDAP NISON is to ensure the the Greek Islands are provided with plenty of potable and affordable water.

Detailed actions of EYDAP NISON during 2015 are presented below:

Municipality of Edipsos- Istiaias

Two (2) bids were submitted to the municipality Istiaia - Edipsos for cleaning and video inspecting of two sewer pipe sections, for the cleaning of the tank of the central sewerage pumping station and for capturing and recording of the water supply supply and distribution network, the technical evaluation of the existing water infrastructure and for the proposing optimization methods.

Astypalaia Island

Contacts were made for a contract concerning the maintenance of the installation of the biological cleaning as well as the maintenance and upgrading of water management and infrastructure of water supply and sewerage of the island.

Municipality of North Kynouria

EYDAP NISON SA participated as moderator of surveying and recording operations of the water supply network (area of North Kynouria), of the technical assessment of existing water infrastructure and the development of water supply network optimization proposals that were undertaken by EYDAP SA .The project was completed with the supervision EYDAP NISON SA and handed over to the municipality.

Kea Island

EYDAP NISON SA, signed on 22/12/15 a contract with the Municipality of Kea to record and evaluate water infrastructure, to plan upgrading works and to conduct alternative operating scenarios. Works began in early January 2016. In addition, a financial offer was submitted via tender for chemical water analysis and the water supply study for specific areas was updated.

Naxos Island

EYDAP NISON SA carried out a study on the integration of pricing of water supply and sewerage services in the Municipality of Naxos and Small Cyclades and proposed savings measures. The work was completed and delivered.

The Municipality expressed interest in concluding a new contract concerning the operation of drinking water facilities in Engares area, of desalination process at islands Koufonisi and Schinoussa and the biological treatments facilities based in the areas of the municipality Naxos and Small Cyclades.

Samos Island

EYDAP NISON joined a tender in Samos City for four main citizen areas (Vathi, Karlovasi, Marathokambos, Pythagoreio) to record existing networks, optimizing the operation of the pumping stations and to conduct a pressure zones model.

Chios Island

EYDAP NISON SA, completed and delivered the project after signing the relevant agreement for the Pressure Zone creation services in the city of Chios water network.

EYDAP NISON co-organized with the embassy of Israel, an event titled "Overcoming water shortages through innovation in technology. The Israeli experience " with Dr. Eibon M. Adar as a speaker. Also, the need for conducting a contract for consulting services provision by EYDAP NISON was agreed from the Secretary General of the Aegean and Island Policy as well as from the Deputy Regional officer of Attica Islands.

Board of Directors

On 16 October 2015, the Board of Directors of 'EYDAP ISLANDS "SA was as follows:

1. Ioannis Emmanouil Benisis, Chairman of the Board and the company's CEO,
2. Konstantinos Vafeiadis, Member,
3. Konstantinos Vougiouklakis, Member,
4. Georgios Karagiannis, Member,
5. Petros Matsoukis, Member.

Mr. Petros Matsoukis acts also as Director General of "EYDAP NISON" SA while Mr. Konstantinos Papadakis, acts as Deputy General Director of "EYDAP NISON" SA.

I. Modernization of the Operation Sectors

Within 2015 the Company continued the implementation of the actions that had been undertaken the previous years regarding to the modernization of its operation, having as an upper goal the increase of efficiency and the improvement of the quality of services provided to the customers. Analytically, such actions are mentioned bellow per sector:

Development of New Activities of EYDAP

- A contract was signed on transfer and consign by ownership to EYDAP, of water supply network of Ano Vlychada area "Plato", of Megara Municipality.

- The recording of the municipal water supply network of the Municipality of Pallini was completed and the procedures for its concession continue.
- Discussions continue for the concession by ownership, at no cost, of the water supply network sections of the Municipalities of Vari-Voulas- Vouliagmeni, Megara and Penteli.
- Discussions begun with the municipalities of Salamina, Marathon and Markopoulo Mesogaïas, to obtain by ownership the the municipal water supply network.
- Under the responsibility of the Precinct of Attica and designated municipalities, the implementation of sewerage projects progresses, according to the planning of EYDAP, in parts of northern and eastern Attica as Dionysus, Koropi and Peania, and in Western Attica in Ambelakia areas Moon and Aianteiou of Salamina.
- Discussions begun with the Municipality of Markopoulo, for the concession by ownership of municipal sewer networks and the installation of Wastewater Treatment Plant at Markopoulo.
- The location of Wastewater Treatment Plant of North Mesogea for the sewage collection of Rafina-Pikermi Municipalities and Spaton- Artemis in Plati Chorafi location, was redecided, after EYDAP's suggestion to Interministerial Major Projects Coordination Commission on 12.30.2015
- Participation of EYDAP, in cooperation with the Ministry of Environment and the municipality of Tanagra, in the project "Integrated Water Management Systems at Asopos region" in order to resolve this serious environmental problem in the area.
- Implementation of the investment plan for 2016-2018, the largest that EYDAP has ever set as a target..
- EYDAP continues the implementation of the energy program based both on upgrading existing facilities in order to reduce energy consumption and on the production of electricity by using the most of the infrastructure.
- An intense research activity is developing by participation in research projects funded by the EU and simultaneously is implementing internal research projects. EYDAP's actions in the field of research is focused in its activities in order to:
 - Optimize the processes and methods by using innovative technologies in the overall water cycle, in order to upgrade the quality of services provided to citizens.
 - Protect the environment and reduce carbon footprint
 - Link research and entrepreneurship and develop new scientific resources of the country

As far as the **IT & Technology** are concerned, EYDAP in 2015 has proceeded in the implementation of the following activities:

1. In Business and Finance Sector

- Alignment with changes in the implementation of Code for the Collection of Public Revenues
- Capability for settlement payments via external channels outside the company.
- "Integration of customers under financial weakness" and relevant actions
- Starting operation of the Regional Centre at Laodicea str.
- Upgrading of the software for formatting bills "PRINT BOSS"
- Integration of new contracting partners (OPAP agents) for OnLine Payment of Bill. Integration of VIVA in freelance network for bill payments"
- Unlocking of the collection of expired bills from external partners.
- Compliance with Regulation 260/2012 of the European Parliament (SEPA) on how to exchange direct debits bills of Water – Sewage services from and to banks.

2. Geographic Information System (GIS) Sector:

- Development of web applications on a tablet for servicing the Water - Sewage and consumption inventory crews
- Allocation of digital data to interested parties and Institutions
- Introduction of new data, updating and maintenance of existing data and networks background.
- Calculations, measurements, area analysis and cartographic performance yields to support Divisions - Services of EYDAP

3. In the sector of infrastructure & telecommunication

- Upgrade of the role of backbone network infrastructure in the Central Data Center.

- Supply and installation of mobile application "voice portal" into the telephone EYDAP network. The portal can recognize a voice and respond to requests or provide information of any kind to customers since it is fully cross-linkable with multiple databases.
- Upgrade of the operating system of all corporate PC from Windows XP to Windows 7

The Operations Center - 1022

Within the framework of development and modernization, EYDAP initiated actions for the transformation of the current Operational Centre Operation & 1022 in an Integrated Operational Centre (Operation Center), in order to be transformed into a strategic operations management node of the Company.

The strategy of the new Operational Centre focuses on the essential, functional upgrade of the existing plant in a coordinating body for managing networks and facilities in a defined cooperation with all the departments that are directly managing the networks and the Company's facilities or interact with customers.

The operating model of the under development Integrated Operational Centre includes the following key components:

- Focus on the needs and requirements of the (client or consumer or citizen) aiming at continuous improvement of the level and efficiency of the services provided.
- Creation of single structure in all communication channels with the consumers.
- Support all addressing cycle of a problem and / or crisis, which has three stages: (a) prevention (before the occurrence of an event), (b) Troubleshooting (when the event occurred) and (c) Recording of consequences and rehabilitation (after the event). Particular emphasis will be given to the prevention and / or more efficient operation mode where possible, via integrated network and facilities management system.
- Monitoring, in real time, of the evolution of the operations in case of events the event, to support both coordinators-staff officers (framing business plans, optimal development of available forces, estimation of the evolution and expansion of crises, etc.) as well as the stuff that intervenes (optimal transition route from point to point, visualization of the position of the other crews involved in solving the problem, visualize the action plan and the planned movements as planned by the coordinator, etc.). Collection, organization and combinational management of multi-levels geographic data and descriptive information to support the decision-making process in the event management and crisis response.
- Internal organization and operating system documentation and focus on optimal management of technical personnel.
- Integrated management of applications and systems and adoption of modern software applications technologies.

E -Government

EYDAP reaffirms its commitment to achieve the objectives set out in the e-Government Framework. These objectives concern the use of Information and Communication Technologies, for the upgrade of services and internal operations in order to obtain:

- Customer satisfaction and community satisfaction in general
- Equal opportunities for everyone that transacts with EYDAP
- Transparency in corporate procedures
- Effective management
- Employee satisfaction via active participation

For this purpose, the policy-making body in a e-Government issues was upgraded to committee consisting of members from all Divisions involved in a e-Government object aspects. More specifically, the Commission is called to combine views regarding Customer Service, Relations with Suppliers, Corporate affairs, Operational Center, Processes and Information Technology by planning specific and targeted actions with respect to e-government goals.

EYDAP endorses the view that e-Government is primarily in a institutionalization processes. For this reason, the Company proceeds to the establishment of a task-approach regarding e-Government by instituting study practices of the relevant procedures. The beginning is made by recording and documenting them, while the ultimate goal is the complete measurement analysis and improvement of business processes especially those related to the objectives of e-Government.

Within this framework, we continue the development and improvement of applications related to:

- Company's website
- Customer service information systems
- ERP Projects
- Internal production and distribution of corporate documents

The website of EYDAP (www.eydap.gr) is updated so as to include a full list of services offered to customers in all possible ways of handling each service as well as complete, valid list required documentation via:

- EYDAP's customer service regional offices
- Citizen Service Centers
- Website
- Telephone

The internal communication of organizational units is reorganized, aiming at their effective cooperation as well as at an efficient administration. On this purpose the internal website (portal) which operates within the EYDAP corporate data network, will be implemented and developed. The organizational structure is based on logic of "internal services" and the corresponding procedures so that there is communication immediacy, transparency and minimization of duplication in corporate processes..

EYDAP, with particular emphasis on the utilization of Information and Communications Technologies for providing high quality services to customers and citizens in general, is committed to the continuous improvement of services provided online and in ongoing research to develop new innovative services by monitoring and using modern technology trends.

FUTURE OUTLOOK

EYDAP's strategy is based on the achievement of a balanced and continuous growth in favor of the community, the customers, the employees, the shareholders and all those that have legitimate interest in the Company. EYDAP, the largest water services and sewerage provider in Greece and one of the largest in Europe, ensures consistently with responsibility and sensitivity the delivery of the highest quality water alongside with a contemporary and seamless sewerage and biological treatment services to the population served in Attica, while respecting the natural environment.

A primary objective remains the further rationalization of expenditure and the reduction in operating costs through continuous improvement and simplification of corporate processes that enhance the operational efficiency of the Company.

EYDAP will implement in 2016 a significant investment program amounting to 76.5 million €, which includes project and restructuring investments aimed for the Company to be driven to a further growth. Moreover, under the modernizing program, the Company will allocate over 18 million € for asset purchases, of which 8.3 mil. € refer to new vehicle –machinery fleet which are an essential part of its daily operation. Our goal is the continuous integration of new technology in everyday practical applications.

Moreover, the implementation of the strict framework of cooperation with local authorities is expected to be continued, in order to increase further the collectability rate of receivables from local authorities. The Company is expected to continue the effective support to vulnerable social groups, applying reduced pricing and favorable arrangements with special social tariff.

The specificity and the non-elasticity of the product, the natural monopoly that EYDAP has, the high cash flow, the zero borrowing in conjunction with the strategic options for effective and efficient operation, the use of new technologies, of know-how and of human resources, as well as the modernization through the implementation of innovative and new operations, provides the Company the perspective of sustainable development and sets the foundation for continuous growth and profitability in order to ensure the interests of both shareholders and customers.

RISKS AND UNCERTAINTIES

The Company manages its capital in such way in order to meet its objectives as these are mentioned in paragraph 4a of article 1 of Law 2744/99. In addition according to paragraph 8 of the same article the placement of its fixed real estate assets used for water supply and sewerage purposes as collateral is prohibited. It is noted that according to article 5 of the same law there is no provision for compulsory administration of the assets of EYDAP used for water supply and sewerage purposes.

In the current period, the Company has not proceeded with the signing of any bank liability either long-term or short-term. Following its listing on the Athens Exchange in 2000 and until 2013, the Company held mainly short-term debt, in order to

meet its operating needs due to the fact that it had not collected payments for water supply bills from certain municipalities and other public entities.

The Company maintains sufficient capital in order to serve its business objectives and to apply the appropriate dividend policy.

Leverage ratio

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Borrowings	-	-	-	-
Cash and cash equivalents	(260,419)	(233,314)	(259,342)	(232,664)
Total Equity	966,940	921,310	967,040	921,382
Net Debt to Equity Ratio	0	0	0	0

Risk management is processed by the Company's pertinent Departments which operate under certain rules which have been approved by the Board of Directors.

(a) Credit Risk

The Company's exposure with respect to the credit risk it is eliminated to the financial assets which at the reporting date of the Financial Statements are analyzed as follows:

Financial Assets categories	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Available for sale financial assets	19,395	691	19,395	691
Cash and cash equivalents	260,419	233,314	259,342	232,664
Trade and other receivables	240,862	220,109	240,829	220,123
Long-term receivables	12,905	6,135	12,905	6,124
Investments in subsidiaries	0	0	1,210	710
Total	533,581	460,249	533,681	460,312

Cash and cash equivalents bear credit risk. The management of credit risk is conducted with the aggregation of the largest part of the Company's cash reserves in the Bank of Greece and via the containment of the Company's exposure to domestic banking institutions.

Trade and other receivables include receivables from private customers which carry a relatively low level of loss risk mainly because of the extensive dispersion of claims, while for the receivables from Local Governments (OTA), the Company examines the possibility of collecting the respective due amounts through contract agreements (management of networks and settlements) or based on legislative arrangements.

Below the timetable of the Company's receivables based on their maturity is displayed:

Amounts in € thousands

TIME ANALYSIS OF OVERDUE CLAIMS							
2015	Not due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
PRIVATE CUSTOMERS	29,333	10,629	34,403	43,126	31,535	23,869	172,895
STATE LOCAL GOVERNMENT	2,094	45	1,848	5,814	1,806	3,002	14,610
	5,326	727	9,229	19,946	4,147	740	40,115

Total	36,753	11,401	45,481	68,886	37,488	27,611	227,620
2014	Not due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
PRIVATE CUSTOMERS	19,207	11,011	28,558	37,130	25,193	19,236	140,335
STATE LOCAL GOVERNMENT	2,358	1,146	1,966	1,936	1,806	3,093	12,305
GOVERNMENT	8,135	2,831	8,583	12,555	820	790	33,714
Total	29,700	14,988	39,107	51,621	27,819	23,119	186,354

The Customer Service Department, as well as the Department for the Development of Relations with OTA (municipalities), continuously monitor the requirements of the Company, either separately or based on groups (invoice codes, customer categories) and incorporate this information into the credit risk control procedure.

With regard to credit risk management, the Department of Collection Enforcement of the Legal Services Division reviews on constant basis and settles via judicial procedures (LD 356/1974 «Code for the Collection of Public Revenues») overdue receivables concerning water supply, utilization rights and property connection rights from retail customers and local government authorities (OTA).

None of the financial assets has been placed as collateral or in any other form of credit insurance.

(b) Liquidity Risk

The liquidity risk is been managed by the preservation of sufficient cash available for the assurance of bank credits for use. There is no liquidity risk due to the existence of sufficient cash reserves which can cover the current operating and investment needs.

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

Amounts in € thousands

TIME ANALYSIS OF LIABILITIES							
2015	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	28,775	19,587	7,803	25,334	41,371	293,633	416,503
Total	28,775	19,587	7,803	25,334	41,371	293,633	416,503
2014	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	34,172	20,722	8,319	1,913	41,110	313,624	419,860
Total	34,172	20,722	8,319	1,913	41,110	313,624	419,860

c) Market Risk

The market risk is related to the Company's equity portfolio which constitutes a long-term strategic investment and as result is confined to certain position limits.

(d) Risks due to capital controls in Greece

With the Act of Legislative Content on 28th June 2015, Greek banks were placed in a holiday status and capital controls were imposed. The bank holiday ended on 20th July 2015 whereas part of the capital controls remain in effect. Due to the special nature and inelasticity of the product, its demand is not affected by the imposed capital controls, therefore the relevant financial developments in Greece have not affected the cash collections, payments and turnover of the Company.

(e) Relations with the Greek State

With a 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 State and the Company, were offset with equivalent in value non tax related 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 same joint ministerial decision, the other claims until 30.06.2013 between the Greek State and EYDAP SA were also amortized. With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above joint ministerial decision was accepted.

On the other hand, 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 36). In absence of a written agreement, the Company continues, after 30/06/2013, 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", affecting accordingly its financial results.

RELATED PARTY TRANSACTIONS

A) Transactions with Members of the Board

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Fees (Chairman & CEO, and Executive Directors)	77	57
Fees & attendance expenses of BoD members	76	78
Total	153	135

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

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
1) Transactions				
- Income	57,720	55,661	57,720	55,661
- Cost of Goods Sold (cost of construction works)	(1,051)	(505)	(1,051)	(505)
- Income from non utilized provisions / (Various provisions)	-	-	-	-
2) Outstanding amounts				
- Long-term receivables (Projects for the Greek State)	3,703	2,652	3,703	2,652
- Long-term trade receivables (settlements with Municipalities)	5,623	-	5,623	-
- Trade receivables (Local authorities, Greek State)	51,488	48,107	51,488	48,107

- Trade receivable ISLANDS' EYDAP	-	-	24	-
- Other receivables (from the Greek State for coverage of deficit concerning staff indemnities)	258	258	258	258

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 Economy, Infrastructure, Shipping and Tourism, and of "EYDAP Fixed Assets".

DIVIDEND POLICY

The Board of Directors of the Company in its convection on March 30th 2016 approved the submitting of the proposal to the Annual Ordinary General Shareholders Meeting, of a dividend, Article 45 of the Code. Law 2190/1920, of the amount of twenty one cents (€ 0.21) per share (a total gross amount of Euro 22,365 million) for the year 2015. The dividend is subject to approval by the Annual General Meeting of Shareholders and is included in the account "Retained earnings".

HUMAN RESOURCES

EYDAP, being a company that manages water, the most precious natural resource, adopts and applies the principles of Corporate Social Responsibility for the development and the welfare of the society. EYDAP's philosophy has an anthropocentric character which leads to a customer-centered planning that will have the greatest contribution to the society.

The basic philosophy of EYDAP is to provide Knowledge that will enhance the capabilities of EYDAP's human resource so that, through the intercompany optimization, the degree of customer satisfaction will increase.

In this framework, EYDAP aims to provide learning opportunities that respond to the objectives and expectations of the trainees aiming not only to the enrichment of their knowledge and the development of their skills but also to the reinforcement of their "loyalty" to the company bringing added value both to the employees and to the company. The trainees enhance this program which is proven by their increased participation.

The educational program covers both the Administrative and the Technical Sector. Within 2015 many programs that enabled a large number of the employees to be certified in the use of computers from a specified body were implemented, as well as e-Government programs. In addition, programs of learning of specialized terms in English, adjusted to the requirements of the Company were realized, such as programs of technical terms, IT terms etc. A large number of programs to meet the educational proposals and needs of the different operating sectors of the company were implemented as well, such as, for example, Water Resources Management and Water Supply Network and Road Safety and Technical Operations in Roadway.

The educational program is supported by distinguished trainers, internal and external, that have a deep knowledge of their topic that allow them to cover even the most specified educational needs, while its implementation is fully supported by a modern IT application entitled "education".

The number of programs conducted by external partners rose to 79 while those conducted by internal partners were 3. The total number of programs realized in 2015 was 102. The total man-hours of training rose to 7,124 and the total number of trainees was 1,041.

Lifelong learning "Education Permanente" is a long request of modernity and also a conscious request every contemporary man either employee or not, which the company is trying to implement.

ENVIRONMENT

Ever since 1999 EYDAP has taken initiatives to reduce its environmental footprint and together with those already realized, new initiatives are planned and implemented.

The realized initiatives refer to a) the utilization of biogas produced at Wastewater Treatment Plants for the production of electrical and thermal energy, followed by its utilization in the most profitable and environmentally correct way (i.e. own consumption of thermal energy to reduce heat emissions in the atmosphere b) the utilization of hydraulic energy which is converted into electricity in small hydropower stations along the aqueducts, c) the investments in the electromechanical installations of EYDAP for efficient operation and therefore less energy consumption, d) the replacement of oil systems with natural gas systems and e) the conducting of energy inspections in buildings and the submission of concrete proposals.

The planned initiatives for 2016 refer to a) examination of all potential opportunities offered by the EU funding for energy saving measures in buildings and proposals b) total redesign of Renewable Sources projects after the finalization of the framework that is now formed c) emphasis in a more detailed energy saving actions in the facilities, taking into account the specificities of each one d) examination of possible energy saving measures in the Company's vehicle fleet.

EYDAP also contributes to the protection of the marine environment through the operation of the wastewater treatment plants and the controls of the discharges made into sewers, specifically by the industries, conducted. At the same time, EYDAP modernize its networks and facilities so as to minimize any leakages, while running the Central Management System of Water Resources and the Geographic Information System & Network Administration for their preventive maintenance and effective treatment of damages and leaks.

Equally important is the contribution of the Company in growing environmental consciousness and public awareness, with the educational program that approximately 20,000 students attend per year.

RESEARCH & DEVELOPMENT

Research and Development activities of EYDAP for 2015:

Water and sewage service providers, should identify the challenges that are likely to face over the next 10-20 years and take actions to exploit the opportunities - in particular, those presented by new technological possibilities.

One of the key actions to modernize a water and sewage service provider is investing (through self-funding, public and European co-financing) in research activities, technological development and innovation.

The Research and Development Department (R&D) of the Division of Quality, Research and Development (R&D), created in early 2011, consists of EYDAP's highly competent scientists, and has as a primary and main purpose the development and dissemination of know-how, innovation as well as the consolidation of an extrovert perspective. The aim of the R&D department is the enhancement of the applied research, in order to improve and resolve issues that concern the operation of the company while promoting proposals for:

- Acquiring new knowledge which can be integrated into corporate productive functions.
- Service quality improvement through new technology utilization e.g. environmental and energy footprint reduction.
- Development and provision of new services that benefit consumers and entrepreneurship.
- Utilization of tools and methodologies derived from open innovation.
- Operational cost reduction (e.g. through procedure automation).
- Research Center infrastructure development and exploitation through demonstration/pilot applications
- Organization of hard copy and digital research archives with access to the company Intranet to enable scientific knowledge dissemination.

The R&D Department paves the way for a substantial contribution to the company's research and development needs in order to maintain a high level of expertise and implement innovative ideas and cutting-edge technologies.

During 2015, EYDAP has worked on the following axis of actions regarding R&D:

1. Research activity
 - Participating in the following funded research projects within the framework of the Seventh European Funding Program (FP7):

i. "DESSIN", intended to demonstrate new technologies for the implementation of the Water Framework Directive (60/2000). In DESSIN project are involved 20 partners in total. Five pilot applications are implemented in Germany, Norway, the

Netherlands, Spain and Greece. In the Athens pilot plant innovative technologies for water reuse aimed mainly to irrigation of green urban areas are demonstrated.

In this way, EYDAP contributes to one of the main objectives of DESSIN, the effective demonstration of technologies in practice not referring to "theoretical solutions" but immediately applicable practices, providing additional motivation and reasoning for their market acceptability. On 20th to 21st of May 2015, a "Route-to-Market" workshop took place at EYDAP facilities involving the DESSIN partners.

At EYDAP's research center facilities, a pilot unit has been installed and is currently in operation.

ii. "MARSOL" intended to demonstrate the enrichment of aquifers with treated wastewater and the halting of sea water inflow. In the project, four universities, four research institutes, six SMEs, three local authorities and four water-sewerage companies from various European countries participate.

The pilot applications include:

- a) Replenishment of overexploited aquifers (Lavrio, Arenales-Spain, Llobregat-Spain, Brenta-Italy).
- b) Interception of seawater intrusion (Lavrio, South Malta).
- c) Improvement of the ecological and chemical status of groundwater aquifers (Campina de Faro-Portugal, Llobregat- Spain, Brenta- Italy).
- d) Treatment of water through the soil penetration (Lavrio, Arenales-Spain).
- e) Temporary storage and recovery of surplus water (Menashe-Israel).

As for EYDAP role in the project, the company has undertaken the following tasks:

- a) Supply of infiltration basins in the Technological Park of Lavrio with treated wastewater from KELM.
- b) Chemical analysis
- c) Pilot simulation of lithostromatic columns (taking place at the upgraded pilot testing facilities of the Metamorphosis research center).

- Participation in the COST project and specifically in the action ES1105 / CYANOCOST (without contractual obligations / funding) based on addressing the algae growth in reservoirs. In the project more than 40 scientific institutions and companies are participating and targeting to networking and knowledge transfer.
- Internal research projects: Study of alternative water treatment methods and improvement the efficiency of its stages.
- Investigation of research project proposals funded by EU (HORIZON 2020, NSRF 2014-2020) or internal sources.
- Preparation and submission of three new project proposals within the framework of EU "HORIZON 2020". The evaluation results have been particularly satisfying since two out of the three submitted proposals have been approved for funding on December 2015 (SMARTPLANT, INCATCH).

i. "SMART-PLANT", intended to develop and demonstrate innovative solutions for upgrading wastewater treatment facilities. These solutions are characterized by low operational cost while achieving the required quality of treated wastewater, materials (struvite, biopolymers, stabilized sludge, cellulose) and energy (biogas) recovery with obvious economic benefits. These technologies will be applied to existing wastewater treatment plants on a pilot scale. SMART-PLANT, through the development and implementation of these systems, will exhibit their economic, environmental and technological sustainability. An innovative wastewater treatment system will be developed and implemented at the sewage treatment plant of Psyttaleia, Greece. The pilot system will be consisted of a sequencing batch reactor (SBR) for the biological removal of nitrogen and phosphorus by nitrite combined with a sludge hydrolysis/fermentation reactor providing the required organic matter.

The total number of partners in the SMART-PLANT rises to 27. EYDAP's participation lies in the following activities:

- a) Installation and operation of the pilot plant in Psyttaleia Wastewater treatment plant (along with NTUA and the joint venture)
- b) Development of an innovative wastewater treatment system (along with NTUA)
- c) Operation of the innovative system (along with the joint venture)
- d) Laboratory analyses of conventional parameters to support the operation of the innovative pilot system
- e) Participation in the project partners meetings

f) Dissemination of project results to relevant stakeholders

ii. "INTCATCH", intended to focus on better water management with innovative and efficient systems, technologies and techniques for water monitoring at the watershed level. Specifically, robotic vessels will be developed, equipped with appropriate sensors for the measurement of selected parameters in real time. The robotic vessels will provide real-time data for conventional and non-conventional pollutants minimizing the time required to monitor the quality of lakes and rivers. Also, in the context of INTCATCH, mathematical modelling will be performed for the simulation of Garda lake in Italy. This model will be also applied to Yliki Lake. Moreover, innovative sensors for measuring significant parameters in waters, innovative biological parameter measurement techniques (microbiological phyla) and processing technologies of rainwater will be implemented. These tools will be applied on Lake Garda (Italy) as well as in urban London rivers. Demonstrative actions of the innovative systems will be held in Yliki Lake (Greece), River Ter (Spain) and the Danube (Austria).

The total number of partners in INTCATCH rises to 20. The EYDAP participation lies in the following activities:

- a) Providing data on the quality of Yliki Lake and other elements in the region
- b) Sampling from Yliki Lake and conventional laboratory parameters analysis
- c) Integration and operation (along with NTUA) of the robotic vessels at Yliki Lake
- d) Evaluation of robotic vessels (along with NTUA)
- e) Participation in the partner meetings
- f) Dissemination of project results to stakeholders

2. Operation of pilot/demonstration plants at the upgraded research center of EYDAP

Upon completion of the building infrastructure renovation, which was necessary for the modernization of the research center in order to transform it into a modern demonstration center, pilot applications have been initiated in 2015 and are being continued for the on-going FP7 research projects (DESSIN and MARSOL).

3. Management of EU funded research projects and new proposals

The year 2015 was marked by the implementation of two FP7 EU funded projects in which EYDAP participates. Project activities were conducted by technical and administrative-financial personnel of EYDAP. There was close cooperation with several organizational units of EYDAP and particular effort took place in order to meet the strict deadlines of the projects.

4. R&D Department Laboratories

Maintaining accreditation of the research center laboratories according to ISO 17025. The accreditation of laboratories ensures the reliability and validity of the analyses.

During 2015, 27,269 physico-chemical, microbiological and biological parameters were determined. The analyses were carried out for:

- a. Internal needs of the Company (Operations Divisions, Quality, Research and Development (R&D) Division).
 - b. External agencies (Environmental Inspectors, EARTH / Ministry of Environment, Energy and Climate Change, and Regional Divisions), acting as reference laboratories.
 - c. Ongoing EYDAP research projects.
5. Dissemination - Communication actions
- On March 19, 2015 the first informational meeting at the research center facilities of Metamorphosis was held with representatives of NTUA, IGME, partners on current research projects and personnel from other organizational units regarding the role and the participation of EYDAP in research and development programs:
 - a) Presentation of FP7 research projects, in which the company participates (DESSIN and MARSOL) and COST, by their representatives. Progress that has been achieved.
 - b) Presentation and discussion on internal research projects.
 - c) Analysis of EYDAP's issues of interest for possible involvement in research and development projects.
 - d) New opportunities for participation in the HORIZON 2020 program.
 - e) Discussion regarding seizing the possibilities offered in research and development sector.
 - f) Tour of invitees to the research center facilities and informing about the function and capabilities of the installed pilot wastewater treatment plants.
 - Participation in "Event" held on 26/06/2015 at NCSR-Demokritos on «What we learned after a year into HORIZON2020 submissions!» and presentation of the topic: "R&D in the Athens Water Supply and Sewerage Company".

- On 18/09/2015, summer-time students of the R&D Department presented the topic: "The role of Research and development (R&D) in water- sewerage companies (private, public and of public character) around the world." A discussion followed, providing an opportunity for open exchange of views and concerns. The presentation's material was based on extensive research conducted primarily through online available information.
- Presentation of "Climate change and the resources made available by EU through new research projects from the HORIZON 2020 framework" in the scientific day conference "Scientific - Social Approach to Climate Change and Potential Risks for Critical Infrastructure of the Country" held in EYDAP on 27/11/2015
- 6. Objectives and planned activities for 2016
 - Successful implementation of the on-going FP7 research projects (DESSIN, MARSOL).
 - Preparation and recruitment for the two new H2020 research projects (SMART-PLANT, INCATCH) to be launched in the first half of the year 2016.
 - Searching for new research projects proposals funded by the EU financing framework (HORIZON 2020, NSRF etc.) in the areas of company interest.
 - Development of internal network process establishment, utilizing the employees' scientific knowledge and experience, with a view to evaluating the needs of EYDAP regarding its participation in R&D plans and the exploitation of innovative ideas and state-of-the art technologies.
 - Further expansion of research archives with scientific material related to company activities and establishment of electronic access to the aforementioned archives for knowledge sharing purposes. Examination of interconnection with EYDAP's department of Studies & Specifications Archive.
 - Bridging research and entrepreneurship through projects that are implemented by EYDAP in collaboration with young students and scientists from Universities.

POST BALANCE SHEET EVENTS

Extraordinary Shareholders Meeting

The Extraordinary Shareholders' Meeting was held on January 15th 2016, where among other issues, the election of the BoD Members Messrs.' Konstantinos Papadopoulos as Chairman of the Board and Ioannis Benisis as CEO was ratified as well as the BoD resolution regarding the participation of EYDAP S.A. in the Share Capital Increase of ATTICA BANK with the amount of 20 million euro. Also Mr. Alexandros Pouliasis was elected as the new Member of the BoD in replacement of the resigned Member Mr. Eleftherios Magiakis.

Formation of the BoD into a body

In the context of restructuring the organizational structure of the Company, on the BoD convention on January 19th 2016, Chief Executive Officer Mr. Ioannis Benisis undertook the executive powers which were entrusted to the Chairman of the Company Mr. Konstantinos Papadopoulos. The Chairman retains the responsibilities defined in the Articles of Association of the Company for the Chairman of the Board. The new BoD after the election of Mr. Alexandros Pouliasis was formed as follows:

Konstantinos Papadopoulos, Chairman of the BoD – Non-Executive Member

Ioannis Benisis, Chief Executive Officer – Executive Member

Konstantinos Vafeiadis - Executive Member

Ioannis Kardaras - Non-Executive Member

Georgios Makrynos - Non-Executive Member

Alexandros Pouliasis - Non-Executive Member

Nikolaos Sarantis - Non-Executive Member

Michail Stavroulakis - Independent – Non Executive Member

Georgios Chalambalakis - Non-Executive Member

Christos Mistriotis - Non-Executive Member

Panayotis Skoularikis - Non-Executive Member

Emmanouel Aggelakis - Non-Executive Member

Evangelos Moutafis - Non-Executive Member

Implementation of new Social Tariff

From February 1st 2016, EYDAP implements the new social tariff (Special Extraordinary Tariff), which is more responsive to current needs of vulnerable social groups. Specifically, for beneficiaries under L.4320 / 2015 there would be provided free of charge (100% discount) a total of 6 cubic meters per quarter to each household with one or two members, while for each additional member beyond two, there would be provided free of charge additional 3 cubic meters of water. The pricing of the 100% discount of cubic meters will apply from the first level of EYDAP's tariff. The maximum amount of cubic meters to be given free of charge, is calculated at approximately 1.72 million m³ and concerns approximately 58,000 households and more than 111,000 citizens. At the same time with the provision of free of charge water, the procedure has began to discharge by increments, interest and fines of all those who will proceed to a settlement of their debts by the end of May 2016.

STATEMENT OF CORPORATE GOVERNANCE

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:

Code of Corporate Governance

- i. Internal Rules of Corporate Governance and Operation
- ii. Board of Directors and Audit Committee
- iii. Shareholders' Meeting and Rights
- iv. Internal Audit and Risk Management
- v. Other managerial, supervisory bodies or Committees of the Company

A. Code of Corporate Governance

EYDAP has compiled a Corporate Governance Code, which has been embedded in the Internal Rules of Operation, forming from 23/10/2013 a unified text named as Internal Rules of Corporate Governance and Operation of EYDAP S.A.. This text, is available to the public at the Company's Headquarters, Shareholder and Investor Relations Department, at 156 Oropou str Galatsi and at the Company's offices, Corporate Announcemtns Department, at 9 Ilision str, Ilisia.

The Company does not apply any practices beyond the provision of the Law.

B. Board of Directors & Audit Committee

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 twice 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.

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 01/01/2015 to 31/12/2015 were as follows:

Members of the Board of Directors from 01/01/2015 to 09/06/2015	
Antonios Vartholomeos,	Chairman & CEO, executive Member
Evaggelos Palaiologos,	Deputy Chairman, non-executive Member
Lambros Zografos,	Independent non-executive Member
Eleftheria Karahaliou,	non-executive Member
Grigorios Zafeiropoulos,	non-executive Member
Panteleimon Kamas,	non-executive Member
Epameinondas Sklavenitis,	non-executive Member
Anastasios Kourtis,	non-executive Member
Panagiotis Skoularikis,	non-executive Member
Christos Mistriotis,	non-executive Member
Emmanouil Aggelakis,	non-executive Member
Evangelos Moutafis,	non-executive Member
Ioannis Hondrogiannos,	non-executive Member
Members of the Board of Directors from 09/06/2015 to 08/07/2015	
Antonios Vartholomeos,	Chairman & CEO, executive Member
Konstantinos Vafeiadis,	non-executive Member
Ioannis Kardaras,	non-executive Member
Eleftherios Magiakis,	non-executive Member
Georgios Makrynos,	non-executive Member
Nikolaos Sarantis,	non-executive Member
Epameinondas Sklavenitis,	non-executive Member
Michail Stavroulakis,	Independent, non-executive Member
Georgios Chalambalakis,	non-executive Member
Christos Mistriotis,	non-executive Member
Emmanouil Aggelakis,	non-executive Member
Evangelos Moutafis,	non-executive Member
Panagiotis Skoularikis,	non-executive Member
Members of the Board of Directors from 08/07/2015 to 22/07/2015	
Konstantinos Papadopoulos,	Chairman, executive Member
Ioannis Benisis,	CEO, executive Member
Konstantinos Vafeiadis,	non-executive Member
Ioannis Kardaras,	non-executive Member
Eleftherios Magiakis,	non-executive Member
Georgios Makrynos,	non-executive Member
Nikolaos Sarantis,	non-executive Member
Michail Stavroulakis,	Independent, non-executive Member
Georgios Chalambalakis,	non-executive Member
Christos Mistriotis,	non-executive Member
Emmanouil Aggelakis,	non-executive Member
Evangelos Moutafis,	non-executive Member
Panagiotis Skoularikis,	non-executive Member
Members of the Board of Directors from 22/07/2015 to 17/10/2015	
Konstantinos Papadopoulos,	Chairman, executive Member
Ioannis Benisis,	CEO, executive Member
Konstantinos Vafeiadis,	executive Member
Ioannis Kardaras,	non-executive Member

Eleftherios Magiakis,	non-executive Member
Georgios Makrynos,	non-executive Member
Nikolaos Sarantis,	non-executive Member
Michail Stavroulakis,	Independent, non-executive Member
Georgios Chalambalakis,	non-executive Member
Christos Mistriotis,	non-executive Member
Emmanouil Aggelakis,	non-executive Member
Evangelos Moutafis,	non-executive Member
Panagiotis Skoularikis,	non-executive Member

Members of the Board of Directors from 17/10/2015 to 31/12/2015

Konstantinos Papadopoulos,	Chairman, executive Member
Ioannis Benisis,	CEO, executive Member
Konstantinos Vafeiadis,	executive Member
Ioannis Kardaras,	non-executive Member
Georgios Makrynos,	non-executive Member
Nikolaos Sarantis,	non-executive Member
Michail Stavroulakis,	Independent, non-executive Member
Georgios Chalambalakis,	non-executive Member
Christos Mistriotis,	non-executive Member
Emmanouil Aggelakis,	non-executive Member
Evangelos Moutafis,	non-executive Member
Panagiotis Skoularikis,	non-executive Member

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

a. Resignation dates of BoD Members

08/07/2015 resignation of Antonios Vartholomeos
08/07/2015 resignation of Epameinondas Sklavenitis
17/10/2015 resignation of Eleftherios Magiakis

Resolutions of General Meeting and BoD for the election of BoD Members

The composition of the above mentioned Board of Directors of the Company resulted from the following resolutions of General Meetings and Board of Directors Meetings:

Resolutions of General Meetings

- 31st Ordinary General Meeting of 28th/06/13, election of Antonios Vartholomeos, Evangelos Palaiologos, Lambros Zografos (independent Member), Eleftheria Karahaliou, Panteleimon Kamas, Anastasios Kourtis, Epameinondas Sklavenitis, Grigorios Zafeiropoulos and Ioannis Hondrogiannos.
- Special General Meeting of 28th/06/13, election of Panagiotis Skoularikis and Christos Mistriotis.
- Election of EYDAP employees June 2012: election of Evangelos Moutafis and Emmanouil Aggelakis
- Repeat after Postponement 33rd Ordinary General Meeting June 2nd 2015: election of Konstantinos Vafeiadis, Ioannis Kardaras, Georgios Makrynos, Nikolaos Sarantis, Michail Stavroulakis (Independent Member), Georgios Chalambalakis and Eleftherios Magiakis.

Resolutions of BoD

- 18104/28.06.2013 election of Antonios Vartholomeos as Chairman of the BoD and CEO.
- 18105/28.06.2013 election of Evangelos Palaiologos as Deputy BoD Chairman.
- 18646/08.07.2015: election of Konstantinos Papadopoulos and Ioannis Benisis as Chairman and CEO respectively and their designation as the only executive Members. of the Board
- 18648/22.07.2015: designation of Konstantinos Vafeiadis as executive Member of the Board.

Number of BoD meetings from 01/01/2015 to 31/12/2015

During the above mentioned time period the BoD held twenty eight (28) meetings (1147th/16.01.2015 to 1174th/30.12.2015).

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 or 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 twenty (20) clear days in advance in the said daily or weekly political and financial newspapers and in General Electronic Commercial Registry (G.E.MI.) . 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 (General Secretariat of Public Property, Privatization Unit and management of securities) 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 rights and method of their exercise

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.

Regarding the other rights of shareholders and minority shareholders and how to exercise them, the respective provisions of Law 2190/1920 are applied.

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 according to paragraph 2 of Article 31 of the Articles of Association; 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.

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 of C.L. 2190/1920 are available in electronic form on the Company's website (www.eydap.gr).

D. Internal Audit System & Risk Management

Audit Committee

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

Composition of the Audit Committee from 01/01/2015 to 31/12/2015

From 01/01/2015 to 02/06/2015

Lambros Zografos, Chairman

Epaminondas Sklavenitis, Member

Grigorios Zafeiropoulos, Member

From 02/06/2015 to 11/11/2015

Michail Stavroulakis, Chairman

Ioannis Kardaras, Member

Eleftherios Magiakis, Member

From 11/11/2015 to 31/12/2015

Michail Stavroulakis, Chairman

Ioannis Kardaras, Member

Nikolaos Sarantis, Member

Resolutions of General Meeting and BoD for the election of Audit Committee Members

The composition of the above mentioned Audit Committee of the Company resulted from the following resolutions of General Meetings and Board of Directors Meetings:

Resolutions of General Meetings

- 1) 31st Ordinary General Meeting of 28/06/2013, election of Lambros Zografos (independent Member), Grigorios Zafeiropoulos and Epaminondas Sklavenitis as BoD Members
- 2) Extraordinary General Meeting of 26/07/2013 ratification of Audit Committee Members Lambros Zografos as Chairman, Christos Mistriotis and Epaminondas Sklavenitis as Members.
- 3) Repeat after Postponement 33rd Ordinary General Meeting June 2nd 2015: election of Michail Stavroulakis (independent Member) Ioannis Kardaras and Eleftherios Magiakis as BoD Members
- 4) Repeat after Postponement 33rd Ordinary General Meeting June 2nd 2015: designation of the Audit Committee consisted of Michail Stavroulakis as Chairman, Ioannis Kardaras and Eleftherios Magiakis as Members

Resolution of BoD

- 1) 18323/12.03.2014 designation of Grigorios Zafeiropoulos in replacement of the resigned Member Christos Mistriotis
- 2) 18712/11.11.2015: designation of Nikolaos Sarantis in replacement of the resigned Member Eleftherios Magiakis

Number of Audit Committee meetings from 01/01/2015 to 31/12/2015

During the above mentioned time period the Audit Committee held sixteen (16) 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 overview and 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.

Main characteristics of the Internal Audit System

The internal audit of the Company is conducted by the Internal Audit Division, which is an independent organization unit referring to the BoD of the Company. The internal audit division is supervised by the audit committee of the BoD.

The Internal Audit Division's object is:

- To examine and evaluate the adequacy and efficiency of the company's Internal Audit System and to ascertain whether this system provides logical assurance regarding:
 - Compliance with the general functions of the Company and current legislation,
 - The security of the company's assets,
 - The economical and effective use of resources,
 - The reliability of the financial statements,
 - The reliability and integrity of the information used in decision-making.
- To inform the Management (or those executives who have been authorized to be responsible for the implementation of corrective actions) for the results of the audit, the opinion that was formed for each of them and their respective contributions made (by the same auditor).
- To assess past actions taken in the course of rectifying audit issues previously identified and brought to the attention of the Management.

The Internal Audit Control Division is responsible for:

- To monitor the implementation and continuous compliance with the Internal Operating Regulation AND Corporate Governance and the Articles of Association of the Company, as well as with the general law relating to the Company and especially the law of joint stock companies and brokerage.
- To verify the compliance with the commitments contained in the annual reports and the business plan of the Company regarding the use of funds raised from the stock market
- To verify the legitimacy of the fees and all manner of benefits provided to the members of the administration with respect to the decisions of the competent bodies of the Company
- To control the relationships and transactions between the Company and its affiliated companies within the meaning of article 42 paragraph 5 of the Law 2190/1920, and the relationships of the Company with companies in the capital of which members of the Board of the Company are participating with at least 10% or shareholders with at least 10%.
- To monitor and recognize the cases where there is conflict of private interests of board members or directors of the Company with the Company's interests, which are revealed during the performance of its duties (which are stated to the Board of Directors)
- To control whether confidentiality is ensured as well as the adequate notification of events such as: decisions on essential alterations in business activities, decisions or agreements concluding or resolving business partnerships or alliances and any essential international initiative, decisions for submitting public offer market etc., as well as whether the preconditions for transactions of liable persons are applicable.
- To check whether there is "pre-notification" of certain transactions relating to securities of the Company for such persons as noted in the relevant legislation.
- To check whether the obligations of the Shareholders and Investor Relations Department and the Corporate Communications Department are in compliance with the relevant legislation
- To check whether the annual report is prepared in accordance with the requirements described in the relevant legislation

The internal audit implements in an independent and objective way the following activities:

- Identification and prioritization of business risks
- Overview of the Company's activities in order to ascertain whether they are being implemented in an effective and efficient way, and in accordance to the instructions of the management, the policies and procedures.
- Evaluation of the sufficiency and effectiveness of internal control system in all areas of activity and with specified priorities
- Overview of the way the assets of the Company are being protected and confirmation of the existence of those data (inventory, counting, etc.).
- Assessment of the cost effectiveness and efficiency in the use of resources, and suggestions to the problems that may exist.
- Coordination with the work of the external auditors

- Evaluation of data processing systems in order to examine whether these systems meet their goals and objectives and whether adequate audit procedures have been incorporated.
- Follow up of recommendations from previous audits, for which there have been commitments for corrective actions

The way in which internal audit control is performed ensures that there is compliance with international standards of internal audit control and with the Code of Conduct of the Institute of Internal Auditors.

The Director and the staff of the Internal Audit Control Division during the performance of their duties are independent, and they do not come under of any other division of the Company. The Director and the staff of the Internal Audit Control Division are supervised by the Audit Committee.

Internal auditors are appointed by the Board of Directors and they are dedicated to a full-time job. From the Internal Audit Control Division are excluded all members of the Board of Directors, managers who have other responsibilities apart from than the the Internal Audit Control responsibilities or relatives of the above up to the second degree by blood or marriage.

In addition, during the performance of their duties, the Director and the staff of the Internal Audit Control Division (as well as members of the Audit Committee) may examine any documents is absolutely necessary for conducting the audit.

Risk Management

The Internal Audit Division, through the procedures mentioned above is responsible for the assessment and management of operational risks that may be undertaken by the Company.

The Company focuses on the effective monitoring and management of potential risks in order to maintain the stability and continuity of its work, as follows:

- In forming a comprehensive framework and proposing strategy, policies and procedures for managing and monitoring the risks that would undertaken by the Company in accordance with the directions of the management.
- The definition, acknowledgment and assessment of the undertaken risks.
- Developing and implementing adjusted tools in relation to the risk of billing of services and education of the organizational units for their use
- In preparation of Crisis Management Plan
- In forming a corporate culture of risk management in each hierarchical level of the Company
- For the effective application of those tasks, the responsible Division, has access to all the activities of the Company and all data and information necessary for the fulfillment of its tasks.

E. Other managerial or supervisory bodies or committees of the Company

No other managerial or supervisory bodies or committees exist at the time.

EXPLANATORY REPORT

Information pursuant to article 4, paragraph 7 of Law 3556/2007

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:

Share Capital Structure

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).

The Company's shares are all common shares with voting rights and there are no special classes of shares. Each share incorporates all rights and obligations arising from the Law 2190/1920 (hereinafter Law). The Company's shares are listed for trading on the Athens Stock Exchange.

The ownership of each share automatically implies rightfully the owners' acceptance of the terms of the Articles of Association and the legal resolutions of the General Meetings of shareholders, even if the shareholders did not participate in these. The liability of shareholders is limited to the nominal value of their shares. Shareholders participate in the management and profits of the company in accordance with the Law and the Articles of Association.

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.

According to Article 4 of Law 3016/2002, as applicable, the independent non-executive Members of the BoD cannot, among other things, own shares by more than 0.5% of the paid up share capital.

Major Direct or Indirect participations, as provided in Articles 9 to 11 of Law 3556/2007

Significant direct and indirect shareholdings of persons (natural and legal) on the total voting rights of the Company as provided in articles 9 to 11 of Law 3556/2007, presented below:

The Hellenic Republic holds directly 36,245,240 voting rights, corresponding to 34.03 % of the total voting rights of the Company.

The Hellenic Republic Asset Development Fund holds directly 29,074,500 voting rights, corresponding to 27.3 % of the total voting rights of the Company.

Paulson & Co. Inc. holds (indirectly) 10.648.800 voting rights corresponding to 9.99% of the total voting rights of the Company.

John Paulson holds (indirectly) 10.648.800 voting rights corresponding to 9.99% of the total voting rights of the Company.

**John Paulson controls Paulson & Co. Inc. which manages investment funds. In this role it exercises the voting rights in the Company.*

Shares Conferring Special Control Rights

There are no shares that confer to their holders' special control rights, except the right of the minority shareholders to elect in accordance with Articles 11 and 36 of the Company's Articles of Association two Board members through a special meeting convened specifically for this purpose. For convocation and decision on this meeting, the articles of the Articles of Association of the Company and the Law apply according for the convening and deciding on General Meetings. Every shareholder present and voting legally, is entitled to propose and pass a single Board Member regardless of the number of shares held.

Restrictions on Voting Rights

At the special meeting of minority shareholders (Articles 11 and 36 of the Company's Articles of Association) the majority shareholder is excluded from attending (former Greek State) and in the General Assembly that elects the remaining members of the Board the participation of minority shareholders is excluded respectively (Article 11 paragraph .2 section c).

The Company's Articles of Incorporation do not include any other restrictions on voting rights.

Agreements between Shareholders

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.

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

According to Article 11 paragraph 1 & 2 of the Articles of Association, the Company is managed by the Board, with an odd number of Board Members and cannot exceed thirteen (13) or be less than seven (7) members.

The Board of Directors consists of:

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 whenever.

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.

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.

According to paragraph 4 of Article 11, the elected from the employees two (2) Members, are appointed within two (2) months of their election. Until those employee representatives are appointed, the Board is lawfully constituted and operating 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.

According to paragraph 4 section (a) of Article 11, non-election, non-appointment or non completion 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.

According to paragraph 5 of Article 11, 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.

Apart from the above differentiations, the other rules provided by the Articles of Association regarding the appointment and replacement of members of the Board of Directors of the Company, as well as the amendment of the Articles of Association, are no different from the provisions of Law 2190 / 1920, as in force.

Authority of the Board of Directors or Designated Members with Regard to the Issuance of New Shares or Share Repurchase (article 16 , Law 2190/1920)

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.

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.

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.

Galatsi, 30 March 2016

The Members of the Board of Directors

Name	Position
Konstantinos Papadopoulos	Chairman of the BoD, Member
Ioannis Benisis	Chief Executive Officer, Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Member
Georgios Makrynos	Member
Alexandros Pouliasis	Member
Nikolaos Sarantis	Member
Michail Stavroulakis	Independent Member
Georgios Chalambalakis	Member
Christos Mistriotis	Member
Panayotis Skoularikis	Member
Emmanouel Aggelakis	Member
Evangelos Moutafis	Member

Exact Copy of No 1180
Minutes of the Board of Directors of 30th of March 2016

The Chief Executive Officer

Ioannis Benisis

1. ANNUAL FINANCIAL STATEMENTS

**OF THE FINANCIAL YEAR 1 JANUARY TO 31 DECEMBER 2015
IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
OF THE GROUP AND EYDAP SA (THE COMPANY)**

DOMICILE: 156 OROPOU ST., GALATSI
SOCIETE ANONYME REGISTRATION NUMBER 44724/06/B/99/52
G.E.MI. (GREECE'S GENERAL ELECTRONIC COMMERCIAL REGISTRY) NUMBER 121578960000

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- General Information for the Company
- Statement of Income for the Financial Years ended on 31st December 2015 & 2014
- Statement of Total Comprehensive Income for the Financial Years ended on 31st December 2015 & 2014
- Statement of Financial Position of 31st December 2015 & 2014
- Statements of Changes in Shareholders' Equity of 1st January – 31st December 2015 & 2014
- Cash Flow Statements of 1st January – 31st December 2015 & 2014
- Notes on the Annual Financial Statements for the period ended on 31st December 2015

The present Financial Statements, pages 41 – 93, were approved by the Board of Directors on 30 March 2016 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, 30 March 2016

The Chairman of the Board of
Directors

The Chief Executive Officer

The Director of Financial Services

The Head of Accounting
Department

Konstantinos Ant. Papadopoulos
ID No. Π 720446

Ioannis Emm. Benisis
ID No. AB 521661

Eleni Ath. Spyropoulou
ID No AI 060168
Economic Chamber of Greece
Accounting License Reg. No
A/22806

Lemonia Mark. Skylaki
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
Pertinent Ministry:	Infrastructure, Transport and Networks
Tax Registration Number:	094079101
Members of the Board of Directors:	K. Papadopoulos, I. Benisis, K. Vafeiadis, I. Kardaras, G. Makrinos, G. Chalambalakis, M. Stavroulakis, N. Sarantis, P. Skoularikis, Ch. Mistriotis, A. Pouliasis, Emman. Aggelakis, Evang. Moutafis
Ending Date of the Current Period:	31 December 2015
Duration of the Period:	12 months
Form of Financial Statements (which have been the basis in compiling the condensed financial statements):	Annual
Date of Approval of Financial Statements (which have been the basis in compiling the condensed financial statements):	30 March 2016
Chartered Auditors Accountants:	Vasilis Papageorgakopoulos Reg. No. SOEL 11681, Efstratios Paparidis Reg. No. SOEL 14351
Auditing Firm:	«S.O.L.» S.A. CERTIFIED PUBLIC ACCOUNTANTS SOCIETE ANONYME REG. NUMBER SOEL 125
Audit Report on the Annual Financial Statements from Chartered Auditor Accountant:	In agreement – Matter of Emphasis
Internet address where the Financial Statements are registered:	www.eydap.gr

STATEMENT OF INCOME FOR THE FINANCIAL YEARS ENDED ON 31ST DECEMBER 2015 & 2014

<i>Amounts in € thousands</i>	NOTE	GROUP		COMPANY	
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
Turnover	5	324,268	326,387	324,248	326,374
Cost of Goods Sold	6	(185,858)	(185,022)	(185,858)	(185,022)
Gross Profit		138,410	141,365	138,390	141,352
Other Operating Income	5	1,757	2,276	1,757	2,276
General and Administration Expenses	6	(61,482)	(62,395)	(61,434)	(62,342)
Distribution and Selling Expenses	6	(29,498)	(29,286)	(29,498)	(29,286)
Operating Profit		49,187	51,960	49,215	52,000
Other Expenses	6	(5,479)	(2,577)	(5,479)	(2,577)
Financial Income	9	13,847	14,673	13,847	14,673
Financial Expenses	10	(1,240)	(559)	(1,240)	(559)
Profit before Taxes		56,315	63,497	56,343	63,537
Income Tax	11	(12,658)	(21,574)	(12,658)	(21,580)
Net Profit after Taxes		43,657	41,923	43,685	41,957
Earnings per Share (in €)	12	0.41	0.39		
Proposed Dividend (in €)				0.21	0.20

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR FINANCIAL YEARS ENDED ON 31ST DECEMBER 2015 & 2014

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net Profit for the Year	43,657	41,923	43,685	41,957
Valuation of portfolio's equities available for sale - Other income transferrable to following years' results	(891)	(678)	(891)	(678)
Actuarial profit-losses of defined benefit plans – Other income non transferrable to following years' results	24,164	(30,080)	24,164	(30,080)
Total Comprehensive Income after Taxes	66,930	11,165	66,958	11,199

STATEMENT OF FINANCIAL POSITION OF 31ST DECEMBER 2015 & 31ST DECEMBER 2014

<i>Amounts in € thousands</i>	NOTE	GROUP		COMPANY	
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
ASSETS					
NON-CURRENT ASSETS					
Goodwill	13	3,357	3,357	3,357	3,357
Other Intangible Assets	14	1,327	2,054	1,327	2,054
Tangible Assets	15	916,555	957,138	916,555	957,138
Investments in Subsidiaries	16	0	0	1,210	710
Investments Available for Sale	17	19,395	691	19,395	691
Long-term Receivables	18	12,905	6,135	12,905	6,124
Deferred Tax Assets	19	92,213	87,228	92,213	87,228
Total Non-Current Assets		1,045,752	1,056,603	1,046,962	1,057,302
CURRENT ASSETS					
Materials and Spare Parts	20	12,509	14,371	12,509	14,371
Trade Receivables	21	224,514	203,114	224,501	203,114
Other Receivables	22	16,348	16,996	16,328	17,009
Current tax receivables	11	17,554	17,547	17,554	17,541
Cash and Cash Equivalents	23	260,419	233,314	259,342	232,664
Total Current Assets		531,344	485,342	530,234	484,699
Total Assets		1,577,096	1,541,945	1,577,196	1,542,001
LIABILITIES					
SHAREHOLDERS' EQUITY					
Share Capital	24	63,900	63,900	63,900	63,900
Share Premium		40,502	40,502	40,502	40,502
Reserves	25	377,353	377,584	377,353	377,584
Retained Earnings (earnings carried forward)	26	485,185	439,324	485,285	439,396
Total Shareholders' Equity		966,940	921,310	967,040	921,382
LONG TERM LIABILITIES					
Liabilities for Employee Benefits	27	266,839	298,213	266,840	298,213
Provisions	28	45,164	34,046	45,164	34,046
Investment Subsidies and Customer Contributions	29	193,653	200,760	193,653	200,760
Consumers' Guarantees	30	18,212	18,128	18,212	18,128
Total Long-Term Liabilities		523,868	551,147	523,869	551,147
SHORT-TERM LIABILITIES					
Operating Short Term Liabilities	31	36,847	45,476	36,846	45,471
Current Tax Liabilities	11	28,277	0	28,277	0
Other Short Term Liabilities	31	21,164	24,012	21,164	24,001
Total Short-Term Liabilities		86,288	69,488	86,287	69,472
Total Liabilities		1,577,096	1,541,945	1,577,196	1,542,001

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1ST JANUARY – 31ST DECEMBER 2015 & 2014

GROUP							
2015	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 2015	63,900	40,502	21,547	355,765	272	439,324	921,310
Net Profit for the Period						43,657	43,657
Net income recorded directly in Equity					(891)	24,164	23,273
Debit balance of reserves (L. 4172/13, art. 72)			660			(660)	0
Dividends						(21,300)	(21,300)
Equity Balance at 31st December 2015	63,900	40,502	22,207	355,765	(619)	485,185	966,940
2014							
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						41,923	41,923
Distribution of reserve from tax free income				(2,040)		2,040	0
Net income recorded directly in Equity					(678)	(30,080)	(30,758)
Dividends						(40,470)	(40,470)
Equity Balance at 31st December 2014	63,900	40,502	21,547	355,765	272	439,324	921,310
COMPANY							
2015	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 2015	63,900	40,502	21,547	355,765	272	439,396	921,382
Net Profit for the Period						43,685	43,685
Net income recorded directly in Equity					(891)	24,164	23,273
Debit balance of reserves (L. 4172/13, art. 72)			660			(660)	0
Dividends						(21,300)	(21,300)
Equity Balance at 31st December 2015	63,900	40,502	22,207	355,765	(619)	485,285	967,040
2014							
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						41,957	41,957
Distribution of reserve from tax free income				(2,040)		2,040	0
Net income recorded directly in Equity					(678)	(30,080)	(30,758)
Dividends						(40,470)	(40,470)
Equity Balance at 31st December 2014	63,900	40,502	21,547	355,765	272	439,396	921,382

CASH FLOW STATEMENTS OF 1ST JANUARY - 31ST DECEMBER 2015 & 2014

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	1.1-31.12.2015	1.1-31.12.2014	1.1-31.12.2015	1.1-31.12.2014
Cash Flows from operating activities				
Profit before tax	56,315	63,497	56,343	63,537
Plus / minus adjustments for:				
Depreciation and amortization	48,174	43,934	48,174	43,934
Amortization of customer contributions and investment subsidies	(8,151)	(5,720)	(8,151)	(5,720)
Reductions / transfers of tangible and intangible assets	(159)	0	(159)	0
Income from securities	(64)	(75)	(64)	(75)
Provisions for personnel benefits	2,198	3,197	2,198	3,197
Other provisions	19,810	17,627	19,810	17,627
Interest and related income	(13,783)	(14,598)	(13,783)	(14,598)
Interest and related expense	1,240	559	1,240	559
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables	(31,283)	(12,686)	(31,248)	(12,685)
Materials and spare parts	1,828	1,789	1,828	1,789
Increase (Decrease)				
Operating short term liabilities	(12,825)	(111,401)	(12,815)	(111,416)
Customers' guarantees	84	87	84	87
Employees' contributions for compensation	1,618	1,758	1,618	1,758
<i>Minus:</i>				
Interest and related expenses paid	(24)	(29)	(24)	(29)
Income tax paid	(570)	(34,292)	(570)	(34,292)
Net Cash Flows from Operating Activities (a)	64,408	(46,353)	64,481	(46,327)
Cash flows from investing activities				
Dividends received	64	75	64	75
Interest and related income received	8,873	9,789	8,873	9,789
Purchases of tangible assets	(2,992)	(20,919)	(2,992)	(20,919)
Purchases of intangible assets	(3,714)	(4,147)	(3,714)	(4,147)
Proceeds from customer contributions and subsidies	1,044	1,882	1,044	1,882
Purchase of securities	(20,000)	0	(20,000)	0
Share capital increase in subsidiary / Receipt from liquid. of associate company	0	0	(500)	(650)
Total inflows / (outflows) from Investing Activities (b)	(16,725)	(13,320)	(17,225)	(13,970)
Cash flows from financing activities				
Dividends paid	(20,578)	(38,980)	(20,578)	(38,980)
Total inflows / (outflows) from Financing Activities (c)	(20,578)	(38,980)	(20,578)	(38,980)
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	27,105	(98,653)	26,678	(99,277)
Cash and Cash Equivalents at the beginning of period	233,314	331,967	232,664	331,941
Cash and Cash Equivalents at the end of period	260,419	233,314	259,342	232,664

NOTES ON THE ANNUAL FINANCIAL STATEMENTS OF 31ST DECEMBER 2015

1. ESTABLISHMENT, OPERATIONS AND LEGAL FRAMEWORK OF THE COMPANY

“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 modernization/renewal of water supply and sewerage installation and networks, within its area of responsibility.

The business activity of EYDAP is extended into the municipalities of the Attica Periphery, as these are defined in the field h’ of paragraph 3 of article 3 of Law 3852/2010, apart from the municipalities of Aigina, Troizinia, Kythira, Agistri, Spetses, Hydra and Poros of the Peripheral Unity of Islands of the Attica Periphery.

EYDAP provides its water supply services through its 8,500 kilometers water distribution network. The Company also operates four Units of Water Refining with a total daily capacity of 1.8 million cubic water meters.

The sewerage network has a total length of 6,000 kilometers and it is consisted of the main collectors system and the secondary sewerage network.

With regard to the waste management, EYDAP SA possesses three waste management centers (WMC), one in Psitalia (capacity for 5,630,000 equivalent residents), one in Metamorphosi (500,000) and one in Thrasio (117,000).

The Waste Management Center (WMC) in Psitalia also operates three Electrical and Thermal Energy Co-production units (ETEC). The one ETEC unit operates with the combustion of natural gas of electrical power 12.9 MWe and thermal power of 17.3 MWth respectively. The other two ETEC units operate with the combustion of biogas of total electrical power of 11.4 MWe (7.14 MWe & 4.25 MWe) and thermal of 17.2 MWth, as well as a small-scale hydroelectric station of 489 KW capacity for the recovery of the contained energy in the wave of processed outflows prior to their disposition in Saronikos Golf.

Through operating of the Waste Management Center (WMC) in Psitalia, EYDAP has been incorporated in the System of Greenhouse Gas Emission Allowance Trading (December 2012).

EYDAP has also installed and operates five small hydroelectric stations in the locations Kirphi, Eliconas, Kithaironas, Mandra of Mornos Aqueduct, and the small hydroelectric power station in Evinos.

The Company’s revenues are cyclical (increased water consumption in summer months) having as a consequence the occurrence of substantial variances from quarter to quarter in its revenues and financial results. Thus, the interim financial results cannot be characterized as indicative for the trend of the whole year but they are indicative provided that they are compared with the respective results of the previous periods.

The Company operates under the authority of the Ministry of Infrastructure, Transport and Networks and in accordance with the clauses of the 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 State decided to partially privatize the Company through an Initially Public Offering in Athens Stock Exchange. With respect to this privatization, it was introduced and enacted the 2744/1999 Law, the main clauses of which are as follows:

The legal duration of EYDAP is set to 100 years commencing as of 25th of October 1999, date at which the L 2744/1999 was published. The aforementioned period can be expanded by an individual resolution of the General Assembly.

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.

According to article 4 of the L 2744/1999, the Legal Entity of Public Law (L.E.P.L.) under the name "EYDAP Fixed Assets L.E.P.L." ("EYDAP L.E.P.L.") has been established with purpose mainly the management of the operation and maintenance of the dams, the reservoirs and the main water transmission and distribution channels. In October 1999, the main infrastructure installations for the water supply of the Attica region, meaning the dams, the reservoirs of Evinos, Mornos, Marathon, Iliki lake and the transmission and distribution channels of crude water were transferred to EYDAP L.E.P.L..

The Greek State through the EYDAP L.E.P.L. is obliged to provide adequate quantities of crude water to the Company in order to be able to meet the demands for water supply.

EYDAP L.E.P.L. is responsible for the proper operation and the maintenance of the dams and watering channels, which have been transferred to it. The aforementioned maintenance has been assigned and is carried out by EYDAP. The annual cost of the maintenance and the proper operation of these installations continues to be counterbalanced against the cost of the crude water, which is provided by the EYDAP L.E.P.L. to the Company. However there is a pending issue with regard to the pricing of the crude water which the Company collects after 30/6/2013.

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 (according to Law 1068/80) as effective through programmatic contracts of the article 100 of 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.

Apart from the amendment resulted from the article 28, paragraph 2 of L. 4053/2012 in the paragraph 6 of article 1 of L. 2744/1999 the following regulatory changes have been made:

With the paragraph 2, of article 1 of legislative act, Gov. Gaz. A 175/07.09.2012, which was ratified with the article 1st of L. 4092/2012, Gov. Gaz. A 220/08.11.2012, it is stipulated that the paragraph 10 of article 1 of L. 2744/1999 (A 222) is abolished. Transfers of shares of EYDAP S.A. from the Greek State to Hellenic Republic Asset Development Fund are valid even if they occurred prior to the enactment of the current Law.

The Company's articles of association were amended in accordance with the above regulation.

According to the no. 195/2011 (Gov. Gaz. 2501/B') Decision of the Inter-ministerial Committee for Asset Restructuring and Privatization (DEAA) and the relevant notification as of 27.1.2012, 29,074,500 shares of EYDAP SA, and an equal number of voting rights representing 27.30% of the Company's share capital, were transferred from the Greek State to the Hellenic Republic Asset Development Fund (HRADF). In an following stage with the no. 206/2012 (Gov. Gaz. 1363) Decision of the Inter-ministerial Committee for Asset Restructuring and Privatization (DEAA) and the relevant notification as of 11.5.2012, 36,245,240 shares of EYDAP SA, and an equal number of voting rights representing 34.033% of the Company's share capital, were transferred from the Greek State to the Hellenic Republic Asset Development Fund (HRADF). As a result, HRADF holds 61.33% of the Company's share capital. On 23/6/2014, according to the decision no. 1906/2014, the Hellenic Council of State accepted the application for cancellation of the transfer of 36,245,240 shares of EYDAP (or 34.033% of its share capital) from the Greek State to the HRADF, which was based on the decision no. 206/25.04.2012 (Gov. Gaz. B 1363/26.04.2012) of the Restructuring and Privatization Inter-ministerial Committee. Following the above decision, the percentage of voting rights held by HRADF in the Company was reduced to 27.3% (29,074,500 direct voting rights), whereas the equity stake held by the Greek State in the share capital of EYDAP settled at 34.033% (36,245,240 direct voting rights).

The Greek State, by controlling 100% of the Hellenic Republic Asset Development Fund SA, controls indirectly the above voting rights.

EYDAP S.A. established on 18th July 2011 (BoD Decision no. 17241/13.05.2011), the company under the name “ISLANDS’ WATER SUPPLY & SEWERAGE SOCIETE ANONYME” with the distinctive title “ISLANDS’ EYDAP S.A.”. EYDAP S.A. participates with 100% in the share capital of ISLANDS’ EYDAP S.A.. As a result, the Company prepares Consolidated Financial Statements since the financial year 2011.

With the article 64 of L. 4150/2013 Gov. Gaz. A 102/29.4.2013, the paragraph 5A was added to the article 1 of L. 2744/1999, according to which the following are stipulated: “With joint decision of the Ministers of Development & Competitiveness, of Infrastructure, Transport & Networks, of Shipping & Aegean and of other pertinent Ministers, EYDAP SA or subsidiary companies can be assigned with the study or with the assignment of a study with regard to the construction in island areas of projects related to the companies’ activities, as well as with the assignment and the execution management of such projects. The decision stipulates special issues, such as the obligations of the Company (EYDAP S.A.) or its subsidiaries, the principal of the project, the financing scheme of the studies and the projects, the pertinent and responsible bodies, and any issue relevant to the application of this paragraph.”

For the period 2000 up to 2015 the tariffs of water supply and sewerage services were defined through common decisions made by the Ministry of Infrastructure, Transportation and Networks and the Ministry of Finance, and after taking into account the proposition made by the Company’s Board of Directors.

With the article 33 of Law 4258/2014, the paragraphs 1 and 2 of article 3 of Law 2744/1999 were replaced. In synopsis, until the end of June 2015, the pricing policy with regard to the water supply and sewerage services are under the approval of the Minister of Finance following a relevant proposal from the Special Secretariat for Water. From 1st July 2015, the pricing policy with regard to water supply and sewerage services are placed under the decisions of the Special Secretariat for Water in consultation with the Minister of Finance and other pertinent bodies. Moreover, the decisions related to the above pricing policy for the different categories of consumers and users are in effect for five years and are issued at the end of each period for the following five-year period. With the decision of the Board of Directors of EYDAP S.A., which is approved by the Minister of Finance following a relevant proposal from the Special Secretariat for Water, special pricing rates for water supply and sewerage services can be defined, addressing the needs of inhabitants, companies and general users that are serviced by their own water supply and sewage network, independently of the Company’s unified water supply and sewage network.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL STANDARDS

New standards, amendments to existing standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2015. The Company’s assessment of the impact of the application of these new standards, amendments to existing standards and interpretations is set out below.

STANDARDS AND INTERPRETATIONS MANDATORY FOR THE CURRENT FINANCIAL YEAR 2015

IFRIC 21 “LEVIES”

The Interpretation clarifies that the “obligating event” that gives rise to the recognition of a liability, to pay a levy is the activity that triggers the payment of the levy, as identified by the relevant legislation. The interpretation is applicable for annual periods beginning on or after 17 June 2014 and is expected that will not have significant impact on the financial statements of the Company and the Group.

AMENDMENTS TO STANDARDS THAT CONSTITUTE PART OF THE ANNUAL IMPROVEMENTS PLAN OF THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

The IASB in the context of the annual improvements plan, in December 2013 issued the following amendments to existing standards. The amendments below are expected that will not have significant impact on the financial statements of the Company (and the Group) unless otherwise stated.

ANNUAL IMPROVEMENTS TO IFRSS 2011-2013 CYCLE

The amendments of the 2011 - 2013 Cycle were issued by the IASB on 12 December 2013 and are applicable for annual periods beginning on or after 1 January 2015.

IFRS 3 “BUSINESS COMBINATIONS”

The amendment clarifies that the IFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment has no impact on the financial statements of the Company and the Group.

IFRS 13 “FAIR VALUE MEASUREMENT”

The amendment clarifies that the scope of the portfolio exception, set out in paragraph 52 of IFRS 13 includes all the contracts that are accounted for and are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” or IFRS 9 “Financial Instruments”, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32 “Financial Instruments: Presentation”.

IAS 40 “INVESTMENT PROPERTY”

The amendment clarifies that if a particular transaction meets the definition of a business combination as defined in IFRS 3 “Business Combinations” and the definition of an investment property, as defined in IAS 40, it is required the separate application of both standards.

STANDARDS AND INTERPRETATIONS MANDATORY FOR SUBSEQUENT PERIODS THAT HAVE NOT BEEN EARLIER APPLIED BY THE COMPANY (AND THE GROUP)

The following new standards, amendments to existing standards and interpretations have been issued but are mandatory for subsequent periods. The Group has not earlier applied these standards and is assessing their impact on the financial statements.

IAS 19 (AMENDMENT) “EMPLOYEE BENEFITS” - “EMPLOYEE CONTRIBUTIONS”

The amendment clarifies how contributions by employees or third parties associated with the service shall be paid in periods of service. In addition, it permits a practical solution, if the amount of the contributions is independent from the number of the years of service. The amendment is applicable for annual periods beginning on or after 1 February 2015.

IFRS 9 “FINANCIAL INSTRUMENTS”

On 24 July 2014 the IASB issued the final version of the IFRS 9, which includes improvements for the classification and measurement, the impairment and the hedge accounting. The standard comes to supersede the IAS 39 and all the previous versions of the IFRS 9. The financial assets are valued at amortized cost, at fair value through profit or loss, or the fair value through other comprehensive income, based on the entity’s business model for the management of the financial assets and the contractual cash flows of the financial assets. Except for the entity’s credit risk, the classification and measurement of financial liabilities is not changed in relation to the existing requirements. The Company and the Group are assessing the impact of the IFRS 9 on its financial statements. The IFRS 9 is mandatory for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRS 14 “REGULATORY DEFERRAL ACCOUNTS”

On 30 January 2014 the IASB issued the IFRS 14 “Regulatory Deferral Accounts”.

The objective of this Standard is to achieve the comparability of financial reporting in entities that are engaged in rate-regulated activities, subject to a pricing framework and are within the scope of a rate regulation.

The IFRS 14 allows an entity, first-time adopter of IFRSs to continue accounting, by small changes, the balance of the “regulatory deferral accounts” according to the previous accounting standards, so at the first application of the IFRS as also in the subsequent financial statements. The balance and the movement of these accounts are presented separately in the statements of financial position, income and other comprehensive income while particular disclosures are required. The new standard is applicable for annual periods beginning on or after 1 January 2016 and has not yet been approved by the European Union.

IFRS 15 “REVENUE FROM CONTRACTS WITH CUSTOMERS”

On 28 May 2014 the IASB issued the IFRS 15 “Revenue from Contracts with Customers”, which is mandatory for annual periods beginning on or after 1 January 2017 and is the new standard referring to revenue recognition.

The IFRS 15 supersedes the IAS 18 “Revenue”, IAS 11 “Construction contracts” and the interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

The new standard establishes how and when an entity shall recognize revenue and requires entities to provide to users of the financial statements the most informative related disclosures. The standard provides a uniform model of five steps that shall be used in all the contracts with customers for the revenue recognition. The IFRS 15 has not yet been approved by the European Union.

IAS 7 (AMENDMENT) “STATEMENT OF CASH FLOWS”: DISCLOSURE INITIATIVE

The amendment is applicable for annual periods beginning on or after 1 January 2017 and has not yet been approved by the European Union. On 29 January 2016 the International Accounting Standards Board (IASB) published amendment to IAS 7 according to which entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities as liabilities for which cash flows were or future cash flows will be classified in the statement of cash flows as cash flows from financing activities. The changes that must be disclosed, which should not necessarily be cash flows, include the changes from financing cash flows, the changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes.

The Group is assessing the impact the adoption of the above amendment will have on its financial statements.

IAS 12 (AMENDMENT) “INCOME TAXES”: RECOGNITION OF DEFERRED TAX ASSETS FOR UNREALISED LOSSES

On 19 January 2016 the International Accounting Standards Board (IASB) published amendment to IAS 12 which clarifies the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The recoverability of a deferred tax asset is assessed in combination with other deferred tax assets. Where tax law restricts the offsetting of particular taxable losses with particular categories of income the related deductible temporary differences would be assessed only in combination with other deductible temporary differences of the same type.
- When assessing recoverability of deferred tax assets, the deductible tax differences are compared with future taxable profits excluding tax deductions resulting from the reversal of deferred tax assets.

The amendment is applicable for annual periods beginning on or after 1 January 2017 and has not yet been approved by the European Union.

IFRS 10 (AMENDMENT) “CONSOLIDATED FINANCIAL STATEMENTS” AND IAS 28 (AMENDMENT) “INVESTMENTS IN ASSOCIATES AND JOINT VENTURES” - SALES OR CONTRIBUTIONS OF ITEMS OF ASSETS BETWEEN AN INVESTOR AND THE ASSOCIATE OR THE JOINT-VENTURE

Main consequence of this amendment issued by the IASB on 11 September 2014, is that full gain or loss is recognized when a transaction includes an entity (either housed in a subsidiary or not). Partial gain or loss is recognized when a transaction includes items of assets that do not constitute an entity, even if these assets are housed in a subsidiary. The amendment is applicable for annual periods beginning on or after 1 January 2016 and has not yet been approved by the European Union.

IFRS 10, IFRS 12 and IAS 28 (Amendments) “Investment Companies: Applying the Consolidation Exemption”

On 18 December 2014 the IASB issued amendments to IFRS 10, IFRS 12 and IAS 28 regarding the requirements in applying the consolidation exemptions for the Investment Companies. The amendments are applicable for annual periods beginning on or after 1 January 2016, while earlier application is permitted and have not yet been approved by the European Union.

ANNUAL IMPROVEMENTS TO IFRSS 2010-2012 CYCLE

The amendments of the 2010 - 2012 Cycle were issued by the IASB on 12 December 2013, are applicable for annual periods beginning on or after 1 February 2015.

IFRS 2 “SHARE-BASED PAYMENT”

The definitions “vesting conditions” and “market condition” are amended and definitions for “performance condition” and “service condition” (previously making part of the definition “vesting conditions”) are added.

IFRS 3 “BUSINESS COMBINATIONS”

The amendment clarifies that the contingent consideration classified as a financial asset or a financial liability shall be measured at fair value at each balance sheet date.

IFRS 8 “OPERATING SEGMENTS”

The amendment requires an entity to disclose the judgments made by management in applying the aggregation criteria in the operating segments. It is also clarified that an entity shall provide only reconciliations of the total of the reportable segments’ assets to the entity’s assets if the segment assets are reported regularly.

IAS 16 “PROPERTY, PLANT AND EQUIPMENT”

The amendment clarifies that, when an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount.

IAS 24 “RELATED PARTY DISCLOSURES”

The amendment clarifies that an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the entity.

IAS 38 “INTANGIBLE ASSETS”

The amendment clarifies that when an intangible asset is revalued, the carrying amount of that asset is adjusted to the revalued amount.

ANNUAL IMPROVEMENTS TO IFRSS 2012 - 2014 CYCLE

The amendments of the 2012 - 2014 Cycle were issued by the IASB on 25 September 2014, are applicable for annual periods beginning on or after 1 January 2016 and were approved by the European Union on 15 December 2015. The amendments below are not expected to have a material impact on the financial statements of the Company and the Group, unless otherwise stated.

IFRS 5 “NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS”

The amendment clarifies that the change from one method of disposal to another (i.e. from a plan of sale to a plan of distribution to owners) should not be considered as a new plan of sale but as a continuation of the original plan of disposal. Consequently, the requirements of IFRS 5 should be applied. The amendment also clarifies that changes in methods of disposal shall not change the date of classification.

IFRS 7 “FINANCIAL INSTRUMENTS: DISCLOSURES”

The amendment clarifies that a servicing contract that includes a fee, may give rise to continuing involvement in a financial asset that has been de-recognized. This affects the disclosure requirements of the standard. Also, the amendment clarifies that the disclosures of the IFRS 7 concerning the offsetting of financial assets and financial liabilities are not required in condensed interim financial statements.

IAS 19 “EMPLOYEE BENEFITS - EMPLOYEE CONTRIBUTIONS”

The amendment clarifies that the depth of the market for high quality corporate bonds should be assessed at a currency level that is the currency used to determine the obligation and not a country/regional market level where the obligation is due. If there is no deep market for high quality corporate bonds in such currency, the interest rates on government bonds shall be used.

IAS 34 “INTERIM FINANCIAL REPORTING”

The amendment clarifies that the disclosure requirements in the interim financial statements shall be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to information in

another statement (such as management report). It is also clarified that the other disclosures incorporated in the interim financial report should be available to users of the financial statements on the same terms as the interim financial statements and at the same time. If users of the financial statements do not have access to the information incorporated by cross-reference on the same terms and at the same time, the interim financial report is incomplete.

IAS 1 (AMENDMENT) “PRESENTATION OF FINANCIAL STATEMENTS” - DISCLOSURE INITIATIVE

The amendments to IAS 1 issued by the IASB on 18 December 2014, clarify that the materiality guidance applies to the financial statements as a whole and that the inclusion of immaterial information may result in obscuring useful information. In addition, the amendments clarify that entities shall use their professional judgment in determining where and by which order information is presented in the financial statements disclosures. The amendment is applicable for annual periods beginning on or after 1 January 2016 and was approved by the European Union on 18 December 2015.

IAS 16 AND IAS 38 (AMENDMENTS) “CLARIFICATIONS ABOUT PERMISSIBLE DEPRECIATION METHODS”

The amendment clarifies that the use of revenue-based methods is not appropriate for the calculation of an asset's depreciation, because the revenue that is generated from an activity that includes the use of an asset generally reflects other factors but not the exhaustion of future economic benefits that are embedded in the asset. The amendment is applicable for annual periods beginning on or after 1 January 2016 and was approved by the European Union on 2 December 2015.

IAS 16 AND IAS 41 (AMENDMENTS) “AGRICULTURE: BEARER PLANTS”

These amendments established that the bearer plants that are used exclusively for increasing production shall be accounted for in the same manner as the tangible assets (IAS 16). Consequently, the amendments include the bearer plants in the scope of the IAS 16 instead of the IAS 41. These amendments are applicable for annual periods beginning on or after 1 January 2016, while earlier application is permitted and were approved by the European Union on 23 November 2015.

IAS 27 (AMENDMENT) “EQUITY METHOD IN SEPARATE FINANCIAL STATEMENTS”

The amendment to IAS 27 issued by the IASB on 12 August 2014 permits an entity to measure its investments in subsidiaries, joint-ventures and associates using the equity method in its separate financial statements. This is a choice of accounting policy for each class of investment. The amendment is applicable for annual periods beginning on or after 1 January 2016 and was approved by the European Union on 18 December 2015.

IFRS 11 (AMENDMENT) “JOINT ARRANGEMENTS - ACCOUNTING OF ACQUISITION OF SHARE IN A JOINT OPERATION”

The amendment requires an investor to apply the method of acquisition of share in a joint operation, which constitutes an entity and clarifies the appropriate accounting for such acquisitions. The amendment is applicable for annual periods beginning on or after 1 January 2016 and was approved by the European Union on 24 November 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

Basis of Consolidation

The Consolidated financial Statements of the current as well as of the previous period, include the parent company and its subsidiary “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 dependence 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 cease 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 acquisition method. The subsidiaries' financial results which are either acquired or sold during the fiscal year, they are included in the respective consolidated statements respectively from their acquisition date or the date of their disposal.

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.

Investments in associates

Associates are those companies on which the Group exercises significant influence but they do not meet the requirements to be treated as subsidiaries. The consolidated financial statements include the Group's share in the profits and losses of the associates, based on the equity consolidation method from the date that 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 the investment is reduced to nil and the recognition of further losses stops, unless the Group has undertaken liabilities or contingent liabilities of the associate, beyond that arising from its shareholder state. The results stemming from transactions between the companies of the Group and the associates are eliminated to the extent of the investment of the Group in the associates.

In the separate financial statements of the Company, associates are valued at cost and they are subject to impairment audit annually or in interim periods when there are serious indications of impairment occurrence.

Goodwill

Goodwill arising from the acquisition of a subsidiary or a jointly controlled entity or other business activity represents the difference between the acquisition cost and the participation of the Company in the net fair value of the identified assets, liabilities and contingent liabilities of the subsidiary or that of the jointly controlled entity or other business activity recognized at the date of acquisition.

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

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit of the company. 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 proportional based on the carrying amount of the unit's assets. An impairment loss recognized for goodwill is not reversed in a subsequent period.

During the disposal of a subsidiary or a jointly controlled entity or other business activity the defined amount of goodwill is included in the determination of the profit or loss that stems from 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 by the estimated adjustments of customers' bills, the price reductions and other relevant downward adjustments.

The water supply and sewerage services are the major sources of income for the Company. Income from water supply are calculated on the basis of the consumed quantities and the price list in effect. Income from sewerage services are calculated as percentage on the value of the consumed water. The Company invoices the water consumption mainly on quarterly basis, via measurements, whereas with regard to the non invoiced consumption up to the ending date of the period of the financial statements, the Company proceeds with an accounting record of an accrued income, which is based on historical consumption data of the Company's customers for the non invoiced period.

Provision of services

Revenue stemming from service provision they are recorded based on the stage of the contract's completion.

Income from dividend and interest

The income stemming from participations' dividends are recorded when it has been finalized the right for their receipt by the shareholders. Interest revenue is recorded based on proportional timing with respect to the unpaid capital and the effective real interest rate which is the interest rate at which they are discounted the future cash receipts which are expected to be received throughout the usable life of the asset in order to be offset with the net book value of the asset.

Rental income

Rental income from investment properties is recognized 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 recognized based on the stage of the contract's completion by the reporting date of the financial statements, measured based on the proportion of the real conventional cost for the executed project until the timing of the financial position over the total conventional costs which are estimated at the respective date for the completion of the project, except in the case where this is not representative of the completion stage.

Variations from the initial contract, claims and incentive payments are included to the extent that they have been agreed with the client.

In case where the outcome of a contract for projects' construction cannot be estimated reliably, the conventional revenue are recognized to the extent where the realized conventional cost are estimated to be retrieved. The conventional costs are recognized at the financial results of the fiscal year during which they occur. When it is probable that the total conventional cost will exceed the total conventional revenue, the expected loss is recognized immediately at the results.

Leasing

Leases are classified as finance leases whenever according to the terms of the lease they are transferred substantially all the risks and benefits stemming from the ownership of the lease to the lessee. All the other leases are classified as operating leases.

The Company as lessor

The amounts that are due from the 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 the fiscal 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 recognized on a straight-line basis over the term of the relevant lease agreement. Initial direct costs which incur during the negotiation and the arrangement of the operating lease are added to the carrying amount of the leased asset and they are recognized on a straight-line basis over the lease term.

The Company as lessee

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

Lease payments are apportioned between financing charges and reduction of the lease obligation so as to achieve a constant rate of interest burden on the remaining balance of the liability. Finance charges are charged directly on the financial results, unless this specific cost can be attributed directly to an individual asset, case where this is capitalized in accordance with the Company's general policy governing the borrowing costs (see below). Contingent rentals are recognized as expenses in the periods in which they incur.

Operating lease payments are recognized 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 recognized as an expense in the period in which they incur.

In case that lease incentives are received within the context of the lease agreement, the respective incentives should be recorded as a liability. The aggregate benefits of incentives are recorded as a reduction of the lease expense according to the straight-line basis, unless 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 economic environment in which the entity operates (its operating currency), which is the Euro.

During the compiling of the financial statements of the company, transactions in currencies other than the entity's operating 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 which are estimated at fair value and they 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 recognized in the financial result of the period in which they arise except for:

- exchange differences which are related to assets under construction for future use in the production, which are included in the cost of those assets and they are regarded as an adjustment to the interest costs on foreign currency borrowings;
- exchange differences in hedging transactions of 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 recognized in the foreign currency translation reserve and recognized 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.

Borrowing costs

The borrowing costs at all cases burden the financial results of the fiscal year during which they occur.

Subsidies

Subsidies are not recognized until there is reasonable assurance that the Company will comply with the clauses that govern them and that the subsidy will be received.

State subsidies whose primary condition is the purchase or the construction, or by any other way the acquisition of non-current assets are recognized as deferred income in the balance sheet and they are transferred to the operating result on a systematic and rational basis during the useful life of the related asset.

Other subsidies are recorded on a systematic basis at the income of the respective periods during which there has to be made the matching of these subsidies with the respective costs. State subsidies which are received as compensation for expenses or losses which have already incurred or for the purpose of providing immediate financial support to the Company with no future related costs are recognized in the results of the period during which they become receivable.

The Company receives subsidies from the European Union (E.U.) the Greek State and the Organizations of Local Government for the financing of specific projects. Furthermore EYDAP's customers are required to participate in the initial network connection cost (supply, distribution network, connection pipes, 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 provided to compensate, with the amortizing rate equal to the depreciation rate of the respective assets. The aforementioned income is presented as a subtraction from the depreciation expense at the financial statements.

State subsidies for the training of the personnel are recognized in the financial results within the periods that are required for the matching with the related expenses and they are presented as a deduction from them.

Retirement benefit costs

Contributions to defined staff indemnities benefit schemes are recognized as an expense when employees have provided services 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 position statement's date. Actuarial gains or losses are directly recognized in the total comprehensive income for the period during which they occur, and are not transferred to the income statement of a following period. Prior service cost is recognized immediately to the extent that the benefits are already vested, otherwise are amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the financial position statement at the time of the indemnity represents the present value of the defined benefit obligation after taking into account the adjustments for the unrecognized actuarial gains and losses and unrecognized past work experience cost reduced by the fair value of scheme's assets.

Any asset resulting from this calculation is limited to unrecognized actuarial losses and past working experience cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Taxation

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

Current tax

The current tax 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 in addition it further excludes items that are will never be taxed or exempted . The Company's liability for the current tax is calculated using the effective tax rates or those who have been enacted by the financial statements report date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities of the financial statements and the corresponding tax bases which are used for the calculation of the taxable profit. Differed tax is recorded by applying the balance sheet liability method. Liabilities from deferred tax are generally recognized for all the taxable temporary differences and deferred tax assets are generally recognized 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 utilized. Such assets and liabilities are not recognized 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 does not affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for all the taxable temporary differences associated which arise from investments in subsidiaries and associates, and participations in joint ventures, with the exception of the cases where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and participations are only recognized to the extent that it is probable that there will be sufficient taxable profits against which they could be utilized the benefits of the temporary differences and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is being 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 according to the tax rates that are expected to be effective in the period at which the asset will be liquidized or the liability will be settled, based on effective tax rates or are effective by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax results that will follow based on the way that 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 are related 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.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in the financial results, except when they are related to items credited or debited directly to equity, case where the tax is also recognized directly in equity, or where they arise from the initial recognition of 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 between the acquirer's interest in the net fair value of the acquired business identifiable assets, liabilities and contingent liabilities over cost of the company.

Property, plant and equipment

Land and buildings held for use in the production or sale of goods or services, or for administrative purposes, are displayed on the financial statement report at their acquisition cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Properties under construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the compensation of professionals.

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 well as the antipollution projects, waste processing centers, fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged against the results so as to decrease the cost or the value of the assets, with the exception of the 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 end of each year, with the effect of any changes on the estimates to be calculated on a prospective basis.

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

The gain or loss arising from the disposal or the retirement of a property, plant and equipment item is determined as the difference between the sales proceeds and the net book value of the asset and it is recognized in the profit and loss account.

Intangibles assets

Intangible assets acquired separately

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

Internally-generated intangible assets – research and development expenses

Expenditure on research activities is recognized as an expense in the period in which it incurs.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following can be proven:

- 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
- the intangible asset to be able to generate probable future economic benefits.
- the availability of adequate technical, financial and other resources for the completion of the development and the utilization or sale of the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure which arise from the date when the intangible asset first meets the recognition of the criteria listed above. Where it is not possible to recognize internally-generated intangible asset, development expenditure is charged to the profit and loss statement in the period in which it incurs.

Subsequent to the initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization 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 recognized 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 amortization 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 reporting 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 occurs, 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 flow-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets can also be allocated to individual cash flow-generating units, or otherwise they are allocated to the smaller group of cash flow-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 between the fair value deducted by the sale costs and the value in use. In assessing value in use (of the asset), the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks related to the asset.

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

Where an impairment loss subsequently is reversed, the carrying amount of the asset (cash flow-generating unit) is increased to the revised estimate of its recoverable amount, so as the increased carrying amount does not exceed the carrying amount that would have been determined if there had not been recognized any impairment loss for the asset (or a cash flow-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the profit and loss account.

Inventories

Inventories are recorded at the lower value between acquisition cost and net liquidation value. The acquisition cost is calculated via the weighted average cost method. The cost incorporates all respective materials and whenever is required it also includes direct labor costs and the respective general industrial expenses incurred for the processing of inventories to their final condition. The net liquidation value represents the estimated selling price less the estimated costs necessary for the completion of the sale.

Provisions

Provisions are recognized 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 recognized as a provision is the best estimate of the consideration required to settle the present obligation on the financial statements reporting 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 part or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset when it is practically 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 recognized and measured as a provision. An onerous contract is considered to occur 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.

Restructurings

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

Warranties

Provisions for warranty costs are recognized at the date of the sale of the relevant products, according to the management's best estimates for the expenditure required to settle the Company's obligation.

Financial assets

Investments are recognized and written off on the date of the trade where the purchase or sale of an investment is performed based on a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and they are initially measured at their 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 it is determined at the time of the initial recognition.

Method of effective interest rate

The effective interest rate method is a method according to which the amortized cost of a financial asset is calculated and the interest income is allocated over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all the commissions paid or received as they are an inextricable part of the effective interest transactions costs plus other additional fees or discounts) through the expected life of the financial asset, or a shorter period where it is deemed as appropriate.

Income is recorded on the profit and loss account by utilizing the effective interest rate basis except from those financial assets which have been identified as "at the fair value through the profit and loss" (FVTPL).

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for sale 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 jointly and for that there is a recent actual pattern of short-term profit-taking or it is a derivative that is not designated and effective hedging instrument.

A financial asset other than a financial asset held for sale can be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces an inconsistency which refers to the measurement or the recognition that would otherwise arise or
- the financial asset forms a part of a group of financial assets or financial liabilities or both, which is under management and its performance is evaluated based on its fair value, 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 to the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value and any resultant gain or loss is recognized in the profit and loss statement. The net gain or loss recognized in the profit and loss statement incorporates any dividend or interest earned on the financial asset. The fair value is determined in the manner described in note 39.

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 the ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest rate method less impairment, with revenue recognized at the profit and loss account on an effective yield basis.

Available for sale (AFS) financial assets

Listed shares and listed redeemable bonds held by the Company and 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 39. Gains and losses arising from changes in the fair value are recognized directly in equity in the investments revaluation reserve with the exception of the impairment losses, the interest calculated using the effective interest rate method and the foreign exchange gains and losses on monetary assets, which are recognized directly in profit and loss account. When the investment is disposed or it is identified as impaired, the cumulative gain or loss previously recognized in the investments revaluation reserve is included in the profit and loss account of the period.

Dividends on AFS equity instruments are recognized in profit or loss when the Company's right to receive payments from the shareholders is finalized.

The fair value of AFS monetary assets denominated in a foreign currency is determined in the respective foreign currency and it is translated at the spot rate at the financial statements report date. The change in fair value attributable to translation differences that result from a change in the amortized cost of the asset is recognized in profit or loss while other changes are recognized in the equity.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that they are not traded in an active market are classified as 'loans and receivables'. Loans and receivables are measured at their initial recognition at fair value and subsequently at amortized cost using the effective interest rate method less any impairment.

Interest income is recognized by applying the effective interest rate method, 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 indications of impairment on each financial 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 amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the initial effective interest rate.

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

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 it was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date that the impairment is reversed does not exceed the amortized cost that would have been estimated if the impairment was not recognized.

In respect of AFS equity securities, any increase in the fair value subsequent to an impairment loss it is recognized directly in the 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 with the product of the receipts, net of direct issuance 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 issuance date, 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 amortized cost basis until it is eliminated through its conversion or until its maturity date. The equity component is determined after the deduction of the liability component from the fair value of the compound instrument as a whole. This amount is recognized and included in equity, net of income tax effects, and it is not re-measured at a subsequent date.

Financial guarantee contract liabilities

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

- 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 recognized deductible by, when it is deemed necessary, the cumulative amortization recognized in accordance with the revenue recognition policies.

Financial liabilities

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

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

Financial liabilities are classified as at FVTPL when the financial liability is either held for sale or if it is designated as a FVTPL.

A financial liability is classified as held for sale 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 special financial instruments that the Company manages jointly and for this there is 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 sale may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces an inconsistency which refers to the measurement or recognition that would otherwise arise or
- 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 to the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, and any resultant gain or loss is recognized in the profit and loss account. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability. Fair value is determined based on the way described in note 39.

Other financial liabilities

Other financial liabilities, which includes as well borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method, with interest expenses recognized on an effective yield basis.

The effective interest rate method is a method based on which the amortized cost of a financial liability is been calculated and the interest expense is been allocated over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, in a shorter when deemed necessary.

Deletion-Cease-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 of cash on hand and deposits, and other short-term highly liquid investments that are easily converted to a known amount of cash and subject to an insignificant risk of changes in their value.

Sectors of Operations

The basic operations of the Company (water supply, sewerage services and others) are not subject to different risks and return. As a result, the company did not proceed into the presentation of notifications with respect to the sectors of

operations. It is clarified that the Company operates in one geographical region (Attiki Metropolitan area). The policy and the decision making is common for all the operating sectors of the Company.

4. CRITICAL ACCOUNTING TREATMENTS AND IMPORTANT SOURCES OF ESTIMATION OF UNCERTAINTIES

During the preparation of the financial statements in accordance with the accounting policies of the Group, as they are presented in note 3, it is essential for the management to proceed with judgments, estimations and assumptions with regard to the book value of the assets and the liabilities, which are not obvious from other sources of information. The estimations and the relevant assumptions, are based on past empirical evidence, estimations of specialized external advisors as well as other related factors. The actual results may differ from these estimates.

The estimates and the subjective assumptions are reviewed on constant basis. The revisions of accounting estimates are recognized in the period of occurrence, if such affect only the particular period or in future periods as well.

The accounting judgments which have been made by the management during the application of the Group's accounting policies and which significantly affect the financial statements of the company and the group are the following:

1. The provision for contingent doubtful customer receivables (retail customers, Greek State, public utilities).
2. Contingent obligations of the Company toward the Greek State (maintenance cost of the assets of LEPL "EYDAP Fixed Assets", cost price of the crude water).
3. Provisions concerning four defined benefit plans for the personnel.
4. Provisions for pending judicial cases relating to labor issues.

Furthermore the management reviews annually, in terms of assumptions and estimations, the following:

1. Economic life and repurchase values of the depreciated tangible assets and the amortized intangible assets.
2. Income tax which incorporates the provision for the current income tax and the provision for additional taxes and incremental charges for tax unaudited years.
3. Recoverability of deferred tax receivables.

5. REVENUES

The Company's revenues are analyzed as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
REVENUES				
Revenues from water supply and related services	218,948	221,326	218,927	221,326
Revenues from sewerage services	102,213	102,563	102,213	102,550
Revenues from constructions for the Greek State	1,051	505	1,051	505
Turnover reduction due to sale of projects to the Greek State	-	-	-	-
Revenues from electric power sale	2,030	1,986	2,030	1,986
Inventory Sales	26	7	27	7
Total Turnover	324,268	326,387	324,248	326,374
Other Operating Revenues	1,757	2,276	1,757	2,276
Financial Income	13,847	14,673	13,847	14,673
Total Revenues	339,872	343,336	339,852	343,323

The reduction in turnover by € 2.4 million approximately is due to the non-pricing of crude water supply, based on the Decision 18448/24.09.2014 of the BOD of EYDAP SA, towards “EYDAP FIXED ASSETS LEPL”.

6. ALLOCATION OF EXPENSES IN THE OPERATIONS AND OTHER EXPENSES

The expenses accounts (by nature) have been allocated in the cost of goods sold and in the operations of administration and distribution as follows:

GROUP

31/12/2015	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
<i>Amounts in € thousands</i>				
Third-party expenses and fees	43,366	1,636	6,579	51,581
Cost of Self-Constructed Assets	(3,616)	-	-	(3,616)
Total A	39,750	1,636	6,579	47,965
Personnel Fees & Expenses (note 8)	61,786	17,116	34,735	113,637
Third-party contributions	23,529	6,427	11,450	41,406
Depreciation and amortization (note 7)	32,453	2,840	4,730	40,023
Various Provisions (note 20, 21, 28)	19,810	-	-	19,810
Various Expenses	4,325	1,369	3,267	8,961
Raw materials and consumables	6,526	110	721	7,357
Cost of Self-Constructed Assets	(2,321)	-	-	(2,321)
Total B	146,108	27,862	54,903	228,873
Total (A + B)	185,858	29,498	61,482	276,838
31/12/2014	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
<i>Amounts in € thousands</i>				
Third-party expenses and fees	44,239	1,733	7,093	53,065
Cost of Self-Constructed Assets	(6,994)	-	-	(6,994)
Total A	37,245	1,733	7,093	46,071
Personnel Fees & Expenses	64,831	17,893	35,710	118,434
Third-party contributions	25,275	6,007	10,255	41,537
Depreciation and amortization	32,927	606	4,681	38,214
Various Provisions	17,627	-	-	17,627
Various Expenses	4,715	2,732	3,478	10,925
Raw materials and consumables	5,543	315	1,178	7,036
Cost of Self-Constructed Assets	(3,141)	-	-	(3,141)
Total B	147,777	27,553	55,302	230,632
Total (A + B)	185,022	29,286	62,395	276,703

COMPANY

31/12/2015	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
<i>Amounts in € thousands</i>				
Third-party expenses and fees	43,366	1,636	6,539	51,541
Cost of Self-Constructed Assets	(3,616)	-	-	(3,616)
Total A	39,750	1,636	6,539	47,925
Personnel Fees & Expenses (note 8)	61,786	17,116	34,735	113,637
Third-party contributions	23,529	6,427	11,450	41,406
Depreciation and amortization (note 7)	32,453	2,840	4,730	40,023
Various Provisions (note 20, 21, 28)	19,810	-	-	19,810
Various Expenses	4,325	1,369	3,259	8,953
Raw materials and consumables	6,526	110	721	7,357
Cost of Self-Constructed Assets	(2,321)	-	-	(2,321)
Total B	146,108	27,862	54,895	228,865
Total (A + B)	185,858	29,498	61,434	276,790
31/12/2014	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
<i>Amounts in € thousands</i>				

Third-party expenses and fees	44,239	1,733	7,051	53,023
Cost of Self-Constructed Assets	(6,994)	-	-	(6,994)
Total A	37,245	1,733	7,051	46,029
Personnel Fees & Expenses	64,831	17,893	35,710	118,434
Third-party contributions	25,275	6,007	10,255	41,537
Depreciation and amortization	32,927	606	4,681	38,214
Various Provisions	17,627	-	-	17,627
Various Expenses	4,715	2,732	3,467	10,914
Raw materials and consumables	5,543	315	1,178	7,036
Cost of Self-Constructed Assets	(3,141)	-	-	(3,141)
Total B	147,777	27,553	55,291	230,621
Total (A + B)	185,022	29,286	62,342	276,650

The fluctuation of expenses compared to the previous year is due to the following categories of expenses:

- Personnel fees and expenses (note 8).
- Various provisions that include:
 1. The provision for litigation cases, amounting to € 11 million approximately in year 2015 versus € 3 million approximately in the previous year.
 2. The provision for doubtful receivables amounting to € 9 million approximately in year 2015 versus € 1.3 million approximately in the previous year.
- Sundry expenses include the reduction of the promotion and advertising expenses by € 1.3 million approximately.
- Third party fees and expenses which posted an increase of € 1.9 million approximately due to the higher maintenance and operating cost of the Waste Management Center of Psitalia.

The expense category “Other Expenses” which usually includes “indemnities due to accidents and network damages” in the current year was burdened with the expenses of studies and projects under development for a total amount of € 3.2 million approximately.

7. DEPRECIATION EXPENSES

Depreciation expenses of fixed assets are recorded on the basis of fixed assets’ economic life, via the straight line depreciation method as follows:

I. WATER SUPPLY NETWORKS	
Primary Water Supply Pipelines	30-45 years
Secondary Water Supply Pipelines	12-45 years
Distribution Networks, External and Internal Pumping Stations	10-45 years
Storage tanks – Water Treatment Plants	10-50 years
II. SEWERAGE NETWORKS	
Heavy Infrastructure and Primary Collection Units	25-50 years
Secondary Pipelines	28-50 years
External Branches	25-50 years
Electromechanical Installations	20-30 years
III. ANTI-POLLUTION PROJECTS AND WASTE WATER TREATMENT	

Waste Water Treatment R&D Centers	10-50 years
Waste Water Treatment Plants	10-40 years
IV. OTHER	
Furniture & Fixture	5 years
Computer Hardware	1-4 years
Transportation Vehicles	6-16 years
Mechanical Equipment	15-35 years
Buildings	25-50 years

The amounts recorded in the financial statements are analyzed as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Depreciation of tangible assets	43,701	40,421	43,701	40,421
Amortization of intangible assets	4,473	3,513	4,473	3,513
Amortization of customer contributions and investment subsidies	(8,151)	(5,720)	(8,151)	(5,720)
Total (Note 6)	40,023	38,214	40,023	38,214

8. PERSONNEL FEES & EXPENSES (GROUP & COMPANY)

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Salaries and Wages	79,843	81,743
Social Security Contributions	18,293	19,806
Provision for staff indemnity L. 2112 (note 27a)	1,901	2,086
Provision for Special One-Off Indemnity for employees hired up to the date 25/10/1999 (note 27.d)	2,560	3,044
Provision for Special One-Off Indemnity for employees hired after the date 25/10/1999 (note 27.c)	199	99
Provisions for Healthcare Beneficiaries (note 27.b)	6,245	7,842
Other Provisions	4,596	3,814
Total (Note 6)	113,637	118,434

The Company, applying the clauses of Law 4024/2011, aligns accordingly the personnel fees with the requirements of the above mentioned law.

9. FINANCIAL INCOME (GROUP & COMPANY)

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Interest from Customers	6,859	5,509
Dividends	64	75
Interest earned on time deposits	4,714	5,758
Other Income	2,210	3,331
Total (Note 5)	13,847	14,673

The item “Other Comprehensive Income” includes the non-utilized surcharges from the provision that was formed in previous financial years for tax differences of € 2 million approximately.

10. FINANCIAL EXPENSES (GROUP & COMPANY)

The financial expenses of the Company, amounting to € 1,240 thous. and € 559 thous. on December 31st, 2015 and 2014 respectively, increased mainly due to signing of agreements for the arrangement of overdue amounts payable from municipalities to the Company.

11. INCOME TAX

The income tax of the current year represents the sum of the current income tax, the deferred taxation, the tax provision for the unaudited financial years as well as the tax audit differences, and is analyzed as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Corresponding Income Tax	28,840	4,899	28,840	4,899
Provision for additional tax for the year	890	889	890	895
Minus: Utilization of previous year's provision (2008, 2009, 2010)	(3,010)	(1,532)	(3,010)	(1,532)
Tax audit / compliance differences of article 65a, L. 4174/2013	1,542	385	1,542	385
Deferred Taxation	(15,604)	16,933	(15,604)	16,933
Total	12,658	21,574	12,658	21,580

The income tax during the current period derived as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Earnings before taxes	56,315	63,497	56,343	63,537
Income tax calculated with the tax rate in effect (29% and 26%)	16,331	16,509	16,340	16,520
Provision for additional tax for the year	890	889	890	895
Minus: Utilization of previous year's provision	(3,010)	(1,532)	(3,010)	(1,532)
Tax audit / compliance differences of article 65a, L. 4174/2013	1,542	385	1,542	385
Change in tax rate from 26% to 29%	(10,884)	-	(10,884)	-
Additional tax (from income from leases)	12	43	12	43
Tax on non deductible expenses	7,777	5,280	7,768	5,269
Total	12,658	21,574	12,658	21,580

According to the provisions of Law 4334/2015 (Gov. Gaz. A'80/16.07.2015) there was an amendment in the paragraph 1 of article 58 of Law 4172/13 according to which the income tax rate of Legal Entities in Greece increased from 26% to 29%. The above change is applicable since January 1st, 2015. The higher income tax rate positively affected, by an amount of € 10 million approximately, the item of the Assets “Deferred Tax Asset – Receivable” thus benefiting the result of the year by € 10,884 approximately, whereas it affected the net equity via the statement of total comprehensive income by € 821 thous. approximately.

Current Tax Liability

The liability concerning the income tax has been calculated against the earnings of the financial year in accordance with the tax legislation based on the tax rate of 29% currently in effect. The amount of the tax liability as it is analyzed below, amounts to € 28.2 million approximately.

The amounts are analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Income Tax	(28,840)	(4,899)
Withheld tax / tax prepayment	563	22,440
Total	(28,277)	17,541

Current Tax Asset

During the previous year of 2014, the settlement of the respective Income Tax resulted into a tax receivable of € 17.6 million approximately. The above receivable cannot be offset against the tax liability of € 28.2 million of the period 01/01-31/12/2015 and therefore it is recorded separately in the statement of financial position, in the “Current Assets”, under the account “Current Tax Receivables”.

It is also noted:

Tax unaudited years: The ordinary tax audit of the unaudited years 2008, 2009 and 2010 was completed on 22nd May 2015. The Company collected the Final Acts concerning the Amendment in the Determination of Value Added Tax and Income Tax of the years 2008, 2009 and 2010 as well as of the Extraordinary Tax Levy of article 5, L.3845/2010, of the year 2010.

With the above actions, the main direct and indirect taxes imposed were of € 2.5 million approximately and the tax surcharges settled at € 2.8 million approximately. The Company paid on 22/5/2015 the main tax of € 2.5 million approximately and took advantage of the tax settlement provided by the article 1 of L. 4321/2015 which allowed for waiving the tax surcharges if the main tax obligation was paid one-off.

The provision for taxes of the tax unaudited fiscal years 2008, 2009 and 2010 concerning incremental taxes and tax surcharges which were formed by the Company until 31/12/2014 had settled at € 5.0 million approximately. The financial statements incorporate the benefit from the offsetting entry with regard to the provision for taxes and tax surcharges.

For the fiscal years 2011, 2012, 2013 and 2014, the Company was audited by its legal auditors in accordance with the article 82 of Law 2238/1994 and a relevant “tax compliance certificate” was issued according to article 65a of L. 4174/2013 under the opinion “in agreement”. The tax audit currently conducted by the legal auditors for the year 2015 is in progress and a relevant tax certificate will be issued following the release of the financial statements of year 2015. Any additional tax liabilities that may arise until the completion of the tax audit it is estimated that they will have no material effect on the financial statements.

The financial statements incorporate provisions of € 0.9 million approximately for the year of 2015.

Islands’ EYDAP SA has not been audited for tax purposes since its establishment and in addition it has not formed any relevant provision due to its limited business transactions.

12. 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 of the Company. It is noted that in the current year, as well as in the previous one, there were no discontinued operations. There were no convertible bonds or other potentially dilutive convertible securities during the periods reported in the accompanying financial statements, so there is no calculation of any diluted earnings per share.

	GROUP	
	31/12/ 2015	31/12/ 2014
Earnings attributable to ordinary shareholders <i>(in € thousands)</i>	43,657	41,923
Weighted Average of outstanding shares	106,500,000	106,500,000
Earnings per share – Basic in €	0.41	0.39

The Company's Board of Directors in its meeting on 30.3.2016 decided to submit a proposal to the Annual Ordinary Shareholders' Meeting with regard to the distribution of dividend, article 45 of Codified Law 2190/1920, amounting to € twenty one cents of Euro (or Euro 0.21) per share (total gross amount of Euro 22,365 million) for the financial year 2015.

The dividend is subject to approval from the Ordinary General Shareholders' Meeting and is included in the balance of the account "Retained Earnings (earnings carried forward)".

13. GOODWILL

The goodwill of € 3,357 thous. on 31st December 2015 concerns the amount paid in excess for the acquisition of Elefsina, Aspropyrgos and Lykovrisi networks as compared to the networks' net replacement cost, which was valued at the time of the acquisition. The cash generating units and consequently the goodwill of the networks, are under review for possible impairment in their values on annual basis, or periodically, provided that the events or the changes of conditions indicate that such impairment could be justified. The valuation audit of the goodwill from the acquisition of networks derived no loss due to impairment. The impairment audit was performed by the Financial Planning and Control Department of the Company in December 2015.

More specifically:

In order to settle its claims against certain local government authorities (OTA), the Company signed contracts with three municipalities (Aspropyrgos and Elefsina during the 2nd half of 2003 and Likovrisi in 2nd half 2006) for the transfer of ownership of their water supply networks. In the context of the above contracts, water supply networks of 327 kilometers were transferred to EYDAP. The networks service, via 26,786 connections, 65,000 inhabitants approximately of the particular municipalities, which are now added to the Company's customer base.

The acquisition of the network of Aspropyrgos Municipality accounted for € 2,749 thous. and was settled by offsetting an equal debt to the Company. The appraisal of the network in replacement cost, which was performed by the Company's technical department and was in agreement with the corresponding estimates of the Municipality's technical department, amounts to € 2,192 thous.

The acquisition of the network of Elefsina Municipality accounted for € 1,800 thous. and was settled by offsetting a debt of € 1,500 thous. to the Company and via a payment of € 300 thous. from the Company to the municipality. The appraisal of the network in replacement cost, which was performed by the Company's technical department and was in agreement with the corresponding estimates of the Municipality's technical department, amounts to € 681 thous.

The acquisition of the network of Likovrisi Municipality accounted for € 2,271 thous. and was settled by offsetting an equal debt to the Company. The appraisal of the network in replacement cost, which was performed by the Company's technical department and was in agreement with the corresponding estimates of the Municipality's technical department, amounts to € 590 thous.

14. OTHER INTANGIBLES ASSETS (GROUP & COMPANYY)

Acquisition Cost on 31 st December 2014	25,802
Additions	3,714
Balance on 31 st December 2015	29,516
DEPRECIATION	
31 st December 2014	(23,749)
Depreciation for the Year	(4,473)
Reductions / Transfers	33
Total Depreciation on 31 st December 2015	(28,189)
Net Value	
31 st December 2014	2,054
31 st December 2015	1,327

Other intangible assets concern expenses for the purchase of software and other intangible fixed assets, which are expected to generate future benefits to the Company. These expenses are recorded as intangible assets. Software assets are mainly depreciated over a three-year period whereas with regard to the other intangible fixed assets, the Company reviews their economic life on regular basis.

15. TANGIBLE ASSETS

The Company, applying the provisions of IFRS 1 "First-time adoption of IFRS", utilized the exception concerning the recording and valuation of property assets during the compilation of the Transitional Balance Sheet to the IFRS on 1 January 2004. In this context, the Company considered the adjusted value of its property assets as deemed (implied) cost for the purposes of the compilation of the Transitional Balance Sheet to the IFRS on 1 January 2004. Specifically for the transition to IFRS, the Company recorded the self-utilized property assets at fair values based on studies performed by independent valuers. These fair values constituted the deemed cost for the compilation of the Balance Sheet.

The changes in fixed assets of the Group and the Company for the financial years 2015 and 2014 are presented in the table below:

2015	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network & consumption meters	Sewerage Networks & Biological Treatment	Motor Vehicles & Furniture	Prepayments & Constructions in Progress	Total
<i>Amounts in € thousands</i>							
Non-Depreciated Value on 1st January 2015	274,990	2,168	266,848	389,906	10,157	13,069	957,138
Additions	1,615	381	3,069	3,106	2,368	-	10,539
Reductions/Transfers	-	-	-	(616)	(125)	(6,804)	(7,545)
Depreciation Reverse Entry	-	-	-	-	124	-	124
Depreciation of the Year	(3,277)	(723)	(17,831)	(18,707)	(3,163)	-	(43,701)
Non-Depreciated Value on 31/12/2015	273,328	1,826	252,086	373,689	9,361	6,265	916,555

1/1/2015:

Cost	301,349	20,040	479,156	551,230	57,040	13,069	1,421,884
Accumulated Depreciation	(26,359)	(17,872)	(212,308)	(161,324)	(46,883)	-	(464,746)
Net Non-Depreciated Value	274,990	2,168	266,848	389,906	10,157	13,069	957,138

31/12/2015

Cost	302,965	20,419	482,224	553,720	59,283	6,265	1,424,876
Accumulated Depreciation	(29,637)	(18,593)	(230,138)	(180,031)	(49,921)	-	(508,321)
Net Non-Depreciated Value	273,328	1,826	252,086	373,689	9,362	6,265	916,555

2014	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network & consumption meters	Sewerage Networks & Biological Treatment	Motor Vehicles & Furniture	Prepayments & Constructions in Progress	Total
<i>Amounts in € thousands</i>							
Non-Depreciated Value on 1st January 2014	273,363	2,304	277,906	340,599	3,416	79,053	976,641
Additions	4,519	630	7,148	65,682	8,923	277	87,179
Reductions/Transfers	-	-	-	-	(696)	(66,261)	(66,957)
Deprecation Reverse Entry	-	-	-	-	696	-	696
Depreciation of the Year	(2,892)	(768)	(18,206)	(16,373)	(2,182)	-	(40,420)
Non-Depreciated Value on 31/12/2014	274,990	2,166	266,848	389,908	10,157	13,069	957,138

1/1/2014:

Cost	296,830	19,410	472,008	485,548	48,813	79,053	1,401,662
Accumulated Depreciation	(23,467)	(17,106)	(194,102)	(144,949)	(45,397)	-	(425,021)
Net Non-Depreciated Value	273,363	2,304	277,906	340,599	3,416	79,053	976,641

31/12/2014

Cost	301,349	20,040	479,156	551,230	57,040	13,069	1,421,884
Accumulated Depreciation	(26,359)	(17,872)	(212,308)	(161,324)	(46,883)	-	(464,746)
Net Non-Depreciated Value	274,990	2,168	266,848	389,906	10,157	13,069	957,138

16. INVESTMENTS IN SUBSIDIARIES

On 18th July 2011, with the BoD 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. “ISLANDS’ EYDAP SA” activates in the areas of water supply, sewerage, irrigation, and rain water collection in Greece’s islands. The subsidiary possesses limited business activity until today.

With the decision of the extraordinary Shareholders’ Meeting on 05/11/2015, the paid-up share capital of “ISLANDS’ EYDAP SA” increased by the amount of € 500 thousand and settled at € 1.2 million approximately.

17. INVESTMENTS AVAILABLE FOR SALE

EYDAP SA, with the decision no. 18770/18.12.2015 of the Board of Directors approved its participation in the share capital increase of Attica Bank Societe Anonyme based on an amount of € 20 million. The above decision was verified by the

Extraordinary General Meeting of shareholders on 15/01/2016. Following the above, the Company's portfolio settled as follows:

<i>Amounts in € thousands</i>	Number of Shares	Acq. Cost	Valuation 31/12/2015	Valuation 31/12/2014
Thessaloniki Water Supply & Sewerage Co. (EYATH)	264,880	485	795	691
Attica Bank SA	66,666,666	20,000	18,600	-
Total			19,395	691

The above shares are considered as strategic ones and therefore have been recorded as financial assets available for sale. They were valued at fair based on the official price bulletin of the Athens Exchange on 31.12.2015, which is the date of preparation of the Financial Statements. The difference (losses minus earnings) that derived due to the change occurred in the fair value was recorded in the Statement of Total Comprehensive Income.

18. LONG-TERM RECEIVABLES (GROUP & COMPANY)

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

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Personnel Loans (Note 22)	3,022	2,902	3,022	2,902
Payroll Deductions	-	7	-	7
Settlement of amounts due from Municipalities	5,623	-	5,623	-
Third Party Works	3,703	2,652	3,703	2,652
Guarantees (Public Power Corp., Real Estate)	557	574	557	563
Total	12,905	6,135	12,905	6,124

Construction Works for Third Parties (Group and Company)

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

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Ministry of Infrastructure, Transport and Networks	2,104	1,505
"EYDAP Fixed Assets" L.E.P.L.	1,599	1,147
Total	3,703	2,652

The Company, in accordance with its foundation law 2744/1999, signed a contract with the Greek State in 1999 to undertake the construction of flood protection infrastructure for the account of the former Ministry for the Environment, Planning and Public Works (currently named as Ministry of Infrastructure, Transport and Networks) as well as to undertake projects for the upgrade and expansion of water supply technical installations, which have been transferred to the L.E.P.L. "EYDAP Fixed Assets". Until 31/12/2012, the entire claims with regard to the above entities had been invoiced and collected.

19. DEFERRED TAXATION (GROUP & COMPANY)

Description	2014			2015			Ending Balance 31.12.2015
	Opening Balance 01.01.2014	(Burden)/ Benefit in Period's Results	(Burden)/ Benefit in Equity	Ending Balance 31.12.2014	(Burden)/ Benefit in Period's Results	(Burden)/ Benefit in Equity	
Expensing of intangible assets	35	-	-	35	4	-	39
Inventory impairment	589	(94)	-	495	67	-	562
Obligation for employee benefits	42,978	466	10,569	54,013	7,463	(11,026)	50,450
Provisions for doubtful receivables	4,041	746	-	4,787	553	-	5,340
Other provisions for risks and expenses	23,190	(16,895)	-	6,295	3,951	-	10,246
Customer and municipalities contributions	16,164	(671)	-	15,493	1,487	-	16,981
Depreciation differences due to adjustment of economic life	(5,859)	(187)	-	(6,046)	(229)	-	(6,275)
Income and expenses accrued	(51)	(7)	-	(58)	(22)	-	(80)
Deferred tax in Tax Reserve due to revaluation of real estate assets	8,071	-	-	8,071	930	-	9,001
Other deferred taxation items	4,434	(291)	-	4,143	1,400	406	5,949
	93,593	(16,933)	10,569	87,228	15,604	(10,620)	92,213

The debit entry for deferred income taxes (expenses for the year – deferred tax liability) in the accounts of results, includes the fulfillment of temporary tax differences deriving from accounting expenses that were recorded in previous years. The credit entry for deferred income taxes (income for the year – deferred tax receivable), mainly includes temporary tax differences deriving from provisions, which are tax deductible at the time of the realization of the corresponding expenditure in subsequent time periods.

With the arrangements that were made according to the provisions of Law 4334/2015 and for the financial years beginning from 01.01.2015, the Greek State imposed an increased income tax rate for the legal entities (from 26% to 29%). This change is applicable beginning from 1st January 2015. Due to the above change the balance of the deferred tax receivable increased by € 10,063 thousand approximately. Of the above amount, an amount of € 10,884 thous. affected positively the result of the current year and an amount of € 821 thous. affected the equity through the statement of total comprehensive income.

20. MATERIALS, SPARE PARTS & CONCUMABLES (GROUP & COMPANY)

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

Amounts in € thousands	31/12/2015	31/12/2014
Consumables and Spare Parts	14,449	16,277
Provision for Obsolete Inventory (reverse entry)	(1,940)	(1,906)
Total	12,509	14,371

Inventories are utilized in the Company's networks (maintenance and expansion). Inventories amounting to € 6.9 million approximately are expected to be recovered after 12 months (versus an amount of € 9.2 million in the previous year).

The provision for obsolete consumables and spare parts that has been formed for estimated non-recoverable amounts is analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Opening Balance	1,906	2,268
Provision for the Year	34	(362)
Ending Balance	1,940	1,906

21. RECEIVABLES FROM CUSTOMERS, CONSUMERS (GROUP & COMPANY)

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

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Retail customers and users	169,668	137,487	169,668	137,487
Municipalities, Greek State, Public Utilities	47,375	46,018	47,362	46,018
	217,043	183,505	217,030	183,505
Accrued, Non-Invoiced, Income	52,764	57,194	52,764	57,194
	269,807	240,699	269,794	240,699
<i>Minus: Provision for doubtful receivables</i>	(45,293)	(37,585)	(45,293)	(37,585)
	224,514	203,114	224,501	203,114

The majority of retail customers (household users) are charged every three months based on indications provided by water meters. Non-invoiced income concerns water supply and sewerage services between the date of the last measurement and the ending date of the financial year. The above income had not been invoiced as of 31/12/2015.

The statement of the provision for doubtful receivables which have been recorded for estimated non-recoverable amounts from water supply and sewerage services, is analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Opening Balance	37,585	25,710
Provisions for the Period	7,708	13,866
Doubtful receivables written-off	0	(1,991)
Ending Balance	45,293	37,585

The provision for doubtful receivables is monitored by the Department of Customer Service, which continuously audits the Company's receivables, either separately or based on groups (invoice codes, customer categories) and incorporates this information into the creation of the relevant provision.

In the context of procedures provided by the Public Revenue Collection Code (Law 356/1974), as it was amended with the law provisions 4174/2013, 4224/2013 & 4337/2015, the Company calculates the relevant interest charged on the overdue amounts.

22. OTHER RECEIVABLES (GROUP & COMPANY)

The account is analyzed as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Loans and advances to Personnel	4,374	4,044	4,374	4,044
Advances to subcontractors and suppliers	401	401	401	401
Receivable concerning Greek State's participation in the mandatory coverage of the deficit of the special lump sum account	258	258	258	258
Various advances	2,402	2,575	2,402	2,575
Receivable concerning income from Bank of Greece	1,418	0	1,418	0
Receivables due to Personnel's Training Programs	1,030	1,315	1,030	1,315
Receivables from the Greek State concerning property tax return / taxes	1,010	1,137	1,010	1,137
Receivables from the Greek State concerning healthcare contributions from new-entry employees (from 1/1/1993) to the Social Security Fund (IKA)	1,984	1,687	1,984	1,687
Other receivables	3,309	4,249	3,289	4,262
Receivables concerning retention amounts from pensioners' health care contributions	162	1,330	162	1,330
Total	16,348	16,996	16,328	17,009

The outstanding amounts of other receivables have been reduced with the formed provision for doubtful receivables for an amount of € 6,229 thous. on 31/12/2015 and € 5,277 thous. on 31/12/2014.

Loans and Advances to Personnel:

The Company provides the personnel with zero interest loans, short-term payroll advances free of interest, cash facilities and long-term interest bearing loans. The amount of € 4,374 thous. concerns the short-term part of the loans granted to personnel. The long-term part, which at 31 December 2015 amounted to € 3,022 thous. is included in the balance of the long-term receivables (Not 18).

Greek State's participation in the mandatory coverage of the deficit of the special lump sum account:

The amount concerns Greek State's obligation based on L. 2939/6.8.2001 to cover the deficit of the special lump sum account for end of service indemnity, concerning employees who retired and employees who worked for the Company until 25th October 1999.

The Balance of € 258 thous. resulted as follows:

Accumulated deficit opening balance	68,844
Compensation settlements	1,922
Employees' retentions	(769)
Receipt for the Greek State (article 52, L. 4186/2013)	(58,351)
Offsetting entry / Greek State's dividend with the Account (decision issued by the Greek State)	(11,388)
Accumulated deficit receivable from the Greek State closing balance	258

With the voting of article 52, L. 4186/17.9.2013, the Company received € 58.4 million approximately on 25.9.2013, concerning the coverage obligation of the account from the Greek State, until 30.06.2013. The obligation in effect concerns an overdue amount payable from the Greek State from 1.7.2013-8.8.2013 (publication date of L. 4179/2013).

23. CASH AND CASH EQUIVALENTS

The account is analyzed as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Cash at hand	834	969	834	319
Sight and time deposits	259,585	232,345	258,508	232,345
Total	260,419	233,314	259,342	232,664

The sight and time deposits carry floating interest rates based on the level of the deposit and the interest charged period. The current value of the above sight and time deposits approaches their accounting value due to the floating interest rates and their short-term maturities. Sight deposits do not include amounts of € 962 thous. and € 1,732 thous. of overdue check payables on 31 December 2015 and 2014 respectively, which have been recorded in the account of other short-term liabilities (Note 31). Interest income from bank deposits is recognized via the principle of accrued income, and is included in the financial income.

24. 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.

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 213,566,232 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 thous. 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 thous. 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 thous. 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 thous. 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 financial year.

25. RESERVES

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Legal reserve	22,207	21,547
Special Non-Taxable Reserve of Law 2744/99	352,078	352,078
Reserve from Non-Taxable Income	-	-
Reserve from Specially Taxed Income	3,687	3,687
Other reserves	(619)	272
Total	377,353	377,584

Legal reserve:

According to the Greek commercial law (Article 44, L. 2190/1920), companies are required to transfer at least 5% of their annual net profits to a legal reserve until this reserve becomes equivalent with the 1/3 of the paid up share capital. The particular reserve is not distributable and the purpose of its creation is to cover future losses. On 31/12/2011, the Company covered the required by law legal reserve as percentage of its total paid up share capital. During the year 2015, the Company arranged a reserve formed due to revaluation of shares amounting to € 660 thous. approximately according to article 72 of Law 4172/2013.

Special Non-Taxable Reserve of Law 2744/99:

The Special Non-Taxable Reserve was formed with the Company's listing on the Athens Stock Exchange (ASE) in financial year 1999, from the denomination of the Company's share capital at the time to the euro equivalent of € 58.694 thous. whereas the previous one was € 1,201,658 thous. Based on the clauses of L. 2744/99, the initial balance of the reserve:

- Was reduced with the net, non-depreciated, value of the facilities which were granted to EYDAP LEPL at no consideration.
- Was decreased with the various amounts of provisions which were recorded in the Company's accounting books during its list on ASE.
- Was increased with the surplus value deriving from the revaluation of the installations and networks that remained in the possession of the Company.
- And was increased with the transfer of the account "Profit/loss carried forward" which was recorded in the Balance Sheet of 31 December 1998.

In accordance with the L. 2744/99, the reserve was classified as "Special Non-Taxable Reserve" at its creation and was not subject to any taxation.

Other Reserves

The increase in the market capitalization of EYATH in combination with the decreased market capitalization of Attica Bank, on 31/12/2015 (portfolio available for sale), resulted to the corresponding decrease of other reserves.

26. RETAINED EARNINGS

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	GROUP	COMPANY
Balance at 01.01.2014	465,911	465,949
Dividends Paid	(40,470)	(40,470)
Net Income directly recorded in Equity	(30,080)	(30,080)
Net Profit for the Year 2014	41,923	41,957
Tax on reserve created from tax-free income	2,040	2,040
Balance at 01.01.2015	439,324	439,396
Dividends Paid	(21,300)	(21,300)
Net Profit for the Year 2015	43,657	43,685
Reserve due to the revaluation of equities	(660)	(660)
Net Income directly recorded in Equity	24,164	24,164
Balance at 31.12.2015	485,185	485,285

27. LIABILITIES FOR EMPLOYEE BENEFITS (GROUP & COMPANY)

The Company and the Group apply from 01.01.2013 the revised IAS 19 “Employee Benefits” with retroactive application from 01.01.2012 in accordance with the IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The fundamental change emanating from the new standard, thus implying a change in accounting principle, is the direct recognition of the actuarial gains and losses as well as of the prior service cost deriving from defined benefit plans. No transfer of the above items, based on the margin principle, is allowed, as it was the case with the previous IAS 19.

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Provision for staff indemnity due to retirement	29,373	31,285
Healthcare coverage of personnel	157,053	186,045
Special one-off indemnity (personnel hired prior to and after 25-10-1999)	80,413	80,883
Total	266,839	298,213

The Company has the obligation to cover the respective healthcare benefits for its entire personnel, pensioners and their protected members. In addition, the Company retains an account for staff indemnity due to retirement and two plans of special one-off compensation for personnel hired prior to or after 25/10/1999.

The actuarial valuation of the liabilities was compiled by independent valuers in accordance with the requirements of the revised IAS 19.

The significant change is due to the alteration of financial assumptions (mainly due to the change of discount rates).

a. Provision for employees' end of service indemnity

The statement of the provision for employees' end of service indemnity for the years ending on 31 December 2015 and 2014 is the following:

PERIOD	1/1/-31/12/15	1/1/-31/12/14
Amounts recognized in the balance sheet		
Present value of liabilities	29,373	31,285
Fair value of the plan's assets	-	-
Net liability recognized in the balance sheet	29,373	31,285
Amounts recognized in the results		
Cost of current employment	1,393	1,235
Net interest on the liability / (asset)	508	852
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	1,901	2,087
Recognition of prior service cost	-	-
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	1,901	2,087
Change in the present value of the liability		
Present value of liability at the beginning of period	31,285	26,424
Cost of current employment	1,393	1,235
Interest cost	508	852
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	(772)	(879)
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	-
Actuarial loss / (profit) – financial assumptions	(2,337)	3,932
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	(704)	(279)
Present value of liability at the end of period	29,373	31,285
Adjustments		
Adjustments in liabilities due to change of assumptions	2,337	(3,932)
Empirical adjustments in liabilities	704	279
Empirical adjustments in assets	-	-
Total actuarial gain / (loss) in the Equity	3,041	(3,653)
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	31,285	26,424
Contributions from Employer	-	-
Benefits paid by the employer	(772)	(879)
Total expenditure recognized in the results	1,901	2,086
Change in Equity	(3,041)	3,653
Net Liability at the end of year	29,373	31,285

The expected benefits (not discounted) from the plan over the following year are estimated at € 2,882 thous.

The major actuarial assumptions utilized for the calculation of the relevant provisions for the medical and healthcare benefits are the following:

Actuarial assumptions	2015	2014
Discount rate	2.14%	1.72%
Inflation	2016-20: ~0.70% 2021+ : 1.75%	2015-19: ~1.10% 2020+ : 1.75%
Future salary increases	2016-20: ~ 0.51% 2021+:1.75%	2015-19: ~ 0.82% 2020+:1.75%
Duration of obligations	9.76	10.29

b. Medical and Healthcare Plan

The Company covers the medical and healthcare expenses of its employees, pensioners and their protected members based on the provisions of its internal regulation which is in effect. The plan is financed, in part, from the employees' and pensioners' contributions. The relevant liabilities of the Company arising from the medical and healthcare plan were estimated through an actuarial studies which were performed for the years 2015 and 2014.

The statement of the provision for medical and healthcare benefits during the financial years 2015 and 2014 is the following:

PERIOD	1/1-31/12/15	1/1-31/12/14
Amounts recognized in the balance sheet		
Present value of liabilities	157,053	186,045
Fair value of the plan's assets	-	-
Net liability recognized in the balance sheet	157,053	186,045
Amounts recognized in the results		
Cost of current employment	2,505	1,986
Net interest on the liability / (asset)	3,741	5,856
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	6,245	7,842
Recognition of prior service cost	-	-
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	6,245	7,842
Change in the present value of the liability		
Present value of liability at the beginning of period	186,045	161,937
Cost of current employment	2,505	1,986
Interest cost	3,741	5,856
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	(6,444)	(7,025)

Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	-
Actuarial loss / (profit) – financial assumptions	(17,826)	27,775
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	(10,968)	(4,484)
Present value of liability at the end of period	157,053	186,045
Adjustments		
Adjustments in liabilities due to change of assumptions	17,826	(27,775)
Empirical adjustments in liabilities	10,968	4,484
Empirical adjustments in assets	-	-
Total actuarial gain / (loss) in the Equity	28,794	(23,291)
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	186,045	161,937
Contributions from Employer	-	-
Benefits paid by the employer	(6,444)	(7,025)
Total expenditure recognized in the results	6,245	7,842
Change in Equity	(28,794)	23,291
Net Liability at the end of year	157,053	186,045

The expected benefits (not discounted) from the plan over the following year are estimated at € 6,545 thous..

The major actuarial assumptions utilized for the calculation of the relevant provisions for the medical and healthcare benefits are the following:

Actuarial assumptions	2015	2014
Discount rate	2.51%	2.05%
Medical Care Inflation	2016-20: ~0.70%. 2021+:1.75%	2015-19: ~ 1.10%. 2020+:1.75%
Future salary increases	2016-20: ~ 0.51%. 2021+:1.75%	2015-19: ~ 0.82%. 2020+:1.75%
Duration of obligations	16.40	17.15

c. Special lump sum account for employees hired after 26.10.1999

With regard to the employees hired after October 25th, 1999, the Company has the obligation to fully repay the relevant indemnities, in accordance with the employment law and the collective employment agreement.

PERIOD	1/1-31/12/15	1/1-31/12/14
Amounts recognized in the balance sheet		
Present value of liabilities	6,796	6,642
Fair value of the plan's assets	(5,914)	(5,495)
Net liability recognized in the balance sheet	882	1,147

Amounts recognized in the results		
Cost of current employment	180	36
Net interest on the liability / (asset)	19	(37)
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	199	(1)
Recognition of prior service cost	-	100
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	199	99
Change in the present value of the liability		
Present value of liability at the beginning of period	6,642	4,266
Cost of current employment	180	36
Interest cost	130	157
Employee contributions	337	333
Benefits paid from the plan	(4)	(13)
Benefits paid from the employer	-	-
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	100
Actuarial loss / (profit) – financial assumptions	(782)	1,513
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	293	250
Present value of liability at the end of period	6,796	6,642
Change in the value of assets		
Value of plan's assets at beginning of period	5,495	5,083
Expected return on assets	111	194
Contributions from the employer	-	-
Contributions from employees	337	333
Benefits paid from the plan	(4)	(13)
Expenses	-	-
Asset adjustment (via Equity)	-	-
Actuarial (loss) / gain	(24)	(102)
Value of plan's assets at the end of the period	5,914	5,495

It is noted that the fair value of the plan's assets noted above, amounting to € 5,914 thousand and € 5,495 thousand on 31/12/2015 and 31/12/2014 respectively.

PERIOD	1/1-31/12/15	1/1-31/12/14
Adjustments		
Adjustments in liabilities due to change of assumptions	782	(1,513)
Empirical adjustments in liabilities	(293)	(249)
Empirical adjustments in assets	(24)	(102)
Total actuarial gain / (loss) in the Equity	465	(1,864)

Changes in the Net Liability recognized in Balance Sheet

Net Liability at beginning of period	1,147	(816)
Contributions from Employer	-	-
Benefits paid by the employer	-	-
Total expenditure recognized in the results	199	99
Change in Equity	(465)	1,864
Net Liability at the end of year	882	1,147

The expected contributions and benefits (not discounted) from the plan over the following year are estimated at € 378 thous. and € 147 thous. respectively.

The major actuarial assumptions utilized for the calculation of the relevant provisions for the special lump sum account for employees hired after 26.10.1999, are the following:

Actuarial assumptions	2015	2014
Discount rate	2.45%	1.97%
Inflation	2016-20: ~ 0.70% 2021+:1.75%	2015-19: ~ 1.10% 2020+:1.75%
Future salary increases	2016-20: ~ 0.51% 2021+:1.75%	2015-19: ~ 0.82% 2020+:1.75%
Duration of obligations	14.85	15.93

d. Special lump sum account for employees hired until 25.10.1999

With the voting of article 45 of L. 4179/2013, which abolished the clauses of article 26 of L. 2939/2001 concerning the mandatory coverage of the account's deficit from the Greek State, the Company's Management proceeded with an actuarial study in order to estimate for the first time the relevant provision for employees' indemnity.

PERIOD	1/1-31/12/15	1/1-31/12/14
Amounts recognized in the balance sheet		
Present value of liabilities	73,618	74,241
Fair value of the plan's assets	(3,059)	(1,861)
Net liability recognized in the balance sheet	70,558	72,380
Amounts recognized in the results		
Cost of current employment	1,482	1,062
Net interest on the liability / (asset)	1,078	1,839
Total admin. cost recognized in the account of results		
Ordinary expense in the account of results	2,560	2,901
Recognition of prior service cost	-	143
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	2,560	3,044
Change in the present value of the liability		

Present value of liability at the beginning of period	74,241	59,982
Cost of current employment	1,482	1,062
Interest cost	1,119	1,847
Employee contributions	1,213	1,377
Benefits paid from the plan	(1,536)	(2,001)
Benefits paid from the employer	-	-
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	143
Actuarial loss / (profit) – financial assumptions	(5,165)	9,814
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	2,265	2,017
Present value of liability at the end of period	73,618	74,241

Change in the value of assets	1/1-31/12/15	1/1-31/12/14
Value of plan's assets at beginning of period	1,861	515
Expected return on assets	40	8
Contributions from the employer	1,491	1,970
Contributions from employees	1,212	1,377
Benefits paid from the plan	(1,536)	(2,001)
Expense	-	-
Asset adjustment (via Equity)	-	-
Actuarial (loss) / gain	(10)	(8)
Value of plan's assets at the end of the period	3,059	1,861

It is noted that the fair value of the plan's assets noted above, amounting to € 3,059 thousand and € 1,861 thousand on 31/12/2015 and 31/12/2014 respectively.

PERIOD	1/1-31/12/15	1/1-31/12/14
Adjustments		
Adjustments in liabilities due to change of assumptions	5,164	(9,814)
Empirical adjustments in liabilities	(2,264)	(2,017)
Empirical adjustments in assets	(10)	(8)
Total actuarial gain / (loss) in the Equity	2,890	(11,839)
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	72,379	59,467
Contributions from Employer	(1,491)	(1,970)
Benefits paid by the employer	-	-
Total expenditure recognized in the results	2,560	3,044
Change in Equity	(2,890)	11,839
Net Liability at the end of year	70,558	72,380

The expected contributions and benefits (not discounted) from the plan over the following year are estimated at € 8,482 thous. and € 7,125 thous. respectively.

The major actuarial assumptions utilized for the calculation of the relevant provisions for the special lump sum account for employees hired until 25/10/1999, are the following:

Actuarial assumptions	2015	2014
Discount rate	1.97%	1.59%
Inflation	2016-20: ~ 0.70% 2021+:1.75%	2015-19: ~ 1.10% 2020+:1.75%
Future salary increases	2016-20: ~ 0.51% 2020+:1.75%	2015-19: ~ 0.82% 2020+:1.75%
Duration of obligations	8.71	9.33

Sensitivity analysis of results

The results of the valuation are dependent on the assumptions (financial and demographic) of the actuarial study. The actuarial liability (BDO) as of 31/12/2015 for each plan based on the following sensitivity analysis scenarios is presented below:

Actuarial liability (in €)

Scenario	L. 2112/20	Special Account	Health Care	Special Provision
Discount rate +0,5%	28,049,090	6,336,898	145,988,754	70,627,891
Discount rate -0,5%	30,792,840	7,296,575	169,531,535	76,802,308
Inflation +0,5%	30,683,006	6,592,889	170,108,544	72,510,835
Inflation -0,5%	28,094,442	7,007,029	145,472,975	74,685,258
Remuneration increase +0,5%	29,437,096	7,523,897	156,734,484	77,918,245
Remuneration increase -0,5%	29,270,383	6,144,855	157,810,728	69,566,362
Life expectancy +1 year	29,399,604	6,790,033	162,146,710	73,708,440
Life expectancy -1 year	29,344,783	6,801,802	152,126,364	73,518,558

Actuarial liability (change)

Scenario	L. 2112/20	Special Account	Health Care	Special Provision
Discount rate +0,5%	-4.5%	-6.8%	-7.0%	-4.1%
Discount rate -0,5%	4.8%	7.4%	7.9%	4.3%
Inflation +0,5%	4.5%	-3.0%	8.3%	-1.5%
Inflation -0,5%	-4.4%	3.1%	-7.4%	1.5%
Remuneration increase +0,5%	0.2%	10.7%	-0.2%	5.8%
Remuneration increase -0,5%	-0.4%	-9.6%	0.5%	-5.5%
Life expectancy +1 year	0.1%	-0.1%	3.2%	0.1%
Life expectancy -1 year	-0.1%	0.1%	-3.1%	-0.1%

28. PROVISIONS FOR PENDING LITIGATION (GROUP & COMPANY)

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Provisions for pending litigations with employees - pensioners	21,177	10,044
Provisions for civil litigations	23,987	24,002
Total	45,164	34,046

As of 31.12.2015, the lawsuits for civil cases against the Company accounted for € 106 million. The lawsuits concerned indemnities for damages from flooding (due to pipeline fractures or rainfalls), or cases involving various counterparty suppliers and sub-contractors with regard to violation of contractual terms. Furthermore, there are pending legal cases for employment differences of € 89.9 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 € 45.2 million on 31.12.2015 (€ 34.0 million on 31.12.2014). The provisions are deemed as adequate.

The provision for litigation cases is based on the Management's estimates in collaboration with the Legal Services Division and concerns the amount that is likely to be paid.

29. INVESTMENT SUBSIDIES AND CUSTOMER CONTRIBUTIONS (GROUP AND COMPANY)

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Opening Value:		
Investment Subsidies	230,036	229,341
Customer Contributions	103,308	102,959
	333,344	332,300
Accumulated Depreciation		
Investment Subsidies	(93,723)	(88,172)
Customer Contributions	(45,968)	(43,368)
	(139,691)	(131,540)
Net (Non Depreciated) Value		
Investment Subsidies	136,313	141,169
Customer Contributions	57,340	59,591
	193,653	200,760

The Company receives subsidies from the European Union, through the Greek State, in order to finance certain projects. Furthermore, the Company's customers (including the public sector and the local government authorities) are required to participate in the financing scheme of the initial network development cost (meters, network connections, etc.) or its upgrade.

The above subsidies and customer contributions are accounted at the time of receipt and are recorded in the Statement of Financial Position in the long-term liabilities. These amounts constitute deferred income and are depreciated on the basis of the economic life of the relevant assets, at the time their operation commences. The amortization of subsidies and customer contributions are deducted from the depreciation of fixed assets in the statement of income.

30. CONSUMERS' GUARANTEES

The amounts of € 18,212 thous. on 31/12/2015 and of € 18,128 thous. on 31/12/2014 concern customer guarantees for the use of the water meter, paid at the time of water supply connection. The above guarantees are paid back (free of interest) upon request from the customer for termination of the water supply connection. The above guarantees have been recorded in nominal value, and not at fair value, initially, and in a following stage in their net (non depreciated) cost, since they can be claimed from the customers at any time.

31. OPERATING AND OTHER CURRENT LIABILITIES

The account in the financial statements is analyzed as follows:

Amounts in € thousands	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Suppliers	23,562	27,276	23,562	27,271
Withheld Taxes Payable	7,543	11,998	7,543	11,998
Social Security Contributions and Other Items	3,056	3,884	3,056	3,884
Customer Advances	2,437	2,104	2,437	2,104
Dividends Payable	249	214	249	214
Operating Short-Term Liabilities	36,847	45,476	36,847	45,471
Checks Payable	962	1,732	962	1,732
Collections for Third Parties	948	939	948	939
Provision for Non-Utilized Vacation Leave	3,696	4,463	3,696	4,463
Personnel Compensation	485	624	485	624
Other Short-Term Liabilities	9,630	10,833	9,630	10,822
Short-Term Customer Guarantees	5,443	5,421	5,443	5,421
Other Short-Term Liabilities	21,164	24,012	21,164	24,001

Operating current liabilities decreased by € 8.6 million approximately mainly due to the reduction of the withheld taxes and the balance of suppliers. Other current liabilities decreased by € 2.8 million approximately mainly due to the reduction of the balance of the checks payable and of the other short-term liabilities.

32. EVENTS AFTER THE BALANCE SHEET DATE

A. Extraordinary General Meeting of Shareholders

On 15.01.2016, the Extraordinary General Meeting of the Company's Shareholders was convened and verified the decision of the BOD of EYDAP S.A. 18770/18.12.2015 for the Company's participation in the share capital increase of Attica Bank with the amount of € 20 million.

B. Commitments concerning Non Executed Contracts

From 01.02.2016 the Company applies a new social policy for the pricing of its services based on the BOD decision of EYDAP SA 18784 & 18785/30.12.2015. More specifically for any beneficiaries placed under Law 4320/2015, there is provision of free of charge water supply amounting to a total of 6 cubic meters per two-member or one-member household per quarter, whereas for any additional member there is provision of free of charge water supply of 3 additional cubic meters. The invoicing of the offered cubic meters (discount of 100%) will begin from the first scale of the EYDAP's priced invoices.

The maximum quantity that will be offered free of charge is estimated at around 1.72 million cubic meters corresponding to 58,000 households approximately and to more than 111,000 citizens. At the same time, along with the offering of free of charge water, the Company commenced a procedure for waiving surcharges, interest and other penalties from the bills of customers who would proceed with the settlement of their overdue payments until the end of May.

With exception of the decrease of the price of Attica Bank shares by € 13.2 million approximately compared to the corresponding valuation of 31/12/2015, there is no other event which significantly affects the financial structure or the business course of the Company from 31/12/2015 until the approval date of the financial statements from the Company's Board of Directors.

33. 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.

1. Relations with the Greek State

With a 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 State and the Company, were offset with equivalent in value non tax related 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 same joint ministerial decision, the other claims until 30.06.2013 between the Greek State and EYDAP SA were also amortized. With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted.

On the other hand, 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 36). In absence of a written agreement, the Company continues, after 30/06/2013, 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", affecting accordingly its financial results.

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 € 99 million approximately on 31.12.2015 (versus € 109 million on 31.12.2014).

3. Letters of Guarantee

The Company has issued letters of guarantee for liability insurance of € 294 thous. on 31/12/2015.

34. RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

A) Transactions with Members of the Board

<i>Amounts in € thousands</i>	31/12/2015	31/12/2014
Fees (Chairman & CEO, and Executive Directors)	77	57
Fees & attendance expenses of BoD members	76	78
Total	153	135

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

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
1) Transactions				
- Income	57,720	55,661	57,720	55,661
- Cost of Goods Sold (cost of construction works)	(1,051)	(505)	(1,051)	(505)
- Income from non utilized provisions / (Various provisions)	-	-	-	-
2) Outstanding amounts				
- Long-term receivables (Projects for the Greek State)	3,703	2,652	3,703	2,652
- Long-term trade receivables (settlements with Municipalities)	5,623	-	5,623	-
- Trade receivables (Local authorities, Greek State)	51,488	48,107	51,488	48,107
- Trade receivable ISLANDS' EYDAP	-	-	24	-
- Other receivables (from the Greek State for coverage of deficit concerning staff indemnities)	258	258	258	258

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 Economy, Infrastructure, Shipping and Tourism, and of "EYDAP Fixed Assets".

35. AUDITORS' REMUNERATION

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Auditors remuneration for auditing the annual accounts	53	95	50	90
Other fees	31	110	31	110
Total fees	84	205	81	200

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

1. "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.

2. 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. More specifically the transferring of the following assets is pending:

- The Water Reservoir of Iliki extending up to Viliza of Thiva
- The work station in Amfissa and Hrisos of Delfoi.

It is noted that the above fixed assets are not included in the Company’s assets and therefore have not been recorded in the Financial Statements of EYDAP.

3. The Board of Directors of “EYDAP S.A.” with the decision 18448/ 24.09.2014 approved the signing of an agreement between “EYDAP Fixed Assets Legal Entity of Public Law L.E.P.L.” and “EYDAP S.A.” concerning the water supply and invoicing, since 1/10/2014, of the local government authorities and other legal entities of public law from “EYDAP Fixed Assets L.E.P.L.” along the External Water Supply System which concerns geographic areas beyond the jurisdiction of “EYDAP S.A.”. Particularly, the above decision concerned the following Municipalities:

- Delfoi
- Leivadia (and of DEYAL)
- Thiva (and of DEYATH)
- Tanagra
- Chalkida (and of DEYACH)
- Distomo - Arachova

37. RISK MANAGEMENT OF CAPITAL

The Company manages its capital in such way in order to meet its objectives as these are mentioned in paragraph 4a of article 1 of Law 2744/99. In addition according to paragraph 8 of the same article the placement of its fixed real estate assets used for water supply and sewerage purposes as collateral is prohibited. It is noted that according to article 5 of the same law there is no provision for compulsory administration of the assets of EYDAP used for water supply and sewerage purposes.

In the current period, the Company has not proceeded with the signing of any bank liability either long-term or short-term. Following its listing on the Athens Exchange in 2000 and until 2013, the Company held mainly short-term debt, in order to meet its operating needs due to the fact that it had not collected payments for water supply bills from certain municipalities and other public entities.

The Company maintains sufficient capital in order to serve its business objectives and to apply the appropriate dividend policy.

Leverage ratio

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Borrowings	-	-	-	-
Cash and cash equivalents	(260,419)	(233,314)	(259,342)	(232,664)
Total Equity	966,940	921,310	967,040	921,382
Net Debt to Equity Ratio	0	0	0	0

38. FINANCIAL RISK MANAGEMENT

Risk management is processed by the Company's pertinent Departments which operate under certain rules which have been approved by the Board of Directors.

(a) Credit Risk

The Company's exposure with respect to the credit risk it is eliminated to the financial assets which at the reporting date of the Financial Statements are analyzed as follows:

Financial Assets categories	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Available for sale financial assets	19,395	691	19,395	691
Cash and cash equivalents	260,419	233,314	259,342	232,664
Trade and other receivables	240,862	220,109	240,829	220,123
Long-term receivables	12,905	6,135	12,905	6,124
Investments in subsidiaries	0	0	1,210	710
Total	533,581	460,249	533,681	460,312

Cash and cash equivalents bear credit risk. The management of credit risk is conducted with the aggregation of the largest part of the Company's cash reserves in the Bank of Greece and via the containment of the Company's exposure to domestic banking institutions.

Trade and other receivables include receivables from private customers which carry a relatively low level of loss risk mainly because of the extensive dispersion of claims, while for the receivables from Local Governments (OTA), the Company examines the possibility of collecting the respective due amounts through contract agreements (management of networks and settlements) or based on legislative arrangements.

Below the timetable of the Company's receivables based on their maturity is displayed:

Amounts in € thousands

TIME ANALYSIS OF OVERDUE CLAIMS							
2015	Not due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
PRIVATE CUSTOMERS	29,333	10,629	34,403	43,126	31,535	23,869	172,895
STATE LOCAL GOVERNMENT	2,094	45	1,848	5,814	1,806	3,002	14,610
Total	36,753	11,401	45,481	68,886	37,488	27,611	227,620
2014	Not due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
PRIVATE CUSTOMERS	19,207	11,011	28,558	37,130	25,193	19,236	140,335
STATE LOCAL GOVERNMENT	2,358	1,146	1,966	1,936	1,806	3,093	12,305
Total	29,700	14,988	39,107	51,621	27,819	23,119	186,354

The Customer Service Department, as well as the Department for the Development of Relations with OTA (municipalities), continuously monitor the requirements of the Company, either separately or based on groups (invoice codes, customer categories) and incorporate this information into the credit risk control procedure.

With regard to credit risk management, the Department of Collection Enforcement of the Legal Services Division reviews on constant basis and settles via judicial procedures (LD 356/1974 «Code for the Collection of Public Revenues») overdue receivables concerning water supply, utilization rights and property connection rights from retail customers and local government authorities (OTA).

None of the financial assets has been placed as collateral or in any other form of credit insurance.

(b) Liquidity Risk

The liquidity risk is been managed by the preservation of sufficient cash available for the assurance of bank credits for use. There is no liquidity risk due to the existence of sufficient cash reserves which can cover the current operating and investment needs.

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

Amounts in € thousands

TIME ANALYSIS OF LIABILITIES							
2015	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	28,775	19,587	7,803	25,334	41,371	293,633	416,503
Total	28,775	19,587	7,803	25,334	41,371	293,633	416,503
2014	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	34,172	20,722	8,319	1,913	41,110	313,624	419,860
Total	34,172	20,722	8,319	1,913	41,110	313,624	419,860

c) Market Risk

The market risk is related to the Company's equity portfolio which constitutes a long-term strategic investment and as result is confined to certain position limits.

(d) Risks due to capital controls in Greece

With the Act of Legislative Content on 28th June 2015, Greek banks were placed in a holiday status and capital controls were imposed. The bank holiday ended on 20th July 2015 whereas part of the capital controls remain in effect. Due to the special nature and inelasticity of the product, its demand is not affected by the imposed capital controls, therefore the relevant financial developments in Greece have not affected the cash collections, payments and turnover of the Company.

39. FAIR VALUE ASSESEMENT

The fair value of the financial items which are traded in active markets (stock exchanges) (i.e. derivatives, stocks, bonds, mutual funds) is assessed based on their published prices which are effective on the financial statements' reporting date. The available for sale financial assets are valued at fair, which is their market capitalization and therefore are classified under level 1, according to the provisions of IFRS 7, par. 27B.

The fair value of financial items which are not traded in active markets is assessed by the utilization of valuation techniques and assumptions which are based on market data on the Financial Statements reporting date.

The nominal value minus provisions of bad debts is estimated that approximates their real value. The real values of the financial liabilities for presentation purposes in the financial statements are calculated based on the present value of their future cash flows, applying the effective interest rate which is available for the Company for utilization of similar financial instruments.

2. INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Athens Water Supply and Sewerage Company (EYDAP S.A.)

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Athens Water Supply and Sewerage Company (EYDAP S.A.), which comprise the separate and consolidated statement of financial position as of 31 December 2015, the separate and consolidated income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of separate 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 separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate 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 separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate 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 separate 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 system of 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 separate 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of the Athens Water Supply and Sewerage Company (EYDAP S.A.) and its subsidiary, as of 31 December 2015, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of Matter

We draw your attention to note 33.1 to the financial statements, where reference is made to the matter that is still pending the determination of cost, for the raw water that the Company is supplied from the Greek State after the 30.6.2013, which cost, in the absence of a written agreement, the company continues to set off against the cost of services incurred for the maintenance and operation of the assets used for saving and transferring water that belong to the Legal Entity under Public

Law “EYDAP Assets” as defined in article 15 of the dated 9.12.1999 contract with the Greek State. Our opinion is not qualified in respect of this matter.

Reference to Other Legal and Regulatory Requirements

- a) The Report of the Board of Directors includes a corporate governance statement which provides all information set out in paragraph 3d of article 43a of cod. L. 2190/1920.
- b) We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying separate and consolidated financial statements, under the legal frame of the articles 43a (§ 3a), 108 and 37 of cod. L. 2190/1920.

Athens, 31 March 2016

THE CERTIFIED PUBLIC ACCOUNTANTS AUDITORS

VASILEIOS D. PAPAGEORGAKOPOULOS

Institute of CPA (SOEL) Reg. No. 11682

EFSTRATIOS G. PAPARIDIS

Institute of CPA (SOEL) Reg. No. 14351



Associated Certified Public Accountants s.a.
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Institute of CPA (SOEL) Reg. No. 125

3. INFORMATION ACCORDING TO ARTICLE 10 OF LAW 3401/2005

The following announcements/releases have been sent to the Daily Bulletin of Prices and are presented in the website of the Athens Exchange as well as in the Company's website www.eydap.gr.

10/02/2015	FINANCIAL CALENDAR 2015
30/03/2015	ANNOUNCEMENT OF FINANCIAL RESULTS FOR THE YEAR 2014
03/04/2015	PRESENTATION OF FINANCIAL RESULTS OF EYDAP TO THE REPRESENTATIVES OF THE GREEK EQUITY MARKET
08/04/2015	INVITATION TO THE ORDINARY GENERAL MEETING
29/04/2015	DECISIONS OF ORDINARY GENERAL MEETING, EYDAP 2015
29/04/2015	DISTRIBUTION OF DIVIDEND FOR THE YEAR 2014
29/04/2015	DECISIONS OF ORDINARY GENERAL MEETING, EYDAP 2015 – CORRECT PRESS RELEASE
04/05/2015	RESULTS FROM THE VOTING OF THE ANNUAL GENERAL MEETING
13/05/2015	CORPORATE ANNOUNCEMENT – ATTAINMENT OF NO QUORUM IN THE ORDINARY GENERAL MEETING
22/05/2015	INVITATION TO REPEATITIVE, FOLLOWING POSTPONEMENT, ORDINARY GENERAL MEETING
25/05/2015	COMPLETION OF ORDINARY – FULL TAX AUDIT FOR THE YEAR 2008–2010
26/05/2015	CORPORATE ANNOUNCEMENT – CORRECTED VERSION OF PROXY LETTER
29/05/2015	FINANCIAL RESULTS OF FIRST QUARTER 2015
02/06/2015	DECISIONS OF REPEATITIVE, FOLLOWING POSTPONEMENT, ORDINARY GENERAL MEETING
05/06/2015	VOTING RESULTS OF REPEATITIVE, FOLLOWING POSTPONEMENT, ORDINARY GENERAL MEETING
08/06/2015	CORRECT PRESS RELEASE - DECISIONS OF REPEATITIVE, FOLLOWING POSTPONEMENT, ORDINARY GENERAL MEETING OF EYDAP
09/06/2015	FORMATION OF BOARD OF DIRECTORS INTO BODY
08/07/2015	REPLACEMENT OF MEMBERS OF BOARD OF DIRECTORS AND FORMATION INTO BODY
23/07/2015	APPOINTMENT OF EXECUTIVE MEMBER OF BOD AND FORMATION INTO BODY
30/07/2015	CORPORATE PRESS RELEASE OF INTERNAL CONTROL MANAGER
31/07/2015	CORPORATE ANNOUNCEMENT CONCERNING APPOINTMENT OF SENIOR STAFF
28/08/2015	FINANCIAL RESULTS OF FIRST HALF 2015
30/09/2015	COMPLETION OF TAX AUDIT FOR THE YEAR 2014 AND ISSUANCE OF TAX CERTIFICATE
02/10/2015	CORPORATE ANNOUNCEMENT CONCERNING APPOINTMENT OF SENIOR STAFF
13/11/2015	FORMATION OF AUDIT COMMITTEE
19/11/2015	RESIGNATION OF MEMBER OF THE BOARD
27/11/2015	FINANCIAL RESULTS OF THE 9-MONTH PERIOD 2015

18/12/2015 PARTICIPATION OF EYDAP IN THE SHARE CAPITAL INCREASE OF ATTICA BANK

23/12/2015 INVITATION TO THE EXTRAORDINARY GENERAL MEETING

4. DATA & INFORMATION

ATHENS WATER AND SEWERAGE COMPANY S.A. (E.Y.D.A.P.)											
Company's Number in the General Electronic Commercial Registry : 121578960000 Domicile: Oropou 156 - 11146 Galatsi, Greece FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1st January 2015 to 31 December 2015 (published in accordance with P.L. 2190/1920, article 135, for companies preparing annual financial statements, consolidated and not, according to IAS)											
The information and financial data that derive from the financial statements below provide general information about the financial position and the results of EYDAP S.A. (the Company) and the Group. Therefore, we recommend the reader, before making any investment decision or proceeding to any transaction with the Group or the Company to visit the Company's website where the financial statements according to International Financial Reporting Standards together with the auditor's report, when needed, are presented.											
COMPANY INFORMATION											
Ministerial Authority: Ministry of Finance, Infrastructure, Marine & Tourism Corporate Web Site: www.eydap.gr Composition of Board of Directors: K. Papadopoulos, I. Benais, K. Vafeiada, I. Kardaras, G. Makrinos, N. Sarantis, M. Stavroulakis, G. Chalambalakis, P. Skoularikis, Ch. Mistrionis, A. Poulisias, Emman. Aggelakis, Evagg. Moutafas Date of Approval of Financial Statements: 30 March 2016 From the Board of Directors: Vasilis Pappasgongkopoulos Reg. No. SOEL 11681, Elstratios Papparis Reg. No. SOEL 14351 Chartered Auditors/Accountants: «S.O.L.» S.A. CERTIFIED PUBLIC ACCOUNTANTS SOCIETE ANONYME REG. NUMBER SOEL 125 Auditing Company: In agreement - Matter of Emphasis Audit Report from Chartered Auditor Accountants:											
STATEMENT OF FINANCIAL POSITION					STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						
Amounts in € thousand		GROUP		COMPANY		Amounts in € thousand		GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014		31.12.2015	31.12.2014	31.12.2015	31.12.2014		31.12.2014
ASSETS					Equity balance at the beginning of the period (01.01.2015 and 01.01.2014 respectively)	921.310	950.615	921.382	950.653		
Tangible assets	916.555	957.138	916.555	957.138	Profit of the year, after tax	43.657	41.923	43.685	41.957		
Intangible assets	1.327	2.054	1.327	2.054	Net income directly recorded to equity	23.273	(30.758)	23.273	(30.758)		
Other noncurrent assets	127.870	97.418	129.080	98.110	Total comprehensive income after tax	66.930	11.165	66.958	11.199		
Inventories	12.509	14.371	12.509	14.371	Dividends Distributed	(21.300)	(40.470)	(21.300)	(40.470)		
Trade Receivables	224.514	203.114	224.501	203.114	Equity balance at the end of the period (31.12.2015 and 31.12.2014 respectively)	866.940	921.310	867.040	921.382		
Other current assets	234.321	267.850	233.224	267.214							
TOTAL ASSETS	1.577.096	1.541.945	1.577.196	1.542.001							
EQUITY AND LIABILITIES					CASH FLOW STATEMENT						
Share capital	63.900	63.900	63.900	63.900	Amounts in € thousand		GROUP		COMPANY		
Other Equity Items	903.040	857.410	903.140	857.482		31.12.2015	31.12.2014	31.12.2015	31.12.2014		
Total Equity	966.940	921.310	967.040	921.382	Cash Flows from operating activities						
Liabilities for employee benefits	266.839	298.213	266.839	298.213	Profit before tax (continued activities)	56.315	63.497	56.343	63.537		
Investment subsidies and Consumers' participation	193.653	200.760	193.653	200.760	Plus / minus adjustments for:						
Provisions/Other long-term liabilities	63.376	52.174	63.376	52.174	Depreciation and amortization	(8.151)	(5.720)	(8.151)	(5.720)		
Other Short-term liabilities	86.288	69.488	86.288	69.472	Amortization of customers' contributions and subsidies	(159)	0	(159)	0		
Total Liabilities	610.156	620.635	610.156	620.619	Reductions / transfers of tangible and intangible assets	(64)	(75)	(64)	(75)		
TOTAL EQUITY AND LIABILITIES	1.577.096	1.541.945	1.577.196	1.542.001	Income from securities	19.810	17.627	19.810	17.627		
					Provisions for personnel benefits	(13.783)	(14.598)	(13.783)	(14.598)		
					Other Provisions	1.240	559	1.240	559		
					Credit Interest and related income						
					Debit Interest and related expense						
					Plus / minus adjustments for changes in working capital accounts or related to operating activities:						
					(Increase) Decrease in:						
					Trade Receivables	(31.283)	(12.686)	(31.248)	(12.685)		
					Consumable materials and spare parts	1.828	1.789	1,828	1,789		
					Increase (Decrease) in:						
					Liabilities	(12.825)	(111.401)	(12.815)	(111.416)		
					Consumers' guarantees	84	87	84	87		
					Employee contribution for indemnity	1.618	1.758	1,618	1,758		
					Minus:						
					Interest and related expenses paid	(24)	(29)	(24)	(29)		
					Income tax paid	(570)	(34.292)	(570)	(34.292)		
					Total cash inflows / (outflows) from operating activities (a)	64.408	(46.353)	64.481	(46.327)		
					Cash Flows from investing activities						
					Purchase of tangible assets	(2.992)	(20.919)	(2.992)	(20.919)		
					Purchase of intangible assets	(3.714)	(4.147)	(3,714)	(4,147)		
					Proceeds from customers' contributions and subsidies	1.044	1.882	1,044	1,882		
					Interest income received	8.873	9.789	8,873	9,789		
					Dividends Received	64	75	64	75		
					Purchase of securities	(20.000)	0	(20,000)	0		
					Share capital increase in subsidiary / receipt from liquid. of associate company	0	0	(600)	(650)		
					Net cash flows from investing activities (b)	(16.725)	(13.320)	(17.225)	(13.970)		
					Cash Flows from financing activities						
					Dividends paid	(20.578)	(38.980)	(20,578)	(38,980)		
					Total cash inflows / (outflows) from financing activities (c)	(20.578)	(38.980)	(20.578)	(38.980)		
					Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)	27.105	(98.653)	26.678	(99.277)		
					Cash and cash equivalents, at the beginning of the period	233.314	331.967	232.664	331.941		
					Cash and cash equivalents, at the end of the period	260.419	233.314	259.342	232.664		

ADDITIONAL DATA AND INFORMATION

- The number of employees of the Group and the Company as of 31 December 2015 was 2,338 (31 December 2014: 2,350).
- The unaudited, by the tax authorities, fiscal years of the Company and the Group are presented in detail in the note 11 of the annual financial statements. On 22nd May 2015, the Company collected the Final Acts concerning the Amendment in the Determination of Value Added Tax and Income Tax of the years 2008, 2009 and 2010 as well as of the Extraordinary Tax Levy of article 5, L.3845/2010, of the year 2010. With the above actions, the main direct and indirect taxes imposed were of € 2.5 million approximately and the tax surcharges settled at € 2.8 million approximately, whereas the Company had formed a relevant provision of € 5 million as of 31.12.2014. The Company paid on 22/5/2015 the main tax and took advantage of the tax settlement provided by the article 1 of L. 4321/2015 which allowed for waiving the tax surcharges if the main tax obligation was paid one-off.
- The provisions formed by the Company until 31 December 2015 concern: a) Lawsuits for civil cases against the Company of a total amount of 108 million, mainly relating to indemnities for damages from water flooding (due to pipelines fractures and rainfalls), and to lawsuits from various counterparty suppliers and sub-contractors for violation of contractual terms. b) There are also pending litigations for labor differences of € 80.9 million approximately. Against the losses which may arise if the above (a) and b) pending litigations become irrevocably resolved, EYDAP has formed provisions of total amount € 45.2 million on 31 December 2015 versus € 34 million on 31 December 2014, which are deemed as adequate. c) Tax for unaudited years of € 0.9 million on 31 December 2015 versus € 5.8 million on 31 December 2014 and d) Other provisions for doubtful receivables (customers and debtors) and obsolete inventories of € 53.4 million on 31 December 2015 versus € 44.7 million on 31 December 2014.
- a) As described in the note 33 of the annual financial statements, the signing of a written agreement - as it is defined in the article 15 of the agreement on 09.12.1999 between the Greek State and the Company - which will determine the price paid to for the crude water collected is pending from the year 2004. In absence of a written agreement, the Company continues to offset the cost of the collected crude water with the maintenance and operation expenses it provides for the fixed assets owned by "L.E.P.L. EYDAP Fixed Assets", burdening its financial results. b) Until the approval date of the financial statements by the Board of Directors, the total ceded property assets have not been transferred to "EYDAP Fixed Assets L.E.P.L.", which have a total net book value of € 657 million approximately (note 36).
- The amounts of sales and purchases cumulatively from the beginning of the current period and the balances of receivables and liabilities of the Group and the Company at the end of the current period, which have been generated from related party transactions according to the definition of IAS 24, are as follows (amounts in Euro thousands):

	GROUP		COMPANY	
	2015	2014	2015	2014
i) Income	57.720	55.961	57.720	55.661
ii) Expenses	1.051	505	1.051	505
iii) Receivables	61.072	51.017	61.096	51.017
iv) Remuneration and compensation of Board Members and senior executives	153	135	153	135
- In the current period, an expense of € 891 thous. concerning the change in the fair value of assets available for sale as well as actuarial earnings after taxes of € 24,164 thous. from defined benefit plans in accordance with the revised IFRS 19, were recorded in the "Other comprehensive income after taxes".
- With the exception of the events presented in note 32 of the financial statements, no material event has occurred that could significantly affect the financial structure or the corporate course of the Company and the Group from 31.12.2015 until the approval date of the financial statements by the Company's Board of Directors.
- Apart from EYDAP, the consolidated financial statements include ISLANDS' EYDAP S.A. with domicile in Athens. EYDAP holds 100% of the company's share capital. ISLANDS' EYDAP S.A. was consolidated according to the full consolidation method and as a result no minority rights were recorded.
- The matter of emphasis of the certified auditors is the following: "We draw your attention to note 33.1 to the financial statements, where reference is made to the matter that is still pending the determination of cost, for the raw water that the Company is supplied from the Greek State after the 30.6.2013, which cost, in the absence of a written agreement, the company continues to set off against the cost of services incurred for the maintenance and operation of the assets used for saving and transferring water that belong to the Legal Entity under Public Law "EYDAP Assets" as defined in article 15 of the dated 9.12.1999 contract with the Greek State. Our opinion is not qualified in respect of this matter."

Athens, 30 March 2016

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE CHIEF EXECUTIVE OFFICER

THE DIRECTOR
OF THE ECONOMIC DEPARTMENT

THE CHIEF ACCOUNTANT SUPERVISOR

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