ANNUAL FINANCIAL REPORT

for the period 1 January 2016 - 31 December 2016
(in accordance with Article 4 of Law 3556/2007)

Companies Reg. No.: 41913/06/B/98/32

General Commercial Reg. No.: 58240404000

127 Egnatias St - GR-54635 Thessaloniki

ANNUAL FINANCIAL REPORT
FOR THE PERIOD 1 JANUARY 2016 - 31 DECEMBER 2016
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

It is confirmed that the attached Annual Financial Statements are those approved by the Board of Directors of **"THESSALONIKI WATER SUPPLY & SEWERAGE CO. S.A."** on 27 April 2017 and have been published on the internet at www.eyath.gr. Note that the summary financial data published in the press seeks to provide the reader with certain general financial information but does not provide a complete picture of the financial position and results of the Company and Group in accordance with the International Financial Reporting Standards. Moreover, it should be noted that the condensed financial data published in the press contains certain abridgements of accounts for the purpose of simplification.

TABLE OF CONTENTS OF THE ANNUAL FINANCIAL REPORT

(amounts in thousands of euro)

STATEMENTS BY BOARD OF DIRECTORS MEMBERS

(in accordance with Article 4(2) of Law 3556/2007)

The members of the Board of Directors of the company with the corporate name **"THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A.",** trading as EYATH S.A., whose registered offices are at 127 Egnatias St., Thessaloniki, GR-54635:

1. Ioannis Krestenitis, Chairman of the BoD & CEO
2. Ioannis Papaioannou, Vice Chairman of the BoD
3. Styliani Valani, Vice Chairman of the BoD

in implementation of the provisions of Article 4(2) of Law 3556/2007, we hereby state and confirm, that to the best of our knowledge:

(a) the attached annual company and consolidated financial statements for the company EYATH S.A. for the period from 1/1/2016 to 31/12/2016 which were prepared in accordance with the applicable IFRS accurately reflect the assets and liabilities, equity and results of EYATH S.A. and the enterprises included in the consolidation, taken as a whole.

(b) the attached annual report of the Board of Directors of EYATH S.A. accurately reflects the developments, performance and position of EYATH S.A. and the enterprises included in the consolidation, taken as a whole, including a description of the main risks and uncertainties they face.

Thessaloniki, 27 April 2017

Confirmed by

Ioannis Krestenitis	**Ioannis Papaioannou**	**Styliani Valani**
Chairman of the Board of Directors & CEO	Vice Chairman	Vice Chairman
ID Card No. AB 680550	ID Card No. AE 183479	ID Card No. Π 880772

ANNUAL REPORT OF THE BOARD OF DIRECTORS

(prepared in accordance with the provisions of Article 4 of Law 3556/2007 and the relevant decisions of the BoD of the Hellenic Capital Market Commission for the period 1 January 2016 - 31 December 2016)

Dear Shareholders,

In accordance with the provisions of Law 3556/2007 and the relevant decisions of the Hellenic Capital Market Commission, we are submitting to you this Annual Report of the Board of Directors for the current period (1/1/2016-31/12/2016).

This report contains summary financial data about the financial position and results of the company EYATH S.A. and the EYATH Group of companies, a description of the significant events that took place during this fiscal year, a description of the significant events that took place after the balance sheet date, a description of the projected course of business for the Group and the Company, information about the management of significant financial risks for the Group and the Company, a presentation of the significant transactions concluded between the Company and the Group and related parties, as well as other information with regard to the shares, share capital and significant agreements in force at the end of this fiscal year.

CONDENSED FINANCIAL INFORMATION ABOUT THE GROUP AND THE COMPANY

The Group consists of a) the company under the name "THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A." trading as "EYATH S.A." (hereinafter the "COMPANY" or "EYATH S.A."), that was founded in 1998 (Law 2651/3-11-1998 (Government Gazette 248/A/3-11-1998), created from the merger of the companies "Thessaloniki Water Supply Organisation S.A." (OYTH S.A.) and "Thessaloniki Sewerage Organisation S.A." (OATH S.A.), which had been converted into societes anonyme during 1997 and b) the totally owned subsidiary EYATH SERVICES S.A., which engages in the provision of all types of Water Supply & Sewerage Services, telecommunications services and the generation and sale of electricity.

FINANCIAL INFORMATION - COURSE OF BUSINESS

The following financial information concern the EYATH S.A. Group.

Turnover was € 73,278 compared to € 73,048 during the corresponding period last year, reflecting an increase of € 230 or 0.31%. The cost of sales was € 43,782 compared to € 46,980 in 2015, down € 3,198 or -6.81%. Group EBT was € 21,769 compared to € 20,701 during the corresponding period last year, up € 1,068 or 5.16% approximately. Finally, Earnings After Tax in 2016 amounted to € 12,457 compared to €13,485 in 2015, down by € 1,028 or -7.62%.

The Group's turnover was the result of the sale of water supply and sewerage services. The increase in turnover was primarily due to the rise in water consumption and the corresponding sewerage charges, while it should be noted that the extension of the social tariff (i.e. a reduced tariff for supplying water to financially and socially vulnerable population groups) had no negative impact on the company's current income.

Gross Profit in 2016 stood at € 29,496 compared to € 26,068 in the previous year, up € 3,428 or 13.15%.

EBITDA for EYATH S.A. during the current period amounted to € 26,501 compared to € 25,338, up € 1,163 or 4.59%.

Finally cash and cash equivalents as at 31/12/2016 stood at € 56,697 compared to € 50,956 as at 31/12/2015, up some € 5,741 or 11.27%.

ALTERNATIVE PERFORMANCE MEASURES ("APMs")

In its management reports and investor disclosures the Group uses Alternative Performance Measures (APMs) in addition to the financials included in its financial statements, which have been prepared in accordance with the current financial reporting framework.
The purpose in providing these measures is so that both Company Management and investors have a fuller picture of the performance, capital structure, activities and liquidity of the Group, but should not under any circumstances be taken into account independently of the measures resulting directly from the financial statements.

The APMs used by the Group are as follows:

Gross profit margin (%)
This measure is calculated by dividing the Gross Profit by Turnover, using the exact figures which appear in the financial statements.

EBITDA Margin (%)
This measure is widely known among the investing community and is a general performance measure, with the advantage that it isolates the impacts of financing-investing results, income tax and the main category of non-cash expenses which is depreciation.
The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, and other expenses and adding operating expenses and total depreciation, and then dividing by turnover. These figures are used as shown in the financial statements and notes thereto, without any adjustments.

EBIT Margin (%)
This measure, like the previous one (EBITDA) is widely known among investors and is a general performance measure, with the advantage that it can isolate the impacts of financing-investing results and income tax.
The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, and other expenses and adding operating income, and then dividing by turnover. These figures are used as shown in the financial statements, without any adjustments.

Earnings before tax / turnover (EBT Margin) (%)
This measure, like the previous one (EBIT) is widely known among investors and is a general performance measure, with the advantage that it can isolate the impacts of income tax.
The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, other expenses and financial expenses, and adding other operating income and financial income, and then dividing by turnover. These figures are used as shown in the financial statements, without any adjustments.

Earnings after tax / turnover (EAT Margin) (%)
This measure is widely known among investors and is a general performance indicator, with the advantage that it examines the performance of net earnings after tax compared to turnover.
The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, other expenses, financial expenses, and income tax and adding other operating income and financial income, and then dividing by turnover. These figures are used as shown in the financial statements, without any adjustments.

Current ratio: total current assets / total short-term liabilities
This ratio shows the relationship between a company's equity and debt. These figures are used as shown in the financial statements, without any adjustments.

These measures are shown in the table below:

(amounts in thousands of euro)

	1/1/2016-31/12/2016	1/1/2015-30/12/2015	Deviation
Performance and profitability ratios			
Gross Profit Margin	40.25%	35.69%	4.57%
EBITDA Margin	36.17%	34.69%	1.48%
EBIT	27.97%	26.80%	1.17%
EBT Margin	29.71%	28.34%	1.37%
EAT Margin	17.00%	18.46%	-1.46%
INVESTMENT RATIOS			
Earnings per share after tax	0.3432	0.3715	-7.61%
LIQUIDITY RATIOS			
	31/12/2016	31/12/2015	Deviation
General liquidity (Current assets / short-term liabilities)	10.31	5.99	72.05%
CAPITAL STRUCTURE & VIABILITY RATIOS			
Equity / Debt	407.36%	338.07%	69.29%

PRICING POLICY

Decision No. 416/2011 of the Board of Directors set the company's pricing policy for the 2012-2013 period, which was ratified with Joint Ministerial Decision No. 4799/19-12-2012 (Government Gazette 3450/B/27-12-2012) of the Ministers of Finance and Macedonia-Thrace. This decision remains in force to date, and there has been no change to the Company's pricing policy.

Currently, Article 33 of Law 4258/2014 on arrangements for setting the tariffs of EYDAP and EYATH is in force, under which as of 1.7.2015 tariffs for water supply and sewerage services are to be approved by decisions of the Special Secretary for Water, following consultations with the Minister of Finance and other relevant agencies.

The Ministry of Environment and Energy had put up for public consultation the Joint Ministerial Decision on the "Approval of general rules for costing and pricing water services. Cost-recovery method and procedures for water services in its various uses", which will determine the procedure for costing water supply and sewerage services, and may change the pricing of the water as of the day of its implementation in early 2018.

MAJOR EVENTS

On 11/5/2016, during the Ordinary General Meeting of the Company's shareholders, the Company's new Board of Directors was elected, its term ending on 10/5/2021. The new management of EYATH S.A., in a spirit of transparency and fairness, will seek to "invest" its profits in projects for the Thessaloniki public, ensuring a balance between the Company's growth and the protection of the environment, which in the case of the Thessaloniki urban centre, is synonymous with protection of the Thermaikos Bay.

EYATH S.A. combines its business operations with social responsibility, providing a high level of water supply and sewerage services, at the lowest possible cost. At the same time, serving as the manager and provider of a public commodity, such as water, it makes sure that it is accessible to sensitive (vulnerable or special) groups of citizens, ensuring that they can cover their basic needs, having established a social water supply tariff.

Following steps taken by Company management, procedures have been launched through the Central Staff Recruitment Board (ASEP) to increase the company's workforce, with 150 employees to be added within the current fiscal year, to allow EYATH S.A. to expand its activities and contribute towards the economic growth of the wider region. The process of submitting applications and supporting documents has already been completed for 80 university or technical college employees and the final tables remain to be published, while procedures to recruit 70 secondary education employees is under way.

During the previous year, the Company's new Management team restructured the Company in administrative terms, preparing a new organisational chart, which reduced the number of Divisions from 8 to 6 through the reallocation of departments and competences, and also appointing a new General Manager and new heads of divisions and departments after an evaluation process. The Company's Management Board was also launched, which operates on the basis of updated internal regulations.

In September 2016, the Board of Directors approved the Business Plan for the Management - Distribution of water for water supply purposes within EYATH's remit. The budget for the plan (excluding the water supply SCADA which will be financed by a Central Macedonia Region NSRF Programme with a budget of € 4.4 million) is € 64 million and will be implemented by the Company over the next 5 years.

The Board of Directors also recently approved a new company investment and business programme for the 2017-2023 period, aiming to:

- ensure the overall development of its networks, namely a series of technical projects in order to supply water to areas of both the urban area, and beyond it, to regions which currently are lacking good quality water;
- implement the extension of the Thessaloniki Water Treatment Plant (known as the 'refinery') to ensure the necessary extra quantity of water needed to cope with current and future water supply demand for the Thessaloniki urban area;
- expand its operation to neighbouring areas facing water supply and sewerage problems, for example tourist areas with water supply problems due to over-abstraction, saline water, etc.

On 26/4/2016 the Board of Directors of the Hellenic Republic Asset Development Fund (HRADF) approved the updated Asset Development Plan (ADP), which on 25/5/2016 was approved by the Government Economic Policy Council (Government Gazette 1472/B). According to the above plan, alternative options for sale of 23% of the Company's shares will be evaluated.

Article 2 of Law 4425/2016 (Government Gazette 185/A/30.9.2016) amended Article 197(6) of Law 4389/2016 and it was decided that 51% of shares in the Company would be transferred to the Public Holdings Company S.A. when it is established. So far, that transfer has not taken place and HRADF is still the main shareholder in the Company, with a 74.02% stake.

PROSPECTS - RISKS

PROSPECTS

The Company's strategy aims at fulfilling its obligations as a Utility Company, in combination with increasing the shareholders' assets. To this end, it seeks to improve the quality of the services it provides through an investment program, to improve its facilities, expand its technological infrastructures by using advanced software packages and developing specialised IT applications. In this context, the company installed in early 2016 a new information system (SAP) for its economic management (purchasing, warehouses, accounting department) and is currently planning the next stage which focuses on trade management (Billing & CRM).

According to Article 26 of Law 2937/2001, the Company's territorial remit, within which it may provide its services and conduct its business, is the following:

WITH REGARD TO WATER SUPPLY: the Municipalities of Thessaloniki, Ampelokipi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, Efkarpia, Triandria, Eleftherio Kordelio, Evosmos, Stavroupoli, Panorama, Pylea, Oreokastro, Pefka, as well as the industrial area of Thessaloniki.

WITH REGARD TO SEWERAGE: the territorial remit of EYATH S.A. is divided into five regions:

"**Region A**" includes the Municipalities of Thessaloniki, Ampelokipi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, Triandria, Diavata, Eleftherio Kordelio, Evosmos, Stavroupoli, Pylea, Panorama, Oreokastro, the districts of Ionia and Kalohori of the Municipality of Echedoros and the Community of Efkarpia.

"**Region B**" includes the area surrounded by the rivers Gallikos and Axios, up to the sea, including the industrial zone of the major Thessaloniki area, the district of Sindos of the Municipality of Echedoros, the districts of Agios Athanasios, Anchialos, Gefyra of the Municipality of Ag. Athanasios and the districts of Halastra and Anatoliko of the Municipality of Halastra.

"**Region C**" includes the hill zone of the Thessaloniki urban area and includes the community of Pefka and the District of Asvestochori, Exochi, Filyro of the Municipality of Hortiatis.

"**Region D**" extends to the Municipalities of Kalamaria and Panorama, to the Sedes public baths and the airport of Mikra and includes the Industrial area and the Districts of Thermi, N. Redestos, N. Rysio and Tagarades of the Municipality of Thermi and District of Agia Paraskevi of the Municipality of Vassilika.

"**Region E**" extends from the airport of Mikra and the districts of N. Rysio and Tagarades of Agia Paraskevi to the sea and includes the Districts of Agia Triada, Perea, N. Epivates of the Municipality of Thermaikos and the districts of Nea Michaniona, Emvolo, Angelohori of the Municipality of Michaniona.

The Company, under a contract signed with the corresponding Municipality and EYATH Fixed Assets can undertake the existing network of local government authorities in one of the above regions and the obligation to provide water supply or sewerage services to the corresponding Municipality.

The Company, under a contract signed with the corresponding Municipality, EYATH Fixed Assets, and approved by a joint decision of the co-competent ministers, can extend its activity to the territory of local government authorities that are outside the above regions.

The Company has undertaken initiatives for inclusion of the Nikopoli area in the network.

Note that the operations of no operating sector have been discontinued.

GROUP AND COMPANY RESEARCH & DEVELOPMENT OPERATIONS

During the current year, the Group's total expenses for research & development were € 491 for the development of new research programmes relating to the protection of water resources, the conditions of climate change and the protection of the environment, and the control of the overflows of the combined systems.

CORPORATE SOCIAL RESPONSIBILITY

As part of its Corporate Governance strategy to ensure the long-term, balanced development of the company for the benefit of employees, consumers and shareholders, EYATH S.A. is implementing Corporate Social Responsibility (CSR) activities, considering CSR as a key Corporate Governance tool.

EYATH S.A.'s CSR programme primarily relates to **employees**, who benefit from a creative, rewarding work environment; **consumers**, who have shown increasing interest in the social and environmental credentials of the companies they do business with; and **local communities** that wish to share the same principles and values with local companies, especially in hard financial times, like those Greece has had to endure in recent years. However, it also relates to **shareholders**, who reward responsible corporate behaviour and attitudes, just as they do with similar businesses in Europe which seek to operate and run under a common European and international framework of principles. Above all, it relates to future generations who seek to take possession of a world which respects man and the environment.

In line with European practice in this area, which in effect is voluntary for businesses while contributing to the goals of sustainable development, EYATH:

- encourages and provides financial support for employee involvement in educational programmes (seminars, conferences, workshops, postgraduate degrees), to bolster their skills, personal development and job satisfaction, and to improve their day-to-day dealings with consumers;
- encourages staff to get involved in volunteering (by collecting food or other items for the poor, participating in running events that share a social cause, etc.);
- organises events and distributes gifts to employees' children and provides cash rewards to school pupils with the highest scores in the university entrance exams every year;
- runs camping schemes for employees' children;
- ensures the safety of its staff;
- has been offering a social tariff since early 2014, with a 50% discount to assist vulnerable groups of citizens and in particular those with large families, the elderly, those on low incomes or the long-term unemployed, and also offers a broad spectrum of repayment plans for overdue debts for all debtors and the financially disadvantaged;
- runs info-campaigns for the public about the options available to socially and financially vulnerable population groups;
- provides service to citizens via new and improved e-services and an extensive network of partners;
- ensures that it is in line with the applicable environmental legislation, by constantly monitoring, consolidating and complying with the terms of environmental guidelines and directives at national and European level. EYATH is actively involved in EUREAU (the European Federation of National Associations of Water and Wastewater Services) through working groups and participates in the preparation of environmental guidelines at European level;
- invests in improving its facilities to ensure better performance and reduce energy consumption;
- contributes actively to surface cleaning of the Thessaloniki seafront, removing floating objects and spills or cleaning up pollution incidents;
- removes urban and industrial wastewater from the urban area via an extensive sewerage network, controlled by remotely controlled and operated systems;
- plans for the systematic modernisation of the water supply network to reduce leaks;
- operates a state-of-the-art GIS system for preventative maintenance and rapid response to emergencies;
- implements a programme to re-use water treated at the Thessaloniki Wastewater Treatment Facility to irrigate areas of land in the Halastra - Kalohori plains during droughts;
- ensures that sludge is managed in an environmentally and socially beneficial manner: one of the most appropriate solutions is to use it as a fertiliser. It also aims to improve the biogas production unit running on sewage sludge which is already in operation at the Sindos Biological Treatment Plant, and to utilise its heat generating capacity;
- systematically recycles at the workplace and uses environmentally-friendly materials;
- collaborates with the academic community at specialist and general events on environmental issues, attracting audiences comprised of students, experts and ordinary citizens;
- participates in World Water Day celebrations on 22 March and World Environment Day events on 5 June, hosting info-events for the general public;
- supports sporting and artistic events in the city, promoting the idea of well-being and culture, and also supports the activities of bodies with a strong reputation for social action;

- runs an hour-long programme entitled "The sewerage cycle in Thessaloniki" to inform and increase awareness among primary and secondary school pupils;
- prepares educational programmes for children as part of the Thessaloniki International Fair;
- offers students at universities, technological education institutes and OAED academies the chance to do an internship and acquire valuable work experience in a decent working environment;
- helps improve the life of refugees in hosting centres in the area around Thessaloniki;
- welcomes thousands of primary and secondary school pupils, as well as associations and other stakeholder groups, at the Water Supply Museum in operation since 2001 and open for the duration of the school year;,
- keeps an archive of maps, letters and other documents at the Water Supply Museum which cover the history of water supply in Thessaloniki and are available to any interested parties.

Through such activities, EYATH S.A. is fostering and showcasing its long, vibrant relationship with the local community.

COMPANY BRANCHES

During the year ended, as well as during the previous one, the Company had no branches through which it engages in its business activities, outside the Thessaloniki urban area.

OWN SHARES HELD BY THE GROUP AND THE COMPANY

At year-end no shares of the parent Company were held by the same or another company included in the consolidation.

RISKS

Risk related to the sector in which the Group operates

As regards the possibility of the future deregulation of the market, in relation to EU law and its possible impact on the Group, we note that due to the nature of the installed infrastructure (mainly underground networks and tanks), the water supply - sewerage sector is a typical example of a physical monopoly, where the development of alternative networks and the creation of competition conditions, where customers could choose between different suppliers of processed drinking water, is extremely difficult.

We further note that in all countries of the European Union, as well as the rest of the world, water supply-sewerage services are provided by private or state companies (or local government authorities) without any capability of developing competition within the specific geographical boundaries where these companies provide their services.

The specific characteristics of the water supply and sewerage sector (that differentiate this utility sector), are recognised by the European Union, and never to this date has an issue ever been raised regarding the abolition of the monopoly of the sector, and the development of competition, as for example was the case in the telecommunication services sector.

Therefore, we do not consider possible, at least in the foreseeable future, the possibility of development of competition in this sector.

Financial risk factors

The Group's main financial tools are cash, bank deposits, trade and other receivables and liabilities. Management examines and periodically reviews the policies and procedures related to financial risk management, such as credit risk and liquidity risk, which are described below:

Market risk

i) Exchange rate risk

The Group and the Company do not face exchange rate risks, because throughout the year ended they did not carry out transactions in foreign currency and all assets and liabilities were in euro.

ii) Price risk

As regards price risk, the Group is not exposed to significant risk of fluctuation of the variables that determine both revenues and cost.

There were no loan liabilities on 31/12/2016.

(iii) Cash flows and fair value of risk rate

The Group has a limited interest rate risk in interest-bearing assets (time deposits) and therefore the income and the operating cash flows depend, to a point, on the changes to the interest rate market.

Management is monitoring interest rate fluctuations on an ongoing basis, and evaluates in each case the duration and the type of time deposits.

Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash at hand and cash in banks, as well as credit exposure to customers, including significant receivables and transactions made.

The Company is constantly monitoring its receivables, either separately or per group (customer categories) and incorporates this information into its credit control processes.

Cash and cash equivalents do not entail significant credit risk. Trade and other receivables include receivables from private customers, with a relatively limited degree of risk of losses, mainly due to the broad dispersion of the receivables, whereas for receivables from the State and the broader public sector, the company examines the possibility of collecting due debts by drawing up contracts or through legislative regulations.

At the end of the period, Management deemed that there is no significant credit risk that is not covered by some collateral or an adequate provision for bad debt. The Company forms no provision for due receivables from the State because it anticipates that it will collect them in their entirety.

None of the financial assets has been secured with a mortgage or other form of credit security.

The Company forms no provision for due receivables from the State because it anticipates that it will collect them in their entirety.

Liquidity risk

Liquidity risk is kept low, by means of ensuring adequate cash assets.

As regards the Company's and the Group's cash, note that it is deposited in sight and time accounts in Greek banks and at the Bank of Greece, which are subject to capital controls. On the other hand, the Group operates in the domestic market and is not affected by potential adversities, because it does not have any significant transactions with foreign suppliers, which might have affected its smooth operation.

The Company continues to follow-up these developments carefully, taking any measure needed to ensure the unhindered continuation of its business activity and will inform investors immediately about any effect which the unfolding events may have on its operation, financial position and results.

(amounts in thousands of euro)

SIGNIFICANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

According to the Group, related parties are members of the Board of Directors, management executives, as well as the shareholders holding a significant percentage of its share capital (including their related parties). The transactions and the balances of the Group's and Company's related parties, during the 1/1/2016 - 31/12/2016 period and as at 31/12/2016 respectively, as well as during the previous fiscal year, are broken down in the following tables (see note 27 of the financial statements):

	THE GROUP		THE COMPANY	
	1/1/2016 - 31/12/2016	1/1/2015 - 31/12/2015	1/1/2016 - 31/12/2016	1/1/2015 - 31/12/2015
Income				- 51
Expenses			1,969	1,668
Transactions with and fees for executives and Board members	783	820	783	819

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Receivables			120	131
Liabilities			275	231
Receivables from management executives and board members	4	5	4	5
Liabilities to management executives and Board members	20	329	20	327

The Company's expenses of € 1,969 are related to meter reading services and distribution of receipts, as well as other services provided by subsidiary "EYATH SERVICES S.A.". The Company's receivable of € 120 mainly relates to receivables from the approved dividend. The Company's liability of € 275 relates to meter reading services and distribution of receipts to the subsidiary EYATH SERVICES S.A.

The actuarial liability for the Company's related parties (management executives) was € 260 on 31.12.2016 (compared to € 241 in 2015).

STRUCTURE OF THE COMPANY'S SHARE CAPITAL

The Company's Share Capital amounts to forty million six hundred and fifty six thousand euro (€ 40,656,000) divided into thirty six million three hundred thousand (€ 36,300,000) ordinary bearer shares with voting rights, of a nominal value of one euro and twelve cents (€ 1.12) each.

Company shares are listed for trading on the Equities Market of the Athens Exchange (Category: Large Capitalisation). The Company's shareholders rights arising from shares depend on the percentage of capital held which corresponds to the share's paid value.

Each share grants all the rights specified by law and the Company's Articles of Association and in particular:

- Right to obtain a dividend from the Company's annual profits;

35% of the net profits (having deducted the statutory reserve first) are distributed from the profits each fiscal year to shareholders as a first dividend, unless the General Meeting stipulates otherwise. The General Meeting also decides on whether to distribute any additional dividend. As regards the dividend of 2016, the distribution of a dividend of € 0.114/share was approved, in order to avoid potential liquidity problems due to the major investment programme which the Company has under way. All persons who are shareholders as at the holder-of-record date are entitled to a dividend. The dividend will be paid to the shareholders within 2 months from the date of the Ordinary General Meeting that approved the annual financial statements. The place and manner of payment shall be announced in the press. The right to collect a dividend becomes statute-barred and the amount involved devolves to the State if not collected within 5 years from the end of the year in which the General Meeting approved distribution.

- The right to receive the contribution paid, upon liquidation or upon the writing off of capital corresponding to the shares, where this is decided upon by the General Meeting.

(amounts in thousands of euro)

- The pre-emptive right in each increase of the Company's share capital with cash and new shares.
- The right to receive a copy of the financial statements and reports of chartered auditors and the Company's Board of Directors.
- The right to participate in the General Meeting which consists of the following specific rights: legal standing, attendance, participation in discussions, submission of proposals on items on the agenda, entry of views in the minutes and voting rights.
- The General Meeting of the Company's shareholders shall retain all its rights during the period of liquidation.

Shareholders' liability is limited to the nominal value of the shares held.

LIMITATIONS TO THE TRANSFER OF THE COMPANY'S SHARES

The company's shares are transferred as stipulated by Law 2190/1920, Article 8b, and there are no limitations on transfer set out in its Articles of Association. Company shares are dematerialised and listed on the Athens Exchange.

SIGNIFICANT DIRECT OR INDIRECT HOLDINGS WITHIN THE MEANING OF ARTICLES 9 TO 11 OF LAW 3556/2007.

Shareholders with a significant holding in the Company's share capital on 31/12/2016 were as follows:

SHAREHOLDER	Number of shares held	Holding on 31/12/2016
Hellenic Republic Asset Development Fund S.A.	26,868,000	74.02%
Other shareholders	9,432,000	25.98%
Total	**36,300,000**	**100.00%**

Article 2 of Law 4425/2016 (Government Gazette 185/A/30.9.2016) amended Article 197(6) of Law 4389/2016 and it was decided that 51% of shares in the Company would be transferred to the Public Holdings Company S.A. when it is established. So far, that transfer has not taken place and HRADF is still the main shareholder in the Company, with a 74.02% stake.

HOLDERS OF ALL CLASSES OF SHARES ENTITLING THEM TO SPECIAL RIGHTS OF CONTROL

There are no shares in the Company granting their holders special rights of control.

LIMITATIONS TO THE VOTING RIGHT - DEADLINES FOR EXERCISING RELEVANT RIGHTS

The Company's Articles of Association contain no restrictions on voting rights deriving from its shares.

AGREEMENTS BETWEEN COMPANY SHAREHOLDERS

The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

RULES ON THE APPOINTMENT AND REPLACEMENT OF BOARD MEMBERS AND AMENDMENTS OF THE ARTICLES OF ASSOCIATION

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the Articles of Association are not different from those contained in Codified Law 2190/1920.

POWERS OF THE BOARD OF DIRECTORS OR SPECIFIC MEMBERS TO ISSUE NEW SHARES OR PURCHASE OWN SHARES

Article 5(3) of the Company's Articles of Association states that the General Meeting may reach a decision, to be published in the manner required by Article 7b of Codified Law 2190/1920 as in force, granting the Board of Directors the right to make a decision by a 2/3 majority at least of its members to increase the share capital in whole or in part by issuing new shares up to the paid-up share capital on the date that the said power was granted to the Board of Directors. To purchase own shares, the competence of the Board of Directors does not change, according to the provisions of Article 16 of Codified Law 2190/1920. There is no provision to the contrary in the Company's Articles of Association.

ANY SIGNIFICANT AGREEMENT CONCLUDED BY THE COMPANY AND WHICH ENTERS INTO FORCE, IS AMENDED OR ENDS, IN CASE OF CHANGE IN THE COMPANY'S CONTROL FOLLOWING A TAKEOVER BID

There are no other agreements that enter into force, are amended or end in case of a change in the Company's control, following a takeover bid, other than the trilateral concession agreement between EYATH S.A., EYATH Fixed Assets and the Greek State, which was ratified by Law 2937/2001, Government Gazette 169/A/26.7.2001.

ANY AGREEMENT BETWEEN THE COMPANY AND ITS BOARD MEMBERS PROVIDING FOR COMPENSATION IF THEY RESIGN OR ARE REDUNDANT WITHOUT VALID REASON OR IF THEIR EMPLOYMENT CEASES BECAUSE OF A TAKEOVER BID

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment due to a takeover bid.

DIVIDEND POLICY

Given that the Company is profitable, Management proposes that a dividend equal to € 0.114 per share be distributed. More specifically, it is proposed that the dividend should amount to € 4.138 for 2016, which is 35% of net profits having deducted the statutory reserve only in accordance with the applicable law, for all 36,300,000 bearer shares. The dividend is subject to a 15% withholding tax. The net amount of dividends (after the withholding) cannot be assessed before the dividend is paid and the Hellenic Central Securities Depository is notified because some investors receive special tax breaks and are exempt from the withholding tax.

(amounts in thousands of euro)

STATEMENT OF CORPORATE GOVERNANCE

Section: I. Principles of Corporate Governance

In making this statement, and following the provisions of Article 43a(3)(d) of Codified Law 2190/1920, and Article 2(2) of Law 3873/2010, the Board of Directors declares that it has decided of its own initiative to implement the Hellenic Corporate Governance Code which was prepared by the Hellenic Federation of Enterprises (SEV) and then amended as part of the first revision by the Hellenic Corporate Governance Council on 28 June 2013.

(http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf)

The Hellenic Corporate Governance Code includes provisions of two types: "general principles" which are aimed at all companies, whether listed or not, and "special practices" which only relate to listed companies. The Code follows the "comply or explain" approach and requires listed companies which adopt it to publish their intention in this regard and either comply with all special practices in the Code or explain the reasons for non-compliance with specific special practices. The Code incorporates all applicable legislative requirements on corporate governance, and also includes special practices that go beyond those requirements. EYATH S.A. fully complies with all legislative requirements on corporate governance, while for the time being, at least, does not apply any of the special practices in the Code which go beyond the legislative requirements.

The deviations from the Hellenic Corporate Governance Code are presented and justified in the table below:

Special practices in the Hellenic Corporate Governance Code	**Explanation/ justification for deviation from the special practice in the Hellenic Corporate Governance Code**
Size and composition of the Board: Special practice 2.3	EYATH S.A.'s Board of Directors consists of 11 members, 2 of whom are independent, non-executive members. The independent members provide the Board with independent, impartial viewpoints.
Size and composition of the Board: Special practice 2.8	For the time being, EYATH has not adopted this specific diversity policy on the composition of the Board of Directors. The fact that it is a company in which the Greek State has an indirect holding does not allow the staff selection and promotion procedures for public agencies to be bypassed. However, the Company publishes the line-up of its Board in the Corporate Governance Statement, giving information about diversity (gender, experience, etc.).
Role and profile of the Chairman of the Board: Special practice 3.1	At EYATH, the posts of Chairman of the Board and CEO are held by the same person. Generally speaking, the Chairman and CEO's competences are set out in the Company's codified Articles of

(amounts in thousands of euro)

Special practices in the Hellenic Corporate Governance Code	Explanation/ justification for deviation from the special practice in the Hellenic Corporate Governance Code
	Association and in other internal documents (internal regulations).
Role and profile of the Chairman of the Board: Special practice 3.3	At EYATH, the posts of Chairman of the Board and CEO are held by the same person and no independent, non-executive member of the Board has been appointed as Vice Chairman.
Role and profile of the Chairman of the Board: Special practice 3.4	No independent Vice Chairman has been appointed at EYATH and consequently such person cannot lead the evaluation of the Chairman of the Board, or meetings of the non-executive members.
Nomination of Board members: Special practice 5.1 / Term in office	According to EYATH's Articles of Association, the Board's term in office is 5 years. The specific term in office facilitates the Company's development and strategic planning objectives and is not expected to be reduced.
Nomination of Board members: Special practice 5.4, Special practice 5.5, Special practice 5.6 and Special practice 5.7	EYATH has not set up a board nomination committee. Due to EYATH's special situation and the legislation governing how it operates, the practice can only be applied to a limited extent.
Functioning of the Board: Special practice 6.1	EYATH's Board of Directors does not have internal regulations. However, the Company's Board recognises the value of internal regulations in the performance of its duties, and is expected to draft such internal regulations during 2017.
Board evaluation: Special practice 7.1 and Special practice 7.3	By the date this statement was drawn up, there were no evaluation procedures for the Board of Directors and its Committees, which are chaired by the Chairman. Moreover, the Board does not evaluate the Chairman's performance, which is a procedure that an independent Vice Chairman or other non-executive member (if there is no Vice Chairman) would have to oversee. Members of the Board of Directors are evaluated by the General Meeting of Shareholders.
Board evaluation: Special practice 7.2	Non-executive members do not convene periodically without the executive members being present in order to evaluate the performance of the executive members and discuss their remuneration. The remuneration of members of the Board of Directors is set by the General Meeting of Shareholders. The Board is evaluated by the General Meeting, however the

(amounts in thousands of euro)

Special practices in the Hellenic Corporate Governance Code	Explanation/ justification for deviation from the special practice in the Hellenic Corporate Governance Code
	Company will examine the possibility of developing procedures to enable the Board's operations to be evaluated. The design of that evaluation process will be examined after the Board's internal regulations have been prepared.
System of internal controls: Special practice 1.7	In Decision No. 67/2017 the Board of Directors approved the internal regulations of the Board's Internal Audit Committee.
Level and structure of remuneration: Special practice 1.1 and Special practice 1.10	All Board members receive a fixed fee and a maximum cap has been set for executive members. Consequently, there is no possibility of remuneration being linked to the corporate strategy and the company's objectives, nor with remuneration being linked to how executive members perform.
Level and structure of remuneration: Special practice 1.4	The remuneration for each executive member of the Board is approved by the General Meeting. The remuneration for executive members of the Board is not based on a recommendation from the remuneration committee since at present no remuneration committee has been set up by EYATH (the reasons for this were mentioned above).
Level and structure of remuneration: Special practice 1.6, Special practice 1.7, Special practice 1.8 and Special practice 1.9	No remuneration committee has been set up by EYATH (the reasons for this were mentioned above).

Section: II. Main characteristics of the Internal Controls and Risk Management Systems in relation to the preparation of the Financial Statements

The Internal Audit Unit's mission is:

- to examine and evaluate the adequacy and effectiveness of the Company and Group's system of internal controls and to ascertain to what extent the system provides a reasonable assurance about:
  - compliance with policies, procedures, guidelines and decisions of Company Management and the legislation governing its operations;
  - adequate evaluation of the data processing systems, in order to ascertain to what extent such systems achieve their purposes and objectives, and adequate auditing procedures have been incorporated into them;
  - efficient and effective utilisation of the Company's available resources, and an overview of the means of safeguarding assets and an assurance per se of the existence of such assets (via inventories, counts, etc.);
  - reliability of the financial statements;
  - reliability and completeness of data, information and means used for decision-making.
- Management is briefed by the Audit Committee about the results of scheduled and

unscheduled audits.

- Steps taken to correct auditing issues which have been identified and notified in the past are evaluated.

Internal auditing, as a function, is performed in an independent, objective manner and consequently has no power or other form of responsibility for the activities its oversees. The key principles guiding how internal audits are carried out are set out below:

- Each year an Audit Plan is drawn up, which includes areas to be audited during the year, the subject matter and timeframe for carrying out all auditing work. The annual Audit Plan is prepared based on risk assessment and is approved by the Audit Committee.

- Auditing work is carried out by 1st and 2nd class auditors with the required degree of professional diligence, conduct, confidentiality, objectivity and integrity, in compliance with the International Standards for the Professional Practice of Internal Auditing (Standards) and the Code of Conduct of the international Institute of Internal Auditors (IIA).

- When carrying out audits, Company auditors collaborate as necessary with staff and executives who are directly or indirectly involved in the activity being audited.

- The practices and detailed procedures implemented by Internal Auditing, and the operating framework for internal audits are outlined in detail in the Internal Audit Manual.

- The scope of audits and the findings which emerge from each auditing task are recorded in detail in internal Audit Reports. These are prepared by the class 1 and 2 auditors who were involved in the auditing task and are reviewed by the head of the Internal Audit Unit.

- Follow-up of corrective measures is done by the Internal Audit Unit at regular intervals depending on their seriousness.

- The Audit Committee periodically briefs Company Management about issues which come to the attention of auditors while carrying out audits, or from other sources which require further investigation by expert investigators.

Section: III. Modus operandi of the General Meeting of Shareholders, key powers and description of shareholder rights and how they can be exercised.

a) Modus operandi and powers of the General Meeting of Shareholders

The modus operandi and powers of the General Meeting of Shareholders and the rights of shareholders and how they exercise them are set out in detail in Articles 27 to 38 of the Company's Articles of Association, which are available to the public in hard copy at the Company's head offices.

According to the Articles of Association, the General Meeting of Shareholders is the supreme management body which decides on all corporate affairs and its lawful decisions are binding on all shareholders.

The General Meeting of Shareholders is convened by the Board of Directors and meets regularly at the place and time specified by the Board of Directors within the first six months from the end of each fiscal year.

The General Meeting convenes where at least 20 whole days before the meeting an invitation was published which clearly sets out the place and time of the meeting, the items on the agenda, and the procedure to be followed by shareholders to participate and exercise their voting rights.

The General Meeting meets and has a quorum where 1/5 of the share capital is represented at it, apart from cases where a larger quorum of 2/3 of the share capital is required by the Articles of Association.

Shareholders who participate in the General Meeting and have voting rights elect the Chairman and Secretary. The items on the agenda are then discussed and decisions are taken on those matters by absolute majority.

Minutes are kept of the items discussed and decided on by the General Meeting signed by the

Chairman and Secretary.

The General Meeting is the sole body competent to decide on:

a) Extension of the Company's effective term, merger or winding up.
b) Amendment of the Articles of Association, after permission is obtained from the HCMC.
c) Share capital increases or decreases.
d) The election of members of the Board, auditors and valuers.
e) Approval of the annual financial statements.
f) Profit distribution.

b) Rights of Company shareholders

The rights of shareholders and the rights of shareholders with non-controlling interests are set out in the aforementioned articles of the Articles of Association.
The rights of Company shareholders deriving from its shares depend on their holding in the capital which corresponds to the paid-up value of each share. Each share grants all the rights specified by Codified Law 2190/1920 as amended and in force, and the Company's Articles of Association and in particular:

• Right to obtain a dividend from the Company's annual profits. 35% of the net profits (having deducted the statutory reserve first) are distributed from the profits each fiscal year to shareholders as a first dividend. The General Meeting decides on whether to distribute any additional dividend. Each shareholder entered in the register of shareholders maintained by the Company on the holder-of-record date are entitled to a dividend. The dividend will be paid to the shareholders within 2 months from the date of the Ordinary General Meeting that approved the annual financial statements. The place and manner of payment shall be announced in the press. The right to collect a dividend becomes statute-barred and the amount involved devolves to the State if not collected within 5 years from the end of the year in which the General Meeting approved distribution.

• Pre-emptive right for each Company share capital increase with cash and the right to subscribe new shares.

• The right to receive a copy of the financial statements and reports of chartered auditors and the Company's Board of Directors.

• The right to participate in the General Meeting which consists of the following specific rights: legal standing, attendance, participation in discussions, submission of proposals on items on the agenda, entry of views in the minutes and voting rights.

• The right to receive the contribution paid, upon liquidation or upon the writing off of capital corresponding to the shares, where this is decided upon by the General Meeting.

• The General Meeting of the Company's shareholders shall retain all its rights during the period of liquidation.

Company shareholders' liability is limited to the nominal value of the shares held.

(amounts in thousands of euro)

Section: IV. Composition and modus operandi of the Board of Directors and other administrative, management and supervisory bodies or committees.

a) Composition and modus operandi of the Board

The composition and modus operandi as well as assignable and non-assignable competences of the Company's Board of Directors are set out in detail in Articles 12 to 25 of its Articles of Association and in the Company's internal regulations, which are available to the public in hard copy at the Company's head offices.

By the time this statement was prepared, there was no nomination committee.

On 11 May 2016, the Ordinary General Meeting of Shareholders elected a new Board of Directors for a 5-year term in office which ends on 10 May 2021 comprised of the following 11 members, following BoD decision No. 179/11.5.2016 and elections held by the company's trade union:

1. Ioannis Krestenitis, Chairman & CEO, executive member
2. Ioannis Papaioannou, Vice Chairman, executive member
3. Styliani Valani, Vice Chairman, executive member
4. Stefania Tanimanidou, Member, independent non-executive member
5. Ioannis Antoniadis, Member, independent non-executive member
6. Evdoxos Petridis, Member, non-executive member
7. Olympia Latsiou - Chrysafi, Member, non-executive member
8. Ioannis Tsionas, Member, non-executive member
9. Eleftheria Karahaliou, Member, non-executive member
10. Georgios Archontopoulos, Member, non-executive member, representative of employees
11. Anastasios Sachinidis, Member, non-executive member, representative of employees

In line with Article 13 of the Articles of Association, the Board of Directors is comprised of between 7 and 11 members.

At the Board meeting of 6 April 2017, Panagiotis Gogos was elected as an independent non-executive member, to replace Ioannis Antoniadis who had resigned.

Data is set out below about the gender distribution and age of Board members and senior executives:

Board of Directors	**No. of people**	**%**
Men	7	64%
Women	4	36%
Total	11	100%

The age range of Board members is from 32 to 69.

Senior Executives	**No. of people**	**%**
Men	6	86%
Women	1	14%

(amounts in thousands of euro)

Total	7	100%

The age range of senior executives is from 48 to 67.

b) Independence of Board members

The Board's two independent members meet all requirements on relationships of dependence set out in the Code.

c) Board meetings

In the period 1/1-31/12/2016 the Board of Directors met 29 times, and all members of the Board were presented in person or via a lawful representative at 12 of those meetings. 1 non-executive member was absent from 6 meetings and 2 non-executive members were absent from 2 meetings.

d) Board Committees

Audit Committee

According to the Company's internal regulations, the Board of Directors runs an Audit Committee whose members in the period 1/1/2016 - 10/5/2016 were as follows:

- Mr. Dimitrios Zakalkas, non-executive member, attorney at law.
- Mr. Apostolos Apostolou, independent non-executive member, economist.
- Mr. Sotirios Karahalios, independent non-executive member, mechanical engineer.

Mr. Dimitrios Zakalkas served as Chairman of the Audit Committee.

In the period from 11/5/2016 to 31/12/2016 the Audit Committee consisted of:

- Mr. Ioannis Antoniadis, independent non-executive member, attorney at law.
- Mrs. Evanthia Tanimanidou, independent non-executive member, economist.
- Mr. Evdoxos Petridis, non-executive member, engineer.

Mr. Ioannis Antoniadis served as Chairman of the Audit Committee.

All members attended the regular meetings of that committee held in the period 1/1-31/12/2016 in person (the relevant minutes were kept), which addressed the following matters:

i) monitoring of the financial reporting process in the first half of 2016;

ii) updating and briefing the Board of Directors about the internal audit rules and manual for the Internal Audit Unit;

iii) approving the remuneration of staff in the Internal Audit Unit;

iv) monitoring the progress of the mandatory audit of the financial statements by the auditors Athanasia Arabatzi (ICPA (GR) Reg. No. 12821) and Christos Vargiemezis (ICPA (GR) Reg. No. 30891, iv) reviewing and monitoring issues related to the existence and preservation of the objectivity and independence of both the auditors and the auditing firm GRANT THORNTON S.A., especially in relation to the provision of other services by them to the Company;

v) presenting the quarterly reports for 2015 Q4 and 2016 Q1, Q2 and Q3 prepared by the Internal Audit Unit to the Board of Directors;

vi) giving the Internal Audit Unit special audit instructions.

The Audit Committee met a total of 4 times during the year.

e) Evaluation and remuneration of Members of the Board

By the date this statement was prepared there was no remuneration committee and there were no procedures for evaluating the Board of Directors and its committees.

(amounts in thousands of euro)

Members of the Board are evaluated, and their remuneration and that of the Chairman and CEO are set by the General Meeting.
Board members do not receive additional remuneration from the Company, except for the 2 non-executive members of the Board who are employee representatives.
According to Article 23 of the Articles of Association, the Board's pay and remuneration are set by decision of the Ordinary General Meeting of Shareholders.

g) Conduct of Board members and Company executives

All Board members and Company executives are obliged to comply at all times with the Company's ethics and professional conduct rules, which are set out in its internal regulations.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

During 2017, the parent company EYATH S.A. received an interim tax audit report for the audit for fiscal years 2009 and 2010 which is under way. That report was accepted by Company Management in Board of Directors' Decision No. 137/2017 and the final audit report is expected to be issued soon. The surtaxes which were computed amounting to approximately € 500 are fully covered by existing provisions in the Company's books.

There are no events between 31 December 2016 and the date on which the financial statements were approved by the Company's Board of Directors which could materially affect the financial position or the Company's results for the period that ended on this date, or other events which should be disclosed in the financial statements.

Thessaloniki, 27 April 2017

ON BEHALF OF THE BOARD OF DIRECTORS

Ioannis Krestenitis	Ioannis Papaioannou	Styliani Valani
Chairman of the Board of Directors & CEO	Vice Chairman	Vice Chairman
ID Card No. AB 680550	ID Card No. AE 183479	ID Card No. AZ 880772

AUDIT REPORT

To the shareholders of company THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A.

Audit Report on the separate and consolidated financial statements

We have audited the accompanying separate and consolidated financial statements of THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A., which consist of the separate and consolidated statement of financial position as at 31 December 2016, and the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year which ended on that date, and a summary of significant accounting policies and methods, and other explanatory information.

Management 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 the International Financial Reporting Standards as adopted by the European Union, and for such internal controls that management considers necessary for the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

It is our responsibility to express an opinion on those separate and consolidated financial statements on the basis of our audit. We carried out our audit in accordance with the International Standards of Auditing, which have been incorporated into Greek law (Government Gazette 2848/B/23.10.2012). These standards require that we comply with the code of conduct and that we design and carry out our audit so as to provide a fair assurance as to what extent the separate and consolidated financial statements are free of material misstatements.

The audit includes the conduct of procedures for the collection of audit data, relating to the amounts and disclosures included in the separate and consolidated financial statements. The procedures selected are at the auditor's discretion, including an assessment of the risk of material misstatements in the separate and consolidated financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 internal controls. The audit also includes an evaluation of the suitability of the accounting policies applied and the fairness of the assessments made by Management and an evaluation of the overall presentation of the separate and consolidated financial statements.

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

Opinion

(amounts in thousands of euro)

In our opinion, the accompanying separate and consolidated financial statements fairly present, in all material respects, the financial position of THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A. and its subsidiary as at 31 December 2016, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Reference to other legal and regulatory issues

Taking into consideration that Management is responsible for preparing the Board of Directors' Management Report and the Corporate Governance Statement which is part of this report, in implementation of the provisions of Article (5) (of Part B) of Law 4336/2015, we note that:

a) The Management Report prepared by the Board of Directors includes a corporate governance statement which provides the information required by Article 43bb of Codified Law 2190/1920.

b) In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements in Articles 43a and 107A, and Article 43bb(1)(c) and (d) of Codified Law 2190/1920 and its content corresponds to the attached separate and consolidated financial statements for the period which ended on 31/12/2016.

c) In light of the opinion we formed during our audit about the company THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A. and its environment, we have not identified any material inaccuracies in the Management Report of the Board of Directors.

Athens, 28 April 2017

The Certified Public Accountants

Athanasia Arabatzi	Christos Vargiemezis
ICPA (GR) Reg. No. 12821	ICPA (GR) Reg. No. 30891

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Α.Μ. ΣΟΕΛ 127

(amounts in thousands of euro)

Statement of Financial Position

		THE GROUP		THE COMPANY	
		31/12/2016	31/12/2015	31/12/2016	31/12/2015
ASSETS					
Non-Current Assets					
Tangible assets	7	80,275	81,418	80,275	81,418
Intangible assets	8	401	153	401	153
Participations in subsidiaries	9			60	60
Deferred tax assets	25	3,376	4,467	3,376	4,467
Other long-term assets	10	1,880	1,933	1,880	1,933
Total non-current assets		**85,933**	**87,971**	**85,992**	**88,030**
Current Assets					
Inventories	11	1,636	1,045	1,636	1,045
Trade and other receivables	12	47,732	48,059	47,783	48,077
Cash and Cash Equivalents	13	56,697	50,956	56,302	50,776
Total current assets		**106,065**	**100,061**	**105,721**	**99,898**
TOTAL ASSETS		**191,998**	**188,032**	**191,713**	**187,928**
EQUITY					
Share capital and reserves					
Share capital	14	40,656	40,656	40,656	40,656
Premium on capital stock	14	2,830	2,830	2,830	2,830
Reserves	15	28,221	27,549	28,198	27,525
Results carried forward		82,448	79,634	82,111	79,423
Total equity		**154,155**	**150,668**	**153,795**	**150,435**
Non-controlling interests					
Total equity		**154,155**	**150,668**	**153,795**	**150,435**
LIABILITIES					
Long-term liabilities					
Long-term borrowing					
Provisions for employee benefits	16	1,998	3,783	1,998	3,783
Provisions for contingencies and expenses	17	9,188	6,489	9,188	6,489
Grants	18	2,345	2,742	2,345	2,742
Other long-term liabilities	19	14,024	13,637	14,024	13,637
Total long-term liabilities		**27,554**	**26,651**	**27,554**	**26,651**
Short-term liabilities					
Trade and other liabilities	20	9,712	10,205	9,863	10,351
Short-term borrowing					
Short-term tax liabilities	21	576	508	501	492
Total short-term liabilities		**10,288**	**10,713**	**10,364**	**10,843**
Total Liabilities		**37,842**	**37,364**	**37,918**	**37,494**
TOTAL EQUITY AND LIABILITIES		**191,998**	**188,032**	**191,713**	**187,928**

(amounts in thousands of euro)

The disclosures on pages 32 to 70 constitute an integral part of these financial statements.

Statement of Comprehensive Income

	Note:	THE GROUP 1/1-31/12/2016	THE GROUP 1/1-31/12/2015	THE COMPANY 1/1-31/12/2016	THE COMPANY 1/1-31/12/2015
Sales		73,278	73,048	73,278	73,048
Less: Cost of sales	22	(43,782)	(46,980)	(43,037)	(46,146)
Gross profit margin		**29,496**	**26,068**	**30,241**	**26,902**
Other operating income	23	4,553	4,397	4,462	4,333
		34,049	**30,465**	**34,703**	**31,236**
Selling and distribution expenses	22	(4,417)	(4,824)	(5,082)	(5,497)
Administrative expenses	22	(4,213)	(4,461)	(4,306)	(4,483)
Research & Development Expenses	22	(491)	(239)	(621)	(339)
Other operating expenses	23	(4,432)	(1,365)	(4,396)	(1,323)
Results of operations		**20,496**	**19,575**	**20,298**	**19,594**
Net Financial Income	24	1,272	1,126	1,270	1,110
Result from usual business		**21,769**	**20,701**	**21,568**	**20,703**
Income from investments					51
Results before tax		**21,769**	**20,701**	**21,568**	**20,754**
Income tax	25	(9,311)	(7,217)	(9,237)	(7,201)
Results net of tax		**12,457**	**13,485**	**12,331**	**13,553**
Allocated among:					
Parent shareholders		12,457	13,485	12,331	13,553
Non-controlling interests					
Other comprehensive income net of tax:					
Data that will not be classified later in the Income Statement:					
Actuarial Results		105	111	105	111
Total comprehensive income net of tax		**12,562**	**13,596**	**12,436**	**13,664**
Allocated among:					
Parent shareholders		12,562	13,596	12,436	13,664
Non-controlling interests					
Earnings per share (in euro per share)	26	**0.3432**	**0.3715**	**0.3397**	**0.3734**
Basic					

(amounts in thousands of euro)

The disclosures on pages 32 to 70 constitute an integral part of these financial statements.

Statement of Changes in Equity

Statement of changes in equity (Group)

	Share Capital	Premium on capital stock	Statutory reserves	Other reserves	Other total income / Retained earnings	TOTAL
Balance on 1/1/2016 according to IFRS	40,656	2,830	10,563	16,984	79,635	150,669
Total comprehensive income net of tax 1/1/2016 - 31/12/2016			621		11,836	12,457
Other Total Income of period 1/1/2016 - 31/12/2016					105	105
Other changes				51	(51)	
Dividends distributed					(9,075)	(9,075)
Balance on 31/12/2016 according to IFRS	40,656	2,830	11,184	17,035	82,449	154,155
Balance on 1/1/2015 according to IFRS	40,656	2,830	9,880	16,984	75,434	145,785
Total comprehensive income net of tax 1/1/2016 - 31/12/2015			683		12,801	13,484
Other Total Income of period 1/1 - 31/12/2015					111	111
Other changes						
Dividends distributed					(8,712)	(8,712)
Balance on 31/12/2015 according to IFRS	40,656	2,830	10,563	16,984	79,635	150,668

Statement of changes in equity (Company)

	Share capital	Premium on capital stock	Statutory reserves	Other reserves	Other total income / Retained earnings	Total
Balance on 1/1/2016 according to IFRS	40,656	2,830	10,541	16,984	79,425	150,435
Total comprehensive income net of tax 1/1/2016 - 31/12/2016			621		11,710	12,331
Other Total Income of period 1/1/2016 - 31/12/2016					105	105
Other changes				51	(51)	
Dividends distributed					(9,075)	(9,075)
Balance on 31/12/2016 according to IFRS	40,656	2,830	11,162	17,035	82,112	153,795
Balance on 1/1/2015 according to IFRS	40,656	2,830	9,858	16,984	75,155	145,482
Total comprehensive income net of tax 1/1/2016 - 31/12/2015			683		12,870	13,553
Other Total Income of period 1/1 - 31/12/2015					111	111
Other changes						
Dividends distributed					(8,712)	(8,712)
Balance on 31/12/2015 according to IFRS	40,656	2,830	10,541	16,984	79,425	150,435

The disclosures on pages 32 to 70 constitute an integral part of these financial statements.

(amounts in thousands of euro)

Cash Flow Statement

Indirect method

	Note:	THE GROUP 1/1-31/12/2016	THE GROUP 1/1-31/12/2015	THE COMPANY 1/1-31/12/2016	THE COMPANY 1/1-31/12/2015
Cash flow from operating activities					
Profit / (loss) before income tax (continuing operations)		21,769	20,701	21,568	20,754
Plus (Minus) adjustments for:					
Depreciation	7&8	6,402	6,184	6,401	6,157
Fixed asset investment subsidies	18	(397)	(420)	(397)	(420)
Provisions		4,583	2,551	4,583	2,551
Income from Participations					(51)
Interest and related (income) / expenses		(1,272)	(1,127)	(1,270)	(1,111)
		31,084	27,889	30,884	27,880
Decrease/ (increase) in inventories		591	(284)	591	(284)
Decrease/(increase) in trade and other receivables		3,094	(4,756)	3,080	(4,726)
Increase / (Decrease) of trade and other liabilities (except loans)		(7,632)	55	(7,627)	98
Decrease/ (increase) in other long-term receivables		53	(401)	53	(401)
(Less):					
Interest charges and related expenses paid		(50)	(50)	(57)	(50)
Tax paid		(8,330)	(7,807)	(8,330)	(7,708)
Total inflow/(outflow) from operating activities (a)		18,809	14,645	18,594	14,810
Cash Flows from Operating Activities					
Purchases of tangible assets	7	(5,181)	(6,910)	(5,181)	(6,908)
Purchase of intangible assets	8	(330)	(51)	(330)	(51)
Sales of fixed assets			27		27
Dividends collected					63
Collected interest		1,312	1,414	1,312	1,398
Total inflow/(outflow) from investing activities (b)		(4,199)	(5,520)	(4,200)	(5,471)
Cash flows from financing activities					
Collections from subsidies			45		45
Dividends paid		(8,869)	(8,519)	(8,869)	(8,519)
Total input/ (output) from financing activities (c)		(8,869)	(8,474)	(8,869)	(8,474)
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)		5,741	652	5,526	865
Cash assets and equivalents at start of year		50,956	50,305	50,776	49,911
Cash assets and equivalents at end of period	13	56,697	50,956	56,302	50,776

The disclosures on pages 32 to 70 constitute an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION ABOUT THE COMPANY AND THE GROUP

THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A. trading as EYATH S.A. (or the "Company") provides water supply and sewerage services. Also, the "Group", through subsidiary EYATH Services S.A., has the purpose of providing all types of telecommunication services and engage in the production and sale of electricity, in addition to the parent operations.

Board of Directors:

1. Ioannis Krestenitis, Chairman & CEO, executive member
2. Ioannis Papaioannou, Vice Chairman, executive member
3. Styliani Valani, Vice Chairman, executive member
4. Stefania Tanimanidou, Member, independent non-executive member
5. Panagiotis Gogos, Member, independent non-executive member
6. Evdoxos Petridis, Member, non-executive member
7. Olympia Latsiou - Chrysafi, Member, non-executive member
8. Ioannis Tsionas, Member, non-executive member
9. Eleftheria Karahaliou, Member, non-executive member
10. Georgios Archontopoulos, Member, non-executive member, representative of employees
11. Anastasios Sachinidis, Member, non-executive member, representative of employees

Company registered office: 127 Egnatias St.
GR-54635 Thessaloniki
Greece

Companies Reg. No.: 41913/06/B/98/32

General Commercial Reg. No.: 58240404000

Auditing Company: GRANT THORNTON SA
56 Zefyrou St.
Paleo Faliro GR-17564
Athens, Greece
ICPA (GR) Reg. No. 127

The Company's shares are traded in the Large Capitalisation category on the Athens Stock Exchange.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation of the financial statements

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and the interpretations issued by the IFRIC Committee, as adopted by the European Union up to 31 December 2016. The key accounting policies implemented for drawing up the financial statements for the period that ended on 31 December 2016 are the same as those followed when drawing up the annual financial statements of the year ended on 31 December 2015, and are described in them. Where necessary, the comparable data have been reclassified to reconcile with any changes to the presentation of the current period data (see note 21). Any differences between the amounts reported in the financial statements and the respective amounts in the notes are due to rounding.

The financial statements have been prepared based on the historical cost conventions, as disclosed in the company's accounting policies below, which were approved by the BoD on 27/4/2017 and are subject to approval by the General Meeting.

Preparing the financial statements in accordance with the IFRS requires the adoption of certain estimates and assumptions. It also requires Management to use its discretion when implementing the Company's accounting policies. Areas entailing a high degree of subjectivity or which are complex or where assumptions and estimates are significant for the financial statements are cited in Note 5 below.

2.2. Standards and interpretations mandatory for the fiscal year ended

New standards, amendments to standards and interpretations: Specific new standards, amendments to standards and interpretations have been issued which are mandatory for accounting periods which commence during the current fiscal year or at a later date. The Group examined the impact of the following on the financial statements and found that the impact is insignificant or zero.

Standards and interpretations mandatory for the current fiscal year

IAS 19 Revised (Amendment) "Employee benefits"

This amendment applies to employee or third party contributions to defined benefit plans and simplifies accounting for those contributions when they are independent of the number of years for which work was provided, such as employee contributions calculated as a fixed % of the salary.

IFRS 11 (Amendment) "Joint Arrangements"

This amendment requires an investor to use the acquisition method when he acquires an interest in a joint operation which is a 'business'.

IAS 16 and IAS 38 (Amendments) "Clarification of acceptable methods of depreciation and amortisation"

This amendment clarifies that use of revenue-based methods to calculate depreciation of an asset are not suitable and also clarifies that revenues are not considered a suitable basis for measuring consumption of the economic benefits incorporated into an intangible asset.

IAS 27 (Amendment) "Separate financial statements"

This amendment allows economic entities to use the equity method to account for investments in subsidiaries, joint arrangements and associates in their separate financial statements and also clarifies the definition of separate financial statements.

IAS 1 (Amendments) "Disclosures"

The amendments clarify the guidance of IAS 1 on the concepts of materiality and aggregation, presentation of sub-totals, structure of financial statements and disclosures of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendments) - "Investment entities: Application of the exemption from mandatory consolidation"

The amendments specify how the exemption of investment entities and their subsidiaries from mandatory consolidation is implemented.

IFRS 2012 Annual improvements

The following amendments outline the most important changes to certain IFRS as a consequence of the results of the 2010-12 IASB annual improvements plan.

IFRS 2 "Share-based payments"

The amendment clarifies the definition of the "vesting condition" and distinctly defines the "performance condition" and the "service condition".

IFRS 3 "Business Combinations"

The amendment clarifies that the obligation for a potential price which meets the definition of a financial asset is classified as a financial liability or an equity instrument based on the definitions of IAS 32 "Financial instruments: Presentation". It also clarifies that each potential price, financial and non-financial, which is not an equity instrument is measured at the fair value through profit or loss.

IFRS 8 "Operating Segments"

This amendment requires the disclosure of the management's estimates as regards the aggregation of its operating segments.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that the standard does not exclude the possibility of the measurement of short-term receivables and liabilities at the amounts of the invoices, in cases where the effect of discounting is immaterial.

IAS 16 "Tangible assets" and IAS 38 "Intangible assets"

Both standards were amended in order to clarify the manner in which the book value of the asset before depreciation and the accumulated depreciations are handled, when an economic entity follows the adjustment method.

IAS 24 "Related Party Disclosures"

The standard was amended in order to include as a related party a company that provides key management personnel services to the economic entity or the parent company of the economic entity.

Annual improvements to IFRS 2014

The amendments presented below describe the basic changes to four IFRSs.

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The amendment clarifies that when an asset or group of assets is reclassified from 'held for sale' to 'held for distribution' or vice versa that is not a change in the sale or distribution plan and not must be accounted for as a change.

IFRS 7 "Financial instruments: Disclosures"

The amendment adds specific instructions in order to help management determine whether the terms of an agreement serving a financial asset which has been transferred constitute ongoing involvement and clarifies that the additional disclosures required based on the amendment of IFRS 7 "Disclosures - Offsetting Financial Assets and Financial Liabilities", are not required for all interim periods, unless required by IAS 34.

IAS 19 "Employee Benefits"

The amendment clarifies that when the discount rate is being identified for post-employment benefits, the important thing is the currency in which the liabilities are denominated and not the country in which they arise.

IAS 34 "Interim Financial Reporting"

The amendment clarifies the meaning of "disclosure of information elsewhere in the interim financial report", referred to in the original.

Standards and Interpretations mandatory for later accounting periods

IFRS 9 "Financial instruments" and later amendments to IFRS 9 and IFRS 7 (applicable to annual accounting periods commencing on or after 1 January 2018).

IFRS 9 replaces the provisions of IAS 39 pertaining to the classification and measurement of the financial assets and liabilities, and also includes a model of expected credit loss that replaces the model of incurred credit losses that is currently implemented. IFRS 9 establishes a principle-based approach of hedge accounting and addresses inconsistencies and weaknesses in the current model of the IAS 39. The Group is in the process of estimating the impact of IFRS 9 on its financial statements.

IFRS 15 "Revenue from Contracts with Customers" (applicable to annual accounting periods commencing on or after 1 January 2018)

IFRS 15 was issued in May 2014. The purpose of the standard is to provide a single, easy to understand model recognising revenue from contracts with customers in order to improve comparability between companies of the same industry, across industries and different capital markets. It includes the principles which an economic entity must implement to determine the measurement of the revenue and the time of its recognition. The basic principle is that an economic entity will recognise the revenue in a manner that reflects the transfer of goods or services to customers at the amount which it anticipates to be entitled to in exchange for these goods or services. The Group is in the process of estimating the impact of IFRS 15 on its financial statements.

IFRS 16 "Leases" (Applicable to annual accounting periods commencing on or after 1 January 2019)

IFRS 16 was published in January of 2016, to replace IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that fairly presents the essence of the transactions related to leases. IFRS 16 introduces a single accounting model from the lessee's side, which requires the lessee to recognise assets and liabilities for all lease contracts with a term of more than 12 months, unless the underlying asset is of low value. As regards the accounting handling by the lessor, IFRS 16 essentially incorporates the requirements of IAS 17. Therefore, the lessor continues to classify lease contracts into operating and financial leases, and handle each type of contract differently in the accounts. The Group is in the process of estimating the impact of IFRS 16 on its financial statements. The standard has not yet been adopted by the European Union.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"(applicable for annual accounting periods commencing on or after 1 January 2017)

The amendments clarify the accounting handling related to the recognition of deferred tax assets on unrealised losses related to debt instruments measured at fair value. These amendments have not yet been adopted by the European Union.

IAS 7 (Amendments) "Disclosures" (applicable to annual accounting periods commencing on or after 1 January 2017)

The amendments introduce mandatory disclosures that provide the capability to users of financial statements to evaluate the changes to liabilities from financing activities. These amendments have not yet been adopted by the European Union.

IFRS 2 (Amendments) "Classification and Measurement of Share-based Payment Transactions" (applicable to annual accounting periods that commence on or after 1 January 2018).

The amendment provides clarifications in relation to the measurement base as regards cash settled share-based payment transactions and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. They further introduce an exception as regards the principles of IFRS 2 based on which a payment transaction must be handled as if it were to be settled entirely in equity instruments, in the cases where the employer is required to withhold an amount for covering the tax obligations of employees arising from share-based payment transactions and paying it to the tax authorities. These amendments have not yet been adopted by the European Union.

IFRS 4 (Amendments) "Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts" (applicable to annual accounting periods that commence on or after 1 January 2018)

The amendments introduce two approaches: The amended standard will (a) give entities which issue insurance contracts the option to recognise in their other comprehensive income and not in their income statement, any discrepancies that arise from applying IFRS 9 before the new standard on insurance contracts is issued, and (b) give entities whose activities primarily relate to the insurance sector the option to temporarily defer application of IFRS 9 to 2021. Entities which defer applying IFRS 9 will continue to apply the existing standard (IAS 39) on financial instruments. These amendments have not yet been adopted by the European Union.

IAS 40 (Amendments) "Transfers of investment property" (Applicable to annual accounting periods commencing on or after 1 January 2018)

The amendments clarify that in order to transfer to/from the investment property category, there must have been a change in use. In order for there to have been a change in the property's use, it is essential to evaluate to what extent the property meets the definition and that the change in use can be documented with evidence. These amendments have not yet been adopted by the European Union.

IFRIC 22 "Foreign currency transactions and advance consideration" (Applicable to annual accounting periods commencing on or after 1 January 2018)

The Interpretation provides guidance about how to identify the transaction date when the Standard relevant to foreign current transactions (IAS 21) applies. This Interpretation applies when an entity either pays or collects in advance the price of contracts expressed in a foreign currency. This Interpretation has not yet been adopted by the European Union.

Annual improvements to the IFRS 2014 (2014 – 2016 Cycle) (Applicable to annual accounting periods commencing on or after 1 January 2017)

The amendments presented below describe the basic changes to two IFRSs. These amendments have not yet been adopted by the European Union.

IFRS 12 "Disclosure of interests in other economic entities"

This amendment provides clarifications about the fact that the obligation to provide disclosures under IFRS 12 applies to interests in entities which have been classified as held for sale, in addition to the obligation to provide condensed financial information.

IAS 28 "Investments in Associates and Joint Ventures"

The amendments provide clarifications about the fact that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, mutual fund or entities with similar activities, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

3. MAIN ACCOUNTING POLICIES

3.1 Investments in subsidiaries

Subsidiaries are businesses over which the Group exerts control. The parent company acquires and exercises control via voting rights. The existence of any potential voting rights which are exercisable at the time the financial statements are prepared is taken into account in order to determine whether the parent company exercises control over subsidiaries. Subsidiaries are fully consolidated from the date on which control of them is acquired and they cease to be consolidated from the date on which such control no longer exists.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of acquiring a subsidiary is the fair value of the assets given, the shares issued and the liabilities assumed on the transaction date plus any cost directly associated with the transaction. Individual assets, liabilities and contingent liabilities acquired in a business combination are measured at acquisition at fair value regardless of the holding. The cost of acquisition above fair value of the specific assets acquired is posted as goodwill. If the total acquisition cost is lower than the fair value of the individual assets acquired, the difference is directly recorded in the profit and loss account.

Intra-group transactions, balances and unrealised profits from transactions between companies in the group are crossed out. Unrealised losses are also crossed out but are taken into account as indications of impairment of the asset transferred. The subsidiary’s accounting policies have been changed, where necessary, so that they are identical with those adopted by the Group.

Investments in subsidiaries in the parent company's separate financial statements are valued at acquisition cost less any accumulated impairment losses.

(amounts in thousands of euro)

3.2 Basis of consolidation:

The consolidated financial statements consist of the financial statements of the parent company and the subsidiary of the Group. The following table presents the parent and the subsidiary included in the consolidation, together with the corresponding participation percentages, the country where they are registered as well as their activity.

COMPANIES	% GROUP	COUNTRY	ACTIVITY
THESSALONIKI WATER SUPPLY AND SEWERAGE CO. S.A. (EYATH S.A.)	PARENT COMPANY	GREECE	Water supply & Sewerage Services
EYATH SERVICES S.A.	100%	GREECE	Provision of all types of Water supply & Sewerage Services, telecommunication services & production / sale of electricity

3.3 Tangible fixed assets

Tangible assets are measured at acquisition cost less accumulated depreciation and impairment. The cost of acquisition includes all directly payable expenses for acquiring assets. Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is likely that the future financial benefits accruing to the Group and the cost can be reliably measured. The cost of repair and maintenance works is recognised in profit and loss when the said works are carried out.

Plots – lots are not depreciated. Depreciation of other tangible assets is calculated using the straight line method, charged in equal amounts over the asset's expected useful life, so as to write off the cost at residual value, as follows:

Buildings and technical works	40 years
Machinery and installations	10 -25 years
Transportation equipment	10 -15 years
Furniture and other equipment	6 -15 years

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date. When the book value of tangible assets exceeds the recoverable value the differences (impairment) are posted as expenses to the results.

When the tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement. Financial expenses which relate to the construction of assets are capitalised for the time required to complete construction. All other financial expenses are recognised in the income statement.

3.4 Intangible assets

3.4.1 Software

Software here means the cost of purchasing or developing such software, such as payrolling, materials and services, as well as all expenses incurred to develop software in order for it to be put into service. Costs which improve or extend the performance of software beyond initial specifications are recognised as capital expenditure and added to the initial cost of the software.

Depreciation on software is imputed to the income statement using straight line depreciation over the entire useful life of the asset. The estimated useful life is 6 years.

3.4.2 Product Research and Development (R&D) cost

The R&D cost is recognised in the Income Statement when incurred. Development costs are incurred mainly for the development of new products and production methods. The costs incurred for developing a separate program are recognised as intangible assets only when the requirements of IAS 38 "Intangible assets" are met.

3.5 Asset impairment

Tangible and intangible assets as well as other non-current assets are examined for possible impairment loss whenever events or changes in circumstances indicate that their book value may not be recoverable. Whenever the book value of a fixed asset exceeds its recoverable amount, its corresponding impairment loss is presented in the results. The recoverable value of an asset is either the estimated net sale value or the value in use, whichever is higher. The net sale price is the amount which could be obtained from selling an asset in a two-way transaction where the parties are fully cognisant and which they enter into freely, having deducted any additional direct cost of selling the asset. The value in use is the current value of the estimated future cash flows anticipated to flow into the enterprise from asset usage and disposal at the end of its anticipated useful life. If it is not possible to estimate the recoverable amount of an asset, for which there is an indication of impairment, the recoverable amount of cash-generating unit to which the asset belongs must be calculated.

Impairment losses for assets booked in previous years may only be reversed where there are satisfactory indications that such impairment no longer exists or has reduced. In such cases the reversal is recognised as income.

3.6 Inventories

Inventories are valued at acquisition cost or net realisable value, whichever is lower. The cost is calculated using the average weighted cost method. The financial cost is not included in the acquisition cost of inventories. Net realisable value is assessed based on current sale prices of inventories in the context of normal activities less any sales expenses which apply in the case.

More specifically, inventories/stocks consisting of specialist spare parts for machinery purchased when the machinery is purchased are considered to be an integral part of the machinery's value and are depreciated along with the machinery, while replacements for used spare parts are expensed at the time of purchase. On the contrary though, consumables for machinery maintenance and spare parts for general use are included in inventories and are expensed at the time of consumption.

3.7 Trade and other receivables

Receivables from customers are posted initially at fair value and subsequently valued at carried cost using the effective interest rate less impairment losses. Impairment losses (losses from bad debt) are recognised when there are objective indications that the Group and the Company are not in a position to collect the amounts due based on contractual terms. The amount of impairment loss is the difference between the book value of receivables and the present value of estimated future cash flows, discounted at the effective interest rate. The impairment loss is recorded as an expense in the results for the period, in the Selling Expenses account in the Statement of Comprehensive Income. Every write-off of bad debt is performed by debiting the provision for bad debts. Write-offs of bad debt which go above the provision that has been formed affect the results for the year. If bad debt that was written off is then collected, the amount is entered as income in the results for the period in which it is collected.

3.8 Cash assets

Cash also includes cash equivalents such as sight deposits and short-term time deposits. Overdrafts payable upon first demand, which are an integral part of managing the Group and Company's cash are included as an integral part of cash for the purpose of preparing the cash flow statement.

3.9 Share capital

Expenditure paid to third parties related directly to the issuing of new shares is recorded in equity, less the corresponding tax, as a reduction in the premium on capital stock.

When acquiring own shares, the price paid including relevant expenses are presented as reducing equity.

3.10 Loans

All loans are initially recorded at fair value, less loan acquisition costs. Loans are subsequently valued at the depreciated acquisition value using the discount rate method. Any difference between the benefit (other than acquisition costs) and discount value is recognised in the results over the term of the loans.

On 31/12/2016 and 31/12/2015 there were no loan liabilities.

3.11 Income tax

Current and deferred income tax is calculated based on the relevant financial statement accounts, in accordance with taxation laws which apply in Greece. Current income tax relates to tax on the taxable profits of the Group and Company adjusted in accordance with tax law requirements and calculated based on the current tax rate.

Deferred taxation is calculated using the liability method on all interim differences on the balance sheet date between the taxation basis and the book value of the assets and liabilities.

Expected tax discounts from interim tax adjustments are determined and presented either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are posted for all tax deductible interim difference and tax losses carried forward to the extent that this is likely that there will be taxable profits available in respect of which the interim difference can be utilised.

The book value of deferred tax assets is revised on each BS date and reduced to the extent that it is not considered likely that there will be sufficient taxable profits for which all or part of the deferred tax assets can be used.

Current tax assets and liabilities for the current and past accounting periods are valued at the figure expected to be paid to the tax authorities (or recovered from them) using tax rates (and tax laws) which have been adopted or substantively adopted by the balance sheet date.

3.12 Dividends

Dividends payable are presented as a liability at the time they are approved by the General Meeting of Shareholders.

3.13 Provisions for employee benefits

The Company's and Group's obligation to staff employed in Greece for future payment of benefits depending on their length of previous service is measured and presented based on the accrued right expected to be paid to each employee, on the balance sheet date, discounted at present value, compared to the expected time of payment.

The relevant obligation is calculated based on the financial and actuarial assumptions and is specified using the actuarial valuation method called the projected unit method. The net cost of retirement in the period is included in payrolling cost in the attached statement of comprehensive income and consists of the present value of benefits which became accrued during the year, interest on the benefit obligation, the cost of past service, actuarial profits or losses, and any other additional pension costs.

Water Benefit

Up to 31/12/2015, the Group supplied its employees with water during the course of their employment and after they left service and retired.

According to BoD Decision 154/2016 dated 19/4/2016, the free supply of water to EYATH S.A. pensioners was stopped, and therefore part of the relevant liability was reversed on 31/12/2016.

3.14 Provisions for contingencies and expenses

Provisions are formed when the Group has a legal or presumed obligation as a result of some past event and it is considered likely that an outflow of resources will be required to settle the liability, and that amount can be reliably estimated.

The Company re-examines the need to form provisions at the end of each year and adjusts them so that they reflect the best possible assessments and in the case where this is considered necessary discounts them based on a reasonable pre-tax discount rate. Contingent liabilities are not posted to the financial statements but are disclosed unless the likelihood of a resource output incorporating financial benefits is minimal. Contingent assets are not posted to the financial statements but are disclosed where the inflow of financial benefits is likely.

3.15 Grants

Grants are initially recognised at their nominal value where there is a reasonable assurance that the grant will be received and the Company will comply with all relevant conditions. Grants for current expenditure are recognised in the results during the period when the grant is needed, in order to be matched to the expenditure it is intended to offset. Grants for the purchase of tangible (fixed) assets are included in long-term liabilities as deferred income and are recognised as income and transferred to the income statement over the useful life of the subsidised asset.

3.16 Financial instruments

The Group's main financial instruments are cash, bank deposits, short-term receivables and liabilities. Given the short-term nature of these instruments, Group Management considers that their fair value in effect is identical to the value shown in the accounting books. In addition, Management considers that the interest rates paid in relation to the loans taken out are equivalent to the current, reasonable market rates and thus the conditions for making any change to the value shown under these circumstances are not met. The Group does not use financial derivatives.

3.17 Revenue recognition

3.17.1 Sales of goods

Revenues from the sale of goods are recognised when the material risks and rewards of ownership of the goods are transferred to the buyer. Revenues from the provision of services are based on the stage of completion which is set by reference to the services provided so far, as a percentage of the overall services being provided.

3.17.2. Income from interest

Interest earned is recognised pro rata with time, taking into account balance of the initial amount and the current rate in the period to maturity, when it is specified that such income will be payable to the Group.

3.17.3. Income from dividends

Income from dividends is recognised as revenue on the date distribution is approved.

3.18 Cost of financing

The net cost of financing consists of accrued interest on loans taken out, calculated using the effective interest rate method.

3.19 Earnings per share

The basic earnings per share are calculated by dividing net profits for the period by the average weighted number of shares in circulation during the specific period, apart from the average number of ordinary shares acquired by the Group as own shares.

3.20 Leases

Asset leases where the Group or Company substantially retains all risks and rewards of ownership are classed as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the assets and the present value of the minimum lease payments. The corresponding liabilities from lease payments net of financial charges are presented as liabilities. That part of financial expenses relating to finance leases is recognised in the income statement over the term of the lease.

Leases where in effect the risk and rights of ownership remain with the lessor are posted as operating leases. Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

3.21 Group operations by segment

A Group's sector or segment of activity is each distinct business activity with special features in terms of the nature of the activity and the business risks entailed (business segment). A similar distinction can be drawn based on the business environment within which it carries on activity (geographical segment).

The Group primarily operates in the water supply - sewerage segments in the wider area of the Prefecture of Thessaloniki, in order to rationally manage water resources on the one hand, and collect and process waste water so as to provide top level services to society as a whole, to safeguard hygiene and a clean environment.

3.22 Set-off

Financial assets and liabilities are set off and the net amount is shown in the balance sheet when there is an applicable legal right to set off and the intention is for them to be paid by set-off.

3.23 Rounding off

The amounts in these financial statements have been rounded off to thousands of euro. Due to that, discrepancies which may arise are due to such rounding off.

4. FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks, the most important of which are price risk and credit risk. The Group's risk management policies aim to minimise the negative impacts that those risks could have on the Group's financial position and performance. Risk management is primarily done by the Company's general management and the relevant policies are approved by the Board of Directors. Financial risk management includes recognition, calculation and hedging of financial risks in close collaboration with the Group's operating units.

A. Market risk

(i) Exchange rate risk

The Group and the Company do not face exchange rate risks, because throughout the year ended they did not carry out transactions in foreign currency and all assets and liabilities were in euro.

ii) Price risk

As regards price risk, the Group is not exposed to significant risk of fluctuation of the variables that determine both revenues and cost. Decision No. 416/2011 of the Board of Directors set the company's pricing policy for the 2012-2013 period, which was ratified with Joint Ministerial Decision No. 4799/19-12-2012 (Government Gazette 3450/B/27-12-2012) of the Ministers of Finance and Macedonia-Thrace. This decision remains in force to date, and there has been no change to the Company's pricing policy.

Currently, Article 33 of Law 4258/2014 on arrangements for setting the tariffs of EYDAP and EYATH is in force, under which as of 1.7.2015 tariffs for water supply and sewerage services are to be approved by decisions of the Special Secretary for Water, following consultations with the Minister of Finance and other relevant agencies.

The Ministry of Environment and Energy had put up for public consultation the Joint Ministerial Decision on the "Approval of general rules for costing and pricing water services. Cost-recovery method and procedures for water services in its various uses", which will determine the procedure for costing water supply and sewerage services, and may change the pricing of the water as of the day of its implementation in early 2018.

(iii) Cash flows and fair value of risk rate

The Group has a limited interest rate risk in interest-bearing assets (time deposits) and therefore the income and the operating cash flows depend, to a point, on the changes to the interest rate market.

Management monitors interest rate fluctuations on an ongoing basis, and evaluates in each case the duration and the type of time deposits.

B. Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash at hand and cash in banks, as well as credit exposure to customers, including significant receivables and transactions made.

At the end of the period, Management deemed that there is no significant credit risk that is not covered by some collateral or an adequate provision for bad debt. The maximum exposure to credit risk is reflected by the size of each asset.

The Company is constantly monitoring its receivables, either separately or per group (customer categories) and incorporates this information into its credit control processes.

Cash and cash equivalents have no credit risk because they mainly relate to deposits in Banks with sufficient credit rating. Trade and other receivables include receivables from private customers, with a relatively limited degree of risk of losses, mainly due to the broad dispersion of the receivables, whereas for receivables from the State and the broader public sector, the company examines the possibility of collecting due debts by drawing up contracts or through legislative regulations.

At the end of the period, Management deemed that there is no significant credit risk that is not covered by some collateral or an adequate provision for bad debt. The company forms no provision for due receivables from the State because it anticipates that it will collect them in their entirety.

None of the financial assets has been secured with a mortgage or other form of credit security.

C. Liquidity risk

Liquidity risk is kept low, by means of ensuring adequate cash assets.

The maturity of Group and Company financial assets on 31/12/2016 can be broken down as follows:

(amounts in thousands of euro)

FINANCIAL LIABILITIES MATURITY AS AT 31/12/2016								
	Group				Company			
	SHORT-TERM	LONG-TERM			SHORT-TERM	LONG-TERM		
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Public borrowing								
Other long-term liabilities			14,024	14,024			14,024	14,024
Suppliers and other liabilities	9,712			9,712	9,863			9,863
Short-term tax liabilities	576			576	501			501
Total	10,288		14,024	24,311	10,364		14,024	24,387

The maturity of Group and Company financial assets on 31/12/2015 can be broken down as follows:

FINANCIAL LIABILITIES MATURITY AS AT 31/12/2015								
	Group				Company			
	SHORT-TERM	LONG-TERM			SHORT-TERM	LONG-TERM		
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Public borrowing								
Other long-term liabilities			13,637	13,637			13,637	13,637
Suppliers and other liabilities	10,205			10,205	10,351			10,351
Short-term tax liabilities	508			508	492			492
Total	10,713		13,637	24,350	10,843		13,637	24,480

D. Capital risk management

The Group's aim when managing capital is to ensure the ability to continue operating, to generate profits for shareholders and benefits for other stakeholders and to maintain its capital structure which will reduce the cost of capital.

Capital is reviewed based on the gearing ratio. This ratio is calculated as net debt / total capital. Net debt is calculated as total borrowing (including short- and long-term loans presented in the balance sheet) less cash assets. Total capital is calculated as equity presented in the balance sheet plus net debt. More specifically,

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Total borrowing				
Less: Cash assets	(56,697)	(50,956)	(56,302)	(50,776)
Net debt	**(56,697)**	**(50,956)**	**(56,302)**	**(50,776)**
Total equity	154,155	150,668	153,795	150,434
Total capital	**97,458**	**99,713**	**97,493**	**99,658**
Gearing ratio	**-58.18%**	**-51.10%**	**-57.75%**	**-50.95%**

Determination of fair value

The fair value of financial instruments traded on active markets (Stock Exchanges) (e.g. derivatives, shares, bonds, mutual funds) is determined by the published prices which apply on the financial statements reference date.
The fair value of financial instruments not traded on active markets is determined using valuation techniques and the use of valuation methods and assumptions based on market data on the financial statements reference date.
The amounts shown in the balance sheets for cash, short-term receivables and liabilities are close to the relevant fair values due to their short-term maturity. The nominal value less provisions for bad trade debts is deemed to be close to the actual value.

5. MAJOR ACCOUNTING ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements in accordance with the IFRS requires the use of certain important accounting estimates, which may affect the book balances in the balance sheet with the disclosures required, and the exercise of judgement by Management in applying and implementing accounting policies. Moreover, it requires the use of certain calculations and assumptions which affect the value of assets and liabilities mentioned, the disclosure of contingent receivables and liabilities on the date of preparation of the financial statements and the income and expenses for the duration of year being reported on. Despite the fact that these calculations are based on Management's best possible knowledge of current conditions and activities, the actual future results may in fact differ from those calculations. The estimates and judgements made by Management are re-examined continuously and are based on historical data and expectations about future events which are considered reasonable in light of current circumstances. The basic estimates and evaluations referring to data whose development could affect the financial statements' accounts in the upcoming 12 months are as follows:

5.1 Bad debt

The Group and Company impair the value of trade receivables when data or indications show that it is likely that all or part of a receivable will not be collected. The Group and Company Management periodically re-examine the adequacy of the bad debt provision which was formed based on the credit policy and taking into account information from the Legal Department derived from analysing historical data and recent developments in cases it is handling.

5.2 Provision for income tax

The provision for income tax is calculated by estimating the taxes to be paid to the tax authorities and includes the current income tax for every fiscal year and a provision for surtaxes that may emerge in future tax audits. In order to determine the size of the Group and Company's provision for income tax, a proper understanding of these matters is required. The final statement of income tax payable may differ from the amounts entered in the Group and Company's financial statements and those differences may affect income tax and provisions for deferred tax.

5.3 Provisions for employee benefits

Employee benefit obligations are calculated based on a study prepared by independent actuaries. The final obligation may differ from the actuarial figure due to various facts related to the discount rate, inflation, pay rises, as well as demographic and other data.

5.4 Depreciation of tangible and intangible assets

The Group calculates depreciation on tangible and intangible assets based on estimates of their useful life. The residual value and useful life of those assets are re-examined and determined on each balance sheet date if that is considered necessary.

5.5 Pending litigation

The Group has formed a provision for pending litigation based on information from the Group's Legal Department.

(amounts in thousands of euro)

6. SEGMENTAL REPORTING

The Group's Management (Chief Operating Decision Maker) responsible for taking financial decisions, after evaluating the Group's activity, has designated the Provision of Water Supply Services and the Provision of Sewerage Services as its operating segments. The break-down per segment of activity is as follows:

6.1 Break-down per Business Segment (primary reporting type)

6.1.1 Distribution of income statement per business segment

Group data for the period 1/1 - 31/12/2016

	Provision of Water Supply Services	Provision of Sewerage Services	Group Total
Sales to third parties	47,288	25,990	73,278
Less: Total cost of sales	(23,214)	(20,568)	(43,782)
Gross Profit (losses)	**24,075**	**5,421**	**29,496**
Earnings / (losses) before taxes, financial and investment results	**18,267**	**2,230**	**20,496**
Net Financial Income	858	414	1,272
Result from usual business	19,125	2,644	21,769
Results before tax	**19,125**	**2,644**	**21,769**
Income tax	(8,180)	(1,131)	(9,311)
Results net of tax	**10,944**	**1,513**	**12,457**
Earnings / (losses) before taxes, financial and investment results and depreciation	**23,389**	**3,113**	**26,501**

Group data for the period 1/1 - 31/12/2015

	Provision of Water Supply Services	Provision of Sewerage Services	Group Total
Sales to third parties	47,351	25,698	73,048
Less: Total cost of sales	(26,890)	(20,090)	(46,980)
Gross Profit (losses)	**20,461**	**5,608**	**26,068**
Earnings / (losses) before taxes, financial and investment results	**16,252**	**3,323**	**19,575**
Net Financial Income	762	364	1,126
Result from usual business	17,014	3,687	20,701
Results before tax	**17,014**	**3,687**	**20,701**
Income tax	(5,931)	(1,285)	(7,217)
Results net of tax	**11,083**	**2,402**	**13,485**
Earnings / (losses) before taxes, financial and investment results and depreciation	**21,198**	**4,140**	**25,338**

6.1.2 Distribution of Assets and Liabilities per business segment

Group data as at 31/12/2016

Group data	Provision of Water Supply Services	Provision of Sewerage Services	Group Total
Fixed Assets	48,826	31,850	80,677
Customers and other receivables	30,803	16,929	47,732
Non-allocated assets	-	-	63,589
Total assets	**79,629**	**48,780**	**191,998**

(amounts in thousands of euro)

Future subsidy income		2,345	2,345
Liabilities	5,646	5,119	9,712
Non-allocated liabilities		-	179,941
Total Liabilities	**5,646**	**7,464**	**191,998**
Additions of Tangible and Intangible Assets	3,459	2,047	5,506

Group data as at 31/12/2015

Group data	**Provision of Water Supply Services**	**Provision of Sewerage Services**	**Group Total**
Fixed Assets	49,746	31,825	81,572
Customers and other receivables	31,152	16,907	48,059
Non-allocated assets	-	-	58,401
Total assets	**85,568**	**51,266**	**188,032**
Future subsidy income	-	2,742	2,742
Liabilities	5,893	5,366	10,205
Non-allocated liabilities	-	-	175,085
Total Liabilities	**5,893**	**8,108**	**188,032**
Additions of Tangible and Intangible Assets	2,708	4,270	6,978

6.2 Break-down per Geographical Segment (secondary reporting type)

The Group's registered offices are in Greece and all the activities take place in Greece.

7. TANGIBLE ASSETS

The Group's tangible assets can be broken down as follows:

	THE GROUP						
	Lots - Plots	**Buildings and building facilities**	**Machinery & Mechanical Installations**	**Transport equipment**	**Furniture and other equipment**	**Fixed assets under construction**	**Total**
Acquisition or valuation value on 1/1/2016	**18,896**	**5,826**	**104,921**	**1,828**	**3,423**	**8,568**	**143,462**
Additions 1/1 - 31/12/2016			982	127	110	4,286	**5,505**
Redistributions 1/1 - 31/12/2016			6,014			(6,338)	**(324)**
Sales 1/1 - 31/12/2016							
Total on 31/12/2016	**18,896**	**5,826**	**111,917**	**1,955**	**3,533**	**6,516**	**148,643**
Accumulated depreciation on 1/1/2016		**-1,748**	**-56,626**	**-1,057**	**-2,613**		**-62,045**
Depreciation of period 1/1 - 31/12/2016		-146	-5,926	-75	-174		**-6,322**
Sales 1/1 - 31/12/2016							
Total on 31/12/2016		**-1,894**	**-62,552**	**-1,133**	**-2,788**		**-68,366**
Net carried value on 31/12/2015	**18,896**	**4,078**	**48,295**	**771**	**811**	**8,568**	**81,418**
Net carried value on 31/12/2016	**18,896**	**3,932**	**49,365**	**822**	**745**	**6,516**	**80,275**

	THE GROUP						
Acquisition or valuation value	**Lots - Plots**	**Buildings and building facilities**	**Machinery & Mechanical Installations**	**Transport equipment**	**Furniture and other equipment**	**Fixed assets under construction**	**Total**
Balance on 1/1/2015	**18,896**	**5,826**	**101,387**	**1,497**	**3,200**	**5,779**	**136,585**
Additions 1/1 - 31/12/2015			1,122	359	228	5,201	**6,910**
Redistributions 1/1 - 31/12/2015			2,413			(2,413)	
Sales 1/1 - 31/12/2015				(27)			**(27)**

(amounts in thousands of euro)

Total on 31/12/2015	**18,896**	**5,826**	**104,921**	**1,828**	**3,428**	**8,568**	**143,467**
Accumulated depreciation							
Balance on 1/1/2015		**1,603**	**50,861**	**1,023**	**2,445**		**55,931**
Depreciation of period 1/1 - 31/12/2015		146	5,766	62	171		**6,144**
Sales 1/1 - 31/12/2015				(27)			**(27)**
Total on 31/12/2015		**1,748**	**56,626**	**1,057**	**2,617**		**62,048**
Net carried value on 31/12/2014	**18,896**	**4,223**	**50,525**	**473**	**755**	**5,779**	**80,652**
Net carried value on 31/12/2015	**18,896**	**4,078**	**48,295**	**771**	**811**	**8,568**	**81,418**

The Company's tangible assets can be broken down as follows:

	THE COMPANY						
	Lots - Plots	Buildings and building facilities	Machinery & Mechanical Installations	Transport equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition or valuation value							
Balance on 1/1/2016	**18,896**	**5,826**	**104,921**	**1,828**	**3,423**	**8,568**	**143,462**
Additions 1/1 - 31/12/2016			982	127	110	4,286	**5,505**
Redistributions 1/1 - 31/12/2016			6,014			(6,338)	**(324)**
Sales 1/1 - 31/12/2016							
Total on 31/12/2016	**18,896**	**5,826**	**111,917**	**1,955**	**3,533**	**6,516**	**148,643**
Accumulated depreciation							
Balance on 1/1/2016		**-1,748**	**-56,626**	**-1,057**	**-2,613**		**-62,045**
Depreciation of period 1/1 - 31/12/2016		-146	-5,926	-75	-174		**-6,322**
Sales 1/1 - 31/12/2016							
Total on 31/12/2016		**-1,894**	**-62,552**	**-1,133**	**-2,788**		**-68,366**
Net carried value on 31/12/2015	**18,896**	**4,078**	**48,295**	**771**	**811**	**8,568**	**81,418**
Net carried value on 31/12/2016	**18,896**	**3,932**	**49,365**	**822**	**745**	**6,516**	**80,275**

	THE COMPANY						
	Lots - Plots	Buildings and building facilities	Machinery & Mechanical Installations	Transport equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition or valuation value on 1/1/2015	**18,896**	**5,826**	**101,387**	**1,497**	**3,197**	**5,779**	**136,582**
Additions 1/1 - 31/12/2015			1,122	359	225	5,201	**6,908**
Redistributions 1/1 - 31/12/2015			2,413			(2,413)	
Sales 1/1 - 31/12/2015				(27)			**(27)**
Total on 31/12/2015	**18,896**	**5,826**	**104,925**	**1,832**	**3,423**	**8,568**	**143,462**
Accumulated depreciation							
Balance on 1/1/2015		**1,603**	**50,861**	**1,023**		**2,444 -**	**55,930**
Depreciation for period 1/1 - 31/12/2015		146	5,766	62		173 -	**6,146**
Sales 1/1 - 31/12/2015				(27)			**(27)**
Total on 31/12/2015		**1,748**	**56,626**	**1,057**		**2,618 -**	**62,049**
Net carried value on 31/12/2014	**18,896**	**4,223**	**50,525**	**473**	**756**	**5,779**	**80,652**
Net carried value on 31/12/2015	**18,896**	**4,078**	**48,299**	**775**	**806**	**8,568**	**81,415**

No encumbrances have been registered on the Company's and the Group's assets.

8. INTANGIBLE ASSETS

(amounts in thousands of euro)

	THE GROUP		THE COMPANY	
	Software Programs	Total	Software Programs	Total
Acquisition or valuation value				
Balance on 1/1/2016	758	758	758	758
Additions 1/1 - 31/12/2016	6	6	6	6
Redistributions 1/1 - 31/12/2016	324	324	324	324
Sales 1/1 - 31/12/2016	-	-	-	-
Total on 31/12/2016	**1,088**	**1,088**	**1,088**	**1,088**
Accumulated depreciation				
Balance on 01/01/2015	606	606	606	606
Depreciation of period 1/1 - 31/12/2016	82	82	82	82
Total on 31/12/2016	**688**	**688**	**688**	**688**
Net carried value on 31/12/2015	**153**	**153**	**153**	**153**
Net carried value on 31/12/2016	**401**	**401**	**401**	**401**

	THE GROUP		THE COMPANY	
	Software Programs	Software Programs	Software Programs	
Acquisition or valuation value on 1/1/2015	711	711	707	707
Additions 1/1 - 31/12/2015	51	51	51	51
Total on 31/12/2015	**763**	**763**	**758**	**758**
Accumulated depreciation on 1/1/2015	570	570	566	566
Depreciation of period 1/1 - 31/12/2015	40	40	40	40
Total on 31/12/2015	**610**	**610**	**606**	**606**
Net carried value on 31/12/2014	**146**	**146**	**146**	**146**
Net carried value on 31/12/2015	**153**	**153**	**153**	**153**

9. PARTICIPATIONS IN SUBSIDIARIES

Company participations in subsidiaries and the relevant transactions for the year can be broken down as follows:

	31/12/2016	**31/12/2015**
Balance at start of period	**60**	**60**
Provision for impairment		
	60	60
Sale of subsidiary	-	-
Balance at end of period	**60**	**60**

(amounts in thousands of euro)

10. LONG-TERM RECEIVABLES

Long-term receivables as at 31/12/2016 primarily relate to the guarantees provided to PPC (€ 403, compared to € 400 in 2015) and long-term trade receivables after arrangements made for their repayment (€ 1,476, compared to € 1,532 in 2015).

11. INVENTORIES

Group and Company inventories can be broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Raw direct and indirect materials - consumables - spare parts	1,671	1,081	1,671	1,081
Impairment of inventories	(35)	(35)	(35)	(35)
Total after impairment	**1,636**	**1,045**	**1,636**	**1,045**

There is an impairment provision of €35 on the Group's inventories (2015: € 35).
There are no pledges on the Group's inventories.

12. TRADE AND OTHER RECEIVABLES

Group and Company other receivables can be broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Trade receivables	41,360	41,758	41,338	41,729
Short-term receivables from related parties			120	131
Doubtful – disputed customers and debtors	23,210	20,429	23,210	20,429
Sundry debtors	506	1,041	459	956
Advances and credit control account	160	114	160	114
Prepaid expenses	263	298	263	298
Years' receivable income	5,442	4,848	5,442	4,848
	70,942	**68,488**	**70,993**	**68,506**
Less: Provision for bad debt	(23,210)	(20,429)	(23,210)	(20,429)
Total of trade and other receivables	**47,732**	**48,059**	**47,783**	**48,077**

The book values of the above receivables represent their fair value and no discounting is required on the Balance sheet date. There is no credit risk concentration related to receivables, as the Company has a large number of customers and the credit risk is dispersed.

It should be noted that the balance of account "Receivable Income of period" on 31/12/2016 amounting to €5,442, pertains to incurred income of EYATH S.A. for the 1/1/2016-31/12/2016 period (when they were recorded) amounting to €4,520 which will be invoiced in a subsequent period, and other receivable income of € 922.

The advances and credit management account on 31/12/2016 mainly included receivables-bills for payment of the Company's collectors and other associates.

The change in bad debts and the provision formed can be broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Balance on 1/1/2016 / 1/1/2015	**20,429**	**17,692**	**20,429**	**17,692**
Increase	2,782	2,736	2,782	2,736
Balance on 31/12/2016 / 31/12/2015	**23,210**	**20,429**	**23,210**	**20,429**

(amounts in thousands of euro)

Trade receivable maturity dates were as follows:

TURNAROUND TIME FOR RECEIVABLES BALANCE ON 31/12/2016

	THE GROUP		THE COMPANY	
	WITHIN 12 MONTHS	OVER 12 MONTHS	WITHIN 12 MONTHS	OVER 12 MONTHS
Customers and other receivables	26,028	15,333	26,005	15,333
Receivables from related enterprises			120	
Doubtful – disputed customers and debtors		23,210		23,210
Less: Provisions		(23,210)		(23,210)
Total	**26,028**	**15,333**	**26,125**	**15,333**

TURNAROUND TIME FOR RECEIVABLES BALANCE ON 31/12/2015

	THE GROUP		THE COMPANY	
	WITHIN 12 MONTHS	MORE THAN 12 MONTHS	WITHIN 12 MONTHS	MORE THAN 12 MONTHS
Customers and other receivables	25,163	16,595	25,134	16,595
Receivables from related enterprises			131	
Doubtful – disputed customers and debtors		20,429		20,429
Less: Provisions		(20,429)		(20,429)
Total	**25,163**	**16,595**	**25,265**	**16,595**

BREAKDOWN OF BAD DEBT OVER 12 MONTHS

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Receivables from state and wider public sector	7,561	3	7,561	3
Other bad debt from individuals	7,772	16,592	7,772	16,592
Total	**15,333**	**16,595**	**15,333**	**16,595**

The parent company sends bills to customers - consumers of water three times a year. Each bill is for the consumption of water of a calendar quarter. In 2007, the Company's management decided to charge default interest to those customers who were late at least one month in paying their bill.

Group receivables from customers payable within 12 months amounted to € 26,028 on 31/12/2016 (2015: € 25,163). Customer receivables to be collected after 12 months from the date on which the period closed were € 38,543 (2015: € 37.024) of which: i) receivables of € 23,210 (2015: € 20,429) have been characterised as bad debt and ii) receivables of € 15,333 (2015: € 16,595) have not been characterised as bad debt. Bad debt collectible in more than 12 months from now includes receivables from the state and wider public sector of € 7,561 (2015: € 3) and receivables from individuals of € 7,772 (2015: € 16,592) which Company management has good grounds to believe will be collected.

13. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Cash	153	132	153	132
Sight and time deposits	56,544	50,824	56,149	50,644
Total	**56,697**	**50,956**	**56,302**	**50,776**

Cash assets include cash in the Group and company treasury and bank deposits available upon demand.

The rating of cash assets based on the credit ratings of FITCH is:

(amounts in thousands of euro)

Credit rating in cash assets (Fitch)	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
RD	28,471	47,604	28,076	47,424
Sight and time deposits in banks not rated by Fitch	28,072	3,220	28,073	3,220
Total	**56,543**	**50,824**	**56,149**	**50,644**

The total sight and time deposits are deposited in Greek banks which are subject to capital controls.

In implementation of the Act of Legislative Content of 20/4/2015 (Government Gazette 41/A), on 22/4/2016 EYATH S.A. requested that a cash management account be opened at the Bank of Greece in which € 25,000 was deposited.

14. SHARE CAPITAL

	31/12/2016	31/12/2015
Number of registered shares	36,300,000	36,300,000
Nominal value per share (in Euro)	1.12	1.12
Nominal value	**40,656,000**	**40,656,000**
Premium on capital stock	**2,829,985**	**2,829,985**

Company shares are listed for trading on the Large Capitalisation category of the Athens Exchange.

According to the Company's Shareholder Registry, on 31/12/2016, shareholders with a significant participation percentage in the Company were:

SHAREHOLDER	Number of shares held	Holding on 31/12/2016
Hellenic Republic Asset Development Fund S.A.	26,868,000	74.02%
Other shareholders	9,432,000	25.98%
Total	**36,300,000**	**100.00%**

15. RESERVES

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Statutory Reserve	11,186	10,564	11,163	10,541
Special law untaxed reserves	399	399	399	399
Reserves for own share acquisition	1	1	1	1
Other reserves	16,635	16,584	16,635	16,584
Balance	**28,221**	**27,549**	**28,198**	**27,525**

Under Greek company law, the establishment of a statutory reserve (by transferring 5% of the annual earnings net of tax to it to each year) is mandatory until that reserve accounts for 1/3 of the share capital. The “statutory reserve” is distributed only upon the winding up of the Company; it may though be set off against accumulated losses.

(amounts in thousands of euro)

The tax law reserves were established under the provisions of tax laws which either entitle the taxation of certain income to be rolled forward to the time at which that income is distributed to shareholders or grant certain tax breaks as incentives for making investments.
The own shares reserve consists of fractional rights in shares from share capital increases in which gratis shares were distributed on 17/1/2003.

16. PROVISIONS FOR EMPLOYEE BENEFITS / PROVISIONS FOR THE SUPPLY OF WATER

The Company's and Group's obligation to staff employed in Greece for future payment of benefits depending on their length of previous service is measured and presented based on the accrued right expected to be paid to each employee, on the balance sheet date, discounted at present value, compared to the expected time of payment. The accrued benefits of each period are charged in profit or loss with corresponding increase of the pension liability. The payment of benefits to employees leaving due to retirement correspondingly decrease the pension liability.

The present value is an estimate made at a specific point in time (the present). That estimate calculates an amount which is considered to express the economic equivalent (at the present time) of one or more amounts which will be paid at future points in time. The need to calculate the present value rises from the established principle that amounts which refer to different points in time are not comparable. To be able to compare the two or more amounts, they must be 'extrapolated' to the current date.
The obligation arising from currently completed service is equal to the present value of benefits accrued up to the valuation date (i.e. those which correspond to completed service by members on the valuation date) and is based on estimated final pensionable pay for active members.
Contributions are the present value of the increase for benefits due to one year's service, which will be added during the year after the valuation date, relate to service during that year and are based on estimated final pensionable pay for active members. That is done by calculating present value, which is the only method acceptable under IAS 19.

The number of staff employed in the Company and the corresponding payroll cost are as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Payroll expenses	6,646	6,750	6,646	6,750
Employer contributions	1,668	1,694	1,668	1,694
Other benefits and staff expenses	107	189	107	189
Personnel dismissal and retirement compensation provision	145	851	145	851
Total cost	**8,566**	**9,484**	**8,566**	**9,484**
Number of permanent employees	**221**	**224**	**221**	**224**

The Group and Company obligation to pay compensation to its staff leaving due to retirement was reduced based on an actuarial study which was prepared by an independent company of certified actuaries. The key figures and assumptions of the actuarial study are as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Provisions for retirement benefits	1,998	2,223	1,998	2,223
Provisions for water supply	0	1,560	0	1,560
	1,998	**3,783**	**1,998**	**3,783**

(amounts in thousands of euro)

The key financials and assumptions of the actuarial study for compensation benefits are as follows:

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Current value of non-financed liabilities	1,998	2,223	1,998	2,223
Net liability recognised in balance sheet	**1,998**	**2,223**	**1,998**	**2,223**

Amounts recognised in income statement

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Cost of current employment	46	100	46	100
Interest on liability	52	86	52	86
Normal expenses in income statement	**97**	**186**	**97**	**186**

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Net liability at start of period	**2,223**	**2,398**	**2,223**	**2,398**
Benefits paid by employer	(175)	(208)	(175)	(208)
Total expense recognised in income statement	97	186	97	186
Amount recognised directly in comprehensive income statement	(148)	(154)	(148)	(154)
Net liability at end of period	**1,998**	**2,223**	**1,998**	**2,223**
Re-measurements				
(Profit)/Loss from change in assumptions	(42)	(182)	(42)	(182)
(Profit)/Loss from the current period	189	27	189	27
Total charges to other comprehensive income	**148**	**(154)**	**148**	**(154)**
Change in net value of liability	**2,223**	**2,398**	**2,223**	**2,398**
Present value of liability at start of period	46	100	46	100
Cost of current employment Interest cost	52	86	52	86
Benefits paid by employer	(175)	(208)	(175)	(208)
Amounts recognised in other comprehensive income	(148)	(154)	(148)	(154)
Present value of liability at end of period	**1,998**	**2,223**	**1,998**	**2,223**
Actuarial assumptions				
Discount Rate	2.00%	2.32%	2.00%	2.32%
Inflation	2.00%	2.00%	2.00%	2.00%
Future increases of salaries	0% up to 2019 and 2.3% thereafter	0.00% (for 2016-2018) 2.5% (thereafter)	0% up to 2019 and 2.3% thereafter	0.00% (for 2016-2018) 2.5% (thereafter)
Retirement Increase Rate	0.00%	0.00%	0.00%	0.00%

The key figures and assumptions of the actuarial study for the water supply benefit are as follows:

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Current value of non-financed liabilities	0	1,560	0	1,560
Net liability recognised in balance sheet	**0**	**1,560**	**0**	**1,560**

Amounts recognised in income statement

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Cost of current employment	13	8	13	8
Interest on liability	35	17	35	17
Additional payments or expenses / (income)	(1,608)		(1,608)	
Normal expenses in income statement	**(1,560)**	**25**	**(1,560)**	**25**
Recognition of past service cost		640		640
Total expense in income statement	**(1,560)**	**664**	**(1,560)**	**664**

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Net liability at start of period	**1,560**	**946**	**1,560**	**946**
Benefits paid by employer		(48)		(48)
Total expense recognised in income statement	(1,560)	664	(1,560)	664
Amount recognised directly in comprehensive income statement		(3)		(3)
Net liability at end of period	**0**	**1,560**	**0**	**1,560**
Re-measurements				
(Profit)/Loss from change in assumptions		52		52
(Profit)/Loss from the current period		(49)		(49)
Total charges to other comprehensive income		**3**		**3**
Change in net value of liability				
Present value of liability at start of period	**1,560**	**946**	**1,560**	**946**
Cost of current employment	13	8	13	8
Interest cost	35	17	35	17
Benefits paid by employer		(48)		(48)
Cost of cutbacks / settlements / termination of service	(1,608)		(1,608)	
Additional payments or expenses / (income)				
Past service cost during previous period		640		640
Amounts recognised in other comprehensive income		(3)		(3)
Present value of liability at end of period	**0**	**1,560**	**0**	**1,560**

(amounts in thousands of euro)

Actuarial assumptions				
Discount Rate	2.00%	2.32%	2.00%	2.32%
Inflation	2.00%	2.00%	2.00%	2.00%
Future increases of salaries	0% up to 2019 and 2.3% thereafter	0.00% (for 2016-2018) 2.5% (thereafter)	0% up to 2019 and 2.3% thereafter	0.00% (for 2016-2018) 2.5% (thereafter)
Retirement Increase Rate	0.00%	0.00%	0.00%	0.00%

According to BoD Decision 154/2016 dated 19/4/2016, the free supply of water to EYATH S.A. pensioners was stopped, and therefore part of the relevant liability was reversed on 31/12/2016.

On the valuation date (31/12/2016), if an annual discount rate of 1.5% had been used instead of 2%, then the total obligation would have been around 6% lower. Moreover, if an annual discount rate of 2.5% had been used instead of 2%, then the total obligation would have been around 5% higher.

Based on the actuarial study, the gross value of the amount recognised in other comprehensive income is € 147, of which the net amount is € 105 and the corresponding deferred tax is € 33.

17. PROVISIONS FOR CONTINGENCIES AND EXPENSES

A provision of € 6,488 covers contingent liabilities that may arise during the settlement of litigation with third parties and Group staff.

A provision of € 2,200 relates to the provision for the cost of removing an accumulated mass of sludge at the Thessaloniki Wastewater Treatment Facility.

For fiscal years 2009 and 2010, which have not been audited by the tax authorities, the relevant provision formed was € 500. (see note 28)

	GROUP AND COMPANY			
Long-term provisions	**Pending litigation -**	**Provision for tax**	**Provisions for contingencies & expenses**	**Total**
1/1/2016	**3,252**	**1,037**	**2,200**	**6,489**
Additional provisions for year	3,586			**3,586**
Provisions used/reversal of provisions for the period	350	537		**887**
31 December 2016	**6,488**	**500**	**2,200**	**9,188**

	GROUP AND COMPANY			
Long-term provisions	**Pending litigation -**	**Provision for tax**	**Provisions for contingencies & expenses**	**Total**
01 January 2015	**2,321**	**1,037**	**3,700**	**7,058**
Additional provisions for year	932			**932**
Provisions used/reversal of provisions for the period			(1,500)	**(1,500)**
31 December 2015	**3,252**	**1,037**	**2,200**	**6,489**

18. GRANTS

	THE GROUP		**THE COMPANY**	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Opening balance	**2,742**	**3,117**	**2,742**	**3,117**
New grants collected		**45**		**45**
Depreciation of grants carried forward to results	**(397)**	**(420)**	**(397)**	**(420)**
End of period balance	**2,345**	**2,742**	**2,345**	**2,742**

Grants primarily relate to the construction of the company's water supply and sewerage network. The company has complied with all obligations required in order to receive the grants and so there is no issue of the grants being returned.

(amounts in thousands of euro)

19. OTHER LONG-TERM LIABILITIES

The sum of € 14,024 on 31/12/2016 and € 13,637 on 31/12/2015 related to guarantees from customers for use of meters which was collected when the initial supply connection was made. Those guarantees are returned (without interest) when the customer terminates the connection. The guarantees have been recorded at nominal value, and not at fair value when initially recorded and then subsequently at carried cost because customers may request those amounts back at any time.

20. TRADE AND OTHER LIABILITIES

The total liabilities of the Group and the Company to suppliers and other third parties are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Suppliers	5,663	6,283	5,630	6,263
Cheques payable	17	2	14	2
Other Taxes - Duties	1,057	1,194	1,057	1,194
Insurance and pension fund dues	312	306	312	306
Liabilities to related parties			275	231
Accrued expenses	1,467	1,538	1,461	1,531
Dividends payable	118	111	118	111
Sundry creditors	1,079	771	996	713
Total	9,712	10,205	9,863	10,351

The maturity of the Group and Company suppliers and other liabilities accounts can be broken down as follows:

	THE GROUP		THE COMPANY	
	SHORT-TERM 2016		SHORT-TERM 2016	
	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS
Suppliers	5,663		5,630	
Cheques payable	17		14	
Insurance and pension fund dues	312		312	
Dividends payable	118		118	
Liabilities to related enterprises/joint ventures			275	
Sundry creditors	332	747	249	747
Accrued expenses	1,467		1,461	
Other taxes and duties	1,057		1,057	
Total	8,965	747	9,116	747

	THE GROUP		THE COMPANY	
	SHORT-TERM 2015		SHORT-TERM 2015	
	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS
Suppliers	6,283		6,263	
Cheques payable	2		2	
Insurance and pension fund dues	306		306	
Dividends payable	111		111	
Liabilities to related enterprises/joint ventures			231	
Sundry creditors	371	400	312	400
Accrued expenses	1,538		1,531	
Other taxes and duties	1,194		1,194	
Total	9,805	400	9,951	400

21. SHORT-TERM TAX LIABILITIES

Group and Company other short-term liabilities can be broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Income tax	576	508	501	492
	576	508	501	492

1 THE GROUP

(amounts in thousands of euro)

In the comparator period, amounts from the short-term tax liabilities and other trade receivables accounts were reclassified for the purposes of comparability.

22. EXPENSES PER CATEGORY

Expenses per category for the Group and Company in 2016 can be broken down as follows:

for the period ended on 31/12/2016	Cost of production	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	1,753				1,753
Self-supplied fixed assets	(350)				(350)
Staff salaries and expenses	6,226	962	1,294	84	8,566
Third party fees and expenses	2,216	230	894	50	3,390
Electricity	11,729	13	51		11,792
Rent	131	31	191		352
Maintenance - Repair expenses	13,880	38	79	3	14,000
Other charges for outside services	1,056	98	267		1,421
Expenses from tax and duties	447	80	103	1	630
Miscellaneous Expenses	1,017	24	890	232	2,163
Depreciation of tangible & intangible assets	5,678	160	445	122	6,404
Provisions for bad debt		2,782			2,782
Total	**43,782**	**4,417**	**4,213**	**491**	**52,903**

for the period ended on 31/12/2016	Cost of production	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	1,753				1,753
Self-supplied fixed assets	(350)				(350)
Staff salaries and expenses	6,226	962	1,294	84	8,566
Third party fees and expenses	1,471	894	1,047	180	3,592
Electricity	11,729	13	51		11,792
Rent	131	31	191		352
Maintenance - Repair expenses	13,880	38	79	3	14,000
Other charges for outside services	1,056	98	259		1,413
Expenses from tax and duties	447	80	99	1	626
Miscellaneous Expenses	1,017	24	843	232	2,116
Depreciation of tangible & intangible assets	5,678	160	445	122	6,404
Provisions for bad debt		2,782			2,782
Total	**43,037**	**5,082**	**4,306**	**621**	**53,046**

Expenses per category for the Group and Company in 2015 can be broken down as follows:

THE GROUP

for the period ended on 31/12/2015	Cost of production	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	2,224				2,224
Self-supplied fixed assets	(359)				(359)
Staff salaries and expenses	6,873	945	1,572	94	9,484
Third party fees and expenses	1,992	229	875	48	3,146
Electricity	12,764	13	54		12,831
Rent	147	31	190		369
Maintenance - Repair expenses	15,614	33	115	3	15,765
Other charges for outside services	1,456	65	107		1,628
Expenses from tax and duties	403	48	92	46	589
Miscellaneous Expenses	1,331	18	555	3	1,907
Depreciation of tangible & intangible assets	4,535	705	901	46	6,186
Provisions for bad debt		2,736			2,736

(amounts in thousands of euro)

Total	**46,980**	**4,824**	**4,461**	**239**	**56,505**

THE COMPANY

for the period ended on 31/12/2015	Cost of production	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	2,224				2,224
Self-supplied fixed assets	(359)				(359)
Staff salaries and expenses	6,873	945	1,572	94	9,484
Third party fees and expenses	1,158	902	961	147	3,169
Electricity	12,764	13	54		12,831
Rent	147	31	190		368
Maintenance - Repair expenses	15,614	33	115	3	15,765
Other charges for outside services	1,456	65	98		1,619
Expenses from tax and duties	403	48	91	46	588
Miscellaneous Expenses	1,331	18	502	3	1,853
Depreciation of tangible & intangible assets	4,535	705	901	46	6,186
Provisions for bad debt		2,736			2,736
Total	**46,146**	**5,497**	**4,483**	**339**	**56,465**

23. OTHER OPERATING EXPENSES - OTHER OPERATING INCOME

Other operating income can be broken down as follows:

	THE GROUP		THE COMPANY	
	1/1 -31/12/2016	1/1 -31/12/2015	1/1 -31/12/2016	1/1 -31/12/2015
Income from Subsidies	213	267	213	267
Compensation for management & maintenance of rainwater network	0	1,500	0	1,500
Income from services provided	1,048	281	1,048	281
Rent	94	67	3	4
Depreciation on subsidies	397	375	397	375
Other income	2,801	1,907	2,801	1,907
Total other operating income	**4,553**	**4,397**	**4,462**	**4,334**

Other operating income as at 31/12/2016 which stood at € 2,801 (2015: € 1,907) includes the figure of € 1,560 which is related to termination of free water supplies to the company's pensioners.

Other operating expenses can be broken down as follows:

Tax and other fines and surcharges	667	65	667	65
Compensation to third parties for damage to the water supply & sewerage network	60	53	60	53
Compensation under court rulings	288	199	288	199
Other expenses, provisions and losses	3,170	935	3,170	935
Losses from replacement of water meters and Other losses		25		25
Other prior period expenses	247	88	211	45
Total other expenses	**4,432**	**1,365**	**4,396**	**1,323**

(amounts in thousands of euro)

Other expenses, provisions and losses as at 31/12/2016 which stood at € 3,170 (2015: € 935) include provisions equal in size to the amounts requested in pending litigation, which did not exist during the previous period (see note 17).

24. FINANCIAL INCOME/(EXPENSES)

Financial income (expenses) can be broken down as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Interest charges on bank liabilities	1	1		
Other financial expenses	57	50	57	50
Total financial expenses	**57**	**50**	**57**	**50**
Interest and related income	1,329	1,177	1,327	1,160
Total financial income	**1,329**	**1,177**	**1,327**	**1,160**
Net financial income/(expenses)	**1,272**	**1,127**	**1,270**	**1,111**

Note that the balance in the Group account "Interest and related income" as at 31/12/2016 of € 1,329 includes default interest on customer bills of € 405 and other interest of € 924 which primarily relates to interest from deposits. The policy of charging default interest on customer bills has been implemented since 16/5/2007 by decision of the Company's Board of Directors.

25. INCOME TAX

Under Law 4334/2015 which was published on 16/7/2015 and Law 4336/2015 which was published on 14/8/2015, the income tax rate for legal persons in Greece was increased from 26% to 29% and the advance on income tax was increased from 80% to 100%, effective from 1/1/2015.

The tax burden on the results was as follows:

	THE GROUP		THE COMPANY	
	1/1 -31/12/2016	1/1 -31/12/2015	1/1 -30/12/2016	1/1 -30/12/2015
Income tax	8,264	6,973	8,189	6,957
Deferred tax	1,048	244	1,048	244
Total	**9,312**	**7,217**	**9,237**	**7,201**

The tax amount in the "Income tax" line of the comprehensive income statement is different from the theoretical amount that would arise by applying the current tax rate to the Company's profits. This difference is as follows:

	THE GROUP		THE COMPANY	
	1/1 -31/12/2016	1/1 -31/12/2015	1/1 -31/12/2016	1/1 -31/12/2015
Earnings before tax	**21,769**	**20,701**	**21,568**	**20,754**
Tax calculated at the Company's tax rate (2016: 29%, 2015: 26%)	6,313	6,003	6,255	6,019
Expenditure not exempted from income tax	458	559	441	542
Other taxes	400		400	
Untaxed income		(446)		(446)
Impact of change in tax rates		549		549
Permanent differences	2,141	552	2,141	537
Total taxes in Comprehensive Income Statement	**9,312**	**7,217**	**9,237**	**7,201**

(amounts in thousands of euro)

The fact that in some cases income and expenses are booked at a time other than the time at which income is taxed or expenses deducted for the purpose of determining taxable income gives rise to the need to recognise deferred tax assets or deferred tax liabilities.

The deferred tax asset/liability recognised by the Group and the Company can be broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Balance at start of period	**4,467**	**4,756**	**4,467**	**4,756**
Income/equity tax	(1,091)	(289)	(1,091)	(289)
Balance at end of period	**3,376**	**4,467**	**3,376**	**4,467**

	THE GROUP			
	As at 31/12/2015	**Credits (Debits) in results**	**Credits (Debits) in equity**	**As at 31/12/2016**
Deferred tax liabilities				
Adjustment of fixed asset subsidies	(2,214)	61		(2,153)
	(2,214)	61		(2,153)
Deferred tax assets				
Depreciation on tangible assets	3,253	235		3,488
De-recognition of depreciation on capital expenditure and adjustment in depreciation for intangible assets	225	(26)		199
Adjustment of value of receivable accounts	1,483	(780)		703
Provisions for contingencies - other provisions	638	(109)		529
Personnel dismissal and retirement compensation provision	1,082	(505)	33	611
	6,681	(1,185)	33	5,529
Net deferred tax assets in the statement of financial position	**4,467**	**(1,123)**	**33**	**3,377**
Presentation in statement of financial position				
Deferred tax liabilities (net)				
Deferred tax assets (net)	4,467			3,377
	4,467			**3,377**

	THE COMPANY			
	As at 31/12/2015	**Credits (Debits) in results**	**Credits (Debits) in equity**	**As at 31/12/2016**
Deferred tax liabilities				
Adjustment of fixed asset subsidies	(2,214)	61		(2,153)
	(2,214)	61		(2,153)
Deferred tax assets				
Depreciation on tangible assets	3,253	235		3,488
De-recognition of depreciation on capital expenditure and adjustment in depreciation for intangible assets	225	(26)		199
Adjustment of value of receivable accounts	1,483	(780)		703
Provisions for contingencies - other provisions	638	(109)		529
Personnel dismissal and retirement compensation provision	1,082	(505)	33	611
	6,681	(1,185)	33	5,529
Net deferred tax assets in the statement of financial position	**4,467**	**(1,123)**	**33**	**3,377**
Presentation in statement of financial position				
Deferred tax liabilities (net)				
Deferred tax assets (net)	4,467			3,377

(amounts in thousands of euro)

4,467	**3,377**

26. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the net profits for the period by the average weighted number of shares in circulation during the period. Earnings are defined as profits or losses from the Group's continuing operations. It should be clearly understood that during the current and previous fiscal year there were no discontinued operations. There are no debentures convertible to shares or other potential instruments convertible to shares which would reduce profits during the periods to which the financial statements relate and consequently reduced earnings per share have not been calculated.

Basic earnings (losses) per share were calculated as follows:

	THE GROUP		THE COMPANY	
	1/1 -31/12/2016	1/1 -31/12/2015	1/1 -31/12/2016	1/1 -31/12/2015
Net profits payable to the Company's ordinary shareholders	**12,457**	**13,485**	**12,331**	**13,553**
Average weighted number of shares in circulation	36,300,000	36,300,000	36,300,000	36,300,000
Less: Weighted average number of own shares				
Average weighted number of shares in circulation	**36,300,000**	**36,300,000**	**36,300,000**	**36,300,000**
Basic earnings (losses) per share (in euro)	**0.3432**	**0.3715**	**0.3397**	**0.3734**

At its meeting on 27/4/2017 the Company's Board of Directors approved submission of a proposal to the Ordinary General Meeting of Shareholders to distribute a dividend under Article 45 of Codified Law 2190/1920 of € 0.114 per share (or a total gross sum of € 4,138) for 2016. The dividend is subject to approval by the Ordinary General Meeting of Shareholders and is included in the balance of the account "Retained earnings".

27. TRANSACTIONS WITH RELATED PARTIES

According to the Group, related parties are members of the Board of Directors, management executives, as well as the shareholders holding a significant percentage of its share capital (including their related parties). The transactions and the balances of the Group's and Company's related parties, during the 1/1/2016 - 31/12/2016 period and on 31/12/2016 respectively, are broken down in the following tables:

	THE GROUP		THE COMPANY	
	1/1/2016 - 31/12/2016	1/1/2015 - 31/12/2015	1/1/2016 - 31/12/2016	1/1/2015- 31/12/2015
Income				51
Expenses			1,969	1,668
Transactions and fees of management executives and Board members	783	820	783	819

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Receivables			120	131
Liabilities			275	231
Receivables from management executives and Board members	4	5	4	5
Liabilities to from management executives and Board members	20	329	20	327

(amounts in thousands of euro)

The company's expenses of € 1,969 are related to meter reading services and distribution of receipts, as well as other services provided by subsidiary "EYATH SERVICES S.A.". The Company's receivable of € 120 mainly relates to receivables from the approved dividend. The Company's liability of € 275 relates to meter reading services and distribution of receipts to the subsidiary EYATH SERVICES S.A.

The actuarial liability for the company's related parties (management executives) was € 260 on 31/12/2016 (compared to € 241 in 2015).

28. COMMITMENTS FROM CONTINGENT LIABILITIES

28.1 Contingent liabilities from differences in litigation or arbitration

As at 31/12/2016, there were lawsuits, extrajudicial invitations and in general future claims of a total amount of € 30 million approximately against the Company and Group, for which a provision of € 6,488 in total had been formed, which is included in the long-term liabilities account "Provisions for contingencies and expenses" (see Note 28).

Of those lawsuits, the sum of € 12.8 million relates to compensation for damage done by flooding or actions from various counterparties/suppliers and contractors for breach of contractual terms and € 17.2 million relates to labour disputes, retirement compensation and fines imposed by insurance funds.

The Group's Legal Department estimates that other than the provision formed there will be no other cases whose outcome in court will significantly affect the Group's assets and operations.

28.2 Commitments from operating leases

As at 31/12/2016, the Group had entered into contracts for the operating lease of properties, which will gradually come to an end by 2019. The operating lease rent expenses which were recorded in the income statement of the current period were € 352 (31/12/2015: € 368).

The future minimum payments of operating lease rents based on a non-voidable operating lease contract for the group and the company are as follows:

	31/12/2016	31/12/2015
0 – 1 years	270	304
2 – 5 years	68	348
Over 5 years	-	-
	338	**652**

28.3. Other contingent liabilities

As at 31/12/2016, the Group had granted performance bonds for project contracts of a total amount of € 522 (31/12/2015: € 734).

28.4 Open tax periods

Tax Compliance Report

From the 2011 fiscal year onwards, Greek societes anonyme and limited liability companies whose annual financial statements are audited of necessity and whose taxable income is over € 0.15 million are obliged to also obtain an annual tax certificate in accordance with Article 82(5) of Law 2238/1994 and Article 65a of Law 4174/2013. That annual tax certificate must be issued by the same statutory auditor or auditing firm which audits the annual financial statements. After completing the tax audit, the statutory auditor or auditing firm issues a Tax Compliance Report to the company and then the statutory auditor or auditing firm submits it online to the Ministry of Finance.

The Tax Compliance Report for the Company for FYs 2011 to 2015 inclusive has been issued without substantive adjustments in the tax cost and the corresponding tax provision, as reflected in the annual financial statements. The tax audit for FY 2016 is currently being carried out by Grant Thornton S.A. When the tax audit is completed, Management does not expect there to be major tax liabilities other than those entered into and presented in the financial statements.

Open tax periods

In October 2015, the Large Enterprises Audit Centre of the Secretariat General for Public Revenues, issued tax audit instruction No. 628/5/1118 for the 2009-2010 fiscal years. In February 2017, an interim table of taxes was sent and the Company, making use of the beneficial provisions contained in Law 4446/2016, submitted amended income tax declarations for the 2009-2010 fiscal years. On the basis of those amended declarations the Company paid € 371k and based on the interim auditing reports issued, the main tax balance is € 112k.
Consequently, the total burden is € 484k. The provision for open periods (2009-2010) formed by the Company as at 31/12/2015 was € 1,037 and in light of the above was reduced to € 500k and the difference was entered in the "Other operating income" account.

The subsidiary has not been audited by the competent tax authorities for years 2010 and up to this year. No additional taxes and surcharges are expected to be imposed, and therefore no relevant provision was formed.

For the fiscal years 2011 to 2015, the Company and its subsidiary EYATH Services S.A. have undergone a tax audit carried out by the certified public accountants in accordance with the provisions of Article 82(5) of Law 2238/1994 (for FYs 2011 to 2013) and Article 65a of Law 4172/2013 (Hellenic Income Tax Code) as amended by Law 4262/2015 (for FYs from 2014 onwards). For fiscal years 2011 to 2015, the audit was carried out by Grant Thornton S.A. Upon completion of the tax audit, audit reports were issued with an unqualified opinion for the Company and its subsidiary, while there were no tax liabilities other than those recorded and presented in the separate and consolidated financial statements.
For fiscal year 2016, the Tax Compliance Reports are expected to be issued after the publication of the annual financial statements.
After the completion of the tax audit, the Management of the Company and the Group does not anticipate any additional tax liabilities that will have a material effect, other than those recorded in the separate and consolidated financial statements.

29. NUMBER OF STAFF EMPLOYED

The number of staff employed by the Group on 31/12/2016 was 221 (31/12/2015: 224).

30. MAJOR EVENTS

On 11/5/2016, during the Ordinary General Meeting of the Company's shareholders, the Company's new Board of Directors was elected, its term ending on 10/5/2021. The new management of EYATH S.A., in a spirit of transparency and fairness, will seek to "invest" its profits in projects for the Thessaloniki public, ensuring a balance between the Company's growth and the protection of the environment, which in the case of the Thessaloniki urban centre, is synonymous with protection of the Thermaikos Bay.

EYATH S.A. combines its business operations with social responsibility, providing a high level of water supply and sewerage services, at the lowest possible cost. At the same time, serving as the manager and provider of a public commodity, such as water, it makes sure that it is accessible to sensitive (vulnerable or special) groups of citizens, ensuring that they can cover their basic needs, having established a social water supply tariff.

Following steps taken by Company management, procedures have been launched through the Central Staff Recruitment Board (ASEP) to increase the company's workforce, with 150 employees to be added within the current fiscal year, to allow EYATH S.A. to expand its activities and contribute towards the economic growth of the wider region. The process of submitting applications and supporting documents has already been completed for 80 university or technical college employees and the final tables remain to be published, while procedures to recruit 70 secondary education employees is under way.

During the previous year, the Company's new Management team restructured the Company in administrative terms, preparing a new organisational chart, which reduced the number of Divisions from 8 to 6 through the reallocation of departments and competences, and also appointing a new General Manager and new heads of divisions and departments after an evaluation process. The Company's Management Board was also launched, which operates on the basis of updated internal regulations.

In September 2016, the Board of Directors approved the Business Plan for the Management - Distribution of water for water supply purposes within EYATH's remit. The budget for the plan (excluding the water supply SCADA which will be financed by a Central Macedonia Region NSRF Programme with a budget of € 4.4 million) is € 64 million and will be implemented by the Company over the next 5 years.

The Board of Directors also recently approved a new company investment and business programme for the 2017-2023 period, aiming to:

- ensure the overall development of its networks, namely a series of technical projects in order to supply water to areas of both the urban area, and beyond it, to regions which currently are lacking good quality water;
- implement the extension of the Thessaloniki Water Treatment Plant (known as the 'refinery') to ensure the necessary extra quantity of water needed to cope with current and future water supply demand for the Thessaloniki urban area;
- expand its operation to neighbouring areas facing water supply and sewerage problems, for example tourist areas with water supply problems due to over-abstraction, saline water, etc.

On 26/4/2016 the Board of Directors of the Hellenic Republic Asset Development Fund (HRADF) approved the updated Asset Development Plan (ADP), which on 25/5/2016 was approved by the Government Economic Policy Council (Government Gazette 1472/B). According to the above plan, 23% of the Company's shares will be sold.

Article 2 of Law 4425/2016 (Government Gazette 185/A/30.9.2016) amended Article 197(6) of Law 4389/2016 and it was decided that 51% of shares in the Company would be transferred to the Public Holdings Company S.A. when it is established. So far, that transfer has not taken place and HRADF is still the main shareholder in the Company, with a 74.02% stake.

(amounts in thousands of euro)

31. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

During 2017, the parent company EYATH S.A. received an interim tax audit report for the audit for 2009 and 2010 which is under way. That report was accepted by Company Management in Board of Directors' Decision No. 137/2017 and the final audit report is expected to be issued soon. The surtaxes which were computed amounting to approximately € 500 are fully covered by existing provisions in the Company's books.

There are no events between 31 December 2016 and the date on which the financial statements were approved by the Company's Board of Directors which could materially affect the financial position or the Company's results for the period that ended on this date, or other events which should be disclosed in the financial statements.

Thessaloniki, 27 April 2017

Ioannis Krestenitis	Ioannis Papaioannou	Dimitrios Alexandris
Chairman of the Board of Direct CEO ID Card No. AB 680550	Vice Chairman ID Card No. AE 183479	CFO ID Card No. AZ 683204 Econ. Chamber of Greece Licen. No. 1st Class 0105601

(amounts in thousands of euro)

INFORMATION AND DATA

ΕΤΑΙΡΕΙΑ ΥΔΡΕΥΣΗΣ ΚΑΙ ΑΠΟΧΕΤΕΥΣΗΣ ΘΕΣΣΑΛΟΝΙΚΗΣ Α.Ε.

ΑΡ. Γ.Ε.Μ.Η.: 58240404000 (ΑΡ.Μ.Α.Ε.: 41913/06/Β/98/32)
ΕΔΡΑ: Εγνατίας 127- 54635 Θεσσαλονίκη
ΣΤΟΙΧΕΙΑ ΚΑΙ ΠΛΗΡΟΦΟΡΙΕΣ ΧΡΗΣΗΣ από 1η Ιανουαρίου 2016 έως 31η Δεκεμβρίου 2016,
(δημοσιευόμενα βάσει του κν 2190/1920, άρθρο 135 για επιχειρήσεις που συντάσσουν ετήσιες οικονομικές καταστάσεις, ενοποιημένες και μη, κατά τα Δ.Λ.Π.)

Τα παρακάτω στοιχεία και πληροφορίες, που προκύπτουν από τις οικονομικές καταστάσεις, στοχεύουν σε μια γενική ενημέρωση για την οικονομική κατάσταση και τα αποτελέσματα της «ΕΤΑΙΡΕΙΑ ΥΔΡΕΥΣΗΣ ΚΑΙ ΑΠΟΧΕΤΕΥΣΗΣ ΘΕΣΣΑΛΟΝΙΚΗΣ Α.Ε.». Συνιστούμε επομένως στον αναγνώστη, πριν προβεί σε οποιαδήποτε είδους επενδυτική επιλογή ή άλλη συναλλαγή με τον εκδότη, να ανατρέξει στην διεύθυνση διαδικτύου του εκδότη, όπου αναρτώνται οι οικονομικές καταστάσεις καθώς και η έκθεση ελέγχου του νόμιμου ελεγκτή.

Αρμόδια Υπουργείο: Υπουργείο Οικονομίας, Υποδομών, Ναυτιλίας και Τουρισμού
Διεύθυνση Διαδικτύου: www.eyath.gr
Σύνθεση Διοικητικού Συμβουλίου:

Ιωάννης Κρεστενίτης, Πρόεδρος του Δ.Σ. & Διευθύνων Σύμβουλος, εκτελεστικό μέλος - Ιωάννης Παπαϊωάννου, Αντιπρόεδρος του Δ.Σ., εκτελεστικό μέλος - Στυλιανή Βαλάνη, Αντιπρόεδρος του Δ.Σ., εκτελεστικό μέλος - Στεφανία Τανιμανίδου, ανεξάρτητο μη εκτελεστικό μέλος -Παναγιώτης Γκόγκος, ανεξάρτητο μη εκτελεστικό μέλος - Εύδοξος Πετρίδης, μη εκτελεστικό μέλος - Ολυμπία Λάτσιου, μη εκτελεστικό μέλος - Ιωάννης Τσιωνάς, μη εκτελεστικό μέλος - Ελευθερία Καραχάλιου, μη εκτελεστικό μέλος - Γιώργος Αρχοντόπουλος, εκπρόσωπος των εργαζομένων, μη εκτελεστικό μέλος - Αναστάσιος Σαχινίδης, εκπρόσωπος των εργαζομένων, μη εκτελεστικό μέλος.

Ημερομηνία έγκρισης από το Διοικητικό Συμβούλιο των οικονομικών καταστάσεων: 27 Απριλίου 2017
Νόμιμος Ελεγκτής: Αραμπατζή Αθανασία (Α.Μ.12821), Βαργιεμέζης Χρήστος (Α.Μ. 30891)
Ελεγκτική Εταιρεία: Grant Thorton A.E. (A.M.127)
Τύπος Έκθεσης Ελέγχου: Με σύμφωνη γνώμη

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΧΡΗΜΑΤΟΟΙΚΟΝΟΜΙΚΗΣ ΘΕΣΗΣ

(Τα ποσά είναι εκφρασμένα σε χιλιάδες Ευρώ)

	Ο ΟΜΙΛΟΣ		Η ΕΤΑΙΡΕΙΑ	
ΕΝΕΡΓΗΤΙΚΟ	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Ιδιοχρησιμοποιούμενα Ενσώματα Πάγια στοιχεία	80.275	81.418	80.275	81.418
Άυλα Περιουσιακά στοιχεία	401	153	401	153
Λοιπά μη κυκλοφορούντα περιουσιακά στοιχεία	5.256	6.400	5.316	6.460
Αποθέματα	1.636	1.045	1.636	1.045
Απαιτήσεις από πελάτες	41.360	41.758	41.338	41.729
Λοιπά κυκλοφορούντα περιουσιακά στοιχεία	63.070	57.258	62.747	57.123
ΣΥΝΟΛΟ ΕΝΕΡΓΗΤΙΚΟΥ	**191.998**	**188.032**	**191.713**	**187.928**
ΙΔΙΑ ΚΕΦΑΛΑΙΑ ΚΑΙ ΥΠΟΧΡΕΩΣΕΙΣ				
Μετοχικό Κεφάλαιο	40.656	40.656	40.656	40.656
Λοιπά Στοιχεία Ιδίων Κεφαλαίων	113.499	110.013	113.139	109.778
Σύνολο Ιδίων Κεφαλαίων ιδιοκτητών μητρικής (α)	**154.155**	**150.668**	**153.795**	**150.435**
Δικαιώματα Μειοψηφίας **(β)**	0	0	0	0
Σύνολο Ιδίων Κεφαλαίων (γ) = (α) + (β)	**154.155**	**150.668**	**153.795**	**150.435**
Προβλέψεις / Λοιπές μακροπρόθεσμες υποχρεώσεις	27.554	26.651	27.554	26.651
Εμπορικές και λοιπές βραχυπρόθεσμες υποχρεώσεις	10.288	10.713	10.364	10.843
Σύνολο υποχρεώσεων (δ)	**37.842**	**37.364**	**37.918**	**37.494**
ΣΥΝΟΛΟ ΙΔΙΩΝ ΚΕΦΑΛΑΙΩΝ ΚΑΙ ΥΠΟΧΡΕΏΣΕΩΝ	**191.998**	**188.032**	**191.713**	**187.928**

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΣΥΝΟΛΙΚΩΝ ΕΣΟΔΩΝ

(Τα ποσά είναι εκφρασμένα σε χιλιάδες Ευρώ)

	Ο ΟΜΙΛΟΣ		Η ΕΤΑΙΡΕΙΑ	
	1/1-31/12/2016	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
	Συνεχιζόμενες Δραστηριότητες		**Συνεχιζόμενες Δραστηριότητες**	
Κύκλος Εργασιών	73.278	73.048	73.278	73.048
Μικτά Κέρδη / (ζημιές)	29.496	26.068	30.241	26.902
Κέρδη / (ζημιές) προ φόρων, χρηματοδοτικών και επενδυτικών αποτελεσμάτων	20.496	19.575	20.298	19.594
Κέρδη / (ζημιές) προ φόρων	21.769	20.701	21.568	20.754
Μείον Φόροι	(9.311)	(7.217)	(9.237)	(7.201)
Κέρδη / (ζημιές) μετά από φόρους (Α)	**12.457**	**13.485**	**12.331**	**13.553**
-Ιδιοκτήτες Μητρικής	12.457	13.485	12.331	13.553
-Δικαιώματα Μειοψηφίας	0	0	0	0
Λοιπά συνολικά έσοδα μετά από φόρους (Β)	105	111	105	111
Συγκεντρωτικά συνολικά έσοδα μετά από φόρους (Α)+(Β)	12.562	13.596	12.436	13.664
-Ιδιοκτήτες Μητρικής	12.562	13.596	12.436	13.664
-Δικαιώματα Μειοψηφίας	0	0	0	0
Κέρδη / (ζημιές) μετά από φόρους ανά μετοχή - βασικά (σε €)	0,3432	0,3715	0,3397	0,3734
Προτεινόμενο μέρισμα ανά μετοχή - (σε Ευρώ)			0,1140	0,1250
Κέρδη / (ζημιές) προ φόρων, χρηματοδοτικών, επενδυτικών αποτελεσμάτων και συνολικών αποσβέσεων	26.501	25.338	26.302	25.331

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΤΑΜΕΙΑΚΩΝ ΡΟΩΝ

Έμμεση Μέθοδος
(Τα ποσά είναι εκφρασμένα σε χιλιάδες Ευρώ)

	Ο ΟΜΙΛΟΣ		Η ΕΤΑΙΡΕΙΑ	
	1/1-31/12/2016	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Λειτουργικές δραστηριότητες:				
Κέρδη / (Ζημιές) προ φόρων (συνεχιζόμενες δραστηριότητες)	21.769	20.701	21.568	20.754
Πλέον (μείον) προσαρμογές για:				
Αποσβέσεις	6.402	6.184	6.401	6.157
Προβλέψεις	4.583	2.551	4.583	2.551
Έσοδα συμμετοχών	-	-	-	(51)
Αποσβέσεις επιχορηγήσεων επενδύσεων πάγιου ενεργητικού	(397)	(420)	(397)	(420)
Τόκοι και συναφή (έσοδα) / έξοδα	(1.272)	(1.127)	(1.270)	(1.111)
Πλέον / μείον προσαρμογές για μεταβολές λογαριασμών κεφαλαίου κίνησης	**31.084**	**27.889**	**30.884**	**27.880**
ή που σχετίζονται με τις λειτουργικές δραστηριότητες:				
Μείωση / (αύξηση) αποθεμάτων	591	(284)	591	(284)
Μείωση / (αύξηση) απαιτήσεων	3.094	(4.756)	3.080	(4.726)
Μείωση / (αύξηση) μακροπροθέσμων απαιτήσεων	53	(401)	53	(401)
(Μείωση) / αύξηση υποχρεώσεων (πλην δανειακών)	(7.632)	55	(7.627)	98
(Μείον):				
Χρεωστικοί τόκοι και συναφή έξοδα καταβεβλημένα	(50)	(50)	(57)	(50)
Καταβεβλημένοι φόροι	(8.330)	(7.807)	(8.330)	(7.708)
Σύνολο εισροών / (εκροών) από λειτουργικές δραστηριότητες (α)	**18.809**	**14.645**	**18.594**	**14.810**
Επενδυτικές δραστηριότητες:				
Αγορά ενσώματων και άυλων παγίων στοιχείων	(5.511)	(6.961)	(5.511)	(6.959)
Πώληση ενσώματων και άυλων παγίων στοιχείων	-	27	-	27
Μερίσματα εισπραχθέντα	-	-	-	63
Τόκοι εισπραχθέντες	1.312	1.414	1.312	1.398
Σύνολο εισροών / (εκροών) από επενδυτικές δραστηριότητες (β)	**(4.199)**	**(5.520)**	**(4.200)**	**(5.471)**
Χρηματοδοτικές δραστηριότητες:				
Εισπράξεις από επιχορηγήσεις	-	45	-	45
Μερίσματα πληρωθέντα	(8.869)	(8.519)	(8.869)	(8.519)
Σύνολο εισροών / (εκροών) από χρηματοδοτικές δραστηριότητες (γ)	**(8.869)**	**(8.474)**	**(8.869)**	**(8.474)**
Καθαρή αύξηση / (μείωση) στα ταμειακά διαθέσιμα και ισοδύναμα περιόδου (α)+(β)+(γ)	**5.741**	**652**	**5.526**	**865**
Ταμειακά διαθέσιμα και ισοδύναμα έναρξης χρήσης	**50.956**	**50.305**	**50.776**	**49.911**
Ταμειακά διαθέσιμα και ισοδύναμα λήξης χρήσης	**56.697**	**50.956**	**56.302**	**50.776**

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΜΕΤΑΒΟΛΩΝ ΙΔΙΩΝ ΚΕΦΑΛΑΙΩΝ

(Τα ποσά είναι εκφρασμένα σε χιλιάδες Ευρώ)	Ο ΟΜΙΛΟΣ		Η ΕΤΑΙΡΕΙΑ	
	1/1-31/12/2016	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Σύνολο ιδίων κεφαλαίων έναρξης χρήσης (01/01/2016 και 01/01/2015 αντίστοιχα)	**150.668**	**145.785**	**150.435**	**145.482**
Συγκεντρωτικά συνολικά εισοδήματα μετά από φόρους	12.562	13.596	12.436	13.664
Αύξηση / (μείωση) μετοχικού κεφαλαίου	0	0	0	0
Διανεμηθέντα μερίσματα	(9.075)	(8.712)	(9.075)	(8.712)
Αγορές / (πωλήσεις) ιδίων μετοχών	0	0	0	0
Σύνολο ιδίων κεφαλαίων λήξης χρήσης (31/12/2016 και 31/12/2015 αντίστοιχα)	**154.155**	**150.668**	**153.795**	**150.435**

ΠΡΟΣΘΕΤΑ ΣΤΟΙΧΕΙΑ ΚΑΙ ΠΛΗΡΟΦΟΡΙΕΣ

1. Οι εταιρείες που περιλαμβάνονται στις ενοποιημένες οικονομικές καταστάσεις της τρέχουσας χρήσης παρουσιάζονται ως κάτωθι. Έως και την 31/12/2016 δεν έχει πραγματοποιηθεί καμία μεταβολή στις ενοποιούμενες εταιρείες ή/και στο % συμμετοχής και στη μέθοδο ενοποίησης τους.

Εταιρεία	Χώρα	Ποσοστό συμμετοχής	Μέθοδος ενσωμάτωσης
ΕΥΑΘ ΑΕ	Ελλάδα	Μητρική	Ολική ενσωμάτωση.
ΕΥΑΘ ΥΠΗΡΕΣΙΩΝ ΑΕ	Ελλάδα	100%	Ολική ενσωμάτωση.

2. Εντός του 2017 επιδόθηκε στη μητρική εταιρεία ΕΥΑΘ ΑΕ το προσωρινό φύλλο φορολογικού ελέγχου αναφορικά με τον υπό εξέλιξη έλεγχο των χρήσεων 2009 και 2010. Το φύλλο αυτό έγινε αποδεκτό από την διοίκηση της εταιρείας με την υπ' αριθμό 137/2017 απόφαση ΔΣ και αναμένεται η έκδοση των οριστικών φύλλων ελέγχου. Οι ανέλεγκτες χρήσεις για τη θυγατρική ΕΥΑΘ ΥΠΗΡΕΣΙΩΝ ΑΕ είναι παρακάτω:

Εταιρεία	Χώρα	Ποσοστό συμμετοχής	ΑΝΕΛΕΓΚΤΕΣ ΦΟΡΟΛΟΓΙΚΑ ΧΡΗΣΕΙΣ
ΕΥΑΘ ΥΠΗΡΕΣΙΕΣ ΑΕ	Ελλάδα	100,00%	2010

Για την κλειομενη χρήση 2016 διενεργείται ήδη έλεγχος από την ελεγκτική εταιρεία Grant Thornton, η οποία θα εκδώσει φορολογικό πιστοποιητικό (σημ. 28.4 της Ετήσιας Οικονομικής Έκθεσης).

3. Οι σχηματισμένες προβλέψεις για ενδεχόμενους κινδύνους διαμορφώνονται ανά περίπτωση ως εξής:
i) Για επίδικες ή υπό διαιτησία διαφορές του Ομίλου και της Εταιρείας, καθώς και αποφάσεις δικαστικών ή διαιτητικών οργάνων, έχει σχηματιστεί πρόβλεψη ύψους € 6.488 χιλ. Πέραν της πρόβλεψης δεν υπάρχουν άλλες διαφορές που ενδέχεται να έχουν σημαντική επίπτωση στην οικονομική κατάσταση ή λειτουργία του Ομίλου (σημ. 28.1 της Ετήσιας Οικονομικής Έκθεσης).
ii) Έχει σχηματιστεί συσσωρευμένη πρόβλεψη για επισφαλείς απαιτήσεις ύψους € 23.210 χιλ. (σημ. 12 της Ετήσιας Οικονομικής Έκθεσης).
iii) Έχει σχηματιστεί συσσωρευμένη πρόβλεψη για ανέλεγκτες φορολογικά χρήσεις, ύψους € 500 χιλ. (σημ. 17 της Ετήσιας Οικονομικής Έκθεσης).
iv) Έχει σχηματιστεί συσσωρευμένη πρόβλεψη για απαξίωση αποθεμάτων ύψους € 35 χιλ. (σημ. 11 της Ετήσιας Οικονομικής Έκθεσης).
v) Έχει σχηματιστεί συσσωρευμένη πρόβλεψη για αποζημίωση προσωπικού λογω εξόδου από την υπηρεσία ύψους € 1.998 χιλ. (σημ. 16)
vi) Έχει σχηματιστεί συσσωρευμένη πρόβλεψη για απομάκρυνση της αφυδατωμένης ιλύος ύψους € 2.200 χιλ. (σημ. 17 της Ετήσιας Οικονομικής
vii)Δεν έχουν σχηματιστεί λοιπές προβλέψεις.

4. Δεν υφίστανται εμπράγματα βάρη επί ακινήτων του Ομίλου και της Εταιρείας.

5. Ο αριθμός απασχολούμενου προσωπικού στο τέλος της τρέχουσας χρήσης ήταν: Όμιλος: 221, Εταιρεία: 221, ενώ για την αντίστοιχη προηγούμενη Περίοδο ανερχόταν σε 224 για τον όμιλο και την εταιρεία.

6. Οι επενδύσεις του Ομίλου και της Εταιρείας σε πάγια περιουσιακά στοιχεία για την τρέχουσα περίοδο ανέρχονται σε € 5.511 χιλ.. Για την αντίστοιχη προηγούμενη περίοδο ανερχόταν σε € 6.961 χιλ. και 6.959 χιλ. για τον Όμιλο και την Εταιρεία αντίστοιχα. (σημ. 7 & 8 της Ετήσιας Οικονομικής Έκθεσης).

7. Τα λοιπά συνολικά έσοδα μετά από φόρους κατά την τρέχουσα χρήση ανερχόταν σε € 105 χιλ. , ενώ για την προηγούμενη χρήση ανερχόταν σε € 111 χιλ. και αφορούν αναλογιστικά αποτελέσματα.

8. Τα ποσά των εσόδων και εξόδων σωρευτικά από την έναρξη της χρήσης και τα υπόλοιπα των απαιτήσεων και υποχρεώσεων του Ομίλου και της Εταιρίας στη λήξη της κλειόμενης χρήσης, που έχουν προκύψει από συναλλαγές της με συνδεδεμένα μέρη, όπως αυτά ορίζονται από το Δ.Λ.Π. 24, έχουν ως ακολούθως :

	Όμιλος	Εταιρεία
α) Έσοδα	0	0
β) Έξοδα	0	1.969
γ) Απαιτήσεις	0	120
δ) Υποχρεώσεις	0	275
ε) Συναλλαγές και αμοιβές διευθυντικών στελεχών και μελών της διοίκησης	783	783
στ) Απαιτήσεις από διευθυντικά στελέχη και μέλη της διοίκησης	4	4
ζ) Υποχρεώσεις προς τα διευθυντικά στελέχη και μέλη της διοίκησης	20	20

9. Ο Όμιλος δεν κατέχει ίδιες μετοχές

10. Δεν έχει συμβεί κάποιο γεγονός το οποίο επηρεάζει σημαντικά την οικονομική διάρθρωση ή την επιχειρηματική πορεία της Εταιρείας και του Ομίλου από την 31.12.2016 μέχρι την ημερομηνία έγκρισης των οικονομικών καταστάσεων από το Διοικητικό Συμβούλιο της Εταιρείας.

11. Οι ετήσιες Οικονομικές Καταστάσεις έχουν συνταχθεί βάση των λογιστικών αρχών που χρησιμοποιήθηκαν για την σύναξη των Οικονομικών Καταστάσεων που έληξε την 31η Δεκεμβρίου 2015 , εκτός από τις αλλαγές σε Πρότυπα και Διερμηνίες που ισχύουν από 1η Ιανουαρίου 2016 και αναλύονται στη σημείωση 2 των Οικονομικών Καταστάσεων

12. Δεν έχει επέλθει διακοπή εκμετάλλευσης κλάδου ή εταιρείας του Ομίλου.

Θεσσαλονίκη, 27 Απριλίου 2017

Ο ΠΡΟΕΔΡΟΣ Δ.Σ. & ΔΙΕΥΘΥΝΩΝ ΣΥΜΒΟΥΛΟΣ	Ο ΑΝΤΙΠΡΟΕΔΡΟΣ Δ.Σ.	Ο ΔΙΕΥΘΥΝΤΗΣ ΟΙΚΟΝΟΜΙΚΩΝ
Ιωάννης Κρεστενίτης	**Ιωάννης Παπαϊωάννου**	**Δημήτριος Αλεξανδρής**
Α.Δ.Τ. ΑΒ 680550	Α.Δ.Τ. ΑΕ 183479	Αρ. Αδείας Ο.Ε.Ε. 0105601 Α' τάξης
		Α.Δ.Τ. ΑΖ 683204

INFORMATION REQUIRED UNDER ARTICLE 10 OF LAW 3401/2005

Over the period 1/1/2016-31/12/2016, EYATH S.A. made the following information available to the public in implementation of legislative requirements to that effect. That information was posted to its website (www.eyath.gr) and the website of the Athens Securities Exchange (www.helex.gr).).

EYATH S.A. **NOTIFICATION OF CHANGES IN SENIOR MANAGEMENT EXECUTIVES**

09:30 30 Dec 2016

EYATH S.A.: **CHANGES IN ORGANISATIONAL STRUCTURE OF EYATH S.A.**

12:01 29 Dec 2016

EYATH S.A.: **Notice No. 10132/2016 (Greek translation not available)**

13:28 10 Oct 2016

EYATH S.A.: **NOTICE: COMMENTS ON THE FINANCIAL STATEMENTS FOR THE 1ST HALF OF 2016**

18:13 29 Sep 2016

EYATH S.A**.: NOTIFICATION OF CHANGE OF INTERNAL AUDITOR**

15:39 11 Aug 2016

EYATH S.A.: **NOTIFICATION OF CHANGES IN SENIOR MANAGEMENT EXECUTIVES**

09:46 27 Jul 2016

EYATH S.A.: **CUT-OFF DATE FOR DIVIDENDS – PAYMENT OF DIVIDENDS / ADVANCE DIVIDEND**

12:55 13 Jun 2016

EYATH S.A.: **CHANGE TO EYATH S.A.'S FINANCIAL CALENDAR**

13:26 27 May 2016

EYATH S.A**.: NOTIFICATION OF EYATH S.A.'S COUNTRY OF ORIGIN**

13:21 27 May 2016

EYATH S.A.: **ANNOUNCEMENT OF THE RESULTS OF VOTING AT EYATH S.A.'S ORDINARY GENERAL MEETING**

13:30 25 May 2016

EYATH S.A**.: ANNOUNCEMENT OF THE RESULTS OF VOTING AT EYATH S.A.'S ORDINARY GENERAL MEETING (errata corrected)**

10:23 13 May 2016

EYATH S.A**.: NOTICE OF CHANGE IN COMPOSITION OF BOARD OF DIRECTORS**

13:25 12 May 2016

EYATH S.A**.: Notice No. 4755/2016 (Greek translation not available)**

13:25 12 May 2016

EYATH S.A.: **ANNOUNCEMENT OF THE RESULTS OF VOTING AT EYATH S.A.'S ORDINARY GENERAL MEETING**

12:28 12 May 2016

EYATH S.A**.: ANNOUNCEMENT OF THE ORDINARY GENERAL MEETING DECISIONS**

14:48 11 May 2016

EYATH S.A**.: ANNUAL ANALYSTS PRESENTATION 2016**

11:33 21 Apr 2016

EYATH S.A.: **Notice No. 4089/2016 (Greek translation not available)**

09:34 20 Apr 2016

EYATH S.A**.: ADVANCE NOTICE OF GENERAL MEETING**

09:31 20 Apr 2016

EYATH S.A.: **Notice No. 3527/2016 (Greek translation not available)**

13:34 01 Apr 2016

EYATH S.A.: **(ERRATA CORRECTED) COMMENTS ON EYATH S.A.'S 2015 FINANCIAL STATEMENTS**

13:20 30 Mar 2016

EYATH S.A.: **COMMENTS ON EYATH S.A.'S 2015 FINANCIAL STATEMENTS**

12:52 30 Mar 2016

EYATH S.A**.: Notice No. 2645/2016 (Greek translation not available)**

15:28 29 Mar 2016

EYATH S.A.: **ANNOUNCEMENT OF FINANCIAL CALENDAR**

15:26 29 Mar 2016

AVAILABILITY OF FINANCIAL STATEMENTS

The annual and interim financial statements of the Group and Company, the Audit Report, and the Board of Directors' Management Report to the Annual Ordinary General Meeting have been posted to the company's website (www.eyath.gr).